

Why chief HR officers could make great CEOs

By [Alan Hosking](#)

1 Aug 2016

Looking for a worthy successor for the CEO of your company? Look no further than your chief HR officer. That's according to research by Professor Dave Ulrich and Ellie Filler.



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For too long, HR professionals have been treated as the Cinderellas who didn't quite make it to the ball. The HR division was viewed as a backwater that had very little, if any, strategic significance, let alone influence on the real business activities of the company. This was reflected in an attitude where the CEO and CFO would essentially say to the CHRO, "You keep the people happy and we'll make the money."

In such companies, the CHRO would be sidelined from the real business issues in the name of "keeping the people happy". He or she would be tolerated by the CEO and CFO as a necessary evil and treated with courtesy, but not really taken very seriously or asked for any real input regarding difficult core business decisions.

Those who have held this view of HR as an inconsequential part of the business may, however, need to reconsider in light of new research conducted by University of Michigan Professor Dave Ulrich and Swiss-based senior client partner of executive recruiting firm Korn Ferry, Ellie Filler. Their findings demonstrate that, contrary to popular opinion, time in the chief HR officer position serves as excellent preparation for the CEO position.

Comparative assessment

To examine the significance of the CHRO's role, one of the first things Ulrich and Filler undertook was a comparison of CHROs' salaries with those of other C-suite executives. Predictably, they found that CEOs and COOs came out tops, but third in line were CHROs. According to Ulrich, good CHROs get paid good money because they're not easy to find.

Ulrich and Filler then examined Korn Ferry assessments of a wide range of C-suite candidates over a 10-year period, considering scores related to 14 aspects of leadership in three categories – leadership style, thinking style, and emotional competency. A comparison of the results among a variety of executives revealed, rather unpredictably in this case, that, with the exception of COOs, CHROs had the most similar traits to those of the CEO, a result Ulrich says they never anticipated.

The upshot of this, was that Ulrich and Filler made the rather surprising observation that CHROs would be well worth considering for the CEO position. While one has to be careful of considering it a dead cert for HR professionals to progress to the corner office, the research does make a case for the fact that time in the CHRO's role serves as good preparation for the top job.

The broader picture

Ulrich and Filler are quick to point out that if someone has spent their entire career in HR, they would probably not be suited for the CEO job as the position requires a range of leadership skills that will probably not be part of the “career HR” person's toolkit. Executives who have operated across a broad spectrum of business activities during the course of their careers and who have then moved into the senior HR position for a period of time would, however, be ideally placed to become the CEO.

Does that mean that people who have made a career of HR have missed the boat for that top job? Not necessarily. They will have limited their options if they have not made any attempt to acquire technical as well as financial skills as they have progressed through the ranks.

How to get into the corner office

Advice to HR professionals with their eye on that corner office? Based on the conclusions Ulrich and Filler came to, it would seem that HR professionals must make a point of moving through general management and/or line management positions to acquire some serious leadership experience in addition to their solid HR experience. Secondly, they need to make it their business to understand the language of the CFO and learn to speak it ... fluently. Until they grasp the intricacies of the financial matters related to the business, they will be nothing more than interested spectators.

While the practice of HR is certainly not for the faint-hearted, when one remains in HR exclusively, one does not have the opportunity to acquire certain skills that are not readily accessible in the HR division. Any HR professional looking to rise to the top must therefore bear in mind the old saying: a calm sea never made a good sailor. Learning sailing skills in a spread of business contexts, including HR, will serve you well if you are keen to captain a ship navigating the high seas of global business practice.

*Dave Ulrich will be hosting a conference titled Strategy, Leadership and Talent for Short-term Results and Long-term Economic Growth on 18 and 19 October 2016 in Cape Town and Johannesburg respectively. For more information on the events, visit: www.brg.co.za/dave-ulrich-live-in-sa/

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