THE CHIEF HUMAN RESOURCES OFFICER ROLE

Results of the 2022 HR@Moore Survey of CHROs

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Many thanks to the Center for Executive Succession
partner CHROs for their support of our research
EXECUTIVE SUMMARY

The 2022 HR@Moore Survey of Chief Human Resources Officers (CHROs) received responses from approximately 150 CHROs answering questions on a number of issues regarding the CHRO role.

CHROs stand out as one of, if not the most diverse C-suite populations, as our respondents are 67% female and 14% non-white. While more racially diverse than most other C-suite roles, the latter number suggests this may still be an area of opportunity.

CHROs have made very little changes in how they allocate their time to different CHRO roles over the past five years, with them spending slightly more time leading the HR function and slightly less time as a strategic advisor on average. While executive compensation continues to be the single issue they spend the most time discussing with their boards, the time spent on this issue has decreased over these five years. Now, they now spend almost as much time on succession (combining CEO and other executives) issues as they do executive compensation. Few differences were observed between male and female CHROs in how they spend time in their role or work with their boards.

CHROs continue to be hired predominantly from outside the organization, with just over one-third promoted from within. In past years, the internal/external data for CFOs was almost exactly the opposite (most promoted from within); however, the CFO role now is almost equally balanced between external hires and internal promotions.

CEOs continue to see delivering talent as the top priority for CHROs and the HR function, followed by culture and diversity, equity, and inclusion (DEI). While DEI was the third-most cited priority according to our respondents, it was only mentioned first (on the list of 2-3 priorities respondents were asked to provide) one time.

Consistent with last year’s results, CEOs seem to land on the moderate/right end of the spectrum in terms of their political beliefs on economic issues, but moderate/left on social issues. In comparison, CHROs seem slightly less moderate/right and much more liberal/left than CEOs on economic and social issues, respectively. Finally, in the most interesting finding, significant differences emerge between male and female CHROs, with male CHROs being more conservative/right on economic issues and female CHROs being much more liberal/left on social issues.
INTRODUCTION

The previous 10-15 years have seen significant turmoil in the business environment with economic peaks and valleys, a global pandemic, racial unrest, and an increasing focus on environment, social, and governance (ESG) issues. Each of these challenges brought about increasing demands on and visibility of those serving as Chief Human Resources Officers (CHROs). The HR@Moore survey of CHROs has examined the changing role of the CHRO for over 15 years, and the 2022 survey provides the most recent glimpse into how the role continues to evolve.

This year’s survey focused on a number of issues consistently explored in the past, particularly regarding the time CHROs spend in different aspects of their role as well as the topics on which they spend the most time interacting with the board of directors. Given the increasing calls for companies (and particularly their senior executives) to take public stands on what might be considered political issues, this year we also asked about the political beliefs of both CEOs and CHROs to determine the level of alignment between the two. This report relies on the responses of nearly 150 CHROs to address these issues.
Demographics of the CHROs Responding

We have always asked but not always reported the demographics of the CHRO sample. We do so here because, even if not a rigorous assessment of all S&P 500 CHROs, we believe that our sample provides a reasonable starting point for understanding the demographic makeup of today's CHROs.

As can be seen in Figure 1, the CHROs responding to our survey were primarily female (67%). This is an increase relative to past surveys that usually found females in a slight majority, but usually only 52-54%.

**Figure 1** Sex of CHROs
While the CHRO pool has trended toward more females, the racial makeup is relatively unchanged. As Figure 2 shows, 86% of CHROs in our survey were white and 10% Black/African-American. Only small percentages were Asian (3%) and Hispanic/Latino (2%).

**FIGURE 2** Race of CHROs

![Race of CHROs](image)

Such a small percentage of non-white CHROs makes comparisons based on race untenable, but we do provide comparisons between sexes regarding the CHRO role.
CHRO Time Spent

Since the inception of the survey, we have asked CHROs to indicate the amount of time they spend in 7 different roles as identified at the origin of the research on CHROs. These roles are described in Table 1:

**Table 1** Roles of the CHRO:

- **Strategic Advisor to the Executive Team** - activities focused specifically on the formulation and implementation of the firm’s strategy
- **Counselor/confidant/coach to the Executive Team** - activities focused on counseling or coaching executive team members or resolving interpersonal or potential conflicts among team members
- **Liaison to the Board of Directors** - preparation for Board meetings, phone calls with Board members, attendance at Board meetings
- **Talent Strategist/Architect** - activities focused on building and identifying the human capital critical to the present and future of the firm
- **Leader of the HR Function** - working with HR team members regarding the development, design and delivery of HR strategy, processes, and services
- **Workforce Sensor** - activities focused on identifying workforce engagement/morale issues or concerns and building employee engagement
- **Representative of the Firm** - activities with external stakeholders, such as government agencies, investor groups, proxy advisory firms, professional societies, etc.
Consistent with past results, Figure 3 shows that CHROs revealed they spend the most time as the Leader of the HR Function; however, the amount of time (23%) has increased slightly over the previous 4 years. This increase seems to have come at the expense of the Strategic Advisor role which decreased slightly over the previous two years. This may indicate that CHROs were more heavily involved in developing strategies for handling the pandemic (2020) and the return to workplace (2021) efforts, but now have recalibrated their focus on building and improving the HR function. The time spent as Talent Architect (16%) and Counselor/Confidante/Coach (14%) are relatively consistent with past results. However, we continue to see significant time spent as a Liaison to the Board (12%). This is not surprising given a broader board

**FIGURE 3**

Over the course of an average fiscal year, what percentage of your time would you say you spend in each of the following roles?
governance focus on the importance of executive succession planning and also how a number of the recent events such as the pandemic and the social justice protests focused the board on issues directly relevant to the CHRO's role.

In comparing how male and female CHROs allocate time to these different roles, we see few if any noteworthy differences. As can be seen in Figure 4, male and female CHROs express almost equal amounts of time in all the major roles. While not significant, if anything, male CHROs spend slightly more time in the Leader of the HR function and Strategic Advisor roles, and female CHROs spend slightly more time as a liaison to the board.

**FIGURE 4**

Over the course of an average fiscal year, what percentage of your time would you say you spend in each of the following roles (by gender)?

<table>
<thead>
<tr>
<th>Role</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader of the HR Function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Advisor to the Executive Team</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talent Strategist/Architect</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counselor/confidant/coach to the Executive Team</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liaison to the Board of Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce Sensor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Representative of the Firm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Bar chart showing time allocation by gender](chart.png)
Supporting our assertion that recent events have put the CHRO in more direct and more frequent interaction with the board of directors, Figure 5 shows how time spent on different topics around which they interact with the board. Over the 14 years we have conducted the survey, a number of new issues have emerged that we added to this survey, i.e., culture/engagement and diversity, equity, and inclusion (DEI). This makes numerical comparisons with past years inaccurate, so we will focus the figure on this year’s survey, but provide some observations of what we think has occurred based on past data and conversations with CHROs.

First, consistent with past results, CHROs report spending the most time with the board around executive compensation issues (31%), though this number continues trending downward significantly. For the first 5-7 years of this survey, CHROs reported spending 60% of their time with the board on this issue. This year’s results do not mean that executive compensation has become less important.

**FIGURE 5** Over the course of an average fiscal year, of the time you spend with the Board, what percentage of your time would you say that you spend working with the Board of Directors (or its equivalent) on the following?

- Executive Pay
- CEO Succession
- Other Senior Executive Talent Succession
- Diversity, Equity, and Inclusion Strategy
- Culture / Engagement
- Ethics Compliance Governance
- Risk Management
- Other
- Other Senior Executive Performance
- CEO Performance
- Activist Investors

0% 5% 10% 15% 20% 25% 30% 35%
compensation has become less important, but rather that other issues have become more important. For instance, we, as the Center for Executive Succession, are happy to report that CHROs spend significant amounts of time with the board on CEO succession (16%) and other executive succession (13%). In other words, CHROs spend almost as much time (29%) on executive succession as on executive compensation (31%) representing a vast transformation in the CHRO role over the past 10 years. And when considering the board’s focus on overall human capital related issues to include DEI (13%) and culture/engagement (12%) it appears that board increasingly engage the CHRO regarding the overall management of people within their company.
When comparing how male and female CHROs spend time with the board, a few differences emerge that are worth discussing as seen in **Figure 6**. Male CHROs report spending approximately 4% more time on this issue relative to female CHROs. On the other hand, female CHROs report spending approximately 3% more time discussing culture and engagement with the board relative to male CHROs. In general, when considering overall talent issues (CEO succession, executive succession, and DEI) female CHROs report spending slightly more time relative to male CHROs.

**FIGURE 6** Over the course of an average fiscal year, of the time you spend with the Board, what percentage of your time would you say that you spend working with the Board of Directors (or its equivalent) on the following (by gender)?
Promotion Paths

We have consistently tracked the route to the CHRO position and found that being hired directly into the position from outside the company proves to be the most common path. This year’s results support that as Figure 7 shows that 56% have been promoted that way as compared to only 36% who were promoted internally.

**FIGURE 7** How did the CHRO get promoted into their current role?
However, we found our results diverge regarding how Chief Financial Officers come into their roles. Figure 8 shows that only 47% of respondent companies’ CFOs had been promoted internally compared to past results showing 55-57%. In addition, past results showed closer to 36% of CFOs being hired directly from outside the firm, but our 2022 results show that 45% of responding companies had CFOs hired directly from outside. This may indicate a shift in the CFO role, perhaps brought on by the pandemic, such that internal candidates had been developed for an outdated role and therefore lacked the skills now necessary for the position.

**Figure 8** How did the CFO get promoted into their current role?
The survey asked an open-ended question regarding the top 2-3 deliverables that CEOs demanded of the CHRO and the HR function. These answers were coded and the most mentioned deliverables are shown in Table 2.

Not surprisingly “Talent” topped the list with 61 overall mentions. It was the first item listed 38 times, the second item 17 times, and the third item only 6 times. This was followed by Culture being noted by 42 respondents with 16 mentioning it first, 16 mentioning it second, and 10 mentioning it third. These numbers clearly depict talent as the top deliverable CEOs want from HR as it was listed first almost two-thirds of the time it was mentioned, whereas culture was not only listed less frequently overall but also almost equally distributed across first, second, and third categories. Diversity, Equity, and Inclusion (DEI) appeared third-most with 27 mentions, but only once was it the first item listed, followed by 14 CHROs listing it second and 12 listing it third. Executive succession/bench strength was cited 22 times overall, with 11 of those listing it first. This item clearly falls as a more specific aspect falling under the “talent” umbrella, which provides even more evidence for the fact that talent tops CEOs’ agenda for HR.

### Table 2: Top Deliverables that CEOs Demand of the CHRO and HR Function

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent</td>
<td>61</td>
</tr>
<tr>
<td>Culture</td>
<td>42</td>
</tr>
<tr>
<td>Diversity, Equity, and Inclusion</td>
<td>27</td>
</tr>
<tr>
<td>Executive Succession/Bench Strength</td>
<td>22</td>
</tr>
<tr>
<td>Future of Work/Workplace</td>
<td>10</td>
</tr>
<tr>
<td>Effective Compensation</td>
<td>8</td>
</tr>
<tr>
<td>Capabilities</td>
<td>8</td>
</tr>
<tr>
<td>ELT Effectiveness</td>
<td>7</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>7</td>
</tr>
</tbody>
</table>
Political Beliefs

Given the increasing sociopolitical expectations placed on CEOs and companies, in 2021 we asked for the first time about CEO’s political beliefs on (a) economic issues and (b) social issues. Our results last year showed CEOs generally leaned moderate right to conservative/right on economic issues, and moderate left to liberal/left on social issues. This year we also asked about the political beliefs of the CHROs in these two areas and these results are displayed in Figures 9 (economic issues) and 10 (social issues). As can be seen in Figure 9, CEOs still seemed to lean moderate-right to conservative/right on economic issues. CHROs seem to be relatively aligned, although tend to be slightly less conservative/right than their CEOs. Note that neither group had anyone that fell in the far liberal/left category.

**FIGURE 9** Political views of CEOs v. CHROs on economic issues
Regarding social issues, however, significant differences emerged. While CEOs continued to fall in the moderate-left to liberal/left end of the spectrum, CHROs leaned significantly further left than their CEOs. As can be seen in Figure 10, almost 50% of CHROs expressed being in the two furthest liberal/left categories compared to only 35% of CEOs and that number moves to 75% for the three furthest liberal/left categories compared to only 50% of CEOs. Together these results seem to indicate that CHROs are far more aligned with their CEOs regarding economic issues than social issues. It is unclear if this is beneficial (i.e., CHROs provide a different and complementary perspective for their CEOs) or problematic (conflict arises from differing viewpoints or priorities).

**FIGURE 10** Political views of CEOs v. CHROs on social issues
While comparing CEOs and CHROs political beliefs provides interesting results, even more differences emerge when comparing male and female CHROs. These results are displayed in Figures 11 (economic issues) and 12 (social issues). On economic issues male CHROs express far more conservative beliefs than female CHROs. For instance, almost 40% of male CHROs express falling in the two furthest conservative/right categories relative to only 21% of female CHROs. Also, if broadened to the three furthest conservative/right categories, 75% of males fall in that range compared to only 49% of female CHROs.

**FIGURE 11** Political views of CHROs on economic issues by gender

![Bar chart showing political views of CHROs on economic issues by gender](chart.png)
The differences grow when comparing male and female CHROs on social issues where female CHROs express far greater liberal/left beliefs compared to their male counterparts. Female CHROs expressing the most liberal/left two categories outnumber males 64% to 18%. Most interestingly, 18% of the female CHROs fell into the most liberal/left category whereas not a single male CHRO did. This is not to suggest that male CHROs are conservative, as only 15% of them reported being in the three most conservative rating groups.

**FIGURE 12** Political views of CHROs on social issues by gender
CONCLUSION

While CHROs have not changed much in terms of how they spend their time, it appears that after focusing more time providing strategic advice during pandemic lockdowns and the return to the workplace process, this focus has subsided a bit, allowing them to spend more time focusing on the HR function. They continue to decrease their time spent with the board on executive pay issues and increase time on succession- and human capital-related issues. In fact, it appears that CHROs have arrived at a more balanced portfolio of activities and topics on which they spend time with the board. This suggests that CHROs have increasingly become an important source of information for the board on a variety of human capital issues.

CHROs continue to be hired primarily as outsiders, with just over one-third being promoted internally, largely consistent with the past few years. Our data does show, however, that the CFO role may be changing significantly, in that a much higher percentage of sitting CFOs were hired from outside than in the past and, correspondingly, a much lower percentage were promoted from within. If the rate of change we have observed over the past few years continues, we may see the external/internal numbers for CFOs converge with those of CHROs over the next few years.

CHROs seem to be reasonably aligned with their CEOs in terms of their political beliefs regarding economic issues but are more liberal than their CEOs on social issue topics. We cannot speak to whether this divergence tends to help CEOs think about social issues in a different way or create tensions around these differing views. This dynamic may depend on the CEO, in that some value diverse viewpoints being represented in their C-suites whereas others want their CHROs to be aligned with what they already believe.

When comparing how male and female CHROs allocate their time to different aspects of the CHRO role, very few and only minor differences emerge. They do differ somewhat in terms of the time they spend with the board, as male CHROs spend a bit more time on executive compensation and female CHROs spend more time on culture and engagement.

Most interesting are the differing political beliefs of male and female CHROs, with male CHROs expressing much more moderate/right beliefs on economic issues and female CHROs expressing much more liberal/left beliefs on social issues. It is unclear what this implies for CHROs. It may be that CEOs who want someone with complementary political views will be more likely to find that with a female CHRO. But CEOs who prefer aligned political beliefs with their CHROs may be more comfortable with a male CHRO.
The Center for Executive Succession serves as an independent, objective source of knowledge regarding C-suite succession practices. The center provides a forum for corporate leaders to shape the future direction of succession practices, which are increasingly one of the board’s top governance priorities. Our partners have the opportunity to contribute to cutting-edge research that challenges the status quo and is empirically driven to further success in C-suite succession planning. For more information or to inquire about potential membership, please visit our website or contact us at sc.edu/moore/ces.

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The Darla Moore School of Business at the University of South Carolina is home to a world-class faculty and 13 major research centers. It is committed to educating leaders in global business and to playing a central role in the economic growth of the state by bringing the world to South Carolina and South Carolina to the world.

Founded in 1919, the Moore School has a history of innovative educational leadership, blending academic preparation with real-world experience through internships, consulting projects, study abroad programs and entrepreneurial opportunities. The Moore School has grown into a thriving site of academic excellence with an enrollment of more than 5,300 undergraduate students and more than 700 graduate students. The school offers a wide range of programs in nine undergraduate concentrations, seven master’s degrees and two Ph.D. degrees as well as executive education programs and consulting services to the business community.

In 1998, the school was named for South Carolina native Darla Moore, making the University of South Carolina the first major university to name its business school after a woman.

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