



The rise of the Chief HR Officer

"One year on..."



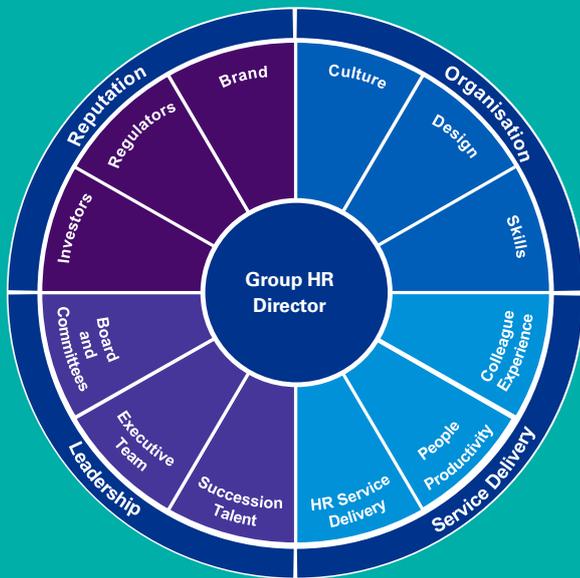
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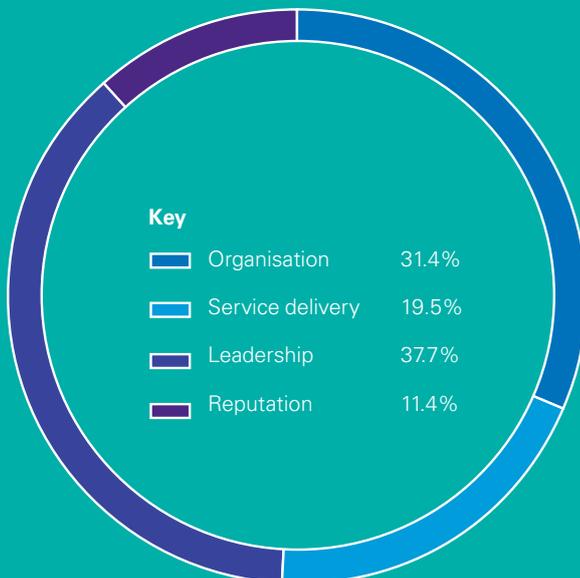
In 2017, we published a paper on the role of the CHRO in large public companies. Having spoken with many CHROs both as an Advisor and as a peer, our sense was that the role is constituted quite differently depending on the type of business, the maturity of the function, the passions and interests of the CHRO and the business environment of the moment. The paper highlighted four different areas of focus which took up different proportions of time for different CHROs (Figure 1). We hoped the findings would be useful for those aspiring to such a role.

Figure 1

Quadrant model: The choices of a Group HR Director



Average time spent per quadrant (%)



At the same time we took a snapshot of the CHROs in the FTSE 100 in 2011, and again in September 2016, to look at how the composition of role holders had changed.



We found a number of trends (Figure 2). Most notably, the proportion of CHROs who were female went from a minority (44%) to a majority (60%). We also saw that that proportion who had worked in more than one sector in their career increased from 70% to 82%, perhaps illustrating the impact of sector convergence and the benefits of a broader perspective. We saw a jump during this period of the proportion of CHROs with a professional HR background, from 69% to 80%, with 70% sitting on the formal Executive Committee or Operating Committee (Exco).



We thought it would be informative to repeat this analysis one year on. Between Autumn 2016 and Autumn 2017, 10 businesses left the FTSE 100 and were replaced, and for those that remained, 24 CHROs moved. So overall 34 per cent of the FTSE 100 CHROs were changed. What did that do to the overall profile?



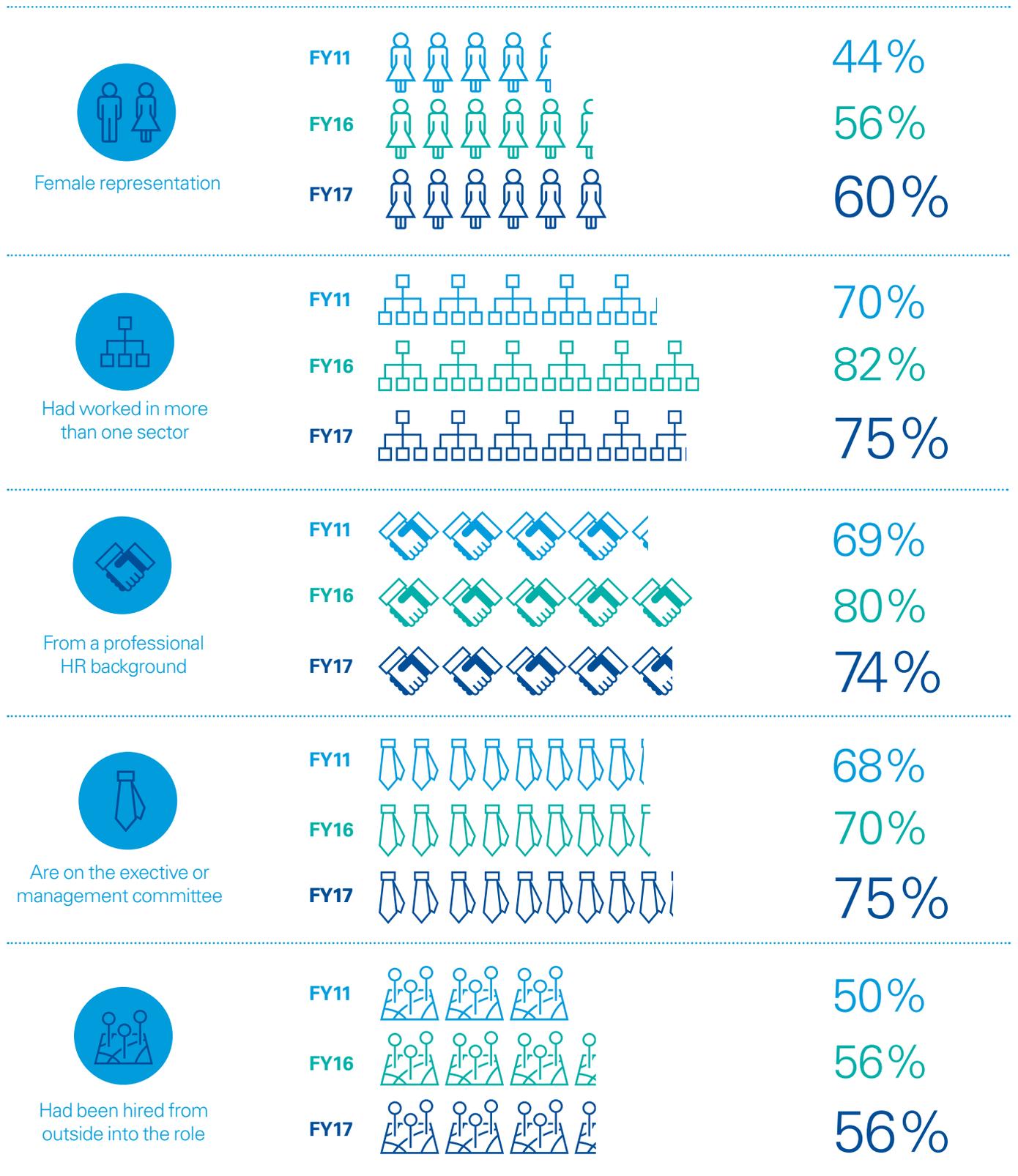
The clearest trend was that it further increased the % of female CHROs (56% to 60%). We also saw an increase in the number of CHROs on Exco, from 70% to 75%, further evidencing the increasing status of the role.



The other data we collected – on percentage of CHROs hired vs promoted, and on the type of experience (HR vs non-HR, within sector vs outside) were stable.

Figure 2

Summary of FY11, FY16 and FY17 trends



We will seek to repeat the study next year and also re-interview a sample of CHROs to hear how their role is changing. With the pace of Automation and AI accelerating, political and social landscape shifting, ever more regulation, and the nature of work itself under the microscope, we expect some interesting answers!

Contact us

For further information on how KPMG in the UK can help your business, and/or to request a copy of last year's report please contact us:

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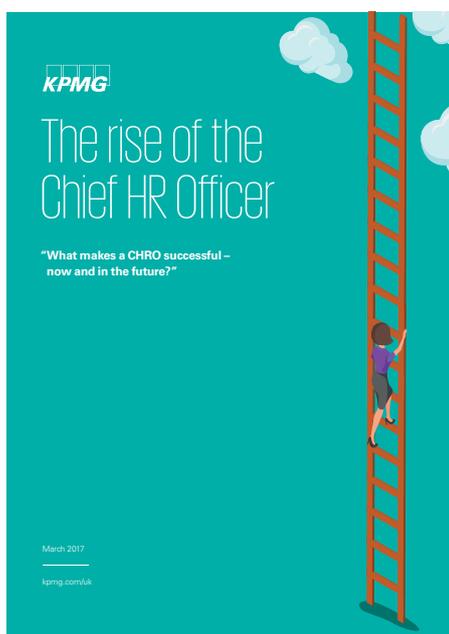
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