THE WINNING SYSTEM · PRINCIPLE 3

The CHRO at a Crossroads

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In 1999, Australia selected a wicketkeeper for a Test match against Pakistan in Brisbane. Nothing unusual about that. What was unusual was the innings that followed. Adam Gilchrist walked to the crease at number seven, scored 81 not out on debut, and changed the job description of every wicketkeeper in world cricket — permanently, irrevocably, and without anyone formally deciding that the role needed to change.

For most of cricket's history, the wicketkeeper was selected for one thing: what happened behind the stumps. Keeping was the job. Batting was useful, but optional at the margins. A tidy lower-order 30 was considered a contribution. Then Gilchrist arrived and averaged 47.60 in Test cricket — numbers that would justify selection for most teams on batting alone — while also taking 379 catches. He opened the batting in ODIs. He hit the then second-fastest Test century in history off 57 balls. He was one of Australia's most dangerous batsmen, who also happened to keep wicket.

The consequences were immediate and permanent. As Brad Haddin, who succeeded Gilchrist behind the stumps, said plainly: 'Before Gilly came along, the batting was a bonus. But the way he revolutionised the role, you had to become an allrounder and contribute more with the bat.' Kumar Sangakkara was blunter still: Gilchrist 'influenced selectors to look at wicketkeeping from a completely different perspective — to understand that a wicketkeeper has to be highly skilled, but at the same time, if he can't contribute with the bat, then picking him becomes quite difficult.'

The specialist keepers who came before Gilchrist did not become worse at their jobs. Some were genuinely brilliant — technically immaculate, safe under pressure, everything a wicketkeeper had been asked to be for a hundred years. The role simply moved around them. What had been entirely sufficient for generations was suddenly, within the span of one player's career, no longer enough. Sri Lanka pushed Sangakkara into gloves. India backed Dhoni. Every nation restructured its selection criteria around the new version of the position.

> The specialist keepers didn't fail. The role moved. That is a different problem — and a more instructive one.

This is not a cricket story. It is a story about what happens when an established role acquires new requirements so quickly that the people who have historically held it find themselves measured against a standard that did not exist when they built their careers. It is happening right now to the Chief Human Resources Officer. The question — the only question that matters — is whether the people in that role are building the new capability before the conversation happens, or waiting to be asked.

THE PRINCIPLE

The Position Belongs to the Game

In high performance sport, coaches spend a great deal of time thinking about a question that sounds simple but isn't: is this person in the right role for the version of the game we are playing right now? Not the version we played last season. Not the version that made them famous. The version being played today, against today's opponents, with today's demands.

The answer changes. It changes because the game changes. Rules shift. Tactics evolve. What the position asks of the person holding it is not fixed — it is a live negotiation between the role's requirements and the player's capabilities. The coach's job is to manage that negotiation honestly, without sentiment and without delay. The best coaches I have worked with understood something that most organisations miss: loyalty to the person and clarity about the role are two different things and conflating them is a disservice to both.

That is the Sideline Principle. The position does not belong to the player. It belongs to the game. When the game evolves, the question is not 'have they always played here?' The question is 'can they play the version of the role the team now needs?' — and if the honest answer is not yet, the follow-up is 'are they actively building toward it, or assuming the role will stay the same?'

It cuts both ways. The coach who plays someone past their effectiveness out of familiarity is not being loyal — they are being negligent. But the player who sees the game changing and moves deliberately to meet it — who redefines what they bring to the role before someone redefines it for them — stays in the starting lineup. More than that: they become the new standard the position is measured against. Gilchrist did not just play the role well. He redefined what the role was.

The CHRO sits at exactly this inflection point. The role has acquired new requirements faster than most of the people holding it have acquired new capabilities. What follows is an explanation of what changed, why it changed, and what the leaders who are navigating it well are doing.

THE PATTERN

Three Roles, One Evolution — and One Warning

The CHRO is not the first C-suite role to go through this kind of transition. The pattern has played out twice before in the past three decades, and both times it followed the same sequence. Understanding that sequence is useful, because the organisations on the wrong side of it rarely saw it coming — and the ones on the right side rarely waited to be asked.

The CFO: From Scorekeeper to Co-Pilot

The CFO began as a financial steward — guardian of the books, manager of compliance, reporter of what already happened. By the 1990s, rising business complexity pushed CFOs toward strategic financial planning. By the 2000s, the transformation was complete: the modern CFO is what many now describe as the CEO's co-pilot, not reporting on the past but co-authoring the future. Nine out of ten CFOs now make calls on business-critical decisions across the entire organisation, not just the finance function. CFOs who did not make that identity shift were structurally marginalised even when their technical skills remained strong.

The CIO: The More Instructive Story

The CIO story is the one every CHRO should study closely, because it is the cautionary parallel and the data is uncomfortably specific. CIOs began as highly skilled technologists. The dot-com era created space for them to be more strategic. But many stayed anchored to their original identity — keeper of the infrastructure, manager of the systems. When Industry 4.0 arrived and demanded transformation at speed, that anchor became a liability.

Organisations found their CIOs too embedded in legacy operations to lead rapid change. The market's response: they created an entirely new role — the Chief Digital Officer — specifically to do what the CIO was not doing. In many cases, IT responsibilities were structurally split: the CIO retained the 'run' duties while the CDO owned 'innovate.' A functional demotion dressed up as an org chart decision.

THE CIO DATA — AND WHY IT MATTERS FOR HR

- CIO turnover historically ran at 34% — twice the CFO rate (17%) and nearly three times that of CEOs (12%)
- Average CIO tenure: 4.3 years — the shortest of any C-suite role (Korn Ferry, Top 1,000 US Companies)
- CIO representation on top management teams declined 10% in 2020 as technology decisions migrated to CMOs, COOs and business unit leaders
- By the late 2010s, ~35% of major media companies had installed a CDO — specifically to bypass CIOs too operationally anchored to lead transformation
- In 2024, a new CEO at one of the world's largest food companies committed publicly to becoming an AI-powered organisation — then removed the sitting CIO from the Executive Board
- The consistent pattern: not incompetence, but identity mismatch. The role evolved. The person did not move with it.

The lesson is not that CIOs were failures. Many were brilliant at what they were originally hired to do. The lesson is that 'what you were hired to do' and 'what the organisation now needs' can diverge — and the gap can widen without anyone announcing it, until the decision is already made. The CHROs who understand this are building the new capability now. The ones who don't are waiting for a signal that, when it arrives, will arrive as an outcome rather than a conversation.

THE SHIFT

What the Data Shows

The CEO expectation of the CHRO has moved significantly and measurably. These are not directional trends — they are the current state of the market, and they set the standard against which every CHRO is now being evaluated whether they know it or not.

89%

of CEOs believe the CHRO should have a central role in business success — not just in the people function (Accenture)

35%

CHRO turnover increase in Q4 2024 — the highest level since 2019. Internal succession dropped from 73% to 53% in one year (Russell Reynolds)

15%

of new CHROs appointed in 2024 came from outside HR entirely — regional CEOs, transformation leads, other C-suite roles

The internal succession number deserves particular attention. When internal candidates consistently lose ground to external appointments, it is rarely because the internal talent is weak. It is because the profile the organisation is now looking for is different from the profile it developed internally. That is exactly what happened to CIO succession in the mid-2010s. It is happening to CHROs now.

Josh Bersin, one of the most credible analysts of the HR function globally, put it directly: 'The HR function is changing so fast organisations can't keep up with it. They increasingly need agile and business-savvy CHROs who can adapt to change and have proven they can work effectively with boards. Those skills aren't always easy to develop internally.' The CHROs who will still be in the role in five years are those who are building those skills now — not because someone told them to, but because they read the same data and drew the obvious conclusion.

One more number worth sitting with: the CHRO departs alongside a new CEO 52% of the time. That statistic is either a vulnerability or an opportunity, depending entirely on how clearly the CHRO has built their strategic identity and board credibility independent of any single CEO relationship.

THE SECTOR ARGUMENT

Where the Gap Is Widest — and the Stakes Are Highest

Every sector has its own version of this conversation. But in energy, resources, transportation and industrial organisations, the distance between where HR currently operates and where it needs to be is wider than in most other sectors — and the value of closing it is proportionally higher.

These are asset-intensive, operationally complex, safety-critical environments. A decision about culture, capability, or leadership in an oil sands operation, a power utility, a mine site, or a major infrastructure project does not carry the same consequences as the same decision made in a professional services firm. The stakes are different. The timelines are longer. The margin for error is smaller. And yet HR in these sectors has historically been staffed, funded, and evaluated as a back-office function — hiring for field operations, managing labour relations, running compliance training, processing benefit enrolment.

> In sectors where a single workforce decision can move billions in capital, the CHRO cannot be a support function. They need to be one of the most analytically capable and commercially literate executives in the building.

The CEOs of major energy and industrial organisations are now managing a convergence of pressures that would not have been recognisable a decade ago: the energy transition and its workforce implications, the rapid adoption of AI and automation on operational sites, generational change in the workforce affecting both talent availability and expectation, and geopolitical and regulatory environments that require organisational agility at pace. Every one of these is fundamentally a people and culture challenge before it is anything else.

WHAT THE ENERGY AND INDUSTRIAL CHRO NOW NEEDS TO OWN

→ Workforce transition strategy for the energy shift — reskilling at scale from legacy roles to new technical and digital capabilities, on industrial timelines

→ Human-machine integration planning — as automation arrives on operational sites, the design of who does what and how is a CHRO question before it is a technology question

→ Leadership pipeline architecture — for a world where technical expertise alone no longer qualifies someone for leadership in complex, fast-changing environments

→ Culture as a safety and performance system — in high-risk environments, culture is not an HR initiative, it is an operational imperative with direct links to regulatory standing and project delivery

→ Talent intelligence in constrained markets — competition for skilled trades, engineers and operational leaders in these sectors is acute and tightening

→ Board-level counsel on human capital risk — the regulatory, reputational and operational dimensions of workforce decisions that boards increasingly want from the CHRO, not the legal team

The organisations in these sectors that close this gap will carry a genuine competitive advantage in execution speed, operational resilience, and the capacity to navigate transformation without fracturing the culture that holds complex organisations together. The ones that continue to treat HR as a back-office function will keep discovering the same thing: the workforce is the strategy. The only variable is how long it takes to learn it.

THE AI INFLECTION

The Redesign of Work — and Who Should Own It

Artificial intelligence is not a future consideration for the CHRO. It is a present operational reality. Sixty-two per cent of organisations are already deploying AI somewhere in their operations, with 39% having adopted it within the HR function itself (SHRM, 2026). The 2026 Gartner CHRO Priorities research — drawn from 426 CHROs across 23 industries — identified evolving the HR operating model for AI as the single highest-impact initiative available, with a projected 29% productivity gain. Against that, only 18% of CHROs believe their organisation consistently uses data analytics to drive people decisions.

That gap — between the scale of the opportunity and the current state of the function — is not a technology problem. It is a leadership problem. The CHROs who are closing it are not doing so because their IT team built them better tools. They are doing so because they personally developed enough fluency in data and AI to lead the conversation, shape the agenda, and hold the function accountable to outcomes that the CFO and CEO can read and believe.

The World Economic Forum projects 170 million new jobs and 92 million displaced globally by 2030, with 39% of current skills expected to be obsolete. In energy and industrial sectors, where skills take years to develop and the labour market is already constrained, those numbers represent a workforce challenge of significant scale. The CHRO who positions HR as the function that leads that transition — with analytical rigor, workforce redesign capability and a clear-eyed view of the human dimensions of change — becomes one of the most consequential executives in the organisation.

WHAT AI IS DOING TO THE CHRO ROLE

- Automating transactional HR work — payroll, compliance, records — which is not a threat but a release of capacity for strategic activity
- Enabling predictive people analytics: forecasting turnover risk, identifying engagement deterioration early, modelling leadership effectiveness at scale
- Creating a workforce redesign mandate — who does what when AI takes on process work is a CHRO question before it is an operations question
- Generating an AI governance responsibility — the EU AI Act classifies recruitment, performance evaluation and workforce management as high-risk applications requiring active CHRO oversight
- Organisations with structured AI training programmes see 2.6x faster adoption — building that capability is an HR function, not a technology function
- Gartner 2026: evolving the HR operating model for AI has the highest predicted productivity impact of any single CHRO initiative available — 29% gain

THE PROOF

What It Looks Like When It Works — Microsoft and Kathleen Hogan

In November 2014, Satya Nadella — newly appointed as Microsoft's CEO — needed a Chief People Officer for a company in trouble. Revenue growth was stalling. The internal culture, as Nadella himself described it, had produced a company of 'know-it-alls' — locked in a fixed mindset, internally competitive through a stack-ranking system that pitted employees against each other, and poorly positioned for a market that now required continuous learning and adaptation. He chose Kathleen Hogan.

Hogan had never worked in HR. She was a mathematics graduate from Harvard who had started her career as a software developer at Oracle, then moved to McKinsey as a consulting partner, before spending twelve years at Microsoft — first leading customer support, then running the company's global services division: a $5 billion P&L with 20,000 employees. She understood people as a business variable, not as an HR category. As she would later describe it: 'When you're running a consulting arm, people are your product. Your ability to attract, develop and retain exceptional talent is the key to delivering business results. It all comes down to people.'

Nadella did not choose Hogan because she was the strongest HR candidate. He chose her because the company's problem was not an HR problem — it was a strategic and cultural one — and he needed someone who could operate at that level. She arrived with a P&L background, commercial credibility across the business, and the analytical discipline of a consultant. She happened to have spent twelve years managing the largest people-intensive function in the organisation. That combination was the point.

What Hogan did at Microsoft was not run the HR function better. She redefined what the function was for. Working directly with Nadella, she architected a company-wide cultural transformation built around the concept of a growth mindset — shifting Microsoft from a culture of internal competition and hierarchy to one where learning, collaboration and risk-taking were actively reinforced. She abolished stack ranking, redesigned performance management around real-time feedback, built a people analytics function that made data-driven decisions standard, and held the leadership team collectively accountable for culture outcomes, not just the HR function.

The results are not ambiguous. When Hogan was appointed, Microsoft's market capitalisation was approximately $300 billion. A decade later — following a transformation that Nadella consistently and publicly credited as central to the company's resurgence — it exceeded $3 trillion. In 2021, Hogan was named HR Executive of the Year. In 2025, Nadella moved her again: into a new role as EVP, Office of Strategy and Transformation — placing her at the centre of Microsoft's AI and enterprise reinvention agenda.

That final move is the most instructive detail in the whole story. The CHRO who spent a decade repositioning the people function as a strategic instrument was not given a bigger HR role. She was moved into the role of leading the company's next transformation. She had not built a better HR function. She had built herself into one of the most consequential strategic leaders in the organisation — and the organisation recognised it in the most concrete way available: by giving her the most consequential job.

> She did not wait for the role to evolve. She evolved — and the role followed her. That is the standard the CHRO position is now being measured against.

THE RESPONSE

From Function Head to Strategic Architect — What the Transition Actually Requires

The pattern across the CFO, the CIO and the Hogan story points to three things that consistently separate the leaders who make this transition from those who don't. They are three related moves that reinforce each other — and the sequence matters.

First: Reframe your identity before someone else does

The CFOs who became co-pilots did not wait for their CEO to ask them to think strategically. They reframed their own role — and made that reframing visible through the decisions they made, the conversations they led, and the language they used. Hogan did the same thing: she walked into Microsoft not as a new HR head but as a business leader who was going to apply commercial and analytical discipline to the people function. That identity was set from day one.

For the CHRO, this means becoming genuinely commercially fluent — not familiar with business concepts, but fluent. Able to read a P&L, participate in capital allocation discussions, hold your own with the CFO on the return on people investment, and translate every significant HR decision into the language of business risk and business opportunity. This is not a training programme. It is a deliberate repositioning of how you think about your own role.

It also means building an external profile as a strategic leader, not a functional head. The CHROs who attract board confidence are those known in the market for their thinking on transformation, workforce architecture and organisational performance — not those known exclusively for strong HR operations.

Second: Build the analytical and AI capability — personally, not institutionally

Only 18% of CHROs believe their organisation consistently uses data analytics to drive people decisions. That is a gap that creates significant differentiation for those who close it — but only if the CHRO personally understands the capability they are building, not just the function that houses it. There is a difference between having a people analytics team and being analytically fluent yourself. The latter earns board credibility. The former earns a line item in the budget.

The same applies to AI. Evolving the HR operating model for AI is, per Gartner's 2026 research, the single highest-productivity initiative available to a CHRO — with a projected 29% gain. But the CHROs making that case persuasively to their CEO and board are those who personally understand the technology well enough to advise on its workforce implications, govern its ethical deployment, and make judgment calls on where human performance becomes more valuable, not less. Delegating that conversation to the technology function is not a strategy. It is an abdication of the mandate.

Third: Own workforce redesign as the enterprise mandate it has become

The integration of AI into operations is not a technology project. It is a workforce architecture challenge — and the only function with the full organisational view to own it is HR. What tasks does AI replace? What new capabilities does the organisation need? Which roles become more valuable as automation increases? How do you reskill at scale without losing the operational continuity that complex industrial environments require? These are CHRO questions. The leaders who answer them proactively — with analytical rigour and a clear commercial frame — position the people function at the centre of the most consequential strategic conversation any organisation is having.

The World Economic Forum projects 39% of current skills obsolete by 2030. In energy and industrial sectors, where skills take years to develop and the talent market is already under pressure, that is not a statistic to monitor. It is a problem to lead. The CHROs in those sectors who build the workforce transition strategy — who own it analytically and present it commercially — become indispensable. Those who wait to receive a brief from the strategy function will find themselves implementing someone else's answer to their organisation's most important people question.

Those three moves are the structural shift. Beneath them, several more specific actions accelerate the transition and protect the strategic position once it is built.

4. Reposition Culture as a Commercial and Operational System

Culture is not an HR initiative — in high-performing organisations it is the operating system, and in safety-critical industrial environments it is a risk management system. Gartner research shows organisations that embed desired culture into daily work see up to a 34% improvement in employee performance. The CHRO who translates culture into business outcomes — quantified, board-presentable, operationally embedded — becomes irreplaceable. The CHRO who runs culture as an engagement survey cycle is running an administrative programme.

5. Own CEO Succession as a Board Mandate

Research from the HR Policy Association found that board directors now rate the CHRO as more important to the CEO succession process than the outgoing CEO themselves. In 2025, global CEO turnover hit 234 departures — a 16% increase over 2024. The CHROs who survive and sometimes outlast these transitions are those who have built board-level credibility on succession through structured, data-informed pipelines — not informal conversations. Build the succession system the board relies on, and you build a relationship with the board that no leadership transition can remove.

6. Build Your Bench — So the Function Is Bigger Than You

CHROs now spend up to 80% of their time with senior stakeholders (Russell Reynolds). The HR function cannot run on your hands-on involvement. You must build and empower people leaders who can run the function at an exceptional level while you operate at the executive interface. The best head coaches in the world reach a point where their job is not to coach every session — it is to build the staff that coaches for them, and to create a system that performs beyond what any individual could deliver alone. Your organisation's long-term confidence in HR depends on the function being bigger than you.

THE COACHING CONVERSATION

What the Game Is Asking of the Position Right Now

The wicketkeepers who played before Gilchrist were not lesser cricketers for being what they were. They were exactly what the game had always asked the position to be. The problem was not their capability — it was that the game's requirements for the position changed and changed faster than most of them anticipated.

That is the framing for the CHRO's situation today. The function has been staffed, trained, and promoted based on what it has always been asked to do — and in many cases, those people are excellent at exactly that. The difficulty is that the role is now being asked to do something different. Not instead of the operational foundations — those still matter — but above and beyond them, at a pace and a level of commercial and analytical sophistication that requires deliberate, sustained effort to build.

The CEOs and boards of major organisations in energy, resources, transportation and industrial sectors are not looking for the head of the HR department. They are looking for a strategic executive with deep expertise in people and culture — someone who can sit alongside the CFO and the COO and hold their own in every conversation about where the business is going and what it will take to get there. The leaders who have built that identity are finding the role expanding around them. The leaders who have not are finding the role being redefined without them.

The Hogan story is useful precisely because it is not a story about an exceptional talent making an exceptional leap. It is a story about a disciplined, commercially grounded leader who understood the nature of the problem her organisation was trying to solve, built the capability to address it, and made that capability visible at the right level. She did not wait to be asked. She positioned herself for the conversation before the organisation had found the words to start it.

That is what the game is asking of the CHRO position right now. Not perfection. Not a reinvention of who you are. A clear-eyed assessment of where the role is going, an honest accounting of where you are relative to it, and a deliberate programme of work to close the gap — before the gap becomes a decision.

Build your team with people who fit the culture — and play them where they perform best. The CHRO who has always held the position is not automatically the CHRO the game now needs. The ones who stay are those who see the game changing — and move.

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ABOUT THE WINNING SYSTEM

The Winning System is a proprietary leadership and organisational performance framework developed by Paul Craig, a Partner at Agilitas Advisory. Built around seven principles across three layers — Foundation (Clarity, Behaviours), Engine (Team Fit, Development, Simplicity), and Amplifiers (Technology, Feedback) — it provides a structured model for understanding why organisations underperform, and what leaders must do to build and sustain a winning organisation. This article is part of The Winning System Series, applying The Winning System principles to the evolving demands of the modern C-suite.