



Strategic CHRO: Dermot O'Brien of ADP on the Subtle Power of Influence

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Q. What does the strategic CHRO label mean to you?

A. I'm a pretty straightforward person from a middle-class background. I like to keep things simple. It's about providing insights to help the company make better decisions to drive results. You're responsible for the human and cultural aspect of the business, which is very complicated if you think about it. You have to architect and enable an organization to achieve the best results it can around your talent. It's not about being a policy wonk who's expecting others to execute the initiatives.

Q. Part of the challenge is that the metrics for measuring people and culture are harder than

numbers on a spreadsheet.

A. It is more nuanced, sensitive, and harder to measure. The trick is to be clear about what you're focused on. Some HR leaders don't seem to be clear on what the business is trying to achieve and how that comes together with the people side of things.

Q. How do you operate as a leader yourself to work with a broad set of stakeholders on issues that may seem a bit fuzzy at times?

A. I think about that a lot when I'm going into new situations. I spent 25 years in financial services, and I knew very little about ADP when I joined. I did not want to be the person coming in saying, "I have all the answers." So I spent the first few months listening to the CEO, matching up the people strategy and our business goals, and being very transparent and including all the business leaders in the process.

With every CEO I've worked for, I tell them up front, "Look, you're not going to know everything that's going on. I need to develop my own trusted personal relationships with everyone on the team. I will use my discretion when I think something needs to be shared, but they need a safe place to go to." I've seen some HR people who operate by serving the CEO, and they're known for it. They're not trusted.

I'm also very transparent. I use peer influence a lot because I know that, even on a good day, not everyone is going to agree with me on the issues we're working on. I let the peers work the peers. Instead of me being behind closed doors battling issues one by one, I just put it out on the table, and say, "The three of you aren't quite in agreement." And we talk it out. I call it the aircraft carrier. We don't land the plane on the first flyover sometimes, but by the third flyover on the big stuff we always land the plane on the carrier. That's what I do.

By the way, my view may not be the one that wins the day, and that's okay too. I think you have to have the strength and courage to be open and say, "I thought this was the way to go, and I thought they'd agree with me. But they came up with a different way and they're more in agreement on that. So, let's go with it." Part of this process is me listening and learning and adapting for the good of the business.

Q. Some people think it's more efficient to try a command-and-control approach.

A. You've got to let that go. It's not about you. I've seen a lot of senior people fight for control versus influence. To me, the more sophisticated skillset is influence, rather than whether you have 51 percent of the vote. Why do you need that? Why isn't the power of your argument strong enough? There's still a lot of that in the world today.

Q. What's the same and what's different about being a chief transformation officer compared

to a CHRO?

A. I'm glad to be doing them in this order because I think the HR role is much more complicated. There's a lot of intricate moving pieces when you cut across the range of things you do in HR – from pension plans in different countries to comp to diversity to leadership. There's all these categories, and they all have to fit together. For me it was a good training ground, because any transformation is a cultural change.

In HR, I had 12 direct reports. But in this role, I only want a couple of people reporting to me because I really want to be so focused on driving results. I have to be more protective of my time because there's a fast tempo to driving transformation.

Q. If a CHRO were vetting a few different job offers, how can they make sure a company is a good fit?

A. Among the first questions should be, "How sophisticated is the company at listening to clients? And what are the top three to five business challenges?" Those answers will then tell you where HR could be helping.

Part of it for me is also testing the person I'm having dinner with. You see if there's chemistry. I want to work for a good human being, with really good values, who's smart and can really step up to lead an organization, but they need help. I always like to be there to help people who need help. If you don't need help, I'm not your person.

And I tell the people I work for at the outset, "The way I like to operate is that I certainly don't expect you to take all my advice on all topics. That would say something about you, as a CEO, not being strong enough. But I also expect you to take some of my advice. So if I'm not batting .500 with you, we're probably going to have a problem. It won't be that the problem is with you. The problem will be that this is not a place where I feel like I can contribute at the level I'd like to." You have to air those things out, and be honest and upfront about it.

I once met with a CEO of a big company about a potential job. After talking about the business challenges, he said, "We've got to really change the culture of the place." I said that after you do the initial work to set the foundation of a culture change, it takes two to three years before change starts to occur, and then it really ramps up. That's part of my test, and that's when the interview went south. He said, "We've got to move much faster than that." He didn't have the experience to know what that means and how to do it effectively.

Q. What are some of the patterns you've seen about mistakes that newly minted HR executives sometimes make?

A. One of the things I find very distasteful is people who muscle up by using the title of their seat. And that's how they get things done as opposed to the merits of their argument, their analysis, their insights. It's only a matter of time when that's just going to backfire in the world we live in today.

I've also seen a lot of CEOs hire HR executives just to do their bidding, to be their henchman or woman. And they do some ugly stuff. My big callout to the HR community is to be the beacon for the function who says that we live our values and we drive positive engagement cultures. I've met some HR leaders who are not pleasant people. They're not humane. They're not empathetic. They get angry if someone pushes back on them.

Q. What have been the biggest influences on your leadership style?

A. My parents always treated people well. We were brought up in that kind of household. The respect for others was always there.

I also got my first 360 as a manager more than 25 years ago. It was the best feedback I ever got, because it said in so many words, really nice guy, but he's killing us. I was being selfish about achieving our goals, and I wasn't taking enough care of the team. It made me far more focused on hearing people, and respecting them more. People can get very defensive over their 360s. I've always loved them, and I've always shared them with my team, because it helps me be better and it helps the team because all issues are aired openly.