



L. Kevin Cox, Chief Human Resources Officer, American Express

Strategic CHRO: Kevin Cox of Amex on Creating Clarity of Culture and Purpose

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For the next installment of our interview series with leaders who are transforming the role of the chief human resources officer, [David Reimer](#), the CEO of The ExCo Group, and I sat down recently with [Kevin Cox](#) of American Express. Cox shared many smart insights, including how to work with the CEO to clarify culture and purpose.

Reimer: What are the two or three things that really separate the very best CHROs from everyone else?

Cox: I would put helping to drive culture and purpose at the very top. In a company that is super-clear about its purpose and culture, the head of HR might want to shift focus from developing culture and purpose to thinking about how culture, strategy, and talent actually intersect. The most important Venn diagram to me is the one that shows those three aspects intersecting.

Next is the ability to think about the strategic talent requirements. If you need a more digitally oriented workforce, how do you think about that? If you need to move more into automation and robotics, how do you think about that? If you're not in the right geographic

footprint for where your industry is going, what changes can you make? It's what the old-timers used to call strategic workforce planning, but it's so much of a more complicated question right now, and it's changing.

Bryant: Culture and purpose are amorphous words. How do you put structure around their meaning?

Cox: Purpose to me is more than the financial shareholder requirements of a company. It's about what you really are trying to be to your customers, to your colleagues and, increasingly, to the society in which you're operating. If you leave that question unexamined, your company won't be very compelling, which will make it tougher to attract the talent you want. There is an appetite for clarity around purpose. If a CEO doesn't feel that way, I promise you a 28-year-old highly talented millennial cares a lot about that question.

"My definition of culture is that it is what leaders do, not what they say."

I'm crystal clear that the CEO has to own purpose and culture, but heads of HR have this unique vantage point and unique ability to help in that discussion. It's another reason why it's so important for the CHRO and CEO to connect. I believe that most CEOs don't have that complete answer, and I don't think most CHROs do either. In my case, with both of my CEOs [Steve Squeri, the current CEO and Ken Chenault, his predecessor], we pushed each other equally hard to make sure our joint definition of culture was compelling and emotional, as well as logical. But again, at the end of the day, the CEO really has to own that.

My definition of culture is that it is what leaders do, not what they say. I spend a lot of time trying to pull culture into leadership behaviors at the top of the organization. We talk a lot, for example, about defining what winning looks like, and the importance of communicating frequently, candidly and clearly. Another is collaboration, because people can stay in their swim lanes more than they should. We also talk about how the whole is greater than the sum of the parts, and how we behave like that as leaders.

Reimer: How do you think about the link between the “how” of leading versus just delivering the results?

Cox: If we're honest with ourselves, quantifiable results will always have a tendency to trump the softer qualitative things. That's business. But at Amex, when we give a rating to somebody, we give them two ratings – a G rating, which stands for goal, and an L rating, which is for leadership.

If you don't do both and try to blend them together, the goals will trump leadership. That's what most companies do, and so you end up with the best performer in the world in terms of results but who's really a pain to work with or for. We have a lot less of that here because you have to win on both tracks.

It's complicated to change performance systems, but that's served us pretty well here and it keeps us honest about putting as much energy and as much consequence on leadership as we do on goals. You can have a very strong MBO culture, but once you run that playbook for a couple years, what do you have for an encore? Are you building great leaders who can take the company to the next level?

Bryant: You've been on boards in addition to your role as CHRO. What's the board's role in culture, and how does the CHRO convey to the board what's happening with culture?

Cox: CHROs have to find a way with data to tell their culture story. They can't make a bunch of statements that can't be cross-examined or checked. If you wanted to see the results of our employee surveys on culture, I could show you that. If you want to hear what the ombudsman's office has to say, or what we're learning from the ethics office or anonymous-tips hotline, we can talk about that. We're working hard to paint a 360-degree picture of our culture from traditional sources and nontraditional sources.

"Boards need to get a richer vocabulary around culture so that they have better questions to ask."

Boards are feeling that they have more of a responsibility to look at culture. I would go back to the approach of trust but verify. That's always the tone I took on any subject as a board member. My bias would be that I want to believe you, but I think my responsibility is to look beyond the obvious and look pretty hard to make sure whether your assertions are in fact true.

So I would say boards need to get a richer vocabulary around culture so that they have better questions to ask, and I think they need to be more comfortable challenging organizations. In my early days as a CHRO, I remember feeling offended when a board member would essentially ask me a question that seemed to indicate she didn't trust me. It was not until I became a board member that I began to say her job is to trust but verify, and she is going to make this company better and stronger by challenging any glib assertions.

Bryant: Let's say a CEO at another company reached out to you and said, "Kevin, I need some advice. I've got to hire a new CHRO. It's not really my comfort zone. What

are the best three interview questions for a CHRO candidate?” What would you tell them?

Cox: I would start by asking the CEO, “What do you want that you don’t have today or what do you want more of that you already have? Let’s start there.” The magic, as much as anything, is helping CEOs to understand the role.

But the first question for a CEO to ask a CHRO should be, “How do you define the role of a CHRO?” You want to find out if you see the role the same way or not. The second question I would ask is, “Give me an example of where you have either helped create a business strategy or helped enable the execution of a business strategy. Show me the intersection of how HR helped power up an organization.”

My third set of questions are going to be personal. “How do you define your personal work purpose? Why are you in this function and field? What do you want to be remembered for? What kind of difference do you want to make? What kind of difference have you made at another company?” Clarity of purpose is the prerequisite to acting with courage around that purpose.

One of the things I love about this job is that it’s relatively boundary-less. That’s frustrating or scary to some people, but I picked it because that’s part of the appeal to me.

Reimer: Where does that come from in you?

Cox: I have been unusually blessed to be able to hang around some fantastic leaders, and some of them are in HR and many of them are not in HR. I also had more board experience than most of us typically have and maybe earlier in my career than most people have. That was better than business school to me. It was a chance to see failure, and so I learned a lot about what went wrong and what went right.

I’m always looking for patterns, and I would think often about what a particular CEO is doing to make me want to listen to them, follow them, and even do something that’s like the business equivalent of running up the hill and taking shrapnel.