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Evolution of the CHRO Role in India

Driving Growth Through Disruption

With companies in India increasingly focused on driving growth and responding to continuous disruption, the role of chief human resources officer (CHRO) continues to evolve beyond traditional HR focus areas, becoming ever more central in building the organization, leadership and talent needed to succeed in today's fast-changing and increasingly complex world.

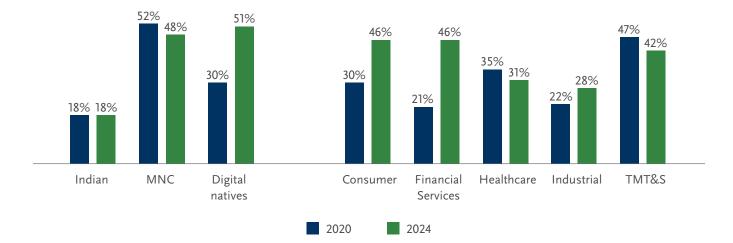
We examined the profiles of 350 CHROs at leading India-headquartered, multi-national (MNC), and digital native organizations across India in order to understand the key shifts that have occurred in the demographics, background and experiences of CHROs since our first such study in 2020. Based on our discussions with many of these CHROs, we describe their changing priorities in light of their role in future-proofing their organizations and enabling growth.

The changing profile of the CHRO

Increase in the number of female CHROs, but India-HQ companies still lag behind

Today, 39% of CHRO roles are held by women, compared with 31% in 2020. This increase has been largely driven by an increase in the number of digital native organizations that have scaled and brought on women as CHROs. By contrast, India-HQ companies, which largely comprise manufacturing-focused conglomerates, continue to have remarkably few women in the role at just 18%.

Senior executives at these organizations tell us the reason for this low representation is that manufacturing companies dominate and the availability of CHRO-ready female talent in this sector is low. However, we see many female HR leaders in other organizations with backgrounds in consumer and industrial sectors who bring manufacturing and industrial relations experience. It is our view that India-HQ organizations need to invest in identifying and developing their female HR talent in a focused manner to create a stronger pipeline for future CHRO roles.



FEMALE CHROS BY RESPECTIVE CATEGORY AND INDUSTRY

Average age of CHROs varies slightly by category

CHROs in India continue to represent a diverse age group, with a current average age of 48 years. This is a significantly lower average age compared with their global counterparts and reflects the younger demographic profile of our working population. Interestingly, as in 2020, CHROs at digital native organizations progress significantly faster in their careers than they do at MNCs and Indian companies (see chart).

This is likely because digital native organizations are more willing to bet on younger, high potential HR leaders and tend to prefer first-time CHROs who are willing to roll up their sleeves. The overall difference in average age between male and female CHROs is largely down to the older cohort of CHROs in Indian companies.



Average age of female CHROs

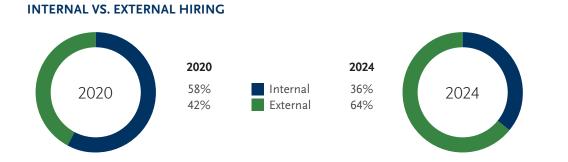
	Female	Male
Digital natives	41–45	
MNC	51–55	
Indian	51–55	56–60

50

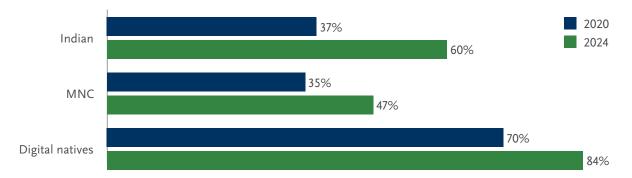
Average age of male CHROs

Significant increase in hiring external CHROs

We have seen a more than 50% rise in external hiring for the CHRO role since 2020, a trend that mirrors the increase in the number of CEOs being hired externally. In the case of CHROs, this is perhaps driven by the rapid advance of digital native organizations and a demand for HR professionals who bring experience in driving profitable growth, handling scale and complexity, and dealing with disruptions, whether related to technology or business models. The growing number of companies filing for IPOs has also resulted in a demand for external HR leaders with the experience of preparing companies for listing.



PROPORTION OF CHROS HIRED EXTERNALLY

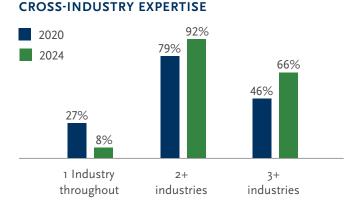


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Diversity of experience still critical in the CHRO journey to the top

CHROs bring significant crossindustry exposure

Multi-industry experience continues to be a key contributor to the development of CHROs. An impressive 92% of CHROs today have experience in two or more industries and 66% of them bring experience across three or more industries. This trend has gained momentum as the cross-industry pollination of ideas increases. It is especially prominent in the digital native space as well as among companies with backward or forward integrations strategies and those exploring newer routes to market.



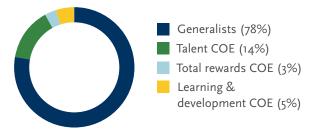
Very few CHROs bring non-HR experiences

Our conversations with CEOs and boards reveal a continuing desire for their CHROs to bring or develop a deep understanding of the organization's core business and consumers — potentially through short rotations through different functional or business roles. While only 20% of the current set of CHROs bring non-HR leadership experience, next-generation HR leaders are increasingly being given greater exposure to core operations (e.g., shop floor, retail outlets, tech services delivery and markets visits) through their onboarding and ongoing learning & development initiatives.

Mix of HR business partner and centre of excellence experience is highly valued for the CHRO role

While most CHROs grow by serving in generalist and business partners roles, a significant number have held specialized roles in talent management at some point during their careers. This reflects the growing importance of talent acquisition, development and retention in the corporate arena.

SUB-FUNCTIONAL EXPERTISE



Less than 20% of CHROs have international experience

Increased globalization, together with the multi-country expansion ambitions of many organizations, make international experience valuable as part of the career development of a CHRO. However, our analysis indicates that only about 19% of CHROs have worked and lived outside India at some point in their careers. While this proportion has not changed since 2020, we do see an increase in international experience among CHROs in the consumer and industrial sectors.

Consumer & tech companies continue to be prominent HR training academies

Diverse industries and organizations are seen as training grounds (and consequently hiring targets) for high-quality CHROs. Our data shows that consumer and technology sectors continue to be ahead of the game, with companies such as Unilever, ITC, Tata Motors, Wipro, and GSK leading the pack in shaping and producing future HR leaders through well-curated rotational programs across geographies and functions.

40% of CHROs come from academy HR institutions

In 2024, 89% of CHROs hold post-graduate degrees, marking a slight decrease from 91% in 2020. About 40% of them have received education from HR academies such as XLRI, TISS, Symbiosis, and IITs. However, only 7% of CHROs come with international educa-tional degrees.

CHROs have the opportunity to become trusted partners to the board

Despite the growing strategic importance of the HR function, only 4% of the existing set of 350 CHROs that we analyzed serve on an external board in 2024, compared with 9% in 2020. Given the importance of the people agenda in the boardroom and the increasingly critical nature of the CHRO role, we feel that there is a significant opportunity for CHROs to become confidants and trusted partners to their CEOs and boards and earn the right to be part of the boardroom.

2020 2024 4% SEEN

CHROS IN THE BOARDROOM

CHRO priorities for driving growth and building future readiness

Our recent discussions with leading CEOs, boards, and CHROs in India highlight the following priorities for CHROs:

BE A DRIVING FORCE FOR CHANGE

The CHRO is pivotal in guiding the CEO and top leadership team towards alignment in advancing organizational ambitions across business, people and culture. CEOs and boards expect CHROs to be their proactive and strategic advisors, bringing a "business ownership" mindset as opposed to focusing only on the HR agenda. CHROs need to ensure that team dynamics support effective ways of working, allow for existing thinking and norms to be challenged, and enable team members to adapt best-in-class external insights to move the organization towards its goals.

DRIVE LEADERSHIP SUCCESSION EFFECTIVELY

Leadership continuity is essential for organizational resilience and long-term success, so CHROs must partner with the board and the C-suite to ensure that robust succession planning initiatives are in place. This involves identifying and nurturing high-potential talent within the organization, cultivating leadership pipelines, and ensuring seamless leadership transitions. By providing tailored development opportunities for future leaders and aligning succession plans with strategic business objectives, CHROs can safeguard organizational stability and continuity amidst evolving market dynamics and leadership transitions.

REVISIT LEARNING & DEVELOPMENT

With disruptive technologies like GenAI reshaping the future of work, reskilling is of paramount importance. CHROs must redefine the learning and development agenda and spearhead continuous learning aimed at equipping employees with the skills needed for higher-value, impact-driven roles.

KEEP ENGAGEMENT HIGH FOR ALL GROUPS

As organizations witness a demographic shift towards a younger workforce, engaging with Gen Z employees on higher purpose emerges as a critical imperative. To do this, CHROs must play a role in aligning corporate values with the aspirations of Gen Z, by emphasizing meaningful, purpose-led work and social impact to foster engagement and loyalty.

INVEST IN THE EMPLOYER BRAND

Safeguarding the organization's reputation and employer brand has gained increased importance in an era dominated by social media, activism, and heightened DE&I sensitivities. CHROs must vigilantly manage brand perception, uphold ethical standards, and champion diversity and inclusion initiatives to attract and retain top talent.



About Spencer Stuart

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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit <u>www.spencerstuart.com</u>.

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