



EtonBridge
Partners



CPO

Pathways Report

Analysis of career paths of Chief People
Officers in the UK and across Europe
2023 Edition



powered by
BoardEx
An Altrata company



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For the purposes of this report, the term 'Chief People Officer' or 'CPO' includes any and all variations of that job title, including but not limited to, Chief Human Resources Officer, Group HR Director, HR Director, People Director, and is intended to cover all executive leadership positions within the People Function.



Foreword

Since our first CPO Pathways report was published in early 2022, the world has changed dramatically.

War continues in Europe and we have witnessed terrible devastation across so many countries due to natural disasters, in Türkiye, Syria and New Zealand to name just a few. We have also seen some outstanding examples of organisational care and consideration, businesses leading the way in coordinating relief efforts, pastoral, and practical support for the millions affected by the immense changes impacting previously 'normal' lives.

In the UK specifically, the industrial relations landscape is perhaps at its most challenging in decades, impacting every corner of the civil service, emergency services, education, travel and healthcare provision across the country.

A cost of living crisis threatens to engulf our public services, adding pressure to both public and private sector employers to close the gap between income and outgoings, while energy firms report unprecedented profits. Economic and political uncertainty continues to impact consumer confidence and has dramatically increased the costs of mortgages and energy bills for many.

Against this backdrop, the role of the Chief People Officer is all the more critical. When we first published this report last year, we hoped that the data and insights contained within would help individuals navigate the often tricky journey to achieving a Chief People Officer role. For more than a decade, Eton Bridge Partners' HR Practice has been partnering with businesses of all shapes and sizes to identify and appoint new Chief People Officers and their teams. As we have grown, so has our network and our insight into the market. It therefore makes sense that the question we are asked more than ever by candidates is how they craft their career to ultimately achieve a Chief People Officer appointment.



Similarly, our clients are keen to understand trends in Chief People Officer capability and we wanted to provide further insight. Ultimately, what does it in fact take to land a new Chief People Officer appointment?

We were simply not expecting the incredible response to the first report. More than 1,000 Chief People Officers and senior HR professionals contacted us to request a copy, and so we are delighted to publish this year's edition.

This year, we have expanded our analysis to look at both UK and European organisations. We have analysed over 2,500 appointments to truly understand more about the market dynamics, trends and quantitative criteria behind hiring a Chief People Officer. It's simply not possible to analyse the less tangible elements of the hiring process, like chemistry or 'fit', but notwithstanding that particular limitation, we feel we have produced the most detailed study available of what it really takes to land a Chief People Officer appointment: from sector, role and background, to age and gender.

Whether you are looking to achieve your first Chief People Officer position, are an experienced Chief People Officer or looking to hire one, I am certain that this report will help you in your decision-making.

If you would like to talk in more detail about this report, or our experiences in sourcing Chief People Officers, please do just get in touch as we are always delighted to share our experiences.

Olivia Sharp

Partner, Human Resources Practice
Eton Bridge Partners



Executive Summary

We believe there are two key audiences for whom the findings of this report will be of particular interest:

1. Aspiring Chief People Officers.
2. Companies looking to hire a new Chief People Officer, or to develop a talent pipeline to the Chief People Officer position over the longer term.

The key conclusions drawn from this report are:

- Chief People Officer appointments are much more likely to be female than male.
- More appointments are made externally than internally. However, internal promotions are significantly more common in the People function than into the Chief Financial Officer seat.
- Male candidates, while still less likely to be appointed than their female counterparts, are proportionately more likely to be appointed to Chief People Officer roles in the European market than in the UK.
- The most common route to Chief People Officer is through a generalist career pathway although, anecdotally, specialist experiences especially in the realms of Talent, Culture and, more recently, Employee Relations, are often key hiring criteria.
- Both age and gender play an important role in an individual's chances of being appointed to a Chief People Officer position, although this is more influential in the UK than in Europe.
- Sector experience appears to be becoming more important in hiring decisions than previously, with ownership model also having a key contributory influence.
- The trend in overall volumes of Chief People Officer hiring is increasing over time, however, 2021 seems to have seen an extreme increase perhaps in reaction to the significant and ongoing people challenges most sectors are facing.



About the *Research*

Eton Bridge Partners are delighted to share research powered by BoardEx, leaders in global people intelligence space. They specialise in relationship mapping and intelligence, to analyse core data on the profile of Chief People Officers and their career pathway.

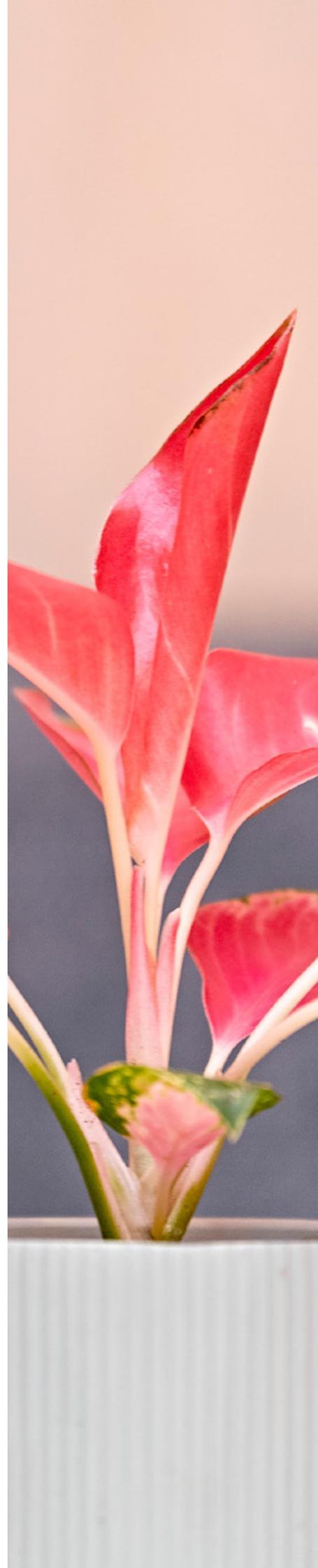
This report included research taken from over 2,500 Chief People Officers. The data was collated on UK and European appointments to Chief People Officer in 2021 and 2022.

BoardEx, an Altrata company, is the leading provider of executive intelligence and relationship mapping solutions, working with premier organisations across the academic, corporate, executive search, private equity, legal, and financial and professional services industries. Founded in 1999, organizations trust BoardEx to identify, qualify and map connection paths to 2.1 million organisations and the 1.7 million people who lead them. Profiles include board and non-board members, C-suite executives, senior leaders, and professional advisers.

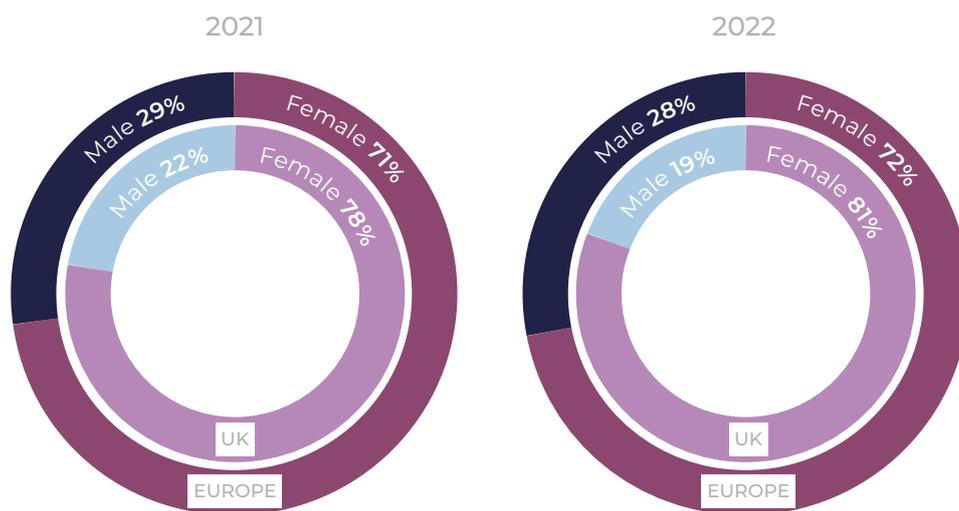
On average, 2,500 new profiles and 34,000 updates are made every week. All BoardEx data undergoes a rigorous quality assurance process with thanks to more than 400 analysts validating data sources from all over the world to ensure the data is accurate, relevant, and fully up to date.

Altrata is comprised of five distinct offerings: BoardEx, Boardroom Insiders, RelSci, WealthEngine, and Wealth-X. Together, we provide data and intelligence on the most impactful people to our clients' success.

European countries: Albania, Andorra, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, Isle of Man, Italy, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom (England, Northern Ireland, Scotland, Wales)



Gender



Gender of appointed candidates

In last year's report, the prior three years' data suggested that men were becoming more, not less, proportionately likely to be appointed into a Chief People Officer role.

However, the data from 2021 and 2022 suggests that this has overcorrected in the UK, with an ever more significant proportion of women being appointed.

75% of all Chief People Officer appointments were female, with this figure remaining stable across the full data set over the last two years. This is consistent with the total number of all Chief People Officer (or equivalent) positions held by women, at **76%**. However, there are obvious differences between appointment trends in the UK compared to Europe more widely. European appointments remain fairly balanced and in line with gender metrics for the whole HR population, while the proportion of female appointments in the UK has increased significantly from an already high base (**71%** in 2021 vs **81%** in 2022) compared to **72%** in Europe.

Looking at hard numbers, this means that just over 650 men have been appointed into Chief People Officer roles in the last two years across Europe, but only just over 200 of them in the UK.

KEY TAKEAWAY:

Female candidates are much more likely to achieve a Chief People Officer appointment than their male counterparts, albeit broadly correlating with the overall gender split throughout the function. The data adds some weight to the anecdotal view that male candidates are indeed disadvantaged (although the data suggests that this is uniquely a UK phenomenon).



Age



The average age of an appointed Chief People Officer is 51, increasing since the last publication of this report. Male Chief People Officers tend to be older at 52, compared to women at 50 years.

Interestingly, the average age for female candidates has increased whilst for men it has remained the same.

In the UK market, we have seen the age gap close with both male and female appointments most commonly occurring at 51 years. Is this possibly an indicator that, gradually, the bias away from older women is reducing and that age in general is becoming less of a factor? It will be interesting to see how this trend progresses over the next twelve months.

Once again, our data shows the intersectionality of age and gender and we can observe real differences in the data across UK and Europe. Age impacts a woman's prospects of achieving a Chief People Officer position, although possibly not how it might be expected. Under the age of 45, where bias around motherhood might be expected to increase discrimination against women, women are actually twice as likely to be appointed as men, although this is becoming less, not more likely (**48%** of appointments in 2022 women under 50 vs **65%** in 2019). At the age of 50 the picture changes rapidly and once candidates pass 60, women are three times less likely to be appointed than men. Women aged over 60 represent just **4%** of females appointed in the last two years (compared to almost **10%** of men).

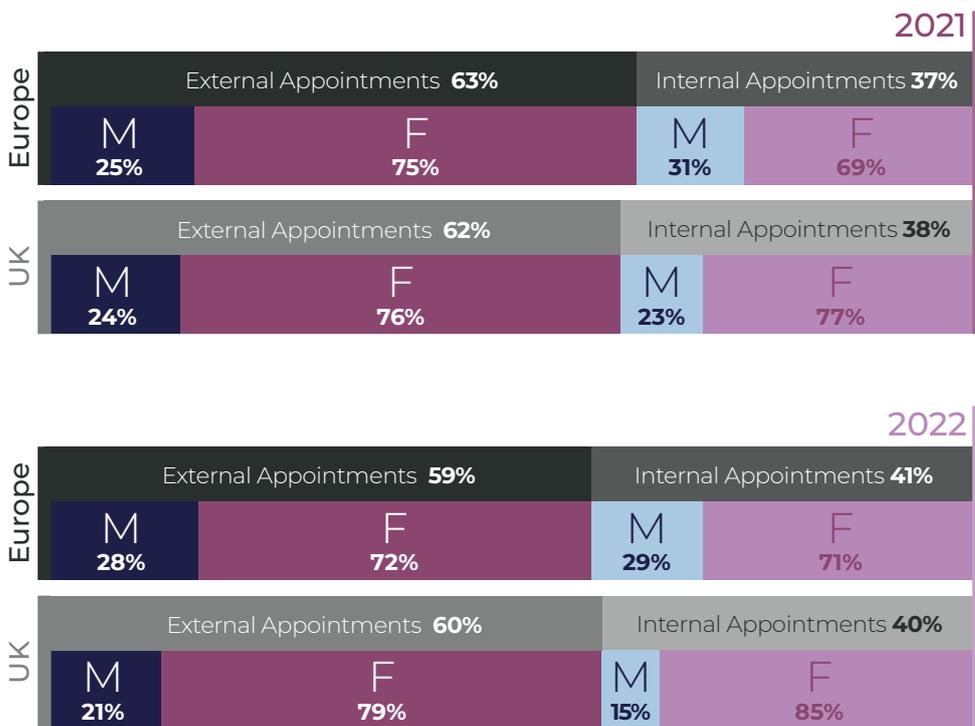
We know from multiple pieces of research the impact that having children has on the likelihood of retaining women in the workforce. Perhaps the HR function offers or accepts more flexibility than other functions, which might explain why women seem to be more likely to secure a Chief People Officer position before they turn 45 than men.

KEY TAKEAWAY:

In the main, youth continues to be favoured over experience in choosing a Chief People Officer. Past 60, men are significantly more likely to be appointed into this role than women.



Internal vs External Appointments



In 2022, 59% of all hires were appointed externally, a slight drop from 2021 (63%), but in line with prior years' data suggesting this is a fairly steady proportion.

Across Europe this trend is magnified with a higher proportion of external appointments in 2021 dropping by a significant margin (63% down to 59%).

It is very interesting to note the significant differences in external vs internal appointment trends when taking gender into account, with female internal candidates much more likely to be appointed in the UK than in Europe more widely (in 2022, 85% vs 71%) meaning that just 15% of all internal UK appointments in 2022 were male candidates, half that of in Europe.

Of the external European hires, 75% were female overall, but noticeably fewer women are being appointed into European roles than in the UK, a gap that has widened since 2021.

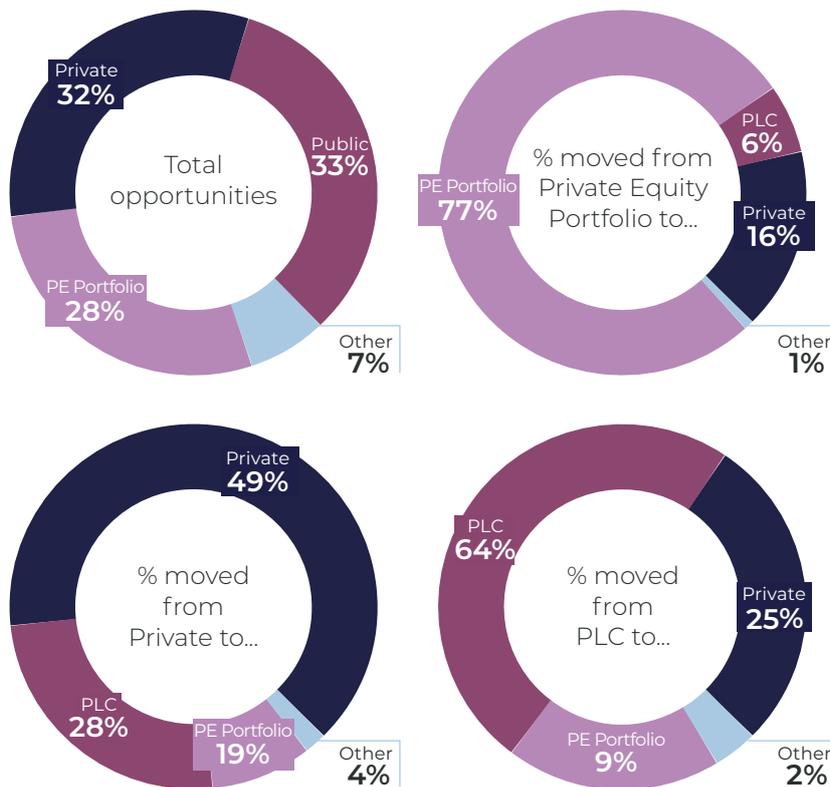
Internal promotions are significantly more common in the People function than in the Chief Financial Officer seat (39% vs 30%) although this gap is narrowing over time as internal promotion within Finance is becoming more common.



KEY TAKEAWAY:

Not only is it possible to be appointed via an internal route to a Chief People Officer position, it appears to be becoming ever more likely, especially in Europe.

Ownership



UK & Europe appointments over 2021 and 2022

The majority of appointments, whether in a private equity, publicly listed or privately owned organisations, tend to be sourced from the same ownership model.

It would appear that prior private equity experience is now more important than ever to that sector, with **77%** of existing private equity candidates moving directly from one portfolio business to another, almost doubling from the last research period in 2021.

Moving from a publicly listed organisation into a private equity business appears to be becoming even less common, at fewer than **10%** of appointments, down from **13%** in 2021, and nearly double the number (**19%**) moving from private to PE-backed.

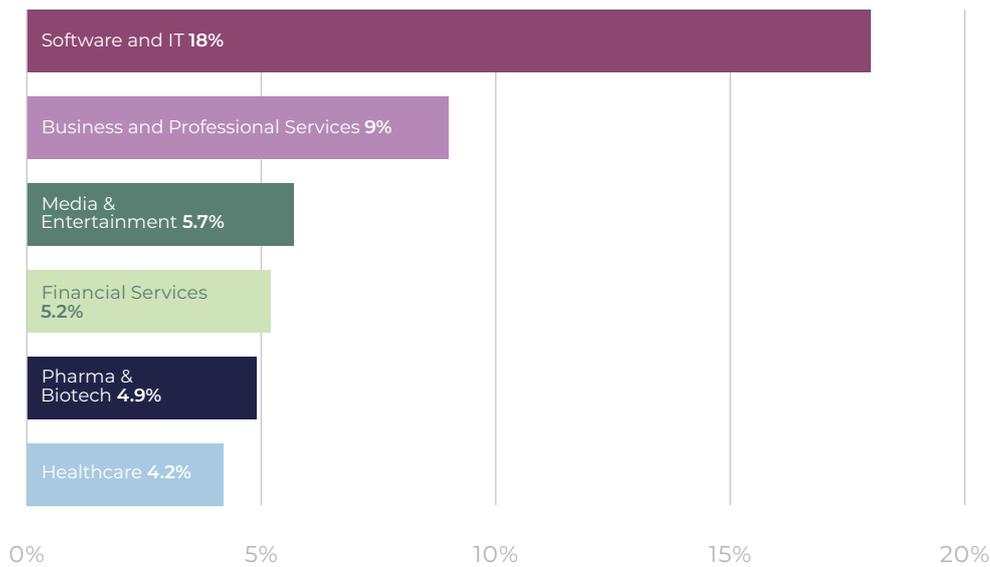
Overall, opportunities appear to be evenly spread between private equity, private and publicly listed businesses, with slightly fewer than one third in private equity, and slightly more across the other two ownership models.



KEY TAKEAWAY:

At the same time as sector is becoming more important, so too is ownership model, particularly within the private equity environment. With private equity accounting for roughly one third of market moves, candidates with experience in mainly publicly listed organisations will find it difficult to drive their career into that market.

Sector



Our research showed that **70.3%** of new CPOs joined from organisations within the same sector.

It appears that moves in the same sector are becoming significantly more common as, in 2020, this figure was only slightly more than **50%**. There is limited evidence that this is particularly different within the UK or European markets.

The most active sectors in terms of appointments in 2022 were:

- Software and IT – **18%**
- Business and Professional Services **9%** (interestingly making up more than **14%** of UK activity – almost three times that of Europe)
- Media & Entertainment **5.7%**
- Financial Services **5.2%**
- Pharma & Biotech **4.9%**
- Healthcare **4.2%**

Software and IT also seems to be the sector in which more organisations are investing in the Chief People Officer role, although this is not perhaps surprising; many tech companies will be reaching the right stage in their journey to create this role for the first time and we have certainly seen that in our own activity here at Eton Bridge.

KEY TAKEAWAY:

Unsurprisingly, the impact of the pandemic continues, both in terms of limited activity in deeply affected sectors like Travel and Hospitality, as well as in the increasing activity in Pharma, Biotech and Healthcare more broadly. Sector experience appears to be increasing in importance over time.



Most *Common* *Route* to Chief People Officer

In line with our previous research, the data shows that a primarily generalist career is the most common pathway to Chief People Officer.

When examining prior roles, experience in the Talent function is most likely to be found, but there is little to no evidence that specialist experiences in Reward or any other areas of the People function, whether in the UK or in Europe, are critical to succeeding in achieving a Chief People Officer appointment.

Interestingly, only **37%** of all appointments went to experienced Chief People Officers, whereas in our CFO Pathways research, we identified that **58%** of Chief Financial Officer appointments were existing Chief Financial Officers. This discrepancy could have a number of explanations. Potentially it is down to the increasing popularity of the Chief People Officer role itself, meaning that as the number of opportunities grow, less experienced candidates are being given the chance to step up. Alternatively, the relative importance placed on prior experience in the Chief Financial Officer role, where it could be argued that financial risk is a more material concern, could be another factor. Certainly, it is a point for wider debate.

Some may be surprised that it is not more common for the Reward Leader to move into the Chief People Officer role. Reward has a unique relationship with the board through Remco, relationships with investors, the company secretary, and corporate finance, compared to its counterparts in other parts of the People function. We are aware of strong People leaders who have a background in Reward who would advocate for it being an excellent foundation for success in the Chief People Officer role.



KEY TAKEAWAY:

While logic suggests that specialist experience gained within a Centre of Excellence is likely to be extremely useful in-role, there is no evidence to suggest that it is critical to achieving a Chief People Officer position.

Conclusion

If we at Eton Bridge Partners see anything from our broad range of international clients and diverse appointments, it's certainly that no single skill set or experience is right for every organisation, nor is any organisational culture or ethos right for every candidate.

As such, whilst it is obviously very tempting to make sweeping conclusions about the 'best way' to achieve appointment to Chief People Officer, for every hiring manager the right combination of personality, experience, style, and skills will, in reality, be different.

We hope, however, that the findings of our research and its accompanying analysis provide constructive, thought-provoking and practical insights for individuals at various stages of their career. We believe that it will help to inform individuals seeking to plot a career path towards Chief People Officer as well as enable organisations to make informed choices when developing their senior leadership teams and HR talent.

We are committed to carrying out this research on an annual basis. This will enable us to track trends and continue to offer valuable insights to our network, which is a core part of the Eton Bridge Partners' ethos.

Eton Bridge Partners
March 2023



Our specialist *Human Resources* Practice

We deliver international assignments at the leadership level, and bring a distinct hands-on, personal approach to the market.

Our Interim and Executive Search consultants are a tight knit, established team who enjoy working together to develop ideas and share industry knowledge. This ensures our network benefits from the combined forces of our expertise and experience, as well as our collective energy and down to earth approach.

To enhance our in-depth knowledge and specialist expertise within the HR space, we have developed a dedicated Reward specialism to support the needs of our clients and candidates.



Olivia Sharp
Partner, Human Resources Practice

Olivia specialises in Executive Search for our HR Practice. Her practitioner background in HR, gained in various senior positions in a FTSE100 organisation, combined with her extensive general management experience, gives our HR Practice a unique offering for clients and candidates alike.

A Chartered Member of the CIPD, Olivia has a specialist interest in mental health and its relationship with individual and organisational performance, social mobility, discrimination, and inclusion in the workplace. She also brings first-hand experience of delivering business turnarounds as well as wide-scale people and cultural change.

A skilled HR generalist, Olivia has strong leadership and team development experience, having used a broad spectrum of leadership assessment tools and techniques. Olivia leads search activity across the full HR spectrum, from generalist to specialist leadership roles, and has a particular focus and a strong track record in multisite commercial enterprise, not-for-profit organisations, unionised environments, and the energy sector.



Established in 1999, BoardEx is a global technology and data solution provider. The company delivers relationship intelligence and people data on over 2.1 million organisations, and the 1.7 million individuals who lead them. The platform helps companies leverage their known and unknown connections to drive business development activities while also utilising the firm's proprietary data.

 www.boardex.com

EtonBridge *Partners*

At Eton Bridge Partners, we consistently deliver the very best senior talent for our clients and support our network to achieve and exceed their aspirations.

We source leaders who are defined by their personality and impact regardless of their background. We look to balance technical competency with cultural fit, prioritising chemistry with the CEO and wider leadership team. This approach means we are always looking for a diverse range of candidates to ensure the best fit for any role.

We work across the full range of leadership positions, and through our specialist HR practice, we appoint CPOs and their direct reports. For companies in a period of transition or with specific project needs we have a carefully vetted and trusted network of senior HR interims which means we can provide highly experienced professionals at short notice.

Eton Bridge Partners collaborates to combine the strength of Executive Search, Interim Management and Consulting for the benefit of our network. We partner with a wide range of clients from start-ups to SMEs, to global blue-chip organisations across all sectors and ownership models.

- Board
- Business Transformation
- Finance
- Digital & Technology
- Human Resources
- Operations, Procurement & Supply Chain
- Legal, Risk & Compliance
- Sales & Marketing