



EtonBridge^{Partners}

CPO

PATHWAYS REPORT

Analysis of research into the career paths
of UK Chief People Officers

2022



powered by
BoardEx[®]

Contents

Foreword	3
Executive Summary	4
About the Research	5
<hr/>	
KEY FINDINGS AND ANALYSIS:	
Gender	6
Age	7
Impact of Age and Gender	8
Internal Promotions vs External Appointments	9
Ownership	10
Sector	11
Most Common Route to CPO	12
Board Membership	13
Conclusion	14
Our Specialist Human Resources Practice	15
BoardEx and Eton Bridge Partners	16

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

Focus on the People function, and the role of Chief People Officer, has never been more intense.

Arguably, the last 24 months have focused attention on the People function more than at any other time. The approach to people management, leadership and conduct is under the microscope across industry, from start-up, to multinational, in both private and public sector and, of course, in government.

While the financial performance of leading companies has naturally been under intense scrutiny, the decision-making and culture of those businesses has all too often had a profound impact on their reputation. Against a challenging economic outlook, additional scrutiny of potential future organisational value and an increased focus on the ESG agenda, the People function's approach to talent, travel, policy, wellbeing and ways of working – to name but a few – will undoubtedly be forever altered by the individual and collective experiences of Covid-19.

In 2020, many HR practitioners found themselves working in new ways to answer new questions amid the complexities presented by both the Covid-19 pandemic and Brexit. And while both issues continue to present HR with new challenges every day, most recently, events in Ukraine have meant ever more complex socio-economic, ethical and moral decisions are being played out on the world stage.

In this context, the Chief People Officer has a heavy responsibility to lead a holistic approach to people risk and reputation, and to craft a people proposition that stacks up in a world of hybrid working, with an increased focus on wellbeing and inclusion in a highly competitive global talent market.

Following the success of our analysis of the most common pathway to Chief Finance Officer last year, Eton Bridge Partners is delighted to share the findings of research into over 1,000 CPOs who were appointed in the UK between 2019 to 2021.

We hope that the statistics, analysis and conclusions in this report are useful to our C-suite network, as well as to aspiring CPOs when considering their career planning decisions.

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 CPO position over the longer term

The conclusions drawn from this report are:

- » Chief People Officers are much more likely to be female than male, but the gap is narrowing.
- » Chief People Officers are generally being appointed at a younger age than previously.
- » Fewer appointments to Chief People Officer are internal rather than external hires, although the shift is changing.
- » Moving from a PLC to a private equity company and vice versa is challenging. Operating within a privately held organisation is the most common route to achieving a Chief People Officer position, with little change in these figures despite significant investment, more recently in the private equity sector.
- » The most common route to Chief People Officer is through a generalist path, although there is some evidence that specialist experience, particularly in talent, is becoming more desirable.
- » Sector experience is often cited as critically important when hiring, but around 50% of new CPO appointments are from out of sector.

Please note that because the study used publicly available information only, certain metrics were not recorded. These included ethnicity, religion and socio-economic background.

About the Research

Eton Bridge Partners has collaborated with leading global data company BoardEx, who 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 1,000 Chief People Officers.

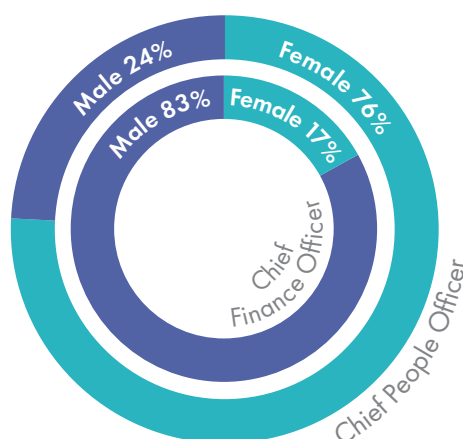
The data was collated on UK appointments to Chief People Officer in 2019 (a 'standard' year), 2020 (a 'pandemic' year) and 2021 (a 'recovery' year).

Utilising over 20 years of comprehensive historical data, BoardEx's exclusive Relationship Mapping Algorithm works with over 27,000 profiles with a database covering board and non-board members, C-suite executives, senior leaders, and professional advisers. BoardEx work with a variety of organisations within the banking, legal, accounting, consulting, executive search, asset and wealth management, private equity, corporate and not-for-profit sectors.

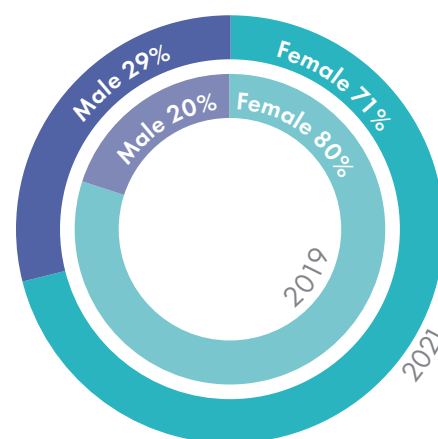
On average, 2,500 new profiles and 34,000 updates are made every week. All BoardEx data undergoes a rigorous quality assurance process with thanks to more than 350 analysts validating data sources from all over the world to ensure the data is accurate, relevant, and fully up to date.

Gender

Overall Gender Balance



New Appointments



In 2021, 76% of Chief People Officer positions were held by women, which is significant considering out of 11,766 UK public and privately-owned companies within the BoardEx database, only 27% of leadership roles were held by women.

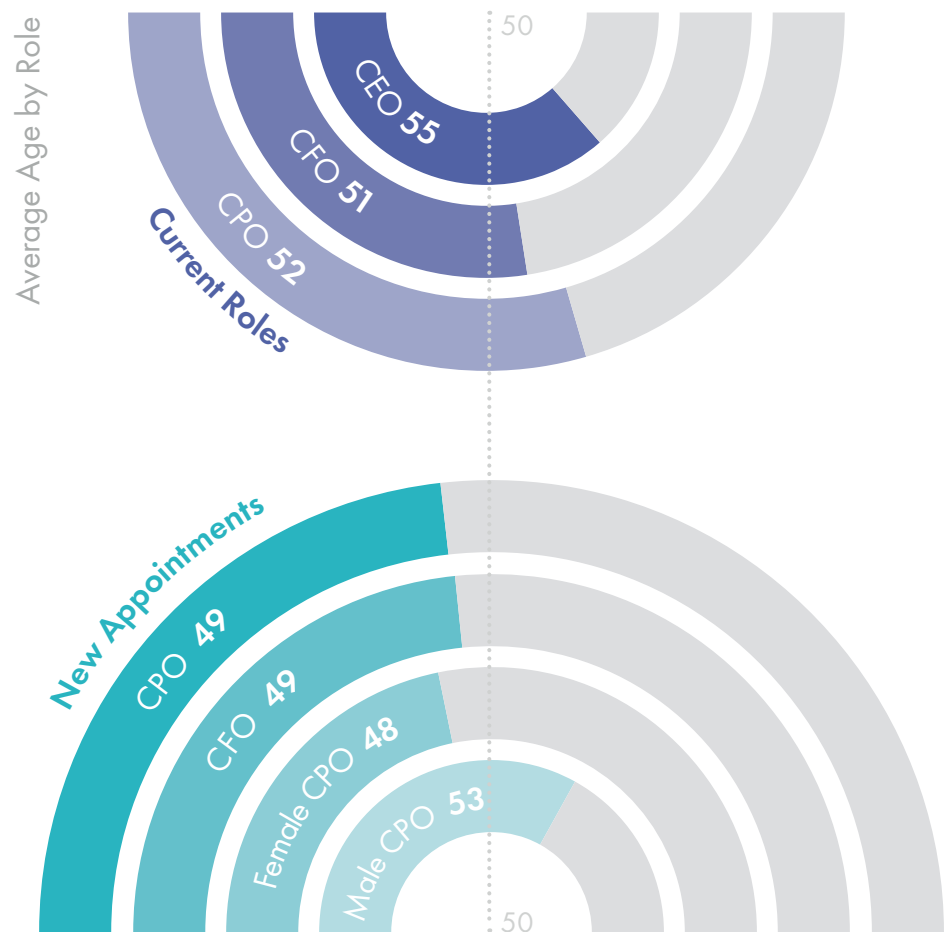
This is not unexpected given the gender dynamic across the wider function, which in most businesses is predominantly female. However, it is notable that the percentage of newly appointed female CPOs has dropped by almost 10 percentage points since 2019 – which feels incongruous with the drive for gender diversity across the C-suite.

There also appears to be a general perception in the hiring market that a CPO appointment offers an ‘easier’ opportunity to go some way towards easing any gender imbalance in individual boardrooms than say, a CFO position – where only 17% of new appointments are female, simply because the weight of the population from which to choose is female. Anecdotally, some male CPO candidates report that gender is being used as a factor in recruitment decisions, with preference being given to female candidates – but our data would suggest that it is far from the case.

KEY TAKEAWAY:

You are much more likely to achieve a CPO appointment as a female candidate, although it would appear the gap is becoming less extreme over time.

Age



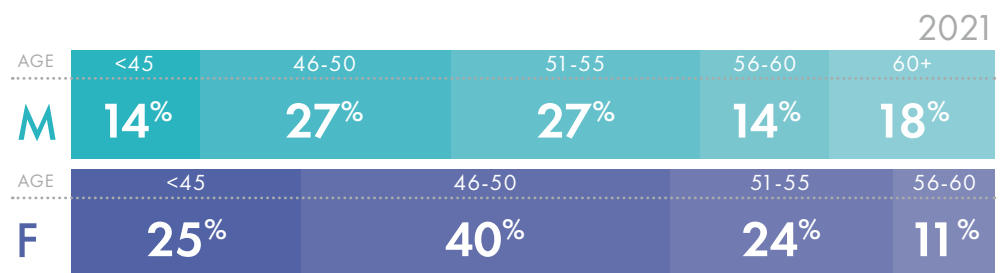
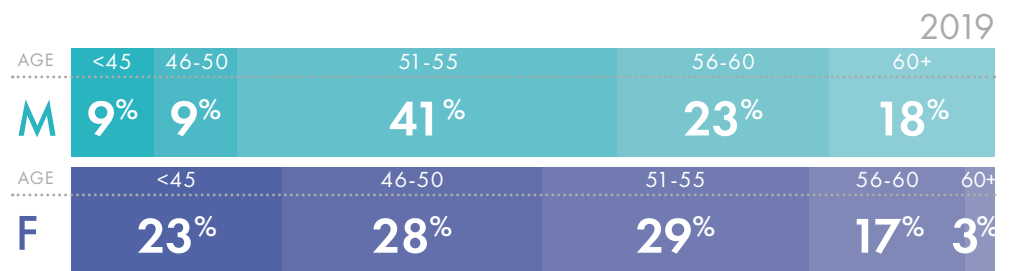
The average age for a new Chief People Officer in the UK is 49 – reflecting that of a new Chief Finance Officer.

This is three years younger than the average age of all CPOs across the businesses included in our research, which is to be expected. This average age has been reducing in tandem over the last three years of appointments – with a spike in the average age of appointments made in 2020 – possibly suggesting a demand for length of experience over assumed future potential in the critical early months of the pandemic.

KEY TAKEAWAY:

Experience is important, but that doesn't simply equate to age.

Impact of Age and Gender



We have seen a real swing toward younger appointments across both genders over the last three years, although most obviously in men: the proportion of appointments of male candidates under 50 has more than doubled compared to 2019.

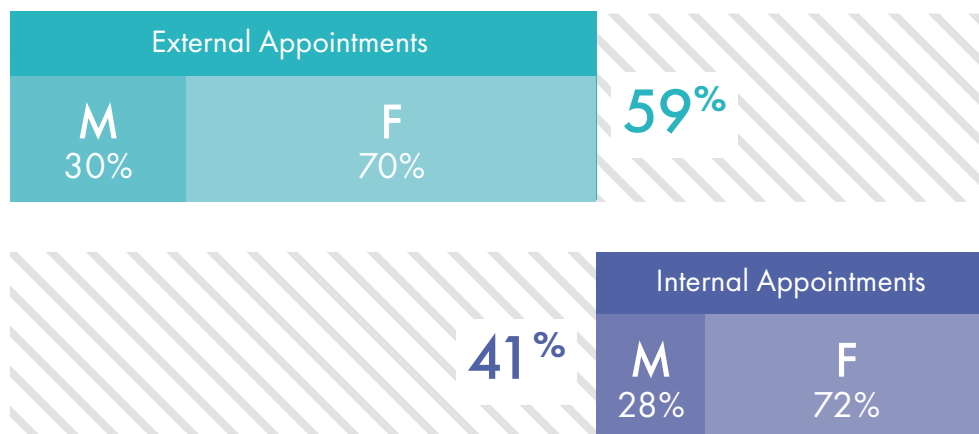
Interestingly, a huge 65% of female appointments to Chief People Officer were aged 50 or under in 2021 (compared to only 41% of male appointments).

Upon further examination, the data also uncovers another interesting insight – **18%** of men appointed into Chief People Officer roles in 2021 were aged 60 or over. The number of women in the same age bracket who were appointed in the same period? Zero.

KEY TAKEAWAY:

Once you reach the age of 60, you are significantly more likely to be appointed as CPO if you are male. The data also suggests this age/gender combination starts to negatively impact your career opportunities from the age of 50.

Internal vs External Appointments



41% of appointments to Chief People Officer were internal.

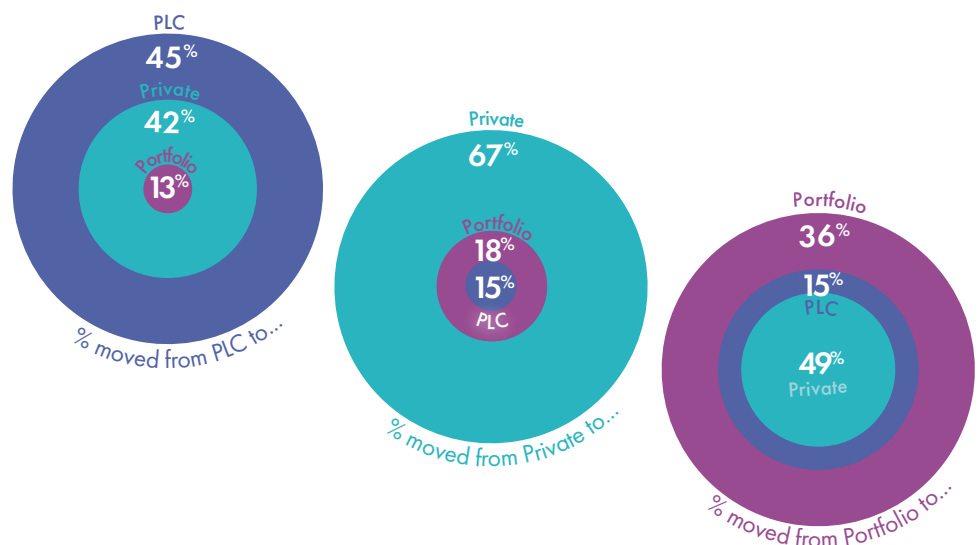
From a talent perspective, this does reflect positively on the ability of the function to grow and develop from within and compares strongly with the rate of Chief Finance Officer internal promotions at just **20%**. We see significant gender discrepancy in this area too; you are significantly more likely to be promoted to CPO internally as a female candidate, although it is likely that this is due to the disproportionate representation of women within the function at more junior levels.

Achieving internal promotion to Chief People Officer is still considerably less likely than an external appointment. It could be argued that the critical nature of this hire motivates businesses to look for external experience, enabling choice from the widest possible talent pool. When compared with the Chief Finance Officer appointment data, however, maybe we can assume that cultural insight, organisational knowledge and history play a more significant part in a CPO appointment decision: **59%** of CPO candidates appointed were sourced externally, while for CFO proportion is **80%**.

KEY TAKEAWAY:

It is certainly very possible to achieve the appointment of Chief People Officer through an internal route, although it is less likely.

Ownership



With the growth of private equity, Chief People Officers and aspiring Chief People Officers are always very interested in the most likely route into private equity portfolio positions. In the three years we examined, only **13%** of CPOs appointed into private equity portfolio posts came directly from roles within a PLC environment, which may well be expected, and mirrors trends across all ownership models. What is perhaps surprising in private equity appointments is that only a third arrive directly from other PE environments; certainly, anecdotal feedback suggests private equity firms prefer to hire candidates with prior private equity experience, but our data suggests it is not a critical factor. This is in direct conflict with our research into CFO appointments, where only **27%** of appointments into portfolio companies did not have prior PE experience.

PLC Chief People Officers are very likely to be appointed from a PLC position, however this trend is showing a decline over the last 3 years.

Noting a drive for agility and innovation within the function, perhaps this explains the proportionate doubling of appointments into CPO PLC positions from private equity portfolios in the last 12 months alone.

KEY TAKEAWAY:

Prior experience is not a prerequisite for a move into private equity within the People function.

Sector

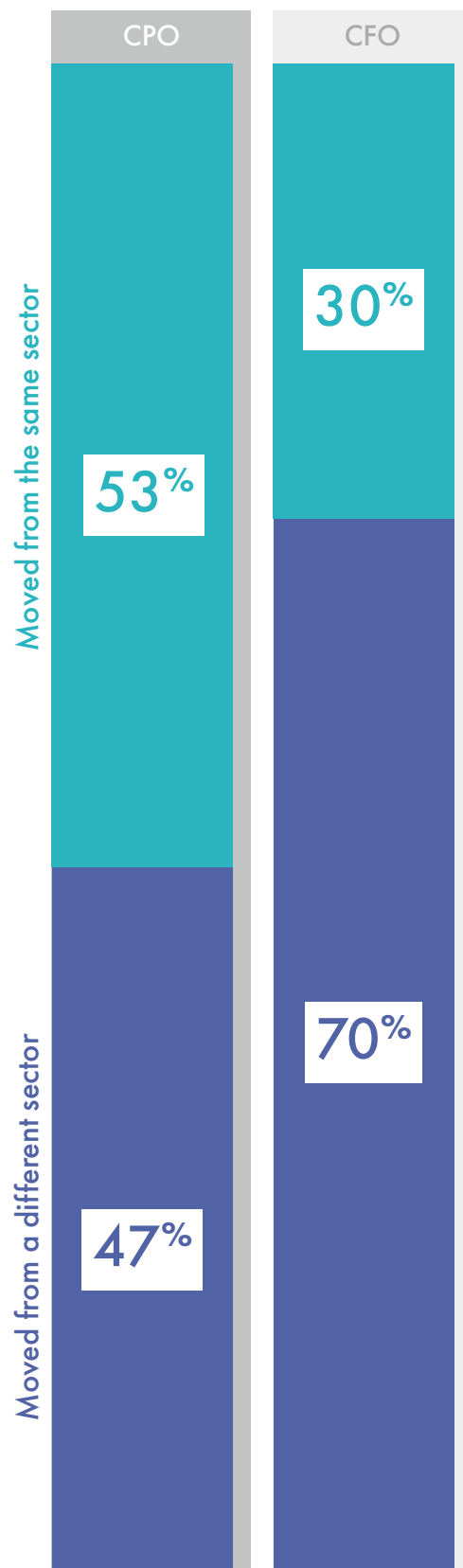
Surprisingly, our Chief Finance Officer research showed that almost **70%** of new CFOs joined organisations from outside of sector. This indicated that financial expertise is more sector agnostic than widely believed.

In the CPO domain, the same figure is just under 50%.

This suggests that sector experience can prove to be very important and is perhaps more so for leaders in the people and culture field than for leaders in finance. It is often argued that HR skills are the most transferable across industry, but in reality, data suggests that hiring organisations may not agree.

KEY TAKEAWAY:

When hiring your CPO, looking outside of sector enables you to bring fresh insight and perspective to your organisation.



Most Common Route to CPO

Overwhelmingly, the data shows that the generalist route is the most common pathway to Chief People Officer.

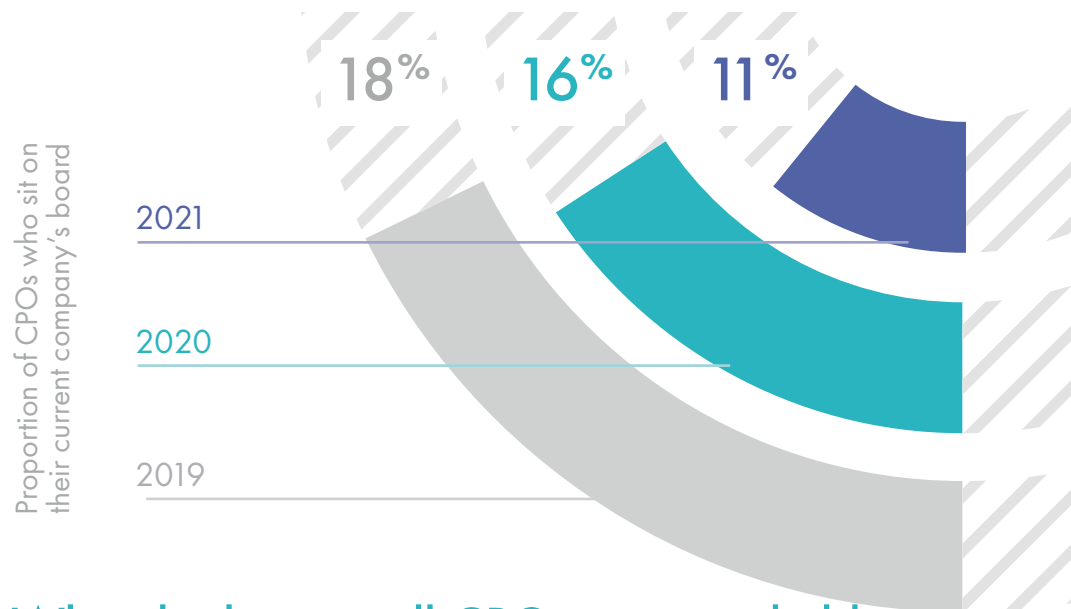
Certainly, we have seen a shift at Eton Bridge in companies seeking out specialist experience in CPO candidates, predominantly in Talent, and less commonly in Reward, but the evidence shows that, in selecting a Chief People Officer, recent generalist experience still holds primary importance.

There is a notable, small, and declining pocket of internal moves from the legal function to CPO positions which perhaps unsurprisingly is not mirrored in external appointments. There is some evidence of candidates moving from reward leadership roles – but this is minimal, and again, is seen in internal appointments only.

KEY TAKEAWAY:

You are highly likely to achieve a CPO position from a generalist role. Transferring from a specialist position (internally or externally) is less likely.

Board Membership



When looking at all CPO positions held during 2019 to 2021, the proportion that sit on the Board has hovered around 18%. When looking at new appointments, however, the story is very different – the percentage of newly appointed Chief People Officers sitting in full board positions has almost halved in three years, down to just 11%.

This may well tally with a rise in appointments in smaller scale, high growth start-up and scale-up businesses within our most recent data, where a CPO appointment could be a first for the organisation, rather than an established Board position, but it is certainly an area of concern for the function more broadly. Having demonstrated the function's power and impact through the toughest of times, is it possible the strategic importance is being lost and HR is in danger of being seen as merely a problem-solving function once more?

KEY TAKEAWAY:

Achieving Board status continues to be challenging and is a watch out for businesses, given the rise in strategic importance of some of the 'people related' issues such as ESG and working practices.

Conclusion

It is always tempting to draw broad conclusions and make general assumptions about the 'best' pathway to achieving an executive position and, of course, each organisation's needs for and requirements from a Chief People Officer appointment will vary depending on its scale, maturity, and attitude to culture, amongst many other factors.

We hope that the findings of the UK CPO Pathways report and our analysis provide constructive and practical insights for people at various stages of their career.

We believe that this report will inform individuals seeking to plot a route towards the CPO role, as well as to support organisations striving to make the most informed choices when developing their senior leadership team, not least because of the challenges the last few years have thrown at the People function.

We are committed to carrying out this research on an annual basis. Over time we will be able to build up a comprehensive overview of the career paths of CPOs in the UK. This will enable us to track trends and useful insights, particularly around gender, age and the increasing incidence of specialist, rather than generalist, HR knowledge within the executive team.

Eton Bridge Partners
March 2022

Our specialist Human Resources Practice

We deliver international assignments at 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, along with discrimination, diversity 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 roles, and has a particular focus on leadership roles with a strong track record in multisite commercial enterprise, not-for-profit organisations, unionised environments, and the energy sector.

BoardEx®

Established in 1999, BoardEx is a global technology and data solution provider. The company delivers relationship intelligence and people data on over 1.9 million organisations, and the 1.4 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. BoardEx is a wholly-owned subsidiary of Euromoney Institutional Investor.

 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 the 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
- » CFO & Finance
- » Digital & Technology Leadership
- » Human Resources
- » Operations, Procurement & Supply Chain
- » General Counsel, Legal & Company Secretariat
- » Sales & Marketing Senior Leadership