

# Episode 252: The Role of the CHRO in Change Management



**Intro: [00:00:00.09]** Welcome to the Workology Podcast, a podcast for the disruptive workplace leader. Join host Jessica Miller-Merrell, founder of Workology.com, as she sits down and gets to the bottom of trends, tools and case studies for the business leader, HR and recruiting professional who is tired of the status quo. Now, here's Jessica with this episode of Workology.

**Jessica Miller-Merrell: [00:00:25.50]** Welcome to the Workology podcast sponsored by Workology. One of the questions I'm thinking about right now is how will we navigate change while supporting our organizations as well as the executive team?

**Jessica Miller-Merrell: [00:00:39.50]** In this interview, I dive into this subject of change in our current times we are living in are a great example of change. The focus here for this podcast series is all about the chief human resource officer. And I want to know how we plan to move forward from where we are now, where we are sheltering in place and our teams are working remote to what the future role of that CHRO looks like and what our HR team does moving forward to support the organization. This podcast interview on the Workology podcast is part of our CHRO series. This CHRO series is powered by HUB International. The CHRO is an executive or C-level position that deals with managing human resources as well as organizational development, implementing change, which is designed to help improve the overall efficiency of the company. So today we're talking about reimagining the future state of your future workplace. Today, I'm joined by Karen Crone. She's the CHRO of Paycor. Karen, welcome to the Workology podcast.

**Karen Crone: [00:01:46.27]** Thanks, Jessica. Appreciate you having me and Paycor.

**Jessica Miller-Merrell: [00:01:49.60]** Let's start with some background. You've been with Paycor for the last 10 years and you've had executive level experience as the VP of HR for other companies before that. How did your role evolve into the CHRO position?

**Karen Crone: [00:02:01.87]** Yeah, you know, I initially started in roles that had to do with recruiting and as an HR business partner. And, you know, if I think back about my career, the the time that I spent in recruiting or in hiring is really like a fundamental building block. You know, there isn't a CHRO today that doesn't have talent on their to do list or isn't thinking about how they upgrade their talent, increased their talent, attract talent. It's on all of our lists. And so that time that I spent in recruiting really helped me with that. I think the HRBP role also gives you this opportunity to participate in business planning. It's like a front row seat to the C suite. You know, you get to be that sounding board, that coach and counselor, and it's really the ultimate opportunity to get some business immersion. And so for me, my role evolution really

cracking the code was about marrying talent practices with business acumen and with this partnership and creating value. So those two roles were really the fundamental launch pad for getting to the CHRO spot.

**Jessica Miller-Merrell:** [00:03:07.81] If we look at your past positions based on your former job descriptions, would you say they are similar to what we now call CHRO or different?

**Karen Crone:** [00:03:17.11] No, I think they're similar. I think if you're sitting in the top HR job, whether it's head of HR, SVPHR, VPHR, director HR, or if you're in that top spot, you really are the CHRO. You know, the weight and the responsibilities and the influence fall to you. And the job jar is the same regardless of the title.

**Jessica Miller-Merrell:** [00:03:36.07] I think sometimes people get caught up in the title, which is why I wanted to ask the question.

**Karen Crone:** [00:03:41.35] Yeah. I mean, if you looked at our to do list and our priorities, they'd be very similar if you're in that top job.

**Jessica Miller-Merrell:** [00:03:46.78] What skills and experience do you believe are absolute requirements for that CHRO role? Especially thinking about those just starting out in our industry.

**Karen Crone:** [00:03:57.76] Yeah, if you're just starting out, I think there's really three things to master. One is like you really have to immerse yourself in the business and understand how your business hums, how it makes money, where it spends its money, what the key metrics are, because being successful in an HR position really is about expanding the business. Right. That's what your role is. And so the better you understand the business and have depth in the business, the the more impactful you'll be. I think, you know, as we mentioned before, the whole concept of having familiarity with the talent pipeline, really getting experiences and recruiting people, thinking about talent management, where you're up and comers, how are you developing people? How healthy is your pipeline? What's the diversity of it? You know, you should be able to look back and say, gosh, I influenced this function by helping bring in this group of people or helping push the set of leaders to the next level. And then last, I think another good experience is having an assignment that really influences culture, whether that's communication or rewards and recognition or, you know, collaboration tools. If you can look back and say, man, I made a dent in culture, that's a really good experience.

**Karen Crone:** [00:05:12.16] You know, on the skills side, it's a little bit different. I you know, my I guess my set that I think about is this notion of standing in the future. So can you kind of anticipate and look around corners and stand in the future and think about how your business will evolve and what it might look like in

the future? That's a really strategic way for you to contribute beyond just the traditional HR practices. You got to keep influencing your keep honing your influence skills because so much of the role is about influencing others through change and to manage new practices and new ways. You have to be a keen observer, you know, really being a person that has the pulse on how employees feel, what's happening in your culture, what's the cohesion of your leadership team? And then I think you're always in that coaching role, whether you're coaching your colleague on their career or you're coaching somebody in the C Suite on their career or their business plans. So those are some of the big ones, Jessica, when I think about skills and experience.

Jessica Miller-Merrell: [00:06:17.35] You talk about being able to look around corners. I feel like right now this is not a corner that we ever expected to be in. So how do you plan for uncertainty or whatever the future is going to look like right now for later?

Karen Crone: [00:06:35.17] Yeah, no, really good question. And I think, you know, well, many of us might not have thought about covid and its broad implications. Hopefully many of us did already. Have business continuity plans to think about what would happen if your business had to dramatically change the way it distributes or the way it delivers to clients and the value that it creates. I think looking around corners is much about making sure that your policies and practices are flexible. It's as much about being able to create teams that can address that can address things like covid-19 and having to shift everybody to home. Do you know where the skills and expertise are that you can tap on very quickly? And so part of that notion of looking around quarters is just trying to create a flexibility in your environment and some change practices in your environment to have strong communication so that you can execute change practices and that you know where the talent sits. Because, yeah, there's so many things this year we couldn't have predicted, but we could have predicted that there could be an interruption in business continuity, maybe not to this extent. But, you know, hopefully we all have a little bit of insight into how to maintain the continuity of our business.

Jessica Miller-Merrell: [00:07:52.10] I love that. And thank you for sharing, because I think that a lot of us kind of feel like it's just it wasn't the year that we expected it to be. But then again, we have a lot of businesses that are doing really well and they're hiring very quickly. So there's real diversity, I guess, and and the business needs and just the business in general, right?

Karen Crone: [00:08:16.19] Yeah. You know, just one of my little guiding principles has always been that you always learn the most and the extremes, the extremely good times and the extremely bad times. And that when you reflect on those moments, that's where the most memorable growth occurs. It's not in the everyday. Right. And so there's been such an opportunity for people to stretch and grow and to try different things and be experimental. And that leads to growth. And I think, you know, when we reflect on this in five or 10 years on the impact it's had on business, we'll see more positive outcomes than we will downsides.

Jessica Miller-Merrell: [00:08:53.33] I agree with you. Absolutely. Let's I want to get back to the CHRO role. How does the CHRO role change? How company leadership works with HR or or vice versa?

**Karen Crone: [00:09:07.01]** Yeah, I mean, great CHROs are business people first and foremost. And, you know, their influence really comes from this deep understanding of strategy and process and performance. And I often say that, like the the CHRO, when you combine them with your chief financial officer and your head of legal, that those functions are kind of like having a great offensive line in football. And so if they're in sync and they're doing the blocking, your skill players can be at their very best. And so, you know, company leadership works best with HR when they understand you're committed to their success, you're in it for their success and that you're trying to find ways to remove obstacles and say, yes, if it's in the best interest of the business and people, if you're only showing up with them about admin and compliance and rules, you're going to have a really hard time having influence and getting a voice.

**Jessica Miller-Merrell: [00:10:02.09]** I love that you point that out, because when I asked you about the CHRO role, you did not say processing payroll or I9 verification or any of those things. It was more about business alignment and change management.

**Karen Crone: [00:10:15.53]** Yeah, you know, I call those things the utility functions, Jessica. When you and I come into a room, we switch on the light switch, we expect to have lights every time, 100 percent of the time. Right. And those functions, they have to work because that's like the basic responsibility. And if you don't have them working, it's really hard to turn the conversation to strategic business things. If your customer has to keep going back and saying, why aren't you paying my people right? You know, or why am I in this compliance mess? So, you know, you just that's like Jex to open. You have to take care of those things out of the gate. Your utility functions have to be perfect. And and that's where tools like Paycor are really helpful, too, because they they empower the CHRO and their teams to deliver those utility functions in a really routine and rigorous way.

**Break: [00:11:02.45]** Let's take a reset. This is Jessica Miller-Merrell, and you were listening to the Workology podcast sponsored by Workology. Today we're talking with CHRO, Karen Crone, and we're talking about reimagining the future future state of our workplace. And this interview is part of our CHRO series on the Workology podcast, which is powered by HUB International.

**Break: [00:11:25.79]** This episode is sponsored by HUB International. Your full service employee benefits broker of international helps you power forward with a tailored employee benefit strategy that evolves and adapts to a new workforce challenges, personalized benefits, engage employees and manage costs. Visit [Hubinternational.com](https://www.hubinternational.com) today.

**Jessica Miller-Merrell: [00:11:50.36]** Let's talk about company leadership a little bit more. Paycor has a new CEO and that means the executive dynamic is changing. It's evolving. Can you talk a little bit about the model you're using for meetings and how you're creating cohesion within this new executive team?

**Karen Crone: [00:12:07.43]** Yeah, you know, several years ago we worked with The Table Group and that's a Pat Lencioni team. And they introduced us to this book called The Advantage, which was written by Pat. And it provides a framework for creating space for strategic conversations where you also address the everyday challenges you have in running the business. And it led us to adopt three types of meetings that we've actually continued even with the new leadership team. So that shows you it works. Right. We have a weekly tactical meeting that has a popcorn agenda agenda, meaning that I call it popcorn because you never know what's going to be on it. And everybody kind of tosses in topics as we go. We have a monthly strategic meeting where we look at our annual plan and how we're doing. And then we have a quarterly strategic offsite where we do a deep dive into our strategy and we really spend time looking into our into our future. And so for us, like cohesion came about through three things. One is competence. Is everybody in the room competent in the role that they're serving? Because when you have incompetence, that's where you start to have conflict. Secondly, is it really clear what the view of success is? Does everyone have that same kind of notion of success and are they committed to the same end goal? And then last, does everybody have a voice? So it's really important that whoever is in that room can speak to anything in the business, whether they're sitting in the HR chair or the service chair or the technology chair.

**Karen Crone: [00:13:34.16]** And we've really tried hard to make sure that we assume positive intent. One other little teeny thing I'll share with you, Jessica. We adopted this thing from one of our Lencioni consultants, and it's called Fist to five. And it's a way that we vote on a topic. So when we're making a decision at the end, it's almost like rock, paper, scissors will go one, two, three, fist to five. And then you throw up, you know, a fist or five fingers or anything in between. A fist means I do not believe in this decision. I am not committed. A five means I'm all in. This is all in. And it's a really quick way to inventory where people stand and to go back to the people that maybe have the twos and threes are the ones and twos and talk more about their reservations and concerns. And it's, you know, it's kind of a fun thing, but it's it's a really good way to test commitment and, you know, agree and commit, disagree and commit. They both end and commit.

**Jessica Miller-Merrell: [00:14:28.04]** What's the first thing that a CHRO should consider when a company, especially one the size of Paycor, has a shift in executive leadership?

**Karen Crone: [00:14:37.16]** Yeah, what an opportunity. You know, Paycor was led by this 30 year owner founder who was really widely liked and really accessible, very much a man of the people. And the executive team was really visible because he set that tone. So it was super important to us that when we brought our new CEO and we could really expose him to as many people as possible so that they could see him as a human, right, as somebody who was just like all of us. And we sent him on listening tours and road shows and featured him in these really unscripted moments as much as possible. I think, you know, any time you have a leadership change, you also have cultural changes. You know, another consideration is, you know, what do you want to preserve and build upon and what do you want to shed? You know, that leadership team dynamic really gives you a chance to create a ripple in the culture and that gives you an opportunity. And so, you know, that shift in executive leadership, some of us can look at it as a scary time. It's really a huge lever to to put yourself to the next inflection point in your business.

**Jessica Miller-Merrell: [00:15:43.52]** With your company size and growth in mind, how do you focus on mid-level talent development and preparation for scaling your current workforce?

**Karen Crone: [00:15:52.16]** Yeah, Jessica, this is like a really timely topic. You know, just this week we ended our talent reviews and we look at all of our mid-level management talent and we use a combination of functional org charts to really look at who are our top talent, who are our key contributors, who might be blockers, who's a flight risk. We couple that with nine boxes. You know, we use the traditional nine box evaluating people's performance and potential. And we also look at succession plans to highlight top talent and outages. So our team, really, the executive team met three times over the last two weeks to dig into each function. And the process really helps us identify the people we want to accelerate, you know, whether that's through rotations or assignments or mentorship. And we also require a development plan for each person identified as top talent, and we inspect it. So we have a routine of every quarter kind of going back over those functional org charts and the development plans to make sure that the people that we have tapped is up and comers and that mid-level talent that's right on the verge that they're really making progress and they're ready for that next roller assignment.

**Jessica Miller-Merrell: [00:17:01.65]** One of the topics that I loved during our prep call is we talked about scaling the HR function. So can you talk a little bit about that? Because as Paycor has grown and changed and evolved, you have been knee deep in scaling HR.

**Karen Crone: [00:17:19.60]** Yeah, when I first started, we had about 430 employees and we probably had about a 10 person HR team. And over time, we've really expanded that team to combine traditional HR with learning, with enterprise project management and with internal communications. And we've done that because we think that much of the the things that we'll focus on in the future will be culture and organization, design and learning. When you think about the impact of automation on a business today, HR functions are going to be really in in the role of retooling talent constantly. And to do that, you have to be really efficient in your HR operations, those utility functions that you talked about, and to have great technology. And by the way, yes, we do use our own technology. And so as we scale, we're thinking about ways to elevate the business partner role, to create more shared services and to add more analytic capabilities so that we can deliver more insights to the business that we're not just providing that generic attrition report or generic headcount report. We're really providing trends and insights and helping people look at personas much like you would with a customer so that you can really target your solutions and target your communication to different constituents in your organization.

**Jessica Miller-Merrell: [00:18:35.64]** What is your best advice for company leadership? Who's experiencing high growth right now?

**Karen Crone: [00:18:41.55]** You know, one of the challenges of high growth is prioritization. It can feel really chaotic and give people whiplash sometimes. And so it's critical that as a leadership team, you figure out

how to say no in the context of your strategy. If you don't do that, it only dilutes your resources. And it also creates really messy communication with your employees and it results in frustration. So if you want to go fast, sometimes you have to go slow and figure out what to say no to.

Jessica Miller-Merrell: [00:19:11.05] Awesome, great advice, and I love it because you are in it and have been in it and can really speak from experience. What would you like HR leaders to know about the CHRO role maybe that we haven't talked about?

Karen Crone: [00:19:25.81] Yeah, I think this is a really timely topic, Jessica. When I reflected on this concept that, you know, the CHRO has this really critical role right now of being the standard bearer for how we treat people and advancing equality, diversity and inclusion. And, you know, at a time when trust is really low in media and in the government, trust is really high in organizations. And people are looking to their employer now more than ever for safety, for security, for continuity, for support. And I think CHRO set the tone and it's a really awesome role right now in terms of the impact that you can have on an organization and its people. And it's a pretty awesome responsibility, but one that also is really personally gratifying when you when you can set the standard for people.

Jessica Miller-Merrell: [00:20:19.66] Well, thank you so much for taking the time to talk with us. Karen, I wanted to ask you where people can go to connect with you and learn more about what Paycor does?

Karen Crone: [00:20:29.26] Yeah, my personal Twitter is @klcrone and I'm also on LinkedIn as Karen Crone at Paycor. And you can also email me at kcrone@paycor.com, k-c-r-o-n-e @ paycor.com. And Paycor.com has a tremendous amount of resources that we offer to HR professionals. We have an HR Center of excellence and it has all kinds of timely resources about what's happening in the HRR and people world, whether that's new legislation, new compliance things or ways to really just test the maturity of your function so their free resources. And, you know, we think one of our one of our important jobs is to share expertise with HR professionals to help them with their business leaders and creating the best small and mid-sized businesses possible.

Jessica Miller-Merrell: [00:21:19.93] While I so appreciate your insights into the Chief Human Resources Officer role, because I think for so many of us, it is kind of a mystical unicorn. So you're helping demystify the role of the CHRO.

Karen Crone: [00:21:32.74] Well, thank you, Jessica.

Closing: [00:21:34.24] It's really interesting to delve into the role of the CHRO with everything going on, all the crazy stuff that's happening in the world. And I'm interested in how strategy and operations and the

overall business works moving forward, especially if you're a company who's experienced a lot of growth or maybe you are in high growth mode. This CHRO doesn't just lead HR within a company. It is a key role in structuring the leadership for a company's executive team. We've seen that with Karen, where Karen was an existing CHRO and a new leadership team has been brought in. How did the dynamics change? How does the CHRO support that new leadership team to meet their goals and expectations and business objectives? I appreciate Karen taking the time to share her knowledge with us today on the Workology podcast. Now, this podcast is part of our CHRO series, Chief Human Resource Officer, and it's a great one. It is powered by my friends at HUB International. Thank you for joining the Workology podcast sponsored by Workology. This podcast is for the disruptive workplace leader who's tired of the status quo. My name is Jessica Miller-Merrell, and until next time you can visit [Workology.com](http://Workology.com) to listen to all our previous podcast episodes.

**Closing: [00:22:54.61] Are you studying for your HRCI or SHRM exams? Join our free HR Certification Study Group on Facebook. Search for HR Certification Study Group, or go to [HRCertificationStudyGroup.com](http://HRCertificationStudyGroup.com). Ace your HR exams with the HR Certification Study Group.**