



Dominique Grau, Senior Vice President for Human Resources, Agilent

Strategic CHRO: Big Decisions Need Data, But Make Sure It Tells A Full Story

Published on December 10, 2018

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 Dominique Grau of Agilent. Grau shared smart insights with us about clarity of strategy, and the importance of trust between the CHRO and CEO. Stay tuned for more interviews with other HR leaders.

Bryant: What does the phrase strategic CHRO mean to you?

Grau: Well, the role is not only strategic. Part of the job is running the HR function. We have 15,000 employees at Agilent. We operate in more than 30 countries. Two-thirds of our population is outside of the United States. So there's a lot happening, and that is not the strategic part of it. But in order to be strategic, first you need to have the trains running on time.

Once you do that, then you can clear your mind and ask, how do we help the company add more value, increase profit, and be closer to customers, to shareholders, to employees? And how do we make the tough decisions? For me, strategy is more like a framework of

decision-making for how we enter new markets. There are so many mega-trends affecting our end markets. Which ones are we going to go after? That then leads to questions about all the organizational capabilities you need.

Reimer: You became CHRO four years ago, around the time of the split that resulted in Agilent spinning off as a new company. That must have presented new challenges for you.

A. When we started, it was, to a certain extent, like a startup. At the same time we spun off Keysight, we also created a “new Agilent”—a new company with the previous name. We did a lot of work at the CEO staff level aligning ourselves around who we were as a company – the mission, the vision, the goals and the culture.

"If 12,000 employees aren't clear about where we wanted to go, we were going to waste the energy of all these people."

We realized that if 12,000 employees aren't clear about where we wanted to go, we were going to waste the energy of all these people. If you define that clearly, then you know why you are together as an executive team, and the agenda topics for what we're going to discuss during our meetings – and what we're not going to discuss -- become clearer.

Bryant: What have you learned that, if you were speaking to a class of newly minted CHROs, you would want to make sure they understood about the role?

Grau: It's critical for a head of HR to establish trust with the CEO. You're going to be in situations where you have to make sure that you see eye-to-eye. That doesn't mean you always say yes to the CEO. There may be times when you have to lay down on the tracks and say, you can't do that. The trust you've earned really helps in those moments.

You also need to bring data to discussions with the CEO. It's not about theoretical arguments. You're talking about people's lives. In order to make decisions, you need a lot of data presented in a way that's compelling but also very truthful, because data does not always tell the full story. So you start with teams that produce relevant information or data that can then be used for decision-making. That's a skill that a head of HR needs to be comfortable with.

Reimer: What about a first-time CEO? How can they get the greatest value from that CHRO relationship?

Grau: A company's greatest assets are its people -- everybody knows that. But your strategy

angle in conversations with the CEO have to start with customers, shareholders and then the people. And as head of HR, I'm always going to bring these three constituents to the conversation. For some first-time CEOs, the main constituent may be shareholders. And that's where I think a strategic CHRO can rebalance the conversation. So I would say to a new CEO to make sure your CHRO reminds you of all three constituents.

You also have to be conversant on a broad range of issues with shareholders. I recently met with one of our bigger shareholders, and they wanted to talk about not only governance issues, but also about our workforce, how we manage our talent, how diverse we are, and how the board is connected with our talent. We spent 30 minutes on these issues.

You want to have a head of HR who can speak to investors because the ESG movement (environmental, social and governance) is growing. That's a different dimension than a traditional head of HR. That is where the role potentially is evolving or needs to evolve.

Reimer: So how do you groom the CHRO of the future, given that it's a different job than it was five years ago?

A. You'll want somebody who has experience in different functions or different roles, as well as HR. The field can be very complicated as well, with benefits and compensation. But I think somebody who's been a general manager or has spent time in finance – those are places where you can look to groom people.

"As a head of HR, you need to really align yourself completely with the purpose, mission and vision of the company."

Not that somebody who's spent their whole career in HR cannot do the job, but I think that you want somebody with a multifunction background who can draw on their different experiences. And five or ten years from now, the role might be very different, so you really want somebody who's agile and eager to learn.

Bryant: How would you coach somebody who's interviewing for CHRO roles to make

Grau: First, I would tell them they need to understand what the company is all about. Try to understand the end markets and the value that the company brings. As a head of HR, you need to really align yourself completely with the purpose, mission and vision of the company. For example, there are certain industries in which I wouldn't be able to work because of my values. You want a highly engaged workforce, and you need to be all in as a head of HR because you're going to be one of the key constituents to help them be engaged.

In terms of creating a sense of trust with the CEO, the questions that a future CHRO could ask include describing certain situations and asking them what they would do. If you had a staff member who is not performing, what would you do? You can start to see exactly how much the CEO believes in a performance philosophy. Another question could be about teamwork and the importance of strategic thinking by the executive team.

Reimer: You mentioned earlier that there were some industries or companies that would be non-starters for you. Was there a moment in your career when that became clear to you?

Grau: At one point, I was recruited to be HR manager of a company. It was in Switzerland, and the headhunter said, “We can’t tell you who it is. You’ll need to go through a few rounds of interviews before we tell you.” It turned out to be a tobacco company. I said, “I’m sorry, I cannot work for a company that makes cigarettes.” I had been a smoker before, so this was very personal for me. I turned it down immediately because that doesn’t align with my values.

Bryant: What has been the most important leadership lesson for you personally?

Grau: I was working in IT. We rolled out a new timekeeping system. When we went live, it was a disaster. In some countries, if you cannot enter your time, you’re not going to be paid. I was summoned to the CEO’s office. I said to him, “I take full accountability.” And he said, “I understand that there’s a big impact on many employees, but what I need from you is to do everything you can to get the system to work as it has to work and inform me of the progress.” And he said, “I really commend you for taking full accountability.”

I went to the CEO’s office thinking that this was maybe my last day in the office. He taught me that even in the worst moment, there’s a silver lining, and he basically gave me the opportunity to learn. That was a pretty defining moment. If people take accountability, if they learn from it, you can move on.