



Peter Fasolo



Strategic CHRO

Conversations with leaders who are transforming the world of HR.

"It's Really Important that CHROs be the CHRO for the Entire Corporation."

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*In our interview, **Peter Fasolo**, the chief human resources officer of Johnson & Johnson, shared insights about how HR leaders build trust by always representing their company's interests, rather than any one person's agenda.*

Q. How did you get into the field of HR?

A. I started out in university as an accounting major, but I didn't feel a real passion about what I was studying. I took an Intro to Psych class and my world opened up. I started reflecting a lot about motivation and organizational issues. I switched my major and went on to get a master's degree and PhD in psychology.

I knew I loved the field of psychology, but I wasn't sure at that point in my life how I wanted to apply it. As time went on, it became apparent to me that organizations are incredibly interesting platforms for advancing human endeavors around important issues. It all starts with how people interact in social systems. So I went into consulting, and from there, I went into business, and here I am.

Q. What is your framework for thinking about culture?

A. Culture is everything as it relates to the competitive advantages of corporations. Johnson & Johnson has a variety of different cultures in our broad, diversified healthcare business model, but what unifies our over 200 operating units and approximately 140,000 employees is a set of expectations and values as expressed in "Our Credo" for how people lead.

Q. How do you make sure that leaders behave the way you want and need to them to?

A. We reward our leaders not only for what they do, but for how they do it. Half of their evaluation is based on delivering on the expectations of the business plan. The other half is based on what kind of leader they are. We listen to people's judgments and opinions, and we ground ourselves in the fact patterns from our surveys of how leaders are behaving. We also consider the degree to which leaders enhance the diversity and inclusion of our company. This full evaluation process is a way for us to ensure that we are nurturing our environment through the stewardship of our leaders.

Q. You were here at Johnson & Johnson, went to KKR and then came back, and this is your first CHRO role. What did you learn from the private equity world that you brought back to this job?

A. I learned a lot in private equity about discipline, about relentless focus on outcomes, about paying attention to speed and accountability and simplicity. I learned a lot about how you can align management teams to get things done. I also learned about keeping things simple and not being distracted by issues that may not be creating value for the enterprise. I've brought those insights into my role as the head of HR at Johnson & Johnson.

Q. What is your framework for working effectively with the board?

A. The relationship with the board is extremely important, especially

with the compensation and benefits committee. When you're working with the board and with the comp committee, you better know 500 times more than what you're being asked.

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Your job as head of HR is to instill a level of confidence that you know the facts of what you're being asked and to be very confident in your ability to say what will work and not work in our company culture. A board should expect a CHRO to give them a feel and mood of the organization, using facts and data, and a sense of the important trends and issues that they should be aware of. It starts by knowing the facts. If you slip on that, you may have to dig yourself out of a hole from a credibility standpoint.

Q. A CHRO plays a special role on the executive team. You're a member of the team but you also have to sometimes stand apart from the team. How do you think about that?

A. I try to be very deliberate about the fact that I am the CHRO of the company. I have important constituents, like our chairman and CEO, our board and our comp committee, and our executive committee. It's really important that CHROs be the CHRO for the entire corporation. If you drift into the danger zone of being the CEO's CHRO only, you will not be effective.

For a CHRO to be effective, they must have trust. I try every day to be very conscious, when I'm working with our board or with my peers or others in the organization, that the rules are very clear. I am always candid. I try to do that from a position of caring and trust and I never, ever violate a confidence. Because if you violate a confidence, then your credibility is gone, and if your credibility is gone as a CHRO, you can't do your job.

I'm very vigilant about that. If I'm talking to a peer, sometimes I will say to them, "You have to tell me what you want me to do with this conversation. You direct me if you want me to carry that message somewhere." Sometimes they'll say, "Let's just keep it between us." Sometimes they'll say, "Can you help me with a peer or can you help me with this situation?"

What I always try to do is let employees stay in control and guide me on how I can be helpful. I do that because I can never make any assumptions. Because if I make those assumptions and I'm wrong, even if they can be explained, it's too late. I've worked very hard to maintain that confidence and that confidentiality with people.

Q. That's a smart strategy to tell people that they are in control of what you do with the information.

A. I'm a huge believer in people controlling their own destiny. It's often my job as a head of HR to give my views and opinions. I think people will say about me that they always know where I stand on issues or people-related situations. But I have to make sure it is known that I

am not accountable for other people's behavior.

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I'm accountable for expressing my views, but there are times people may not take my advice. I often say it's a bad day if I'm driving home and I didn't give my views to someone on a particular situation. It's a perfectly fine day if I'm driving home and I say that I gave my views to them and they went in a different direction. It's their decision. It's my job to be truthful, candid and objective from a place of caring.

Q. What were early influences that shaped your personal values?

A. I grew up in a humble, lower-middle-class household. My father worked for 30 years in the inner cities of Bridgeport, Conn., in community centers, using sports as a way to keep kids out of trouble. He taught me passion, he taught me hard work, he taught me about the importance of diversity, and he showed it through his actions, and certainly my mother did it in the same way, as well.