

Brian McNamee



Strategic CHRO

Conversations with leaders who are transforming the world of HR.

"You Have to Be Confident Enough to Be Courageous at the Right Moments"

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Brian McNamee has deep experience in HR. He was Amgen's CHRO for a dozen years before moving into the role of chief transformation officer, and is now advising companies and senior executives. He shared compelling lessons on the CHRO role, including how to build an effective relationship with the CEO and the board.

Q. How did you get into HR in the first place?

A. Nobody says when they're a kid, "I want to be in HR." Fireman, yes, quarterback, maybe. But in my twenties, I was working in a residential treatment center for court-appointed youth in upstate New York. It was not a great spot for the staff. After four years there, I started to think that maybe the place needed a union.

I ended up cold-calling a professor at nearby Cornell University who was an expert on unions. That led to some conversations, but nothing much came of them. Fast-forward to a year later, and there was an escape one night at the treatment center. Some of the guys got out and we were trying to cut them off in a lightly wooded area before they made it to the highway. It was dusk, and I got jumped by one of the kids from behind and broke my back.

One of the doctors said, "You're not working with kids anymore. It's too dangerous." I'd broken my nose there and my toe and my back. So I reached out to Cornell again, and the professor suggested I apply to get my master's in industrial and labor relations. That's how I got in HR.

Q. What were the key lessons you learned from all your HR roles?

A. Authenticity counts if you're going to be a leader, especially an HR leader, because you have to play a special role with the CEO, the leadership team and with the workforce. The ethics need to be unimpeachable.

And then you need to have courage, because you're going to be called on at different points to do things that aren't popular, and you have to be confident enough to be courageous at the right moments. You certainly have to be effective at communicating and giving tough advice and the truth in ways that will help people.

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You have to have a good helicopter view of what's going on, and then you've got to float toward the hot spots or the opportunities. You have to understand where value is created in the enterprise, and not from just the people angle. You really have to understand where the value comes from and where it is lost and where can it be improved. So you've got to understand finance and strategy.

The more you understand how the enterprise creates value and drives it and loses it, the more effective you'll be in connecting strategies to how you work with people. It opens up a whole different view of where you align your priorities. I also learned that you're only going to go as far as your team can go, because if you have the right team, it can free you up to float toward some of these value-creating and value-losing opportunities.

Q. Talk about the CHRO's crucial relationship with the CEO.

A. The common trap I see, as I work with companies now, is that the CHRO over-identifies with the CEO and becomes too close to the sphere of influence. They get sucked in by the gravity of it and have trouble being an independent voice. Some people can feel so accepted when they get that special relationship that they roll so heavily toward it that it violates the trust with others.

Q. What advice would you give a CHRO candidate when they're interviewing a CEO? What questions should they ask to see if it will be a good fit?

A. The first is, don't even take the interview if HR doesn't report to the CEO. Once you get in with the CEO, I'd go to things like the calendar test. As the CEO, how much time do you spend on people issues? How do you make decisions on the performance of your direct reports? How do you track your high potentials? What role do you play in talent? How do you interact with your head of HR, and on what topics?

I look for evidence of time commitment because that's the CEO's most precious resource. If they're having trouble answering those questions,

then all the lights should be flashing. I also would be gauging for real evidence of how the HR person's going to interact with the board. If the CEO says, "You won't, other than working with the comp committee," then that's a non-starter.

Q. And if you were to probe on how open they were to you giving them tough feedback, maybe even on things they don't want to hear, how would you do that?

A. I'd ask for examples of when they had changed their mind and pivoted based on something that one of their truth-tellers said to them. And they'll either have examples or they'll say, well, the prior person didn't provide that for me, and so that's really what I'm looking for. And then you've got to do your due diligence on whether the person really does accept feedback. You've got to talk to other people there, and maybe a board member, as well.

If the CEO and the CHRO aren't on the same page on what the role is before you join, you're not going to convince them once you come in from the outside. So you've got to do as much work as you can beforehand. It'll never be perfect, but you should have a pretty good view of what the reality is inside the shop before you join.

Q. What is the right level of engagement that the CHRO should have with the board?

A. The CHRO should know all the board members well over a reasonable period of time. Occasionally the board would ask to meet

with me privately, without the CEO in the room or anybody else — not because there's a problem, but because they want input. That to me is a signal of a healthy relationship and interaction with the board.

You always have to remember, though, that the CEO is the single point of control with the board, and you never interact independently with the board. You always interact through the CEO, and there should be no surprises. You also have to know when to speak up and provide input and when to stay quiet. There's an art and cadence that you learn over time.

Q. How should directors get a fingertip feel for the culture? With the regular scandals of late, more board members want to know what's really happening on the front lines.

A. Board members should get some views of the organization below the CEO staff level. When I was in the transformation role, we knew the culture was going to change, and we had to keep the board apprised with a kind of heat map of how the organization was dealing with the transformation. We were making tough decisions around closing sites and reducing the workforce, and we were also looking for new ways to add value.

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We had to figure out the right way to keep the board informed and engaged, but not go over the line with too much detail. So we were very measured in how we brought them in to the process. At one point, we organized a kind of fair for them, where they could come in and talk to 15 leaders of different initiatives, each of whom had a poster board explaining what they were doing.

Q. Going back to your early work with juvenile delinquents, that sounds like quite an education. How did that help you prepare for your career in business?

A. You learn to read the room – who's hot, who's cold, in terms of their mood. I lived on campus part of the time. I worked in the special service unit, which was for kids who were removed from the general campus for a year and placed into a more controlled setting. And when you were on duty, you were reading the room for which kid is struggling with what. Who's up? Who's down? Are they going to blow? You had to know the temperature and the heat map of the room.

The other thing I learned is that control is the last lever you want to pull. You want to use influence and relationships. You want to be able to connect with the kids. You want to be authentic with them, or you're going to get found out and exposed. And if you have to rely on control, you've basically lost, because you're going to pay for that later on. You learn those things viscerally.