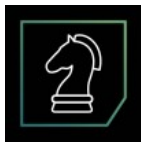




Matthew Breitfelder, Global Head of Human Capital and Senior Partner at Apollo



Strategic CHRO

Conversations with leaders who are transforming the world of HR.

'Coaching Takes Confidence Colleagues Who Want Direct Feedback'

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***Matthew Breitfelder**, Global Head of Human Capital at*

*Apollo, shared his key leadership lessons with me and my colleague, **David Reimer**, CEO of **The ExCo Group**.*

Reimer: How did you end up in the field of HR?

Breitfelder: I'm the son of a business leader and a therapist. I was the permanent intern of my father's small business, and I also would debrief with my mom on different situations her patients were facing and how to help people get better. In some ways, I speak both languages. I've been surrounded by business and psychology my whole life. My two passions are an intersecting Venn diagram.

I started my career as an economist and a trade negotiator during the Clinton administration. When I started working in management consulting, two numbers blew me away. One is that the failure rate of corporate strategies is about 70 percent. And when you unpack that, you find it's almost always because of talent issues. So it's all about psychology.

And in HR, one of our best metrics are employee engagement surveys, which typically show the same answer across companies — twenty percent of people are highly engaged in their jobs. As an economist, I look at that and say, wow, you've got an 80 percent failure rate of getting people to feel like they're doing the best work they're capable of, and most strategies don't work because of the people issues. I realized I could have a big impact by focusing on those areas.

Bryant: To have that impact, a CHRO has to have a good

**relationship with the CEO and the rest of the leadership team.
What would your advice be to someone who is interviewing for a
CHRO job to make sure there is going to be alignment?**

Breitfelder: There are three things that are the most critical to the CHRO role. The most important part is coaching. Number two, you have operational responsibility for things like compensation, recruiting, diversity and inclusion, employee engagement, talent management, and benefits. Third, every CHRO is managing some large-scale change agenda, whether it's evolving a culture, building a new talent strategy, implementing new technology or embracing AI.

So in meeting with the CEO and the leadership team, the questions I would ask are: What drives you when you get out of bed in the morning? What propels you throughout the day? You want to understand what makes the person tick.

Second, what's your agenda, your strategic intent? What are you really trying to get done in your tenure? What does success look like over five or ten years? What are the top three things you're trying to get done?

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driving them.*

The third thing I would ask about is routines and day-to-day cadence. How do you like to work? What does that look like? When are you at

your best? When are you not at your best? I really want to probe on those three areas, and the answers to those questions allow me to meet them where they are. If I'm going to be a good coach, I've got to understand what's driving them, understand where they're trying to go, and how they like to get work done.

My job is to be a trusted advisor and coach who cares about them, understands them and is trying to help challenge them to be the best and to achieve their own stated goals. But you need to be very explicit about that, because half the time you're just reminding these leaders of what they said they wanted to accomplish, especially when things get harder.

Reimer: What are the themes and approaches that come up most often in your coaching work?

Breitfelder: Coaching's about change, too, and all of us are works in progress. In coaching senior leaders, I start with validation and strengths. People are more likely to take on harder issues when you acknowledge what's working well. It's true for individual coaching, group coaching, and organizational change. I always want to ground people in what's working and what their superpowers are.

Second, you need to help people see reality clearly. We all have a hard time getting a 360-degree view of what's really happening, and on top of that, most senior leaders have a hard time getting objective advice on what they need to work on, especially because they are the boss. Good coaching takes confidence and colleagues who want direct feedback

and want to improve.

The third thing is that you're challenging them against their own goals. You're not challenging them just to challenge them. You're reminding them of what they said their goal was and what the stretch is and what the path is. I've coached hundreds of leaders, and it's usually those things — remind them of their superpowers, help them see reality clearly, and then help them problem-solve the path to reach their goals.

Bryant: What are the X-factors you're looking for in CEO candidates to run Apollo's portfolio companies?

Breitfelder: We operate in a lot of different industries, and the table stakes are that they need to be a deep expert in the problem you're trying to solve. The X factor is, can that person lead their team through change? Leadership is all about change.

We're value investors, so we tend to buy companies that need change, and you need leaders who are capable of change. Can they get followership from not just their employees but support from all of their stakeholders, including investors? Most human beings don't naturally want to move in a different direction, so it requires from leaders a deep sense of empathy, and an ability to challenge and inspire people.

Bryant: And what are your best interview questions to determine if someone has those abilities?

Breitfelder: Walk me through an example of something you worked on

that didn't work out the way that you hoped, and then explain to me why it didn't work out. And if the best version of yourself had another crack at the same problem, what would you do differently and how would you make it a great success with the benefit of the other experience?

That will give you an insight into their self-awareness, their humility, their ambition to improve, their level of excitement, and their approach to coaching and leadership. You want to see a good diagnosis — “I can see reality clearly. I can own my mistakes. I can reflect, and I can evolve.” Then I'm looking for a playbook of how they're going to lead us to great success.

Reimer: Long-term planning is such a challenge in this environment. How do you think about it?

Breitfelder: I am a huge believer in scenario planning. Particularly in this environment, there's so much uncertainty about economic conditions. So you think about your base case, your bull case and your bear case. When you do that, you try to map out what you think is most likely to happen.

If things turn in our direction, what does that look like? And if conditions turn against us, what does that look like? That calculation is going to look very different depending on the industry or country. By using scenario planning techniques, you're capturing a lot of diversity of thought and thinking in probabilistic terms. We're a very Socratic culture, so we love debate, we love challenging assumptions and

opinions about what you believe and what you do not believe about any given problem.

Strategy is really a dynamic process, not a static process.

That helps you look very fearlessly and objectively at what you think could happen, and it also allows you to identify signposts and leading indicators as you progress to tell you which scenario is more likely to play out. And if you're planning for those scenarios, you don't get too surprised, and when you do get surprised, you've already thought through at least the zone of some possibilities so you can move quickly. The best lesson for any leader is to plan for multiple scenarios and to understand that strategy is really a dynamic process, not a static process.

Bryant: And what does that mean for how you think about performance and rewarding people now, given all the uncertainty?

Breitfelder: On performance, the question always is, what's your time horizon? If you have a long-term time horizon on performance and you make decisions with that mindset, you're more likely to capture more value. If you overcorrect to short-term performance indicators, you're less likely to capture as much value. Leaders need to have a long-term performance mindset but be very clear about their biggest short-term performance objectives and risks.

But don't overcorrect to them. You have to balance those two things. There are many urgent performance decisions you have to make right now, but if you make them with a long-term mindset, you're probably going to make better decisions. How you reward people with compensation plans involves the same kind of thinking. It's a long game on both.

The inevitable human challenge we're all dealing with is that there are a lot of short-term pressures and we want to address them. Most business leaders are incredibly action-oriented, so we all want to take action. If anything, we all need to pause, take a deep breath, really work hard to see things clearly so we're not taking short-term actions based on emotion.

Reimer: You mentioned your parents being a big influence for you. What else shaped you early on?

Breitfelder: I grew up as a middle child, and that meant I was always negotiating. Part of the work that I do every day is mediating conflict – trying to understand what the problem is, identifying potential solutions, finding common ground, resolving conflict and making things happen. I would call that coaching but it's more like conflict resolution.

One of my old bosses said, “Matt, you're like the Henry Kissinger of our company. We can just send you into all kinds of difficult situations and you can mediate the conflict, turn the temperature down, figure out what everyone wants, optimize it, and make things happen.”