



CHRO Interview:

BMO Financial Group and CP on HR's "Breakout" Moment

Mona Malone and Chad Rolstad see new opportunities for HR practitioners to lead in a changing business environment

A lot has happened in the last few years: a social awakening, a pandemic – and everything that brought – including changes to the “who, when and where” of work, climate change...the list goes on. Concepts like agile, digital, analytical and technology-driven are no longer considerations for the future – they are the now.

What does this mean for HR? According to Mona Malone and Chad Rolstad, CHROs that get human capital sustainability right will enable organizations to sense and seize new opportunities, and better adapt to the changing business environment. As a member of BMO's Executive Committee, Mona leads and shapes the bank's efforts to fuel their growth strategy with their most valuable asset – their people. Chad has a mandate to help Canadian Pacific (CP) sustain and improve its industry-best culture, while continuing to lead the company's human resources, recruitment, total rewards and talent management teams. Willis Towers Watson Client Relationship Manager Mark Robson recently spoke with Malone and Rolstad about how HR can deliver on the promise of sustainable humancapital, and whether in so doing, this might be a “breakoutmoment” for the practice of people management.

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WTW: What's the opportunity for HR to truly unlock the passion and potential of an organization's people?

Mona Malone: We are now, I think, in the best of times for HR. We are responding to increased technology, digitization, using data in different ways, and seeing new business models arise. We need knowledge-based workers. We need to reskill people. We need people continuously growing and renewing their responsibilities, both as individuals and as employees. These shifts are making HR so much more important to the future of the organization. In addition, with the societal reawakening we have seen regarding income inequality, climate change and social injustice, HR leaders have a responsibility to help companies and management understand their place in society. Both BMO and CP have contributed to the social fabric of this country, and we expect to continue to play a key role.

Chad Rolstad: There has never been a greater need for the HR function to step up and be leaders in the organization, not just supporters of the organization. Talent is nothing without the culture and setting to realize it. The CHRO needs to help the leadership team engage talent. Just as CFOs try to turn everyone into a CFO – looking at dollars and cents as if it was your business – the CHRO needs to do the same, instilling the idea that we are all responsible for organizational culture.

WTW: What has changed in the talent ecosystem and how should we be thinking differently?

Chad Rolstad: The pace of change is accelerating. With the pandemic, we have all had the opportunity to reflect on our lives and careers and on what is important to us. This has led to the so called “great resignation” – and a bustling job market. With the confluence of new technology, and the availability of new careers and job opportunities, we are seeing a sellers’ market for talent. That puts us all on the spot as leaders to really think about our organizational value proposition, about our sense of purpose, and about making employees feel like they’re part of something bigger than themselves.

Mona Malone: Employees are expecting consumer grade experiences from their interactions with their employer. We are seeing a real transformation in the delivery of HR services. Data management has also been transformed. HR used to present data. Now organizational leaders can just pull up their people dashboards on their phones. HR has been freed to do more knowledge and solution-based work as opposed to merely being the providers of information. Day-to-day translations that used be done by people are now being done by technology.

WTW: ESG, DEI and climate change are important considerations at industry, company and people levels. How does the CHRO lead here?

Mona Malone: Companies have a role to play in solving societal problems. We need to recognize the role that we play in helping our employees, clients and communities. We have set targets for diversity representation, and track progress for our CEO and top leaders, presenting this data as another metric just like revenue or net income. We’ve also developed a staff education program to help everyone understand the perspectives of underrepresented communities. We ensure our community donations are equitable and are working on how we can reduce barriers for underserved groups to access capital. Regarding climate change, financial institutions have a role to play, not only in how we think about our own climate footprint, but also as a partner and advisor on transition to our clients. That may mean finding new revenue models or exploring ways to change aspects of their businesses.

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Chad Rolstad: Organizations need to have the talent to execute on ESG, and the right structure to support it. At CP, we’re focused on doing the right things, and telling our story to our employees, shareholders and communities. We’re working to increase overall organizational awareness, and ensuring that everyone shares the same expectations.

WTW: Alan Mulally, former CEO of Ford said “CHROs need to be dynamite businesspeople”. What does a “dynamite HR businessperson” look like to you?

Chad Rolstad: I think that means understanding that HR is about the business. In turn, business leaders need to think about HR as part of their team. HR leaders need to understand the challenges, and realities of each of the business segments, and what keeps their leaders up at night. At CP we run 24/7, so HR must as well.

Mona Malone: HR must invest time in how the business makes money, its drivers, risks and operations. If possible, spend time in the business. Think about your reading, talk to and learn outside your discipline, become a multidisciplinary leader. HR leaders also need to be digitally savvy and data driven. Every business model is being changed by digital, which in turn has changed our daily routines. Think about how you are enabling your managers to work in different ways. Avoid taking on tasks that could be taken on by automation, digitization, or crowd sourcing. If you’re doing the same things as 5 years ago, you’re probably missing out on tools that could change the way you work.

WTW: Human capital and other non-financial measures are now often found, and increasingly required, in financial disclosures. What is future of HR metrics?

Mona Malone: The science of human capital metrics has really improved, giving us much more confidence in its value in strategy and execution. For example, in addition to the expected metrics on engagement, DEI, health and safety, wellness, mental and physical health, we are getting insights into how we are functioning as a high-performing culture. We're getting data on managing the strength of the management slate, succession, and ability to hire in appropriate time needed skills, along with data on internal movement, and our ability to reskill people to fulfil our workforce needs. On the operational side we now have business efficiency metrics, showing decreasing costs of HR as we adopt digital and cloud solutions. We can report out on how we're contributing to efficiency of organization overall.

Chad Rolstad: Institutional investors and shareholders are definitely interested in human capital metrics. That said, there is an almost infinite amount of data in the HR space. On it's own, most of it is merely interesting. It does not tell you much until you put it together to get a picture. We are working on what's important to the Board and the company, defining what data supports that, and then determining what we want to share.

WTW: Data is being collected and moved at incredible speeds. What does data and digitalization mean for HR?

Chad Rolstad: The amount of information and data available to us can be a source of anxiety if not managed appropriately. We must help ourselves manage expectations about what we can realistically do with our time, and how much data we can interpret and act on. It's about being able to ask questions about the data, and what it is telling us, and to make actionable decisions, as opposed to relying on instinct, preconceived ideas or folklore. HR data is best used to challenge assumptions and biases.

Mona Malone: HR has a great opportunity to approach problems with a digital mindset. For example, if retention is your concern, look at the effectiveness of your exit survey. Look at what other sources of information can tell you about perceptions of your brand. Get the right people thinking about this and learn from others. It's also important to increase your own proficiency in understating data – dedicate time to increasing your own skill set. Otherwise, you are not being the best you can be, or possibly falling behind.

WTW: One of innovations that fuelled the rise of the CFO was the spreadsheet – It made scenario testing possible and planning much more of a science. What is the HR game changer that will give the CHRO new insights into the talent ecosystem?

Mona Malone: There's no doubt that platforms and capabilities have changed dramatically. We're all mobile and can transact HR services anywhere, anytime. What we need, is to get better at thinking about how we're optimizing human capital, matching the best people for roles, matching talent to value – basically thinking about human capital system design – that is the game changer.

Chad Rolstad: I think there is an opportunity to better leverage our platforms to more effectively convey our key messages, to keep people informed, and to create greater trust, leading to greater commitment. The culture of an organization is set by its leadership, and advocated for by its employees. HR needs to expand its use of technological innovation to ensure leadership values are represented authentically.



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