



WHAT BOARDS CAN LEARN FROM THE CHRO: THREE STRATEGIC THEMES FOR HR COMMITTEES

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The Human Resources Committee (HRC) has become one of the most demanding seats on the board. The work is highly scrutinized, emotionally charged, and offers no clear playbook. In a recent Institute of Corporate Directors webinar, two senior Chief Human Resource Officers (CHROs) and a leading independent HRC advisor unpacked what board directors and HR committee members should focus on, and how a stronger partnership with the CHRO can elevate decision-making. Three strategic themes stood out.

1. THE CHRO IS BECOMING AN IMPORTANT ENTERPRISE STEWARD

Moderator **Ryan Resch**, Senior Partner at Southlea Group, opened by describing how the CHRO now operates at “a unique intersection of the business strategy, the performance that we want to achieve, how we manage the talent in the organization, and how do we build the ties to compensation.” That shift is reshaping the committee’s agenda.

Ferio Pugliese, SVP and Chief Corporate Officer at Capital Power, said the committee is moving “from the simple oversight of compensation plans... less of a compliance gatekeeper... towards this enterprise-level stewardship around culture, succession, and how you align executive incentives, all in service of the strategy and long-term value creation.”

That means treating talent and culture as continuous work, not annual checkpoints. **Kirsten Olsen**, CHRO at Superior Plus, was direct: “The historical practice of talking about it once a year isn’t really fit for purpose in the world we live in anymore. I think it needs to be on the quarterly agenda for every meeting.” She framed culture as ongoing by nature, “like a spool of thread... something you can’t ever complete.”

2. ANCHOR COMPENSATION AND SUCCESSION IN THE BUSINESS

Executive compensation and CEO succession attract the most external pressure and the most internal discomfort. The panel’s advice on both was consistent: start from what is right for the corporation, then manage the explanation and the emotion.

On compensation, Pugliese cautioned committees not to let proxy advisors set the design. “Say on pay is a signal, it’s not a verdict,” he said. Design the plan to fit the strategy first; engineer the disclosure second. **Amanda Waldie**, Managing Partner and CEO of Southlea Group, noted a real shift in the boardroom over the past year, with more “appetite at the board to be more bespoke and innovative,” designing precisely for the business rather than matching peers.

On CEO succession, which Waldie called “absolutely currently the top of most boards’ lists,” the panel urged directors to normalize the conversation. Succession planning starts the day a CEO is hired. Olsen



reframed it as “scenarios, options, potential paths of action,” not transition. Waldie put it most plainly: “Don’t make it weird. It’s just something we need to talk about on a regular basis.”

3. THE HRC CHAIR AND CHRO RELATIONSHIP IS CRITICAL

The throughline of the discussion was the partnership between the HRC chair and the CHRO, analogous to the audit chair’s relationship with the CFO. Pugliese described it as “candid, frequent, and strategic,” with a realistic cadence of 12 to 24 touchpoints a year. Trust is non-negotiable: “Our currency is on trust, transparency, ethics, principles, integrity. Without that, you’re broke.”

Olsen reinforced the CHRO’s role as connective tissue across the CEO, board chair, HRC chair, and independent advisors, ensuring everyone is “operating from the same fact base.” She went on to state that it is important for the HRC to provide the CHRO with the opening to be candid by prompting with some direct questions. For directors, the takeaway is clear: a high-quality CHRO, given regular access and protected in-camera time, materially improves the committee’s ability to fulfill its expanding mandate.

IN SUMMARY

The role of the HRC has expanded well beyond compensation oversight, and the standard for effective stewardship has risen with it. Directors are now expected to engage substantively on topics such as talent, culture, and succession; to design compensation that fits the business rather than the benchmark; and to invest in a candid, frequent, and strategic partnership with the CHRO. Committees that rebalance their agendas accordingly, anchoring decisions in what is right for the corporation and treating the CHRO as a true strategic partner, will be best positioned to meet their mandate and support long-term value creation.

ABOUT US

Southlea Group is a national independent compensation advisory firm that provides global perspectives as a GECN Group company working with over 150 compensation professionals across 6 continents. We are headquartered in Toronto with offices in Montreal, Calgary, and Vancouver, and clients across Canada, representing all industries and organization structures. Our team of advisors is multi-disciplined with diverse backgrounds and experiences. We are proud to be a certified Women’s Business Enterprise by WBE Canada and to be Rainbow Registered as an LGBT+ friendly organization.

We would be pleased to address any questions and/or explore how we can support your challenging compensation needs. Please email us at hello@southlea.com and we will follow up to set-up a time to discuss further.