



Mike D'Ambrose, chief human resources officer for Archer Daniels Midland Company



Strategic CHRO

Conversations with leaders who are transforming the world of HR.

Biweekly Series

"You Are the Steward of the Culture, and Culture Really Drives Everything."

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For the next installment of our interview series with leaders who are transforming the role of the CHRO, [David Reimer](#), the CEO of Merryck & Co. Americas, and I sat down with [Mike D'Ambrose](#), chief human resources officer of Archer Daniels Midland Company, who shared smart insights about building a strong culture.

Reimer: The CHRO role is unusual in that there is no set playbook — at some level, every new head of HR recreates the job. What is your framework for being successful in the role?

D'Ambrose: As the head of HR, you are the steward of the culture, and culture really drives everything in a company. You have to have a close partnership with the CEO in regard to that, but you also have to be willing to have the courageous conversations to drive change and to be disruptive when it's appropriate. I have certain values that I communicate with a CEO before I take a job, and I make sure we're aligned clearly on those. If we're not, we're headed for a collision.

Reimer: Can you elaborate?

D'Ambrose: I'd want to ask a CEO about how they lead and what they believe about people. What do they think about culture? What do they think drives success in their own company, and what's helped them be successful to date? The hard part of the relationship is that there has to be enough trust so that you're in a safe zone and can talk to each other openly and honestly.

I do think that, fundamentally, every CEO should have the HR person in the job they want, and the leadership team that they want. I told my current CEO when he moved into the role that if he didn't want me here, it's okay. "This is not a conversation you have to worry about if I'm the wrong person," I said. Thankfully, he said, "No, no, stay."

But the leadership team does drive success. Almost every CEO I've worked with and known has told me that they wish they moved quicker on building their team or making the changes in the team that they knew they needed to make. As an HR leader, you should help facilitate that and encourage that with direct feedback and courageous conversations, and that starts with the CHRO position itself.

Bryant: What are the few things that you see time and again as the reason CHROs falter in the job?

D'Ambrose: You have to not only learn the business, but you have to be intellectually curious from the beginning. The point isn't to judge, but to learn. I've seen senior people go into roles with a predetermined perspective on things they wanted to change and do. And sometimes CEOs even encourage that behavior. But change in a company comes with influence and knowledge, and it's important to get that first.

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Second, understanding history matters. It's not just about the current state, but how did we get where we are? That's another piece that new people sometimes miss in their zeal to make a mark and have a quick win. They might make mistakes because they didn't understand how the organization got to where it is.

Bryant: Given that, what advice do you give to newly minted CHROs?

D'Ambrose: I have three basic messages for them. One is the importance of understanding the business issues. It's not just about reading a 10-K. It's really understanding the environment and the challenges that every business leader is facing, so that you can articulate HR strategies that can create an advantage and drive success.

Number two, HR expertise matters. You have to have knowledge, experience and ability to be innovative in our field. There is a science to being great in HR, and you need to know it.

Number three is that it's important to they lead a great life. People should work hard, but I think they should recognize that leading a great life matters. Life is short.

Reimer: And what is your advice to CHROs for building a credible relationship with directors?

D'Ambrose: You build your credibility with the comp committee by not being the voice to lobby for management's or the CEO's pay. You're there to provide an independent perspective to help directors make good decisions. You also need to be viewed as someone who has the directors' best interest, so that you're always giving advice and making recommendations that help them succeed.

I have a fundamental rule of no surprises. With our comp and succession committee chairs over the years, I always have a pre-meeting, and very often I will call directors after materials are sent to them, before the meeting, and ask if they have any questions. And then after the meetings, I ask for feedback on how we did and what we could do differently in the future.

Reimer: If you were advising board directors on how to get a fingertip feel of the culture of their company, what you say to them?

D'Ambrose: I want to understand how the company deals with misses. When things don't go the way that they were planned, what happens? The reason is that those misses are critical learning opportunities, if managed right, for an organization, and a clear sign of culture.

Second, I'd want to understand the criteria that the organization uses to assess people it promotes and hires, and how that relates to how people get things done, not just the "what."

Bryant: One particularly difficult aspect we've seen with the CHRO role is the unique balancing act it requires across a host of senior relationships. Does that observation resonate with you?

D'Ambrose: It does, because you have these relationships at different levels that all have inherent opportunities and conflicts. I have relationships with directors on the board. I have relationships with my CEO, and all of the business presidents and their direct reports. I coach, and I manage information between them, and yet I still have to be able to deliver tough messages. I've got to have that balanced role of being respected and trusted, and yet I need to be independent. You can't be the voice of the CEO or be perceived that way, or you have no ability to influence, either.

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When I describe the culture at ADM, I talk about a place where people are so committed to the performance of the person next to them that we don't let people fail. That's my rule. I am committed to making every person I interact with successful, and people recognize that, and that builds trust.

Bryant: How to you make that cultural value real, so that people really are committed to helping one another?

D'Ambrose: It's about team success. It's about recognizing that if the person next to me isn't a success, then I'm not going to be successful, so I can't let them fail. When I came to ADM, I had a chance to do things that most people don't get to do, which is to create an entire HR function. We had no incentive compensation at all, even though we were over \$25 billion in revenue.

At our company now, we have one single bonus strategy that reinforces that behavior to help make everyone around you successful. Three-quarters of the bonus of every single person, right down to the front-line supervisor, is based upon company-wide metrics. If my division is failing, every single person in that division suffers, so every single person in that division is incentivized to help their colleagues succeed. The other 25 percent is based on your individual goals.

Reimer: What were some early influences that really shaped who you are as a leader?

D'Ambrose: I was always that kid who was just a little overweight, and not in great shape. I wanted to be a football player, and I had a football coach who was a New York City fireman. He instilled so many values in me that I still hold today. He used to put quotes in my locker, and many of them are these tattered pages that I saved for decades — things like, "Don't trip on the grass blades on the way to the goal line." At the time, he meant it about the game, but it's also about more than the game. It's a good reminder to not let the little things trip you up when you're focused on winning.

We became New York City public school champs, and I learned about caring. I learned about what it means to be on a team and to have team success. And I learned about not succeeding and how you deal with that. I played football in college, as well, and I just had this deep sense of always thinking, how can I help others succeed?

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