CHRO AND CLO – A SUCCESSFUL DUO IN THE COMPANY

How the collaboration between Chief Human Resources Officer (CHRO) and Chief Legal Officer (CLO) leads to a better employee experience.

Guest article: Alexander Zinser



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The constructive and team-oriented cooperation of the C-suite is a key factor for the company's success. The HR and legal departments play a crucial role in compliance with rules and laws, risk minimization, personnel development, the company's strategy and the attractiveness of the company as an employer. In addition, in recent years the Chief Human Resources Officer (CHRO) and the Chief Legal Officer (CLO) have increasingly had to deal with issues and problems that were not previously on the table. The CHRO and the CLO were and are required to join forces quickly in order to jointly develop strategies and actions and to respond to developments quickly and appropriately.

Collaboration between CHRO and CLO Companies are required to attract, develop and retain the best talent. The collaboration between CHRO and CLO plays an often underestimated role in this. However, the reasons for and benefits of CHRO-CLO partnerships are much more comprehensive. Traditionally, most companies deal with certain issues exclusively in defined areas. Issues such as compliance and legal oversight are originally the responsibility of the CLO, while employee relations and communication are the responsibility of the CHRO. Increased collaboration between the two can make a significant difference in terms of employee performance and retention and the employee experience.

Common thematic areas

One of the most important internal relationships of the legal department is that with the HR department. The latter deals with many legal issues and possibly litigation involving employees and their claims. This makes it all the more important that both departments work together and agree on how to address or prevent employment law issues.

Close cooperation between the HR and legal departments is particularly crucial in the case of labor law disputes or lawsuits. The former provides legal support and advice. The latter is responsible for internal matters, communication with employees, and documentation.

The collaboration between the HR and legal departments goes far beyond dealing with employment law matters. There are many other areas in which the HR and legal departments work closely together. The following regularly

- Legal Compliance: The HR department must ensure that all HR practices and decisions are in line with employment laws, regulations and company policies. The Legal department has expertise in legal issues and can thus support the HR department.
- Risk management: Working with the Legal department helps HR identify and address legal risks. This includes issues related to discrimination, data protection, employment contracts and other employment law matters.
- Contract management: The HR department is regularly responsible for the creation and management of employment contracts. The legal department can assist in the creation and review of the contracts.
- Strategic HR planning: Legal can advise on the development and implementation of HR policies and procedures. This is particularly important in strategic HR decisions in cases of restructuring, mergers and acquisitions in which HR is involved.

Tips for successful collaboration

A collaborative partnership between CHRO and CLO can make a significant difference in employee performance, retention, and overall employee experience:

- Defining responsibilities: It is crucial to define clear responsibilities for the various areas of responsibility. This avoids duplication and at the same time ensures that all relevant aspects are adequately taken into account.
 Defining the manner in which cooperation takes place helps to prevent friction and promotes a spirit of partnership.
- Regular and clear communication: Regular exchange and clear communication between HR and Legal is crucial. This includes informal meetings, regular updates on relevant legislative changes or specific cases where both departments are involved.
- Information and clarification: Employees in both departments should have a basic understanding of the other discipline. Information and clarification on relevant legal issues in the human resources area and on HR issues in the legal department help to increase efficiency.
- Consistent policies and procedures: By developing consistent policies and procedures, both departments can ensure that all employees are treated fairly and

be treated in accordance with the law. This includes, among other things, the development of policies regarding hiring, promotion, discipline and termination of employment.

- Feedback and evaluation: Regular feedback and evaluation of the collaboration between HR and legal departments help to identify weak points and ensure that processes are continuously optimized. A regular meeting between the CHRO and CLO helps to increase the efficiency of the collaboration.
- **Properties of CHRO and CLO** CHROs and CLOs who work together successfully have the following characteristics:

• You are agile, communicate a lot and work as a

• They are non-territorial, keep their ego in check and always ask what is best for the company.

team with a common mission.

• They focus on building trust with each other right from the start.

- You focus on cross-departmental collaboration when problems arise.
- They model cooperative and collaborative behavior to their teams.

final thoughts

In the complex and dynamic world of work, the CHRO and the CLO are two key players whose collaboration is crucial for an optimal employee experience. Through the close cooperation of these two leaders, companies can create an environment based on trust, compliance and appreciation throughout the entire employee lifecycle.

By working together effectively, the CHRO and CLO can create a work environment that is safe, fair and supportive for everyone involved. Working together, they can resolve conflicts, overcome legal hurdles and strengthen the company culture.

Ultimately, the synergy between CHRO and CLO results in a comprehensive approach to the employee experience, increasing employee satisfaction and loyalty. By working together as partners, they can create a work environment where all employees can reach their full potential.

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PROOF PROBLEMS IN THE CASE OF INFORMAL TERMINATIONS



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BGE 4A_55/2023 judgment of 25 March 2024

The verdict

An employer hired an employee as a broker on a permanent basis under an employment contract dated May 8, 2018. On November 15, 2018, the employee called in sick and asked the employer whether he should send a medical certificate. The employer denied this, pointing out that the employment relationship had already been terminated by telephone on August 24, 2018, because the employee had failed the probationary period. The employee denied this, demanded back pay and claimed that he had not been informed of the termination of the employment contract, so he continued to work from home.

The claim was upheld in the second instance and the employer was ordered to pay back wages. The employer appealed the ruling to the Federal Court.

The Federal Court held that the employment contract concluded between the parties refers to Article 335a et seq. of the Swiss Code of Obligations regarding notice periods. The notice becomes effective when it is received by the addressee. The law does not prescribe a specific form for the notice, but the intention must be expressed clearly and unambiguously. The burden of proof for the notice and its date lies with the party that derives legal consequences from it. In case of doubt, the statements of the recipient should be taken into account.

In the present case, the burden of proof for the issuing of the notice of termination and its delivery lay undisputedly with the employer. The employer claimed that it had sufficiently demonstrated that it had informed the employee by a telephone call that

before the end of the probationary period, about the termination of the employment contract.

The Federal Court, however, did not consider the contrary finding of the lower court to be arbitrary. The court found the statements of the witnesses called to be insufficient, especially since some of the witnesses were not sufficiently independent of the employer and no further evidence was available. In particular, there was no written confirmation of the termination or proof of the alleged telephone call with the employee. In addition, after the alleged telephone call, the employee continued to work and exchange emails with the employer's back office and potential business partners until at least mid-November 2018. The employee's business email address had not been blocked and he had continued to pursue projects he had started.

In view of these circumstances, the Federal Supreme Court considered that the lower court's finding that the employer had not provided evidence of the dismissal was not arbitrary and dismissed the employer's appeal.

consequence for practice

The Federal Court's ruling underlines how important it is from an employer's perspective to adequately document terminations. If the employment contract does not provide for the termination to be in writing, it can be validly given verbally. However, employers should ensure that verbal terminations are always subsequently confirmed in writing, either by email or regular mail. Otherwise, there is a risk that the employer will not be able to prove that a termination has been given in the event of a dispute - with potentially expensive consequences, as the present case shows.