



Kathleen Hogan, chief people officer and executive vice president of human resources at Microsoft

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Strategic CHRO

Conversations with leaders who are transforming the world of HR.

Biweekly Series

At Microsoft, Shifting From a Culture of "Know It Alls" To "Learn It Alls"

Adam Bryant

For the next installment of our interview series with leaders who are transforming the role of the CHRO, I sat down with [Kathleen Hogan](#), chief people officer at Microsoft. She shared insights from the playbook the company has used to shift its culture, and how she has ensured that the leadership team shares responsibility for the people agenda.

Q. You don't have a traditional background in HR. How did that move come about?

A. I started my career as a developer at Oracle. I was then at McKinsey, and Microsoft was a client before I joined them. I spent ten years in customer support and then I ran our entire services organization, with about 20,000 employees and a \$5 billion P&L. When you're running a consulting arm, people are your product. So your ability to attract and develop and retain exceptional talent is your business.

Satya [Nadella, Microsoft's CEO] and I had worked together before he took over as chief executive. He called me when I was at my sister's 50th birthday party in Wisconsin and said, "Will you help me in my new role?" Then when we sat down to talk about it more, he said, "I really want you to help me transform the culture." And that's how I came into HR.

Q. What surprised you about the role?

A. It's a big transition from leading a business, when you are largely wearing one hat, to feeling

like you're wearing many hats. You're leading the HR function, but you're also the chief people officer of a company with 130,000 employees, and so there are a lot of different things you're doing in that role. You're also helping the CEO and the leadership team.

Q. So how did you create a framework for thinking about the job?

A. The thing I tried to do is not to say that the people agenda is the HR agenda; it's the business agenda. When I ran services with 20,000 people, I thought of my job as being the business leader, and HR was a strategic partner to me. So that's the context I tried to bring into my role.

Early on, we established the people priorities for the company, but I did that in partnership with the senior leadership team (SLT). I asked the SLT members to sponsor different parts of it. Through it all, I've tried to make the people agenda the SLT agenda, because people are our greatest asset and it's all of our jobs to be shepherding this.

Q. Can you share some of the key insights around the cultural transformation that has occurred at Microsoft?

A. I'll share a few of them. The first was to honor your past while you define your future. It was really important to look at all the things that were incredible about our culture and our history that we didn't want to walk away from or dismiss.

Yet we were clear that we needed to change from a bunch of "know-it-alls" to a bunch of "learn-it-alls," and that was tricky to navigate because many people wanted a simpler narrative of "This is good; that was bad." It was really important for us to say, "This is how we have to evolve to be relevant in the future," versus being dismissive of the past.

"We needed to change from a bunch of 'know-it-alls' to a bunch of 'learn-it-alls.'"

We also spent nine months defining our culture around the ideas of empathy and learning, which was informed in part by the work by Dr. Carol Dweck on growth mindset. We talked with experts and did a lot of roundtables to get a sense of what would resonate across cultures, across generations, across genders.

We were intentional about the process but there was an element of luck, too, because we landed on something that really speaks to people – growth mindset. That was our overarching theme with key pillars under it, including being customer-obsessed, diverse and inclusive, One Microsoft and making a difference.

One of the key lessons in defining culture is to be simple but not simplistic. That really helped us, rather than saying, "Our culture is 50 attributes or 50 values," which nobody can remember. Another is that you can't fake it. Satya went in front of the whole company and also the shareholders to talk about how we were going to ground the culture in a growth mindset and those core pillars.

"One of the key lessons in defining culture is to be simple but not simplistic."

Once you declare it, then you have to be prepared to role model it. People watched Satya in terms of his inclusiveness, how he collaborated, and also how he faced his own failures with that growth mindset and said, "Wow."

One of the most powerful things Satya has done is to talk about the idea that adopting a growth mindset for our culture isn't about identifying everybody who doesn't have a growth mindset; it starts with you identifying where you have a fixed mindset yourself, and waking up every day to try to grow as a leader.

At a recent leadership offsite, he asked me to survey his leadership team about where they felt he showed up with a fixed mindset, and then he shared the results with the top 200 executives and said, "Here's where I show up with a fixed mindset; here's what I'm working on." This is a journey, and you have to constantly be starting with yourself and role modeling the behavior.

Q. Other examples of how you've driven a culture change?

A. We adopted the expression of "all oars in the waters." The sentiment is that when you're trying to drive culture change but then you tolerate the talented jerk, it breeds cynicism. When somebody's not willing to be coached, they're not willing to grow, and their behavior impacts other people's ability to be successful, then you have to be prepared to take action.

You have to cultivate that sense that we're not dependent on one person, so that you can take those actions when you need to. That's been very empowering. We've got a lot of amazing talent, and we're not going to tolerate one person just because we worry we can't lose them.

Q. There is a lot of white space to define the role as you've described it — what advice would you give a roomful of new CHROs?

A. No. 1, be super clear on your purpose, because it's a hard job. There are days when I see amazing things and I'm so inspired, and then there are hard days when you hear about experiences that people have that don't live up to the culture we want. If you're super-clear on your purpose, you come back on those hard days to why you're doing this and why it matters. No. 2, ask for help from your team, instead of thinking you can do this all alone. The more you have a shared agenda – as a people agenda rather than an HR agenda – the better off you are. And then you really need to lean into that white space and ask yourself, "Am I running the trains or am I changing the trajectory of the business?" That's key if you really want to be a strategic CHRO.

Q. What about you personally? What were big influences for you early on?

A. My parents had the biggest influence on me, but I often share the story of my fourth-grade teacher, who said to me, "You know, Kathleen, I think you're good at math." He put me in an accelerated program, where I did math on my own with another student. There is so much power of someone saying to you, "Wow, I think you have potential and I want to help support you." That was pivotal for me.

Q. What about leadership lessons during your career?

A. I have many, but one that comes to mind is when I had breast cancer in 2007. I realized that you can ask for help from your team and delegate more. I never thought I could leave every day at 3:00 to go get radiation, but somehow, we figured it out. Granted that was a unique time in my life but stepping back and realizing the power of asking your team for help and empowering them more was really key.
