



Strategic CHRO

Conversations with leaders who are transforming the world of HR.

We Need Leaders Who Get Excited About Transformational Moments

Published on April 19, 2022



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Laurie Havanec, chief people officer at CVS Health, shared her key leadership lessons with me and my colleague, David Reimer, in our latest Strategic CHRO interview.

Reimer: What are the leadership muscles you've built over the last two years that you want to carry forward?

Havanec: The intensity and unpredictability of change in the last two years is really unprecedented and so much of it is outside of our control. It's tested us and forced us to grow muscles that we need to make sure we keep, even as the world hopefully becomes a little bit more predictable and stable.

But here at CVS Health, we always start with the fact that two-thirds of our workforce never left their workplace. Our colleagues were in the stores delivering prescriptions and providing vaccines and testing. In 2020 alone, we administered more than 32 million COVID tests and 59 million vaccines. If you think about starting up a business of that magnitude, it's usually something that you plan in terms of years and not months.

So, it was really a lesson for us in challenging what you think you're capable of accomplishing. We learned that you can go quick if you have to, and that's wonderful. We moved about 80,000 office-based colleagues to working at home in less than two weeks. This experience really showed us what you can do when you allow and enable and

support decision-making at the right level in the organization.

The last thing I would mention is learning how to operate in the gray and realizing that you're on a journey. One of the first CEOs I worked for really challenged me. I was working at Sikorsky, which manufactures helicopters, and he said, "I want to make sure we're not making every decision based on flight-safety levels of perfection. Our flight-safety standard is that no helicopter can ever go down. But there are different thresholds and let's make sure we're always thinking about that."

It really encouraged me to operate in the gray, get comfortable making decisions when I didn't have all the information. So, when I talk to our colleagues about returning to the workplace, I constantly say to them, "Where we start and where we end will not be the same place." And that's okay. We really have to start the journey and listen and learn.

Bryant: What are the key lessons you've learned about working with board directors?

Havanec: Relationships are incredibly important with board members. If you have a difficult topic that you're going to be covering with the board, have one-on-one meetings beforehand, so that they feel that they're walking into the bigger meeting understanding your point of view, and so you have a more productive and aligned conversation.

It's also incredibly important that you not say that you can do anything unless you're sure you can do it. Often you want to try to please the

board. But you need to know that you can deliver what they're asking for. So, if they're asking for something that you're not certain you can deliver, make sure you're clear that you're going to take a look at it, but you can't commit until you know a little bit more. Don't be afraid to say, "I need to go do some work on this."

Reimer: What are the most challenging leadership problems right now?

Havanec: What is the future of the workplace going to look like? It's about being able to respect colleagues who stayed in the workforce and delivered incredibly important services to our customers, but also recognizing that the people who worked from home were able to drive really strong business results, so they feel that they ought to have some flexibility.

It's about balancing the flexibility that our colleagues feel that they've earned with the need to have people together sometimes. I can have a coffee at the office with a colleague and solve five issues. We're not scheduling Webexes for a week out that are 30 minutes and sometimes you don't finish. So how do you find the right balance on providing some flexibility with those opportunities to collaborate together? I don't know where that answer will end up.

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And the demand for talent couldn't be higher right now. So, you have to make sure that you're really protecting the talent that you want to protect, and that your high-potential talent feels that you're invested, and they know where they stand with you. The last thing you want is for your high-potential talent to understand how valuable they are to you after they've made the decision to leave.

Mental health also is a huge issue. We did a study here at CVS Health and found that 65 percent of folks 18 to 34 years old said that they have had concerns about their mental health and the well-being of themselves or their loved ones. It's a very uncomfortable world, and we need to make sure that we're providing resources to our people to help them understand how to navigate these situations in a way that feels safe and supported and protected.

Bryant: What are the X-factors that you're focusing on with your high potentials?

Havanec: We need leaders who embrace and get excited about transformational moments, like the one CVS Health is in right now. We want leaders to be inspired to be part of them, and comfortable that they can execute on a vision and innovate to drive growth in new ways, by asking questions like, "Will what worked in the past work now?"

We also want to help them develop as leaders. They need to empower and protect their teams and feel accountable, but there's a lot of gray out here. So, people might think, a lot of things that might happen aren't in my control, so is it safe for me to make a decision? We have

worked really hard to get our colleagues to feel that we know it's not a black and white world. They have to feel like it's safe to make a decision, and that we're going to support them and pivot and learn from the decisions we make.

We also expect leaders to bring their best selves to work. As a two-time cancer survivor, this one is really personal to me, bringing my best self to my personal and professional life every day. Our leadership should celebrate small wins, and not be paralyzed by fear of making a mistake because we all make them. Just make sure you learn from them.

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respect, and candor.*

Another is do the right thing, especially when it's hard. The second part of that sentence is what really differentiates people. Making decisions that are hard takes leadership, courage, and conviction.

And the final point is the importance of relationships. What differentiates all of us who have been able to get to this level is relationships. So, I talk about relentlessly building relationships of trust, respect, and candor. And build them sideways with your peers, down with your team, and up. Too often people focus on up and they forget the importance of sideways and down.

Reimer: Your company was in the headlines recently about firing

employees following an internal investigation into how the company handled sexual harassment complaints. What was the lesson there?

Havanec: For Karen [Lynch, our CEO], it was critical for her and for our entire leadership team to make it crystal clear that our company doesn't tolerate harassment or hostile, abusive, or discriminatory behaviors of any kind. And we won't tolerate inaction from leaders who fail to respond when they become aware of that.

We opened a new Office of Workplace Assistance to oversee new and review existing channels for colleagues and we reinforced that our culture is one of respect, safety, and inclusiveness. What is really important in situations like this is acting really quickly and decisively.

Bryant: When you hire senior leaders, what is the single best question you ask in job interviews?

Havanec: What are the fingerprints that you've left on an organization? I define fingerprints as strategic initiatives that you're proud of and that endure after you've left. When people talk about their fingerprints, you learn a lot about how they think, how they innovate, how they lead, and how they measure results.

Their answer to that question can tell me a tremendous amount about how the person thinks about risk aversion, about their ability to operate in the gray, and about how they lead. If I could only ask one question, that would be it.