Paulo Pisano

Culture Is Only A Powerful Lever If It Exists In Service Of Your Strategy

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Paulo Pisano, CHRO of Booking Holdings, shared his key leadership lessons with my colleague, David Reimer, CEO of The ExCo Group, and me in our latest Strategic CHRO interview. Subscribe here for future interviews.

Reimer: What do you consider one of the biggest issues facing HR?

Pisano: It's the long-term challenge presented by the sheer level of complexity facing organizations and leaders. You have an enormous amount of complexity – and it's escalating very quickly — that leaders have to manage, which impacts how organizations are structured, how you think about making decisions, and how you set up roles and ownership and responsibilities.

Bryant: Can you talk more about the implications of that increasing complexity from a leadership perspective?

Pisano: Leaders have to become better at synthesizing information and data. It's not just about simplifying complexity, but also the ability to connect disparate soundbites or insights. The nature of the signals that leaders have to capture is broader than ever. They then have to connect those signals, and make them simple enough to help improve the quality of decisions. Part of the role of the CHRO is to help the CEO and other C-suite leaders figure out what to filter out and what to consider as they make decisions.

It's also more important than ever for leaders to surround themselves with the right team, because arguably the top job is too big for one person. So you have to look not just at the individuals you bring into the team, but also how that team works together. Are their strengths complementary? Does the culture of the team encourage people to speak up and challenge each other?

Reimer: What does that complexity mean for how you hire, train, and get people ready for management earlier in their careers?

Pisano: It requires more focus on how you design jobs. The way you design your jobs and your organization has deep implications for how easy or hard it is for someone to do a good job. We saw more of that thinking decades ago when business was more industrialized, and it has since died down a bit. With the rise of technology, jobs became more fluid and agile. Now we're realizing that as those companies became very big and complex, we need to bring back more discipline in how we define jobs.

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And when we hire managers, we also look very hard to see if they have the ability to simplify and connect the dots and help their team connect the dots to get results. Leaders who are really obsessed with simplifying automatically coach and mentor their teams to do the same.

Bryant: You've worked in a number of companies over your career. What are some patterns you've seen about the best cultures?

Pisano: There are definitely some commonalities. They include leaders who can effectively define the future of the organization. If the strategic intent of the organization is not clear, that can create a lot of confusion inside organizations.

That doesn't mean that you need to know exactly what you want to do in 10 years, but you need to have a process by which you're constantly guiding the organization on the direction and the underlying reasons.

I don't like the saying that "culture eats strategy for breakfast." It doesn't. If you have a bad strategy and the best culture in the world, it's still going to fail as an organization. Culture is only an incredibly powerful lever if it exists in service of your strategy. If you have a clear strategy, then you can have a conversation about how people should behave to deliver on that.

I've also found that cultures with a lot of communication happening in different directions are more effective. That means leaders are listening into the organization. They are curious. They are asking questions. They're gathering feedback and soundbites from multiple directions. They are providing guidance and perspective and engaging in dialogue. With all the volatility, that's become more important.

Reimer: What advice do you give to first-time CHROs?

Pisano: Business first, HR second. There are a lot of avenues that can lead you to the top HR role, and before you reach it, you may have been looking at the business from an HR standpoint. But as a CHRO, you have to turn the lens around and look at your function as one of the levers the business has to support what it does.

You also need to invest a lot of time in understanding the C-suite and your board of directors and the dynamics between them. Put yourself in their shoes. Understand their pressure points, their concerns, their ambitions and their triggers. It takes time, but you've got to start that process early to

understand those dynamics, because that helps clarify how you can be most useful to the organization.

Second, be relentless in thinking about your team. That's always been true, but it's become more important, given the breadth of demands. And you have to focus obsessively on how you manage your time, given the demands you're going to face from so many directions.

Finally, I say to my team all the time that we have to lead by example. But to reduce the pressure, the example is not that we are perfect at these things we are teaching. We have to show the example that we are willing to try these things, even though we may not be good at many of them yet. The role modeling is to show the effort. I say the same thing to leaders. Let people see you investing your energy into trying something new. You don't have to be perfect.

Bryant: What were important early influences for you?

Pisano: My parents were a big influence because of their work ethic. They worked well into their 70s and early 80s, and they infused me with a multicultural perspective through the empathy and care they've always shown for other people.

When I was very young and growing up in Brazil, there were a lot of kids who would gather at an open space and park by our building. The guy who managed the building assigned me to be the kids' representative on the board of residents. I think, in hindsight, it was because I was a bit of a troublemaker and all the kids listened to me.

In my teenage years, I played in a band. When you are part of a band, you have to create something together and then execute on it in front of audiences. That was formative in ways that I had not thought about until much later in my life.

And during university, I worked for an NGO, and I was promoted to run a local chapter, where I had to manage volunteers. And managing volunteers is very different from managing people who depend on the paycheck at the end of the month. You have to really engage them. They're going to work with you if they want to; otherwise, they won't. That was another important influence.