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WINTER 2024
SEEKING ALIGNMENT
47.1

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Message from the President

What Are the 3 Key Qualities CEOs Look for in a CHRO?

The saying goes that it's loneliest at the top, and unfortunately, I've found that to be true far too often. As CEOs are kept up at night, plagued by workforce issues such as human capital, wage inflation and workforce instability, who can they turn to for advice or even just a listening ear? This is where the chief human resources officer comes into play—a critical support system for the CEO when leveraged effectively.

This fall, SHRM launched its first collaborative effort with the Wharton School of the University of Pennsylvania—the CEO Academy. At two CEO Academy conferences this year, I had the chance to meet with CEOs from across the nation. Surrounded by the top business executives in the U.S., I posed the question, "As CEOs, what qualities do you look for in your CHROs?" I was met with an array of answers, but some key qualities emerged. CEOs want what most humans want—someone smart they can trust who will genuinely help them. It boiled down to three C's: competency, confidant and courage.

Competency is critical to the role of a CHRO as they must excel not only at management but also at understanding HR and the role HR plays in guiding organizations. CHROs must serve as the subject matter experts on all things HR and be able to advise CEOs on strategies in the best interest of their organizations. Now more than ever, when dealing with topics such as shepherding AI into the workplace and wage inflation, CHROs need to know their material, walk in authority and be decisive in their actions.

The second C is **Confidant**. CEOs are looking for their CHROs to serve as trusted consiglieres in the day-to-day affairs of the workplace. CEOs bear the responsibility for the entire organization, but this level of responsibility brings with it a high expectation of confidentiality, leaving them feeling alone as they carry the weight of the organization on their shoulders. They cannot share many of their workforce challenges, even with members of their senior management team. CEOs need a confidant who can provide psychological safety, and it's here that the CHRO steps in. The CHRO can't be effective without the CEO's trust and belief, and this can only come from closeness.

Finally, the third C is **Courage**. CEOs are only as successful as the people they surround themselves with. Contrary to popular belief, most CEOs do not want their staffs made up of a bunch of "yes" men and women. Diversity of thought and a willingness to push back strengthens a CEO and an organization. Ideas must be able to withstand testing and thorough scrutinization. Speaking up to a CEO isn't always easy. Neither is advocating to do the right thing when it's tempting to let something slide. But to be an effective CHRO, you must have the courage to speak and act, holding those around you accountable and thereby protecting your CEO from the fallout that would inevitably result from immoral or unethical behavior within a company.

These three C's are critical to having a high-performing CHRO. As we're entering a new millennium of workplace culture with inclusion, equity and diversity (IE&D), workplace technology immersion and employee activism, the role of the CHRO has never been more critical as a CEO ally. And as we continue to engage with CEOs through these CEO Academy events, we will work together to create a more effective CEO-HR partnership.

Johnny C. Taylor, Jr., SHRM-SCP
President and CEO, SHRM

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From the Executive Editor

The Lost Art of the Big Tent

One of the most alluring power levers in a leader's wheelhouse has been to use competition with The Other as a motivation for uniting a disparate population. Every industry has its version of Coke vs. Pepsi rivalries, which adds a degree of existential urgency to sales targets and product development timelines and promotes an overall sense of shared community. *It's not just about hitting our targets, it's about beating the other side.*

While Us vs. Them is useful for leaders bent on inspiring healthy competition, it is stating the obvious that it has become overleveraged. In politics, media and the very technology that fuels our connection to the world, polarization seems to have become both the medium and the message. The Other has become not just different, but morally inferior, cancerous and evil. Moreover, the predilection for sorting into Us and Them has become reflexive: It's not just our competitors we need to overcome, it's our bureaucratic finance group, our slow-moving product developers, our sales teams who'll make no-margin deals just to secure a contract. It's the woke leaders in our company, unless it's the resident Neanderthals. "They" are running our culture/mission/future.

For leaders in the 2020s, this is a real and present problem. How do you create unity and alignment in a world geared to polarization? In grappling with this question, the Editorial Board of *People + Strategy* journal sought out leaders, board members and thinkers who have grappled with some level of success in bringing disparate communities together in order to create a focused outcome.

Throughout the conversations, one thing has become clear: It is easier to divide than to unite. The task of helping an organization create unity and build alignment often falls to senior HR leaders. For HR, that demands a mix of roles as advisor, executive role model, engagement steward and—let's face it—at times as scapegoat. So, who is doing "uniting" well, and what lessons can we learn from them?

> One thing has become clear: It is easier to divide than to unite.

In these pages, a CEO shares learnings from 20 years of uniting the full spectrum of constituencies—big businesses and entrepreneurs, environmentalists and farmers, etc.—and the most surprising leadership principle that his failures and his successes have taught him (*page 12*). Another article focuses on the art of negotiation as applied to uniting stakeholders across the enterprise level (*page 6*). The CEO of Verizon talks with Adam Bryant about the core attributes of meshing disparate parts of an organization (*page 18*). And Dawn Zier's panel of board members reflects upon what it looks for from management and the CHRO in terms of using culture to unite, rather than divide, in pursuit of results and company health (*page 52*).

We'd love to hear your reactions and experiences. None of us have the entirety of the answer here. All of us have part of it.

Finally, a few process changes of note for 2024. In addition to retaining a core theme of three to four feature articles each issue, *People + Strategy* will now also add three to four nonthemed features addressing current and ever-present topics of relevance to senior HR professionals. Rhonda Morris, CHRO of Chevron, introduces a new back-page column on reflections on the uniqueness of the top HR role. And Brad Winn introduces a new column on the intersection of people and technology.

Kind regards,

David Reimer

David Reimer
Executive Editor

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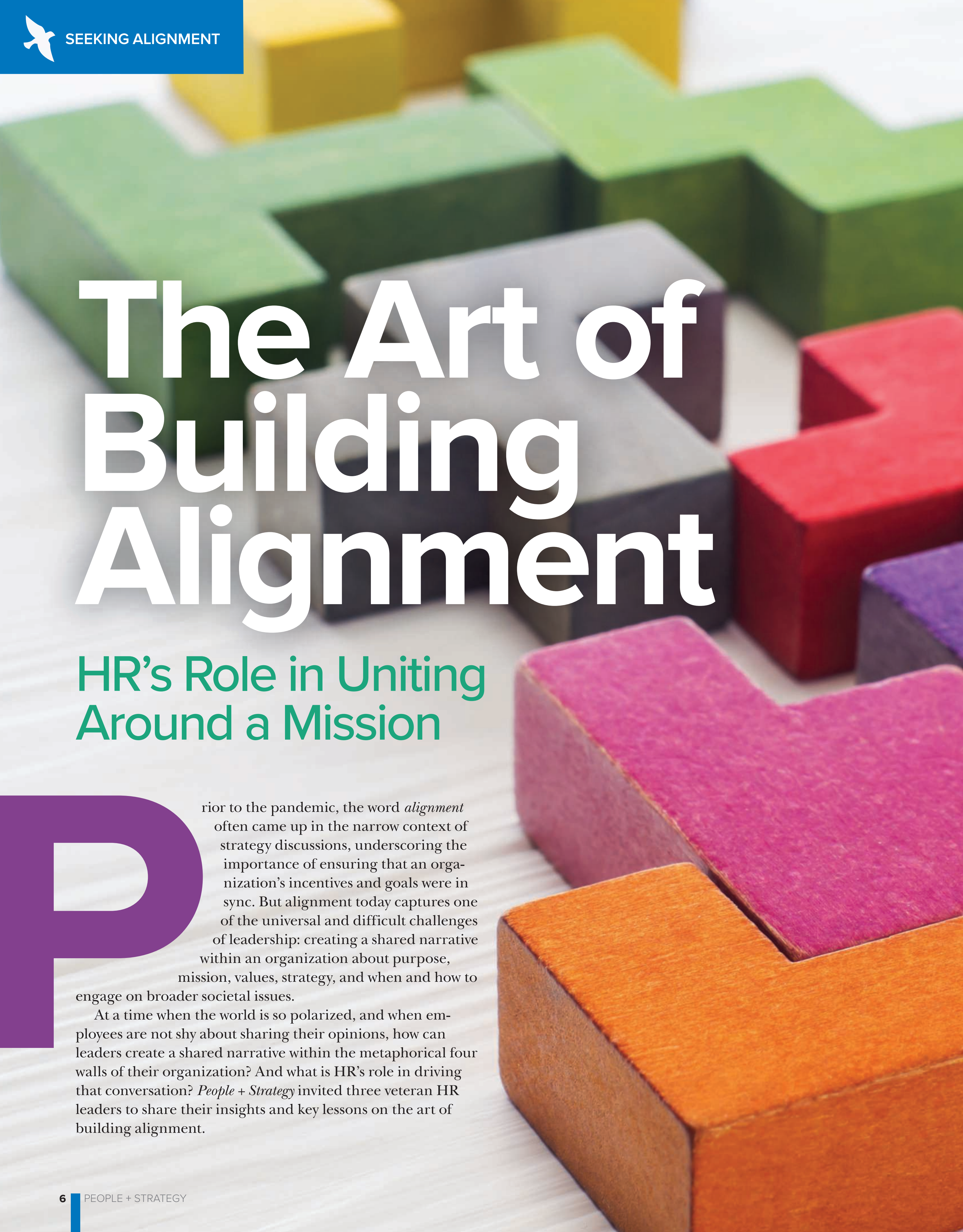

The Art of Building Alignment

HR's Role in Uniting Around a Mission

Prior to the pandemic, the word *alignment* often came up in the narrow context of strategy discussions, underscoring the importance of ensuring that an organization's incentives and goals were in sync. But alignment today captures one of the universal and difficult challenges of leadership: creating a shared narrative within an organization about purpose, mission, values, strategy, and when and how to engage on broader societal issues.

At a time when the world is so polarized, and when employees are not shy about sharing their opinions, how can leaders create a shared narrative within the metaphorical four walls of their organization? And what is HR's role in driving that conversation? *People + Strategy* invited three veteran HR leaders to share their insights and key lessons on the art of building alignment.

Focus Your Team on Common Goals and Purpose, Not Consensus

by Francesca Luthi
Chief operating officer at Assurant

Alignment, to me, means getting everybody working toward a common goal. It is never about obtaining agreement or consensus with everybody thinking the same way. That stifles diverse thinking and ultimately, success.

When embarking on a transformational effort, people will have different motivations, fears and aspirations. But if the outcome is clear and teams see their potential, you're going to build alignment toward that goal.

Leaders sometimes feel pressure to win everybody over, but that can backfire and work against you when you're driving transformational change. You may gravitate toward consensus versus leveraging different perspectives to achieve your goal. Plus, it's often unrealistic and perhaps impossible to get full agreement on the course of action.

Being open to different paths allows you to channel different perspectives in a powerful way. You want people who think differently and contribute, as opposed to gravitating to the lowest common basis of agreement.

All the disruption we've seen the past few years makes this harder, of course. When people feel stressed, they tend to look inward and hold on tighter to their own perspectives, which means they are less likely to listen. People may say they are comfortable with change, but it's easier to continue in the way they've always done things. If there were a perfect, repeatable playbook, change wouldn't be so hard, and we'd be driving a tremendous amount of value every time. But that's just not the case.

That's why I see value in anchoring to universal guiding principles for any organization undergoing transformation or disruption. During the COVID-19 pandemic, for example, we had employees who were very concerned about coming to an office. We had conflicting data points, and the science was evolving so quickly. Amid the uncertainty, we defined guiding principles to make sure we were providing essential services to our clients and customers while not jeopardizing the health of our employees and the community. The key value of those guiding principles was that they conveyed a framework for decision-making and action. It was empowering and comforting and enabled swift alignment and progress—even in the face of the greatest uncertainty.

These principles also underscored the value of regular, steady and constant communication. Say what you know as soon as you can, and if you don't know, be transparent about it. That builds inclusion because people sometimes mistakenly assume that leaders have all the answers or that we always prioritize one stakeholder over another. That's simply not true. It's a balancing act every day to serve our customers, employees, communities and shareholders to ensure everyone feels seen and heard.

And as leaders, we always have to role-model that transparency, empathy and openness to different perspectives, versus being entrenched in your view. It can be easy, especially when you are in a specialist role, to fall into a trap and think, "These are the facts. They're proven. Therefore, I'm right." But as you progress in your career, you need to be open to listening to understand, not to be right. While you may be right on the technical aspects of a decision, the context may require a more nuanced approach. You have to see yourself as an athlete who can adapt to different terrain. The leaders of the future are those who can listen, flex and adapt, because that's what organizations need as change continues to accelerate.

It's on us to inspire that openness to change throughout the company, especially when people are feeling overwhelmed by a big transformation. When you see this mountain in front of you and you're tired or scared, you may lose perspective. Instead, there is reassurance in looking back and recognizing, "Look how far we've come." Take the time to celebrate what you've achieved and remember how daunting it seemed at the very beginning. And then have a clear goal that helps people understand how their individual work is building toward a much bigger collective impact.

> *'As you progress in your career, you need to be open to listening to understand, not to be right. … The leaders of the future are those who can listen, flex and adapt, because that's what organizations need as change continues to accelerate.'*
>
> ***—Francesca Luthi***

People can get siloed in their teams. It's important to remind them how their work is connected to the company's purpose.

As much as it's our role as leaders to create a sense of urgency, we need to be patient and recognize that we all sometimes need a timeout. When you recognize it in yourself or capture that moment with an employee and give them space, it provides the energy to keep moving forward. We talk so much about the importance of mental health, but as leaders, we must set up resources of support and continue to reinforce them through communications and employee forums. Take the pulse of your organization regularly so you can set a pace the organization can handle.

Driving alignment is such a huge opportunity for HR more broadly. We are at the center of change—shifting our focus toward enabling our business and our talent. The question of "What are we here to do and who are we here to serve?" becomes the rallying cry for alignment and conversation that helps you articulate the broader role of our company.

For us, it's about serving our clients and customers. To do that, we must recruit, engage, develop and retain the best talent. By connecting everything back to that higher purpose, it gets people out of any siloed mindset. After all, that's the fundamental role of HR—to align talent and teams to achieve our big goals.

Aligning for Scale: How the Fusion of Values and Strategy Can Unlock Growth

by Jacqui Canney

Chief people officer at ServiceNow

Because of our rapid growth at ServiceNow—we had 16,000 employees in 2021 and now we have more than 22,000—my challenge is to scale and grow the global workforce, built on a foundation of flexibility and empathy, and to leverage technology to support our people and our customers.

To accomplish this, we need to prioritize organizational alignment with a culture, business strategy and talent strategy that work together in a cohesive way. We've done this in four ways:

1. A Commitment that Starts with Our 'People Pact'

Alignment starts with our "People Pact." It's our commitment that if you come to ServiceNow, you'll have the opportunity to live your best life, do your best work and fulfill our purpose together. It ties to our greater North Star—to make work better for everyone—and is woven into everything we do as we continue to scale and grow.

We built the People Pact because we needed our employees to understand how our strategy and culture come together. As our team designed the pact, we asked a series of questions. How are we bringing people into the culture? How are we getting people to feel connected to the company? We held focus groups and conducted research. We wanted this commitment to be more than an employee value proposition. Now, beyond sharing and talking about the People Pact, we need to show our employees how it comes to life.

To make these ideas concrete, we encourage people to share stories about living the People Pact during global meetings and events, such as moving to an important new role or working on a big project. Then we listen. Our communications team measures us on those talks with pulse-survey questions after every meeting. That feedback tells us where we can do better, and it helps us refine our strategy. We constantly iterate so employees understand our People Pact and how they can help shape our culture and company.

2. A Commitment to Values and Voices

With so much going on in the world, we also need a framework to align on how we engage as a company and decide which issues to address. Taking care of our employees is always my anchor. We have to respect other people's views

and choose the course that ties back to our values, purpose, strategy and culture.

We ask ourselves: Is this a ServiceNow critical issue? What's the impact on our people? Is it in line with our values? Then, if we are going to speak out, who is the right person to talk about it? What should we say? That process helps us be transparent with our people and true to who we are as a company. When there are questions about why a certain decision was made, we have open and honest conversations with our people. These conversations show vulnerability at the leadership level. We don't always get it right, but we show there was a rationale for making the choice and why we believed it was the right thing to do.

We hire for character, and everyone wants a good outcome. The question is, how do you get the best out of listening to all those opinions and points of view and then figure out a way forward? That can be hard, even at the most senior level. I see it as my job to listen first, then help find the alignment and see all sides of an issue.

3. A Talent Strategy that Is the Business Strategy

We work hard to develop alignment on our business strategy too, of course. We believe that the talent strategy is the business strategy, and that inclusion and diversity need to be woven into everything we do. Diversity boosts innovation. We need to ensure that all voices are heard and everyone has a seat at the table. We want all our people, including underrepresented groups, to feel engaged, which fosters a deep sense of belonging.

We also have to live up to our commitments. It's obvious when companies don't do that—they'll say one thing but do another. A former boss once said to me, "You get nine points for doing and one point for talking." Pre-COVID, that alignment was more operationally focused. Now the "how" of what you are doing matters just as much as the "what." The ROI to operating this way is real. Your organization will differentiate itself because you're doing things for the right reasons, which builds trust. Your business and people will benefit.

4. A Focus on Communication and Technology

To make messages stick requires relentless communication. Our CEO often says, "Anything worth communicating is almost always under-communicated." It's not the job of your employees to get what you are saying. It's your job as the leader to make sure everyone understands. Sometimes you can get a little fatigued from repeating messages, but you've got to keep it up. Technology can also be an important tool for reinforcing messages, building alignment and driving change. I'm lucky to be in a place where I have great access to data and insights. I see how much faster we can move and how much more relevant our work can be for our people, because I know what they want and need.

> *'To make messages stick requires relentless communication. … It's not the job of your employees to get what you are saying. It's your job as the leader to make sure everyone understands.'*
>
> ***—Jacqui Canney***

All of this speaks to how fundamentally the HR function has changed. There's no playbook for navigating so much disruption and uncertainty in the world. But we have a responsibility as HR leaders to be open and adapt to change. We have to think about what alignment means for the future of this function and how we're bringing the next generation of leaders along.

That focus on the next generation is about stewardship. There is a coalition of willing CHROs who are working together on this, and we are all focused on how people coming behind us will step in to do the job, reimagine HR and maintain organizational alignment. One of the most exciting parts of my job is to help paint the future.

Culture Is the Most Important Pillar in Your Foundation of Alignment

by Paulo Pisano
Chief HR officer, Booking Holdings

Uniting teams around a shared mission, purpose and way of working can be a challenge for organizations of all sizes. But as successful businesses expand geographically or add more products and services, the challenge intensifies as organizations grapple with the additional complexity that naturally ensues with scale.

Managing that increased complexity and connecting the dots to strengthen focus, to build cohesion and to deliver results is a responsibility that falls on the organization's leaders. In my experience, the most successful leaders strike a fine balance between helping teams accept and navigate the complexities of the environment, while also guiding them to shift the time, energy and other resources demanded by the management of internal complexity toward the ultimate goal of creating value for customers and stakeholders externally.

The road to doing this isn't simple. The more complex your organization—the bigger, busier or more distributed your workforce is—the more opportunities you have for misalignment because, just by definition, you have more things that you have to align. More messages might get lost in translation as they get passed across and down through the organization. There are more opportunities for conflicting priorities. There might be more bureaucracy or less clarity on decision-making. There are more disparate insights to connect. More friction.

While some internal friction can be good—leading to new ideas, improved ways of working and professional development—unnecessary friction leads to frustration and wasted time, energy and money. And so, the key role for leaders in creating alignment is to cut through the complexity, to understand what matters most and what matters less, and to know that in a given moment, priorities might change. It's a constant exercise.

In this vein, establishing an understanding of the strategic intent of the organization is key. In conversations I regularly hold with some of my counterparts and practitioners in other organizations, a common observation is that the occurrence of a clear, unique and well- articulated strategy is rare.

More often than not, companies have a business plan, they have product/service road maps and they have execution plans, rather than a deep articulation of what they are going to do, and also what they are not going to do, in order to deliver on those plans. Without that clarity, it's difficult to define what culture and what allocation of limited resources you need to support and deliver on the strategy. But if the strategy is clear—and its trade-offs understood—you can assess which aspects of your culture are supporting you and which are hindering you. And you can shape it, consciously.

Culture cannot be overestimated as perhaps the most important pillar in the foundation to enable alignment and thus, the delivery of the strategy. Every organization has a culture, whether it has been intentionally worked on or not. So the question is how to deliberately work on the cultural levers so that the workforce is aligned in their mindsets, behaviors and ways of working to enable the organization's success.

To make progress toward achieving cultural alignment, CEOs not only have to surround themselves with the right people, but they have to invest strongly in the effectiveness of their team. The leadership team is key to ensuring alignment is put into practice and communicated through the organization. The C-suite is the starting point.

If there is too much complexity or inconsistency within the leadership team, it's bound to amplify complexity for the rest of the organization. Leaders must have a consistent articulation of the key messages that matter to their organization, to the point that people may have heard them so often that they may be bored of them. In the same breath, it is the leadership team's responsibility to also be consistent in living by the ideas and values underpinning the desired culture.

Alongside leadership, HR plays a particularly important role in the journey toward alignment. HR practitioners, and CHROs in particular, can be the ones to ask the difficult questions, such as pressing for more clarity on the overall strategy or specific priorities to better align the work that we do with the direction of the company. By asking good questions, we have the opportunity to influence key levers and help leaders clarify their thinking indirectly while also increasing understanding among the team.

> *'The key role for leaders in creating alignment is to cut through the complexity, to understand what matters most and what matters less, and to know that in a given moment, priorities might change. It's a constant exercise.'*
>
> ***—Paulo Pisano***

More directly, we can drive impact by strengthening our role as trusted advisors to the CEO and wider leadership team. From our vantage point, we can be uniquely impactful because we come from a neutral place of seeing the big picture, rather than trying to advocate for a specific part of the business. We're important enablers, and we can have a big impact by supporting our leaders and wider organizations to cut through complexity to facilitate that alignment. But to do that with credibility, we also need to walk the talk on behaving consistently with the culture we seek to foster, doing fewer things better and ensuring HR is relentlessly focused on what is most important. ■

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Rallying Stakeholders in a Polarized World

By embracing two words that don't appear in an MBA syllabus, the director of a Midwest nonprofit finds success in building coalitions with nontraditional partners. Here are the key lessons he's learned over his 30-year career.

By Hans Voss

At a recent event celebrating 20 years of working with partners to strengthen Michigan's local food and farming economy, I surveyed the crowd. All kinds of people were there. Farmers. Entrepreneurs. Community organizers. School food service workers. Public health experts. Republicans, Democrats and staunch Independents. It was a special gathering, the kind that only happens when something truly incredible has been achieved over a number of years through collective action and unyielding dedication.

As various speakers reflected on their experiences with the mission and its grittier execution moments over time, one of the leaders offered a one-word summary of the reason such a diverse group has been so effective: "sincerity."

That lone word—which appears in none of our collateral or our standard talk tracks—really hit me. For nearly 30 years I have been working to build broad-based coalitions to achieve public interest goals and, over time, change systems to help communities become more resilient. In this line of work, you try to bring together "nontraditional partners"—a term, simply put, that means people from different walks of life. They have distinct cultures and sometimes starkly contrasting political views, but they share a common goal, and their different constituencies broaden your base.

While that's always been part of nonprofit leadership, what I'm learning from my friends across the business community is that it's an intensifying part of almost every executive's job today. Stakeholders are vocal and often polarized, yet to build resilient organizations, we leaders need to rally more of them to our banner than just those who start out agreeing with us.

About the same time that the "sincerity" point struck home with me, I had been grappling quietly with a deeply personal leadership idea: "Replace judgment with love." I know that's a big one, especially in a professional journal like this, but hang with me here because it's relevant to this story, and it may be helpful in your leadership.

These two traits—sincerity and love—are both intensely personal and incredibly challenging for any leader. (And frankly, I had to think about whether I wanted to write about them publicly.) Sincerity and love have forced me to become more aware of my own judgments and how they often directly conflict with my desire to be a more loving person. If you lead others, I want to acknowledge how hard judgments can be to contain.

And the ideas of sincerity and love often don't come up in discussions about how to create alignment among different stakeholders. We executives are often most comfortable with clear metrics, analytical skills and defined approaches. But there is a powerful emotional component to leadership that sometimes gets overlooked—and it is crucial for success when you are building coalitions that, at first blush, seem unlikely to succeed.

Here are three examples of coalition building in a polarized world that may serve as reminders that how we lead is who we are.

1

Start Small, Embrace Complexity

Back to sincerity and farming. In northern Lower Michigan, agriculture is a central part of our culture, economy and history. The soil is good. The Great Lakes extend the growing season. As a result, we grow a wide range of fruits and vegetables. In fact, Michigan is second only to California in crop diversity. But farmers are increasingly squeezed by global commodity markets, and there is a real struggle to keep the family farm viable.

Our organization worked to open up new markets so farmers can sell directly to consumers, local restaurants, food pantries, grocery stores and schools. It's the schools that have really taken off, so much so that Michigan is now a nationwide leader in the farm-to-school movement.

We started farm-to-school work 20 years ago in one elementary school in Traverse City, a bustling town on the shore of Lake Michigan. We arranged for a local farmer to come to the lunchroom and talk about potatoes and how to grow them, and then serve them up to the students. The kids loved them. The teachers were startled to see most kids skip the pizza lunch and dig into the steaming-hot baked potatoes.

This pizza beatdown day ignited a movement for locally sourced lunches in schools across our region. That movement grew into a broad-based campaign resulting in a statewide program. Today, the legislature allocates $9.3 million annually to schools specifically for the purchase of Michigan-grown fruits and vegetables. The result: Hundreds of thousands of pounds of locally grown food from nearly 200 participating farms have been delivered to lunchrooms serving over half a million kids.

As you can imagine, we worked closely with farmers. But here's the thing about farmers: They are by no means of one mind. Their worldviews and their farming practices are all over the map. What ties them together is their fierce independence, which can show up as skepticism. But we kept at it. We listened to farmers' needs and made the program as practical and usable as possible. Like any businesspeople, farmers need predictability, which in agriculture requires planning ahead. So, we helped schools forecast what they wanted to put on the school lunch plates, which allowed farmers to plan their planting schedules.

We also worked closely with teachers, school administrators and food service staff, who have tight budgets and strict

In Michigan, a broad coalition helps build support—and rare bipartisan consensus in the legislature—for the farm-to-school program.

Stakeholders are vocal and often polarized, yet to build resilient organizations, we leaders need to rally more of them to our banner than just those who start out agreeing with us.

groundwork
CENTER FOR RESILIENT COMMUNITIES

food safety parameters. We asked those farmers and school officials (and just about everyone else under the sun) to join us in convincing the state to fund it. We worked with conservative legislators from rural areas, liberal legislators from big cities, and everyone in between. We listened to their priorities, made our case for farm-to-school, and, in the end, we achieved rare bipartisan support, including developing true champions on both sides of the aisle. Regardless of their political leanings, they saw the benefit to the agricultural economy and to kids' health. We listened. We formed trusting relationships. And in the end, we built a powerful coalition for bold action.

2 Let Your Stakeholders' Points of View Shape Your Message

I know this may seem counterintuitive. As leaders, we're supposed to create clarity for those around us by laying out a clear strategy and a clear "how-to," right? But in a world of independent stakeholders, digging in with your own point of view can backfire. Do you want to be right, or do you want to deliver on your goals? People's opinions on both the why and the how of your goals can healthily reshape your messaging and drive better results.

A 70-year-old pipeline crosses five miles of open water in Lake Michigan. It's called Line 5, and it transports 23 million gallons of crude oil daily. It's just about the hottest environmental issue in Michigan because a leak would be catastrophic for the Great Lakes and the people whose economic survival and lifestyles depend on them. The risk is real. Already, there have been dozens of leaks in the upland part of the pipeline. And in 2018, there was a scary near-miss when a ship's anchor struck an underwater section.

When our organization first learned about Line 5 in 2013, we knew that Michiganders across the political spectrum would be concerned because if there is one thing that unites people here, it's the Great Lakes. So, we set out to organize a campaign.

First in were environmentalists who, in addition to concerns about water quality, were motivated by climate change. Millions of people in Michigan are working hard to transition the economy to renewable energy, so the idea of antiquated fossil fuel infrastructure continuing to operate while threatening the waters we hold dear—especially because we have other alternatives—was an immediate rally point for one constituency.

Next, we brought on local government officials worried about drinking water. Then, we involved anglers, boaters and tourism-related people concerned about threats to their livelihoods.

Another crucial ally in the campaign to shut down Line 5 has been the Native American tribes. Their historical relationship to the lakes is fundamental to their culture, history and way of life—not to mention their treaty rights, which empower them to fish those threatened waters. The tribes have been out front on the issue, holding rallies, taking legal action and partnering with other groups.

With these coalitions, it seemed that everyone in Michigan was talking about Line 5, including some who thought having a pipeline in the lakes was just fine. But some of those pipeline proponents controlled important committees in the state legislature, so while we were doing well with the public, in the capital we weren't making much progress. Clearly, we needed more voices.

That's when we started the Great Lakes Business Network, which, as the name suggests, is a group of business owners willing to stand up and fight for the environment. It's had a huge impact on the debate over Line 5 because employers have a special kind of influence.

As we grew the network, we realized that our values of honest and sincere relationships had to be central—this couldn't be just about environmentalism or fishing access or even drinking water. Some companies weren't comfortable talking about climate change. Others were more cautious in general. So, we had to hammer out a common message framework that we could all agree with. Lots of listening. Suspending judgment. Focusing on our shared love for the lakes.

And that focused our messaging on making the economic case. A University of Michigan study found that the Great Lakes support 1.3 million jobs that generate $82 billion in wages annually, which resonated across interest groups. The more we focused on the economics, the stronger our message and the more people we could reach.

The Line 5 campaign is going strong. We have an incredible range of public support. The governor and the attorney general along with a coalition of tribes and conservation groups have filed suit to close the line, and we are awaiting a decision in the courts.

3 Truly Understand the Position of Those Across the Table

In my younger days in this work, I was invited to speak to the United Tribes of Michigan, a group composed of the leaders of Michigan's 13 federally recognized Native

Our culinary medicine initiative brings together a diverse coalition of farmers, chefs, medical professionals and social workers to improve community health.

American tribes. That day, the issue on the table was land use and transportation planning—specifically, how to preserve natural land and invest in thriving, walkable downtowns.

My presentation was about the importance of regional collaboration in achieving these goals. After giving a little background, I asked the tribe leaders to join our effort. I finished my pitch, and the chairman of the group looked at me silently for what seemed like a solid minute and then politely but firmly said, "Are you aware that we are sovereign nations?"

Clearly, I had missed the mark. Whatever my intentions walking into that room, I hadn't asked about their perspective, hadn't listened, hadn't taken the time to understand the cultural or legal context of those I was hoping to engage. It was a low point in my career—a learning opportunity.

As leaders, we're in a hurry to get things done, to demonstrate impact and deliver results. But control is an illusion—our stakeholders come to the table with their own agendas, history and deep-held motivations. To go fast later, we have to first take the time to understand who we are talking to. A lot gets written about being an empathetic leader and showing empathy to others, but I would argue that not enough has been said about a leader establishing empathy and understanding as a two-way street with each set of stakeholders. Be humble—to avoid getting humbled. Foster a relationship and establish trust before making your pitch.

I have learned that external coalition and partner development work can be valuable to your internal culture, too. When treating people outside your organization with respect becomes standard practice, it happens naturally on the inside too. It's not the executive director or CEO standing up in front of the staff, discussing core values and how everyone needs to embrace them. Nope, we've all had enough of that. It's the organic development of a culture of sincerity by demonstrating it day in and day out.

The Judgment-to-Love Shift

I know my "replace judgment with love" mantra is keenly personal. But I am also equally convinced that it can be a game changer.

How can you create honest, respectful relationships if you are harboring judgment? And what about love? Well, we all have our own way of feeling and expressing it. I submit that even if it is never spoken aloud, when you carry love in your heart, people feel it. Your colleagues feel it.

Rallying radically diverse stakeholders is tough, demanding work. But for leaders today, it's the job within the job. We live in a polarized world. We can succumb to that and settle into camps of "us and them," or we can shift tactics in how we unite others to achieve great things.

For my own part, I am working to become mindful of my judgments about people and their behavior. I've realized that I can assign motive and meaning to what are actually insignificant turns of events. Sometimes my opinions are surprisingly harsh. And, I've thought long and hard about how I judge myself. Can I replace those judgments with a simple thought of love for whom or what I'm passing judgment on? As a result of this focus, I believe I am creating more honest relationships, particularly with those nontraditional partners who think so differently from me.

I have been working on the judgment-to-love shift for the better part of a year. I have a long way to go, but I plan on staying the course.

I close this out by encouraging you to consider your own judgments. Are they interfering with your ability to have authentic relationships in your work? With the communities within and around your organization? How about with your family and friends? My working theory is the more you reduce your judgments of others, the closer you can be to them. And if you can replace those judgments with sincerity and love, who knows what's possible?

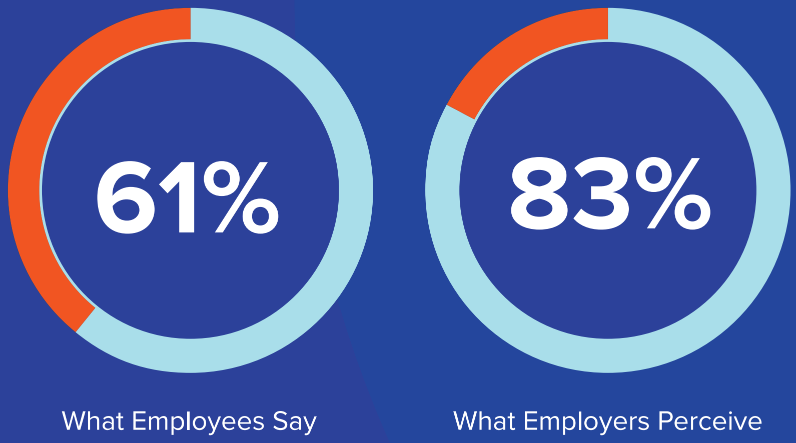
Hans Voss is the executive director of the Groundwork Center for Resilient Communities in Traverse City, Mich. Groundwork was established in 1995 to empower people to create a better future with sustainable local solutions that create a clean environment, strong economy and healthy communities. Learn more at groundworkcenter.org.

Do you prioritize the employee experience?

Employee satisfaction is at a decade low, with benefits satisfaction dropping to 61% in 2023.

To make matters worse, there's a huge gap between actual employee satisfaction and employer-perceived employee satisfaction.*

Satisfaction with Employee Benefits



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Align by Design

Verizon Consumer's CEO Shares Hard-Earned Lessons on Communication, Transparency and Priorities

After spending nearly a decade in various executive roles at Verizon, Sowmyanarayan Sampath was named the CEO of Verizon Consumer in 2023. *People + Strategy* articles editor Adam Bryant sat down with Sampath to discuss his strategies for creating alignment of purpose and strategy throughout the company's workforce.

People + Strategy: What does alignment mean to you in a leadership context?

SAMPATH: To me, alignment means, "What is the mountain you need to climb?" But how you climb the mountain is just as important. In a post-COVID environment, people are not always together—they are distributed by space, by time and even by purpose. Adding to the challenge is the fact that we have multi-generational leaders working together, and they work very differently. So, you have to manage through the inevitable points of friction.

_P+S:_ Can you elaborate?

SAMPATH: The highest value that a leader can provide is to take out friction. There can be friction over resources or over budgets. It can be because of personalities or because people are working toward different purposes. If I have any extra time in a day, I use it to take friction out. It just frees up headspace for people to do their jobs much better, and it helps build alignment.

_P+S:_ What are some fundamentals for creating alignment?

SAMPATH: One is prioritization. Prioritization is important at every level in an organization, from the CEO to the front lines. What are the three or four things you are going to focus on? Many companies say things like "Grow revenue," "Reduce our expenses" and "Talent is our biggest asset."

Those are not priorities because a priority has to have a hidden trade-off built in. If you just tell people the priorities without acknowledging the trade-offs, then they will try to do everything, which means they will do nothing, and you are back to square one.

_P+S:_ We are living in an age in which employees are much more vocal about their expectations of their companies, and often, they have a wide range of opinions. Part of your role as a leader is to create a shared narrative for everyone that they can agree on.

SAMPATH: It takes time. It takes a lot of patience. Something may be obvious to you because you've been repeating it for three months, but others might be hearing it for the first time. So you have to tell people the "why" of your decisions, and you have to be consistent and genuine in the way you tell the story.

People want to work for companies that have a purpose. If you tell them, "This is your priority," they want to understand the "why." They want to know how it impacts them, how it impacts society and how it balances out all the stakeholders.

_P+S:_ What are your observations on how to make sure that a matrix structure actually provides a competitive advantage?

SAMPATH: Matrixes are designed for scale, and they are designed for expertise, with centers of excellence. If you don't exploit your matrix to scale or to take advantage of specialized competencies, you're fighting it. And fighting a matrix is not a good thing. We saw that in the Keanu Reeves movie ["The Matrix"]. It's true in life as well. The matrix will win.

Matrixes don't work for two reasons. One is people are working on different goals. Let's say part of the organization is driving sales, while another is trying to drive margin. You don't need to be an organizational psychologist to know that you're going to create tension. That's why you have to be so clear about goals and targets, and also what the trade-offs are.

And when there is friction, you have to address it. Sometimes that means picking up the phone and talking to your

COMMUNICATION AS AN ALIGNMENT SUPERPOWER

'This Generation Is Not Going to Tolerate Corporate-Speak'

Alignment is important at the organizational level. But it's also important for individual leaders in that there can't be a gap between what you say and what you do. That's why the ability to communicate in a clear, jargon-free manner is essential for leaders—especially in their writing. Sampath shares how he turned his communication skills from a weakness into a competitive advantage.

SAMPATH: "I was a strategist at [Boston Consulting Group] for much of my earlier career. Then I got a job where I actually started managing people, and no one could understand a word of what I was saying. I took it very personally. I was a poor communicator at that time.

"I decided to become a better communicator, and I started focusing more on writing memos instead of using PowerPoint. I started communicating in a simpler way, and suddenly I found people were saying, 'I can get behind that. I can understand that.' And then that ability to communicate became a competitive advantage for me among my peers in the industry, and then I doubled down even more.

"You have to be practical and communicate in straightforward language. Corporate-speak is dying, and I am so happy about it. When you say or write something, you have to mean it. This generation is not going to tolerate corporate-speak. Look at all the investor conference materials you see. I do this for a living, and I often don't understand it.

"I think there's a huge shift that has to happen in corporate comms around the world now. Talk to me in everyday English. Talk to me exactly how you see it. You can hide behind corporate jargon a lot, but you can't hide behind plain written English. Writing is a very powerful tool. I can convey any message with PowerPoint, but if I have to do it in two paragraphs, I have no place to hide. Writing is sunlight. Writing is a cleanser. For me, part of alignment is to write in prose, without bullet points, because it shows depth."

> **“The highest value that a leader can provide is to take out friction. … If I have any extra time in a day, I use it to take friction out. It just frees up headspace for people to do their jobs much better, and it helps build alignment.”**

peers. That’s why friction in a matrix often doesn’t get resolved, because people are uncomfortable picking up the phone. So, when you see something, you have to say something.

***P+S:* How do you ensure that you don’t become the only person who resolves points of friction?**

SAMPATH: Some of it is setting expectations. When you think you can solve all the friction on your team, it’s a kiss of death for you because people then just sit back, fold their hands, order buttered popcorn and watch the movie. So, you do have to set expectations and sometimes say, “No. You solve it. Come back to me in 48 hours.” You have to put pressure back on the teams to solve problems. Then at some point they get it.

***P+S:* Part of building alignment is creating a shared mindset about embracing the idea of transformation. How do you do that?**

SAMPATH: People in general are quite comfortable with uncertainty. We have this notion that all our teams want is certainty. But they’re human beings. Their life is not certain. People are more comfortable with uncertainty than we sometimes give them credit for.

But I think two approaches are important. You’re going to have to be transparent. I have never found a situation where I have been transparent and then said, “Oh, I wish I hadn’t been so transparent.” Second is consistency. You cannot change your message every few weeks. A lot of people do that because they don’t prep and they might use different words, and people pick up on that.

Sometimes transformation means you have to let some people go. And yes, you have to make sure they are treated well. But you also have to focus on the people who are staying. Why should they come to work every day? What’s the vision? For those who have chosen to stay, what’s in it for them?

***P+S:* A lot of companies struggle with clarifying their priorities and making trade-offs. Why do you think that is?**

SAMPATH: Because friction involves stakeholder management. Trade-offs involve stakeholder management. Sometimes people don’t want to deal with it. You have employees, customers, shareholders and the broader society. You may not want to sort some of those issues out, so you obfuscate things because you don’t want to acknowledge or deal with the trade-offs. That’s why it’s tough.

***P+S:* Part of the challenge is that some stakeholders expect companies to get involved in a lot of broader issues in society.**

SAMPATH: There are some fundamental things that every company should stand for as part of its value system, like equity, equality and diversity. But it’s not a company’s place to opine on every single thing just because it impacts some employees. If it fundamentally affects our core value system, you need to have an opinion about it. We have such a large and diverse workforce, and so everyone will be impacted by something every single day. If you get caught up in every issue, you’ll just end up polarizing the company.

***P+S:* What do you see as the role of HR in building and creating alignment in an organization?**

SAMPATH: An important role of HR is not just talent management, but talent enhancement. Part of bringing out the best in people is to address the friction and the chaos that are in every organization.

HR also has to think about internal communications, and they can help ensure there is alignment from top to bottom. Sometimes you’re aligned at the top, but you’re not aligned deeper in the organization. There has to be a very careful process of taking corporate priorities and then aligning them to individual functions.

Messages can get lost in translation. And translation always kills nuance. We may say something at the leadership team level, but by the time the message gets passed down to the third or fourth layer, it may be dumbed down, which means it loses specificity. Or they adopt the message for their function, and in the process they may add too many ingredients to it. It should be like French cooking, with just a few ingredients. So, consistency and translation management of the alignment is super important.

***P+S:* So how do you do that? As the CEO, how do you ensure that the message remains consistent all the way down?**

SAMPATH: A lot of it is inspection. You’re going to have to inspect when you do your operations reviews. When you talk to people, you ask, “What are your priorities today?” That’s when you find out it’s either aligned or not. There’s no shortcut to this. Second, use your comms team and your HR business partners very effectively. Ensure they are plugged in and monitoring how the message is translated down through the organization. ■

Expanding

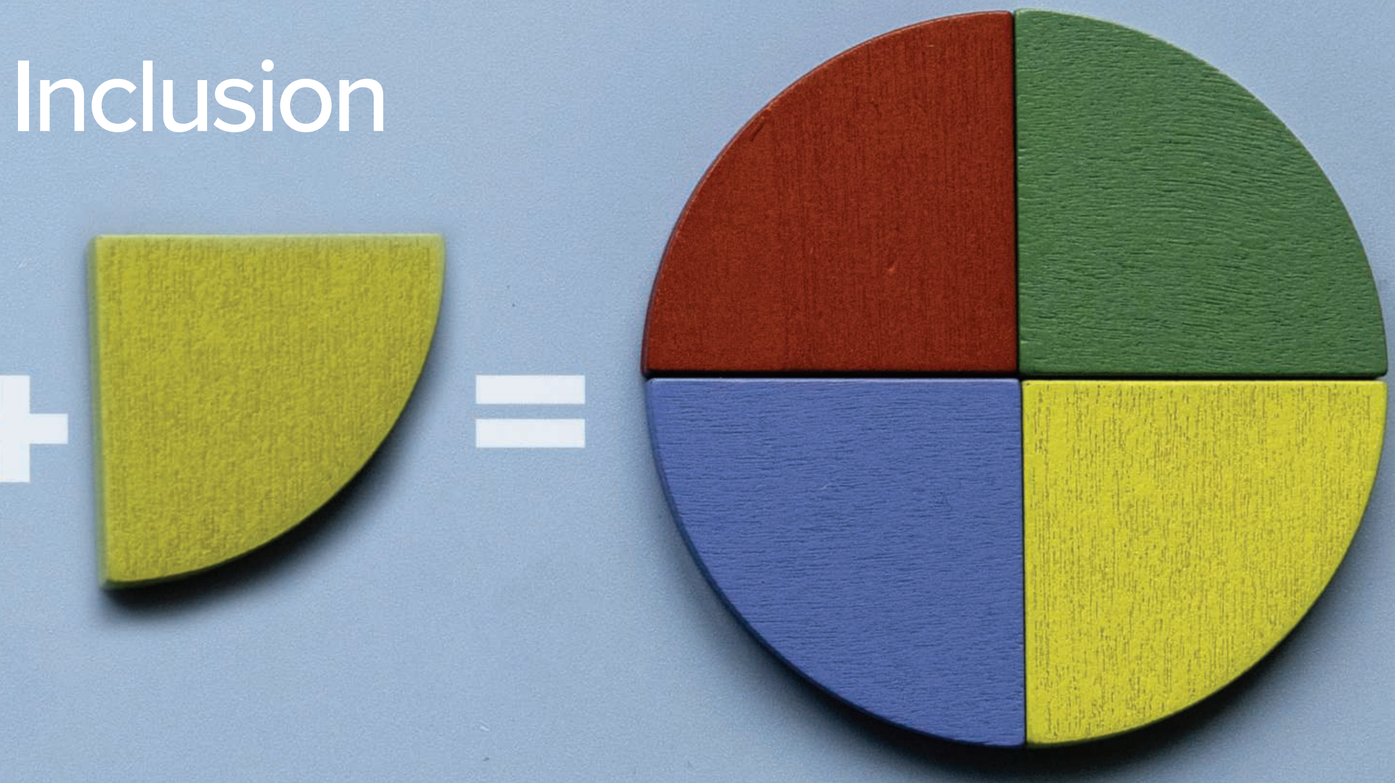
How to Drive Alignment on

In the wake of the Supreme Court's pivotal 2023 ruling on affirmative action, leaders need to use a new negotiation mindset to navigate the increasing polarization surrounding corporate diversity efforts.

By Allison Elias, Melissa C. Thomas-Hunt and Tiffany Galvin Green

the Pie

Inclusion



In the second half of 2020 and into 2021, corporate leaders expanded their inclusion and diversity programs in response to overwhelming public support for social justice causes like #MeToo, #BLM and #StopAAPIHate. Corporations made commitments—through words, actions and resources—to recruit, retain and foster cultures in which racial and gender minorities could thrive.

Now, newly empowered chief diversity officers are forced to defend themselves amid political currents that have turned against them. In 2023, the U.S. Supreme Court ruled in *Students for Fair Admissions v. Harvard (SFFA)* that race could not be used as a factor in university admissions. This crucial ruling amplified the voices of critics decrying corporate inclusion, equity and diversity (IE&D) efforts as ineffective, unfair or even illegal. Thirteen attorneys general issued a statement opposing corporate IE&D plans and warned corporate leaders to reexamine practices and eliminate quotas.

Opposition to affirmative action—and in particular, diversity goals—is not new. But with an upcoming presidential election, politicians are positioning themselves as either for or against IE&D.

In the aftermath of the *SFFA* case, how should corporate leaders respond to the polarization surrounding IE&D? How can those seeking to create inclusive and diverse workspaces bring opposing sides into alignment? Experience has taught us, as educators and IE&D professionals, that the answer lies in using a negotiation mindset. We challenge you to consider the various stakeholders in an organization as taking part in a multi-party, multi-issue negotiation regarding the meaning, direction and implementation of IE&D efforts.

Here are three key tactics for leaders to use in an organizational context to implement IE&D more effectively:

Integrative Tactic No. 1: Be Mindful of Fixed-Pie Mindset

IE&D efforts inherently propose new ways of approaching situations that threaten those who have historically fared well in organizational life. Some majority group members see IE&D initiatives as taking something away from them or those like them. In negotiation terms, this is a "zero-sum" or "fixed-pie" framing. This view can engender resistance and friction. Leaders can mitigate this mindset by leveraging cognitive framing and by building relationships before the ask.

Leverage cognitive framing. When communicating priorities with stakeholders, leaders should focus on what is to be gained, not lost, to facilitate agreement. But moving the conversation from loss to gain is no easy task with IE&D work, given that employees may feel that their resources, identity or even core beliefs are under attack.

Imagine a sponsorship program designed to increase the number of women and racial minorities in leadership. It should be communicated as an opportunity for value creation for the entire organization. The organization grows stronger, more profitable and more competitive with the development of more employees. The new sponsorship program is a "gain frame" that will make for a bigger "pie" that all employees can share.

Build relationships before the ask. Relationship building might be seen as a waste of time by those eager to point to visible, quantitative measures of success. This is an especially acute problem in IE&D work, where there is a demand for measurable progress, even though success takes time to manifest

AN INTEGRATIVE APPROACH TO INCLUSION AND DIVERSITY

Negotiation key concept	Relevance to aligning around inclusion and diversity work
Identify and rank your interests	Clarify the outcomes you want, who can best help you and how to present your requests.
Share information and ask questions about interests to help identify mutual gains	Understand the concerns of other parties regarding IE&D efforts. What worries them? Help them understand your objectives.
Beware of fixed-pie bias	Be prepared to shift the framing because calls to change processes can trigger a win-lose framework.
Utilize cognitive framing	Present IE&D initiatives in terms of what skeptics have to gain and how you can help them.
Navigate egocentric bias	Be prepared to address arguments such as "the traditional way is the right way" and perceived threats that frame change as a suggestion of bias. Focus on potential gains, not losses.
Prioritize relationship building from the beginning	Build relational capital, which is essential to advancing change.
Sequence to determine timing	Understand when to push or hold on to your priorities, depending on the urgency of other issues and support from other stakeholders.
Address implementation during "deal making"	Think of ways to offer financial and other resources or solutions that can diminish the initial time commitment and efforts. Part of your ask should include how you can help interested and affected parties to implement your ask.
In a multi-issue negotiation, address compatible issues first to build momentum	Start with small wins that can help stakeholders see the upside and remain open to considering the bigger requests in the long term. It's a journey.

When communicating priorities with stakeholders, leaders should focus on what is to be gained, not lost, to facilitate agreement. But moving the conversation from loss to gain is no easy task with IE&D work, given that employees may feel that their resources, identity or even core beliefs are under attack.

in statistics. But relationships lead to dividends that cannot be realized immediately. Closer ties encourage more information sharing, which helps IE&D professionals better understand other stakeholders' perspectives, fears and reservations. Too often we attempt to build relationships when we need something, but those actions can feel transactional in the moment.

Those who succeed quickly in new roles–IE&D or otherwise–build broad networks across business functions. This process of gathering information, understanding others' interests and offering help establishes trust. Of course, the IE&D team must stay focused on moving the needle and delivering outcomes quickly, but one must remember that relationships help deliver outcomes; they are not oppositional.

For instance, consider recruiting, where an IE&D goal is to increase female and other underrepresented minority job candidates for engineering roles. Pushing hiring managers to diversify their candidate pool might be met with resistance if they do not see a problem with "the way we do things." We tend to defend our own perspectives and approaches as fair. Furthermore, they are being asked to undertake new steps that slow the recruiting process. An existing relationship with the IE&D team might yield hiring managers who are more willing to cooperate. Repeated positive interactions facilitate cooperation through trust, such that hiring managers have confidence in long-term, positive results, even if they are not apparent immediately.

One CHRO shared that investing in improved processes during slower hiring periods would build a broader and deeper network of recruits when hiring picks up. Additionally, she sustains relationships and builds allies by recognizing hiring managers with successful efforts and encourages consistent communication on the importance of such efforts.

Relational capital has economic value for negotiators, and positive feelings following one negotiation can objectively influence subsequent negotiations. Instead of seeing outcomes and relationships as opposed, IE&D professionals must leverage relationships to achieve outcomes.

Integrative Tactic No. 2: Know When to Pivot

Getting all stakeholders aligned to support IE&D is difficult. In this process, IE&D professionals will face moments of defeat and uncertainty. As such, a longer time horizon and a shift to different priorities can help regain leverage and preserve relationships.

Given that mandates and priorities can change rapidly, IE&D practitioners must remain agile and be ready to table one issue and advance another. Momentum can also be built with small wins that demystify the work and convince naysayers that IE&D efforts have a broader positive impact.

Integrative negotiations always feature more than one issue. In fact, more issues in a negotiation lead to a greater chance of creating value for and aligning all stakeholders. IE&D practitioners must advance multiple issues simultaneously and then be prepared to revise their rank order of priorities amid a dynamic and sometimes volatile environment.

For example, an imperative to compensate employee resource group (ERG) leaders (to signal that the company values their time and service) could face obstacles, such as a COO or CFO not supporting additional pay that might signal favoritism. To adapt in the face of opposition, you might wait for the players to change or seek inspiration from other executives. Alternatively, if attrition from certain groups is on the rise and gains the C-suite's attention, this might be an opportune moment to reintroduce the compensation of ERG leaders.

Social proof, a powerful element of influence, could also engender support for ERG initiatives. Because organizations tend to copy one another, drawing upon industry leaders could help to further advance IE&D agendas. So, although your COO or CFO may not be ready to compensate ERG leaders, you may learn that a competitor is considering the practice and then decide to raise the issue when discussions turn to the importance of retaining a diverse talent pool.

Are they still not convinced? Seek a conditional arrangement or contingent contract. Will they consider ERG leader compensation if evidence of burnout or turnover continues into the next quarter? Perhaps that approach is not ideal, but it establishes some commitment and opportunity to revisit the conversation.

External events may also create opportunities to pivot. For example, a tragic societal event like racially motivated violence may lead top management to commit more resources to the professional development of employees from underrepresented groups. IE&D professionals must recognize that a short-term shift of operational focus might strengthen relationships that can be leveraged in the future to advance other initiatives. Agility with priorities allows for relationship preservation. You can push to win when the time is right.

Enlisting the help of managers across the organization is essential for building an inclusive culture. Managers can help employees feel safe enough to contribute their knowledge and perspectives.

Integrative Tactic No. 3: Use Sequencing to Build Coalitional Support

Sequencing to build support on issues. A primary job of IE&D professionals is to assess which organizational processes need to be created, eliminated or altered to reach desired IE&D goals. One sequencing question involves which proposed changes to address first. Should you first address the processes that seem easy to alter, building momentum with small but visible "wins"? Or should you make efforts to change entrenched routines that could take longer and spark pushback?

Use knowledge of others' interests to start with an easy win, which then may lead to greater support for a more challenging issue.

Say there is alignment on the executive team that the company should signal its commitment to IE&D through internal and external communication channels, and the executive team's voices need to be part of the communications. However, building support to change the recruitment process for underrepresented minority engineers has been challenging.

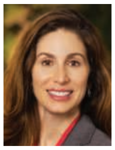
Maybe go ahead and advance the executive teams' interests. Start small, even if just to signal organizational commitment. This visibility may then build accountability among leaders to have results that bolster their stated commitment. It may also create urgency for more substantive changes, such as alterations to recruitment processes. Stakeholders may warm up to the idea of something bigger if they see more communication about IE&D in their weekly newsletters or hear more about IE&D programming.

Or let's look again at the example of ERG leadership compensation. Perhaps you are able to secure pay for leaders, which satisfies their need (for now) to feel appreciated by the company. It also maintains consistency in the ERG leadership to buy time for you to make more lasting changes: implementation of sponsorship programs, investment in professional development for employees from historically marginalized populations or production of impactful events that generate awareness of issues sub-communities are facing. It's all about sequencing to build momentum, commitment and visibility.

Sequencing to build support with stakeholders. A second aspect of sequencing involves deciding whom to approach first when advocating for change. Gaining the support of the most powerful players is crucial, because communication channels and resources are needed from those leaders to set expectations and the pace for the work. Yet, cultivating the "doers on the ground" is necessary, too.

Enlisting the help of managers across the organization is essential for building an inclusive culture. Managers can help employees feel safe enough to contribute their knowledge and perspectives. Engineering team members will look to their managers to decide whether new recruitment processes are acceptable. The fact that support is needed from above and below can seem daunting, but it is the best way to build relational capital, create a network of ties across the organization and make progress on multiple issues at once. Fixed-pie bias is stronger in dyadic rather than multi-party negotiations, in part because having multiple players increases the likelihood of divergence in what the various parties value and where they are willing to make concessions that yield alignment.

In summary, these are challenging times for leaders who want to advance IE&D practices and goals. We have offered a flexible but specific process for moving forward. An integrative negotiation framework can provide leaders with a guide for how to get IE&D work done amid the changing political winds. Long-standing tactics from negotiation to expand the pie and drive alignment can help leaders navigate the competing concerns and agendas of many stakeholders.



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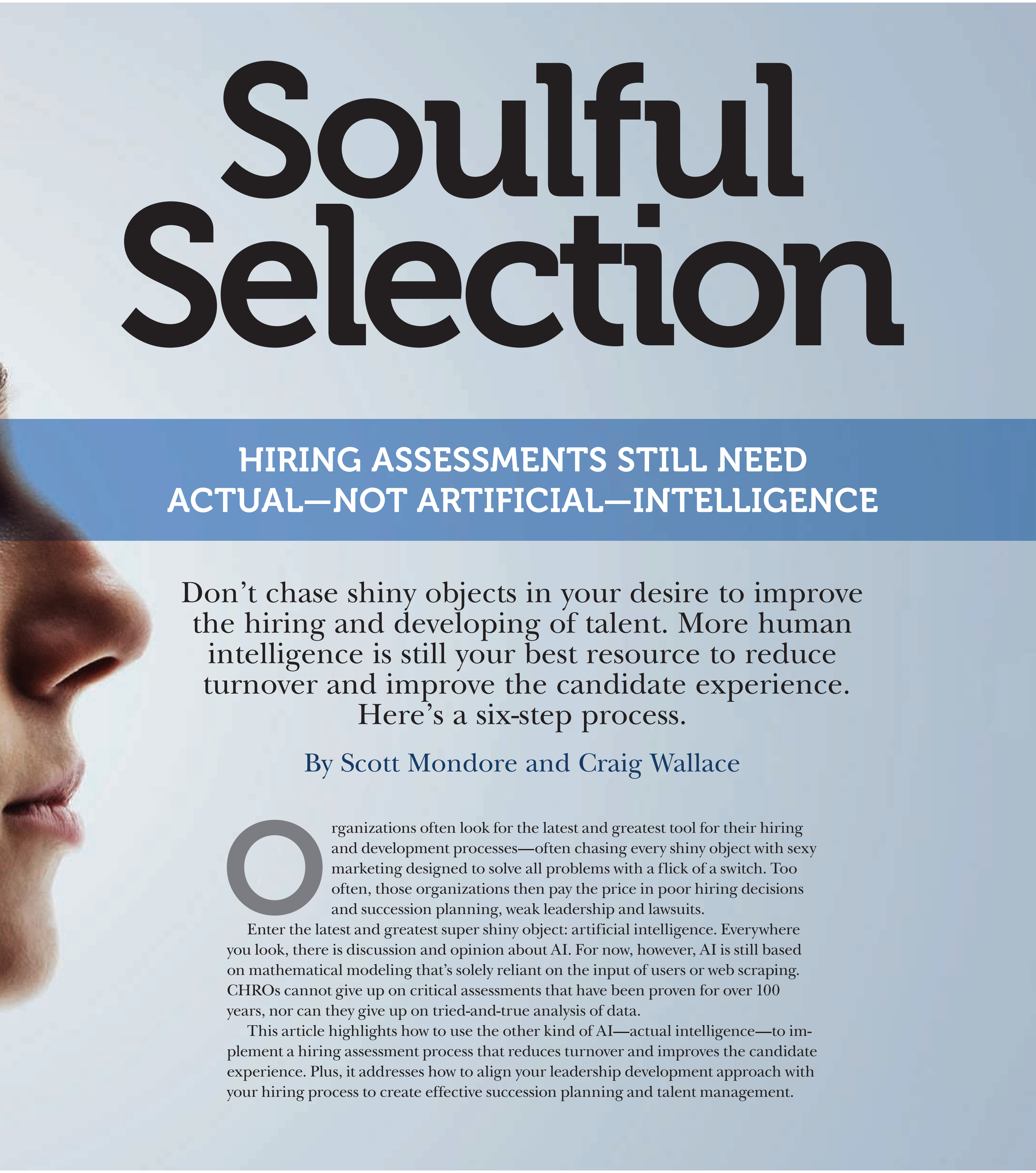


Soulful Selection

HIRING ASSESSMENTS STILL NEED ACTUAL—NOT ARTIFICIAL—INTELLIGENCE

Don’t chase shiny objects in your desire to improve the hiring and developing of talent. More human intelligence is still your best resource to reduce turnover and improve the candidate experience. Here’s a six-step process.

By Scott Mondore and Craig Wallace

Organizations often look for the latest and greatest tool for their hiring and development processes—often chasing every shiny object with sexy marketing designed to solve all problems with a flick of a switch. Too often, those organizations then pay the price in poor hiring decisions and succession planning, weak leadership and lawsuits.

Enter the latest and greatest super shiny object: artificial intelligence. Everywhere you look, there is discussion and opinion about AI. For now, however, AI is still based on mathematical modeling that’s solely reliant on the input of users or web scraping. CHROs cannot give up on critical assessments that have been proven for over 100 years, nor can they give up on tried-and-true analysis of data.

This article highlights how to use the other kind of AI—actual intelligence—to implement a hiring assessment process that reduces turnover and improves the candidate experience. Plus, it addresses how to align your leadership development approach with your hiring process to create effective succession planning and talent management.

Middle School Math > AI

A key part of the CHRO role in any organization is to mitigate risk—and AI carries a lot of risk, as well as muddied ROI for hiring and development. In fact, AI use in hiring and development could lead to penalties. AI has been around long enough and triggered enough negative outcomes that 17 states have introduced AI bills or resolutions to heavily regulate or even ban its use in certain instances.

Before accepting AI into their hiring and employee development processes, CHROs should understand that there are more proven techniques available that, if executed correctly with human expertise leading the way, can maximize retention and performance while avoiding the other AI—adverse impact.

In middle school, do you remember learning about "rise over run" in algebra? You probably thought it was useless knowledge that you would never call on again. Wrong. Covariance modeling is the foundation of analytical techniques that are proven winners when it comes to selecting employees, whether this be correlational, multiple regression or structural equation modeling.

SHRM and the Society for Industrial/Organizational Psychology (SIOP) publish guidelines on using these techniques in hiring, and the EEOC has endorsed such guidelines. You should too. Artificial intelligence, on the other hand, takes the data you feed it—or mines "similar" data from the cloud—and then twists and turns it in thousands of iterations to maximize prediction.

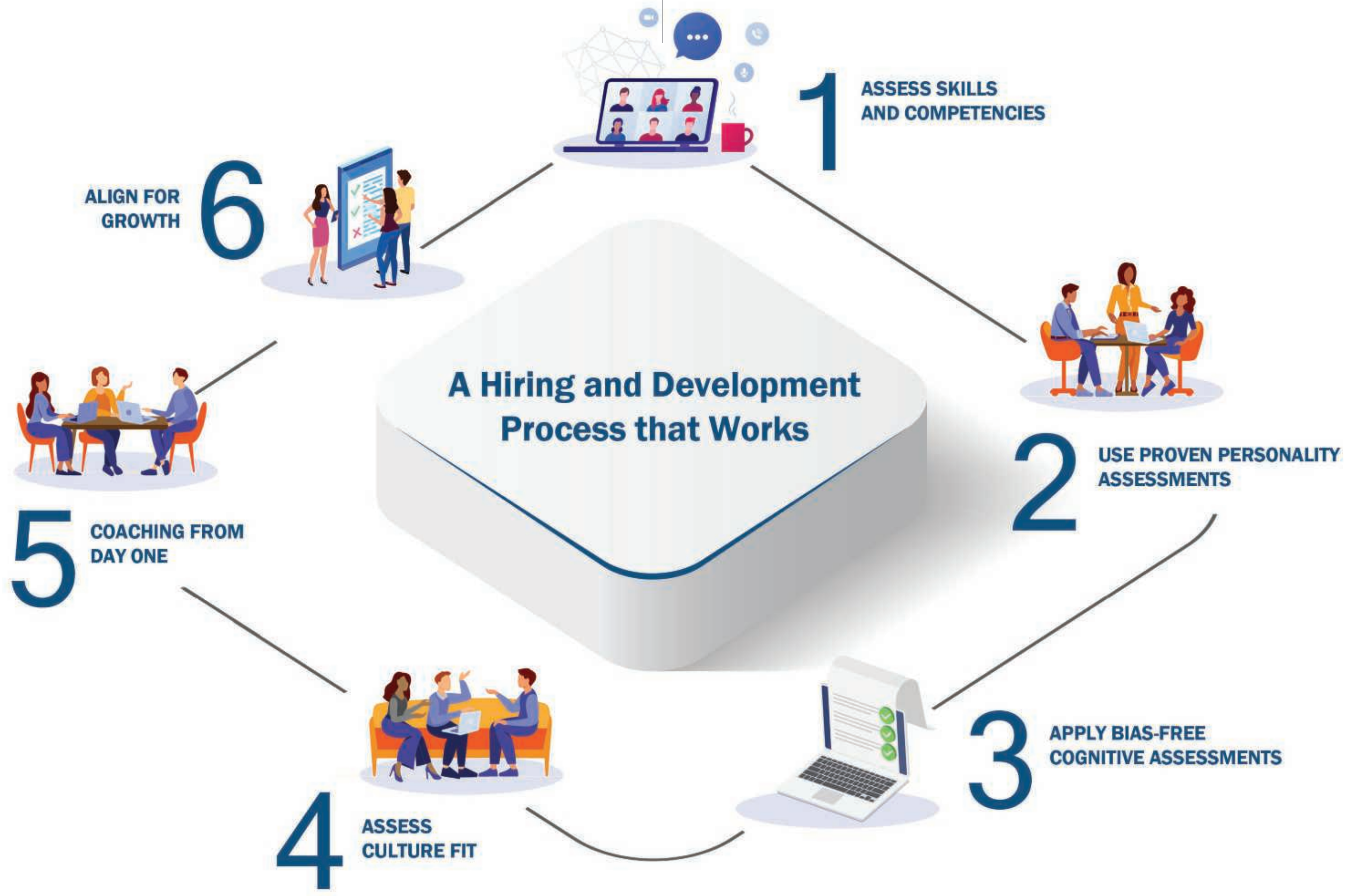
Don't get us wrong—maximizing prediction is important. But not at the expense of dehumanizing hiring and development and risking discrimination. The candidate experience during hiring cannot be underestimated. It is critical not only to landing the best candidates, but to building loyalty by embracing our common humanity.

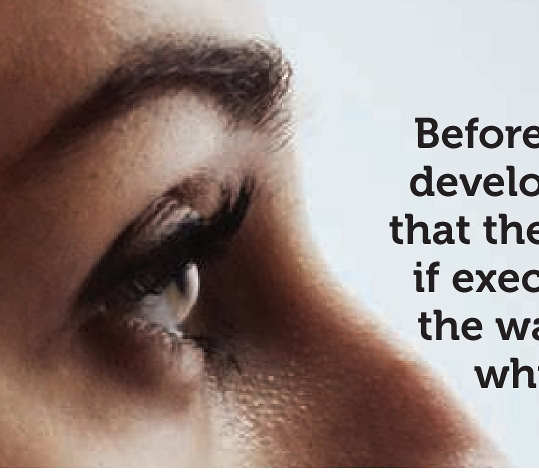
Improving the Candidate Experience

Another issue with shiny HR objects is the underlying assumption that the candidate experience means assessments should be more "gamelike." What candidates really want is not to be ghosted during the process and for the organization to be transparent about the assessments they are required to take.

In the typical candidate experience, candidates never hear a peep from the hiring firm—they're completely ghosted. Many other applicants, if not ghosted, receive a generic rejection letter. This lack of authentic communication exasperates candidates. LinkedIn is filled with stories of post-interview ghosting and how frustrating it can be.

As a CHRO, you can be more strategic in your hiring process by not only communicating with candidates when


A Hiring and Development Process that Works
1 ASSESS SKILLS AND COMPETENCIES
2 USE PROVEN PERSONALITY ASSESSMENTS
3 APPLY BIAS-FREE COGNITIVE ASSESSMENTS
4 ASSESS CULTURE FIT
5 COACHING FROM DAY ONE
6 ALIGN FOR GROWTH



Before accepting AI into their hiring and employee development processes, CHROs should understand that there are more proven techniques available that, if executed correctly with human expertise leading the way, can maximize retention and performance while avoiding the other AI—adverse impact.

they don't get the position but providing developmental reports and follow-up emails with developmental coaching. If the candidate was unsuccessful in advancing in the hiring process, a follow-up developmental report is designed to keep them focused on reapplying to your organization for a different role, even if they weren't a great fit for the position they originally applied for. The follow-up emails with developmental coaching tips will keep the candidate "warm" for your recruiters for potential roles in the future—and this process can be automated so as not to add even more to recruiters' workload.

Developmental reports turn the ghosting narrative on its head, providing valuable feedback and making sure the candidate knows how to improve. This means the recruitment and hiring experience can be both empowering and useful, even when the candidate isn't successful. Since most organizations don't provide this kind of feedback, your company, when it does, can stand out and provide a boost for your employer brand.

A Hiring and Development Process that Works

Too often, organizations rely on an unstructured interview process that incorporates a lot of go-to questions interviewers have used throughout their careers. Unfortunately, more than 100 years of research has shown that unstructured interviews are only slightly more effective than flipping a coin. Plus, this type of hiring process is filled with bias and could leave you in the crosshairs of the EEOC. Making the jump to equally biased AI hiring tools is not the strategic answer. Here are the elements that CHROs can incorporate and integrate to make your hiring process extremely valid and accurate, while avoiding adverse impact and other bias issues.

1 Assess Skills and Competencies Tied Directly to Business Outcomes

CHROs spend time on building competency models that definitely "sound" right and reflect what the organization wants out of its employees. To ensure those competencies are valid for hiring and development, you must conduct linkage analysis studies that connect the competencies to actual business outcomes: productivity, retention, performance, etc.

Many organizations do not take the time to do these studies, or they don't ask their hiring and development vendors to prove the impact of the competency models they use. Effective CHROs focus on ROI, and this is a great place to start. The key approaches to assessing competencies during the hiring process are situational judgment tests (SJTs) and biodata/experience assessments tests, followed up with structured interviews for your finalists.

2 Use Comprehensive, Proven Personality Assessments

The "Big Five" model of personality traits has been around for decades, and it defines five core dimensions of personality: openness, conscientiousness, extraversion (extroversion), agreeableness and neuroticism. While this model has been effective, three key shortcomings emerge from this approach to personality assessment.

First, honesty/humility is missing from the Big Five framework, and this trait is predictive of key business outcomes. Second, the Big Five has limitations from a cross-cultural research perspective, which is particularly important when focusing on diversity and adverse impact. Third, the direct validity and business impact of Big Five personality assessments, while they do exist, are below expectations from a practical perspective.

Some popular personality assessments include many irrelevant and potentially biased questions. (Example: a question about whether the candidate enjoys going to art galleries.) When candidates see these types of questions, they may get the impression that the process is unfair, and that there is pseudo-psychology going on behind the scenes.

Enter the cross-culturally valid HEXACO model of personality. This model optimizes the hiring and development assessment process because it is proven to drive actual business outcomes, asks relevant questions of individuals about work and takes a few minutes to complete.

3 Apply Bias-Free Cognitive Assessments

You should be focused on measuring cognitive ability without the adverse impact baggage of intelligence tests. Working memory is an excellent construct that allows just this.

Working memory methodology is more predictive than traditional cognitive ability measurements. Specifically, effective assessments measure the ability to control attention during goal-directed activity. Individuals with greater working memory capacity can do a better job of focusing on goal-relevant information, keeping this information accessible, integrating new information and suppressing attention to irrelevant information. All this leads to enhanced decision-making, which is critical for any leadership position.

4

Objectively Assess Culture Fit and Past Experiences

Standard hiring and development assessments often leave hiring teams without a clear idea of candidates' true culture fit and career goals. Sometimes, organizations will onboard a candidate and then find out too late that these factors create a mismatch or poor fit.

Understanding what a candidate values in an organization's culture and analytically aligning that with how your organization delivers on those cultural elements is key to understanding fit. This type of data is highly predictive of performance and turnover and can be used for both selection and development.

5

Launch Onboarding Coaching from Day One

On average, the first-year employee turnover rate in organizations is almost double the overall turnover rate. Candidates frequently leave their jobs shortly after being hired. This underscores the need for effective onboarding tools and an excellent candidate experience. Many hiring software companies simply make a recommendation and then leave the highest-scoring candidate to "hit the ground running," without any real support. This does not set new hires up for success.

To run an effective onboarding process, and minimize the chances of turnover, your organization will benefit from having:

- **A comprehensive assessment review with the new hire's direct manager.** This person needs to understand the new hire's strengths, weaknesses and motivations, so the new hire can be well-managed from day one.
- **An onboarding toolkit that introduces new hires to your organization and teaches them how to onboard their own newly hired employees.** This will enable them to perform at the highest level and reduce employee turnover within their team, while encouraging them to stay at your organization.
- **A customized coaching plan designed to maximize performance.** This plan will be created by integrating organizational data (such as recent employee survey results) and company wellness resources with the new hire's assessment data. It will help new leaders understand their direct reports better, and it will maximize their ability to focus on priorities such as wellness and inclusion. A customized coaching plan should be in effect from day one to maximize performance and loyalty.

6

Align Your Assessments for Hiring, Development, Succession and Future Leader Identification

Your hiring process will be most impactful and successful when you integrate all the elements above. By observing the candidate's performance across all measures, you'll be able to easily discern between candidates and select the best one for your role.

The other huge opportunity for CHROs is to utilize the same process and assessments for developing current leaders and identifying future leaders. This approach will give you a complete understanding of your leadership pipeline across all talent pools.

By aligning all your assessments from the beginning of the employee life cycle, you will start the talent review process by comparing all leaders (and future leaders) on the same criteria of effectiveness: competencies, personality, biodata, acumen and values/culture fit. The succession/talent review process is maximized because you will have aligned information as well for both recently hired leaders and all other leaders.

Beyond having aligned assessments, it is critical to bring in a few KPIs that the organization is focused on. Why? Although the aligned leadership assessments will tell you a lot about the elements of the leader and what drives outcomes—such as turnover and performance—integrating each leader's actual performance on those KPIs into your succession/talent review process ensures that you get the complete picture of each leader.

This complete picture will maximize your ability to make the right succession decisions based on the most objective and valid data possible.

The Real Deal

What we describe here is a valid, highly predictive process for hiring and developing human talent to maximize performance and loyalty. No artificial intelligence is required, just the real deal—human intelligence. For CHROs to maximize the business impact of their assessment process, it is important to focus on these key areas:

- Use actual, proven valid assessments with no adverse impact.
- Align assessments for hiring, development and leadership identification.
- Show the direct business impact of your assessments—by aligning with KPIs.
- Provide a great candidate experience by giving all of your candidates developmental feedback and digital coaching.
- Integrate all the assessments into one platform—and make the process easy and take less than 30 minutes to complete.

Believe it or not, each of these principles can easily be achieved with a simple, integrated and thoughtful assessment and hiring process. This is where advances in technology and analytics produce a significant impact for organizations and candidates.

Craig Wallace, Ph.D., (far left) and **Scott Mondore, Ph.D.,** are managing partners of Hutrics LLC, an assessment technology company that is based in Georgia.

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Unlocking the

Is Pay Transparency Working?

Examining the game-changing impact of pay disclosure laws and the CHRO’s important role in managing the compensation message.

By Barbara A. Gabriel

Employee compensation has traditionally been shrouded in secrecy. Salaries were rarely discussed in polite company, and employers did not disclose their compensation for job openings until making an offer. But a series of rapidly expanding laws requiring employers to post salary ranges and prohibiting questions about salary history are offering more pay transparency than ever before, creating a foundational challenge—and opportunity—for HR leaders.

Seminal events including the #MeToo and Black Lives Matter movements and the COVID-19 pandemic shined a brighter spotlight on the long-standing pay inequality experienced by women and minorities in the United States. That led to a flurry of new laws in states and localities that—in an attempt to help end pay disparity—now require organizations to provide salary ranges for open positions.

“Since wages have been set under a realm of secrecy, when the curtain is lifted, you would expect wages to rise,” says Zoe Cullen, an assistant professor of economics at Harvard Business School. “Why? Because everyone has been negotiating individually. When people who are paid less than their peers suddenly discover that, they will want to renegotiate their salary.”

But three years after those first state laws passed, is the movement accomplishing what it set out to do—shrink the gender pay gap?

Black Box

Information Is Power

In 1963, Congress passed the Equal Pay Act, protecting women from wage discrimination on the basis of sex. Sixty years later, women in the U.S. still earn only 82 cents for every dollar earned by a man, and the wage gaps for Black women (70 cents) and Hispanic women (65 cents) are even wider.

Research on the wages of remote workers reveals an even more alarming trend: A recent Payscale report indicates that the gender pay gap is 10 cents wider for women who work from home (79 cents) compared to women who cannot work from home (89 cents). Put in perspective, the average woman stands to earn approximately $900,000 less than the average man over the course of her career due to her gender alone.

Enter pay transparency laws.

Multiple states and localities enacted laws in recent years that cover both prohibitions against asking job candidates about their pay history (or basing job offers on that history) and laws requiring employers to post—or reveal upon request—a salary range for specific positions within their companies.

"Information is power, obviously, so if pay transparency laws require salary disclosures, it gives women information on what the marketplace says about what a position is worth," says Lynne Marie Finn, CEO of Broadleaf Results, a global workforce solutions company in Williamsville, NY. "It helps people decide whether they want to apply for a position, and it gets them information relative to what they are currently making."

Finn adds that research indicates women are less likely to negotiate their salary upon receiving a job offer or negotiating a pay raise. "Having knowledge of what the market bears will enable women to better negotiate for themselves," she explains.

Although Maryland began requiring employers to provide job applicants with salary ranges for open positions upon request in January 2020, Colorado was the first state to require employers to publicly post salary ranges in January 2021. Connecticut, Nevada, Rhode Island, Washington, California and New York followed, bringing the current number of states that require employers to post or disclose salary ranges for open positions up to seven. Hawaii and Illinois have also passed statewide pay transparency laws to be implemented in 2024 and 2025, respectively. The District of Columbia and an additional 15 states—Alaska, Georgia, Iowa, Kentucky, Maine, Massachusetts, Missouri, Montana, New Jersey, Oregon, Pennsylvania, South Dakota, Vermont, Virginia and West Virginia—are considering pay range transparency bills.

According to a SHRM survey, 42 percent of HR professionals said their organization operates in a location that requires pay ranges to be included in job postings. When not required by law, however, more than two-thirds of those surveyed (67 percent) said their organization voluntarily lists starting pay in their job openings sometimes, often or always.

Transparency Growing Pains

With these new laws, however, the devil can be in the details. For example, the salary ranges required in the eight states with pay disclosure laws currently on the books provide a lot of wiggle room. The recently enacted New York state pay transparency law, for example, states that "the range may extend from the lowest to the highest hourly wage or salary that the employer in good faith believes at the time of the posting it would pay."

That "good faith" provision has its detractors, particularly when some companies post ranges that strain credulity. "I've seen organizations being called out on posting ridiculously wide ranges that are the equivalent of not having a range at all," observes Garry Straker, senior compensation consultant at Salary.com, a compensation management company headquartered in Waltham, Mass.

Lulu Seikaly, senior employment counsel at Payscale, a compensation data company in Seattle, recounts seeing a company post a range of $90,000 to $900,000 for an advertised position. "I would put a lot of money on a million-dollar spread not being a good faith range," says Seikaly. "When I looked closer at the job posting, I saw that the stated range took into account total compensation. Well, that's not the law. The law says that you need to post base salary only. The intention of the law is to allow candidates to come into a level playing field to negotiate their base salary."

Posting remarkably wide pay ranges may not just be off-putting to job seekers; it can also stir discontent with incumbent staff. A post that went viral on X (formerly Twitter) read, "My company just listed on LinkedIn a job posting for what I'm currently doing … and now, thanks to salary transparency laws, I see that they intend to pay this person $32K to $90K more than they currently pay me. So I applied."

Finn says some companies are having trouble figuring out how best to bring their policies in line with the new regulations. "Most companies don't seek to actively violate the law," Finn says. "They don't want to get caught not complying, and they don't want bad publicity or a negative impact on their brand. As with any new law, it's going to take time for people to get comfortable with it."

Still, noncompliance has hit some companies hard, leading to hefty fines and poor publicity.

"We are hearing some companies saying, 'We're just going to roll the dice because we feel that these states aren't going to enforce these laws,' " Seikaly says.

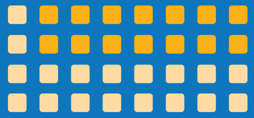
> **"[Pay] disclosures generate a lot of discussion and a lot of questions. Managing the narrative and the messaging around it consistently across an organization is important, and a lot of that should really be the responsibility of organizational leadership beyond HR. It can't all just land on the HR team."**
>
> *— Garry Straker, senior compensation consultant at Salary.com*

SHRM RESEARCH: THE STATE OF PAY TRANSPARENCY

Pay transparency has become a white-hot topic in recent years after several states and localities implemented laws requiring that employers include salary ranges in their job postings. SHRM conducted a survey in 2023 of nearly 1,400 HR professionals and 500 workers to understand how organizations are handling the inclusion of pay ranges in their job postings—and how workers feel about organizations doing so.

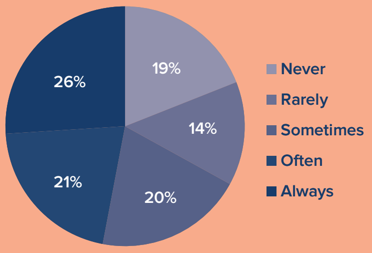
42%

of HR professionals sampled say their organization operates in a location that **requires** pay ranges to be included in job postings.



When not required by law, however, **over two in three (67%)** HR professionals say their organization **voluntarily** lists starting pay in their job postings sometimes, often or always.

How frequently do organizations list pay ranges in job postings when not required by law?

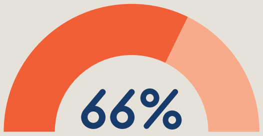


Hindrance or Competitive Advantage?

As employers consider how best to approach pay transparency, some have raised concerns that posting pay ranges may lead to negative outcomes, such as fewer people being interested in applying. However, data from organizations that list starting pay in job postings presents some favorable outcomes:

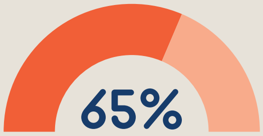
70%

of organizations that list pay ranges in job postings say that doing so has led to **more people applying** to their postings.



66%

of organizations that list pay ranges in job postings say that doing so has **increased the quality of applicants** they're seeing.



65%

of organizations that list pay ranges in job postings say that doing so makes them **more competitive in attracting top talent.**

How Pay Transparency Influences Applicant Behavior

82%

of U.S. workers are **more likely to consider applying** to a job if the pay range is listed in the job posting.

74%

of U.S. workers say that they are **less interested in applying** to job postings that do not list a pay range.

73%

of U.S. workers are **more likely to trust organizations** that provide pay ranges in job postings than ones that do not.

Colorado imposes fines ranging from $500 to $10,000 per violation for failing to include wages in job ads. For now, there is some leeway. If an employer corrects the posting after an initial violation, Colorado will waive the fines. However, in the law's first two years, Colorado handed out a total of $237,000 in fines against five companies, according to Bloomberg. Fourteen other companies also received citations.

New York City's labor department racked up 300 tips from the public about noncompliant companies in the first six months of its pay transparency law. But, like Colorado, New York City is currently favoring citations and reminders over fines.

Seikaly says she encourages her clients that are inclined to resist these new laws to consider the bigger picture. "If you get caught, it's costing you employee trust, it's costing you attracting great talent, it's costing you a great branding opportunity for you to showcase to your employees that you're a really good employer to work for."

A Cultural Transformation

A recent report by Payscale emphasized that the gender gap cannot be closed simply by listing the salary ranges for specific roles.

"Pay equity does not mean that all individuals will receive exactly the same pay, even for workers who occupy similar roles," the Payscale report reads. "Pay equity is about fairness, and fairness takes into account differences between people that are nondiscriminatory, such as years of experience, education, special skills and location."

Building and communicating the framework for that fairness takes work.

"It's not that organizations can't have pay differences," Straker says. "They just need to be for legitimate factors. Employees don't always have the same full and complete information that managers have and that HR has in terms of what would be a legitimate explanation for differences in pay. So, I do think that organizations have to spend a lot more time documenting and

PAY TRANSPARENCY CASE STUDY

CHILDREN'S HOSPITAL COLORADO

When Colorado's pay transparency law took effect in 2021, Children's Hospital Colorado was fully prepared to post, explain and defend its salaries because its HR team had just finished a multiyear effort to define its compensation philosophy.

As a hospital, Children's hires large numbers of clinical staff for the same job, such as nursing. The hospital shares with job candidates hiring grids that list the amount of compensation that corresponds to years of experience.

"Our hiring grids have helped us a lot. We post those as part of the hiring range we advertise," says Children's CHRO Betsy Rodriguez, "People know that when they have two years of experience, they are going to get this much, and there's very little room for negotiation."

However, explaining wage ranges to current employees has been more challenging, even though Children's was already informing employees of their pay ranges—and where they fell in those ranges—as part of the annual customized compensation statement that each worker receives.

Those statements did not prevent workers from expressing surprise when they saw the upper limits of their wage ranges included in job postings. "Even though we were already doing that, I don't know if people were paying attention to it," Rodriguez says, "because when they saw posted pay ranges for new employees, they said they had no idea that their position went up to the maximum of that range. So, we had to do a little bit of management around that."

Before salary posting was required, Rodriguez says Children's was already conducting training for employees on how the hospital's compensation strategy works and how to determine where employees are in their pay ranges. "We really focus on team leaders, because we don't want leaders to throw those questions back to HR," Rodriguez says. "Employees feel closer to their team leaders, so we want them to be able to explain how we've arrived at their salary."

Downside: The hospital has also seen some negative effects from Colorado's posting requirements. "The bad part is that when you post a range, everyone looks at the top end of the range and thinks, 'That's how much I can make in that role,' " Rodriguez says. "We've had to do a little education about where in the range we're going to pay. That was easier to do when we didn't post the range ahead of time and possibly set unrealistic expectations. But we've found ways to manage that."

Upside: The biggest benefit of Colorado's law was one that hospital officials did not anticipate. "We've told employees that our salaries are in line with the market, but they never believed us," Rodriguez says. "But now everyone in Colorado posts their salary ranges. So, when someone says they want to work elsewhere for more money, we can show them that the pay range for that job is no different. I've been able to solve a lot of issues with leaders, in particular, who have argued they're losing people because they can get more money elsewhere. I can pull publicly posted data that shows our ranges are not different."

Next step: Rodriguez says the next step is to think about internal salary transparency. "We have pay transparency for people we haven't hired yet, but we don't have it internal to the organization," Rodriguez says. "If I'm an administrative assistant, I can't look at what an executive assistant's range is. That's our next [decision]. Are we going to go to that place? And what culture changes have to take place for us to handle that?"

Employees who understand why they earn their certain level of pay are much more likely to trust their employer, and that trust can go a long way toward boosting a company's ability to recruit and retain top employees.

ensuring those pay differences can be legitimately explained in a way the average employee would understand."

For a lot of organizations, Straker says, pay transparency requires no less than a cultural transformation. "There's a lot to be done in terms of building out salary structures, developing more clarity in their job architecture, and redefining roles for different jobs at different layers of the organization."

Straker adds that while this is essentially HR's task, executives must play a role in what, for many companies, will be a foundational change. "These types of disclosures generate a lot of discussion and a lot of questions," Straker says. "Managing the narrative and the messaging around it consistently across an organization is important, and a lot of that should really be the responsibility of organizational leadership beyond HR. It can't all just land on the HR team."

Companies that take the time to carefully plan for pay transparency can create a market advantage.

"The biggest benefit of these laws is that they force employers to do the work on determining salary before they talk to any candidate," Seikaly explains. "Companies, of course, look at pay gaps along gender and racial lines, because that's where it is widest. But with pay transparency, you are truly leveling the playing field for everyone. It forces the employer to do the nondiscriminatory objective work before anyone walks in the door."

Employees who understand why they earn their specific level of pay are much more likely to trust their employer, and that trust can go a long way toward boosting a company's ability to recruit and retain top employees.

"Pay transparency adds a level of trust to the candidate/employer interaction," agrees Kristen Howe, chief product officer at Linkage, a women's leadership development firm acquired by SHRM in 2022. "When compensation is shared early in the process, we avoid mismatched expectations. Companies are more likely to attract the right candidates for their job openings. Employees feel like they are well paid for their new role, and companies know they've acquired a needed talent for the right cost."

Does Transparency Bridge the Gap?

Pay transparency laws are popular among job seekers. SHRM research indicates that over 80 percent of U.S. workers are more likely to consider applying for a position if the pay range is listed in the job posting (see box, page 37).

Companies likewise report positive outcomes from posting salary ranges. The SHRM survey found that 70 percent of organizations that list pay ranges on their job postings say doing so has led to more applications; 66 percent say the quality of their applicants has increased.

But as to whether transparency laws actually decrease the gender pay gap, Cullen of Harvard Business School says yes, pointing to—albeit limited and short-term—academic research on the topic. Research on salary gaps in different sectors indicates that, over time, wage transparency can play a significant role in helping close the pay gap.

For example, in a study published in 2022, researchers examined the effect of university pay transparency rules on 100,000 U.S. academics, and they found "evidence that pay transparency causes significant increases in both the equity and equality of pay."

Multiple studies of the impact of pay transparency laws beyond the U.S. have found they are accomplishing what they set out to do. A 2019 study of the impact of public sector salary disclosure laws on university faculty salaries in Canada found "robust evidence that the laws reduced the gender pay gap between men and women by approximately 20-40 percent."

U.S. researchers also point to the lower wage gap among men and women who work in the public sector—where transparent pay structures have long existed—as further evidence that transparency will have a similar impact in the private sector. The U.S. Office of Personnel Management reports that women earn 94.4 cents for every dollar men earn in the federal workforce—far higher the 82 cents earned by all U.S. women.

There is a similar experience for union members, who have a narrower gender wage gap compared to nonunion members, perhaps in part because unions help procure transparency in wages, including greater access to salary information.

For many employers, particularly smaller ones, the biggest fear is that wage transparency will hurt recruiting—and speed up turnover—when employees and candidates see how much more they could earn elsewhere. In these cases, employers that cannot pay as much as their competition should highlight the other ways they provide value to their employees.

"We hear clients say they can't compete with big companies," Seikaly says. "If you are a smaller company, post that you offer pet insurance, fertility benefits, unlimited PTO and remote work. … Those other fringe benefits are really important, especially for younger employees who may not be hunting for base salary as much as they are the total package."

Cullen says her own research at Harvard Business School makes her optimistic that transparency laws will go a long way toward bridging the gender pay gap—and will benefit employers, too.

"The papers I've worked on have shown that when employees gain access to more market-level data about wages, we see greater equality in pay across firms for a given position. We see wages and retention for lower-wage workers rise," Cullen says. "When we experimentally introduced pay into the career path, we saw employees increase their efforts, their motivation, their pay and their measures of satisfaction."

Barbara A. Gabriel is a managing editor at SHRM.

Build Your Executive Brand Online

As a leader, if you're not out there talking about your industry's issues from an expert's perspective, someone else will be. Becoming a thought leader can strengthen your organization's employment brand—and boost your career. Here's a step-by-step guide to creating a compelling, brand-building message.

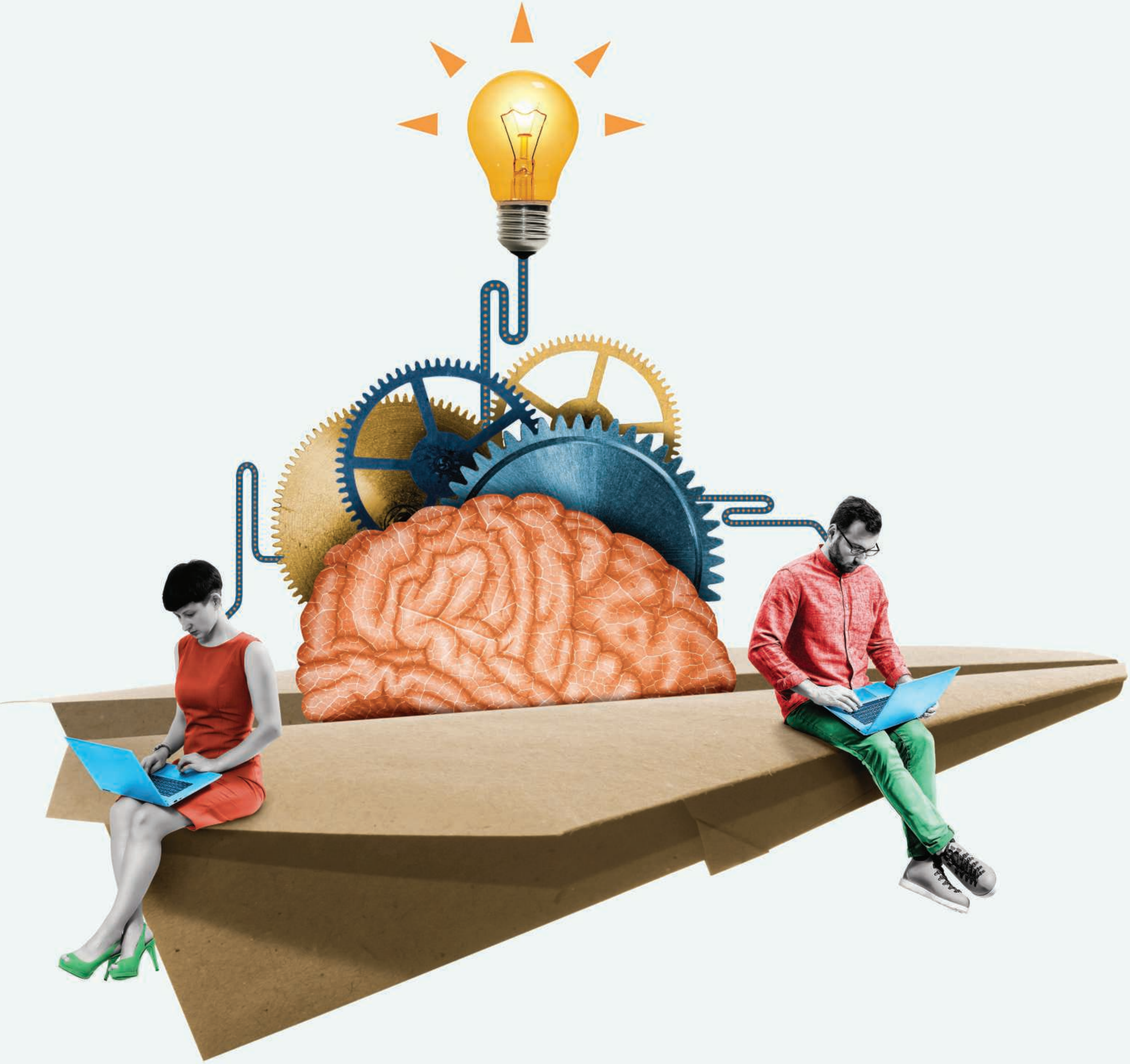
BY ROY ABDO

The old saying goes, "People join companies but leave managers." But in today's media-dominated landscape, people are often joining companies based on the company's online brand—or the brands of their executives.

As a leader, you can help strengthen this effort. Your personal executive thought leadership brand is a powerful tool to establish your organization as an employer of choice and to establish yourself as a knowledgeable, go-to person in your industry.

By sharing your experiences and insights in various content forms—particularly on LinkedIn—you can become a prominent voice in your industry, one who shapes industry trends and drives meaningful conversations related to your field.

By proactively addressing industry challenges and actively contributing to public discussions, you can also enhance both your personal reputation as an executive thought leader and that of your organization—both of which will foster trust among customers, partners and stakeholders.



IDEAS FOR LINKEDIN POSTS THAT CAN HELP ELEVATE YOUR EMPLOYMENT BRAND

- Celebrate employee milestones to highlight company retention.
- Spotlight client successes.
- Post about job openings and career opportunities.
- Publish thought leadership content or tips (either original or republish it from executives or the company's platforms).
- Share employee stories and quotes.
- Make a "day in the life" video of your workplace or specific jobs.
- Showcase company news and statistics.
- Shed light on corporate social responsibility efforts.

Why Become a Thought Leader?

The increased visibility of your company's executive team, including the CHRO, can profoundly impact your organization's talent management processes, leading to improved employee engagement, satisfaction, retention and recruitment. It is ultimately how you will be able to align the vision of your organization with the future. Here are three other benefits:

1. More visibility = more (and better) applicants. The great majority of HR professionals say they've had trouble recruiting talent in the past year. Establishing an employer brand is one strategy to help overcome this challenge. Companies that actively promote their unique culture, values and vision stand a better chance of becoming the go-to destination for top-tier professionals.

Four out of every five job candidates say they research company leaders when considering joining an organization. This makes executive thought leadership a potential game changer in talent attraction, acquisition and retention. With greater visibility and authority in your industry, you will attract larger pools of qualified candidates and create a compelling employee value proposition.

2. Raise your company's profile. A full 90 percent of employees use social media every month. And 80 percent of employees expect their company's leaders to communicate on social media, especially when a crisis hits. This points to one thing: Your employees—and your potential hires—want to hear from you online. The better positioning you and other execs have online, the more likely it is that your team, potential candidates and clients will view your company as innovative, credible and forward-thinking, which improves brand reputation and loyalty.

3. Empower your workforce. An engaged employee feels committed to their company's mission and invested in its growth. Improving your executive communication is key to driving that high employee engagement. And when executives become thought leaders online, that sets an example for employees.

Plus, studies show that when executives post on LinkedIn, the first people to engage are the actual employees of the company. That knowledge has led Walmart to begin reposting its internal employee and investor updates on its CEO's LinkedIn page.

What Should You Share?

Great thought leaders are great storytellers. They use stories to inspire, motivate and push for positive change. How can you tell your story and become a thought leader who drives the business forward? Follow the rule of the three P's.

Purpose: Uncover your "why." Find your purpose. Think back on your career and find out what drives you to do what you do. By uncovering your "why," you will be able to start building an effective communication and thought leadership strategy. Simon Sinek's book, Start With Why, serves as a good beginning that will help you reflect, brainstorm and kickstart your journey.

> "The better positioning you and other execs have online, the more likely it is that your team, potential candidates and clients will view your company as innovative, credible and forward-thinking, which improves brand reputation and loyalty."

Personality: Identify your voice. Figure out your tone of voice, communication style, visual aesthetics and, most importantly, your unique value. What unique characteristics do you have that differentiate you from others?

Promise: Figure out the value you bring to audiences. Once you've found your purpose and personality, start thinking of your audience. Get to know them by asking yourself these questions:

- Who is your target audience? What are the positions and roles they are in or aspire to be in?
- What specific challenges do they encounter in these roles?
- Where do they strive to build their careers or make an impact?
- What conversations or hashtags do they follow?
- What (and who) are they following online and in real life?
- What are they reading? (books, blogs, newsletters, etc.)
- And most importantly, what value do you promise to provide them?

By figuring out what content is relevant to your target audience and actively joining the discussion online, you will be able to increase your visibility in your field. And the key to maximizing this impact is to do it consistently. Consistent delivery of your promise increases your credibility and ultimately drives social media algorithms to push out your content.

First, Improve Your LinkedIn Profile

Building your online presence starts with the basics: your LinkedIn profile.

Reconsider your headline. Did you know the first thing people notice on your LinkedIn profile is the headline that runs below your name? This means you need to translate your promise into a well-crafted LinkedIn profile headline that includes your current position, any notable achievements and your previous role (if relevant or prominent). Just a few words should highlight what you want to be known for.

Choose the right profile photo, one that is professional yet approachable. Add a background photo related to your work, and include your articles in the "Featured" section of your profile as highlights. The purpose is to showcase your credibility and expertise in your field.

Turn your "About" summary into your story. Why? People are naturally inclined toward stories and narratives, mediums that have the power to resonate with emotions. When you appeal to emotions, readers are more likely to engage with you, remember you, relate to you—and mainly, connect with you.

Consider other ways to optimize your profile, including customizing your LinkedIn profile URL so it's easier to send, using SEO-friendly keywords in your headline/summary and connecting with people who are relevant in your industry.

7 Steps to Create Compelling Content

When pushing out your thought leadership posts on LinkedIn, Facebook, Instagram or another social media platform, follow these steps for maximum exposure:

1. Choose the Right Format

The best thought leaders can tell their stories through multiple formats, such as text, video, audio and images. Each format contributes to expanding your reach:

- Using text and photos increases your reach by 1.3 to 1.7 times beyond just text.
- Carousels—which show multiple images in one post—increase your reach by 1.3 to 1.8 times.
- Videos increase your reach by 0.8 to 1.5 times.

If you're tackling simple concepts or announcements, a basic one-image graphic or carousel may be sufficient. But if your content is complex and requires in-depth explanation, a video might be more suitable for effectively conveying the information. Carousels can also tell a sequential story through a series of images or slides.

Research your target audience to understand their preferences. Do they engage more with images, videos or interactive content? You should also consider the platform's predominant content format.

THE COMPLEMENTARY RELATIONSHIP BETWEEN A COMPANY'S EMPLOYMENT BRAND AND THE EXECUTIVE'S ONLINE BRAND

COMPANY'S BRAND		EXECUTIVE LEADER'S BRAND
Highlights the company's mission, vision and values on its webpage	→	Personalizes the company's goals and culture from an authentic perspective
Builds the organization's reputation as a desirable place to work	→	Becomes the voice of the brand, establishing it as a leader to attract talent
Attracts potential hires	→	Creates long-term connections with potential hires and staff
Enhances employee retention and values employee appreciation	→	Advocates for employee retention and recognition, plus strong company culture

2. Use a ‘Hook, Line, Sinker’ Structure

A good structure for your content is divided into three parts: the hook, the main body and the engaging ending—also known as the “Hook, Line, Sinker” framework.

Hook: A full 50 percent of good writing is the “hook” or the opening of your post. Why? A reader’s average attention span is eight seconds. Your introduction needs to be engaging enough to grab their attention and spark their curiosity and anticipation. It is how you make them want to read more and, ultimately, increase your engagement.

How can you write a good hook? Here are some tips:

- Keep it short.
- Have a bold or intriguing statement.
- Ask an engaging question.
- Leverage storytelling aspects.
- Use statistics.
- Create a sense of urgency.
- Make it personal.

Main body: The main body of your post is where you tackle enough of the subject essence. Always remember to bring value to your reader, have efficient explanations and keep it clear.

A grabber ending with a call to action. To end your post, encourage the reader to engage. Ask thoughtful questions, not only to push your readers to respond but also to keep them thinking. Include a call to action. Show your audience what you want them to do. Do you want them to sign up for something? Watch a video? Read an article? Tell them!

A CTA guides your audience and pushes them to engage with you. The most compelling CTAs will evoke curiosity, use action verbs and inform the reader of the value they will gain. Keep your language simple, clear and to the point.

3. Pay Attention to Layout

Layout affects your content reach and engagement more than you know. It plays a major role in the readability of your post. If your layout is bulky with long paragraphs and sentences, you create a poor user experience that overwhelms your reader and discourages them from engaging with your content.

When writing your content, remember to use a well-spaced layout that incorporates white space, one-line sentences, bullet points and short hooks. It makes your content more digestible to the reader, ensuring they can easily read through it.

Also, keep in mind that your audience generally skims information, rather than reading content thoroughly—they are pressed for time! A cluttered layout makes it difficult for them to quickly grasp the key points from your post.

4. Avoid the ‘Curse of Knowledge’ Trap

Your audience does not know your lingo or acronyms or framework. Instead of saying “our product,” be specific and name it. Instead of saying “PPC,” make the idea clear and say “pay per click.”

I have seen executives use complex industry terms in their content to position themselves as experts. But if your post is hard to understand, you actually push people to scroll past it. To avoid the “curse of knowledge”:

- **Simplify your content.** Stick to simple and clear language.
- **Make it easy to digest.** Use small paragraphs, short sentences and a spaced-out layout.
- **Push people to want to know more.** Meet your audience in the middle. Spark their curiosity on new topics, while still keeping your content easy to understand.

5. Post on a Consistent Basis

My advice is to publish around one to three posts per week. Committing

> “Great thought leaders are great storytellers. They use stories to inspire, motivate and push for positive change. How can you tell your story and become a thought leader who drives the business forward?”

to regular posting means you are regularly delivering on your promise to your audience, which ultimately increases your credibility and visibility. Be consistent and you’ll watch your engagement rates, brand awareness and loyalty increase.

6. Remember the Hashtags

In every post you make, you should use between three and five hashtags. This is how you can start meaningful conversations, as well as reach people who are interested in your field and would value your insights. Tip: Avoid obscure hashtags—pick ones with a follower number between 1,000 and 10,000.

7. Follow the 4-1-1 Engagement Rule

Posting on your company and personal social media pages is important, but it’s also wise to become part of existing conversations on social media platforms where your target audience actively spends time. Connect and strike up conversations with other thought leaders in your industry, comment on their posts and share your twist on the topic.

You need to build meaningful connections and a strong network of like-minded people. Not to mention, this also allows you to grow your audience and leads the way to many business opportunities.

Here is a golden rule for engagement: the 4-1-1 rule. For every piece of content you post, you should share one update from another source and four pieces of content written by others.

To make engagement simpler, here are some practical do’s and don’ts:

DO:

- Research when your target audience is online and post during those times.
- Connect with people who are relevant to your industry and objectives.
- Publish long-form content—and use it to start conversations through engaging questions and bold statements.
- Search relevant hashtags and engage in trending conversations.
- Maximize your engagement during the first 90 minutes after you post.
- Add links to receive higher engagement.
- Create polls on relevant topics.
- Join LinkedIn industry-specific or relevant groups.

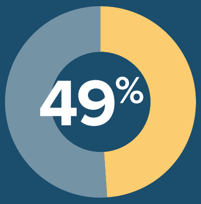
DON’T:

- Be the first to comment on your posts.
- Edit your post within the first 10 minutes after putting it up.

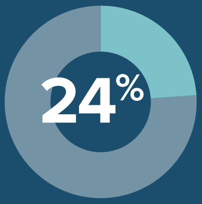
Remember, establishing yourself as a thought leader in your industry takes time and consistent effort. Focus on delivering value, building relationships and engaging with your network to establish yourself as a trusted and influential professional. ▪

THE BENEFITS OF CONSISTENT POSTING

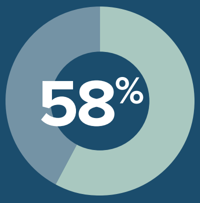
Jumping onto LinkedIn or other social media to post your thoughts—or to comment on other posts—shouldn’t be a rare event. Consistent posting will increase your engagement rates, improve your brand awareness and drive social media algorithms to push your content in front of more people. Here’s how much consistent posting will help your social media reach, according to a Digital Revamp study:



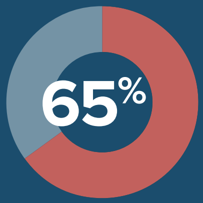
INCREASE IN ENGAGEMENT



INCREASE IN REVENUE



INCREASE IN VISIBILITY



INCREASE IN LOYALTY

Roy Abdo is a digital marketing consultant and the CEO of Digital Revamp, a marketing and advertising agency that creates digital communication strategies for organizations. He previously worked for Gallup, directing communication and social media campaigns.

Ron Shaich is the founder and former CEO of the Panera Bread and Au Bon Pain restaurant chains. Shaich is credited with defining the $100 billion fast-casual segment and is known for continually disrupting industry norms to build company value. As part of *People + Strategy* articles editor Adam Bryant's "Art of Leading" series on LinkedIn, he sat down with Shaich to discuss his insights on leadership, transformation and entrepreneurship.

Finding the Right Blend of Discovery and Delivery

People + Strategy: When you mentor and coach executives, what are a few themes that come up most often?

Ron Shaich: One is trust yourself. When people are in new positions, they want to do so well that they often bring a level of insecurity to the role. I can't tell you how many issues in my career and in my life I've obsessed about, sometimes for years. Only in retrospect do I realize that all I needed to do was trust myself and believe in myself and take risks based on my thinking and my gut at the time.

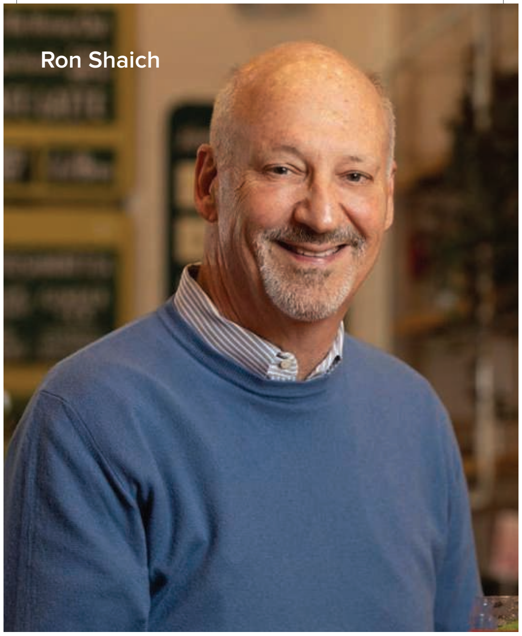
I also share a framework that I use for a lot of things—"Means, ends and byproducts." We often get confused about them. In business, we are so focused on value creation. But we don't "make" value creation. We can't "make" numbers. They come out at the other end.

What we can make is a better competitive alternative, a better-run company. And so, the focus should be on delivering a better alternative for your target customer. That's where your competitive advantage comes from, and that should really be the goal of every enterprise.

And I always advise people that one of the most powerful exercises is to write the article that you would want *The New York Times* or *The Wall Street Journal* to publish about your enterprise five years from now. What are they saying about it? What's the headline? What's the first paragraph? What are the two or three things that you got done that made the biggest difference? In leadership, you're always going to be remembered for those things.

Once you are clear on those two or three things, then you have to use your calendar to focus on what really matters. We often schedule our time in reaction. But everything should flow out of your two or three key priorities.

My view is that when you're running a company, you can only get about 80 percent of what you commit to done. And the reality is that most companies get a lot less than that done. I'm often blown away by how ineffective companies are in actually getting done what they say they're going to do, rather than just reacting.


Ron Shaich

P+S: Why do you think that is?

Shaich: It's because they've never been trained in what I call the "doing of the doing." And frankly, a lot of companies just do what everybody else does. And they don't ask the question, "What's going to actually matter and make a difference?"

The ability to understand those few key things that will make the biggest difference took me a long time to develop. But wisdom comes from experience, and experience comes from banging your head against a wall. But I have always been trying to understand, "What are the unifying themes? How do you bring everything together?"

> ‘Efficiency often overtakes discovery, and you wake up 20 years later filled with the kind of big companies you see in my industry that are responding to the customer of yesterday and not the customer of tomorrow.’

P+S: Let’s shift to early influences. Where does your drive and stamina come from?

Shaich: From early on, I always wanted to make a difference, to have an impact, to be able to say, “Wow, we did that.” That’s a powerful feeling. I started out as a social activist, and I took a year off before going to college. I was probably going to become a lawyer.

But I discovered that business was the most creative thing I had ever been involved with. It forced me to broaden, to figure out how to integrate everything, whereas so many other pursuits narrow you.

That [business] interest started when I was attending Clark University. I was tossed out of a convenience store across from the university, supposedly for shoplifting. I didn’t do it, of course, but I said, “Let’s open up our own nonprofit convenience store.” Because I was treasurer of the student council, I campaigned to tax the student body to raise $60,000 to open the store. I stayed that summer, built the store and ran it. I loved the process of figuring things out.

Early on, I always was pulled between business and politics. I helped run political campaigns as part of a consulting firm. In business, the work felt very similar—a business is like a campaign that never ends. It’s the same process of figuring out who your target customer is and delivering what they want and need in a consistent, solid way.

P+S: I’m sure you meet with a lot of young people who want to start their own businesses. What advice do you give them?

Shaich: I always try to talk them out of it. I’ll say, “If you’re starting a business for the glory of it, for the financial rewards, you’ll never get there.” You have to love the work itself, the doing of the doing. I’d rather hang out with the people who are running my restaurants than investment bankers. Frankly, I never worried about the money and I made a lot of money. I knew that if the company did well, I would ultimately be fine.

Going public is a whole other discussion that I’ve had with people. I’ll ask them, “Why are you doing it?” About 90 percent of people who take their companies public end up regretting it, because you’re bringing in a whole other universe of constituents and much more complexity to your life. You have to meet yet another set of standards. And those outside interests have a much more short-term focus.

When I first went public in 1991, the average shareholder held the stock for four months. By the time I sold the company, the average investor was holding it for four weeks.

There’s a pervasive short-termism in our capital markets. There was a time when the long-term money was in the public markets and short-term money was private. Today long-term money is private and public money is short-term.

P+S: How do you hire? What questions do you ask in job interviews?

Shaich: I tend to want to know not what [job candidates] say but what they do. Where are you coming from in your life, where are you today and where are you trying to go? And is your ability to get on our bus the right step for you, and are you the right person to be on our bus?

I’m really looking to see whether we have an opportunity to be going to the same places for the right reasons. And I care who you are every bit as much about what you do.

What do you care about? Are you the kind of person I want to be in a foxhole with, that the rest of our team will? If I bring you to this organization, is that going to be good or bad for my credibility? I’m really interested in who you are and the journey of your life.

> ‘Use your calendar to focus on what really matters. We often schedule our time in reaction. But everything should flow out of your two or three key priorities.’

P+S: You’ve pulled off a number of transformations of your companies, which is always challenging for leaders—to take apart and rebuild what they’ve created.

Shaich: But who better to take on the sacred cows than you? It’s about balancing the ideas of discovery and delivery.

When you start out, you get really good at discovering what is more effective. But then over time you bring in people who are focused more on delivery and efficiency.

Those languages are different. Efficiency often overtakes discovery, and you wake up 20 years later filled with the kind of big companies you see in my industry that are responding to the customer of yesterday and not the customer of tomorrow.

It takes two to three years to move the needle in a large company. It doesn’t happen overnight. And so you better make the right big bets or you’re going to miss the market.

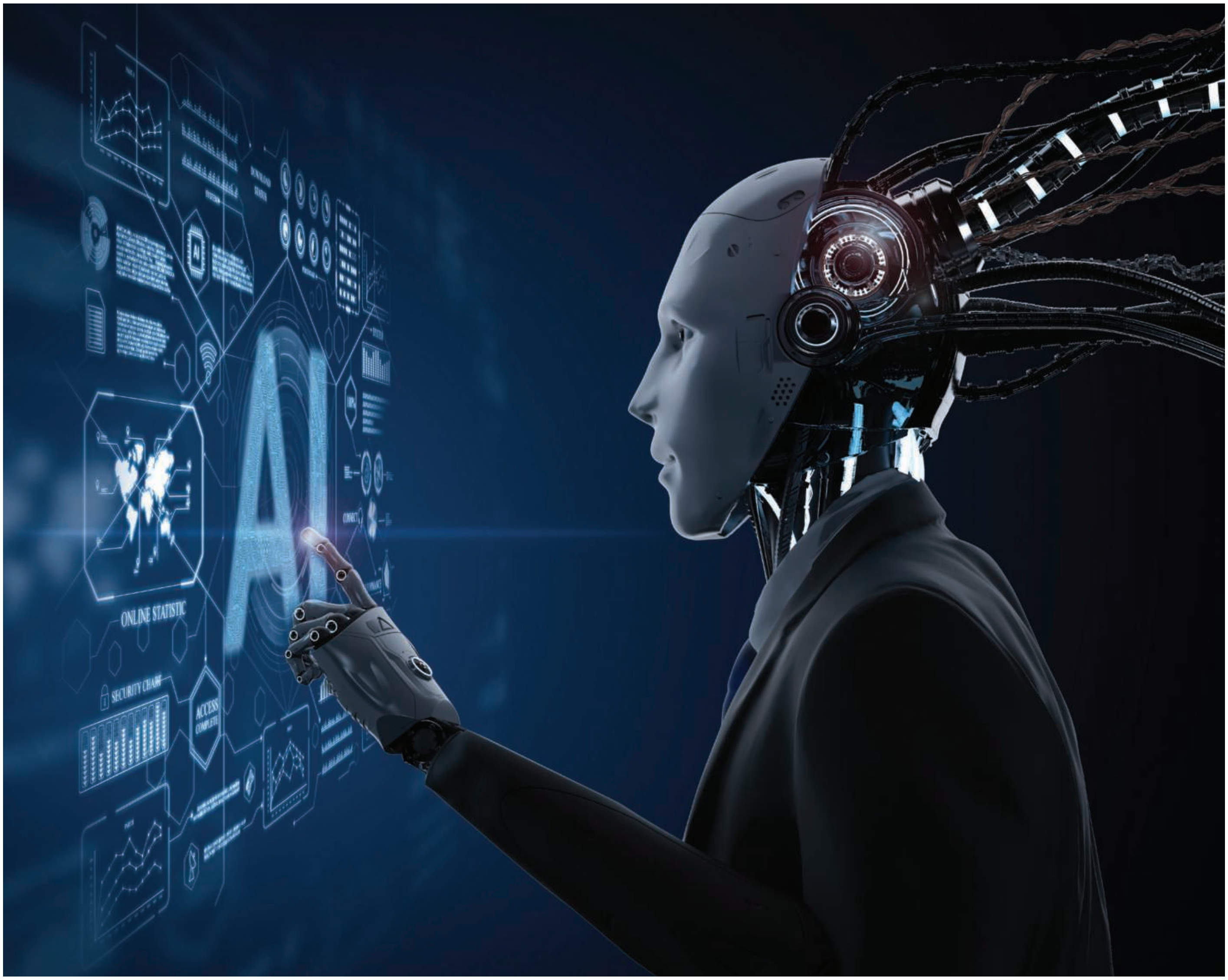
People + Technology

Meet the New Boss: Should You Add an AI-Powered Program to the Leadership Team?

By Neal Sample and Brad Winn

In late 2022, NetDragon Websoft, a Chinese video game firm, became the first known company to appoint an artificial intelligence bot as its CEO. The company named the AI program "Ms. Tang Yu," and its leaders now use the AI tool to support the decision-making for its daily operations. Last year, the CEO of Mobeon, a California-based streaming company, made waves by stepping aside and handing the company's strategic and operational reins to a ChatGPT-based AI tool.

While these groundbreaking examples don't signify a trend, these first AI CEOs do symbolize a significant evolution in the sphere of leadership, and they spark broad new questions for the C-suite, HR executives and boards of directors.



Virtual Executives

When attracting talent, we typically want to recruit the smartest person possible who fits the position and compliments the competencies of the existing team. As we careen into a futuristic world of generative AI, does that person need to be an actual person?

The competencies and attributes required for virtual executives to thrive—and how HR can leverage and foster these capabilities within its talent pools—are novel considerations. As these virtual executives take their "seats" at the leadership table, HR assumes the additional role of change orchestrator, tasked with deftly navigating the innate uncertainties and resistance often associated with these transformative shifts. Addressing concerns, nurturing acceptance and cultivating a culture of collaboration are paramount responsibilities.

As the prevalence of AI and virtual executives grows, ethical and legal considerations loom large on the HR horizon, encompassing issues such as algorithmic bias, accountability and transparency in decision-making. The formulation of robust guidelines and frameworks becomes essential to ensure ethical governance in this emerging domain.

In tandem, HR professionals must grapple with the acquisition and retention of talent well-versed in the intricacies of generative AI and technology, supporting the endeavors of virtual executives across industries. HR's role also extends to safeguarding the job satisfaction of employees impacted by AI-led decisions, necessitating agile adaptation of policies to ensure the continued welfare of the workforce.

In essence, the rise of virtual executives heralds a paradigm shift in leadership, and HR professionals are at the forefront of navigating this uncharted territory.

> The few groundbreaking examples of AI-based CEOs don't signify a trend. But they do symbolize a significant evolution in the sphere of leadership, and they spark broad new questions for the C-suite, HR executives and boards of directors.

How Generative AI Can Power an 'AI-CEO'

Generative AI refers to a category of artificial intelligence systems that have the capability to generate new content or data that is similar to, but not directly copied from, existing data. These AI systems use techniques such as deep learning and neural networks to analyze patterns and structures within large datasets and then produce original content based on what they've learned.

An AI tool that assumes the role of virtual executive should be a leader that leverages data-driven decision-making and continuous learning to guide an organization strategically. Like any good leader, it should also communicate effectively, adhere to ethical principles and learn to scale its capabilities. This AI-driven executive represents a fusion of advanced technology and established leadership acumen, shaping the future of organizational leadership.

The virtual leader can be prompted with questions and provide seemingly thoughtful answers nearly instantaneously. When you look under the hood of a generative AI (e.g., GPT-3), it looks like a highly sophisticated text generator.

Here's a slightly deeper view into what happens when you ask your virtual executive a question, as compared to your human executive colleague.

STEP 1

Human CEO: Perception and comprehension. The brain processes the sensory input and activates to decode the question's meaning.

Virtual executive: Input analysis. AI analyzes the question leveraging a complex system of algorithms to extract meaning and context.

STEP 2

Human CEO: Memory retrieval. The brain searches long-term memories and retrieves relevant information based on strength of memories.

Virtual executive: Language generation. AI considers words sequentially based on patterns it has learned from extensive pre-training.

STEP 3

Human CEO: Information integration. The brain integrates and assesses the relevance of information using critical thinking and pattern recognition.

Virtual executive: Probability-based selection. The AI tool assigns word probabilities and selects the highest probability of random words to enhance creativity.

STEP 4

Human CEO: Decision-making and reasoning. The brain uses higher-order cognition in the prefrontal cortex to evaluate various perspectives.

Virtual executive: Sequential composition. AI builds an answer iteratively until it reaches a predefined length or designated endpoint.

STEP 5

Human CEO: Language production. The brain activates language production centers to articulate responses and convey thoughts accurately.

Virtual executive: Post-processing and quality assurance. AI engages in post-processing to correct grammar or improve coherence.

It's essential to keep in mind that while generative AI can produce impressive responses, it doesn't possess true comprehension. Its responses are generated based on patterns from training data, and it may produce plausible but incorrect answers.

VIRTUAL EXECUTIVES IN THE C-SUITE ...

STRENGTHS	WEAKNESSES
1. **Unbiased decision-making.** VEs provide strictly data-driven insights. Unlike human leaders, who may be influenced by personal biases, VEs process information objectively, reducing the risk of decision-making based on emotions or preconceived notions.	1. **Lack of emotional intelligence.** VEs do not respond well to emotional nuances in human interactions. Senior leadership often involves managing complex interpersonal dynamics, and the absence of emotional intelligence in VEs could hinder effective communication.
2. **24/7 availability.** VEs operate tirelessly, providing around-the-clock support for other senior leaders. This constant availability can be a significant advantage, especially in multinational organizations, enabling quicker responses to urgent issues and opportunities.	2. **Ethical considerations.** VEs may perpetuate biases. Decisions based solely on data may not reflect the broader ethical implications that those made by human leaders would. Ensuring that AI is ethical and nondiscriminatory is a paramount challenge.
3. **Rapid information processing.** VEs can sift through vast amounts of data in seconds, providing other senior leaders with timely information critical for decision-making. This ability to process information at a high speed can lead to more informed and agile decisions.	3. **Limited creativity.** VEs may lack the capacity for creative thinking and innovation, which are essential for solving novel problems and driving long-term growth. The absence of certain types of creativity could limit the organization's ability to adapt to unforeseen challenges.
4. **Multilingual communication.** With the capacity to communicate in multiple languages, VEs can facilitate global collaboration and communication within a diverse team, breaking down language barriers and promoting inclusivity.	4. **Dependence on technology.** Over-reliance on VEs could lead to a decline in the critical thinking and decision-making skills of human leaders. This could hinder their ability to make strategic judgments independently, eroding some human elements of leadership.
5. **Cost efficiency.** In comparison to hiring additional human leaders, integrating VEs can be highly cost-effective. It reduces the need for a larger leadership team and minimizes overhead costs such as salaries, benefits and office space.	5. **Interpretation of context.** VEs may struggle to interpret the context of complex situations accurately. Understanding the subtleties and nuances of specific industries or markets might be challenging, potentially leading to suboptimal decisions.

For that reason, the process of getting answers from virtual executives will have both significant advantages and disadvantages when compared with human executives. Given this, when should we turn to a virtual executive for answers?

Characteristics of the Virtual Executive

The integration of artificial intelligence into corporate structures has become increasingly prevalent in different forms, from interactive voice response (IVR) that answers customer calls to robotic process automation (RPA) eliminating manual labor.

Virtual executives (VEs) may be a humorous nonstarter idea for most companies (for now). But as organizations strive to remain competitive and adaptable, inviting a VE onto the senior leadership team may be the strategic disruption they need.

Before acting on this trend, it's important to understand the potential strengths and weaknesses of incorporating a virtual member into a senior leadership team. That includes examining the implications for everything from decision-making and innovation to ethics and potential liabilities. (See Strengths and Weaknesses box at left).

The future of leadership may indeed involve a blend of human and artificial intelligence, where each complements the other to achieve organizational goals. The prospect of inviting virtual execs onto the senior leadership team of a large corporation is a fascinating and complex one. Ultimately, the decision to integrate an AI decision-maker into leadership requires careful consideration of the organization's specific needs, industry and values.

To harness the strengths of a virtual executive effectively while mitigating its weaknesses, organizations will need to strike a balance between human and AI leadership, combining the strengths of both to drive innovation, ethical decision-making and key business outcomes.

What About a Virtual HR Executive?

As custodians of talent management, employee well-being and business results, HR professionals continually seek innovative ways to enhance their impact. One intriguing thought experiment is to invite an AI executive onto the senior leadership team specifically to help run HR. Here are some of the potential pros and cons of having a virtual HR executive leader, and how that may apply to talent management, ethics, compliance, employee engagement and more.

STRENGTHS

Unbiased talent assessment. HRVEs can be trained to reduce human biases from hiring and promotion decisions and help create a more diverse and inclusive workforce.

Efficient training. HRVEs can streamline the onboarding and training processes for new hires by providing instant access to company policies, training materials and FAQs.

Data-driven employee engagement. HRVEs can analyze engagement surveys on a large scale, providing data-driven insights into employee satisfaction and suggestions.

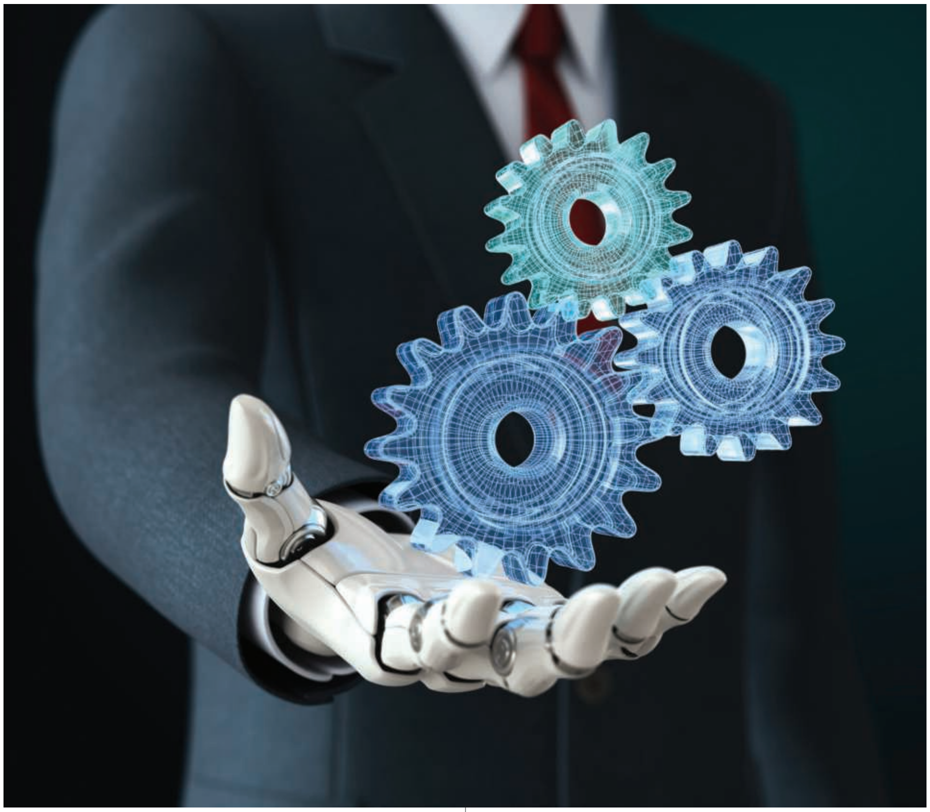
Compliance. HRVEs can assist in ensuring that employees adhere to company policies and compliance standards. It can monitor policy-related queries and provide guidance.

WEAKNESSES

Lack of empathy. HRVEs are poor at dealing with sensitive issues. The absence of empathy in a virtual executive could hinder the resolution of employee concerns and conflicts.

Ethical considerations. HRVEs have access to employee privacy and data security. Ensuring that an HRVE respects and safeguards sensitive employee information is paramount.

Employee resistance. Employees may be wary of interacting with an AI-driven HRVE. Managing employee perceptions and addressing concerns would be challenging.



Limitations in handling nonstandard cases. HRVEs excel at handling routine and standardized queries but may struggle with unique cases that require creative problem-solving.

The future prospect of a virtual executive on the senior HR leadership team is both promising and challenging. VEs offer undeniable strengths, such as unbiased talent assessment, efficient onboarding and training and 24/7 employee support. That said, they also come with notable weaknesses, including a lack of empathy, ethical considerations and potential employee resistance.

For HR professionals, the decision to integrate VEs into their teams should be driven by a clear understanding of the organization's needs and HR's specific role in fostering organizational success. To harness the strengths of a VE effectively while mitigating its weaknesses, HR leaders will need to strike a balance between the use of AI-driven solutions and human judgment.

Summary

As generative AI technology continues to advance, the role of AI in leadership teams will become more compelling, offering a new capacity to navigate organizational challenges. The future of executive leadership itself is likely to involve a synergy between technology and human insight, where virtual executives complement human professionals in creating a more inclusive, efficient and compliant work environment.

As AI evolves, leaders will have a unique opportunity to leverage AI "peers" as a powerful tool for enhancing their distinctive strategic contributions to the success of their organizations. ▪

Neal Sample is a tech-focused business enhancer who has served as a board director, CIO, startup advisor and executive coach. He is currently focused on AI and its impact on innovation, leadership and productivity. Contact: nsample@gmail.com.

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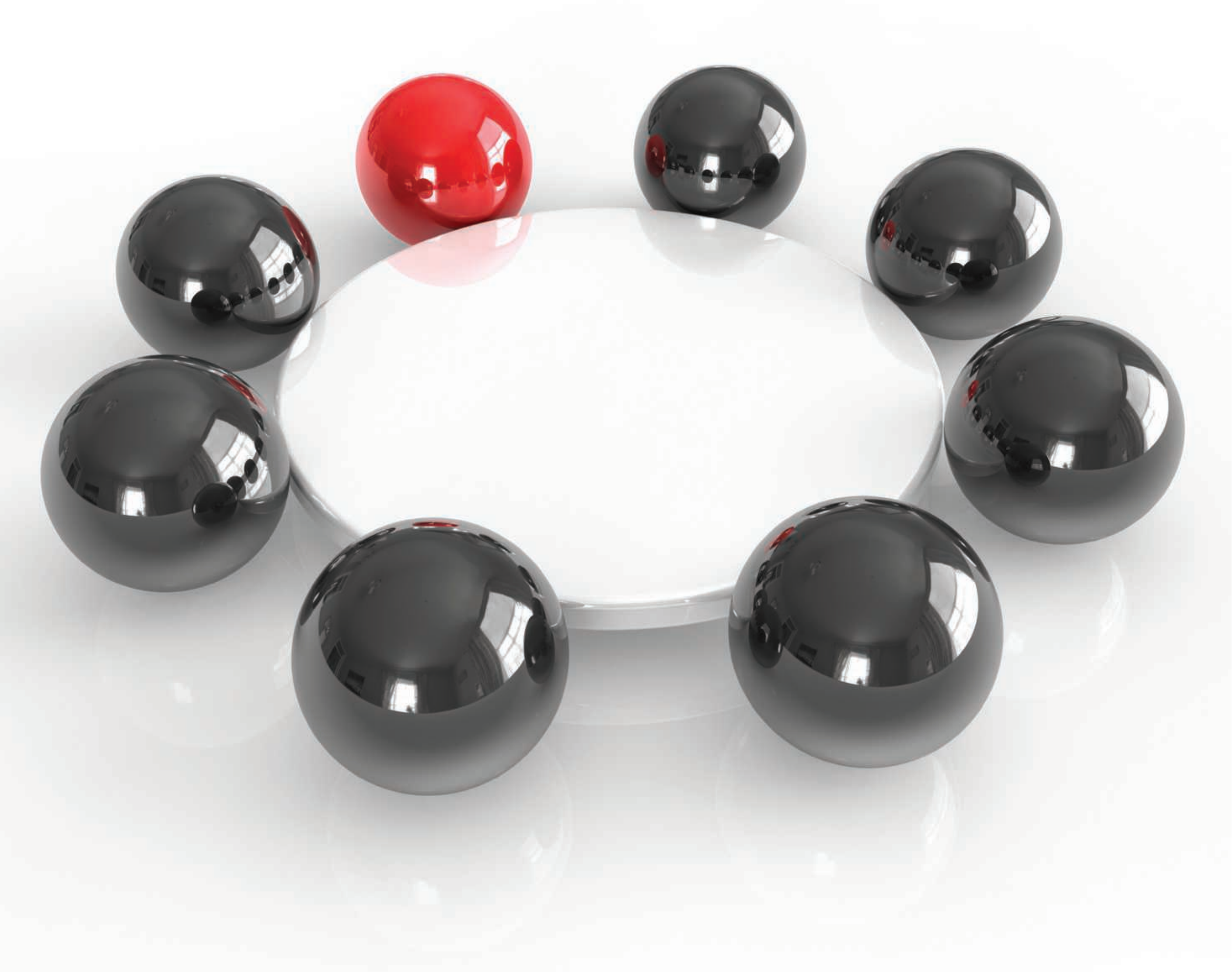


Creating Board-Management Alignment

For the effective operation of any organization, a board of directors needs to work cohesively with the management team toward its common goals. Dawn Zier sat down with three business leaders who, like her, have experience as both a CEO and a board member, to discuss how to measure and strengthen that alignment.

Participants

Carter Pate, former CEO of Modivcare and MV Transportation; director at Option Care Health, GlobalStep and Purple Innovation

Mark Schiller, former CEO and board director of Hain Celestial Group; director at Kontoor Brands

Mike Spanos, executive vice president and COO of Delta Air Lines; former CEO of Six Flags; director at Casey's

Moderator

Dawn Zier, former CEO of Nutrisystem; director at Hain Celestial Group, Spirit Airlines and Acorns

DAWN ZIER: All of you have sat in both the CEO and the director seat. What are the areas you feel are most important for the board and CEO to have clear alignment around?

MIKE SPANOS: The first area of alignment has to be financial transparency. Second is clarity around board governance and ensuring that the CEO and board chair have a mutual understanding of what this entails. The level of board engagement is different for every company and is situation dependent. Third is the importance for the board to be aligned with the CEO when it comes to talent, especially with respect to succession planning. This requires the board to have adequate exposure to the team. Along a similar vein, there must be alignment around an executive compensation program that supports the CEO, sets the right behavior for the team, rewards for performance and drives sustained results for shareholders. Fourth, alignment on the strategy and associated capital allocation is a key process for the CEO and board. Finally, there must be alignment on corporate risk. With emerging megatrends, boards are really punching up their focus on risk oversight and holding the management teams accountable for putting the right processes and monitoring mechanisms in place.

MARK SCHILLER: There are four primary areas where alignment is critical. First and foremost is the strategic direction of the company. If you don't do the hard work upfront to debate and align, it impedes progress down the road, which leads to frustration. Second is role clarity. Agree on the role of the board, the role of management, and understand the "unofficial" role each director plays on the board. Third is an understanding of how the board and management will engage with each other, especially when off cycle. Rule of thumb for CEOs: If something important happens or changes, communicate with your chair immediately. Directors, like most people, don't like surprises. And finally, alignment around risk management: Are we keeping up-to-date? Are we adequately monitoring? Do we have the right escalation protocols in place? Risk management is much more than a once-a-year management topic for the board. It needs to be embedded into every meeting and constantly challenged.

CARTER PATE: Right off the top, I think the one thing every director is obligated to fully understand and be aligned on as a full board is "What are your CEO's weaknesses?" The board always needs to keep that in the back of its mind. Every CEO gets into the seat because they bring an incredible amount of talent in certain areas to the table. The board is often impressed, but they often don't have a full appreciation of the CEO's weaknesses.

For example, a CEO who came up through finance probably doesn't have deep sales and marketing expertise. A CEO who is a marketing guru likely doesn't fully understand capital markets and leveraged finance. Boards need to ensure that the CEO has the support they need to succeed, especially when dealing with issues that might not naturally be in their wheelhouse.

I have observed that many boards that have had a major misstep—resulting in them losing confidence in the CEO—forgot what their CEO's weaknesses were. Directors have an obligation to do a much deeper dive and challenge management in areas where the CEO has an acknowledged skill gap. In these cases, in addition to holding the CEO accountable, the board needs to also reflect back on its own failure.

ZIER: What can impede board and CEO alignment?

PATE: Failure of the board, and specifically the chair, to adequately coach and provide input to the CEO, or failure of the CEO to be receptive to feedback and embrace some of the directors as trusted advisors, can impede alignment. Being a good mentor to the CEO is a board obligation. Being able to have open conversations that do not make the CEO become defensive requires gravitas.

The chair needs to have gentle one-on-one pushes with the CEO, like, "Look, it's just you and me talking. Have you considered getting a second set of eyes on this issue? We've talked about this kind of thing before, and it may be a little bit outside of your swim lane. How can we help? Are you surrounding yourself with the support you need?"

SCHILLER: Lack of understanding around what the board wants to be involved in and wants to see can rightly or wrongly lead to a board questioning management's transparency and openness. Conversely, management not anticipating and providing the board with the information it expects can result in the board becoming overly prescriptive in its information requests, which may lead to the management team feeling a perceived lack of trust. Without transparency and trust, it is near impossible to have alignment.

My bias has always been to over-index on engagement. However, if it gets to a point where it feels as if the board is being intrusive or overly involved in day-to-day decisions, the CEO needs to

> 'Active board engagement served the company well, particularly during a time of transformation where we were changing strategic direction.'
> —*Mark Schiller*

be able to push back. As a CEO, I always appreciated the different perspectives of the board, the backgrounds they had and the experiences they shared, which led to my being a better decision-maker. Active board engagement served the company well, particularly during a time of transformation where we were changing strategic direction.

SPANOS: The top impediment to alignment is lack of trust. Relationships matter at every level, and both the board and the CEO need to work hard to build mutual trust. The board-management dynamic is naturally full of friendly tension. You want to enable respectful, good debate, and that circles back to trust. Also, if clear processes are not in place at the board, committee and C-suite level, there can be a breakdown in alignment.

ZIER: Can you share an instance where you have witnessed board-to-management or director-to-director misalignment, and how you course-corrected?

PATE: As the board chair or the CEO, the obligation to drive for alignment is incumbent on you. A good CEO spends time working the board and ensuring that no director is left behind. I have seen many instances where the CEO thinks they have alignment only to get derailed at the last minute because they failed to bring a director along and did not get buy-in throughout the process.

If you want to get to alignment quickly, whether as a CEO or as a director, pre-selling your idea to the key players on the board and addressing key concerns that stand in the way of their support is a good tactic. Once you feel that you have their general support, you need to ask for their commitment. "Do I have your support on this? Will you stand behind me if there's debate?"

One hard-learned lesson is the realization that alignment and agreement are not the same thing. Alignment is often only the first step to agreement. It's the general support for the "what." Getting agreement can be much harder as that requires negotiating the "how." Often the distance between alignment and agreement is vast, and that's where board dynamics can fall apart.

SPANOS: On one of my boards, we didn't have initial agreement on whether we should combine the CEO-chair role or move forward with an executive or nonexecutive chair. The Nominating and Governance Committee put a framework in place to work toward a resolution and owned the process.

We gave ourselves a good year to think through what was best, knowing there was a board succession process leading up to that. This was an important decision, and we did not rush the process. In this case, we had a CEO who had been there for a number of years. We knew that the solution could be very specific, given where the organization was on its journey, as well as the capabilities of that CEO and the management team.

We created forums to encourage dialogue and trust-building through board offsites and one-on-one dinners. The Nominating and Governance Committee gathered industry perspectives from NACD, ISS and Glass Lewis. We allowed the CEO to discuss their opinion on the case with the committee members and allotted plenty of time for questions and answers. We considered the impact on employees as well as what was best for shareholders. And then, we had the Nominating and Governance Committee make a recommendation to the board, and the board held its vote. We got to a really good place and ended up aligned.

SCHILLER: Probably one of the more common situations where we see a lack of alignment is when a shareholder activist (different from an activist nominee) sits on the board. An activist is going to have a distinct financial objective and timeline around return for investment, which may or may not align with what other board members and management think is in the long-term best interest of all shareholders. I found that having a subset of the board that can interface with management, separate from the activist, when there are disconnects, can be helpful. We also established good mechanisms to re-engage with the activist around such topics. In all cases, it is important to listen to and understand all perspectives with an open mind. Perhaps one of my more interesting learnings of having an activist director on our board is that we were more often aligned than not.

I also think that board members need to feel comfortable giving feedback to one another both privately and

'A good CEO spends time working the board and ensuring that no director is left behind. I have seen many instances where the CEO thinks they have alignment only to get derailed at the last minute because they failed to bring a director along and did not get buy-in throughout the process.'
—Carter Pate

> ‘Alignment *is* important, but you also need to be on the watch for groupthink—not just at the management level but also within the board. ... The last thing we want is for the CEO to be surrounded by “yes” people. Be aware of a CEO who tries to control the message and limit team access.’
>
> *—Mike Spanos*

during board debriefing sessions. It’s important to have an established process as a board where the chair facilitates discussions around questions like: Are we aligned? Where are there disconnects? Is there an elephant in the room? Where could we have done better as a board? Where could you have done better as a director? Is everyone voicing their opinion and being heard?

ZIER: With alignment being so critical to successful outcomes, how can directors assess the level of alignment in the management team?

SCHILLER: A director needs to play the dual role of participant and observer. When management is presenting to the board, I look at body language and other indicators to see if people are withdrawing. For example, if somebody is speaking and others sit back in their chair, cross their arms or start fidgeting, maybe there’s not complete alignment.

I also use informal interactions between the board and management, like cocktail hour and board dinners, to pressure-test whether everybody is saying the same thing. I’ll bring up topics that I have concerns about and ask open-ended questions to assess whether there’s alignment or not.

PATE: Successful CEOs have often learned the hard way that the failure to recognize reluctance or to read body language is a shortcoming of their EQ. So maybe they have the highest IQ, but it’s the lack of EQ that will bite them every time.

Chairs of the standing board committees have a unique opportunity to build relationships with other members on the management team in addition to the CEO. I’m often the head of the audit committee and work closely with the CFO and CAO. If you’ve built a strong enough relationship with these leaders, you should be able to have open conversations and get unfiltered perspectives. For example, I might get a board deck and call my CFO and say, “Wow, this seems pretty far out there. I’m a little surprised at the amount of ramp-up you have in the second half of the year. How achievable is this? Get me comfortable.”

SPANOS: As boards have expanded their oversight around talent and culture, they have a lot of access to insightful data that can reveal the level of alignment within an organization—things like employee and engagement surveys, 360s, Glassdoor and exit interviews, to name a few. I also listen to the earnings calls—in addition to reading them—because you pick up on tones and camaraderie between the CEO and CFO, as well as areas of hesitation or reservation.

It’s important to probe a little harder on team alignment when it comes to highly matrixed organizations, where there often is tension around cross-functional priorities and accountabilities. In these cases, your customers and your employees are going to be the strongest, truest voice when you’re not doing the work properly. Again, look at the comments in the employee survey, look at high-level summaries of customer complaints, and watch your NPS scores.

I want to end with this note: Alignment *is* important, but you also need to be on the watch for groupthink—not just at the management level but also within the board. Management teams and boards need to have a healthy tension where they are able to discuss, debate and then align. In the case of the management team, the last thing we want is for the CEO to be surrounded by “yes” people. Be aware of a CEO who tries to control the message and limit team access.

In the boardroom, diversity is the key to avoiding groupthink. Not just diversity in terms of ethnicity, gender or age, but also diversity of skill sets, experiences, industries and tenure. It is the responsibility of the chair to make sure that all voices are heard. Often, it’s that third or fourth voice in the conversation that offers a unique perspective that really matters and causes the group to pause and think harder.

The Directors Roundtable was hosted by

Dawn Zier, the former CEO of Nutrisystem and a current board member at Hain Celestial Group, Spirit Airlines and Acorns.

Understanding the Diverse Views on Effective Management

To gain insights into the factors influencing the effectiveness of people managers, SHRM Research surveyed 336 HR executives, 1,406 people managers and 1,458 U.S. workers. The study not only underscores the importance of effective people management but also identifies specific areas for improvement among managers, along with workplace practices to enhance managerial excellence.

PEOPLE MANAGERS ARE VITAL FOR SUCCESS

Among HR executives ...

92% say people managers are critical for the organization's **overall success.**

82% say people managers are critical for accomplishing the organization's **strategic objectives.**

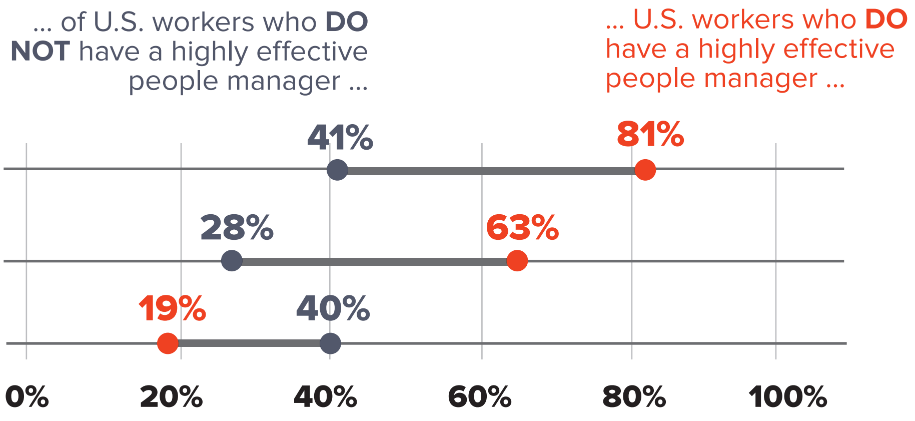
But development lags behind

Only 25% of HR executives make the **development** of people managers a high priority.

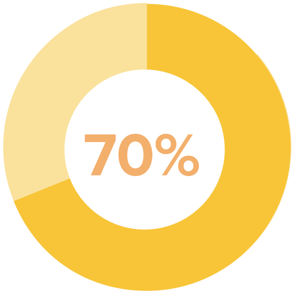
And only 24% of HR executives make the **well-being** of people managers a high priority.

THE POWER OF EFFECTIVE MANAGEMENT

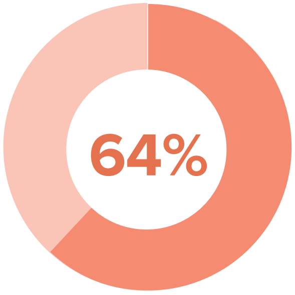
Employees who have highly effective managers are more satisfied with (and committed to) their employers, and they're less likely to be hunting for a new job.



A SHARED VIEW OF MANAGERIAL EFFECTIVENESS



Percentage of people managers who rated themselves as "highly effective."

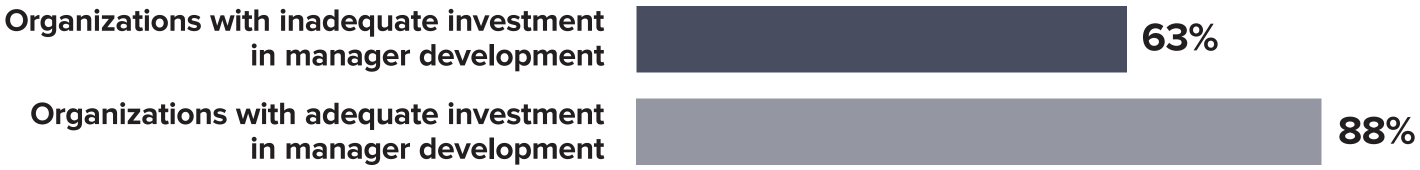


Percentage of U.S. workers who rated their managers as "highly effective."

This close alignment in ratings between workers and people managers is a positive indicator of the mutual understanding of managerial effectiveness. It is important to celebrate these high percentages but also not lose sight of the fact that these numbers imply that about a third of people managers are NOT highly effective.

MORE DEVELOPMENT = MORE EFFECTIVE MANAGERS

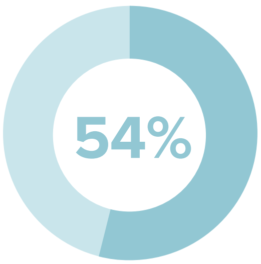
The percentage of HR executives who say their people managers are effective:



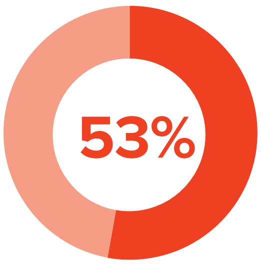
About half of HR executives (51 percent) say their organization makes an inadequate investment in the development of their people managers.

HOW CAN MANAGERS IMPROVE?

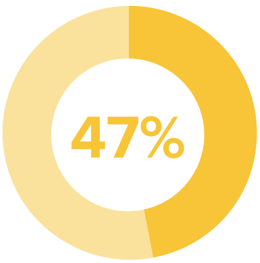
The percentage of HR executives who identified the following skills as areas for further development among people managers at its organization.



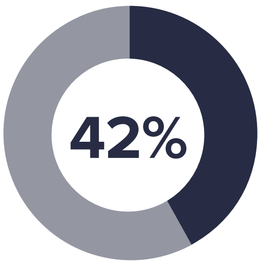
Coaching and mentoring



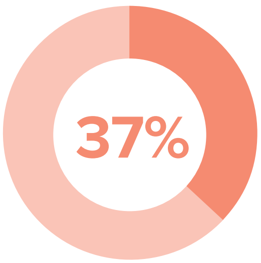
Effective communication



Performance management



Conflict resolution

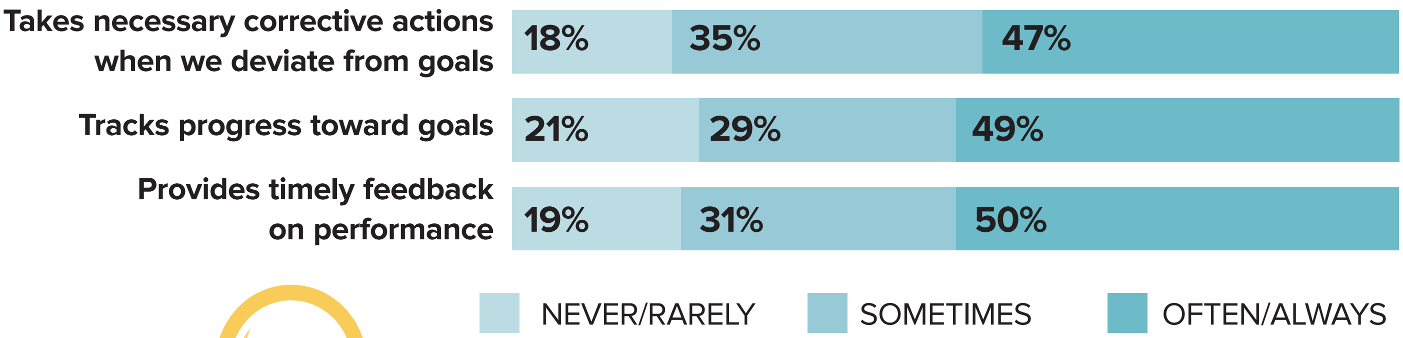


Strategic thinking

Note: HR executives in the survey could select up to five skills.

PERFORMANCE MANAGEMENT SNAPSHOT

Frequency of performance management behaviors exhibited by their people managers, as reported by U.S. workers.



SPOTLIGHT

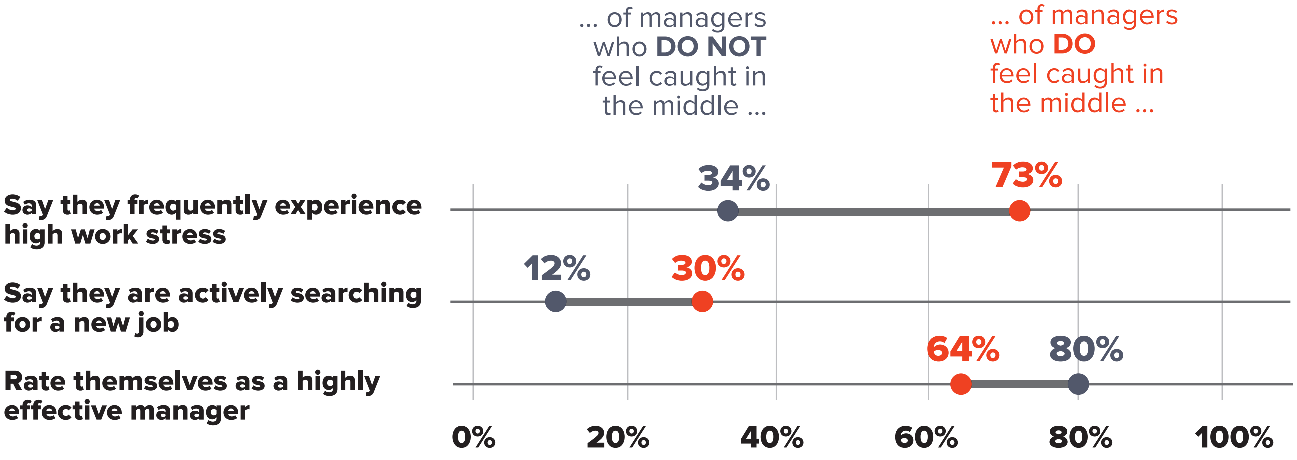
MANAGERS CAUGHT IN THE MIDDLE

People managers are tasked with navigating the expectations of upper management and the demands of leading their teams. The ripple effects of this tension have a profound impact on managerial effectiveness:

75% of people managers say dealing with the expectations of both upper management and front-line employees is demanding.

55% of people managers often feel caught in the middle between the strategic vision set by upper management and the practical realities faced by their team.

This has critical implications for managers and organizations:



Message from the Researchers

Roles and Goals: The Keys to Manager Success

By Ragan Decker, Ph.D.

People managers play a pivotal role in achieving organizational success. Yet insights from SHRM Research reveal that approximately one-third of these key players rate themselves as not being highly effective managers (*see chart, page 57*). This deficiency has profound impacts across the organization, influencing employees' job satisfaction, organizational commitment and turnover intentions, to name just a few.

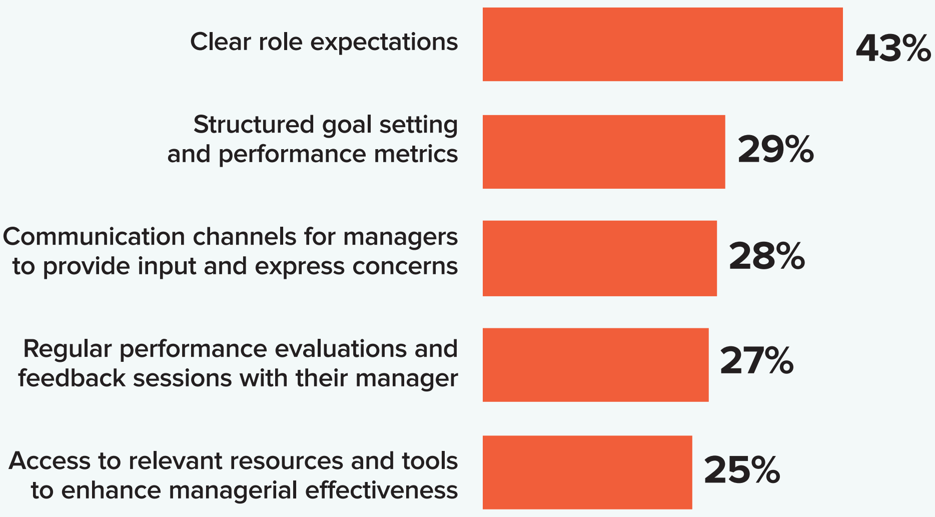
In light of these findings, we asked people managers to identify the workplace practices that have the greatest impact on their effectiveness. Clear role expectations emerged as the foremost consideration, with 43 percent of people managers saying this practice has the greatest impact on their success. This is followed by structured goal-setting and performance metrics, which 29 percent identify as having the greatest impact.

At the foundation of these two workplace practices is role clarity, meaning the extent to which individuals within an organization have a clear understanding of the specific responsibilities, tasks, expectations, goals and performance metrics associated with their position. For optimal effectiveness, people managers must not only ensure role clarity for their direct reports but also attain clarity regarding their own roles. Amid the rapid changes in the business environment, establishing role clarity can be a challenge, as organizations implementing innovations and change initiatives may overlook the need to ensure that employees understand their evolving role expectations.

Though people managers have control over role clarity for their teams, it is often executives or upper management who delineate the managers' roles. This is particularly pertinent because people managers often find themselves caught in the middle between strategic vision and tactical execution, which can necessitate explicit guidance from executives regarding expectations, goals and performance metrics.

WHAT DO PEOPLE MANAGERS WANT?

The percentage of people managers who say these workplace practices have the greatest impact on their effectiveness as a manager:



(Respondents could select up to three workplace practices.)

Such direction becomes instrumental in helping managers prioritize effectively and provide clarity to their teams. This guidance from executives is also critical for retention. SHRM Research found that people managers who often feel caught in the middle between the strategic vision and the practical realities faced by their team are more likely to be actively searching for a new job (*see chart, page 58*).

To ensure role clarity for people managers and employees across your organization, SHRM Research recommends that organizations provide:

1. **Detailed job descriptions.** Keep job descriptions detailed and up-to-date to reflect changes in the business environment. Prioritize and allocate resources for frequent reviews and revisions, to ensure alignment with evolving responsibilities and to provide a realistic job preview.
2. **Clear expectations.** Clearly articulate roles, responsibilities and expectations to each team member, ensuring alignment with organizational objectives. Confirm understanding and revisit regularly.
3. **Clear and measurable goals.** Establish clear and measurable goals for each role, and communicate those goals. Identify metrics for each goal. Doing so serves as a roadmap for employees and a means to evaluate managerial effectiveness.
4. **Role alignment meetings.** Advocate for and prioritize role alignment meetings to discuss roles, responsibilities and expectations in the team. These serve as an open forum for discussion and foster a collective understanding of roles and responsibilities.

Effective management begins with role clarity. Fostering such clarity demands strategic and proactive efforts by both managers and executives. While some degree of role ambiguity is to be expected, prioritizing and implementing these recommendations allows organizations to establish a robust foundation for managerial effectiveness.

Ragan Decker, Ph.D., is a lead researcher at SHRM.

Insights from the CHROs, CEOs and other industry leaders featured in recent episodes of the monthly *People + Strategy* podcast. Find new episodes at **SHRM.org/P+Spodcast**.

Discover How to Wield Your 'Good Power'

A lot of times when I ask people, they're like 'No, no, I don't want to be powerful. I just want to work on big problems,' " said **Ginni Rometty, the former CEO of IBM**. "But the irony is that to solve big problems, you've got to have some power. And I believe that good power means it's done with respect, not fear. It unites people, it doesn't divide them.

"You've got to build belief in whatever it is you're trying to solve. But it's *how* you build belief. It's this idea of talking to someone's head and heart at the same time. … There are a lot of people who analytically lead, but it's important to be vulnerable and authentic enough to do both of those at the same time."

Ask Managerial Candidates: Do You Really Want to Be a Leader?

What happens in a lot of organizations is that there's this momentum, this inertia, that just carries people along almost like a river. 'You're a high-performer, so of course you want to be a manager. Of course you want to be a leader,' " said **Adam Bryant, the former Corner Office columnist at *The New York Times*** and author of the new book *The Leap to Leader*. "But I don't think people on either side, whether it's the company or the individual, say, 'Wait a minute, do I really want to do this? Do you really want to do this?'

"I always encourage people to be very honest with themselves about why they want to lead. Because if you're clear about your personal 'why,' it will help you navigate the tough parts."

In Praise of the Lateral Move

One of the great pieces of advice I got early on was, 'Don't think about your career as being linear. Think about it more as a lattice,' " said **Suzan McDaniel, CHRO of Edward Jones**. "Be open to building new skills and getting new experiences throughout your career. In fact, seek those out to be able to learn and grow.

"In that career lattice, yes, there will be promotions. But there'll also be lateral moves, and sometimes you grow and develop the best in those lateral moves where you're really stretching your comfort zone. Think about gathering different sets of experiences so that when other opportunities come by, you'll have the right tool set to be able to jump into those."

PEOPLE +
STRATEGY

A PODCAST FROM THE SHRM EXECUTIVE NETWORK

PEOPLE + STRATEGY PODCAST

Get a glimpse of the SHRM Executive Network through this thought-provoking podcast delivering in-depth conversations with HR executives and people leaders from companies including **NASCAR, CVS Health, Northwestern Mutual** and more that are committed to advancing the field of human resources.

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SHRM® EXECUTIVE NETWORK

Laurie Monfiletto, front, with members of her HR leadership team, from left, C.J. Bacino, Megan Delano and Leah Sanchez.

Laurie Monfiletto

CHRO, Los Alamos National Laboratory
Los Alamos, N.M.

In this tight labor market, any HR executive would be delighted with a surge in new applicants. For Laurie Monfiletto, the CHRO at Los Alamos National Laboratory, that surge was sparked last year by a unique catalyst—the popular movie "Oppenheimer," which told the story of the physicist who led the atomic bomb's production at Los Alamos during World War II.

"We have seen an increase in applicants who are drawn to our national security mission, and the movie definitely reminded our employees of the importance of their work," says Monfiletto. She sat down with *People + Strategy* to discuss her path to Los Alamos and her leadership philosophy.

HOW DID YOU GET STARTED IN HR, AND WHAT LED YOU TO LOS ALAMOS?

My master's degree is in finance. My first job was administrative and included various responsibilities, including HR. I loved the HR aspect—the interaction with employees, the problem-solving and the daily challenges. And I was able to apply my finance skills within HR, which made me very unusual at that time.

Before joining Los Alamos National Laboratory, I worked as the VP of HR for a publicly traded company. I enjoyed that position, but then life happened. My daughter suffered a traumatic head injury when she was in high school, and our lives changed in a minute. I left my job and took a break. No one ever tells you about how to step back and re-engage again.

A colleague of mine told me about the Los Alamos position, and since our daughter was forging her future, I did, too. Los Alamos was growing, and the leadership team wanted to modernize the human resources division. It was just the challenge I was looking for, and the opportunity to serve my country was very appealing.

WHICH HR INITIATIVES ARE YOU MOST PROUD OF?

When I came to Los Alamos in 2019, it was clear the human resources function needed to change, especially given its tremendous growth. We needed to streamline our processes.

The compensation system depended only on base pay. Now, variable pay allows employees to see how their performance can positively affect their compensation. Our new benefits program now enables employees to spend more time with their families (generous PTO and compassionate care leave can be used if family members are sick) and includes a more robust 401(k) program. Lastly, we implemented a new service delivery model that provides dedicated hiring and human resources services and support to the entire laboratory.

Accomplishing these big goals simply could not have happened without a strong and fiercely dedicated HR team. We believe in a common vision, support each other to make it happen and celebrate our shared success.

WHAT IS YOUR LEADERSHIP PHILOSOPHY?

I have an incredibly hard-working team and I use the servant leadership model to coach and help them identify issues and ways to change human resources to better serve our customers and each other. I am building the leading muscle for leaders and employees to equip them for their next leadership roles.

HOW DOES THE CLASSIFIED NATURE OF THE LAB'S WORK AFFECT YOUR HR PROCESSES?

Because many employees are required to have security clearances to work here, there is more attention to background investigations and helping applicants understand those requirements. It is a rigorous process that reviews all parts of the applicant's past to ensure they are qualified to handle classified material and protect our nation's work.

WHAT ADVICE WOULD YOU GIVE TO A RISING HR LEADER?

Professionally, know your business. HR leaders often focus solely on HR activities, but it is important to know all aspects of the business, including its finances, interwoven missions and long-term strategy to better advise and devise HR programs that meet the needs of the whole business.

Personally, rising HR leaders are anxious for their next opportunity, which is fantastic. But understand that those opportunities may be lateral or even a step back to get the right experience. For example, I once took a lower-level position because I knew I needed process experience in a large corporation. It was an important experience that launched me even further in my career.

Lastly, it is important to develop the leaders of the future. We've all had mentors who believed in us. It is equally important, even as a rising leader, to develop those you are leading so you don't leave a gap when you move on to another role.

by Rhonda Morris

Flower Power

How the simplest of gestures can spread smiles and disarm stress—in the workplace or on the road.

More than three decades of frequent air travel has taught me to prepare for pretty much anything. Flying can feel like an endless sociological experiment for how to create stress—flight delays, cancellations, bad weather, and jockeying with passengers for boarding positions and overhead luggage space. My travel goal is simple but often difficult: Get to my destination roughly on time, with my suitcase.

Over the years, I've adopted a few practices to mitigate the stress of business travel. Comfort items are tucked away in my carry-on luggage—noise-canceling headphones for the flight, a small speaker to listen to music in my hotel room, and a candle. But in the past year, I've upgraded my travel routine in a way that not only helps with my own health and well-being, but also—as I've discovered—puts a smile on the faces of fellow passengers and disarms airport and airline staff.

I travel with fresh flowers.

People close to me know I love flowers. Each Christmas my husband gives me a commercial license for the San Francisco Flower Market. It is one of my happiest places—especially at 3:00 a.m. on "market days." I am by no means a morning person, but few things bring me as much joy as being in the S.F. flower market in the middle of the night with people who are lucky enough to earn their living working with flowers.

A few years ago, a business trip coincided with my birthday. Floral bouquets from my family and direct reports were in my hotel room when I entered. Co-workers brought flowers to meetings—arrangements of roses, lilies, hydrangeas and orchids. When I had to travel home, I regifted some but decided to create an arrangement to take on my flight to San Francisco. Discarding fresh flowers is hard for me, and so I started a regular practice of traveling with flowers, from single stems to large bouquets.

The reaction to my maiden flower travel adventure was pleasantly shocking. A TSA agent pulled out a separate bin to protect them. A seatmate created space to make sure the flowers were not damaged. My flowers lifted moods and sparked pleasant conversations with strangers.

Many people navigate the experience of air travel with their game faces on, ready to compete and argue over the limited and shared spaces. But traveling with flowers generated unsolicited help, kindness and smiles.

So how does one travel with flowers? A water and container strategy is critical. Most of my flowers fit right into the water bottle compartment of my carry-on bag. I fill the container with just enough water to keep them alive before security. Then I dump the water before they go through the X-ray machine and refill it once I have cleared through security. Flight attendants often put them in a safe spot during the food and beverage service. Passengers often ask questions and share water-strategy tips.

Sometimes the flowers wilt, get crushed and don't make the journey in one piece. I am OK with this, because what matters most is not the flowers themselves, but the role they play during stressful trips to remind us all to smile and enjoy ourselves and each other.

Business remains unpredictable these days. Simple things—a handwritten note, a thoughtful gesture, saying "thank you" or "great job"—can create an outsized positive impact on culture, productivity and performance. As a fellow traveler at Dulles airport said to me after asking to take a picture of my traveling bouquet, "Love life."

Rhonda Morris is vice president and CHRO at Chevron.

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