

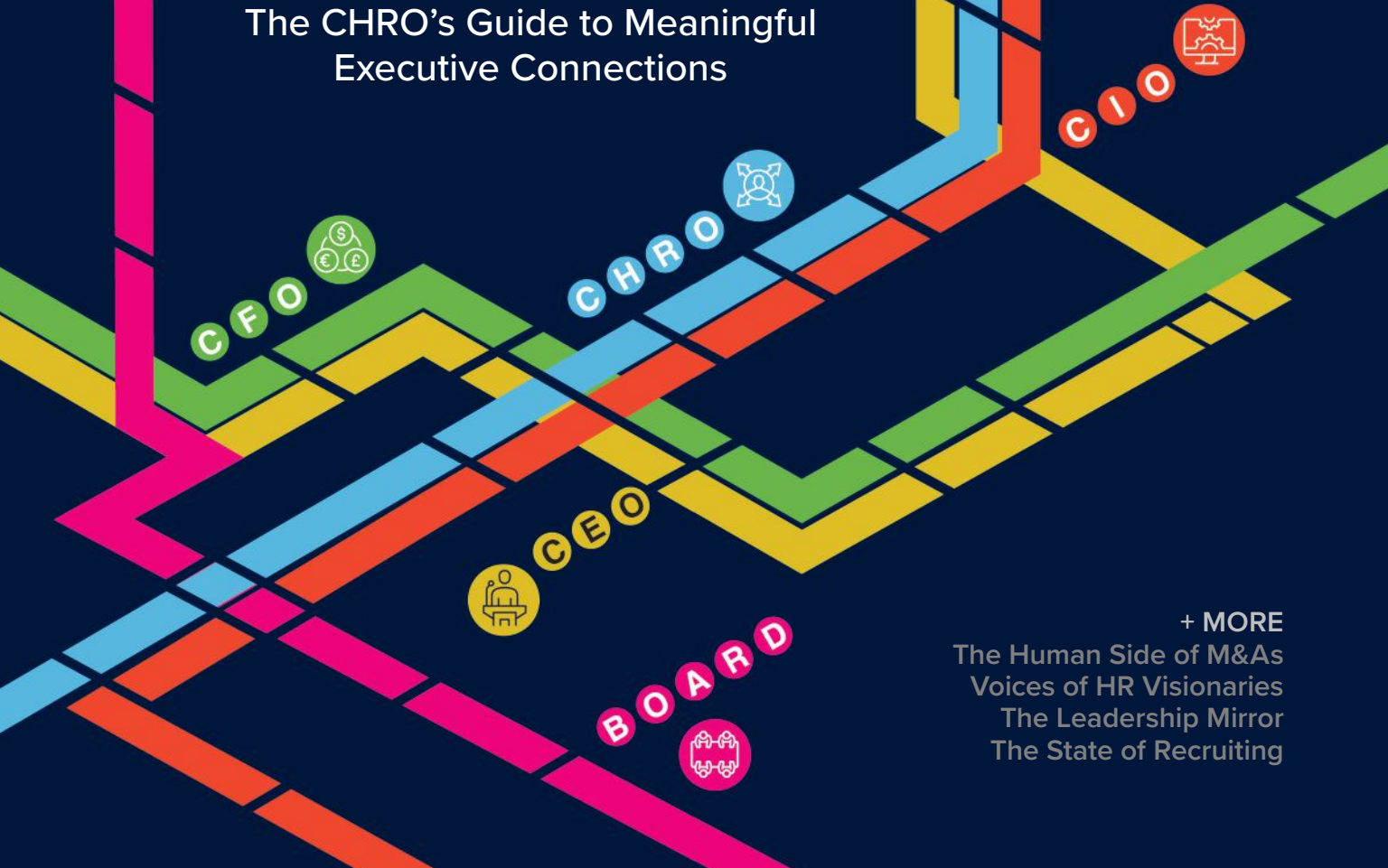
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PEOPLE + STRATEGY

VOLUME 48 | ISSUE 4 | FALL 2025

MAPPING THE C-SUITE

The CHRO's Guide to Meaningful Executive Connections



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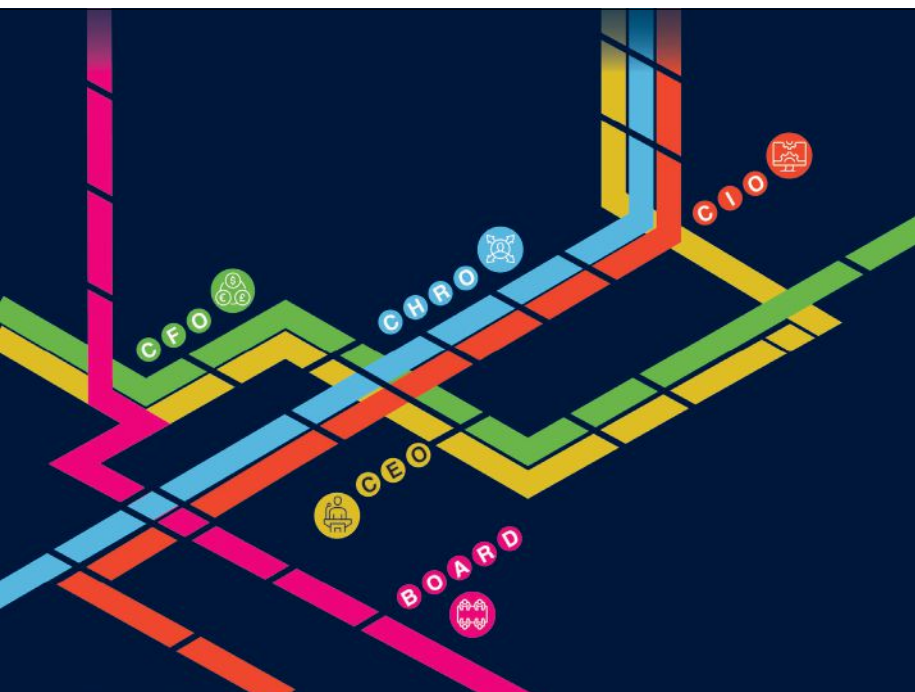


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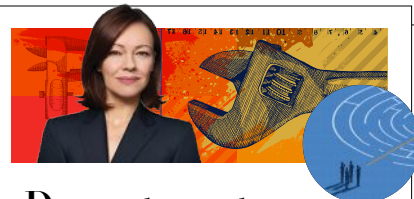
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Culture Catalysts: How HR Execs Align Strategically with CEOs

This issue of *People + Strategy* journal explores the partnerships that CHROs build across the C-suite, and one of the most critical is the connection between the CEO and CHRO. This may sound like a bold statement, but let me elaborate.

Every CEO knows you can't drive performance without culture and you can't build culture without a great HR leader at your side. HR touches every part of the organization, from the moment someone applies for a job to the day they walk out the door. HR knows what's working, what's broken, and what's bubbling beneath the surface long before it shows up in an exit interview.

CHROs are so much more than just functional leads. They are strategic partners to the CEO and must be recognized as such. They are people who sit shoulder-to-shoulder at the boardroom table, not just when it's time to talk benefits or compliance, but also when the discussion is about business growth, transformation, and innovation.

As a CEO, I can tell you, while the job is deeply rewarding, it's also relentless. I'm always "on." Whether I'm in a boardroom, on a stage, or even at the grocery store, I represent my company and its values around the clock. If you don't believe me, let me remind you of this summer's Coldplay concert scandal. The "private" actions of a CEO and chief people officer

were made into a public spectacle. This is the reality we face.

For better or worse, as a CEO, there is no magic "off" button that will separate my work reputation from my personal life. And I need someone by my side who gets that. I need my CHRO to understand not just the business, but *me* — to support my mental well-being, help me lead at my best, and ensure we're fostering a winning culture.

When a CEO and CHRO operate in lockstep, everything falls into place. Culture aligns. Strategy becomes reality. Organizations run with integrity, clarity, and purpose. But when that partnership is missing? The cracks start to show — fast.

So, if you're a CEO, take a close look at your relationship with your CHRO. And if you're a CHRO, lean into the role. Be bold. Be strategic. Be the trusted partner your CEO can't lead without. Because at the heart of every thriving organization is a CEO and CHRO who are in sync, not just in strategy, but in values and vision, too. ■■



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

P.S. You can read more about my thoughts on this subject in our special *Mapping the C-Suite* section, starting on page 4.



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THE CHRO & CEO CO-CREATORS OF STRATEGY AND CULTURE

The powerful connection between CHRO and CEO is the hidden engine behind every high-performing organization. In this candid Q&A, SHRM President and Chief Executive Officer Johnny C. Taylor, Jr., SHRM-SCP, breaks down what makes the relationship thrive, including what he views as “the 3 C’s” of CHRO success. Plus, real-world examples from the CHRO-CEO teams at Kraft Heinz and Mercedes-Benz illustrate these principles in action.



Q Why is the relationship between CEO and CHRO so important?

TAYLOR: I've often said that among the many important relationships in the C-suite, the one between the CEO and the CHRO may be the most pivotal. Why? Because it touches every part of the enterprise. HR intersects with finance, marketing, legal, IT — you name it. Unlike most roles that naturally focus on a single domain, the CHRO has visibility across the entire organization.

That vantage point is invaluable. HR hears directly from employees at every level, giving them a finger on the true pulse of culture. And let's be clear — at the end of the day, culture sits squarely with the CEO. You cannot delegate culture. But you also cannot lead it effectively without a trusted partner who brings unfiltered insight into how people are experiencing the work, how things get done, and where challenges are emerging.

Every C-suite leader brings essential expertise — the CFO on financial health, the CIO on technology, the GC on risk. But the CHRO is uniquely positioned as the connection point between the C-suite and the rest of the organization. They bridge strategy with culture, translating executive decisions into the daily experiences of people at every level. That's why I rely so heavily on HR to tell me the truth — especially when it's uncomfortable.

I need a partner who can anticipate issues, see around corners, and keep me grounded in the realities of our people and culture.

When trust exists between the CEO and CHRO, the impact is profound. HR becomes more than programs and processes. It becomes a strategic driver of culture and performance. That's the true power of the CHRO — serving as a confidant and a partner, ensuring culture is not only talked about, but lived at every level of the organization.

Q What do CHROs need to know about the role of the CEO?

TAYLOR: The CEO role is all-consuming. You don't clock in and clock out. You live it. You breathe it. Even when you're running errands on a Saturday, you're still the CEO in the eyes of the people around you. It's a rewarding yet exhausting job, and the pressure never lets up.

Every C-suite leader needs to understand that reality, but for the CHRO, it's especially critical. Supporting the CEO isn't just about people strategy, it's also about mental wellness. It's about helping the CEO clear the clutter, manage the weight of the role, and get through those tough days.

The best CHROs understand this. They step in and say, "I know the pressure you're under. Let me take some of that off you. Because when you're at



“A great CHRO must have the courage to challenge the CEO, push back when needed, and stand up for what’s right for employees and culture, even when it’s difficult.”

**Johnny C. Taylor, Jr., SHRM-SCP
President & CEO, SHRM**



your best, the entire organization benefits.” That’s when HR becomes a true multiplier of performance. The CHRO is the person who makes sure the leader is unencumbered, in the right headspace, and able to make the big strategic and tactical calls with clarity.

Q In your view, how can CHROs be most effective in the role, including when it comes to working closely with the CEO?

TAYLOR: The best CHROs have what I call the 3 C’s: competency, courage, and being a confidant.

A successful CHRO is a competent CHRO. They must be at the top of their game — deep in knowledge, data-savvy, and always pushing the organization forward. And perhaps most important, they must be experts on their people.

A great CHRO must also have the courage to challenge the CEO, push back when needed, and stand up for what’s right for employees and culture, even when it’s difficult. I don’t need another “yes man.” I need someone willing to speak the truth, laying out both the good and the bad, so together, we can confront reality head-on and craft solutions to help the organization successfully move forward.

And lastly, as a CEO, I need a confidant. Someone I can trust implicitly, brainstorm with, vent to, and ask the tough questions. The only way you’re going to prepare to be a CHRO is by building deep, trusting relationships with the executives you’re working with before you work with the top executive, the CEO. If you can master those 3 C’s — not just one or two, but all three — you will be a phenomenal CHRO. It’s not easy. It requires a balance of EQ [emotional intelligence] and IQ. But

“As a CEO, I need a confidant. Someone I can trust implicitly, brainstorm with, vent to, and ask the tough questions.”

when you get it right, you elevate both the role and the entire organization.

Q How do you encourage courage?

TAYLOR: I encourage courage in CHROs, in part, just by talking about it. I want to make it clear that technical competency alone isn’t enough. CHROs must be willing to step up, call things as they are, and be truth-tellers. And the best thing a CEO can do is to recognize and reward that courage when we see it.

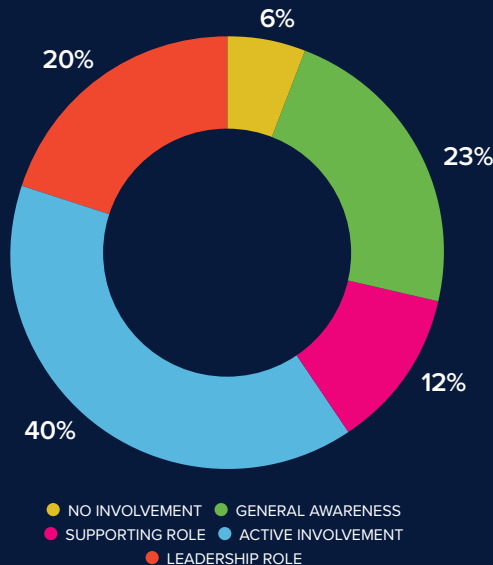
But here’s the reality: You can’t be courageous without also being competent. I’ve seen people speak up in meetings without the facts to back them up. They had the courage, sure — but they weren’t prepared. They hadn’t done the work, hadn’t gathered the data, and, as a result, they didn’t speak with authority.

For me, courage comes from preparation. I am far more confident — and therefore far more courageous — when I know my stuff. When I’ve done the research and mastered the data, I can call things as they are and stand my ground. Without that

WHAT ROLE DO CEOs PLAY IN HR STRATEGY?

This chart — based on a 2025 SHRM survey of HR executives — shows how CHROs describe the role their organization’s CEO plays in development and implementation of HR strategy.

A majority of CEOs (60%) either lead or are actively involved in HR strategy — and that has a direct impact on the outcome of HR initiatives. When the CEO is uninvolved or maintains only general awareness, only 10% of HR strategies reach full integration. But when the CEO plays a supporting, active, or leading role, that percentage doubles to 20%.



DEBATE IN PRIVATE, UNITE IN PUBLIC: THE CHRO-CEO ALLIANCE AT KRAFT HEINZ

A good CHRO-CEO relationship thrives on healthy debate. The best CEOs don't just tolerate spirited discussion — they invite it. But once that office door opens, both leaders need to understand the value of stepping out with one voice and a united front.

During a decade as the head of HR at The Kraft Heinz Company, **Melissa Werneck** said she and CEO **Carlos Abrams-Rivera** were on the same page when it came to encouraging candid discussions. Both spoke on this topic at the Executive Network Experience at SHRM24.

"We definitely don't agree on everything, but what makes it easier is that one of Carlos' main leadership traits is allowing people to speak their minds. Very early, he told me, 'I don't want to be surrounded by people who only agree with me. I want people to challenge me,'" said Werneck, who recently moved to a senior advisor role at Kraft.

"We have a mantra that two hats think better than one," Werneck said. "The outcome will always be better, because if [the CEO] has an opinion about something, he will share his view and maybe make me change my mind or the other way around. But that communication and transparency is very important to the partnership."

That openness fuels better decisions, but Werneck emphasized that disagreements

are always handled privately so the broader organization sees a united leadership front.

"When we disagree, we do so behind closed doors, because it's very important that the organization feels and sees the alignment between the CEO and the CHRO," Werneck said.

Abrams-Rivera agreed, saying, "Having a unified front helps." He also added that making big decisions together is easier when the CEO gives the CHRO time and space to reflect, rather than pushing for a quick answer — a practice he believes strengthens the partnership.

"If I'm thinking about changing something about the strategy of the company or something I'm working with the board on, I say to Melissa, 'I'm thinking about this. Take your time and reflect on it, and in a couple days, let's talk about it,'" Abrams-Rivera said. "Giving space for her own reflections versus having to push to say, 'Give me the answer right now,' has helped to make sure we both come into the conversations in a better way."

WHAT KRAFT'S CEO VALUES MOST IN A CHRO

In organizations, not every CHRO will fit the CEO's vision. Abrams-Rivera said he prioritizes these key qualities in a CHRO:

BEING AN AGILE LEARNER.

"The world is changing so



fast. So even if I said, 'This is the skill set we're going to need,' the reality is that in four years, those skills may no longer be relevant," he said.

BEING A STRATEGIC BUSINESS PARTNER. "HR is not a side function of business. It is *the* function of business," Abrams-Rivera said. He recommended that organizations "look for CHROs who are actually passionate about the whole business ... and are business leaders as the first hand, not a second hand."

BEING A GOOD HUMAN BEING. "It's easier to create an environment in which you have psychological safety when you can surround yourself with people who have good values," he said.

CANDOR AND CLARITY: THE CHRO-CEO RELATIONSHIP AT MERCEDES-BENZ

Leadership change at the top can quickly redefine the relationship between a CHRO and CEO. When **Adam Chamberlain** (at left in photo) was named CEO of Mercedes-Benz USA earlier this year, **CHRO Lars Minns** (at right) held a series of conversations with him to align on priorities and lay the groundwork for a strong partnership.

“We had a number of calls before [Chamberlain’s first day], and that helped me be really clear about what his intentions were, and he was very open to hearing my perspective on his intentions. That combination was really something foundational,” said Minns,

who joined Chamberlain in a discussion at the SHRM Executive Network’s Visionaries Summit 2025 in Atlanta this fall.

Minns said the CHRO-CEO relationship works best when “it’s founded on dignity.” And he noted that the transparency and respect between the two leaders has helped set a standard in their C-suite.

“I think it’s given the rest of the executive team a chance to model what the relationship could look like,” Minns said. “Oftentimes, in an executive capacity, we get so stuck on things that really don’t matter at the end of the day.”

One issue that both Minns and Chamberlain agree created new efficiencies was bringing more clarity to the meeting process at Mercedes-Benz. When Chamberlain took over, he pared down the number and the length of meetings, and each meeting now needs to have a clear, decision-making objective.

“When you have so many meetings, there’s no pres-

sure to make a decision. You want employees to understand what we’re trying to do as a result of the meeting ... and be intentional about what you’re going to do” with the decision and how to act on it, Chamberlain said. He added: “We created energy in our company by collapsing some of those structures that didn’t need to be there. People feel a bit liberated.”



preparation, I’m just another loud voice in the room. Anybody can stir the pot. But the leaders who make a difference are the ones who can back up their conviction with substance.

Q HR professionals are under a lot of pressure. What can CHROs do to retain the best people in HR and prevent them from burning out?

TAYLOR: The CHRO role is one of the hardest jobs in the organization. In fact, I often say it’s the second most difficult job on the executive team — right behind the CEO. And I don’t say that just because I lead SHRM — I say it because it’s true. We all

saw it during COVID: The world finally began to understand the weight that CHROs carry.

If you want to reduce turnover, it starts with hiring. You’ve got to bring in sharp, talented people. A CHRO can be brilliant, but if they surround themselves with average talent, they’re going to fall short. The team matters.

The second piece is mental wellness. CHROs have to take care of themselves. This job can consume you. One moment you’re focused on long-term strategy, and the next, you’re comforting an employee who just lost a family member. It’s deeply personal work, and it’s nearly impossible to leave it all at the office.

That’s why I tell HR leaders: Before you burn out, be intentional about your own wellness. Step away. Reflect. Rejuvenate. And yes, sometimes that means seeking therapy or counseling. Because make no mistake — when you’re the CHRO, you’re carrying the weight of the entire organization. And you can’t carry that weight if you’re running on empty. ■■

“A CHRO can be brilliant, but if they surround themselves with average talent, they’re going to fall short. The team matters.”



PEOPLE + STRATEGY PODCAST: Johnny C. Taylor, Jr., was a guest this year on the 100th episode of the SHRM Executive Network’s People + Strategy podcast. Listen to Taylor’s reflections on the critical CHRO-CEO relationship, plus his leadership philosophy and HR’s role in a rapidly changing world, at shrm.org/Taylorpodcast.

THE C H R O & C F O PROFIT FROM PARTNERSHIP

How HR and Finance Can Deliver
Business-Changing Results When Working in Sync

BY MARTHA EKDAHL

Just as a ship needs both crew and engine, organizations rely on the balance of people and financial strength. Without that strong partnership of human capital and financial strategy, organizations falter. And while this CHRO-CFO alliance isn't new, it's more critical than ever today as companies are forced to navigate rapid technological shifts, talent shortages, and economic headwinds.

"I've had many CEOs tell me that their 'three-legged stool' of leadership consists of themselves, their CHRO, and CFO," said Tom Wilson, partner and technology/digital practice leader at the Buffkin Baker executive search firm. "It's a good

complementary team because you don't want the organization to over-focus on either the finance or the talent aspects of the business."

In recent years, CEOs have increasingly turned to the combined insights of their CHRO and CFO to shape organizational strategy, especially during the pandemic and post-pandemic years. These two leaders bring some of the broadest perspectives of the organization into the C-suite. Their partnership grounds bold ideas in financial reality while keeping people at the center. And for CEOs, that balance isn't just helpful — it's essential to building organizations that can adapt and endure.



Evolution of an Alliance

Over the past three decades, the C-suite has expanded dramatically. Between 1990 and 2023, the average company’s non-CEO leadership team increased by 160% as several new C-level roles have been added, according to *The Evolution of the C-Suite*, a SHRM Executive Network research report.

With more titles and functions now at the table, decision-making has become more complex and the voices that touch every part of the entire enterprise carry even greater weight. Among these influential voices, the CHRO and CFO stand out, shaping enterprise strategy in ways that go beyond their traditional roles.

“I’ve seen the evolution of finance — similar to the CHRO — over the last 10 to 15 years as the C-suite looks to finance for broader help beyond simply handling the revenue and expenses of an organization,” noted Louis Gutierrez, a former senior HR executive at Time Warner, Paramount, and the Walt Disney Company.

In the past, CFOs were comfortable — and expected — to stay in their left-brain world of analytics, data, and dollars. CHROs, by contrast, traditionally occupied the right-brain space where empathy, culture, and people strategies reign. But

like the hemispheres of a brain, finance and HR aren’t parallel functions. They’re interconnected, with shared goals that directly affect a company’s performance.

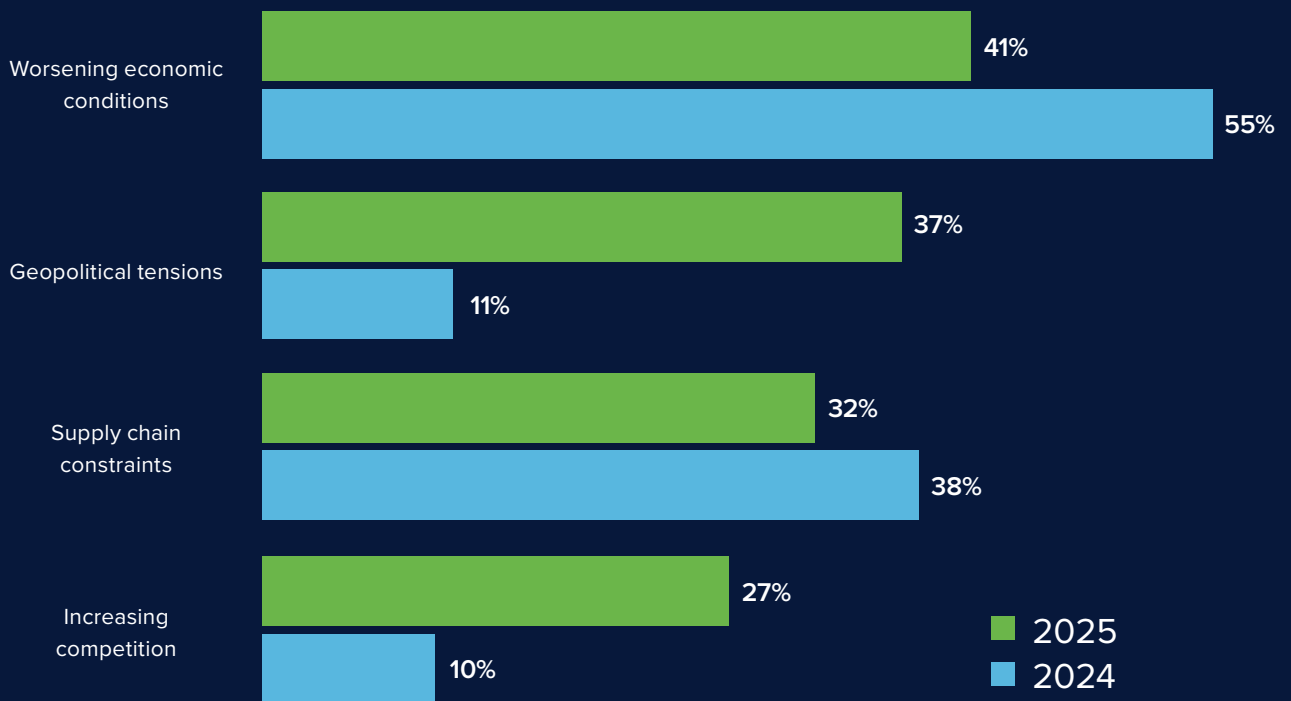
Today, those old distinctions have faded. The most effective CFOs combine analytical precision with emotional intelligence, pairing strategic planning with a deep understanding of people. Meanwhile, CHROs have increasingly moved toward the strategic and financial side of the business, blending people insight with business acumen. In fact, a PwC survey found that 60% of CEOs consider their CHRO to be a critical strategic partner in decision-making, second only to the CFO.

Why Collaboration Can’t Wait

In today’s fast-moving environment, organizations that can align talent strategy with financial strategy have a big advantage. In fact, according to a McKinsey & Company study, companies that excel in both people development and financial performance are four times as likely as their peers to outperform their peers financially. McKinsey found that the higher performance is due to the CHRO and CFO bringing unique perspectives that complement each other and fuel greater collaboration.

WHAT’S KEEPING YOUR CFO UP AT NIGHT?

The external issues cited as top three challenges by CFOs in 2025 and 2024



SOURCE: CFO INSIGHTS REPORT, SAP CONCUR SURVEY, 2025.

Another reason for the timely CHRO-CFO connection is that financial-related challenges are a dominant concern for CHROs these days. According to SHRM’s 2025 *CHRO Priorities and Perspectives* report, CHROs cited the following issues as the top overall organizational challenges they’re facing (with the percentages who reported each topic as a challenge):

- Rising operational costs — 45%.
- Pressure to achieve financial goals — 38%.
- Fostering clear communication — 34%.
- Adapting to technology advances — 29%.

When asked about the top macroeconomic challenges they’re facing, CHROs cited wage inflation, price inflation (the rising costs of goods and services), and economic uncertainty as their top three this year. A separate survey by SAP Concur said the top three external challenges that CFOs are worried about are degrading economic conditions, geopolitical tensions, and supply chain constraints (*see chart, page 10*).

All of these challenges are intricately linked to key HR practice areas, such as recruiting and total rewards, underscoring the need for CHROs to work closely with their CFO counterparts to deliver value to the organization while reining in expenses.

Building a Strategic Partnership

Achieving CHRO-CFO integration is critical, but it isn’t automatic. It demands a proactive approach of cultivating cross-functional relationships and breaking down silos.

For CHROs in particular, it’s not enough to simply keep an eye on budgets and reports from the finance team. Instead, they should seek to develop a more well-rounded understanding of the business, connecting financial insights with talent strategy and becoming more vocal in big-picture decision-making.

“I’m not saying you need to have the same deep intimate knowledge that the finance leaders have, but CHROs certainly need some ability to look at a set of data and then pull or assume interpretations from that,” said SHRM CHRO Jim Link, SHRM-SCP, during a recent webinar with his CFO counterpart at SHRM, Jane Hadley.

For CFOs, there’s a growing opportunity to go beyond traditional finance responsibilities and actively connect financial strategy with the broader culture and dynamics of the organization.

“How finance is reviewed and understood throughout the whole organization is such an important part of the culture,” said Hadley, who noted that partnering with the CHRO is an opportunity to expand her lens and take a more holistic view of talent management. With that expansion comes a stronger connection between the work of the finance department and the outcomes that reverberate throughout the organization, supporting teams as they move forward.

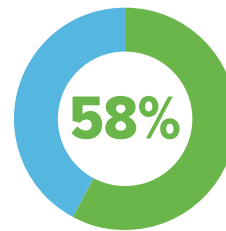
Strong CHRO-CFO alignment looks like a shared foundation from which both leaders can act. According to Link, that alignment begins for CHROs with “an open awareness and acknowledgment of the finances of anything that happens across the organization, but particularly in human resources.” That includes the current cost for actions taken by HR, whether

WHAT BLOCKS COLLABORATION?

When the CHRO-CFO connection breaks down, finance and HR leaders have different ideas about the reason. According to SAP’s *CFO Insights Report*, here’s what both sides said are the No. 1 blockers to successful cross-functional collaboration:

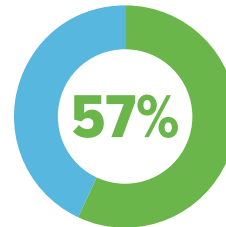
FINANCE LEADERS:

Conflicting departmental priorities



HR LEADERS:

Insufficient data sharing and transparency



acquiring new talent, adding a new program, or people leaving the organization.

It’s not only the line-item costs that matter. Hadley said, “It’s important for human capital leaders to really understand not just what things cost, but the impact of that cost down the road. We spend a lot of time in dialogue talking about those things, from the cost of adding a benefit to the savings we expect to get from that benefit.”

For example, she said, the overt cost of a new wellness benefit is a consideration on its own. But that view should be expanded to include the potential savings expected from fewer employees seeking medical care due to improved wellness. Alignment comes from looking at things holistically, and it requires transparency and a shared understanding of each other’s priorities.

To enhance these skills and build toward alignment, CHROs should adopt four key practices.



1 Speak the Same Language as Your CFO

Metrics should be the common language between HR and finance. Some of the top metrics that CFOs care most about include cost-per-hire, time-to-hire,

PITFALLS THAT CAN SINK THE CHRO-CFO PARTNERSHIP

The CHRO-CFO relationship can be a powerful alliance, but even the best-intentioned partnerships can stumble. Here are common pitfalls that derail the CHRO-CFO connection and how to avoid them:



TALKING PAST EACH OTHER (FINANCE VS. PEOPLE LANGUAGE)

Finance leaders speak mostly the language of numbers, forecasts, and shareholder value. HR leaders bring expertise in people, culture, and engagement. Without translating insights into terms the other side can act on, conversations will stall. Both sides need a “bilingual” approach that bridges financial and human capital metrics.



FOCUSING ONLY ON COSTS, NOT VALUE

When talent decisions are framed strictly as expenses, opportunities to show return on investment get lost. CHROs and CFOs should collaborate to spotlight where people initiatives — such as leadership development or retention programs — produce measurable business outcomes.



WORKING IN DATA SILOS

If HR dashboards and finance systems don't talk to each other, leaders are left making decisions with incomplete pictures. Integrate people and financial data to enable smarter workforce planning, sharper forecasts, and clearer accountability.



OVERLOOKING CULTURAL AND ENGAGEMENT IMPACTS

Numbers alone don't capture the full story. A decision that looks good financially but undermines morale or retention can cost far more in the long run. Avoid short-sighted trade-offs by balancing hard metrics with cultural indicators.



TREATING HR INVESTMENTS AS ONE-OFF EXPENSES, NOT ASSETS

Talent initiatives are too often seen as discretionary spending rather than long-term strategic investments. By working together, CHROs and CFOs can reframe these investments as drivers of growth, resilience, and competitive advantage.

turnover rates, retention of key talent, revenue per employee, absenteeism rates, training costs per employee, and employee engagement scores.

It's critical that both HR and finance agree on which metrics are most relevant to the business and how to properly calculate them. Identifying and tracking such metrics requires a solid grounding for CHROs in the business and how it makes money. HR needs to come prepared with solid data and be able to explain how these numbers help support their recommendations.

2 Learn from Each Other to Lead

This mindset is crucial. CHROs and CFOs alike must embrace continuous learning — especially in the age of AI, which is changing how decisions are made. Can AI help build better finance models that enable more efficient decision-making when it comes to staffing and client services?

For CHROs, consistent face time with the CFO is crucial. Regularly asking questions and exploring how the CFO approaches decisions — how they analyze data, weigh risks, and prioritize trade-offs — can sharpen strategic capabilities.

“The insights that I get from Jane — because her brain operates a little bit differently in the way that problems get solved — make me a smarter, more capable chief human resources officer because we have that interaction and that dialogue,” Link explained.

That regular dialogue should include discussions of budgeting cycles, revenue models, and profit planning. CFOs, in turn, must grasp the core principles of organizational culture, engagement, and retention. That shared language and patience for each other's working styles is essential.

3 Prepare for Different Personalities

In the C-suite, CHROs and CFOs can each develop their own leadership style and personality that fulfills the mission, but it may not be a perfect fit for collaboration.

When CHROs are seeking to build a strategic partnership with the CFO, they should prepare for different working and leadership styles. For Gutierrez, this looked like communicating dissent respectfully to the CFO in an organization where many leaders would fall in line, holding back disagreements in favor of keeping the waters calm.

“You don't have to be the smartest person in the room, but be the most relatable,” he said. This relatability earned Gutierrez not only respect, but also collaboration with the CFO. In turn, he was able to demonstrate the positive impact of his work on the business.

4 Tie Enterprise Impact to Your Work

CHROs can forge strong partnerships through connecting enterprise impact with the projects they lead. There is inherent complexity in deciding which HR initiatives to pursue and which to set aside. The



“I've seen the evolution of finance — similar to the CHRO — over the last 10 to 15 years as the C-suite looks to finance for broader help beyond simply handling the revenue and expenses of an organization.”

— Louis Gutierrez, a former senior HR executive at Time Warner and Paramount



best CHROs break down the complexity by understanding the unique variables of their business and the marketplace in which they operate.

“They're paying attention to [those variables], they're monitoring them at least on a monthly basis, and they are very attuned and aware of how benefits impact their total overall workforce,” Link explained. This attunement can help CHROs better understand the potential impacts of benefits changes and communicate the risk to the CFO and other stakeholders.

Developing this deep understanding enables the strategic partnerships that support enterprise-level impact through key HR decisions. Whether implementing a new total rewards system or revamping a leave policy, CHROs must communicate not only the human benefits but the financial implications — both of action and inaction.

Turn Collaboration into Advantage

For decades, it's been easy to stereotype: CFOs are risk-averse and numbers-driven, while CHROs are people-focused and emotion-driven. But such generalizations hinder progress and are increasingly false. Partnership thrives on empathy and understanding, not assumptions.

Today's rapid change and uncertainty mean that having strong CHRO-CFO alignment in your organization is no longer a luxury — it's a strategic imperative. Businesses need more than isolated expertise, they need synchronized leadership. CHROs and CFOs can co-navigate the path to resilience, adaptability, and long-term success by understanding each other's languages, aligning on goals, and investing in their partnership. ■■

MARTHA EKDAHL is a SHRM senior content specialist who writes for the SHRM Executive Network's People + Strategy Brief newsletter and SHRM Business.

THE C H R O & C I O REINVENTING WORK FOR THE AI ERA

AI is blurring the lines between HR and IT, making collaboration between these two functions essential for aligning talent, technology, and business outcomes.

BY DAVE ZIELINSKI



If a CHRO's work calendar can be seen as a window into their strategic priorities, a review of Maryjo Charbonnier's schedule would reveal a pattern historically uncommon for many HR executives: Recently, Charbonnier has been spending a lot more time meeting and collaborating with her organization's chief information officer (CIO), Kim Basile.

Charbonnier, CHRO of Kyndryl, a New York City-based provider of IT infrastructure services that was spun off from IBM in 2020, recognizes that the rise of technologies such as artificial intelligence is transforming organizational culture and talent management — and requires a deeper partnership with her CIO colleague. In the past, the CHRO-CIO relationship traditionally had been characterized by infrequent collaboration on matters like new-hire onboarding or cybersecurity training. Today, however, disruptive technologies such as agentic AI are reshaping job roles, work processes, leadership development models, and employee reskilling needs, making a stronger alliance between the two C-suite leaders essential.

"I spend a lot of time now talking with our CIO about where our business is heading and what we need to be working jointly on together to improve organizational success," Charbonnier said. "One area of growing collaboration is around the impacts of AI."

Charbonnier also believed having the ear and trust of her CIO would help as she led a cultural transformation and an overhaul of HR technology strategy at Kyndryl.

"So much of the culture of an organization is expressed in a digital way now," Charbonnier said. "We've learned that if you want to change the culture, the technology platforms in your organization are a driving force that either helps cement or prevent that."

From Basile's side of the relationship, she also sees significant value in creating a strong partnership with her CHRO colleague.

"The CIO and CHRO need to be connected at the hip around AI, in particular," Basile said. "We can't go down different paths. Otherwise, employees will get mixed signals, the employee experience will become disjointed, and it won't serve the organization well."

The Rise of Agentic AI and Digital Staff Requires a Unified Alliance

Historically, much of the focus on CHROs building stronger relationships with their C-suite peers has been on strengthening ties with CFOs or COOs with the goal of enhancing HR's business savvy and bottom-line impact. While those partnerships remain critical, experts say the CHRO-CIO alliance has taken on new importance in the age of AI, amid persistent technical talent shortages, and in the face of more sophisticated cybersecurity threats.

"If you think about the daily interactions employees have with their organizations, the vast majority of them now flow through technology," said Katy Tynan, vice president and principal analyst in Forrester's employee experience and future of work group. "Part of the reason CHROs and CIOs need to get closer is because the employee experience has become increasingly dependent upon workers' interactions with digital tools like AI."

The arrival of AI doesn't mark the first time a digital transformation has demanded closer collaboration between CHROs and CIOs. But experts say agentic AI, in particular, presents fundamentally different challenges to those two executives than past transformations, such as the adoption of cloud or mobile technologies in the workplace.

Agentic AI introduces autonomous AI agents with capabilities including the ability to make plans, reason through complex scenarios, execute multistep processes, and collaborate with other agents. For HR, the implications are profound: re-engineering job descriptions to accommodate new AI-driven tasks, reskilling employees to partner with and supervise these AI agents, training managers to lead hybrid AI-human work teams, and embedding strong change management practices in every stage of adoption.

If CHROs aren't in the room when the CIO and other C-suite leaders make decisions about adopting agentic AI tools, those key people issues are likely to get overlooked. As a result, the organization's return on AI investments will suffer.

While agentic AI has yet to go mainstream, many experts believe fully autonomous agents will be common across industries in the next one to two years. The technology's impact won't just be felt in back-end automation, but throughout functional groups such as marketing, finance, HR, customer service, supply chain, and more.

"With agentic AI, the IT group isn't just introducing technology tools to augment work and assist humans, they're actually introducing new digital workers," said Paul Jeruchimowitz, a senior managing director in Accenture's strategy and consulting group. "These are essentially digital colleagues who work alongside humans and can handle end-to-end work tasks, and this is far more advanced than previous transformations that required HR and IT collaboration."

AI possesses another feature that sets it apart from previous digital transformations: how rapidly the technology is changing.

"The speed at which AI is evolving and that new capabilities are being introduced to the market by vendors requires that CHROs and CIOs work differently together than they ever have in the past," said Kyle Forrest, U.S. future of HR leader for Deloitte Consulting.

Breathing New 'AIR' into HR: Kyndryl's HR Tech Makeover

As agentic AI makes deeper inroads into organizations, the traditional responsibilities of HR and IT functions will become blurred, creating new questions and challenges for both CHROs and CIOs.

Earlier this year, Jensen Huang, CEO of technology giant NVIDIA, made headlines at the Consumer Electronics Show for his comments regarding how he anticipates AI agents will affect oversight responsibilities in organizations. Huang suggested the IT function will serve as the "HR department of AI agents in the future," meaning IT will be responsible for traditionally HR-managed duties such as onboarding, training, and providing performance feedback to AI agents.

Some organizations have taken this connection a step further by actually merging their HR and IT departments to acknowledge how technology innovations are reshaping functional roles.

Earlier this year, biotech firm Moderna announced it was combining its HR and IT groups into a single function and creating a new role to oversee the reconfigured group — chief people

and digital technology officer. According to *The Wall Street Journal*, Moderna's HR head, Tracey Franklin, was promoted into that new role with the mission of redesigning teams across the company based on what work is best done by humans versus what can be automated with technology.

While Kyndryl hasn't taken the step of merging its IT and HR groups, CHRO Charbonnier and CIO Basile are now working hand-in-glove around the organization's technology strategies — most notably, the growing use of AI to boost employee productivity, efficiency, and client service.

That includes one-on-one meetings as well as work that both executives do on an AI governance board. Those dual efforts focus on improving the quality and security of data used in AI platforms, creating ethical and compliant AI policies, evaluating new AI use case proposals, and assessing how the workforce needs to be reskilled or redeployed as AI tools are implemented.

"We know that soon, AI will be all around us like air and in the comprehensive way it impacts our workforce," Charbonnier said. "So, we chose to use the acronym AIR for how we manage that change within HR. The acronym encompasses all of the things I work on with our CIO to help structure our underlying enterprise technology systems, prepare our data, and educate our people to maximize the use of AI."

- **The "A" stands for *anticipating* how the two executives will have to work together** to understand how job descriptions, work processes, and employee training needs will change as a result of generative AI or agentic AI. "We've found here that pieces of jobs change before entire jobs change when you introduce AI tools," Charbonnier said. "So, one big question we're dealing with is: 'How do you redeploy the productivity that's being replaced by AI?'"
- **The "I" stands for *integrating and inventorying* HR technology systems** — including AI platforms — and employee skills in ways that better serve Kyndryl's clients. "Our HR team worked with the CIO's team to move all of our human capital data into one consolidated platform that also holds information on the work we need to do for customers," Charbonnier said. "That allows us to have a side-by-side inventory of the client projects we need to do and the skills needed by our employees to accomplish that work. That helps us quickly identify any gaps in needed skills or capabilities."



"So much of the culture of an organization is expressed in a digital way now. We've learned that if you want to change the culture, the technology platforms in your organization are a driving force that either helps cement or prevent that."

— Maryjo Charbonnier, CHRO of Kyndryl



- **The “R” is for reskilling and redeploying employees** as AI-powered platforms are adopted. The CHRO and CIO work jointly on creating targeted learning programs to build needed AI skills in the workforce.

One Kyndryl initiative that has benefitted from using the AIR framework is the company’s Bridge program. As part of the program, employees had to learn to use new AI tools to more efficiently analyze datasets with the goal of delivering actionable insights for Kyndryl customers.

The switch from manual to AI-powered data analysis meant Kyndryl had to determine what to do with employees who no longer fit the transformed work process.

“We didn’t want to displace workers because of AI, we wanted to move them into other opportunities,” Basile said. “So, we were able to provide them with new training and redeploy them in the organization.”

A Leadership Opportunity for CHROs

Experts say the scaling of agentic AI will create an opportunity for CHROs to take leading roles as they partner with IT around technology implementation. AI agents, for example, will not only need to execute business processes, they’ll also need to understand the organization’s cultural norms and strategic objectives, incorporate feedback on their performance, and get retrained as needed through adjustments to algorithms and underlying datasets.

“CHROs and CIOs will need to work together on issues like how to continuously reskill AI agents or even replace them with different agents if needed,” Jeruchimowitz said. “Those are questions we used to only ask about people. It will require that CHROs develop their technology acumen around how agentic AI works, what it can enable, and how humans best work alongside it.”

Sean Cavaliere, the chief technology officer at talent optimization platform The Predictive Index, said that when HR and technology executives work closely together, they can ensure AI amplifies the human elements of work.

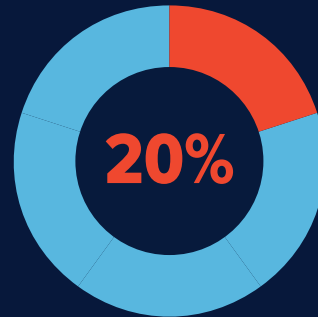
“AI agents are continually improving their ability to work independently, not just following instructions but tackling more complex, less well-defined problems,” Cavaliere said. “Leadership, coaching, and performance evaluation must all evolve as we pair a human’s judgment with an AI agent’s speed of execution.”

Recent surveys have found that it’s rare for CIOs alone to consider the effects of AI tools on issues such as job design or employee reskilling needs. Those are areas where CHROs have opportunities to assert themselves to take a bigger role in AI implementations.

“For example, anytime a potential new AI use case is discussed, an HR leader could be asking, ‘How might job roles and workflows need to change on work teams to get the most out of the AI investment we’ll be making?’” said Emily Rose McRae, a senior director analyst with Gartner who advises CHROs on the future of work.

McRae said if the answer to that question is that roles or work processes don’t need to change, the company may need to revise its expectations for AI’s impact. “If job roles and workflows aren’t

CIOs OFTEN OVERLOOK THE HUMAN IMPACT



Many organizations and CIOs still approach change leadership from a project management perspective rather than a human-centered one. In fact, the 2024 Gartner AI Survey found that only **1 in 5 CIOs** said they focus on mitigating the potential for negative impacts of AI on employees’ work or their well-being.

changing, chances are the impact of the AI tools won’t be substantive,” she said. “The influence will only be at the margins.”

Karalee Close, global lead in Accenture’s talent and organization practice, said CHROs’ expertise uniquely positions them to work not only with CIOs but also with business unit leaders on talent issues tied to AI implementations.

“Unless companies are fundamentally redesigning work and the way tasks are done, they won’t fully capitalize on the benefits of AI,” Close said. “It’s in the redesign of work as part of AI use where the people function needs to step up.”

Approach Change Management from a Human-Centered Perspective

CHROs and CIOs also need to be on the same page when it comes to change management strategies brought on by AI. For example, getting employees to accept suddenly working alongside AI agents as new “teammates” — some of whom may replace their human co-workers or assume work tasks they once took pride in doing — requires attention not just to technical issues but to emotional ones, as well.

Too many organizations and CIOs, however, still approach change leadership from a project management perspective rather than a human-centered one. In fact, Gartner’s 2024 AI Survey found that just 1 in 5 CIOs said they focus on mitigating the potential for negative impacts of AI on employees’ work or their well-being.

Some companies and CIOs “focus primarily on tactical issues like deadlines, milestones, Gantt charts, and KPIs tied to AI implementation. But they don’t fully consider the human elements of change,” Tynan said. Failing to address issues such

as the fear of AI agents eventually taking employee jobs, build trust in the outputs generated by AI, and give workers the training needed to manage or work alongside AI can impair adoption and undermine the return on investment of AI implementations.

When Charbonnier makes a decision to phase out, add, or integrate major HR technology platforms, she collaborates with her CIO on change management strategies tied to those moves.

“Before we roll out change, we talk jointly together to our HR and IT teams about why we’ve made the decision, how processes are going to change as a result, training that will be available to learn new ways of working, and more,” Charbonnier said.

Building a trusted partnership also can help overcome long-standing challenges in the CHRO-CIO relationship, such as who “owns” the HR technology budget or has the final say in technology decisions.

“There isn’t a day now that Maryjo and I aren’t engaging on something together,” said Basile. “I no longer view it as my role only being the technical piece and her role as CHRO being the people piece. There is a constant collaboration that’s needed, and I think our two teams see that and it benefits them as well as the broader organization.”

Overcoming Barriers to an Alliance

Despite a perceived need for more collaborative CHRO-CIO relationships, some experts say such an alliance remains the exception rather than the rule. They cite previous digital transformations — such as the migration from on-premises tech infrastructure to cloud and mobile technologies — that didn’t always lead to closer ties between the two executives.

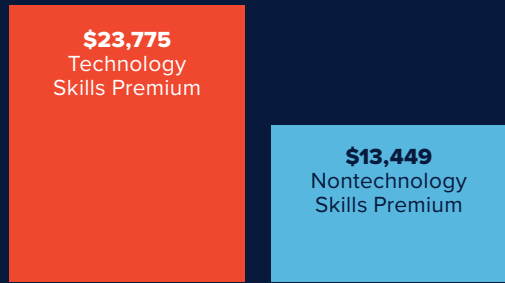


“The two departments tend to be skeptical of each other, use their own unique jargon, and have their own distinct cultures. But the arrival of AI is one more opportunity for CHROs and CIOs to work together more collaboratively, and the urgency has never been higher.”

— **Katy Tynan**, vice president and principal analyst in Forrester’s employee experience and future of work group



TECH FLUENCY PAYS OFF IN MANY WAYS FOR HR



Not only does strong knowledge of workplace technology help build the CHRO-CIO bridge, but it can also result in fatter paychecks for HR leaders. Based on a SHRM study of job postings for HR positions, technology skills command an estimated premium of **\$23,775** while nontechnology skills have an estimated premium of **\$13,449** (compared to similar roles without those skills).

SOURCE: EMERGING TECHNOLOGY SKILLS IN HR, SHRM ANALYSIS POWERED BY LIGHTCAST DATA, 2025.

A 2025 study from technology provider iCIMS found that 89% of CIOs believe the collaboration between HR and IT is essential for attracting top talent to their organizations. But alignment isn’t seamless. CIOs said the top factors holding back the HR-IT partnership include:

- Strategic disconnect between both sides (55%).
- Limited budgets and resources (48%).
- A lack of shared understanding around tech capabilities (48%).
- Resistance to change from HR (42%).

Tynan of Forrester said while she hopes AI becomes the catalyst that creates closer connections between CHROs and CIOs, she’s not confident it will happen without fundamental change.

“A closer relationship is long overdue, but the two functions will need to overcome challenges in communicating and other areas to make it happen,” said Tynan, who’s worked in both IT and HR capacities in her career. “The two departments tend to be skeptical of each other, use their own unique jargon, and have their own distinct cultures. But the arrival of AI is one more opportunity for CHROs and CIOs to work together more collaboratively, and the urgency has never been higher.”

Charbonnier echoed the importance of the two C-suite leaders moving beyond stereotypes to gain a better understanding of their respective challenges, strengths, and vulnerabilities.

“It’s so important today for HR and IT to sort out how they can work together in a more integrated way,” Charbonnier said. “It’s vital to collaborate in a more agile manner to support business goals and drive a better employee experience.”

DAVE ZIELINSKI is a Minneapolis-based business journalist and a frequent contributor to SHRM publications.



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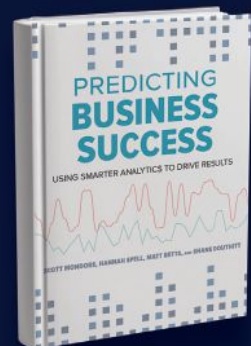
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A lot has changed over the past decade when it comes to the talent equation, including the pandemic, work-from-home and return-to-work orders, executive burnout, quiet quitting, the war for talent, social media, geopolitics, and now artificial intelligence. Post-pandemic, we witnessed a shifting power dynamic between employers and employees, and now, we are seeing the pendulum once again modulating. We have four generations in the workplace with increasingly different expectations and views around the “employer-employee contract.” The talent landscape has become complicated and less predictable.

If you’re working at a company where HR is viewed largely as an administrative function, it’s woefully behind the times and at a competitive disadvantage. Today, the best CHROs focus on business outcomes, not HR processes, and they’re earning a seat at the table as strategic thought partners to the CEO and, increasingly, the board of directors.

Talent and Culture Take Center Stage

Back when I was conducting due diligence — before accepting the CEO role at Nutrisystem — I remember being surprised

THE C H R O & THE B O A R D EXPANDING THE SEAT OF INFLUENCE

The former CEO of Nutrisystem outlines four key areas every CHRO should master to become an indispensable voice in the boardroom.

BY DAWN ZIER

to discover that the head of HR at the company reported to the CFO. I believed that could be a negative indicator of the corporate culture and how talent is prioritized. When I took the Nutrisystem CEO job, elevating the CHRO to become a direct report of mine was a change I made on day one. To this day, when I'm assessing CEOs, companies, and corporate cultures, it still serves as a potential red flag for me if I see that the CHRO does not report to the CEO.

Pre-pandemic, CHROs' interactions with their boards were primarily focused on compensation plans and perhaps

once-a-year discussions around leadership talent, with a couple of hiring and retention statistics thrown in for good measure. The CHRO attended the compensation committee meetings and maybe some portion of the regular board meeting, depending on whether they were part of the CEO's inner circle.

But in the post-pandemic years, CHROs have taken a far more strategic and vocal seat at the board table. According to a 2025 survey by The Conference Board, nearly 70% of companies reported increased CHRO engagement with the board over the past three years (*see chart, page 22*). The report said the corporate

world’s response to the pandemic helped spark this new CHRO influence because it forced companies to rethink digital collaboration, workplace flexibility, mental health, and other people strategies.

Board composition is also changing to reflect a more in-depth understanding around talent and culture. Boards are making a more concerted effort to appoint directors with expertise relating to human capital. In 2024, a full 38% of independent directors of S&P 500 companies checked the skills box (found within the proxy statement) stating that they had human capital qualifications or skills. That’s more than double the 16% that had such skills in 2018, according to The Conference Board’s analysis (see chart, page 23).

Today, across every industry, boards of directors are sharpening their focus on enterprise risk, strategy, and shareholder value. One of the most critical levels of organizational effectiveness — the workforce — historically had been glossed over or discussed in transactional terms. This limited lens often reduced the CHRO to a functional administrator. But boards are now paying more attention to talent and culture as they’re forced to face post-pandemic realities that have reshaped work permanently. One small example: In many cases, compensation committees have been renamed compensation and human capital committees or talent committees as their agendas have become more encompassing and robust.

Companies that prioritize organizational resilience are progressing to the point where the CHRO often has a dual-reporting obligation, similar to that of the general counsel or head of internal audit. They report directly to the CEO but also are a trusted neutral board resource whose insights may, at times, be solicited independently from the CEO.

A 4-Part Approach to Building Strategic Partnerships with the Board

For CHROs to earn their seat around the board table, they must demonstrate both business and financial acumen. They must translate people data into business outcomes, linking retention to customer satisfaction or leadership capability to market

”

As a CEO ... I dubbed my CHRO the “Chief Truth Teller,” responsible for candidly assessing what was working and not working from an organizational and cultural perspective. ... Likewise, boards must also hear the unvarnished truth.

expansion, for example. These are table stakes for any strategic conversation at the board level.

Additionally, there are four primary areas that CHROs should be focusing on to drive both resilience throughout the organization and strategic partnership with the board:



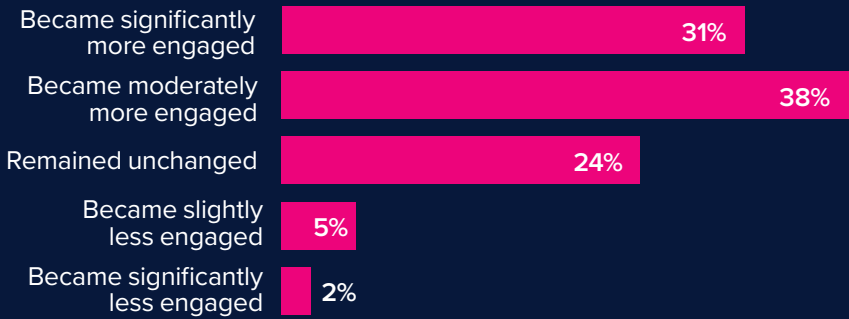
Speak Hard Truths and Keep a Finger on the Culture’s Pulse

Culture is the bedrock of an organization’s success or failure. As a CEO, I regarded my CHRO as someone who helped me drive (and stay true to) the corporate culture that we intentionally put forward. I dubbed my CHRO the “Chief Truth Teller,” responsible for candidly assessing what was working and not working from an organizational and cultural perspective. We’d then work together to address gaps and strengthen alignment. Likewise, boards must also hear the unvarnished truth. An effective CHRO will provide accurate and unbiased readouts of employee sentiment, leadership behaviors, cultural friction points, and the overall health of the organization.

CHROs have to be constantly checking the pulse of the company and looking for things that might be eroding the culture or corporate trust. That can be done formally, through engagement

POST-PANDEMIC, CHROS STEP UP IN THE BOARDROOM

A survey by The Conference Board this year asked corporate board secretaries how the CHRO’s relationship with the board has changed at their company over the past three years. Their responses:



SOURCE: THE EVOLVING ROLE OF THE CHRO IN THE BOARDROOM, THE CONFERENCE BOARD, APRIL 2025.

and pulse surveys, and less formally, through trust and relationship building.

CHROs need to watch out for these common factors that can quickly derail trust:

- Perceptions that management is not “walking the talk.”
- Toxic behavior within the organization that is not addressed.
- Poor communication and lack of transparency between management and employees.
- Unclear goals, responsibilities, or reward measures.
- Lack of alignment between management and the board.
- Focusing solely on the “what” and disregarding the “how.”

Importantly, HR leaders need to strike a difficult balance of neutrality. They have to build trust with employees and maintain confidence while keeping the CEO and board informed of undercurrents. CHROs must represent the voice of the employee and be willing to tell the CEO, leadership, and the board things they need to know but might not want to hear.

Boards must understand that culture is not “soft.” It is a hard performance infrastructure deeply ingrained into the organization. Boards that treat it that way outperform their peers. Boards that don’t prioritize culture often find themselves in the crosshairs of unwanted headlines and the erosion of their company’s values.

2 Align Compensation, Performance, and Generational Needs

The employee contract changed permanently in the wake of the pandemic. The war for talent will continue, and organizations must acknowledge that the leaders of today are often motivated by factors that the leaders of tomorrow (aka the current workforce) may not find motivating. CHROs are well positioned to understand what makes the workforce tick and where gaps exist. Organizations are still evolving as new ways of working collide with old ways, and the pendulum will continue to shift.

Compensation and benefits are strategic levers to acquire and retain talent. Millennials and Generation Z value different things than their Boomer and Generation X counterparts. They are often more tech-savvy, which allows them to work smarter and quicker than their older counterparts and put a higher value on flexibility and balance. They tend to be less loyal and will walk out more quickly if they perceive inequity. They want to feel connected to the company’s mission and products.

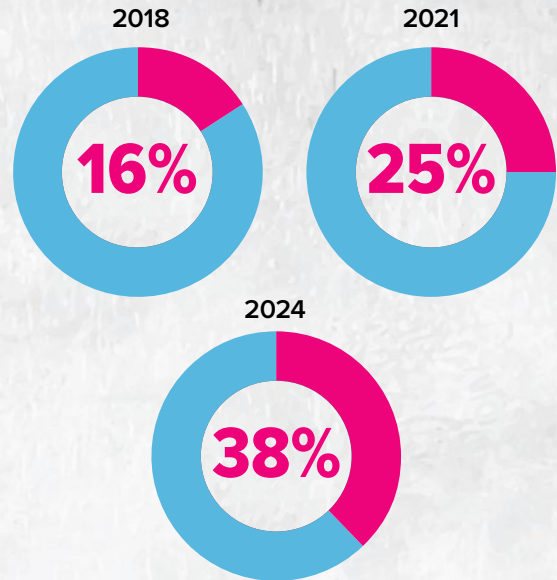
HR leaders need to partner with the CEO and the compensation and human capital committees to come up with talent acquisition and retention plans that marry performance, compensation, and generational needs to ensure that their organizations have engaged, invested workforces rather than transactional ones. A one-size-fits-all talent approach is not likely to garner the same results as it did in the past.

3 Guide the Board Through AI-Driven Workforce Change

CHROs must become well versed in the effects of technology, namely AI, and how it will shape the

BOARDS INCREASINGLY LEAN ON HUMAN CAPITAL EXPERTISE

The percentage of independent directors on S&P 500 corporate boards who have disclosed human-capital-related qualifications and skills:



SOURCE: THE EVOLVING ROLE OF THE CHRO IN THE BOARDROOM, THE CONFERENCE BOARD, APRIL 2025.

future of work. In fact, 87% of CHROs expect AI to be a critical factor in boosting productivity in their workforce, according to SHRM’s 2025 *CHRO Priorities and Perspectives* report.

Be a student. Partner with IT, finance, and others. Decide if the company is better positioned to be an industry leader or a fast follower, understanding that laggards will lose.

CHROs need to create a talent strategy and future-of-work plan and then share those with the board. They need to champion the culture change that AI will bring to ensure that AI is not viewed as something that only “takes away” from the workforce but as something that is additive, too. AI shouldn’t be regarded solely as an efficiency move; it is also a growth and productivity play.

The CHRO will need to encourage AI curiosity and create training forums that teach teams how to embrace AI to increase productivity. In some cases, AI may replace tasks that humans do now, but it can also open the door to more rewarding work as people learn to use AI as virtual assistants and brainstorming partners.

Training and development will take on renewed importance, with retooling and upskilling talent becoming a critical investment that companies must make to retain their top performers. Because AI is uncharted territory for many directors, educating the board on these initiatives will be essential.

WHAT'S NEXT FOR CHRO-BOARD COLLABORATION?

Corporate board secretaries were asked which workforce-related topics they foresee gaining more prominence in CHRO-board interactions over the next three years. (Respondents could select up to three options.)



SOURCE: THE EVOLVING ROLE OF THE CHRO IN THE BOARDROOM, THE CONFERENCE BOARD, APRIL 2025.



Boards must understand that culture is not “soft.” It is a hard performance infrastructure deeply ingrained into the organization. Boards that treat it that way outperform their peers.



Partner with the Board on CEO Succession and Transition

CEO turnover is at a historical high, and boards are finding themselves in the difficult and unwanted position of having to replace CEOs for many different reasons at an increased cadence.

Through the first half of the year, 1,358 CEOs left their posts, up 9% from the same period of 2024 and the highest year-to-date total since Challenger, Gray & Christmas began tracking CEO exits in 2022. The main reasons, according to the group: Boards are demanding fresh perspectives as companies navigate economic uncertainty, rapid tech change, and shifting organizational priorities.

If you're a CHRO, that means you may likely experience a planned or unplanned CEO transition. To be a key part of the discussion around succession, it's vital for CHROs to have a solid, trusting relationship with the board.

Whether it's planned or unplanned, a CEO change is highly disruptive to the organization and introduces uncertainty and stress for employees. Working with the board chair, head of the nominating committee, and the compensation chair, the CHRO will be relied on to play a critical role in helping manage the transition, offboarding the outgoing CEO, onboarding the incoming CEO, communicating to the employee base, and keeping the workforce motivated and focused.

The bottom line: If CHROs can communicate as business operators, be chief truth-tellers, create an AI-enabled workforce, effectively compete in the war for talent, and partner with the board on succession and transition, they will more than earn their place as valued, strategic partners to the board. They will also help ensure organizational resiliency through a focus on talent and culture tied to business outcomes as boards and management teams continue to grapple with a heightened pace of change and disruption. ■■



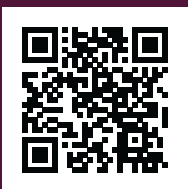
DAWN ZIER is a former CEO of Nutrisystem and current director on the boards of Hain Celestial Group, Prestige Consumer Healthcare, and Acorns.



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How Do You Build Connection and Credibility in the C-Suite?

Leadership success often hinges on relationships, especially at the executive level. Building trust, fostering collaboration, and demonstrating strategic value are all critical to establishing credibility in the C-suite. As part of this issue's exploration of executive alliances, we asked three seasoned HR leaders this question:

What has helped you the most in building connections and credibility in the C-suite?



The Power of Saying 'Yes': Opportunity Multiplies Through Action

Stephen Childs

CHRO AND VP OF HR AT
PANASONIC AUTOMOTIVE



One word: Yes. If I had to boil it down, the biggest factor that's helped me build connections and real credibility in the C-suite isn't just hard work and building a great team. It has been the simple act of saying yes. Saying yes expands your surface area for luck. It builds momentum, pulls you into action, and often leads to unexpected (and sometimes wildly uncomfortable) growth, which I now relish.

Most people default to "no" because it's safer. "No" doesn't require a calendar update. It doesn't expose you to rejection. And it's the pajama pants of personal development: comfortable, familiar, and guaranteed to keep you right where you are. Feels good in the moment but gets you absolutely nowhere.

I was no different a decade ago. But then I started saying "yes": Yes to networking events. Yes to mentoring. Yes to panel discussions and board roles. Yes to executive development programs. Yes to writing articles. Yes to writing a book (which still blows my mind).

My capabilities expanded, my network exploded, and my impact deepened across my industry and community. Saying yes didn't just open doors. It made me someone others wanted to open doors for.

Credibility isn't just built; it's earned through action, repetition, generosity, and a willingness to stretch yourself beyond what feels easy.



Trust Is the Currency of Leadership, and Clarity Is How You Earn It

Pamela J. Brown

EXECUTIVE VP, HEAD OF PEOPLE AND CULTURE AT CRUNCH FITNESS



Credibility in the C-suite has never been about proving my worth. It is about multiplying it. I've learned that trust is the ultimate currency, and the fastest way to earn trust is by bringing clarity when others bring complexity.

Early on, I understood that credibility isn't about having every answer. It's about understanding how the business creates value and how people fuel that momentum; [it's about] identifying opportunities to strengthen what drives growth. I've always approached my work as a business leader who specializes in people.

I lead with what drives the business. I use data to surface what matters, whether it's a risk to retaining top talent or a gap that could slow momentum. When something shows up in the numbers, I translate it into impact: what it costs, what it unlocks, and what it means for growth. That's what builds trust in the C-suite. People insights become powerful when they're treated as business intelligence that helps leaders focus, align, and move with purpose.

Connection comes from curiosity. Credibility comes from courage. And both matter most when they serve something bigger than you.



Credibility Grows When HR Speaks the Language of Business

Marjorie Powell

CHRO AND SENIOR VICE PRESIDENT AT AARP



As chief human resources officer, my priority is to build meaningful connections and establish credibility within the C-suite by demonstrating a deep understanding of the business and aligning HR strategies with organizational objectives. I approach my role as a business leader with expertise in human capital strategy and planning. By actively participating in strategic planning sessions and providing insights into workforce trends, I contribute substantively to organizational success.

Developing strong relationships with fellow executives through regular communication and collaboration is essential. This includes discussing HR initiatives, supporting departmental priorities, and accepting feedback when improvement is needed. I back up my recommendations with data and analytics to inform decisions and quantify the impact of HR initiatives on business outcomes.

Staying abreast of trends and best-in-class approaches within industry is vital. Finally, fostering transparency and trust across the organization builds a positive reputation and secures the confidence of both leadership and employees.

VOICES OF VISIONARIES

Over three days this fall, more than 400 HR executives gathered in Atlanta for Visionaries Summit 2025, a premier event held exclusively each year for SHRM Executive Network members. With this year's summit focusing on "The Power of People: Reimagining Leadership and Community," these presentations and interactive sessions brought together leading voices and insights that are shaping the future of HR. Here are some of the key takeaways and real-world lessons.

BY PAT DIDOMENICO AND MOLLY COHEN



BUILD FEEDBACK SKILLS IN YOUNG LEADERS

The rise of early-career leaders who spend much of their lives online is exposing a weakness in the workplace: a struggle to build real human connection.

“One of the main skills lacking for people in college today is the ability to engage and connect with other people and strangers ... and that’s something HR leaders really need to be thinking about,” said **Claire MacIntyre**, senior vice president and chief people officer at Sam’s Club.

This issue is manifesting itself in the workplace as young workers — some of whom are moving into the management ranks — find it challenging to build trust and navigate difficult conversations.

“The ability to give and receive feedback is a missing capability, and that concerns me,” said MacIntyre, who noted that simply showing a training video or relying on other technology won’t build feedback habits.

“AI can’t teach this skill in the way it needs to be learned,” she said. “You have to teach people how to do it in a way that is meaningful and impactful. And you have to create space for people to do it as well.”

Feedback doesn’t grow from training alone; it flourishes in cultures that encourage risk-taking and authentic interactions.

“It’s urgent that we are creating ecosystems in our organizations where people are getting comfortable being uncomfortable,” MacIntyre said. “Our jobs are not to make everybody comfortable; they are to help everybody express the full version of themselves in the workplace and to be successful. ... So we’re going to have to bring a bit of discomfort to people to help them to grow.”



PHOTOGRAPHY BY DAVE WITTING



MIND AND HEART: THE OVERLOOKED EXECUTIVE BENEFIT

Executive compensation packages may include stock options, retirement incentives, and other elite perks. But those benefits often don’t address the most pressing challenge many leaders face: their own well-being.

“These folks are lonely. They are working in an isolated environment. They’re under extreme stress and pressure,” said **Jim Link**, **SHRM-SCP**, **CHRO** of **SHRM**. “Those other benefits for executives are table stakes. But where HR leaders can provide capability and uplift and counsel is when we are there for those people to have a conversation about those well-being issues.”

Link emphasized that executive support isn’t just about managing stress. It’s about creating space for meaningful dialogue that acknowledges the weight of leadership.

“It’s important for [executives] to know there’s someone sitting in the room who understands all those issues but can rise above that to talk about what’s going on in their environment and in that moment,” Link said. “That’s what we as HR leaders need to be doing. And it’s hard, but it’s necessary.”

More companies are recognizing this need, expanding benefits as well as making daily efforts to address the personal needs of executives. **Sara Murphy** (above), senior vice president of HR at financial services firm Raymond James, noted that her company has added such perks, including a mindfulness session for executives that taught breathing exercises.

“What we add as HR practitioners is the value to understand the human side of the leadership team and make sure we cater to each one of them in their individual needs so collectively they can be a more powerful unit,” Murphy said. “We’re not just trying to help them achieve business strategies but help them achieve their personal goals as well. And that’s unusual. I’ve been in HR for 35 years and it used to be only about business strategy.”

HOW TO MAKE THE BUSINESS CASE FOR HR TECHNOLOGY

At a time when organizations are tightening their budgets, CHROs need to focus on measurable outcomes. If you're looking to invest in AI technology to improve your HR processes, the first step is communicating to your stakeholders why it's important to the bottom line.

"HR leaders have to talk in terms of profit and revenue and translate that work we're doing into profit and revenue for the organization," said **Chris Courneen**, global head of HR at MS International, a California-based counter and flooring provider.

He suggested HR execs use this framework as a fill-in-the-blank exercise when seeking C-suite buy-in for HR technology initiatives: *"We will add X profit back to the bottom line in Y months. This is equal to generating Z in sales."*

Courneen said it's helpful to be able to translate cost savings into revenue equivalence. That means HR leaders need to understand the margins of their organization.

"If you're running at a 20% margin, you can translate all that profit you're having back to the bottom line to a revenue equivalent," he said. "It'll give you a way to get people on board and excited about technology that can in many ways revolutionize the way we work."

To shorten the buy-in process, sometimes it's worth going straight to the top. For a recent initiative, Courneen went right to the CEO with his plan, making sure to do extensive research first address any potential concerns about the AI tool being considered.

"The fundamental question to ask when assessing any piece of AI technology is: Where do I want to focus our transformation? Do I want to focus on automating decision-making processes, or do I want to automate the tasks?" Courneen said.



PRIORITIZE LEARNING AGILITY TO SOLVE TODAY'S PROBLEMS

In an age of relentless disruption, hiring for experience alone is no longer enough. HR leaders need to prioritize the ability to quickly adapt, pick up new skills, and solve emerging problems.

"In hiring, I think we lean too heavily on experience and less on learning agility," said **Jackson Lynch**, an experienced HR executive and founder of The Talent Sherpa. "If you're looking at experience as the key decision-maker ... what you're really asking is, 'Can I solve yesterday's problems?' When you start leaning into [hiring for] learning agility, you start asking 'Can I solve today's problems?'"

Spotting candidates with strong learning agility is especially critical in the AI-driven workplace. Lynch suggests rethinking traditional interviews and incorporating external assessment tools to better evaluate an applicant's ability to adapt and tackle new challenges.

Lynch also emphasized the need for more candor in the workplace, warning against avoiding tough conversations to spare feelings or question the status quo.

"The challenge we run into today is that we conflate two words that don't mean the same thing: safety and comfort. And that's an expensive mistake," he said. "If you are driving toward comfort in the workplace, leaders have a natural tendency to soften some of the impact of conversations. That often leads to lower expectations, and that's a dangerous place for the business to be in."

How do you create a culture of candor that allows honest conversation? Lynch cited two ways:

- **Give permission — and actually encourage — honest, respectful conversations** focused on performance. "I actually talk to members of my team and say that if you think something I say is wrong, you have an obligation to push back on it," Lynch said.
- **Create systems that build in contrarian feedback.** Lynch's company has a "red team" of workers that is charged with taking the opposing position in meetings and decision-making to ensure all ideas are fully vetted before moving forward.

SAFEGUARD HUMANITY AT WORK

“Especially at a time when AI is racing ahead ... and when it feels like so much of humanity is being sucked out of what we do, HR people are the anchors for humanity in our organizations.

“You have the power to do what desperately needs to be done, which is ensuring that we hold on to what makes us human and we never forget that it is caring for our people that makes everything work.”

— FORMER U.S. SURGEON GENERAL VIVEK MURTHY



PEOPLE-FIRST LEADERSHIP: 3 INSIGHTS FOR IMPACT

In a world where disruption is constant, leaders must move quickly to keep up. Great leaders know that putting people first is the key to keeping teams engaged and performing at their peak, said **Sonia Aranza**, a leadership coach and speaker. Aranza shared three insights leaders should keep at the front of their minds:

1. Everyone is fighting a battle you know nothing about.

Take an inventory of your existing leaders and see how they're doing. You never know what people are going through. All your employees have their own personal challenges that influence their work.

2. Growth comes in the gray areas. “Our world is changing multiple times a day, so it's OK to not know. Try to find comfort in the discomfort of not knowing,” Aranza said.

3. Lead from the inside out. Maintaining self-awareness and nurturing personal responsibilities strengthens your leadership muscles. “Get to know yourself to become a better leader,” she said, noting that leaders who are able to balance their personal lives with professional demands are more successful in leading their teams.

Aranza's emphasis on people-first leadership was echoed by attendee Kimberly LeCompte, SHRM-SCP, assistant VP of HR talent strategy and engagement at Kansas State University, who stressed the value of human interaction in driving results.

“We get so caught in the day-to-day operations that sometimes we lose our focus and stop realizing that in order to be productive, we have to work with others,” LeCompte said. “If you don't focus on that human interaction and relationship, then you're not going to be as productive as you need to be.”

CULTIVATE BELONGING THROUGH STORYTELLING

Unlocking a culture of belonging takes intentionality. Companies that have built this foundation have leaders who take time to demonstrate the pillars of vulnerability, compassion, and care. One core way to create that belonging is through the act of storytelling.

Leaders who tell their personal story of how they're prioritizing their mental health are more likely to create a workplace where employees feel comfortable doing the same. This creates a sense of shared connection, and having healthy employees also boosts employee retention and longevity.

“Share how you're taking care of your own mental health. The organization and employees are looking to us, so the more we become human to them, the more they start to share how they're taking care of themselves,” said **Prudence Pitter**, global head of HR for automotive, manufacturing, and business development at Amazon Web Services.

Another way to create moments of storytelling is to ask employees conversation-starter questions during one-on-ones or team meetings.

“I ask my employees: What pictures do they have on their phone?” Pitter said. “This creates connection.”

These micro-moments in the workplace have the power to prompt conversations that lead to finding things in common, and helping form those deeper connections where employees feel seen not just for their work, but for who they are as individuals.



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“HISTORY IS THE ONLY
DATASET THAT’S USEFUL
IN MOMENTS LIKE THIS.”

JON MEACHAM: 3 ACTIONS TO STRENGTHEN WORKPLACES AND DEMOCRACY

During this moment of sharp political divides in the country, Pulitzer Prize-winning author and historian **Jon Meacham** challenged HR leaders at Visionaries Summit 2025 to recognize how their daily work offers a blueprint for principled civic life. By setting standards and modeling integrity, he said, HR demonstrates the kind of leadership that politics and society need today.

“The point of a constitutional republic — like what you all do [in HR] — is you try to codify the best practices and the best behaviors you can. And you do all you can to interpret the gray areas in the fairest way possible,” Meacham explained. “That is what you do for a living. And it is what, as a citizen, we should all insist on beyond the workplace and in our public life.”

Drawing from American history with a mix of poignant and humorous stories, Meacham emphasized the importance of collective responsibility in sustaining democracy.

“I’m optimistic in that I think it’s a remarkable thing that America’s experiment in democratic capitalism actually ran 250 years before we reached quite the level of crisis that I believe we’re in,” he said. “But I’m a big believer that history is the only dataset that’s useful in moments like this.”

The message from the past 250 years, Meacham noted, is that democracy endures only when we recognize our shared stake in it — a message that applies not only to democratic institutions but to workplaces, as well. “The notion that we, the people, are in this together, is not just for a Fourth of July speech,” he said. “It’s got to be for every day.”

‘In a Democracy, We’re All Leaders’

Meacham addressed three key characteristics he believes both political leaders and everyday citizens must embrace and practice, because “in a democracy, we’re all leaders.” These

principles also apply in workplaces to help leaders build trust and strong teams.

1. We need to be more curious. Meacham said Americans “need to read more and think more” and tap into the well of history to really understand where the country is headed — not in the day-to-day news cycle, but in America’s long arc.

“Curiosity includes listening openly to the other side. But let’s not mistake a civil curiosity for moral equivalence,” Meacham warned. “Both sides aren’t always right. Sometimes both have a point. But that wasn’t true about slavery or Nazi Germany. Sometimes there’s a right and a wrong.”

2. We need to be candid with each other. Meacham cited President Franklin D. Roosevelt’s honesty as the country entered World War II, when he told Americans, “The news is going to get worse and worse before it gets better and better, and the American people deserve to have it straight.” Meacham said workplace leaders need to be as candid with their employees.

“Give it to them straight and we’ll do what it takes.’ That’s the covenant of modern democracies and I would say is the covenant of your organizations,” Meacham said. “[Employees] know when you’re hiding the ball. ... You don’t have an invisibility cloak.”

3. We need to have “pragmatic empathy.” Leaders and citizens must work harder to understand each other’s perspectives out of concern for others, but also out of their own self-interest.

“Be empathic, not just because it’s the right thing to do, which it is, but because ultimately, it’s good for you, too,” said Meacham, who noted that empathy starts with mutual recognition of each other’s humanity. “If I don’t recognize your inherent dignity, there’s little reason for you to recognize mine. And when that trust is undermined ... and when that falls apart, then that’s where the domino effect comes into play.” ❖

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THE HUMAN SIDE OF M&As

How the CHRO of a large health care organization helped unite people, culture, and systems during a major merger — and 5 lessons she learned along the way.

BY EKTA VYAS, PH.D.





YUTTHANA GAETGEAW / ISTOCK

Every now and then, an opportunity knocks at your door that offers to test the critical leadership competencies required of an HR leader. For me, this was accepting the CHRO position at Keck Medicine of USC (University of Southern California) as it prepared to acquire Methodist Hospital of Southern California.

As an adjunct professor of business management and organization, I had been teaching a course called “Managing in a Global Economy” to MBA students for a few semesters. Studying and teaching about mergers and acquisitions equipped me with a thorough understanding of the M&A process, from identifying potential targets to post-deal integration. While leading transformations had been central to my progress as a health care industry leader, I had not come across a career opportunity where my skill set would be tested equally alongside my knowledge base. It was a great opportunity to perfect my scholar-practitioner portfolio.

As the new CHRO, I knew we needed a strategic plan to successfully integrate the workforce of a newly acquired hospital with our existing health system. Merging thousands of new employees, managing various logistical processes, and creating pathways to cultural assimilation would be challenging and would require contributions from many individuals.

The Acquisition: Keck Medicine of USC Brings Methodist Hospital into the Fold

Keck Medicine is a fast-growing academic medical institution affiliated with USC, including four hospitals and over 100 ambulatory locations. It combines academic research and specialized medical care for acute patients across the nation.

In July 2022, Keck Medicine of USC acquired Methodist Hospital of Southern California, renaming it USC Arcadia Hospital. At the time of acquisition, Methodist Hospital had 348 licensed beds and around \$300 million in annual revenue. This new addition to the Keck Medicine health system enabled it to expand services in the San Gabriel Valley and secure the exceptional legacy of both organizations.

As of the July 2022 closing date, all employees of Keck Medicine of USC were employees of the University of Southern California. This included employees based at three hospital entities — Keck Hospital of USC, USC Norris Cancer Hospital, and Verdugo Hills Hospital — as well as all ambulatory locations. However, a strategic decision was made to leave the newly acquired USC Arcadia Hospital employees as W-2 employees of the previous hospital, with the intention to transition them into the USC system within the first three years of the deal. Central to the success of this process was the migration of all USC Arcadia employees into USC’s HRIS system (Workday) and integration of the employer identification number (EIN).

Why EIN Integration Is a Critical Step in M&A Workforce Transitions

An EIN is more than just a tax ID — it’s the legal identity of an employer. Every aspect of an employee’s work relationship flows from it: paychecks, W-2s, taxes, and benefits eligibility. That’s

why, in M&As, the EIN transition is one of the most critical parts of workforce integration, and it's often central to the success of a newly acquired organization's transition.

For employees, the shift isn't always obvious. An organization might change its name overnight, new signage might go up, and leadership may start referring to a new parent organization. But until employees are formally moved under the acquiring company's EIN, their pay stubs, tax records, and benefits remain tied to the old entity. In effect, they're still legally employed by their prior organization. That was the case when USC acquired Methodist Hospital of Southern California. Even after the name changed to USC Arcadia, staff remained on Methodist's EIN until the full transition took place.

Executing this move required a massive effort behind the scenes. Methodist employees had to be migrated into USC's HRIS and payroll systems, their employment records had to be reissued under USC's EIN, and their benefits needed to be restructured. During the transition, USC opted for a hybrid approach — preserving some of Arcadia's lower-cost, high-quality benefits while aligning others with USC's programs. At the same time, legacy payroll processes and some benefit vendor integrations were retired and replaced with USC's systems.

It's important to note that EIN integration is not just a paperwork exercise. It's a significant step in going from partial integration to full integration in transitioning the employee status of USC Arcadia as part of USC — legally, financially, and operationally.



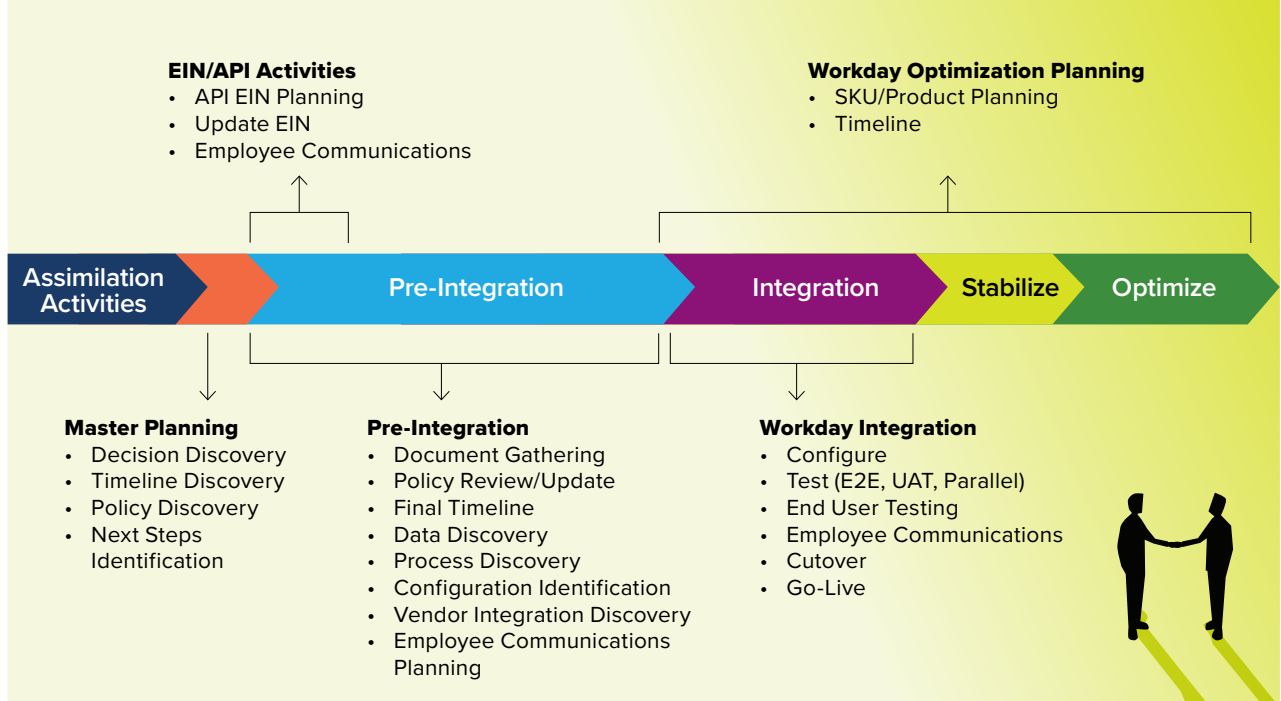
“Cultural assimilation isn't just a step of the M&A process — it's the foundation.”

Setting the Stage: Listening and Assessment

The EIN transition for USC Arcadia began with deliberate listening and alignment. Before strategy or implementation could take shape, it was essential to understand the transition efforts already underway and build cohesion among HR leaders at both the system and local levels. Establishing synergy, governance structures, and defined workgroups was important to ensure that planning was thorough and intentional before any design work began.

By March 2023, after an eight-month assessment, the first master planning workshop was convened, followed by additional sessions to clarify timing, scope, and methodology. These strategy sessions, involving leaders from USC, Keck Medicine, USC Arcadia, and consulting partner Chartis, laid the foundation for

INTEGRATION ROAD MAP



a unified road map. By early 2024, the “when, what, and how” of the integration was in place, with Jan. 1, 2025, set as the official date for all Methodist Hospital employees to formally transition under USC’s EIN.

How Governance and Project Management Eased the Transition

The USC Arcadia transition was guided by a 15-month integration road map developed through collaboration between Keck Medicine’s HR team, university partners, and finance and IT departments. The scope was extensive, requiring cross-disciplinary coordination with more than 100 contributors working across 11 designated work lanes, including system integrations, communications, employee leave, learning management, benefits, compensation, job architecture, payroll, and tax.

Merging a hospital into a larger health system brought both operational and financial considerations. Beyond the technical and compliance demands, we had to evaluate the benefits cost structure of the acquired entity. The challenge was to balance efficiency and accessibility against the need for alignment with USC’s broader benefits framework. In some cases, maintaining lower-cost, high-quality offerings was preferable to enforcing a centralized model that could overlook entity-specific needs.

To manage such complexity, strong governance and disciplined project management were essential. Governance structures clarified accountability, ensuring the right stakeholders reviewed and approved changes to budget, scope, and timelines. They also resolved escalated issues, provided updates to the board, and reinforced transparency. These mechanisms enabled full alignment across functions, timely decision-making, and confidence that the integration outcomes were delivered with both rigor and clarity.

Effective the first pay period of 2025, all Methodist Hospital employees became USC employees, establishing the success of an initiative that involved more than 100 project participants, 99 new or remediated integrations, and 1,500 employees plus 300 contractors being migrated from API to Workday.

While the cultural integration process remains ongoing, this collaborative effort generated several insights that can guide HR executives in leading similar initiatives.

5 Key CHRO Competencies and Guidance

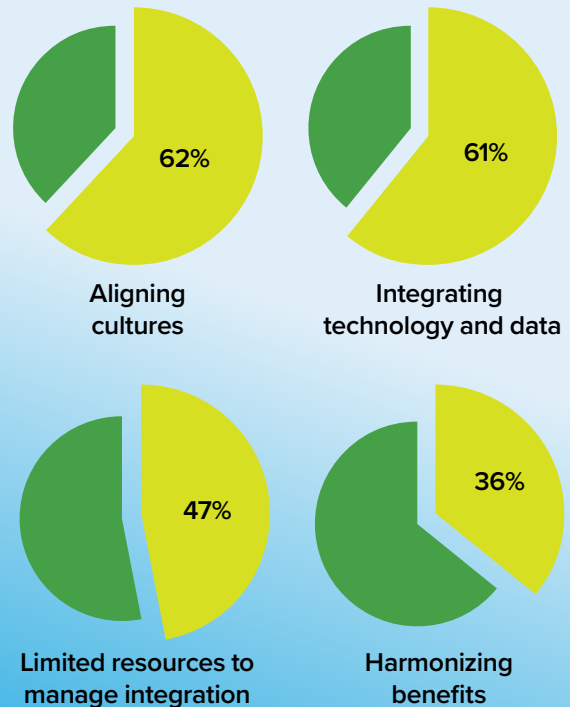
Successful integrations demand both operational precision and cultural leadership. HR leaders can navigate this complex process by focusing on five essential competencies that drive lasting impact:

1 Prioritize Cultural Aspects Throughout the Integration Process

Cultural assimilation isn’t just a step of the M&A process — it’s the foundation. And while assimilation doesn’t happen overnight, culture must be the starting point of any successful integration strategy. That foundation is best laid when the approach to process and system integrations is being discussed.

Culture is intangible and carries significant personal value for members of an organization. In health care, it affects the quality

THE BIGGEST HR CHALLENGES DURING A MERGER OR ACQUISITION



SOURCE: 2025 M&A BAROMETER SURVEY, WTW.

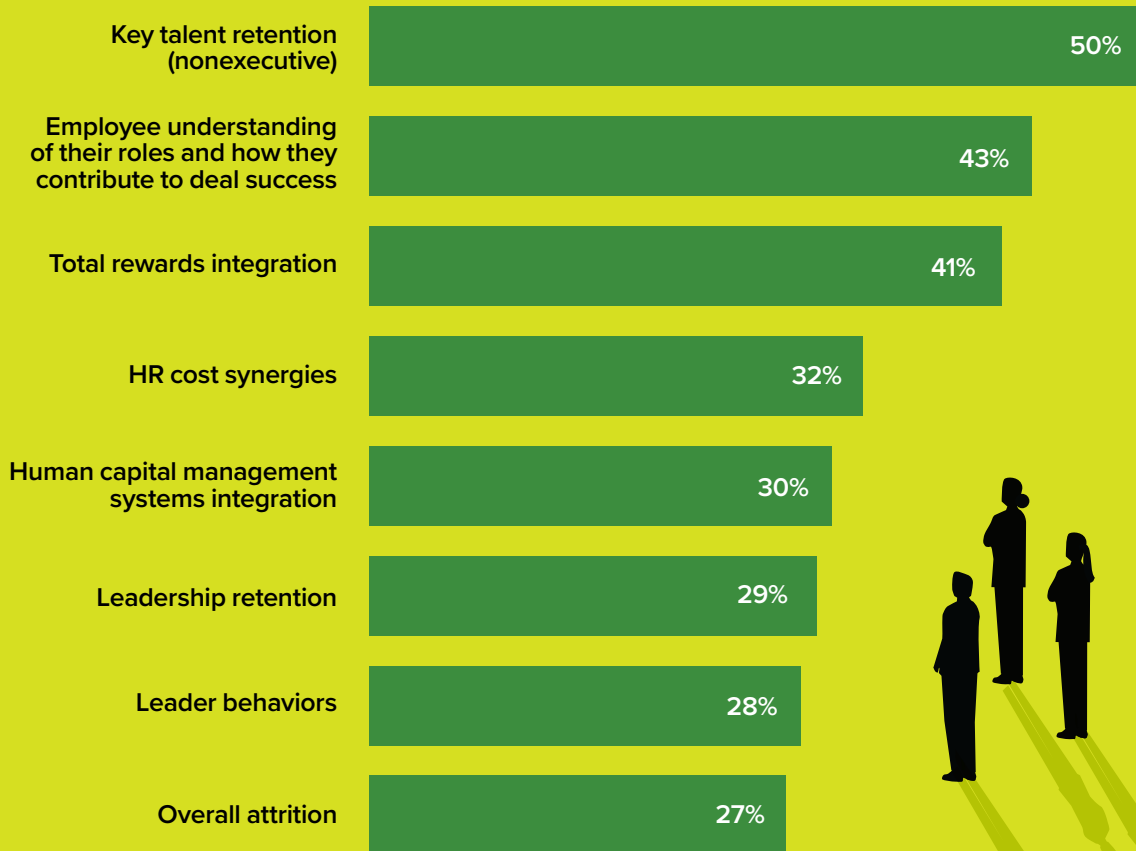
of care and patient outcomes. Deeply embedded cultural norms can pose a significant risk to the success of an integration effort in M&A situations. Therefore, recognizing cultural nuances throughout the integration process is important, especially for workforce integration efforts.

2 Assess the Existing Systems Before Making Any Changes

Transitioning to a new EIN is a complex process that requires careful planning and thorough understanding of the existing setup of the acquired entity. Employee management systems, including total rewards packages, recruitment and retention strategies, performance management methods, and employee development processes, operate as integrated frameworks in which modifying one component impacts the others.

INTEGRATING THE NEW EMPLOYEES: HOW DO YOU MEASURE SUCCESS?

Most important metrics of success for companies regarding the integration of employees after an acquisition.



SOURCE: 2025 M&A BAROMETER SURVEY, WTW. (PARTICIPANTS COULD SELECT UP TO THREE CATEGORIES.)



It is imperative to understand that policies inform practices and become formalized over time. Although policy changes can be quickly implemented in writing, altering the practices linked to former policies requires substantial effort and effective change management strategies. It's important to ensure systematization won't hinder daily operations of management.

3 Clearly Define Responsibilities for All Contributors

The success of a transition process hinges on clearly defining the roles of all contributors, whose collaboration — whether significant or minor — will determine the outcome of your initiative. In our case, the success of integrating Arcadia's workforce relied on involving the university HR team as essential contributors,

because the EIN transition of USC Arcadia included HR technology, benefits, and payroll, all managed centrally within a shared services model by the university, the parent organization of Keck Medicine of USC.

Such large projects require early alignment and commitment from all stakeholders. Even if a solid governance structure is implemented, its effectiveness is largely dependent on the clear establishment of collaboration and accountability from the outset.

4 Energize Cultural Transformation

The full value of a merger can only be realized if an effort is made to build and leverage organizational synergies beyond the transactional aspects of logistical operations. The culture integration process should include:

- **Cultural alignment.** Accelerate change and elevate every moment of the employee experience through listening efforts with employees at all levels, across all facilities.
- **Value proposition repositioning.** This included the development of a new system narrative to attract, retain, and foster meaningful connections with both consumers and patients, as well as top talent in a highly competitive market.
- **Redefinition of (and re-emphasis on) the value of every employee.** Ensure that every employee knows how they contribute to who you are, how you operate, and where you are going.

The integration process takes place over time. Focusing on cultural assimilation is critical and essential to successfully integrate new employees and foster a positive workplace culture.

Our cultural integration process continues through the gradual launch of our key system programs at USC Arcadia along with embracing the good in the hospital’s existing operations and extending those to the system level where possible. This approach has helped us build credibility with local leadership and convey sincerity in our welcoming approach.

5 Stay Engaged and Aware — Without Micromanaging

The saying, “It takes a village,” exemplifies the success of large-scale M&A initiatives. The CHRO’s role can be challenging, as it demands walking the fine line between control and empowerment, between specific direction and organic evolution, and above all maintaining a balance between the financial realities and employer obligations of a system structure. While leading the multiple stakeholder relationships is a critical responsibility of the CHRO, the need to secure alignment and agreement for financially sensitive decisions with system and entity CEOs and CFOs is a must.

Honoring the network of relationships in a matrix environment and the values that bind different entities together can go a long way in carving out a winning strategy and execution for such integration initiatives. Leaders who are undertaking similar journeys should ensure that:

- Organizational leaders are engaged, committed, and supportive of the process.
- Decisions are made at the right level, in a timely and definitive manner.
- Decisions and outcomes are understood across the project and associated teams.
- Teams attend and actively participate in scheduled meetings



“The success of a transition process hinges on clearly defining the roles of all contributors, whose collaboration — whether significant or minor — will determine the outcome of your initiative.”

- to support ongoing communication and transparency.
- Key milestones and wins are recognized and celebrated.

The Assimilation Continues

At Keck Medicine of USC, we ensured that leaders at various levels of the organization helped guide the reidentification and assimilation processes to successfully integrate a large hospital with thousands of employees into our unified health system.

The road map to a successful integration isn’t simply logistical. A merger is a multifaceted coalition of cultural and operational elements. A large cornerstone in making our merger successful was helping employees adapt and feel a new sense of belonging and workplace identity as a Keck Medicine of USC employee.

The logistical and legal processes to merge the hospital with our health system demanded paying attention to detail, key timing, and developing a helpful partnership with an outside consultant. Additionally, creating the culture transformation has been essential in building a cohesive environment of an employee’s feeling of belonging to a new organization. 🚩



EKTA VYAS, PH.D., is the CHRO for Keck Medicine of USC, the academic medical system of the University of Southern California, and an adjunct professor at USC Marshall School of Business.



M&A TOOLKIT: A majority of all M&As fail to achieve their objectives, often due to HR-related factors, according to *Harvard Business Review*. For step-by-step advice on the HR leader’s role in navigating the M&A process, access SHRM’s toolkit, *Managing Human Resources in Mergers and Acquisitions*, at [SHRM.org/M&Atoolkit](https://www.shrm.org/M&Atoolkit).

GLOBAL CULTURE REPORT: Building strong cultures is critical in all workplaces, not only in M&A situations. SHRM’s 2024 Global Culture Report surveyed more than 17,000 workers in 19 countries to identify the five fundamental elements that contribute to favorable workplace cultures. Download the full report at [SHRM.org/GlobalCulture](https://www.shrm.org/GlobalCulture).



THE LEADERSHIP MIRROR

How HR Leaders Can Create Space
for Reflection and Get the Most Out of
Their Executive Coaching Experience

BY BOB GOODWIN

CHROs are often the architects of everyone else's development. They champion leadership pipelines, design culture strategies, and invest in coaching and feedback systems to help others thrive. But when it comes to their own growth, many CHROs find themselves in a different position: overcommitted and under-supported, with little space carved out for personal reflection or development.

It's the classic "The cobbler's children have no shoes" dilemma. The leader responsible for ensuring the organization's people have the necessary resources to grow may have no structure in place to support their own leadership evolution. And yet, the demands placed on CHROs today require just as much intentional growth as the roles they serve.

Executive coaching offers one path to achieve that intentionality. While the return on coaching is individualized, a larger majority of leaders (87%) said they've experienced a significant return on the investment from their coaching experience, according to a survey by FMI, a management consulting firm.

"Being a CHRO is like being on a plane when the oxygen masks drop. You're told to put yours on first so you can help others. Too often, we do the opposite, making sure the CEO and leadership team are supported while neglecting our own development," said Tracy Layney, former CHRO at Levi Strauss and an adjunct professor at The University of Chicago Booth School of Business. "Coaching reminded me that I need to be the first to invest in growth, not the last."

But not all coaching is created equal, and not every CHRO is in the right position to benefit from it. Some may have had unremarkable or compliance-driven experiences in the past. Others may not know what to look for in a coaching relationship that serves their level of responsibility and complexity.

Here are six ways CHROs can extract real value from executive coaching, along with common barriers that can make even the best intentions fall short. The goal is not to advocate for coaching as a universal solution, but to help CHROs reframe their own development as a strategic asset — one worth investing in with the same thoughtfulness they bring to everyone else's growth.

1 Start with Identity, Not Just Objectives

Most coaching engagements begin with a set of goals. These might include improving influence across the executive team, navigating a reorganization, or managing board-level dynamics. While those objectives matter, they don't always get to the core of what makes coaching transformational: reconnecting with the leader behind the role.

For CHROs, whose responsibilities sit at the intersection of business strategy, culture, and human behavior, identity is not a soft concept — it is a compass. Effective coaching surfaces not just what a CHRO wants to achieve, but who they are while they're achieving it. It helps clarify what kind of leader they're becoming and what values are driving that evolution.

This matters especially in environments where demands shift rapidly. If coaching is focused only on situational tactics, it risks becoming reactive. But when it centers identity, it becomes a durable source of alignment. It can provide a throughline that anchors decision-making, communication, and presence regardless of how the business or team evolves.

What could get in the way? Some coaching engagements rush into solving problems without asking deeper questions. When coaching becomes purely outcome-based, it can reinforce the pressure to perform without offering any space to reflect on purpose. CHROs may also hesitate to “go personal,” worried that identity work is indulgent or irrelevant to business outcomes.

But the opposite tends to be true. When a CHRO is clear about who they are, they lead more intentionally, communicate more consistently, and make decisions with greater conviction. Coaching at this level doesn’t just make work better. It makes leadership more sustainable.

2 Make Space for Strategic Solitude

One of the most overlooked benefits of executive coaching is the protected space it creates. CHROs’ calendars are often consumed by back-to-back meetings, urgent escalations, and emotional triage. It can be rare to find even a moment of uninterrupted thought. Coaching offers something increasingly scarce in senior leadership: deliberate solitude.



Strategic solitude helps CHROs refine how they think, not just what they think about. That results in clearer decision-making, faster execution, and better alignment.

This kind of solitude isn’t about disconnecting or escaping. It’s about creating space for higher-order thinking. Coaching gives CHROs the chance to step out of the swirl of day-to-day demands and step into a structured environment for reflection, pattern recognition, and long-range planning. It is a rare opportunity to slow down in order to speed up.

Strategic solitude helps CHROs refine how they think, not just what they think about. That results in clearer decision-making, faster execution, and better alignment — outcomes rooted in structured reflection, not reactive effort. In a role where influence often matters more than authority, being able to process, prepare, and align behind the scenes becomes a leadership asset. Coaching can sharpen that muscle by offering a dedicated time and space to rehearse conversations, unpack decisions, and consider broader organizational implications.

HOW COACHING CAN FALL FLAT: AVOID THESE EXECUTIVE MISSTEPS

Executive coaching has the power to unlock real transformation, but it can also fail to meet the mark when certain conditions are lacking. Here are some of the most common ways coaching loses its traction:

Misaligned Fit: The coaching relationship depends on trust and relevance. When a CHRO is matched with a coach based solely on availability or reputation rather than true fit, the work tends to stay surface-level. Coaching should feel both safe and stretching. Without that balance, progress stalls.

Compliance-Driven Engagements: Coaching that is offered as part of a leadership package or mandated without clarity often fails to land. If the leader doesn’t have a personal stake or choice in the process, it risks becoming performative. Coaching needs to feel intentional, not obligatory.

Vague Intentions: When a coaching engagement begins without clear purpose, it can drift. Goals can evolve over

time, but without at least a starting point, coaching may feel like an interesting conversation that goes nowhere.

Resistance to Vulnerability: Growth at the executive level requires openness, not just expertise. If a CHRO treats coaching like another business meeting, full of posture and polish, the deeper work rarely happens. Coaching should be one of the few places where someone’s guard can come down and the truth can come through.

Coaching in a Vacuum: Coaching is most effective when it is part of a broader growth strategy. That might include mentorship, feedback loops, reflection practices, or even therapy. Relying on coaching alone, without anchoring it in real-world feedback and organizational context, limits its reach.

What could get in the way? Busyness. For many CHROs, carving out time for coaching can feel like a luxury or a lower priority. There is always one more meeting or one more crisis. The paradox is that without this space, CHROs are more likely to be reactive than strategic.

When leaders regularly access structured solitude through coaching, they not only protect their time — they elevate their thinking. The work becomes less about keeping pace and more about setting direction.

3 Process the Emotional Labor of Leadership

CHROs carry a unique emotional burden inside organizations. They are often the ones holding space for others, managing layoffs with dignity, and supporting executives in crisis. This work is meaningful, but it comes at a cost.

Executive coaching can serve as a release valve for that pressure. It offers CHROs a confidential space to process the emotional complexity of their role without needing to perform, protect, or persuade. More than just venting, this kind of processing can sharpen self-awareness, support emotional regulation, and reduce the risk of burnout.

In fact, a Deloitte survey found that a larger share of C-suite leaders report feeling overwhelmed, lonely, and depressed compared with the broader workforce. Coaching can be a buffer against that toll, offering a space to reset emotionally and return with resilience. It allows CHROs to surface what they may be suppressing, name what they are carrying, and return to their work with clearer perspective and steadier energy.

What could get in the way? There is an unspoken belief that CHROs need to be the most composed person in the room. That belief can create a reluctance to admit stress, fatigue, or weariness, even in private settings. Some may worry that acknowledging the weight of the role is a sign of weakness or poor resilience.

But emotional labor, when left unprocessed, compounds. It leaks into decision-making, communication, and presence. Coaching can help CHROs metabolize that load in a way that is both human and strategic. It is not about collapsing under pressure. It is about making sure the pressure doesn't build unchecked.



What separates those who grow from those who plateau is often coachability. This doesn't mean compliance or politeness. It means a willingness to be challenged, a readiness to self-examine, and enough internal space to reflect without defensiveness.

THE IMPACT OF COACHING

Areas in which coaching participants rated their experience as having positively impacted their skills and career (rated on a 1-10 scale):



SOURCE: EXECUTIVE COACHING STUDY, FMI, 2019

4 Be Coachable and Create Psychological Airspace

At the executive level, skill is not usually the limiting factor. What separates those who grow from those who plateau is often coachability. This doesn't mean compliance or politeness. It means a willingness to be challenged, a readiness to self-examine, and enough internal space to reflect without defensiveness.

For CHROs, this can be especially tricky. They are often the coach in the room, the one guiding others through transformation. When the roles reverse, it can feel unfamiliar. Letting someone else lead the developmental conversation requires humility and openness that may not be exercised regularly in the role.

Coaching works best when there is psychological airspace — room for curiosity, discomfort, and the unexpected. When CHROs approach coaching as a strategic container rather than a transactional session, they give themselves permission to be more than the expert. They become learners again, and that shift can reignite growth.

What could get in the way? The higher up a leader goes, the fewer people are willing to give them honest feedback. Over time, this can create a false sense of clarity or confidence. The leader may unconsciously resist feedback that challenges their established narrative.

WHERE COULD COACHING SERVE YOU MOST RIGHT NOW?

For each statement below, rate yourself from 1 (strongly disagree) to 5 (strongly agree). Add up your total, then review the results to see which coaching focus may be most relevant to your current leadership context.

Coaching Readiness and Focus Checklist

I have regular time set aside for personal reflection and strategic thinking.	1	2	3	4	5
I feel consistently connected to my leadership purpose and values.	1	2	3	4	5
I have someone I trust to challenge my thinking and ask me hard questions.	1	2	3	4	5
I have a safe space to process the emotional impact of my role.	1	2	3	4	5
I'm clear on how I'm evolving as a leader, not just what I need to deliver.	1	2	3	4	5
I know when to slow down, recover, or say no — without guilt.	1	2	3	4	5
I'm comfortable being vulnerable in developmental conversations.	1	2	3	4	5
I'm investing as much in my own development as I do in other people's.	1	2	3	4	5

Your Score and Coaching Focus

8-16: Time to Rebuild the Foundation

You may be running on instinct or default mode. Coaching focused on identity, self-awareness, and leadership alignment could help rebuild clarity and internal steadiness.

17-28: Ready to Level Up

You likely have some reflection habits in place but may be missing space for deep processing or a trusted sounding board. Coaching that emphasizes strategy, energy pacing, and influence may serve you well.

29-40: Sustain and Scale

You're currently doing a lot right. Coaching can now support you in refining your edge, exploring longer-term legacy work, or cultivating next-generation leadership behind you.

Without psychological airspace, coaching becomes shallow. The work stays on the surface, and insights rarely translate into lasting change. But when CHROs show up with a posture of learning rather than proving, coaching can become one of the few places where they are seen, stretched, and strengthened.

5 Find a Trusted Sounding Board

Leadership at the CHRO level often comes with fewer safe places to talk candidly. Even with close peers or board members, there can be dynamics that make full transparency feel risky.

A well-matched executive coach becomes a trusted sounding board, providing a space where CHROs can think out loud, test ideas, challenge assumptions, and say the things they cannot say anywhere else. This is not about emotional reassurance. It is about having a thought partner who is agenda-free, committed to your growth, and willing to meet you with both challenge and support. The quality of that dialogue depends on trust, and when it works, it creates a rare space for unfiltered reflection at the top.

What could get in the way? Sometimes coaching feels performative. The CHRO is assigned a coach as part of a package, or the relationship never quite reaches a level of safety and challenge. In those cases, the sessions can become routine check-ins or extended status updates rather than meaningful developmental work.

Trust takes time, and chemistry matters. A strong coach-coachee relationship is not just about credentials or frameworks. It is about whether the coach can hold space, ask hard questions, and understand the nuance of the role without needing to be the expert in it. When CHROs find that match, they often describe it as a rare and indispensable part of their leadership toolkit.

6 Sustain Yourself for the Long Run

Sustainability in leadership is not just about avoiding burn-out. It is about cultivating practices that keep a leader connected to purpose, energized by the work, and resilient through cycles of change. Coaching helps CHROs pay attention to what drains them and what restores them. This is especially important in a role where the margin for emotional fatigue is thin. According to the Deloitte survey, 26% of executives report symptoms consistent with clinical depression, and almost 70% say they are seriously considering leaving their roles for well-being reasons.

What could get in the way? For many CHROs, self-care can feel self-indulgent. Putting themselves on the agenda seems



**Leadership is personal. Growth is optional.
And leaders deserve to wear the shoes they've
spent their careers fitting for others.**

like a luxury they cannot justify. There is always another fire to put out and another leader to support. But when the leader burns out, everyone feels it. That's why it's important to not only embrace coaching yourself, but to share your own coaching journey to encourage other leaders to reap the benefits.

For example, after Annette Wooters, the former CEO of the Far West Division of HealthTrust Supply Chain, found success with an executive coaching experience, she had the members of her executive team go through the same process.

"They loved the coaching, and it helped that I was incredibly transparent with my team about my own coaching," Wooters said. "I shared with them what my weaknesses are, what my growth areas are, and what I learned from my coach."

Coaching the Coach

The CHRO role is one of the most complex in the C-suite. It requires business fluency, emotional acuity, strategic foresight, and an unwavering sense of steadiness in the face of organizational turbulence. And yet, the very leaders who build the systems to grow others often overlook their own developmental needs.

Coaching is not a cure-all. It is not a signal of struggle or a sign that something is broken. It is a tool — a structured space to think, reflect, and evolve. When CHROs enter that space with clarity, vulnerability, and a strong coach relationship, they often find themselves better aligned, more energized, and more deeply rooted in their leadership.

"Coaching has helped me tell better stories. It's given me new language and frameworks that I now use to guide other leaders through tough decisions. Whether it's from a coach or a mentor, that kind of perspective is gold," said John Ferguson, SHRM-CP, former CHRO of NASCAR.

The image of the barefoot CHRO may be familiar. Too often, people leaders walk forward without the same resources that they diligently provide to others. But it doesn't have to be this way. Coaching is not about taking time away from the role. It is about investing in the clarity and capacity to do it well.

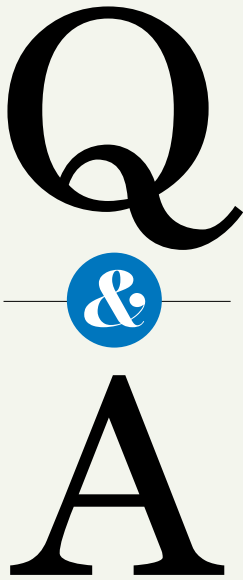
Leadership is personal. Growth is optional. And leaders deserve to wear the shoes they've spent their careers fitting for others. ■■



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BOB GOODWIN is the president of Career Club, where he works with senior executives to elevate leadership performance and align business strategy with people outcomes.



Jordana Kammerud

is senior vice president and CHRO at Corning, a 170-year-old glass and materials sciences company, where she leads the Fortune 500 firm's people strategy and culture. She previously served in HR leadership roles at Claire's, Core-Mark, SC Johnson, and American Express.

As part of the Strategic CHRO interview series on LinkedIn, Kammerud sat down with The ExCo Group's CEO David Reimer and Managing Director Adam Bryant to discuss artificial intelligence, leadership blind spots, and what it takes to build a thriving culture today.



'The Human Mind Isn't Evolving as Fast as Technology. That Is Why Resiliency Should Be Top of Mind Right Now.'

REIMER: What challenges or themes are you thinking most about?

KAMMERUD: AI is an obvious one, but also the power of the data, insights, and analysis that are created by AI. Another big theme is the resiliency of the human mind. I bring those together because work these days can sometimes feel like that movie title: "Everything Everywhere All at Once."

There is so much more data coming at us. There is such a fundamental change in the skills we need and the way we will need to work. As these technological processes embed in our workflow through things like AI, our ways of engaging, thinking, and working are rapidly changing.

But the human mind isn't evolving as fast as technology. That is why resiliency should be top of mind right now. How do

we ensure that we marry the human mind with these new technological capabilities? How can we, as human capital experts, incorporate how the mind works into these productivity workflows and provide support systems for people?

BRYANT: How can companies do that?

KAMMERUD: It's about bringing multiple disciplines together. Traditionally, we've thought about human resources and human capital management in a more business, workforce, and planning-centric way. But we haven't really married it up with the science around brain heuristics.

How do people really operate as they make decisions? How does the brain react to multiple social or data inputs? We need to build new routines into work to account for how all these broader changes in the

world are affecting our minds. All this data and everyone working at top speed creates both physical and emotional fatigue.

We haven't traditionally built structured rest periods into our workflows. We haven't taught people to manage themselves to that degree. We may say that we have, but we haven't actually encouraged it. We need to build into our processes the time and space for people to create resiliency in their minds.

REIMER: Given all the polarization in the world, how do you think about creating a shared narrative, a sense of "us," within your organization?

KAMMERUD: It's about aligning around a common set of beliefs or norms. That's not new, but it's something that organizations have to be playful about. If

people are questioning everything in the world at large, it's likely that they are questioning everything inside your company.

That's why there is so much talk about the employee value proposition. It boils down to what you really believe in, your values, and your shared stories. Then you talk about them continuously, even relentlessly. That way, you hold yourself accountable to them, as well.

When someone joins your organization, you're really clear about who you are, how you operate, and how you make decisions. The more consistent that is, the more people will see reinforcements that what you're saying is true. Even if they question it, they see it.

BRYANT: To thrive in a role like yours requires a lot of stamina and a level of comfort with ambiguity. Where does that come from for you?

KAMMERUD: I love challenges. I don't love the feeling of challenges all the time, but I love the accomplishment of getting through challenges. I was raised in a family of educators. My mom was a teacher, and my dad was a school superintendent. That's probably why I went into HR, because she was part of the teachers union and he was in management, so there were a lot of good conversations around the table.

As educators, they always impressed upon my sister and me that everything you see in the world has additional layers and elements behind it. A table has a physical structure, for example, but it also has a history that led to its design. There is a history to everything. Being challenged to think like that really formed in me a desire to figure things out and to see challenges as interesting rather than daunting.

REIMER: How does that translate to your leadership style?

KAMMERUD: There are a couple of tenets to my leadership approach. I want to optimize employees' experience and optimize their achievement based on their capabilities and what they want. I'm really focused on enhancing capability across

the enterprise and for individuals too. I also believe as a leader that we need to see the whole human, including their history and everything they bring to the table, while challenging them to be their best.

I learned an important lesson about leading with humanity earlier in my career. I was working incredibly late on a massive project. My leader stopped by my office at 9 p.m. one night to check in on me, and the next morning she had left a tray of homemade cookies on my desk.

I don't even know how she had time to do that, given that she had left very late and got in so early. She left a note with the cookies that said something like, "Jordana, I really appreciate your dedication. It was the least I could do to go home and bake you some cookies." These small moments of gratitude and humanity in leadership are so powerful and meaningful. I would have run through walls for that woman.

BRYANT: What do you see as the key X-factors that really separate the best leaders these days?

KAMMERUD: The most powerful core competency is curiosity. It's a cornerstone for learning, critical thinking, and innovation. And I can't think of three things that are more important right now. We need to encourage and amplify curiosity.

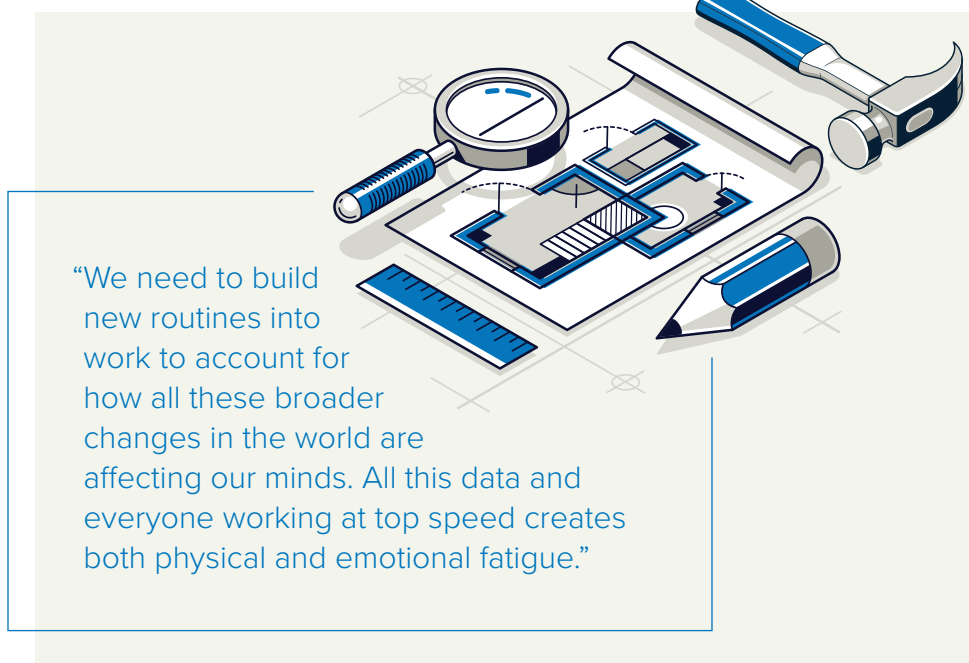
REIMER: When you've coached and mentored senior leaders over the years, what theme comes up most often?

KAMMERUD: The biggest blind spot is always how they manage themselves and the gap between their intended impact and the actual impact of what they say and do. So, the coaching I give is to make fewer assumptions and to pay more attention to how people are reacting, including their body language, to help refine your leadership style.

This is true for even the best leaders. There's always going to be a gap between our intentions and motivations and how people are interpreting them. But you have to work to close that gap as much as you can.

BRYANT: What do you consider to be the hardest part of leadership?

KAMMERUD: The hardest part of leadership is being what everybody else needs, but it's also the most gratifying. As a leader, you want to get the best out of people and be the best for them. So, you're always altering your style, thinking about what they need. That requires a lot of energy and agility and thought process, but it's critically important and it's also so gratifying. It can be exhausting, but it's a good exhaustion. ■■





Building an AI-Ready Culture: 4 CHRO Strategies to Turn Disruption into Breakthrough

BY TIM CREASEY, PAUL GONZALEZ, RYAN KURT, AND BRAD WINN

We're in the middle of the fastest workplace transformation in generations, yet many companies are treating it like a routine software upgrade.

Across the globe, executive teams are pouring time and capital into artificial intelligence strategies, technical infrastructure, and governance protocols. While chief information officers debate which large language model to license and

chief technology officers map out data architectures, the real battle is happening in conference rooms, cubicles, and casual conversations between managers and their teams.

In our roles as organizational researchers and practitioners, we've learned from hundreds of conversations with organizations navigating AI adoption that this isn't a technology problem, it's a

people problem. However, in the rush to launch new companywide technologies, people sometimes focus so heavily on the technology that they overlook the importance of culture in the change process. Even experienced executives often show little interest in understanding the role of people dynamics in change efforts.

Leaders must recognize that successful technological transformations

are fundamentally about people and culture. And that makes the CHRO the most critical executive in your AI transformation.

The Gap Between Hype and Reality

The disconnect becomes even more stark when you look at what's actually happening on the ground. According to research from KPMG, 57% of employees are hiding on-the-job AI usage from their employers. Employees are using ChatGPT, Claude, and other tools for everything from email drafts to strategic analysis, often violating company policy in the process. This isn't malicious, it's inevitable.

When consumer AI tools outpace enterprise solutions by months or even years, employees will use whatever means available to make themselves more effective. Noted AI futurist Ethan Mollick, associate professor at the Wharton School of the University of Pennsylvania, calls these workers "secret cyborgs." These are people who are quietly leveraging AI in their workflows to boost productivity while their companies debate governance policies.

This shadow adoption creates multiple risks: data security vulnerabilities, inconsistent outputs, skills development occurring outside organizational oversight, and a growing divide between AI-enabled and AI-lagging workers. But it also reveals something crucial: People are hungry for these capabilities. They're not waiting for permission — they're finding solutions.

The most successful organizations we've encountered aren't trying to stop AI-curious behavior. Instead, they're channeling it. They're creating safe spaces for experimentation, establishing clear guidelines for responsible use, and — most importantly — learning from their employees' innovations rather than restricting them.

Continuous Change Requires a New Playbook

The pace of change has forced an adjustment to typical processes. We used to manage discrete transformations: implement this system by this date, train people

on these new processes, measure adoption, done. AI doesn't work that way.

Instead of managing a project with a clear beginning and end, CHROs must now orchestrate continuous transformation. Many skills that took employees years to master can now be quickly automated, calling into question the definition of what constitutes a "job." These tools may help organizations modernize, automate, and streamline processes.

The task is the unit of impact here. Every job can be broken down into specific tasks, many involving digital information processing — and all of those tasks are now "up for grabs." As AI models continue to evolve rapidly and improve their capabilities across domains, the human-owned tasks that comprise jobs will keep shifting.

Consider how this plays out in practice: A marketing team that once spent weeks on campaign analysis can now generate insights in hours. But this doesn't implicitly mean fewer marketing jobs. It means marketing professionals can focus on strategy, creativity, and relationship building instead of data crunching. The challenge for CHROs is helping people navigate this transition while ensuring the organization captures the full value of these efficiency gains.

4 Strategic Levers Only CHROs Can Pull

So how do CHROs enable a future of work in which the organizational chart includes a mix of both digital and human labor? It starts with mastering a distinct set of levers that only HR's top leader has the reach and authority to pull — each critical to shaping an agile, AI-empowered workforce.

I.

MAKE AI LITERACY A CORPORATE BENEFIT

Every employee should have access to quality AI tools and training — not as a nice-to-have, but as a fundamental akin to health insurance or a 401(k). We're seeing this playing out in organizations today: Companies that provide universal



When consumer AI tools outpace enterprise solutions by months or even years, employees will use whatever means available to make themselves more effective.

AI access and training create cultures in which AI amplifies human potential. Those that don't will find themselves managing a two-tier workforce.

As CHRO, you're uniquely positioned to make this case to the C-suite. You already own employee benefits, training budgets, and development programs. Expanding that mandate to include AI literacy is a natural evolution of your role.

One executive told us he is moving toward a simple policy based on the premise that "if we give you a phone, email, and computer to do your job, but you choose to work with just a notepad, you can't work here." The same logic increasingly applies to AI.

But universal access means more than just licensing software. It requires creating learning pathways that meet people where they are. The marketing professional needs different AI capabilities than the financial analyst. Companies need to be agile and adopt new technologies. Your training programs must be specific, practical, and immediately applicable.

We've found the most effective AI training approach involves peer-to-peer learning networks. Identify your "secret cyborgs" — the employees already using AI effectively — and turn them into internal champions and trainers. They understand the real workflows, the practical challenges, and how to overcome adoption barriers in ways that external consultants never could.

2.

MAP WORK AT THE TASK LEVEL

Leaders cannot redesign roles without understanding the work itself. Most CEOs couldn't accurately map their organization's task landscape if their careers depended on it. But here's where your HR background is invaluable. You already understand job architecture, competency frameworks, and how work flows. You have relationships across every function. People trust you with sensitive information about what they actually do (versus what their job descriptions say).

The key insight from our conversations with organizations: Success comes from meeting people where they are. One change expert told us: "I roll my chair right up next to them and say, 'What problem are you working on right now?' Then, we go right into the AI tool and work on that problem."

This isn't about abstract training. It's about showing people how AI can eliminate the parts of their job they hate while amplifying the parts they love.

Task mapping also reveals unexpected opportunities. In one organization, we discovered that customer service staff spent 40% of their time on routine data entry that could be automated. AI could free them up to focus on complex problem-solving and relationship building, which is uniquely human and more satisfying.

The process requires careful attention to change management principles. People need to feel involved in analyzing their own work rather than having efficiency experts impose solutions from above. When employees participate in identifying which tasks should be automated or augmented, they become partners in the transformation rather than victims of it.

3.

REDESIGN WORK AS A SYSTEM

Once tasks are mapped, the real work begins: redesigning how work flows through the organization. We're already

seeing this in early-adopter companies. Engineering teams using AI deliver features 30% to 50% faster. But if marketing and sales teams aren't similarly accelerated, you get bottlenecks. It's like having a powerful pump pushing water through a narrow pipe — the constraint just moves.

CHROs must coordinate this transformation across functions, ensuring the organization evolves as a system, not in silos. This is where HR's unique perspective becomes critical: No other function sits at the intersection of all the key domains of work and the people doing them.

The systems thinking approach requires understanding both the formal and informal networks in your organization. Who collaborates with whom? Where do handoffs typically break down? Which teams are natural early adopters versus those that lag or may need more support? AI transformation amplifies existing organizational dynamics, both positive and negative.

This means rethinking traditional organizational structures. Teams may need to be more fluid, with people contributing to multiple projects based on current needs and capabilities. Performance management systems must account for this increased flexibility. Career development paths become less linear and more multidirectional.

4.

BUILD ORGANIZATIONAL CHANGE MUSCLE

Perhaps most importantly, you must help your organization develop what we call "change muscle" — the capacity to continuously adapt rather than managing change as discrete projects.

This is where your change management expertise becomes most valuable. You've managed restructurings, mergers, and cultural transformations, but this is different because it never ends. The old model was to implement change, stabilize, and operate. The new model is continuous evolution.



Organizations that master this will thrive. Those that don't will find their best people leaving for companies that embrace the AI-enabled future. And as CHRO, you'll be the one fielding the exit interviews asking why the company "feels stuck in the past."



The old model was to implement change, stabilize, and operate. The new model is continuous evolution. Organizations that master this will thrive.

REDEFINING PERFORMANCE: WHAT IS 'MEETS EXPECTATIONS' IN AN AI WORLD?

Artificial intelligence is dramatically widening the performance gap. Top performers have always been four to eight times more productive than average employees, according to the *Harvard Business Review* and McKinsey & Company. With AI, that gap could expand to 10 times or even 100 times.

This puts you in a challenging position. What does “meets expectations” mean now when some employees are AI-enabled and others aren’t? How do you fairly evaluate performance across teams that have adopted AI at different rates?

These aren’t theoretical questions. They’re showing up in performance reviews right now. Without clear frameworks from HR, you’ll end up with internal talent wars. Early AI adopters will question why they’re being held to the same standards as colleagues producing a fraction of their output. Nonadopters will feel unfairly judged against AI-enhanced results.

HR must establish consistent baselines while allowing for the reality that AI capabilities will continue expanding rapidly. This might mean rethinking everything including job levels, compensation bands, and promotion criteria.

One approach we’ve seen work involves measuring performance relative to AI-enabled benchmarks while providing universal access to tools and training. The expectation isn’t that everyone becomes a power user overnight, but that everyone has the opportunity to develop AI capabilities relevant to their role.

Performance management must also evolve to recognize new types of value creation.

The ability to work effectively with AI — including prompt engineering, quality control of AI outputs, and creative problem-solving with AI assistance — is becoming a core competency. But so is knowing when not to use AI, maintaining human judgment, and preserving the irreplaceable human elements of work.

Consider implementing AI-aware performance metrics that capture both efficiency gains and quality outcomes. Someone who uses AI to complete tasks faster should also be evaluated on the strategic work they can now take on with that extra time. The goal is optimizing human potential, not just automating existing processes.

Building change muscle requires creating psychological safety for experimentation. People need to feel comfortable trying new approaches, making mistakes, and iterating quickly. This means shifting from a culture of perfection to one of continuous improvement.

It also requires new leadership capabilities throughout the organization. Middle managers become crucial in this transformation. They’re the ones translating strategic AI vision into daily work practices. They need training not just in AI tools, but in leading teams through continuous change, supporting employee development, and maintaining performance standards in a rapidly evolving environment.

The Strategic Advantage of AI-Ready Culture

Beyond the operational considerations, there’s a strategic imperative here that

many organizations are missing. Companies that get AI adoption right aren’t just becoming more efficient. They’re becoming more innovative, more responsive to customer needs, and more attractive to top talent.

When employees feel empowered to experiment with AI in their daily work, they discover applications that no external consultant could have predicted. A customer service team starts using AI to identify patterns in complaints that lead to product improvements. A finance team develops AI-assisted forecasting that gives the company better strategic visibility. An HR team creates AI-powered candidate matching that dramatically improves hiring quality.

This bottom-up innovation only happens in cultures where people feel trusted, supported, and equipped to explore new possibilities. It requires leadership that

views AI adoption as an opportunity to elevate human capabilities rather than replace them. 🧩



TIM CREASEY is the chief innovation officer at Prosci, a change management training firm.



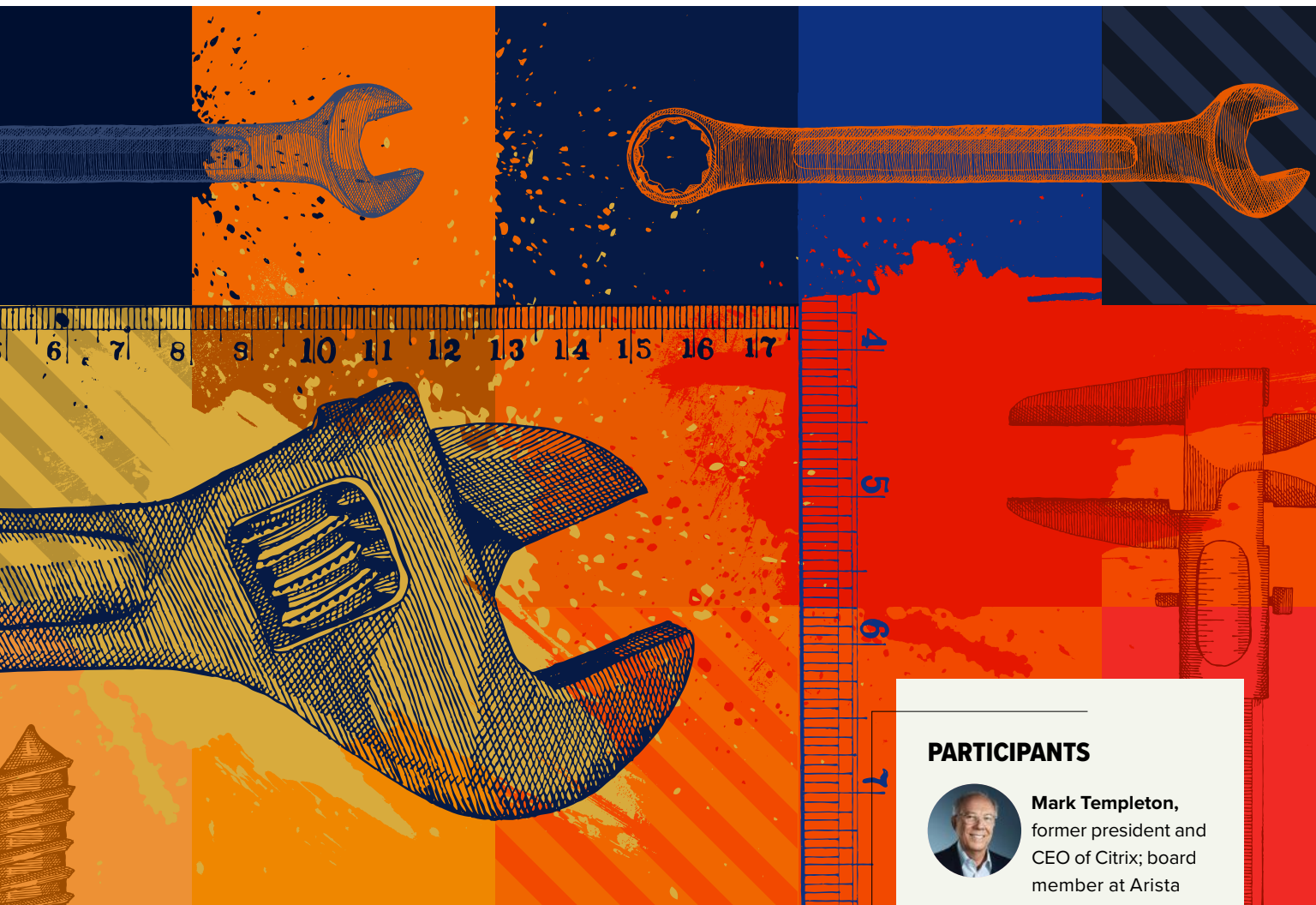
PAUL GONZALEZ is the vice president of product at Prosci.



RYAN KURT is the CEO and founder of The AI Lab, a strategy and advisory firm.



BRAD WINN is a leadership practice professor and executive MBA director of the Huntsman School of Business at Utah State University.



Boards That Build: Shaping Teams and Future Leaders

In today's complex landscape, boards are more influential than ever in setting the tone for management team performance and organizational success. In this edition of the Directors Roundtable, three former executives who also serve as board members discuss how boards can evaluate team effectiveness, drive succession planning, and partner with CHROs to cultivate the next generation of leaders.

PARTICIPANTS



Mark Templeton, former president and CEO of Citrix; board member at Arista

Networks, Nutanix, and Proofpoint



Kathy Waller, former CFO of The Coca-Cola Company; board member at

Beyond Meat, CGI, Delta Air Lines, and Cadence Bank



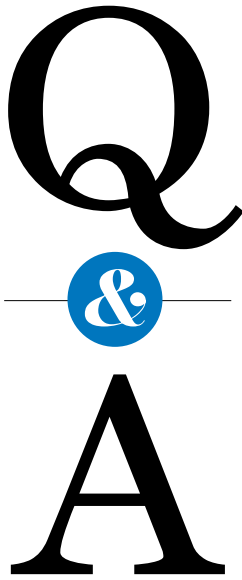
CJ Warner, former president and CEO of Renewable Energy Group; board

member at Chevron, Sempra, and Bloom Energy

MODERATOR



David Reimer, CEO of The ExCo Group



ELEVATE TEAMWORK IN UNCERTAIN TIMES

DAVID REIMER: What has changed over the years about how you think of management team effectiveness? What does “good” look like now compared to five or 10 years ago?

CJ WARNER: In a business environment where things are predictable, the real purpose of companies is to focus on what they’re already doing well and to make it more efficient. You can get away with people operating in silos in that kind of environment. But in this highly dynamic and somewhat unpredictable business environment, companies need to be flexible.

Teamwork is essential. Companies can be much more innovative and much more responsive when everyone’s working across boundaries and working effectively. The essential importance of teamwork is at an all-time high.

KATHY WALLER: I agree, and because we have so many people who are not in the office right now, that’s changed the dynamics somewhat. You can’t just stop by somebody’s office when you’re not in the office. So you have to make an appointment, which changes the dynamic of a management team. It works better when

the management team decides that they are going to be in the office so they can interact with each other. That also sends an important signal to the rest of the organization.

MARK TEMPLETON: To me, the biggest change is the environment that management teams are operating in. A decade ago, when companies faced difficulties, about 80% were self-inflicted wounds versus 20% external factors. I think it’s the opposite today because of the velocity of everything, from globalization to the political environment to the impacts of AI. It’s as if someone turned the treadmill speed way up.

OBSERVE UNSCRIPTED MOMENTS TO GAUGE UNITY

REIMER: Given the degree to which board meetings are highly produced and choreographed affairs, how do you assess how well the management team is really working together?

TEMPLETON: It’s not easy to know if there is true alignment behind the appearance. So you have to look for those unscripted moments when someone asks a deeper or broader question than expected. Then you watch how the management team debates. Are they sharing ownership of a problem and working across silos consistently?

I like to ask a question in meetings to probe for those dynamics: “When you debated this internally, what were the major points of view that you debated?” That forces everyone to talk, not just the person assigned to speak.

WALLER: You do look for those moments, like when the management team is joining a board dinner, when people are more relaxed. It’s interesting to watch the dynamics of people during those times to see how genuine they are about seeing their peers as part of a team, and how well they know each other. That will tell you how well they’re working together if they actually have some kind of relationship with each other.



“[In a CEO search,] you want someone with ambition, but you don’t necessarily want someone who’s ambitious. Parsing that nuance can be difficult, especially when there are multiple horses in the race. Humility is critical when you are judging successors.”

— MARK TEMPLETON



WARNER: You can also have those unrehearsed moments during board visits to the field. That’s when you see your leaders in their true environment and how well they are building and driving team performance. You really get a sense of the culture that they’re fostering themselves.

Those dynamics will also be set in part by the reward system that the CEO puts in place. Is the CEO rewarding team members as individual performers, or are they being motivated and rewarded collectively?

MODEL COLLABORATION TO SET THE RIGHT TONE

REIMER: What’s the role of the board in articulating expectations about the effectiveness of the management team?

TEMPLETON: I always encourage management team members to speak up. Then you can watch the body language to see if they are being coached, or if the CEO is putting walls around them. That’s another way to influence the culture of the team.

WARNER: Boards can significantly underestimate the effect they have on the overall direction and culture of the company. What the board asks for most often, and how they ask, does drive what the management team is going to be focusing on, because they know they need to be on top of their game when they meet with the board again on those topics.

And how the board itself role models teamwork cascades through the organization. They're watching how we behave. If we're acting collaboratively, seeking out expert opinions, and working together to maximize the value of our own diversity to get better outputs, they can see that dynamic and take that value back to their teams.

When there are poor dynamics in the boardroom, that puts a pall on things for the rest of the management team, because they're actually trying to get something important done. We always joke about the fact that you can never be totally useless as a board, because you can always serve as a bad example, showing the management team how they should not behave.

WALLER: It's interesting when the board itself makes a shift. I witnessed one situation where there were challenging dynamics until a new chair came in who completely changed the dynamic. Everybody saw an amazing shift in the board and management team. Suddenly there

was much more healthy debate in the boardroom, including during management presentations. The shift was incredibly powerful. It's painful but it feels good when you get to a better place.

MEASURE SUCCESSORS BY TEAMWORK AND IMPACT

REIMER: How do those team dynamics influence your thinking around succession planning? How much weight do you give that as you think about future leaders of the company?

WARNER: I'll go back to my earlier comment about working across boundaries effectively. Leaders need to have a higher emotional intelligence, understand how to manage external parties effectively, and truly listen and then be responsive. So when it comes to talent management, that's becoming much more of an important lens that we all use for selection as well as development.

If you're selecting from a pool of internal candidates for the CEO role, you've got to think about the team dynamics as a whole, because you're really selecting the CEO and his or her team. How is the team composition going to change if you choose one successor over another? Are people going to leave?

TEMPLETON: You do have to consider the impact of CEO succession on deeper layers in the organization. The last thing you want is a mass exodus. You really want someone who can bring a team together.

I find the single biggest challenge with succession is that boards, whether they hire a consultant or do this themselves, start by making a list of all these characteristics they want in their next CEO. And the only thing that's missing from the list is the Superwoman or Superman logo. They don't consider the more relevant context of looking for the best leaders who are going to be most relevant for the next three to five years. There has to be clarity about what the company actually needs in a leader, rather than the must-haves versus the nice-to-haves.

WALLER: When evaluating internal candidates, so much of your understanding about them started with what the CEO told you about them. It's up to the board at that point to develop their own opinions about people. We all need a chance to get to know them and to assess them for ourselves. You can ask the CEO to move them around and put them in various scenarios or roles so you can see how they perform in different circumstances.

But you're not really hiring that person for the job today. You are hiring that person for a future job. You have to understand how they think and how they assess things. What kind of judgment do they have? Because they won't walk into the job with all the skills that they need. It's up to the board to take the time to get to know these candidates and have conversations about them without any management in the room. Because when the CEO tells you their perspective, that's just one perspective.

TEMPLETON: There are interesting patterns you can spot in successor candidates. Sometimes you see "lone wolf" types. They're incredible "athletes." But then there's the person who gets things done through others. They're a force multiplier for the organization. That will inform how transferable their performance is going to be across various situations.

WARNER: That rubric makes a lot of sense, and it's not always easy to tell who is going to be most effective. Someone may be able to gather everyone together and keep them happy. But will they be a driving force that makes people somewhat unbalanced but moves things in a more powerful direction? Because we do need effective change-makers. But if people are too strong in terms of nurturing everyone, that may be more of an overly stable approach than what's required. It is very challenging to balance those.

WALLER: Another dynamic when you have potential succession candidates is that people start to behave differently around them. You start to see camps forming, which can be incredibly problematic



"How the board itself role models teamwork cascades through the organization. They're watching how we behave."

— CJ WARNER



because those camps are then propping them up. You may not be seeing their true performance. You have to find a way to get around all the noise and understand the individual's true capabilities.

TEMPLETON: I completely agree with that, because [in a CEO search] you want someone with ambition, but you don't necessarily want someone who's ambitious. Parsing that nuance can be difficult, especially when there are multiple horses in the race. Humility is critical when you are judging successors.

EVALUATE FUTURE LEADERS THROUGH REAL DECISIONS

REIMER: In our work with boards, we are seeing many take more of a scenario-planning approach to succession, with different scenarios requiring different kinds of leaders. How do you think about the dynamism of the backdrop in which you are trying to evaluate different candidates?

WALLER: I agree that those plans will be ripped up because everybody recognizes that the one thing you cannot predict is your future. There is a related challenge when you've got a really talented CEO who isn't ready to leave and almost becomes a blocker for attracting and retaining talent because they aren't ready to engage in the succession discussion.

One of the best ways to assess internal candidates is to see how they handle a challenge in their area of responsibility. But if you've got a CEO who's not ready to go, they're going to tell [the internal candidate] what to do. They're not going to allow you to see the strength of that person and the decisions that they would have made on their own. Part of the challenge is getting the current CEO to recognize it is time to loosen the reins so the board can see what decisions the successor candidates would make on their own. Not that you're going to let them fall off a cliff, of course, but you want to see them using their own judgment.

WARNER: Because leadership is becoming more challenging, and the CEO job is becoming so much tougher, we have a smaller group of candidates from which to choose. So we need to work harder on talent development earlier. If you think about it in that way, all companies would be stronger if they made succession a continuous process, regardless of how challenging the current environment is.

TEMPLETON: Predicting the future is more difficult than ever because of velocity. That cannot be an excuse for not being opinionated. You have to revisit and refine your assumptions and your thinking about the process every year. That's why succession discussions should be continuous and shouldn't be a transactional process.

DEVELOP A CULTURE OF SUCCESSION

REIMER: What do all these challenges and opportunities around succession mean for HR leaders? What does "good" look like for the function over the next five years?

TEMPLETON: I would encourage CHROs to be the driver of succession and to communicate the rationale behind the process. That helps a lot, because boards generally depend on CEOs too much for succession and don't take on the obligation themselves because it can be awkward. So directors have to be more proactive about it, and if CHROs can help create a culture of succession, that will open up great conversations and lead to more transparency.

WARNER: I really like that concept of developing a culture of succession. We have to fight complacency. Over the last five years, we have seen many examples of how all the change we've been through has forced us to make tough decisions about issues that we might have lived with in quieter times.

Many organizations have a mixture of people who are good, but they are not great. And so we don't make the tough



"The CHRO needs to have a good relationship with the CEO, but there also has to be some distance there, because you don't want the CEO telling them how to think."

— KATHY WALLER



decisions about talent. But when we do have to make those decisions, and we bring in dynamic, new people who are particularly well-suited for the role, it's like magic. It opens up a whole new world for the entire organization, and it can catalyze the excitement of going forward. So fighting complacency is absolutely critical for CHROs, and they need to catalyze other leaders to also make some of those tough decisions. It's always worth it when you do.

WALLER: When I look at the CHRO role, a key responsibility is to know the talent. That's a big responsibility, particularly in large organizations. They've got to have the right team, and they need to be surfacing talent and making sure that people are getting opportunities to develop and move to new roles, so that the leadership of the organization gets a chance to see their skills in action.

The CHRO needs to have a good relationship with the CEO, but there also has to be some distance there, because you don't want the CEO telling them how to think. CHROs need to really be independent in their thinking about talent, because they need to be able to help the CEO bring new talent to the table and to move people into stretch assignments. That helps strengthen the succession culture. ■■

The State of Recruiting 2025

Insights to Maximize Recruitment from SHRM's New Benchmarking Report

Organizations continue to face intense competition in attracting and retaining talent. Since mid-2021, the unemployed-people-per-job-opening ratio (UJOR) has mostly remained below 1.0, meaning there have almost always been more job openings than unemployed people available to fill them during the period. Recruiters are still grappling with this staffing challenge. In 2025, more than half of recruiting executives (56%) identified talent shortages as a challenge, with 1 in 5 citing it as their organization's greatest macroeconomic obstacle (*Recruiting Executives: Priorities and Perspectives*, SHRM, 2025).

To better understand these challenges and how recruiters are responding, SHRM released a new data brief: *2025 Recruiting Executives Benchmarking: Insights to Maximize Recruitment*. Drawing on responses from more than 2,300 SHRM members across diverse industries and organizational sizes, this year's data builds on prior benchmarking efforts to track key recruiting metrics and emerging trends. The following analyses highlight findings designed to equip recruitment executives with actionable benchmarks to strengthen their efforts to attract top talent.



5 KEY FINDINGS

1

Recruitment costs are evolving

Since 2017, nonexecutive cost-per-hire has declined, but executive cost-per-hire has more than doubled.

2

Bigger firms carry heavier loads

More than half of organizations have dedicated recruiters, and the number of requisitions per recruiter increases with organization size.

3

Executive hiring speeds up

In 2025, executive and nonexecutive time-to-fill are both about a month and a half. In previous years, executive roles took longer to fill.

4

Large firms are more likely to promote from within

Most positions are filled externally, but hiring internally increases with organization size.

5

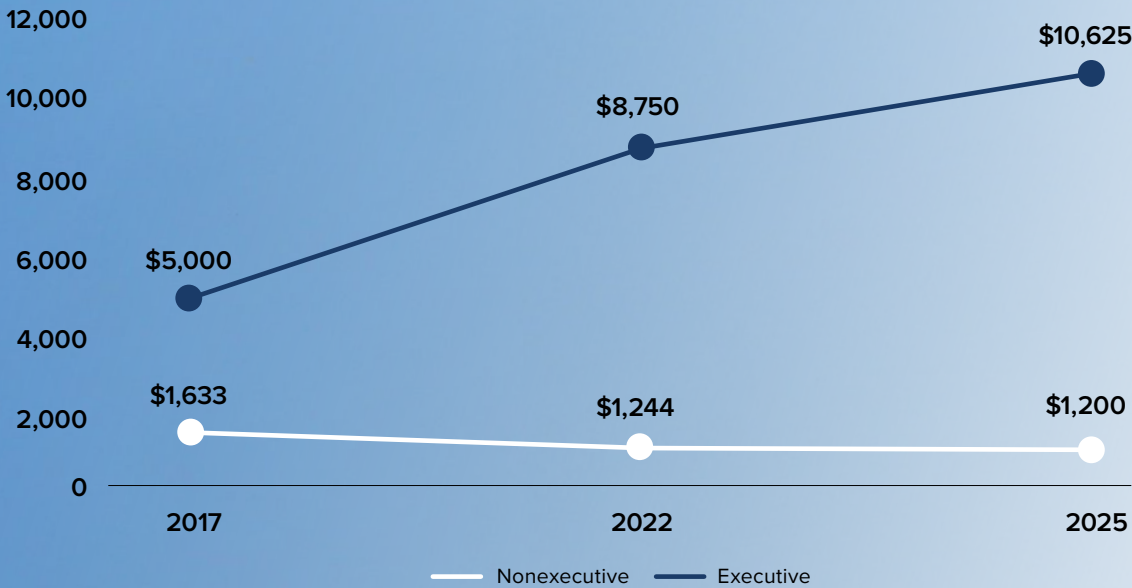
Few track hiring outcomes

Only 20% of organizations use quality-of-hire metrics.

A DRAMATIC SHIFT IN THE COST-PER-HIRE LANDSCAPE

Hiring costs appear to be diverging. The median cost-per-hire for nonexecutive roles was \$1,200 this year, a 27% decline since 2017. In comparison, the median cost-per-hire for executive roles rose to \$10,625, a 113% increase over the same period. This widening gap suggests increasing complexity and resource demands for executive recruitment (particularly in large organizations). At the same time, the falling hiring costs for nonexecutive roles may reflect improved efficiencies — such as the adoption of new technology — that could serve as a model for optimizing broader talent acquisition strategies.

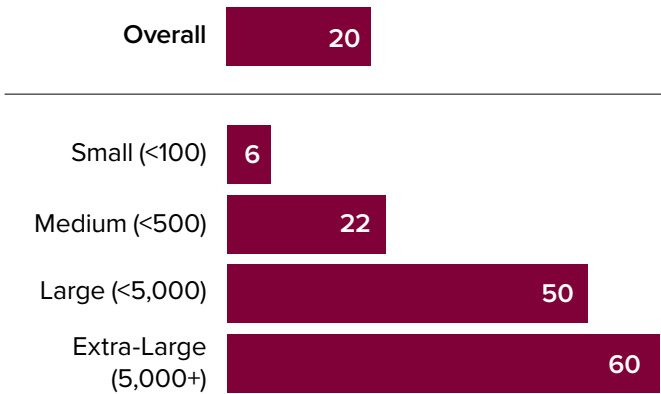
The median cost for executive and nonexecutive hires, based on benchmarking data from 2017, 2022, and 2025.



WHAT'S THE RIGHT NUMBER OF RECRUITERS FOR MY ORGANIZATION?

More than half of organizations (55%) had dedicated recruiters on staff this year. But how do you know how many recruiters you need? Among organizations with dedicated recruiters, each recruiter managed a median of 20 requisitions per year. Workload, however, increases with organization size. Extra-large organizations have the longest time-to-fill, suggesting that heavy recruiter workloads can slow hiring and raise burnout risks even with efficiency measures and technology in place.

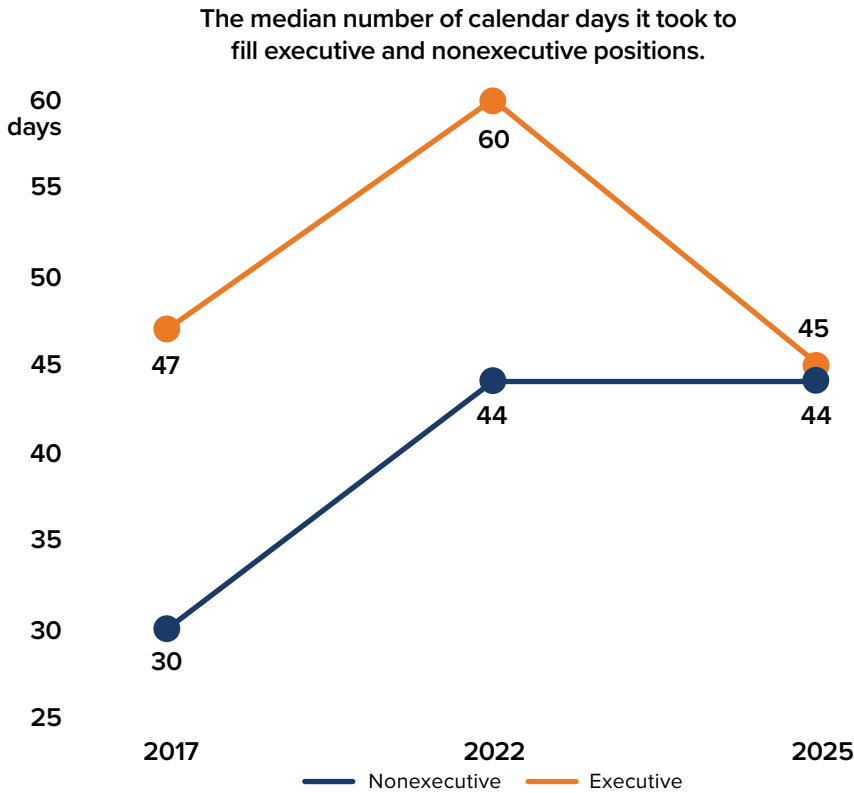
The median number of requisitions in a year per recruiter by size of organization.



HOW LONG DOES IT TAKE TO FILL POSITIONS?

In 2025, median time-to-fill — the period from job requisition to offer acceptance — is roughly a month and a half for both executive and nonexecutive positions. This is a shift from 2022 and 2017, when executive roles typically took 16 and 17 days longer, respectively, to fill than nonexecutive roles. While executive time-to-fill has dropped, costs per hire have increased, suggesting organizations may be investing more to expedite hiring for critical roles. These trends highlight the evolving balance between speed and cost in recruitment.

**Time-to-Fill
in Extra-Large
Organizations**
(5,000+ employees)

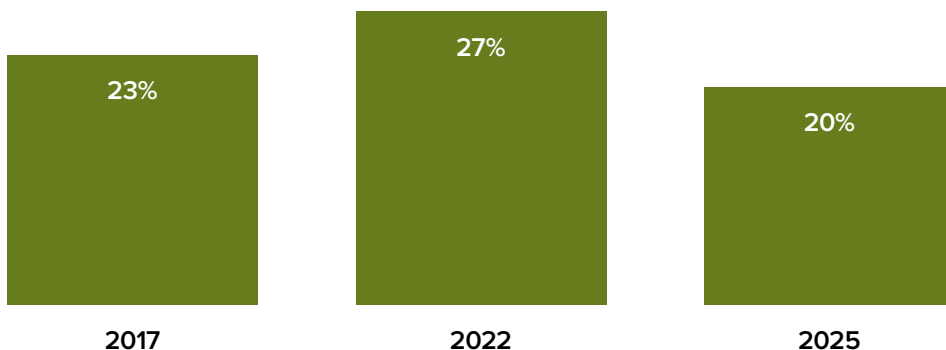


**61
DAYS**
Nonexecutive
positions

**60
DAYS**
Executive
positions

FEW ORGANIZATIONS MEASURE THE QUALITY OF HIRES

The percentage of organizations using quality-of-hire metrics — such as retention rates and performance appraisal scores — has declined compared with recent years.



MESSAGE FROM THE RESEARCHERS

Unlocking the Power of Internal Talent: Why Organizations Must Rethink Hiring Strategies

How often does your organization promote or redeploy existing talent into open roles? For many, the answer is, “Not often enough.” According to a SHRM data brief, *2025 Recruiting Executives Benchmarking: Insights to Maximize Recruitment*, hiring remains overwhelmingly external.

That’s especially true in hiring for the executive ranks. Only extra-large organizations (50%) and large organizations (25%) report leveraging internal pipelines to fill executive positions. Small and medium organizations rely almost exclusively on external sources to fill executive roles.

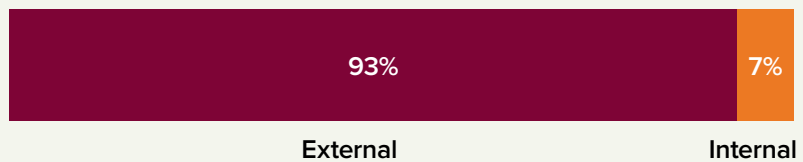
Organizations are more likely to hire from within for nonexecutive positions, but it’s still rare. Overall, only 7% of non-executive positions were filled internally in 2025 (see chart). In general, the 2025 median rates of internal and external hires remain consistent with 2022 data.

This heavy reliance on external talent is increasingly out of step with today’s labor market dynamics. Recruitment challenges persist: SHRM’s *2025 Talent Trends* research reveals that 51% of organizations report too few applicants, 50% struggle with losing talent to competitors, and 41% cite rising rates of candidate “ghosting.” These issues mirror those seen in 2022 and 2024, underscoring that the external market is not becoming any easier to navigate.

However, there are signs of progress. In 2025, 35% of organizations reported using an internal talent marketplace, up from 25% in 2024 (*2025 Talent Trends*, SHRM). This growth reflects a shift in mindset: More employers are recognizing that their existing workforce is their most valuable source of future talent. Internal mobility not only accelerates time-to-fill but also enhances engagement and retention by offering employees clear pathways for growth. Organizations that treat internal talent as a strategic advantage are better equipped to adapt to market disruptions, retain top performers, and outpace competitors.

SOURCE OF NONEXECUTIVE HIRES

The median percentage of nonexecutive hires filled internally or externally in 2025.



3 Steps to Strengthen Internal Talent Pipelines

1. Create a Culture of Talent Mobility

Encourage employees to explore opportunities across departments and functions. This can be achieved by implementing rotational programs, cross-functional projects, or even “gig” assignments within the organization. A culture that normalizes internal movement fosters innovation, reduces silos, and ensures employees feel empowered to grow without leaving the company.

2. Redesign Job Postings to Prioritize Internal Candidates

Make internal opportunities more accessible by simplifying the application process for current employees. Ensure job postings clearly outline transferable skills and development opportunities, rather than focusing solely on external experience. This approach signals to employees that their growth is a priority and encourages them to apply for roles they might otherwise overlook.

3. Leverage Data to Identify Hidden Talent

Use workforce analytics to uncover untapped potential within your organization. Skills inventories, performance data, and employee aspirations can help

identify candidates who are ready — or nearly ready — for new roles. Proactively matching employees to opportunities not only reduces time-to-fill but also demonstrates a commitment to their career development.

Why This Shift Matters Now

Relying heavily on external talent may feel familiar, but it is becoming increasingly unsustainable. The external market is more competitive than ever, with no indication of relief. Internal talent, by contrast, is a proven and often faster-to-deploy asset. Leveraging it effectively creates measurable business advantages: faster time-to-fill, reduced recruitment costs, stronger retention, and greater organizational agility.

Organizations that fail to prioritize internal mobility risk falling behind competitors that are already investing in these systems. Those that take action today — by creating a culture of talent mobility, redesigning job postings to prioritize internal candidates, and leveraging data to identify hidden talent — will be positioned to respond to disruption with confidence and to unlock the full potential of their workforce. ■■



RAGAN DECKER, PH.D., is the manager of Executive Network and enterprise research at SHRM.

Insights from the leaders featured in recent episodes of the weekly People + Strategy podcast.

Find new and previous episodes at [SHRM.org/ENpodcast](https://www.shrm.org/ENpodcast).



***Dennis A.
Davis***

NATIONAL DIRECTOR OF CLIENT TRAINING AT OGLETREE DEAKINS

Build Psychological Safety Around 3 Core Questions

P psychological safety can be defined in a lot of complex ways, but I like to define it simply as the condition of feeling secure. Not job security, but a certain level of comfort. And there are three big questions that account for employees' psychological safety. No. 1: Do you care about me? I know I need to be here to have a fully staffed team, but do you really care about me? No. 2: Are you committed to me as much as you ask me to be committed to you? And No. 3: Would you tell me if things changed for me? In other words, can I trust you?"



***Kelly
Jones***

CHIEF PEOPLE OFFICER AT CISCO

Move Employee Experience from Soft to Strategic

Sometimes it feels like employee experience is this thing companies do just because they want all their employees to be happy. And we certainly want employees to be happy. But employee experience drives productivity and productivity drives business results, so employees that are engaged result in happy customers.

"We have a lot of data at Cisco and we do a lot of sensing and surveying. And we know that employees who are getting regular attention from their leaders are three times more likely to be engaged and have significantly higher performance ratings. So there's a straight line that we see from employee engagement to happy customers."



***Jinah
Chernivec***

CHRO AT GOODWILL-EASTER SEALS MINNESOTA

Step Outside Work to Understand Your Workforce

I seek out volunteer opportunities so that I'm not just getting fed through work, but I'm also getting fed through my personal life. ... And I think we don't really understand what a lived experience can look like [for our employees] if we're not exposed to what's going on for people on a daily basis.

"When CHROs are volunteering and taking that learning back to their teams and their organizations, it not only can inspire volunteerism within the organization, but it shows that it matters to us, as leaders, what's happening in our community and what our employees are experiencing every day. That way, we can hopefully better address the needs they have and how that's impacting their work experience."



**Kevin
Cox**

FORMER CHRO AT GE AND
PEPSI BOTTLING GROUP

Give Feedback That Is Personal and 'Camera-Lens' True

“**W**hatever I might have accomplished had more to do with leaders that I worked for who sometimes saw more in me than I saw in myself. They had the courage and the good nature to give me feedback. Some of it was really hard to hear, but all of it made me better. And I worry today that the feedback culture in most companies is more watered down and much more safe.

“The best feedback has to be personal. It can't be generic. Back at Pepsi, we used to have a term called 'camera-lens feedback,' which meant that if you're going to give somebody feedback, it needed to be something that you have seen, like a camera would witness someone, as opposed to third-party feedback, which makes people defensive and paranoid.”



**Kathleen
Pearson**

CHRO AT MCDERMOTT
WILL & SCHULTE

Remove the Noise of HR to Restore the Humanity

“**O**ur workforce is going to change dramatically. ... And we need to start to think about how we can add the human back into the process. It's not all about, 'Machines are going to do everything and we're not thinking anymore.' It's about where we can have higher and better use of our humanity and create those connections with people that we're not able to do right now because we have such an administrative burden.

“[Generative AI tools] can take some of the noise out of the work that we have and allow us to get back to the people part of HR, which is really why we all want to be here in the first place.”



**Leah
Marone**

PSYCHOTHERAPIST
AT YALE UNIVERSITY

To Sustain Your Strength, Honor Your Boundaries

“**T**he HR profession, like education and health care, requires you to create space for others at times, and it requires higher levels of compassion and empathy. Those are wonderful gifts. But oftentimes I'm finding that people within those fields are more prone to compassion fatigue and burnout, because people with higher levels of empathy and compassion tend to be pretty awful sometimes at setting boundaries.

“That's because the voice inside of us — our 'inner pleaser' — is very much in tune with what other people think about us and how we're serving them. These pleaser parts in us are very driven to create these spaces where we're available often. And that can surpass the needs and resets that people need for themselves to keep those wonderful gifts afloat.”

Reality Check: The Barriers That Limit AI's Impact on Jobs

BY JUSTIN LADNER

These days, an average person following the news could be forgiven for thinking they are moments away from losing their job due to rapidly developing technologies in the world of artificial intelligence.

One reason is that proponents of these technologies often describe the future of work in bleak terms. For example, Dario Amodei, CEO of Anthropic, which developed the Claude generative AI (GenAI) tool, told Axios recently that AI has the potential to wipe out half of all entry-level white-collar jobs and drive the unemployment rate to between 10% and 20% within the next one to five years.

In short, we have entered an age of heightened fears about workers being replaced by automation. Although such job-loss fears among blue-collar and white-collar workers are by no means new, the emergence of increasingly complex AI technology, especially GenAI tools, has reshaped our perception of the types of workers that might be displaced.

Fortunately, there is no concrete reason to believe that the dire predictions currently making headlines will come to pass in the near future. In fact, recent evidence from the SHRM 2025 Automation/AI Survey suggests that although near-term automation displacement will still affect millions of individual workers, these

effects are likely to be much more limited, complex, and nuanced than eye-catching headlines might suggest.

Technical vs. Nontechnical Barriers: What Protects Jobs?

To understand why the impact will be more limited and complex, it is important to remember that automation displacement in an organization can only occur when two types of barriers have been overcome: technical barriers and nontechnical barriers.

The first hurdle requires that a technology, such as GenAI, be able to complete a task that was formerly completed by a human worker. SHRM's survey results suggest that this kind of task displacement is already quite common.

In fact, our analysis suggests that at least 50% of tasks are automated in 15.1% of U.S. wage and salary employment, which amounts to about 23.2 million jobs. The share of employment attaining this 50% task automation threshold varies significantly by occupational group, from a high of 32% of employment in the computer and mathematical group to a low of 7.3% in education and library jobs (*see Figure 1*).

Once at least half of a job's tasks become automated, the likelihood of automation-driven displacement increas-

es for two main reasons.

First, the technological leap required for a job to go from "mostly automated" to "fully automated" is likely to be relatively small.

Second, even without further technological change, a worker in a job that is at least 50% automated may face greater risk of displacement if the employer decides that the remaining nonautomated tasks in the worker's job can be eliminated entirely or redistributed among other employees. For example, as GenAI tools become increasingly proficient at writing and reviewing computer programs, the need for dedicated human programmers is likely to decline in many settings.

Looking solely at technical considerations, the findings in Figure 1 suggest that slightly more than 15% of U.S. wage/salary workers face a high risk of job displacement. However, this conclusion ignores the importance of nontechnical barriers that can limit automation-driven job loss. These barriers may be able to shield jobs from displacement, even in cases where those jobs are already highly automated.

For example, modern commercial airliners typically fly with very little input from pilots, yet there has been no serious efforts to remove pilots from the cockpit. Beyond the legal and regulatory barriers that would prevent this, it seems likely that many passengers would recoil at the thought of boarding a plane that had no human pilot.

How Client Preference and Other Nontechnical Factors Can Reduce Job Loss

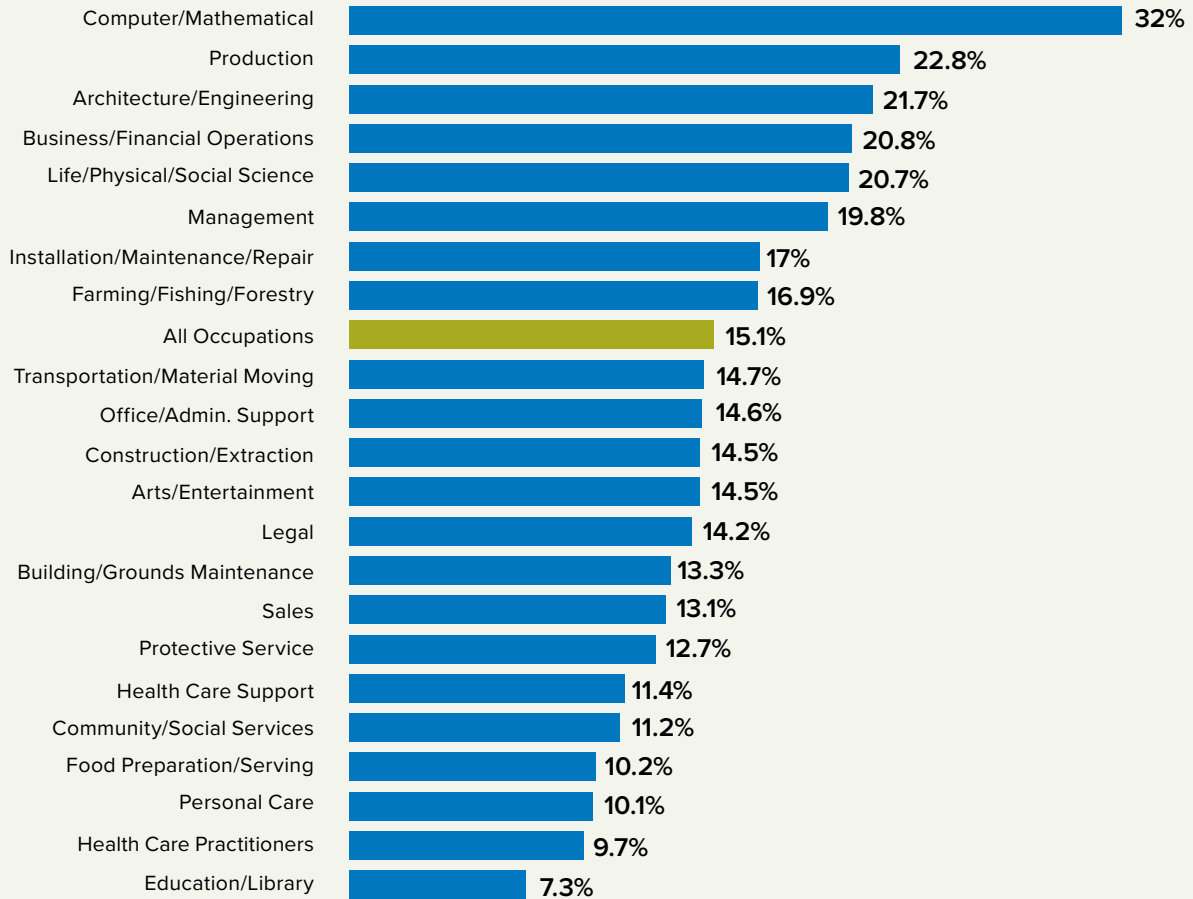
To explore the issue of nontechnical barriers to automation displacement in detail, the 2025 SHRM Automation/AI Survey



Although near-term automation displacement will still affect millions of individual workers, these effects are likely to be much more limited, complex, and nuanced than eye-catching headlines might suggest.

FIGURE 1: How Much Work Is Done by Machines?

Share of employment with at least 50% of tasks automated (by major occupational group)



Source of both charts: The Nuanced Reality of Automation Displacement, SHRM, 2025. Visit [SHRM.org/Research](https://www.shrm.org/research) to learn more. Calculations based on data from the SHRM 2025 Automation/AI Survey, O’NET 291 database (U.S. Department of Labor Employment and Training Administration), and employment data from the BLS May 2024 National Occupational Employment and Wage Estimates, a product of the BLS Occupational Employment and Wage Statistics program.

asked respondents whether such barriers exist in their current jobs and what the nature of those nontechnical barriers is.

Our analysis of the survey data indicated that at least one nontechnical barrier to automation displacement exists in more than 60% of U.S. jobs. The most common barrier cited: client preferences, meaning that clients and customers would prefer to interact with a real person rather than a machine.

Recognizing how important nontechnical barriers are to the impact on job displacement, we revisited the Figure 1 analysis to estimate the share of jobs that

are both at least half automated and face no nontechnical barriers to automation. Figure 2 reports the share of employment that meets both of these conditions, both overall and by major occupational group.

In comparing the two charts, it is clear that the presence of nontechnical barriers plays a major role in limiting the share of jobs at high risk of automation displacement. Overall, we estimated that just 6% of wage and salary employment — roughly 9.2 million jobs — is both at least half automated and faces no nontechnical barriers to automation.

This share varies significantly by occupational group. On the high end, we estimated that nearly 13% of workers in computer and mathematical roles meet both conditions. Conversely, in six other occupational groups — including education and health care occupations — the share falls below 5%.

Uneven Impact Across Jobs and Industries

The upshot of these findings is that the relationship between technological advances in automation (including GenAI) and



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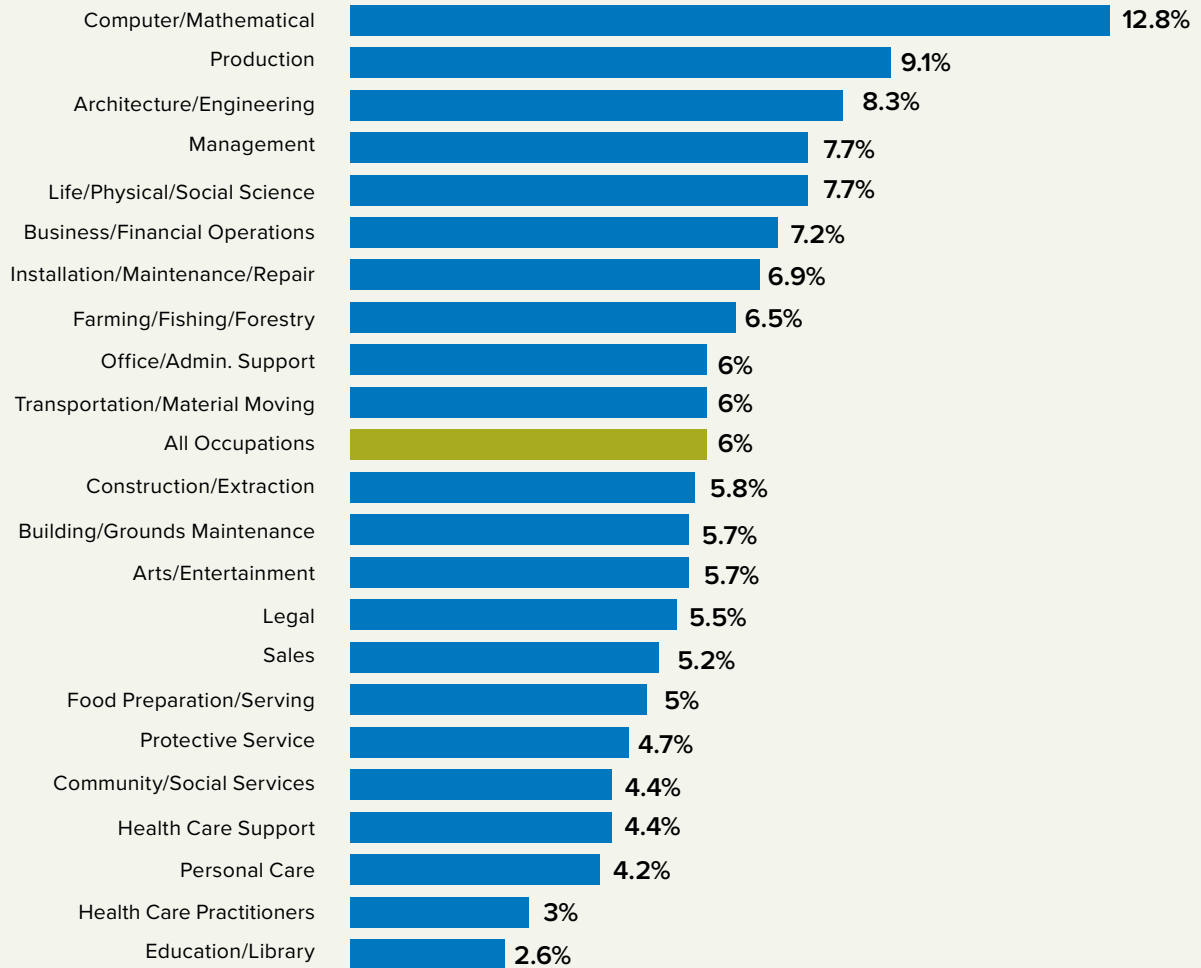


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FIGURE 2: High Automation, No Nontechnical Barriers: Jobs at Greatest Risk

Share of employment with at least half of all tasks automated and no definitive nontechnical barriers to displacement, such as customer preference for humans (by major occupational category)



job displacement is complex.

It is true that millions of jobs face a high risk of displacement in the near future, largely because they are already highly automated and don't face nontechnical barriers that could slow or prevent job displacement. However, we expect these at-risk cases to account for a relatively small share of overall employment.

Currently, there are far more jobs that are plausibly shielded from automation displacement in the near future, either because their tasks are mostly nonautomated

or because they are protected by nontechnical barriers that make full automation difficult (or both). This suggests that while automation will certainly reshape portions of the workforce, its effects are likely to be uneven, nuanced, and influenced by factors beyond technology alone.

Having reached this conclusion, it's also important to recognize that these conditions can change quickly. For example, as customers grow more comfortable interacting with AI interfaces rather than humans, evolving preferences promise to expose additional

jobs to automation displacement.

In this fast-moving and dynamic environment, it is increasingly critical that business leaders understand not only how automation technologies currently function within their organizations, but also how these technologies may evolve over time — and the implications of these changes for attracting, retaining, and developing talent. ■■



JUSTIN LADNER is the senior labor economist at SHRM.

Sabrina Ellis

EXECUTIVE VICE PRESIDENT
AND CHIEF PEOPLE OFFICER
NATIONAL BASKETBALL ASSOCIATION
NEW YORK CITY



Sabrina Ellis knows what it takes to build a winning team. As chief people officer of the NBA, Ellis applies the same principles that drive success on the basketball court — communication, trust, and a shared commitment to excellence — to the league’s behind-the-scenes workforce.

Ellis’ background includes nearly two decades of HR leadership at top universities, including NYU and George Washington University. Since 2023, she has played a key role in shaping the culture and employee experience at one of the most influential brands in sports.

What brought you to the field of HR?

ELLIS: I love seeing people and organizations thrive. I’ve always been fascinated by people and equally intrigued by the constantly evolving nature of work. HR is the perfect intersection of both. At the NBA, it’s incredible to see how people drive all aspects of what we do, from the players to the coaches to the team and league staff, our partners, and — most importantly — our fans.

What’s the biggest challenge you’ve overcome in your professional or personal life?

ELLIS: Overcoming the fear of being wrong. Mistakes aren’t just inevitable, they are often essential for growth and development. I’ve long ago moved away from waiting for leaders to tell me what they want from an HR perspective and moved toward becoming more comfortable putting ideas out there.

What is your leadership philosophy?

ELLIS: In my view, it’s always the right time to do the right thing. It

might sound cliché, but showing up and truly being present is one of the simplest yet most powerful elements of leadership. Being where your people are, seeing the many ways they make things happen, understanding their challenges, and holding myself to the same standards I expect from others is core to how I try to lead.

What’s your favorite question to ask a candidate when hiring?

ELLIS: “When was the last time you received critical feedback, and what was it?” I believe the most successful hires are those who are coachable.

How do you build alignment and connection with others in the C-suite?

ELLIS: Alignment is easier when everyone agrees, although that’s rarely the case. In many situations, comfort levels around adopting change can vary. I take time to understand and research current practices, engage leaders on areas of agreement, and build consensus on next steps. I try to make sure everyone is involved in our HR planning across all C-suite

roles. Our commissioner, Adam Silver, is very involved from ideation to execution, and our C-suite leaders are highly engaged. When leaders see positive results, it fosters trust and builds confidence in future decisions.

Which HR initiative that you’ve led are you most proud of?

ELLIS: It’s tough to pick one. Bearing in mind that everything in HR is a team effort, I’m very proud of the results we’ve seen at the NBA, WNBA, and all of our leagues around employee engagement. We’ve seen some impressive gains in this area. The work we’ve done around culture, internal communication, and employee development has really paid off.

What is the one piece of advice that shaped you the most as a leader?

ELLIS: “Surround yourself with people who have the courage to tell you the truth.” I’m going to give a second one: “If you say you’re going to do something, do it.”

How do you personally recharge outside of work?

ELLIS: I enjoy spending time outdoors as much as possible. I especially love reading. I love a mix of fiction and nonfiction. We have two young kids who have now started to develop their own love of books. We set aside time each week to read together, and it’s something we truly enjoy. When I travel, we continue the tradition over FaceTime with snacks and acting out the characters. This time with my family is the highlight of my week. ■

The ‘Pendulum Problem’ at Work

Control is tempting in uncertain times, but balance builds lasting performance.

BY RHONDA MORRIS



Not long ago, “command-and-control leadership” was declared dead. The rise of remote work during the pandemic — along with the Great Resignation and trends such as #quietquitting — led employers to show a greater sense of care in meeting employees’ needs. But that obituary was premature.

In today’s climate of AI disruption, a tight labor market, and economic uncertainty, the old rigid leadership style is making a comeback. Business results have taken center stage, often at the expense of well-being, purpose, belonging, and inclusion, values once deemed essential to success.

Return-to-office mandates and blunt “Get back to the office or find another employer” messages have replaced the empathetic, employee-centric tone that briefly flourished. CEOs who once kept their discomfort to themselves about accommodating employees’ needs now feel emboldened to issue “It’s-called-work-for-a-reason” memos, which often become public.

The pendulum has swung hard and fast. But why does it always swing to

extremes? Why can’t it land somewhere in the middle, where both business outcomes and employee preferences can coexist? A balanced approach — one that aligns organizational goals with flexibility and well-being — can drive better results.

Fear May Motivate, But It’s Not Sustainable

Command-and-control leadership may deliver short-term gains, but it often leaves long-term damage in its wake: low morale, high turnover, and reputational damage. Most of us can instantly recall a favorite boss who inspired us to give more, and a bad boss who drained our energy and made us feel undervalued. The former sparked discretionary effort and the latter stifled it.

When leaders prioritize results above all, they risk losing the very things that fuel performance: creativity, truth-telling, and discretionary effort. Fear may motivate, but it’s not sustainable — especially not when workers crave flexibility and purpose.

Companies thrive when they consistently get the best from their people, not just when they demand it. And office “face time” isn’t the metric that matters.

Two experiences early in my career shaped my views on the illusion of productivity tied to physical presence:

- I once sat between two co-workers with identical roles. One arrived at 6 a.m., read the paper until 8 a.m., then began working. The other arrived at 8 a.m. and worked right away. The early arriver received higher ratings for being seen in the office longer, not for better results.

- A former boss often draped a jacket on his chair and left his computer on to create the illusion of being at work. He wasn’t. But the illusion worked.

We all have stories like these. Employees can meet attendance requirements and still be unproductive. Employers should focus on outcomes, not just physical presence.

Anchor Your Leadership in Empathy and Trust

This built-in tension between employers and employees isn’t going away. But many employees want more than a transactional relationship with their companies and their leaders. They want to feel valued, heard, and trusted. So how do we manage the tension?

Start with exceptional internal communication. Explain the “why” behind decisions. Even if workers don’t like the decision, they will at least understand the rationale.

Flexibility is greater than the opportunity to work remotely. We are managing increasingly complex work and personal lives. Flexibility includes minimizing unnecessary stressors, such as recurring early-morning, late-night, or weekend meetings, and unrealistic, self-imposed deadlines.

Employees will always follow empathetic leaders who make them feel valued and supported. These leaders don’t just manage the pendulum swings — they stabilize them and deliver short- and long-term results. ■■

RHONDA MORRIS is the former CHRO at Chevron. She currently serves on the Workday board of directors and is a National Academy of Human Resources Fellow.



“Employees will always follow empathetic leaders who make them feel valued and supported.”



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