

VOLUME 47 | ISSUE 2 | SPRING 2024

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THE PROFESSIONAL JOURNAL OF THE SHRM EXECUTIVE NETWORK



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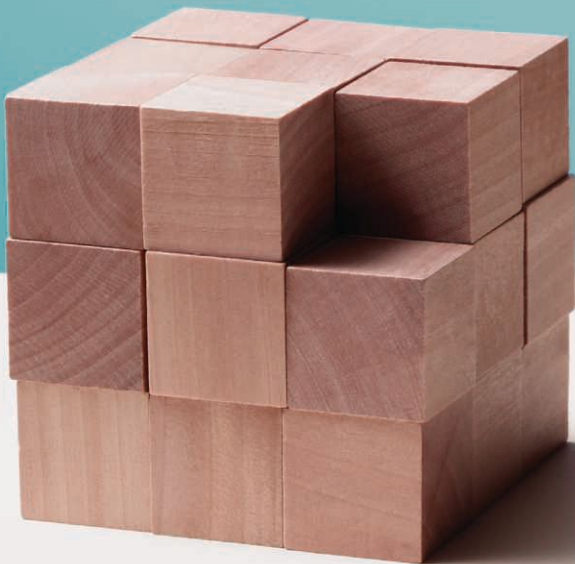
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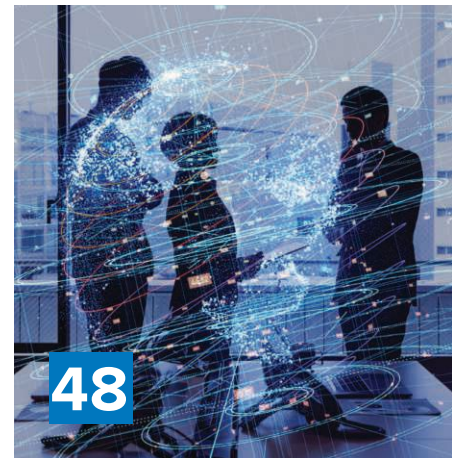
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## Message from the President

# Amid All the Noise, Build a Culture of Civility and Respect



In the intricate ecosystem of the workplace, the ripples of our actions extend far beyond the confines of office walls and remote screens. A substantial portion of our lives unfolds within these professional realms, and the impact of our interactions not only resonates within our organizations but also radiates outward, shaping the communities and world surrounding us.

As we navigate the landscape of a presidential election year in the U.S., the political arena is marked by a discordant symphony of partisan clashes. Political campaigns, designed to evoke emotions and drive civic participation, often

inadvertently sow seeds of animosity and conflict. Our society, characterized by diverse dimensions—political, social, economic, gender, religious, geographic and age—lacks the necessary tools to effectively bridge our differences.

This pervasive political polarization lays bare our vulnerabilities, fostering further divisions that threaten to infiltrate and poison workplace cultures. Left unchecked, these divisions can impede productivity, hinder collaboration and diminish engagement within an increasingly diverse workforce.

To cultivate a collaborative workplace, we must transcend labels and perceive individuals first as fellow human beings, each possessing unique perspectives. Establishing ground rules for civility becomes imperative in this context, with respect, curiosity and a recognition of shared humanity forming the bedrock of workplace interactions.

In the quest for unity, discovering commonalities and shared values becomes the bridge that spans ideological divides. Despite differing opinions on specific courses of action, an environment of open communication and mutual understanding contributes to a more cohesive and resilient workforce.

Collaborative workplaces exhibit a remarkable ability to thrive amid diverse ideas and perspectives. Artfully navigating disagreements without descending into discord enables meaningful conversations and exploration of topics. This skill, crucial in both business and life, empowers individuals to work through diverse ideas and perspectives, fostering heightened ideation, innovation and collaboration.

Civility emerges as an indispensable tool in constructing inclusive workplaces that not only function effectively but also contribute to the creation of a better world.

It is the linchpin transforming the workplace into a space where diverse minds converge, resulting in a harmonious and innovative environment. In the grand tapestry of our professional lives, civility is the thread that weaves together better workplaces and, in turn, fosters a truly better world. ■■

In the quest for unity, discovering commonalities and shared values becomes the bridge that spans ideological divides.

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





In many industries today, talent scarcity poses a significant challenge, particularly as the demand for new skills escalates. For many professional roles, internal factors have further contributed to the problem, including the neglect of deliberate talent planning, inadequate investment in development and support, and a lack of clarity on workload adjustments in the era of modern generative artificial intelligence (GenAI).

In a world where CEOs are looking to talent, technology and innovation for growth, human resource professionals have the opportunity—and the enterprise imperative—to rethink the architecture of work. This requires a new way of looking at talent and skills, as well as a thoughtful approach to how work gets done.

So, where do you start? In this article, we will zoom in on one sector to lay out a particular approach, then pull back to look at how those core principles might apply in other sectors and professions.

Health care is our starting point. The U.S. is experiencing a severe shortage of skilled nurses, with projections indicating a deficit of between 200,000 and 450,000 nurses. Factors contributing to this skills shortage include an aging population, retirements in the nursing workforce and pandemic-induced burnout. The persistent, high demand for health care services exacerbates the scarcity of skilled nurses, especially in acute care settings.

McKinsey & Company research last year found that 45 percent of inpatient nurses (about 2 million of the 4.2 million nurses in the U.S.) reported they are likely to leave their role in the next six months. The main reasons: a lack of feeling valued by their organizations and the increasing burden of an unmanageable workload.

To address the nursing shortage in the midterm to long term, we can take actions such as attracting more students to nursing and expanding access to nursing education. These interventions are beneficial, but closing the supply gap requires a paradigm shift in our approach to nursing work that incorporates technology, especially AI.

## Prioritize Human Potential

Embracing AI as part of a skills-centric approach that places human potential at its core is imperative for organizations addressing skills shortages, particularly in professions with steep training requirements. But before delving into the implementation details, let's explore the rationale. Why should an organization view human potential as the linchpin of its performance and growth?

As you integrate AI and automation, there's a pressing need to examine and redesign job roles. ... Begin by deconstructing each role into tasks and activities (the doing) and outcomes (the expected impact). Outcomes take the highest priority.



## WHAT IS A SKILLS-BASED APPROACH?

As individuals, we have two types of skills: learned and inherent. Learned skills often take the spotlight in talent considerations

because they're easier to measure and because they relate to tasks and activities. But they are not the most reliable performance indicators. They have a limited shelf life in terms of relevance, and they don't always relate to expected outcomes.

Therefore, at a time when the tasks that we do are continually evolving or disappearing in line with technological and societal change, it is our core inherent human skills—and what motivates us—that hold more value.

If we shift to viewing individuals as a composition of their inherent and learned skills combined with their inner motivations, organizations need to adopt a skills-centric approach. That means placing skills, not jobs, at the center of workforce strategy.

Unilever is one organization doing just that. The company is breaking work into projects and tasks to allow for flexibility and view individuals as multifaceted contributors. This approach unleashes an internal talent marketplace.

However, to gauge the true currency of your people, it is essential to consider their human potential. This involves overlaying each person's skills with their motivations, aspirations, and unique ability to learn and adapt.

People are complex learning organisms capable of adapting, leading and continuously evolving. Viewing the existing and potential workforce from this perspective not only nurtures innovation, agility and joy but also contributes meaningfully to on-the-job sustainability and overall societal well-being.

When applied to the nursing shortage, this approach guides the health and life sciences sector in attracting, developing and empowering nurses to fulfill the roles they have chosen to do. Concurrently, AI, technology and innovation lay the groundwork for a more effective and fulfilling way of working.

## A New Architecture of Work: Outcomes Drive Tasks

As you integrate AI and automation, there's a pressing need to examine and redesign job roles. Aim for a seamless integration of human skills and technological capabilities.

Adopting such a “work architecture” approach means looking at jobs through a specific analytical lens. Begin by deconstructing each role into tasks and activities (the doing) and outcomes (the expected impact). Outcomes take the highest priority.

In the context of nursing, the primary expected outcome is clear: caring for humans, saving lives, nurturing health and building trust with those in distress. This outcome-driven perspective prompts a closer look at the tasks and activities assigned to nurses.

Once you have identified the desired outcome, the subsequent phase involves scrutinizing tasks and activities. Surprisingly, you may find that a significant portion—in many cases up to 50 percent of the list—comprises bureaucratic, administrative and quality-control tasks. These duties are essential for patient welfare, but a question arises: Why burden nurses with these responsibilities?

Applying the Human Potential model (see diagram) to this scenario will likely reveal that administrative tasks do not align with nurses' motivations or their learned and core inherent skills. (See box for more on this skills-based approach.) In the contemporary technological landscape, AI and automation should shoulder most of this administrative burden, liberating nurses to focus on activities and tasks directly related to their primary expected outcome while at the same time appealing to their core motivations for entering the profession.

Striking the right balance between human and AI collaboration is crucial. Clearly delineate tasks for humans, identify those suitable for automation and call out areas where collaboration is most effective. Designing workflows that enable seamless collaboration will then allow each entity to complement the strengths of the other.

Wharton School professor Ethan Mollick suggests two strategies for leveraging AI: “Centaur” work involves dividing tasks strategically between both humans and AI, whereas “cyborg” work involves seamlessly integrating AI and human efforts. Deciding which tasks are exclusively human, which can be augmented and which can be delegated exclusively to AI will shape the future of work.

Taking a step further in the context of nursing, the work architecture approach prompts critical questions:

- What tasks align with nurses' skills, motivations and aspirations?
- What should they learn to progress in their profession?
- What knowledge can they share with their peers?
- Which aspects of their work could be efficiently delegated to others, whether human or AI, to enhance overall efficiency?

Breaking down work from predefined roles to a focus on individual skills becomes imperative. This approach not only optimizes the efficiency of health care delivery but also enhances job satisfaction and the ability of nursing professionals to work at the top of their licensure. By aligning tasks with human expertise and leveraging AI for routine and data-centric activities, organizations can redefine the future of nursing work, creating a symbiotic relationship between humans and technology.

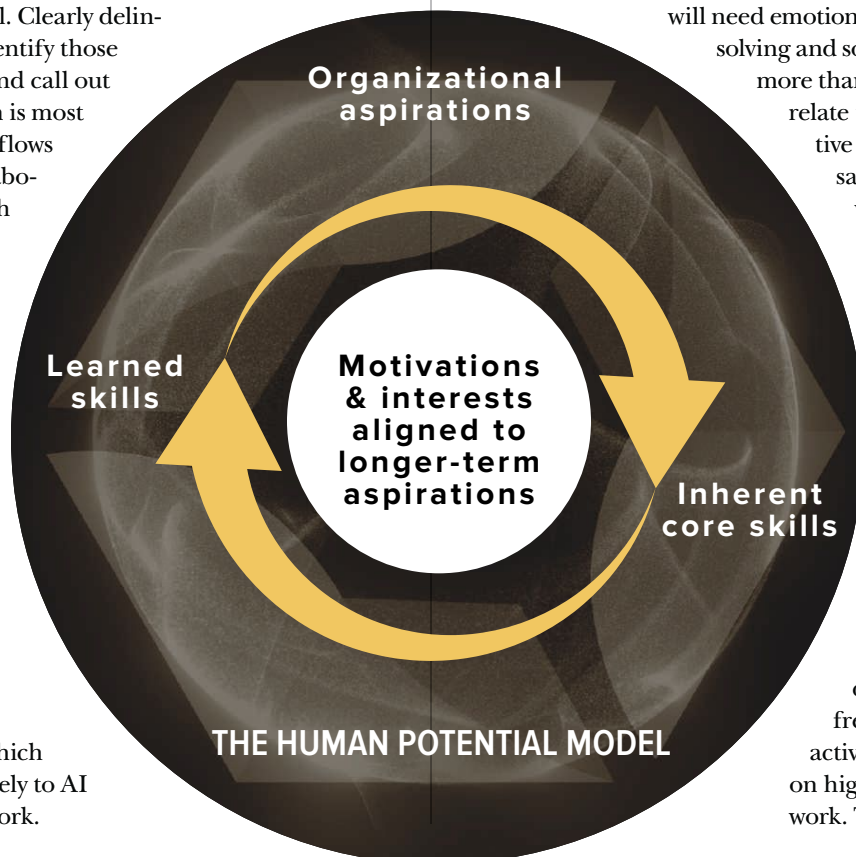
The evolution of skills extends beyond bullet points. It involves an awareness of individuals' motivations, along with a profound decoding of talent to gain a proper understanding of how it aligns with the work that needs to be done. This process aims to reintroduce joy and satisfaction into work when possible.

In summary, in tackling nursing shortages, reimagining work architecture requires a deep understanding of nursing workflows, tasks and the work environment. The input of nurses sheds light on challenges and areas where their skills can be better utilized. During the reconstruction phase, the emphasis is on aligning tasks with nurses' expertise, which redirects focus toward direct patient care and clinical decision-making.

## Design Human-Centric Work

Fundamentally, our goal is to design work that highlights and elevates human strengths within job roles. Nurses will need emotional intelligence, problem-solving and sound decision-making more than other inherent skills that relate to repetitive administrative work. The same can be said of many professions for which complex, in-the-moment problem-solving is the reason the roles exist.

Technology enablement, especially through AI, strategically creates room for professionals to concentrate on tasks and activities aligned with their motivations and core inherent skills. Automating everyday tasks such as data entry and scheduling frees up time from routine activities so people can focus on high-value, meaningful work. This promotes adaptability.





## CASE STUDY

### AI IMPROVES TRIAGE AT YALE NEW HAVEN HOSPITAL

Amid the nursing crisis, health care institutions are turning to AI tools to make the work of nursing work better. Yale New Haven Hospital (YNHH) exemplifies this trend in its effort to enhance emergency department triage. For ER nurses at YNHH, triage has been enhanced through an AI-enabled clinical decision-support tool that considers patient information, compares it to historical emergency department data and recommends an acuity level. This assists clinicians in making decisions about patient care.

Since implementing this AI tool in early 2023, YNHH has seen improved triage accuracy, more efficient allocation of resources such as staff and space, reduced variability in triage decisions, and shorter triage times.

**One key point:** The AI solution is a decision-support tool, not a decision-making tool. The human/AI partnership is essential, but the ultimate decision and responsibility remains with the nurses.

“Nursing is not about completing tasks,” said Chris Chumra, who has been an ER nurse at YNHH for 17 years and is now leading the implementation of various clinical solutions. “The job of a nurse involves taking a step back and looking at the full picture while taking in a lot of data, managing a dynamic situation and serving as a health care translator. AI can be a great partner in this work.”

Chumra points to the importance of engaging practitioners who deeply understand the current workflow, operational context and multiple decision-making factors. He also advises on the importance of applying sound change management, recognizing that these fundamental changes to ways of working are also significant changes to culture.

ty, teamwork, creativity and innovation—all distinctly “human” qualities that contribute significantly in areas where AI may have limitations.

It’s critical to remember that AI is not simply a tool of organizational efficiency. It should be harnessed to support and enhance human well-being, driving progress with a people-centered focus and purpose. For highly skilled professionals, higher salaries and enhanced benefits are, of course, crucial. But restoring the intrinsic purity of their profession would also significantly contribute to attracting and retaining people.

Utilizing AI to liberate the human potential of your workforce goes beyond introducing new technologies—it’s a cultural rewiring. Picture a workplace that embraces uncertainty, one where adaptability is the lifeblood of the culture. This isn’t just adapting to change; it’s purposefully shaping our organizations with adaptability at their core.

Transitioning to a technologically advanced work environment requires more than just introducing new tools. It necessitates a cultural shift toward continuous learning, experimentation and innovation. Change management strategies can help you address apprehensions about new technologies, emphasizing their role as tools to augment human expertise. Ongoing training and support are crucial for employees to adapt to evolving work processes, ensuring they stay abreast of advancements.

## AI-Enabled, People-Powered

We focused on nursing in this article because the profession offers near-term opportunities for implementation, not a three-year to five-year further evolution of AI. This adaptation involves preparing nurses to work alongside AI tools effectively. Ongoing training ensures that nurses evolve with technological advancements, effectively applying their specialized training to improve patient care and outcomes.

The cultural shift toward adaptability is essential for managing the integration of AI into nursing practices, where feedback mechanisms and continuous learning play a pivotal role in refining workflows.

Ultimately, the true essence of AI, even near term, lies in liberating human potential. In a workplace context, this involves transitioning to an organizational structure that values skills, motivations and aspirations over traditional qualifications.

The synergy between humans and AI goes beyond optimizing processes; it’s a harmonious collaboration that leverages the strengths of both. Done well, the business case is clear: Highly engaged employees who are emotionally committed to their organizations are 87 percent less likely to leave, according to Gallup, and their companies are 21 percent more profitable than those with less engaged staff. AI, coupled with a work architecture approach and a human-centric mindset, is an enhancement to making such outcomes possible. ■■

**Samantha Schlimper**, left, is the managing director of Randstad’s



global talent advisory business, bringing strategy from concept into actionable reality.

**Judith Scimone** is an HR executive, futurist and editor-at-large for *People + Strategy*.

# TIPS FOR LEADING AI WORKFLOW CHANGE

## Gather feedback from your people.

Any journey into understanding workflow should directly involve people who do the work and understand it deeply. While outputs are visible in the form of actions, understanding inputs can give you useful insights into where critical thinking, judgment, contextualization and feedback play a key role. Direct feedback from those doing the work also provides insights into the relevant work context and day-to-day challenges. Involving users drives more process credibility and ease of adoption by peers.

## Focus on human potential and prioritize inherent core skills as learning needs evolve.

As AI continues to evolve, the role of human intelligence in the workplace will evolve, too. To stay ahead, cultivate a talent ecosystem that fosters continuous learning, adaptability and agility. As organizational roles shift, seizing opportunities for expanded learning and career advancement becomes paramount.

Building this ecosystem necessitates a deep understanding of the skills and aspirations of your present and future workforce (the Human Potential approach). This approach ensures ongoing development by aligning your talent practices with the dynamic demands of the evolving workplace landscape.

## Adopt a forward-thinking mindset.

Identify and address your organization’s most pressing challenges today and anticipate those of tomorrow. Think “leapfrog,” not “catch-up.” While maintaining a strategic pace, prioritize the pursuit of forward-thinking solutions, avoiding a regression to outdated fundamentals. This proactive mindset ensures that your organization advances with innovation, staying ahead of the curve instead of retracing steps from the past.

## Implement targeted learning to enhance employee skills in areas that complement AI.

Ensure that your workforce is equipped to work alongside AI technologies effectively. The human-centric approach also advocates for substantial investment in training and development to upskill employees in areas crucial for fostering innovation and adaptability.

## Review and iterate.

If your organization is at the initial stages of AI integration, don’t be discouraged. Start with small, impactful changes rather than immediate wholesale transformation. Identify areas for modest adjustments, then monitor their effectiveness and gather feedback. Iterate strategies based on outcomes and evolving organizational needs. Stay agile in adapting to changes in technology and the business landscape.





THE YEAR OF

AI

FOR HR

Streamline Your Processes  
and Identify Quick Wins

The CHRO of IBM explains how the company started its AI journey by weeding out inefficient and outdated processes, and how it's reaping early AI victories.

by Nickle J. LaMoreaux

It's no secret that artificial intelligence continues to dominate the headlines, and it's being called the most transformative technology of our lifetime. For CHROs and their teams, ideas of how you might infuse AI are flowing, but questions remain about where true business value can be unlocked, where to go next or even how to get started.

At IBM, we've been using AI and automation to power our digital transformation. HR has been "client zero" for IBM's products and services for years. We've learned a lot along the way, and whether you're new to the technology or you're a seasoned pro, the highs and lows of our journey may help you on the way to making your ideas a reality.

## Why HR Must Invest Now

First, let's talk about the three forces impacting companies worldwide and driving change. These broad factors are the primary reasons that HR must invest in AI now.

**1 Consumer-grade experiences: delightful experiences that can be enabled and enhanced by technology.** We started to see our employees expecting consumer-grade experiences at work, even as far back as when we began investing in AI in 2017.

In their personal lives, IBMers were used to receiving customized recommendations and ordering products and services that arrived almost instantaneously. They were demanding personalization and immediacy—simplified mobile experiences embedded into their flow of work. These expectations have only increased since then, and AI is now allowing us to keep up with demand.

**2 Cost efficiencies: a significant focus for organizations in 2024.** This isn't just about "doing more with less," but unlocking new value with technology that wasn't previously possible with finite resources. And if you're going to spend a dollar, you want to spend it in a place that's getting the most valuable return on your investment.

For example, the AI solution we created to help both managers and HR business partners with the promotions process, aptly named HiRo, has saved 60,000 hours of productivity for our Consulting managers in just one year. That's money well spent.

**3 Compliance.** In a recent study from IBM's Institute for Business Value, CEOs ranked regulatory factors as a top disruptor to enterprises. (The No. 1 disruptor is technology.) The legal, employee and labor relations landscape is more complex than ever. Worldwide, companies are constantly being asked to react to new or changing legislation at the country, state or local level. It's a daunting task, but a perfect fit for AI.

In the past, we would generally approach pressures about experiences, cost and compliance individually and often try to solve them with separate teams, budgets and processes. Now, in an environment that demands increased performance in all of these areas at once, something has to give. That's where AI brings tremendous value.

## Identify Some Quick AI Victories

The rate of digital transformation is only increasing, and AI's technological change is unprecedented. The AI you're experimenting with today is much more advanced than what we started with years ago. With these new tools at your disposal, you have the distinct advantage of beginning your AI work now. But the key is you have to begin. You can't wait for "the perfect time" or "that perfect project," because that simply doesn't exist. Continuing to wait to delve into AI will just put you and your team further behind.

Remember two important things:  
Never automate a bad process,  
and you can't have AI without  
IA (information architecture). ...  
Your data must be organized  
and structured in a way  
that makes sense.

If you want to find some quick AI wins, start by identifying HR use cases where applying AI might work for your business. Look for:

- High-volume, repetitive tasks.
- Processes that employees don't enjoy today that can only improve.
- Moments that matter for your employees, where accuracy and expediency create a lasting impression.

As you are getting started, remember two important things: Never automate a bad process, and you can't have AI without IA (information architecture). To successfully experiment with and deploy AI, you must have a solid information architecture, meaning your data must be organized and structured in a way that makes sense. From data cleanup to process documentation, AI can't happen without IA.

### Eliminate, Simplify, Automate

The mantra of our HR team is “eliminate, simplify, automate”—and in that order. It's how we avoid automating a bad process (one that's outdated, unnecessary or overly complex). Instead of automating for automation's sake, we suggest beginning by eliminating and simplifying. Then, when it's time to automate, you're only focused on the most valuable, streamlined processes.

One of the most important words when it comes to AI is trust. Not only should your clients trust your offerings, but your employees should, as well. You must build in guardrails from



**Nickle LaMoreaux**  
CHRO AT IBM

## AI AT IBM: 5 LESSONS LEARNED

In addition to being incredibly clear about guardrails and what we will and won't do with AI, what other lessons have we learned along the way?

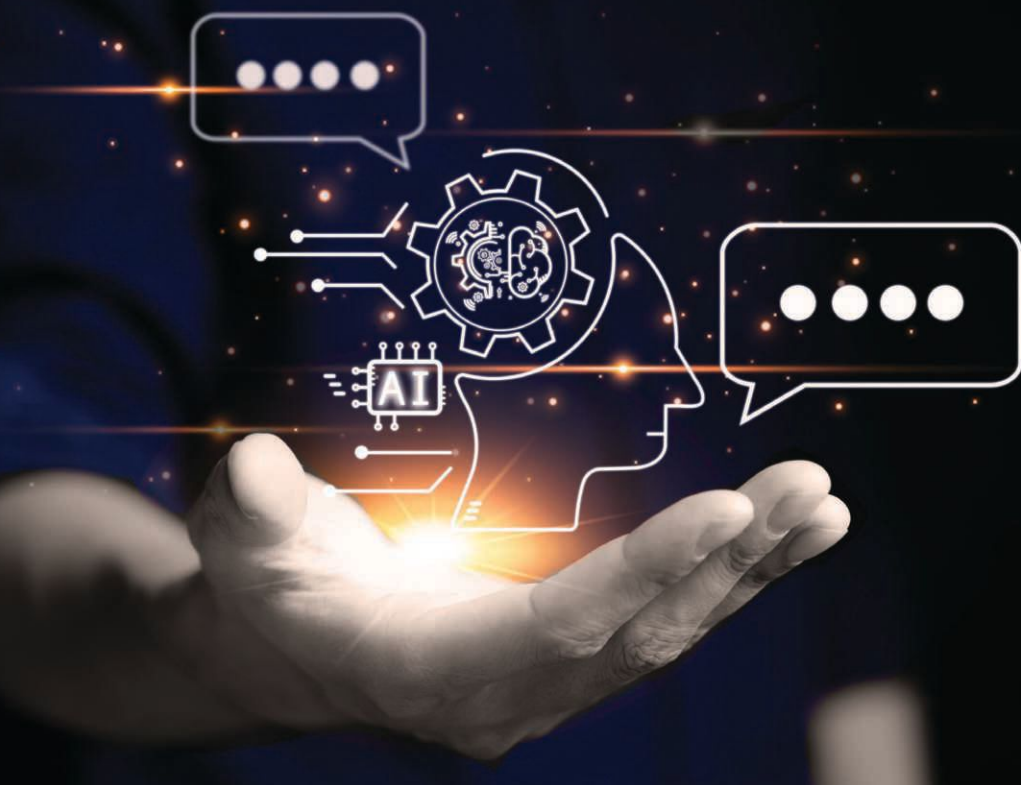
**FIRST: Start small and experiment.** Don't try to boil the ocean. Do a few things well, and build with an intention to scale. Think of it like building blocks that you're using and experimenting with in different parts of your organization.

**SECOND: Learn as you go, fail fast and be agile.** You may have to pivot and try new things depending on your findings.

**THIRD: Lead with the use case, not the technology.** Find a pain point where you can make a quick win. It doesn't have to be big. Employee verification letters are a great starting point.

**FOURTH: It only works when the data is trusted.** Before diving in, make sure you have a technology partner whose vision, goals and purpose align with your own.

**FINALLY: Build advocates out of your employees.** HR has great ideas for AI projects. But so do managers and employees—and they are often closer to the work. If you allow them to pitch ideas for what processes to eliminate, simplify or automate next, you'll build advocates outside of HR.



Instead of automating for automation's sake, we suggest beginning by eliminating and simplifying. Then, when it's time to automate, you're only focused on the most valuable, streamlined processes.

the beginning about what your organization will and won't do with AI and how data will be carefully managed. Additionally, creating transparency at the start enables humans to trust the AI to enhance their decision-making.

At IBM, AI will never be a decision-maker. It is there to augment human intelligence, never replace it. That is one of IBM's Principles for Trust and Transparency, along with "Data and insights belong to their creator" and "AI systems must be transparent and explainable." We encourage all companies to adopt similar principles.

## AI Case Study

As you're considering your own use cases, here's an example from our team. We introduced a digital assistant, AskHR, which now answers 94 percent of all HR FAQs and policy questions worldwide, and it enables IBMers to complete most tasks in less than 25 percent of the time it used to take manually.

One of the most popular transactions that AskHR completes is employee verification letters. AskHR can generate a letter and send it to a bank, university or other institution in 90 seconds. This delights IBMers who previously had to wait up to 72 hours for letters from an external vendor.

AskHR also positively impacts our HR Helpdesk teams, who no longer need to answer repetitive questions via phone or email. This frees them up for higher-value work. They are retraining themselves for more complex support cases such as, "Why did my pay change this month?" or "Tell me how to give

constructive feedback to a low performer." This upskilling has resulted in a collective two-level promotion, as we recognize the work being done at our HR Helpdesk is a significantly higher skill level, and it delivers greater value to the business.

As you're working through your own use cases, ensure you are also looking to the future. Start to plan and prepare for your employees to work side by side with AI. And you will work side by side.

AI takes on the routine, manual tasks, but your employees will be there for what I call the "uniquely human" work. Don't buy into the hype that AI is going to replace your entire workforce—it's not. While it is true that some fringe roles may be impacted, that will be an incredibly small percentage. What is true is that many jobs will change because of AI, and we need to prepare not just our HR functions but our workforce for that change.

**What's next:** Late last year, our IBM HR team began several GenAI pilots in areas such as career and skills and benefits. These will enable us to generate new ideas, expand offerings with personalized experiences and allow IBMers to interact with the platform in natural conversation in a secure and trusted way. ■■

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**Nickle LaMoreaux** is the CHRO at IBM, where she leads IBM's people strategy, skills, employee experience and services, and global HR team supporting more than 250,000 IBMers across 170 countries. She has been with IBM for more than 20 years.



# AI Upskilling Done Right Drives Growth

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DATA,

AI

& THE NEW  
DILIGENCE



The leaders of the Data & Trust Alliance—a coalition of global companies building responsible AI practices—discuss the critical role that HR leaders will play in this new era.

by Jon Iwata, Saira Jesani and Mike Wing

**A**s with the internet, artificial intelligence has rapidly emerged as a driver of enterprise transformation. Seemingly every C-suite leader is assessing, piloting and increasingly deploying data- and AI-powered applications. But unlike prior technology-driven shifts when unintended consequences sometimes took years to appear, the risks and potential harms of AI are already the subject of intense debate and scrutiny.

CHROs understand this. For years, human resource functions have used data and algorithms to support decisions about hiring, promoting and retaining talent. And HR leaders are well aware of the dangers of algorithmic bias in legacy datasets, which have already drawn regulatory focus. This, no doubt, is the most visible aspect of the AI phenomenon with which HR professionals are grappling.

Creating tools to detect, mitigate and monitor algorithmic bias in workforce decisions was the first project of our consortium, the Data & Trust Alliance (D&TA). Our not-for-profit comprises 25 leading corporations and institutions, and it was formed by CEOs to develop and adopt responsible data and AI practices.

If algorithmic bias were a CHRO's only AI-driven challenge, it would be plenty. But the reality is that bias is only the beginning.

### **'Seismic Shift' and New Risks**

The critical fault line in this coming technology revolution is the interface between human intelligence and artificial intelligence, as augmentation of human skills and work evolves toward collaboration between humans and intelligent systems. That means the business professionals with "human" in their title will play an increasingly pivotal role in how and where their firms leverage AI—designing new job roles, redesigning existing roles and career paths, and reskilling entire workforces. They will become ever greater determiners of their organizations' success or failure.

Consider the critical decision to invest in or acquire other companies.

AI investments along with mergers and acquisitions (M&A) are growing rapidly across all sectors of our economy. Although M&A activity in the entire tech sector weakened during the past two pandemic-impacted years, it has continued rapidly in AI. The aggregate value of global M&A transactions related to AI grew 23 percent to \$75 billion in 2023 compared with a year earlier, according to S&P Global Market Intelligence. And consulting firm WTW reported that it expects AI to drive a "seismic shift" in M&A deal-making in 2024.

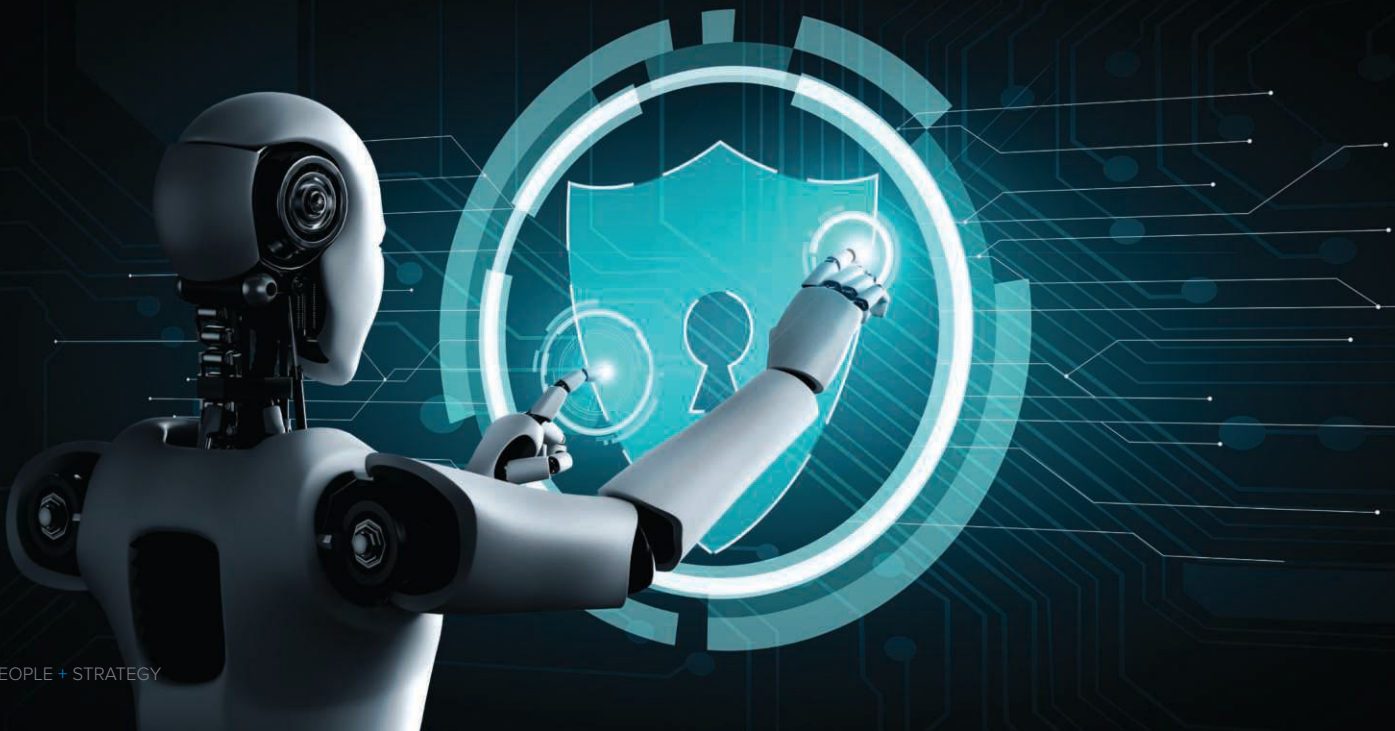
Despite that, the emerging value drivers and risks of data and AI are not well assessed by traditional M&A diligence.

For instance, of the 169 publicly reported AI failures in the AI Incident Database (<https://incidentdatabase.ai>), only 18 percent resulted from risks already assessed by traditional due diligence: privacy violations; security breaches and vulnerabilities; and unauthorized decisions. The remaining 72 percent came from risks that existing due diligence criteria don't consider, such as faulty performance of AI; risk of physical danger; lack of transparency and accountability; and, yes, algorithmic discrimination.

Obviously, these problems require the attention of the functions typically responsible for M&A—primarily finance and legal. However, the most critical area requiring scrutiny isn't the target firm's balance sheet, but its culture. In other words, diligence for data and AI M&A will increasingly become a core discipline for HR.

### **Responsible AI Diligence**

When the chief legal officer of a D&TA member company shared how an AI-focused acquisition had failed because of cultural issues within the targeted firm, the CEOs in the alliance quickly greenlit the creation of three new types of responsible data and AI diligence for M&A, which we launched in 2022.



Business professionals with ‘human’ in their title will play an increasingly pivotal role in how and where their firms leverage AI—designing new job roles, redesigning existing roles and career paths, and reskilling entire workforces.

Two of the critical categories of “new diligence” were:

**Data Diligence.** These are questions for an acquiring company to assess how data is sourced, used and responsibly governed in order to understand its true value and utility for the acquirer. It inquires into data quality, data bias, and data consent and rights, including third-party usage rights.

**Algorithmic Diligence.** These are questions for an acquiring company to assess how an AI model is designed, deployed and monitored, helping ensure the model performs as claimed and minimizing unintended consequences.

However, even among finance and legal experts, it quickly became clear that the most important category was **Responsible Culture Diligence.** This helps an acquirer assess a target’s mindset around data and AI, as well as identify the mechanisms in place to sustain a culture of responsibility and rigor. This is especially critical for acquisitions in which talent is the primary value driver, but it applies across all dimensions of M&A for data and AI.

The critical new reality is that AI and machine learning (ML) models are fundamentally different from previous information technologies. What comes out of a model—such as a large language model like the one that powers ChatGPT—depends on the datasets on which it is trained. Do the people doing that training ensure representative data? Do they take the time to check the provenance of the data (origin, associated rights, recency, etc.)? How do they set the parameters of their model (parameters that determine how input data is transformed into outputs)? How do they test the model to check against what is called over- or under-fit?

These may seem like technical details, but they are actually cultural indicators. Diligence around responsible data-and-AI culture is a strong indicator not only of organizational maturity but also of values alignment. Therefore, it is particularly important before acquisition.

Our tool—created and refined by more than 80 experts in AI risk, AI ethics and policy, legal and compliance, data quality, and mergers and acquisitions—includes questions that assess a target’s mindset regarding data and AI and whether it has rigorous management systems to sustain a culture of responsibility. Like all management tools created by D&TA, this one is free to use.

## How to Assess AI in M&A

Meanwhile, here are a few pointers for HR leaders—working with finance, legal and other departments—to assess data and AI during a merger or acquisition:

- **Probe whether the target company grounds the way it designs, deploys and monitors AI models based on core**

**values.** Have they thought seriously about who they are, why they exist and where they’re going? Their data and AI systems should reflect that level of organizational maturity about both opportunity and risk. And their values will also tell you a lot about potential integration issues.

- **Find out how the target’s teams are trained and motivated to think about data and AI responsibility.** Because data and AI/ML technologies require constant monitoring and updating, strong learning cultures and responsibility incentives are excellent indicators of high-performing teams.
- **Can a target company articulate how it has handled trade-offs when building a model or using data?** For example, some models need to deprioritize bias in order to increase performance. Concrete examples of how a target has handled difficult issues or trade-offs involving responsible data and AI will indicate maturity. Lack of engagement around this topic is a red flag.
- **Does the target have a culture of science?** How do their data and AI teams stay apprised of (or contribute to) relevant peer-reviewed publications? Adherence to established scientific practices is a strong indicator that a team’s culture is rigorous, isn’t insular and doesn’t “move fast.”

M&A for data and AI is a lot more than traditional questions around “cultural fit.” Without a culture of responsibility, AI failures can grow in frequency and intensity. Assessing the skills, values and mindset of the people who design, deploy and manage these technologies in a company being acquired is just as important as assessing the technology itself. And for all that, human resources will be an indispensable partner. ■■



The Data & Trust Alliance is a not-for-profit consortium that brings together leading businesses and institutions—including Meta, Walmart, Nike and IBM—to learn, develop and adopt responsible data and AI practices.



**Jon Iwata** is the D&TA’s executive director and former chief brand officer at IBM.



**Saira Jesani** is the D&TA’s deputy executive director and a partner at SYPartners.

**Mike Wing** is a D&TA fellow and former vice president of strategic communications at IBM.

# A CHRO's

# PLAYBOOK

## FOR CEO TRANSITIONS

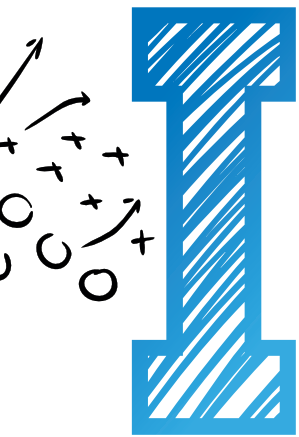


A veteran CHRO who has managed four CEO transitions in her career—including one that played out on national TV—highlights five important lessons for successfully handling change at the top.

By **Betsy Rodriguez**







In the fall of 2015, I was standing next to the president of the University of Missouri as he resigned—on national television. This was his sudden response to a high-profile race-relations debate on campus after he had become the focus of the student demonstrations, which included a serious hunger strike.

I was the CHRO, and the president had informed me about his intention to resign just an hour before the press conference that ran live on CNN. Most of the C-suite and board members in the room were completely taken by surprise.

Needless to say, there was no planned transition and, unfortunately, no interim successor ready to step in. Given the volatility and public scrutiny of the situation, the university needed to provide an immediate response, but it had to be the right person for the situation.

Immediately, the board and my C-suite colleagues turned to me for guidance and advice. Dodging media interview requests, I gathered some leaders and secured external resources, and we began to figure out how to respond in a matter of hours.

Luckily, this wasn't my first unplanned CEO transition, although having only hours to prepare was something unique. A few years earlier, the previous university president—a former Fortune 100 CEO—suddenly resigned after less than two years due to a family medical issue.

From both departures, I learned valuable lessons about managing executive transitions, particularly in sudden departures. These five lessons also apply to well-planned transitions—you just have more time to focus, plan and communicate. These lessons must be shared responsibilities between the CHRO, C-suite and the board.

### **LESSON 1: The CHRO is critical in CEO transitions, serving as a linchpin between the C-suite and the board.**

The CHRO is vital in these situations mostly because the CHRO is in unique—and often conflicting—roles, serving several constituencies including subordinate to the CEO, valued confidante to the CEO, colleague of the C-suite team and objective voice to the board on various “people issues.”

Successful CHROs maneuver through these roles, establishing a confidential and confidante relationship with the CEO, setting clear boundaries with their colleagues, and operating with integrity and transparency. These behaviors are never more critical than during a CEO transition, because those multiple roles must be appropriately leveraged during the process.

### **LESSON 2: Ensure a succession plan is established, documented and communicated, with a focus on interim candidates for unplanned situations.**

Most organizations have a long-term succession plan for the development of potential executives. However, organizations rarely focus on the “what if” scenarios that are more immediate.



In my case, when I started at the university, the new president met with the board and wisely asked about the succession plan from an immediacy perspective. “What happens if I get hit by a bus?” he asked. And while his bus example was wrong, he did have to suddenly leave within days of a family situation. The notion that he could suddenly leave was not something the board thought was a top priority, and it was not prepared to handle the situation when he did leave.

The CHRO must be the keeper of the succession plan and be well versed in the current leadership’s assessment, availability and performance. We should also have a unique and objective view of the skills, knowledge, values and gaps within the leadership team, along with the board’s expectations for the future. This information is important in any CEO transition, but never more so than in an unplanned one.

In an unplanned transition, there is typically a need for an interim leader. Depending on the organization’s current priorities and challenges, this might be someone who is not a candidate for the CEO job. In my examples, both interim CEOs were perfect for the time and situation, but they were not perfect for the long-term position. Managing the “ask” of the interim candidates is a delicate matter if, in fact, the board does not view the candidate as a long-term CEO for the organization. Make sure your succession plan has a focus on interim possibilities for a variety of situations and that the board is aware of those options.

In addition to “who,” there must be a parallel plan for “how.”

### LESSON 3: Manage the inevitable “Grant me one wish” requests.

If you have been through an executive transition, you know that many C-suite leaders and managers in the organization use that opportunity to lobby the new leader for resources or policy changes or simply try to curry favor from the new leader, often providing a one-sided view.

When a new CEO arrives, it reminds me of the wedding scene in the movie “The Godfather.” The godfather spent time allowing various people to ask for favors or “pardons” to be granted. The CHRO should play the role of the godfather’s lawyer in that scene, sitting beside the CEO, listening to the requests, consulting on what’s reasonable, providing historical context and helping to avoid land mines. Depending on the relationship between the CHRO and the C-suite, this discussion might occur after the requests have been made to the CEO.

In a planned transition, there is time to talk to your colleagues about how to best onboard the new CEO and how they should manage initial meetings with the new leader as a group.

In my experience, those requests can pop up quickly during unplanned transitions. And because the interim CEO typically comes from the current C-suite leadership team—or at least is well known to them—there is an opportunity for leaders to try to leverage past relationships. The CHRO can plan for this partially through the succession plan process, but also from our relationships with the C-suite, especially our understanding of how various C-suite members will react to the new interim CEO. More on this in Lesson 5.

## THE FOUR PRIORITIES OF A NEW CEO

New CEOs always face an onslaught of competing priorities as they start their tenures—unifying new leadership teams, engaging their workforces, affirming their company’s vision and setting direction. To assist in the CEO transition, it’s important for CHROs to understand those priorities.

According to Stephen Miles, founder of the Miles Group, and Deb Bubb, a former HR executive at IBM and Intel, here are the four overarching priorities for every new CEO early in their roles:

**1 Take a seat.** Many new CEOs want to jump in and initiate change quickly, but new CEOs should take time to survey the company before activating change. Processes, talent and a broader enterprise view impact how new CEOs see their organization, its opportunities and challenges. Moving too quickly can result in resistance and rejection. This can play out in many ways, including executive team retention issues or reputational harm. So it’s important that new CEOs take time to view their company holistically.

**2 Get personal.** Strong onboarding, personally led by the CEO, is key to increasing organizational engagement, capturing early wins and building a foundation for long-term success. New CEOs need a clear view of the role and expectations of the board, investors, customers, their leadership team, and broader employee population. They need a clear view of their own strengths and development opportunities and a trusted advisor or team to help them navigate the early challenges of onboarding.

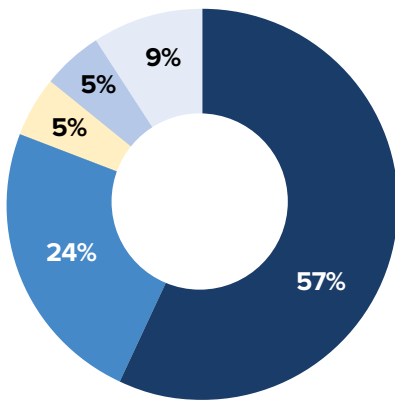
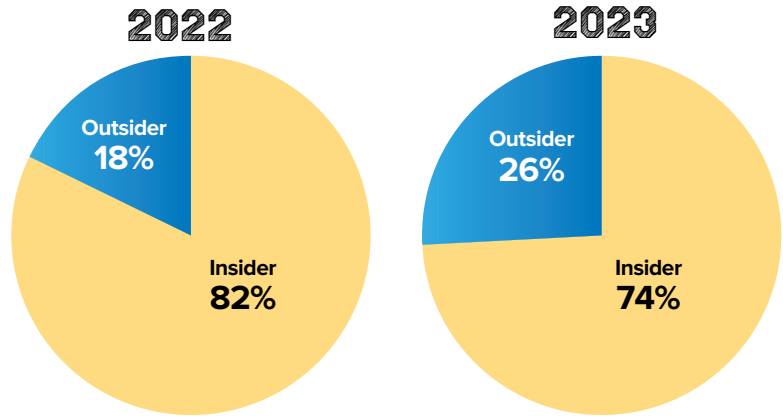
**3 Be present.** It is vital for new leaders to be present and visible to their organizations early on. Little leaders lead businesses, and big leaders lead people. CEOs earn the right to lead employees and the company, and to do that, they must be visible to the broader employee base early and often.

**4 Team first.** No CEO succeeds alone, so building a strong leadership team is critical. The early days of a CEO’s tenure offer an important opportunity to build relationships, develop trust and explore the organization’s vision. It also helps develop clarity at the top and drive alignment throughout the organization. New CEOs can accelerate team formation by hosting a leadership offsite event to enable the executive team to agree to rules of engagement, set cultural expectations and become a cohesive unit.

# CEO COMINGS AND GOINGS: BY THE NUMBERS

## Where do new CEOs come from?

About three-quarters (74 percent) of new CEOs in the S&P 500 were internal appointments last year. That's down from 82 percent in 2022. One main reason: More companies faced market disruptions or poor performance, making them more open to external candidates.



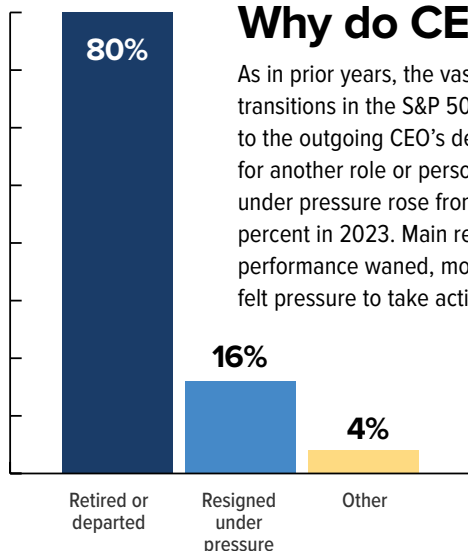
## From where are insider CEOs promoted?

When people reach the CEO seat by being promoted internally, they typically ascend from one of these roles (based on CEO promotions in the full S&P 1500):

- 57% - promoted from COO or enterprise president roles
- 24% - promoted from divisional CEO or president roles
- 5% - promoted from CFO
- 5% - “leapfrog” appointments from below the C-suite
- 9% - others, including from other C-suite roles

## Why do CEOs leave?

As in prior years, the vast majority of CEO transitions in the S&P 500 last year were attributed to the outgoing CEO's decision to retire or depart for another role or personal reasons. Resignations under pressure rose from 7 percent in 2022 to 16 percent in 2023. Main reasons for the increase: As performance waned, more companies and boards felt pressure to take action.



## How long do CEOs stick around?

The average tenure of outgoing CEOs declined to 8.9 years in the S&P 500, which is on the lower end of the historical range. During the pandemic years, tenure peaked as many CEOs stayed in the role longer to provide consistency amid the disruption. But that seems to be wearing off.



Source: 2023 CEO Transitions, SpencerStuart.

#### LESSON 4: Control the communications resources and be the coordinator.

In the case of an unplanned exit by the CEO, communications must be controlled, centralized and immediate. If you do not have adequate internal communications support or the issue requires external crisis management, secure resources immediately. It should be your first action!

The second equally important task is developing the messages and ensuring alignment with the board. In the case of my one-hour transition at the university, there was disagreement among board members and campus leaders about how and why his resignation occurred, leading some to talk to the media on their own. I had to bring together various leaders to reach agreement on centralized and coordinated messaging as well as to establish clear roles and responsibilities. The crisis management team had their hands full just trying to contain the various parties, not to mention trying to develop centralized and accurate messages.

In addition, some board members were reaching out to potential interim candidates without my knowledge or without support from other board members. This created additional work for me and other leaders in managing the expectations of the various potential interim CEOs. I had to rely on my established relationships with these board members to assure them I was the neutral place for these discussions and they must do so through me. The board members were trying to do the right thing but going about it in a disjointed manner.

#### LESSON 5: Regardless of your opinions, keep an open mind on the process and options.

This last lesson was my most important. When the first CEO told me he needed to leave for family reasons, he also shared his recommendation for an interim. I panicked. This was not someone who had much experience as a C-suite executive and, in fact, was not well liked by some of the C-suite, including me.

When I expressed this to the CEO, he gave me reasons why he thought this was the best option, including that this individual would not be a candidate for the long-term CEO job and that he had board support. I trusted the CEO, so I decided to bury my feelings and make it work. And he was right. His choice for interim CEO was the perfect leader for that time.

I reached out immediately to support that person, and we quickly established a successful partnership. He wanted to serve the university well, and he did so with humility and trust. He brought stability during a time of need, and that positioned us well for the new CEO.

This lesson also works well in a planned transition. You may not support the candidacy of the final CEO selection, but the CHRO must become an immediate and trusted partner. If you establish your role and expectations upfront, you can build a strong partnership.

I find it particularly helpful to be transparent about any concerns I have, as well as vulnerable in sharing my challenges. In both of my examples, the CEOs came from outside higher education, so I was able to “translate” the language, processes



**You may not support the candidacy of the final CEO selection, but the CHRO must become an immediate and trusted partner. If you establish your role and expectations upfront, you can build a strong partnership.**



and even culture differences of higher education for them. I provided a safe place for them to express surprise and concern when they bumped into criticism or unknown territory.

In the example of the second unplanned transition—prior to the public resignation—there were some difficult discussions as the student issues escalated and the CEO was threatening to resign. My CHRO “moment of truth” occurred when a board member appealed to me to get the CEO to not resign. I asked the board member if the board would support the CEO, and he replied, “Some of us would.” That was my clue to move away from the CEO (whom I considered a friend) and provide advice and guidance to the board. This was one of the most difficult situations of my career. Only by focusing on what was best for the organization—and ultimately the CEO—could I navigate objectively and strategically.

The C-suite was also divided in their loyalties, and it fell to me as CHRO to bring us together as a team, focused on the future. Those were difficult and very emotional discussions. In the midst of all of this change, I made my own decision to leave, and it was one of the best decisions of my career.

**The bottom line:** CEO transitions are some of the most daunting and yet potentially fulfilling experiences for a CHRO. How we plan for the transition, establish our role during the search (planned or unplanned), manage the inevitable issues and remain neutral will determine the success.

Beyond these tactics are basic assumptions that your role as CHRO is firmly established and trusted. It is rare that all parties—board, C-suite and external constituents—align on the best path forward. So, you have to use your position and their trust to take the lead in managing the constituencies and the transition with grace, intentionality and expertise. ■



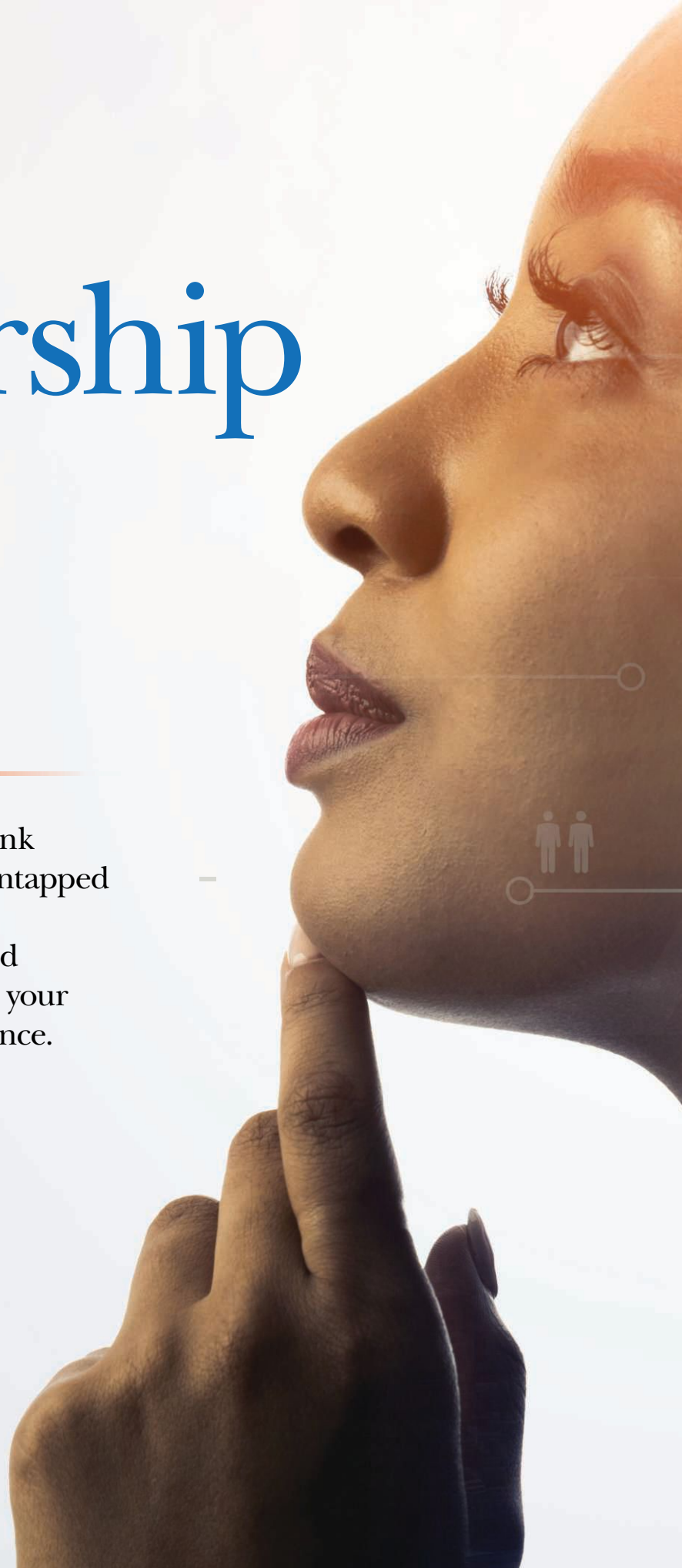
**Betsy Rodriguez** has been a CHRO for 17 years. She has worked for eight CEOs/presidents in higher education and health care and has participated in four CEO transitions.

# Visual Leadership

## An Innovative Approach to Leading Hybrid Teams

For most leaders, the ability to think and communicate visually is an untapped superpower. Here's how you can leverage the power of visuals—and the Passion/Skill Matrix—to lead your team to higher levels of performance.

by Todd Cherches





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**P**icture this: You are attending an executive leadership conference in New York City, seated in a large ballroom at one of those big round banquet tables alongside other CEOs, COOs, CFOs and CHROs from different companies when the facilitator (me) says the following:

“For this exercise, I’d like you to pair up with the person sitting next to you and explain to them—as simply, clearly and quickly as you can—your answers to the following three questions: What does your company do, what is your role and what is the single greatest business challenge you are currently facing? Oh ... just one thing before you start: You need to do this without speaking.”

Dead silence and awkward confusion fill the room.

“So, um, how are we supposed to do this if we can’t speak?” someone finally blurts out.

To which I reply, as I walk around the room handing out large sheets of paper and multicolored markers, “How many of you have ever played Pictionary or Charades? Well, you are going to have this conversation with your partner only by drawing and gesturing! Don’t worry. If you can draw a straight line, a circle, a square or a triangle, then I trust you will be able to find a way to get your message across. Just keep in mind that this is not a test of your artistic abilities; it is a test of your ability to think and communicate visually. And, as in any conversation, your primary objective is to get the other person to ‘see’ what you’re saying, as well as to see what *they’re* saying. OK, go!”

With that, this group of senior-level executives start sketching, pointing, gesturing and miming their way through the exercise. As I walked around, I was impressed with all the stick figures and scribbles, mindmaps and storyboards, and process diagrams, flowcharts, dashboards and question marks being used to communicate back and forth in near-silence. Each person struggled to be understood while suppressing their burning urge to speak.

Seven minutes in—which probably felt to them like 10 times as long—I ring a bell and tell them they could now speak. The silent room explodes in laughter, smiles and relief as they continue their conversations—verbally this time—filling in gaps, explaining their chicken-scratch drawings and continuing in their efforts to understand and then offer suggestions to one another regarding their respective business challenges.

During the debrief about 10 minutes later, I ask the group what this experience was like. One CEO responds by saying, “I’ve known this guy sitting next to me for 15 years, and I’ve heard him talk about his business problems numerous times. But until he sketched it out for me just now and used an analogy and an example to explain his situation, I never really understood how all the pieces fit together or where his roadblocks were. But now I totally get it, and I see how I might be able to help him.”

And that is the power of visual leadership in action.

## What Is Visual Leadership?

In brief, visual leadership is the art and science of applying visual thinking and visual communication to the practice of management and leadership. In a nutshell, “visual thinking” is about thinking in pictures, while “visual communication” is about communicating *with* pictures. Both of these can be done using any combination of visual imagery and visual language.

The goal of thinking and communicating visually is to be able to get an idea out of your head and into the heads of others so that they can “see” what you’re saying. And the art of being a more visual leader involves developing your ability to paint a picture with words and create a mental movie in the minds of others—to turn your leadership “visions” into reality.

While the opening story focused primarily on using drawing as a visual thinking and visual communication tool, visual leadership is much more than just that. There is a tremendous benefit to being able to grab a pen or marker and skillfully explain an abstract idea using a napkin sketch or whiteboard illustration. But it is also about using other visual tools, tips and techniques—including pictures and props, mental models and frameworks, metaphor and analogy, and visual storytelling—to bring your ideas to life.

What makes visual leadership so eye-opening to most leaders is that we tend to focus on words and numbers as we wonder why our messaging doesn’t land or stick. When you think about the “3 Fs” involved in any message—facts, figures and feelings—it is important to remember that, while the words and numbers are crucially important in terms of content and context, human beings are motivated and inspired not by words and numbers, but by emotion.



**The goal of thinking and communicating visually is to be able to get an idea out of your head and into the heads of others so that they can ‘see’ what you’re saying. And the art of being a more visual leader involves developing your ability to paint a picture with words and create a mental movie in the minds of others.**



It's one thing to formulate a vision that you can clearly see in your "mind's eye." It is another thing to be able to communicate that vision effectively in a clear and compelling way so that your team is motivated and inspired to act on it.

#### 4 Ways to Think and Communicate More Visually

There's a classic leadership acronym that says "TEAM" stands for "together everyone achieves more." But how can visual leadership help a team achieve more? One of the most effective ways is by leveraging these four methodologies that can help you to think and communicate more visually:

- Visual imagery and drawing.
- Mental models and frameworks.
- Metaphor and analogy.
- Visual storytelling and humor (if/when appropriate).

And, although I separated these methods into four categories for the purposes of clarity and comprehension, they often exist in combination.

For example, related to the subject of building and leading high-performing teams: We might describe a team as if they were a group of geese flying in a V formation. This would be both a visual image that we can picture in our minds and an analogy. We might say that there are times when the team would benefit from the "lead goose" dropping back into formation and letting someone else step up to take on the lead role.

Or, when it comes to a team-based model or framework, we might refer to Tuckman's classic Four Stages of Team Development (forming, storming, norming and performing) to assess what stage in their evolution a team is currently at, what they need to do to move up the ladder to become a high-performing team and how hands-on or hands-off the leader needs to be depending on the stage.

As for team-related analogies, in addition to the geese, other examples might include comparing a particular team to a school of fish, a colony of bees, a herd of buffaloes or a pack of wolves—each conveying a very different team persona and identity.

And, lastly, as a leader, if you were to tell your team a story about either the best or the worst team you've ever been on—or the best or worst boss you've ever worked for—this would be a powerful way of conveying your core values, as well as sharing some valuable leadership lessons learned.

So, when leading a hybrid team, instead of relying solely on words and numbers, consider taking a more visually oriented approach by leveraging the power of visual imagery, mental models, frameworks, metaphors and stories. Doing so will enable you to think more creatively and to communicate with greater impact and influence, leading to increased understanding, higher levels of trust, and enhanced individual and team performance.

And, of all the various tools in my "visual leadership toolkit," I've found that one of the most powerful and transformative is my Passion/Skill Matrix model.

#### The Passion/Skill Matrix: A Case Study

The phrase "thinking outside the box" has become somewhat of a cliché. But the truth is that we can't think outside the box until we have a box with something in it, which is why the use

of four-box matrices is such a common tool in the business world. A four-box matrix creates a framework by which we are better able to sort through the messiness and complexity of a situation. This compartmentalization enables us to see things more clearly, assess possible solutions, make decisions and take action with greater efficiency, effectiveness and confidence—leading to better results.

Having delivered hundreds of leadership programs and team-building workshops over the past 20 years, I have experienced innumerable real-life examples of how visual leadership techniques, including mental models and frameworks, can enhance team performance, whether in person, remote or hybrid.

And the Passion/Skill Matrix is one such example: Several years ago, I was brought in by a large global pharmaceutical company to facilitate a three-day team-building event offsite for one of their departments. This group had been battling serious problems related to low levels of employee engagement, poor morale, high turnover and diminished productivity. The 20 members of this hybrid team were not happy with the status quo for a variety of reasons, ranging from general disengagement and feelings of stagnation to a lack of professional development and a sense of hopelessness regarding upward mobility.

And based on these symptoms, I had a strong feeling that my Passion/Skill Matrix model might help this team diagnose the root causes of some of these problems and potentially offer some solutions. I walked them through a series of seven steps.

**Step 1: Create a master list of tasks.** Each team member individually makes a list of all the things they spent time on over the past three months, using their calendars, project lists and task lists for reference.

**Step 2: Put the tasks into four categories.** Take that list of tasks and responsibilities and place them into these four categories: things you are good or great at, things you are not good at, things you like or love doing, and things you don't like to do.

**Step 3: Score each item.** Quantify each task or responsibility on a Skill continuum from "I'm terrible at it" (0) to "I'm amazing at it" (10) and a Passion continuum from "I hate it" (0) to "I love it" (10). Each task will fall into two categories.

- Things you are good or great at (5-10 score).
- Things you are not good at (0-5 score).
- Things you like or love doing (5-10 score).
- Things you don't like doing (0-5 score).

**Step 4: Create your own Passion/Skill Matrix.** Take all of the scored items from the list in Step 3 and plot them onto their own Passion/Skill Matrix worksheet. Based on those four scoring categories, each task/responsibility should fall into one of these four quadrants (*see box on next page for a full description*):

- **The Sweet Spot (upper right quadrant):** things you like or love to do and that you are good or great at. Spend as much time as possible on these.

# The Passion/Skill Matrix

The Passion/Skill Matrix is a tool to help employees and teams maximize productivity and job satisfaction. How it works: Employees apply two scores to each of their tasks and responsibilities using a 1 to 10 scale. Passion is scored on a continuum from “I hate it” (0) to “I love it” (10); Skill is scored on a continuum from “I’m terrible at it” (0) to “I’m amazing at it” (10). Next, they can put each task into one of these four quadrants:

## The Sweet Spot (upper right)

These are the things that you like or love to do and that you are good or great at. If you have a lot of items listed in that box, you’re incredibly lucky! Try to spend as much time as possible on these things. This is where the intersection of your skills and your passions lie, and it is also where you have the greatest potential to leverage your strengths and go from good to great. When you’re working on things that fall into this category, time flies, ideas flow, your energy is high and you’re in your element.

## The Growth Zone (upper left)

These are the things you like or love to do but are not good or great at ... yet. These are your primary development opportunities. Why?

Because if you have a passion for something, or even a curiosity, and you feel that you may have an aptitude for it, you are more likely to work at it by learning more about it, studying, practicing, even failing, and seeking training and coaching in these areas. In this box, you never know how far you might get unless or until you try. Notice the powerful difference between saying “I’m not good at this” vs. “I’m not good at this ... yet.” By adding that simple word, you open up a world of possibilities.

## The Default Zone (lower right)

These are the things you don’t like to do but are good or even great at. Perhaps they are things you used to like doing or tasks for which you became the go-to person by default. Perhaps people even think that you enjoy it and welcome these opportunities, but you don’t. Unfortunately, many people spend most of their workdays in this quadrant, often leading to low levels of engagement. You can do many of these tasks in your sleep—and that is exactly the problem. This is often the start of “quiet quitting.” Perhaps some of the tasks on your list can be a development opportunity for someone else! Here is where you might be able to outsource, delegate, or take on the role

of a mentor or coach to help someone else develop their skills in this area, thereby freeing you up to spend more time “above the line” in your Growth Zone and Sweet Spot.

## The Failure Zone (lower left)

Lastly, these are things you don’t like (or even hate) to do and are not good at (perhaps, even terrible). You need to do whatever it takes to get out of this box as soon as you can. We all have aspects of our jobs that we may not love and may not be great at. But if you are spending a lot of time doing things that fall into this box, you are setting yourself up for a whole lot of pain and suffering and extremely high levels of disengagement as you seek to avoid failure by hiding and avoiding.

If you’re in a job that you truly dislike and are not good at—and you don’t see a way to either improve your performance or develop your skills and stop hating what you’re doing—then you are not doing your employer, your team or yourself any favors by continuing to function in this capacity. It’s not sustainable, and it will eventually take its toll on your physical and mental health and well-being. This box can easily feel like a prison cell, so you need to try to get yourself out of it as soon as you can.





**Employees who spend a majority of their time (typically 70 percent to 80 percent) ‘above the line’ in either their Sweet Spot or Growth Zone tend to be highly and actively engaged. Those who spend most of their time ‘below the line’ in either their Default Zone or Failure Zone tend to be either not engaged or actively disengaged.**



- **The Growth Zone (upper left quadrant):** things you like or love to do but are not good at yet. These are your primary development opportunities.
- **The Default Zone (lower right quadrant):** things you don't like to do but are good at. People often spend much of their workday in this quadrant, which can lead to low engagement. Consider outsourcing, delegating or mentoring others to take on these tasks.
- **The Failure Zone (lower left quadrant):** things you don't like to do and are not good at. Do whatever it takes to get out of this box, either by shifting tasks or leaving that role.

Once employees understand the Passion/Skill Matrix and see their own tasks and responsibilities carved up in each quadrant, this is where the power of visual thinking really kicks in—and the lightbulb usually goes on!

Each individual on the team can clearly see where and how every aspect of their job fits within this framework—and (generally) what percentage of their time they are spending in each quadrant. And when we correlate their matrix with their engagement scores, it is very clear that employees who spend a majority of their time (typically 70 percent to 80 percent) “above the line” in either their Sweet Spot or Growth Zone tend to be highly and actively engaged. Those who spend most of their time “below the line” in either their Default Zone or Failure Zone tend to be either not engaged or actively disengaged.

So, while this is extremely interesting and valuable information, what do we actually do with it to improve both individual and team performance?

**Step 5: Share your matrix.** Now that each person has a greater understanding of their own matrix, how can we leverage these findings to raise individual engagement levels, address some of the aforementioned dysfunctions and take steps toward better team performance? You can achieve this by sharing some or all matrix examples with the rest of the team in a group discussion.

To be able to share, you will need to have created a culture and climate of psychological safety wherein members of the team feel comfortable and trusting enough with one another to be vulnerable and willing to share their responses. (Note: If everyone is not comfortable with sharing their personal matrix with others, it is OK to skip this step and go straight to Step 6.)

**Step 6: Create a team matrix.** Create one gigantic, wall-sized team matrix with each participant represented by a different color marker. This colorful visual communication tool helps to identify at a single glance a whole host of trends and patterns—both individually and collectively—including skills gaps, development needs, high-risk areas and so much more.

**Step 7: Deconstruct and reconstruct employees’ roles and responsibilities.** The final step—after hosting the offsite meeting, when the employees and team leaders have had an opportunity to process and consider all the findings—is to re-evaluate, redefine and revamp roles, responsibilities and job descriptions. The matrix should spark a focus on the training and coaching that is needed to help people turn their Failure Zones and Default Zones into Growth Zones and Sweet Spots.

As management guru Frederick W. Taylor once wrote, “People do best what they like best to do.” This half-day exercise contributed greatly toward identifying what each member of the team did best, as well as what they most liked to do.

So, the end result for this 20-person pharmaceutical team? Six months later, they reported a dramatic increase in employee morale, engagement and retention scores, plus a dramatic improvement in team productivity and an overall feeling of hope and optimism.

When it comes to engaging a hybrid workforce and building and leading higher-performing teams, one of my mottos is that “team bonding needs to come before team building, and you need to connect to each other if you want to work better with each other.” As such, you may find that taking a more visually oriented approach can help both you and your team “envision”—and achieve—a better future.



**Todd Cherches** is the CEO and co-founder of BigBlueGumball, a New York City-based leadership development and executive coaching firm. He is a member of Marshall Goldsmith’s MG 100 Coaches, an adjunct professor of leadership at New York University, a lecturer at Columbia University, a TEDx speaker and author of the book *VisualLeadership: Leveraging the Power of Visual Thinking in Leadership and in Life* (Post Hills Press, 2020).

# OWN THE

Succession planning gone wrong—or ignored completely—can wreak havoc on an organization. The global head of HR for one of Amazon Web Services' divisions highlights how CHROs can influence leaders to prioritize succession planning, which will streamline leadership transfer and preserve business continuity.

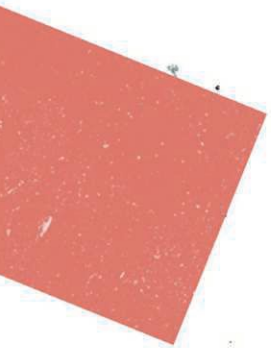
**By Prudence Pitter**



# FUTURE



## How HR Can Add Value to the Succession Planning Process



# W

hen I spoke to an audience of senior HR leaders last fall, I asked them this question: “How many of you are in a role that was created for you through a succession plan?” While I know that succession planning is an “out of sight, out of mind” topic at many

organizations, I expected to see at least several raised hands. The actual result: Only one hand was raised, in an audience of approximately 300 senior HR leaders.

This was a clear message that more work needs to be done to prioritize building and supporting upward mobility within organizations, especially within the HR function.

It’s estimated that about 10,000 Baby Boomers are now retiring each day in the U.S. Yet somehow, data suggests that succession planning still isn’t on the radar for more than half of U.S. organizations. According to a SHRM survey, 56 percent of HR professionals said their organization didn’t have a succession

plan in place. Only 21 percent reported having a formal plan, while 24 percent said their organization had an informal plan. The main reason for the apathy was a lack of time and resources to create the plan (*see chart*).

Leadership transitions can happen quickly. Therefore, having a successor in mind for senior and critical roles is imperative to business success. HR leaders know the importance of recognizing that every employee is a whole being and has the potential to be great. Just the same, we often face the challenge of influencing other leaders to think the same way—and to have them focus on developing future leaders in the organization.

A deliberate approach to identify and develop future leaders has been proven to help preserve an organization’s continuity and secure its future. However, many company leaders still need convincing to spend the time needed to prioritize succession planning. This is a challenge that HR leaders can overcome by knowing and addressing the most common barriers to succession planning (*see below*) and common mistakes in the process (*see page 39*).

## SUCCESSION PLANNING:

# How to Overcome Objections from Leaders and Managers



**A**s vital as succession planning is to an organization, some of your leaders may not see it as a high priority. It’s important to understand why some leaders don’t embrace succession planning. Here are some of the main reasons for leaders’ resistance and ways to get past that pushback:

### **They’re reluctant to leave the organization and want to control their legacy.**

Some leaders are not ready to let go of what they’ve built or the role they’ve come to love.

They have put their stamp on the organization, and giving up control is hard to imagine. They may believe they are the only ones capable of maintaining the success that’s been achieved so far.

**The solution:** Include leaders in the succession plan as key mentors. This will help alleviate some of these concerns and give leaders more input and control over the succession.

### **They’re preoccupied with day-to-day business priorities.**

For many business leaders, the demands of daily responsibilities can be all-consuming. Even if they understand on an academic level the need for succession planning, they have a difficult time slowing down long enough to take action.

**The solution:** HR can take the lead in charting the timeline, time commitment and support for leaders to help with this process. This will help leaders recognize that they aren’t handling it alone.

### **They’re concerned the transition will be immediate.**

Leaders may assume that the succession conversation is being held with an exit date already in mind. When an HR leader approaches a leader about succession

planning, what they may be hearing is, “We want you out!”

**The solution:** Share the fact that most succession plans take years to come to life and that most next-level leaders need significant mentorship and exposure to be ready for more-senior roles.

### **They’re concerned about bench strength and how to fill the skills gap.**

Leaders may also recognize that they’ve failed to prioritize development of the next generation of leaders and are unsure how to get successors ready.

**The solution:** Share performance and potential data for the extended leadership team, and also share the profiles of external leaders that have the necessary skills for senior roles. Highlight the internal resources available to address skills gaps of internal and external talent.

**Note:** Many leaders are afraid to develop someone and then have them leave. However, when employees recognize that their personal career path is important to their leader and they can see a track to success in the organization, they tend to stay longer, feel more committed and are a little bit more afraid to leave because they don’t know what the future holds elsewhere. – P.P.

## Why Companies Just Say ‘No’

Among HR professionals that say their organization doesn't have a succession plan in place, the most commonly cited reasons for not having a plan are that their organization lacks the time and resources to develop one, that their organization is too small to have one, and that their organization is family-operated and family-owned.



One initial mistake to avoid is combining both your succession plan and your business continuity plan. While the latter is important, combining those conversations—or combining both plans—could result in either one (or both) of them failing to gain the support and attention needed to be effective. Another challenge is the possible lack of enthusiasm that HR leaders are faced with, due to succession planning being a topic that is not always welcomed by other leaders.

Though there are clear challenges and the potential for the succession planning process to be a lengthy one, it is a key part of business functionality, and there are proven ways that HR leaders can have a meaningful and measurable impact.

HR leaders should first conduct research (internally or externally) and use metrics to tell the story of how succession planning has benefited organizations. Second, a key way to gain succession planning buy-in from your executive team is to ensure your plan is developed specifically for and aligned with the organization. Finally, it is imperative that HR leaders identify successors to ensure that other leaders can visualize the plan coming to life and provide feedback on the current bench strength in the organization.

### Generate Buy-In with Data and Storytelling

I still remember the first time I needed to influence a board that a succession plan was needed for a CFO, who we knew would be transitioning within two years. While it was such a necessary process, I was surprised by the pushback and lack of interest from the board. The board believed two years was a long time and that “the team” could pick up the slack if there was a gap in CFO coverage once the current leader moved on and before their replacement was named.

I quickly realized that I needed data to help make the case for why a succession plan was necessary and how, through that plan, we could either identify an internal successor or determine the profile needed to attract external candidates.

Through my HR network, I collected data on succession plan success stories, as well as data on the lack of succession planning conversations. The data had to capture the attention of the leaders I needed to influence. This data included indus-

try trends on retention, leadership tenure and the impact on business metrics when leadership transitions take place. I also was able to point to advice from my bookshelf. Jack Welch’s book *Winning* includes a relevant and detailed succession planning strategy that can help build buy-in.

I also highlighted for the executive team examples within our own company of situations in which employee satisfaction and business results took a hit when a leadership transition resulted in a key role being left unfilled for a long time.

The important part is the blend. When you have both external and internal data to add to storytelling, that really helps generate buy-in with leaders.

### Align with Your Business Plan

Part of the process of ensuring that a succession plan conversation is well received is having a plan that is designed specifically for the organization and aligned with its business plan.

When should you propose a new or updated succession plan? I’ve found that the best time is right after an organization has paused to review and adjust its business plan. This timing allows HR leaders to include business concerns and make succession recommendations based on the company’s future



**About 10,000 Baby Boomers are now retiring each day in the U.S. Yet somehow, data suggests that succession planning still isn’t on the radar for more than half of U.S. organizations.**



business plans. Including these relevant and recent points will help the leadership team appreciate the relevance of the plan as created.

The best succession plans include a clear assessment of the capabilities of the current leadership team and how they have been performing over the past two years. They also include publicly available data for similar leaders in other organizations (in the same or similar industries).

To ensure the succession planning conversation is a smooth one, it's important to highlight the key roles of the positions. This is an opportunity to ensure the successor of a leader is identified as having the skills needed to fill the current role. It also allows you to pinpoint any areas in which the current leader could be performing at a higher level. For that reason, it's crucial to gather performance data for the leader who is being succeeded.

Remember, succession planning is not a one-size-fits-all process. Reviewing external case studies and data on how other organizations have been able to seamlessly transition leadership capabilities is a good starting point. But resist the urge to copy and paste any other succession plan. Your plan will be hard to own and embrace if it's not tailored to your organization's specific needs.

## Build Support by Pinpointing ROI

HR leaders gain the most support for their succession plans when they're able to identify a specific return on investment for their efforts. This can be done by showing ways the HR processes are built to support succession and by highlighting internal and external succession plan success stories (and horror stories).

In addition, the performance management process should be designed to capture data that helps identify future leaders based on their current and past performance—and their potential. An extension of the performance management plan should then outline the resources available to develop leaders and bridge any leadership skills gaps.

HR leaders should drive the succession planning process and ensure that it is free of bias. Every opportunity that HR has to call out bias, it should.

HR should also lead a deliberate conversation about diversity in the planning process and discuss ways the organization can be more diverse at its most senior levels, even if that means focusing on external candidates or developing leaders below the extended leadership team in a longer-term process. If you often promote from within, take a look at the future leaders in your organization. If your bench is not diverse, you will likely not be improving diversity anytime soon.





**Succession planning is not a one-size-fits-all process. ... Resist the urge to copy and paste any other plan. Your plan will be hard to own and embrace if it's not tailored to your organization's specific needs.**



### Start Narrow and Scale

While it is tempting to have a succession plan for every leadership role in the organization, such plans are difficult to track and measure. For that reason, it's best to identify key roles as a starting point and stagger the rollout of the leadership development process. That way, you can ensure that successes can be realized before scaling the program across all of your leadership roles.

Depending on the size of the organization, it could be best to identify one role to focus on for succession planning and use that role and the identified succession candidates as the center of the conversation to obtain alignment from the rest of the business leaders.

When skills gaps are realized in an organization, it is important to have a process to bridge them. As part of creating the process, a plan to develop leaders should be in place, and the plan should be aligned to the business and designed to allow for learning to happen in a meaningful and measurable way.

Once the succession plan is accepted by the leadership team and the process begins, it is important to not let it be forgotten. The success of the plan should be assessed by tracking and measuring the outputs to determine what changes are needed, if any.

The succession planning process is not easy. However, it has the potential to be one of the most rewarding areas that an HR leader owns.

Having the right leaders in an organization ensures its success, and having successors to keep it moving forward after those leaders exit is an essential step in maintaining a strong organization. ■■



**Prudence Pitter** is the global head of HR for Amazon Web Services' Auto/Manufacturing and Healthcare & Life Sciences division.

## SUCCESSION PLANNING:

### 5 Common Mistakes to Avoid

While your situation may not reach the level of mayhem on HBO's hit drama "Succession," a sloppy transition can severely damage a company—and an HR leader's career. According to a 2023 SHRM Executive Network report, *Succession Planning Pitfalls*, organizations need to avoid these common mistakes with their succession plans:

**Mistake 1: Thinking about replacing the current job holder, not the job.** Many organizations mistakenly think about replacing a particular person and not what that person does. It's critical to not think about the individuals in the current roles. Instead, think about the goals of that role, the remit and the expected outcomes. Plus, if you think about planning for the role versus the individual, you open your mind to different types of people being able to do the same job. And that's how you harness the power of diversity and drive inclusion.

**Mistake 2: Seeing succession planning as set in stone.** Succession planning can't be a "set it and forget it" exercise. Successful succession plans must also be revisited, reviewed, adjusted and restarted. They should be "live" documents, meaning the scope and plan should be able to change to mirror the volatility within your organization. A role that is crucial now—and the person earmarked for that role now—may not be the same in six months or one year, and that is very important for making sure you always act according to the reality of your business needs.

**Mistake 3: Not telling successors that they're successors.** Once there is alignment with leaders about your high-potential employees as successors, it is important to share this great news with the envisioned successors. When you do, you may find they were thinking differently about their trajectory in the company—or they don't want that job at all. Alternatively, it could help to solidify their future with the organization and help them reconsider an exit strategy, if they had one.

**Mistake 4: Skipping performance planning.** Preparing and developing successors is integral to a solid succession plan, and it builds a culture that encourages growth. One way to put this into practice is to assess a successor's level of readiness when you let them know they are a successor (e.g., if they're ready now, in six months or in two years). With this readiness assessment, you can set better expectations for the successor and create a plan to fill in any gaps. You will also ensure that the performance plan stays alive, because the successor will be keen to continue to develop and learn what they need to know.

**Mistake 5: Not making your plans inclusive.** It's vital that your succession planning is inclusive and doesn't directly or indirectly leave qualified people out of the process. Historically, succession plans have tried to fill a role by looking for someone similar to the incumbent. That's why it's wise to take a strengths-based approach to succession planning, rather than focusing solely on experience. Look at those who maybe haven't done the role before but have the motivation and skills to build on. This will mean a more diverse group of employees will be earmarked for leadership roles.

**Nichol Bradford** is a global thought leader in transformative technologies and was appointed earlier this year as SHRM's executive-in-residence for AI+HI enablement. Bradford is the co-founder of the Niremia Collective, an early-stage venture capital and advisory firm in Silicon Valley focused on human potential technologies, and the co-founder of TransformativeTech.org, the largest global ecosystem of leaders building technology for human flourishing.

# Curiosity to Catalyst: HR's Role in the Age of AI

### People + Strategy: Why is generative artificial intelligence (GenAI) such a significant revolution?

**Bradford:** GenAI represents a monumental shift, potentially the most significant since the Industrial Revolution. It could be one of the best things humanity has ever created in terms of the positive impact it can have on our collective prosperity. But that is not the only possible outcome. My journey with technology over the past two decades, deeply focused on enhancing human potential, has led me to explore how advancements like AI can fundamentally improve our lives.

### P+S: How do you address concerns about automation, job loss or dystopian outcomes?

**Bradford:** With nearly half of work hours subject to automation or augmentation, it's vital to remember our irreplaceable human qualities. Our biology, our need to belong, be seen and connect with one another is far older and deeper than any technology.

We've seen how AI can highlight our humanity, not diminish it. It's about augmentation—not replacement—and transforming jobs to make work more meaningful. History reassures us that technological revolutions breed new opportunities, pushing us to redefine work

in alignment with our deepest values.

But we have to create this future. And how it turns out has everything to do with you—the choices you make in how you change and reinvent your organization and yourself. AI progress will not slow down, it will speed up, with today being the slowest change you'll ever see. The core challenge is, amidst the rapid change, to guide AI in a beneficial way for people and planet so that AI augments the power of people to move the world forward and enables them to be their best self easily—creative, collaborative and healthy, inside and out.

### P+S: How do we create an inclusive AI future?

**Bradford:** Addressing fears, challenging assumptions and emulating those who are doing it well can help organizations create an inclusive AI future. Fear makes bad decisions by neurobiologically reducing our creativity and ability to see options. Outdated assumptions also block progress. We must address our own fears

Nichol Bradford



and question assumptions about upskilling being difficult. Today's AI and the interfaces designed for human interaction are intuitive, often conversational, which makes the leap to AI fluency far more accessible than many anticipate.

Accenture recently published an interesting piece of data that underscores how upskilling might not be as hard as many think. While 37 percent of C-suite executives doubted their teams' ability to transition to new technologies, a staggering 85 percent of employees felt they had a good grasp of AI, with 94 percent believing that with the right training, they could successfully make the leap. If you're a CEO and you only believe that "upskilling is hard," you may cut your workforce based on the wrong assumption.

This disparity between leaders and employees isn't just eye-opening, it's a call to action for HR leaders to champion a culture of continuous learning and curiosity. We can see that exposure to AI builds curiosity. And AI curiosity can build to AI fluency, which then can turn anyone in your organization into an AI catalyst and help you build to AI maturity. In fact, according to new research by SHRM, HR professionals who work in organizations that actively use GenAI are 16 times more likely to believe that AI is a job-expanding tool versus job-losing.

Finally, we should follow the examples of companies successfully implementing AI that have deeply invested in people and seen significant revenue increases.

**P+S: I've heard you speak of companies that are "reinventors." What do they do differently than others?**

**Bradford:** Reinventors distinguish themselves through two primary strategies.

"AI progress will not slow down, it will speed up, with today being the slowest change you'll ever see. ... And how it turns out has everything to do with you—the choices you make in how you change and reinvent your organization and yourself."

First, they are reinventing their entire value chain and business capacity, rather than focusing on isolated use cases. Second, they are reinventing work and the workforce for GenAI by implementing skills-based roles. This approach is underpinned by people-centered change management, drawing on the collective insight of their workforce to drive innovation.

With a people-centered approach, you allow automation and augmentation to get rid of the tasks that aren't driving your business or serving your customers—and your employees help you do that because they trust you. Together, you find the new tasks and the new jobs that expand your business success. However, Accenture found that 95 percent of employees didn't trust their management to make AI decisions that were good for all of them. Without trust, you don't get workers' full genius on reinventing your value chain and don't get the full upside.

**P+S: As AI transforms the ways we work, what is HR's evolving role in an AI-driven workplace?**

**Bradford:** In the era of generative AI, HR professionals are transitioning into "AI+HI catalysts," a role that places them at the heart of guiding ethical and human-centered AI adoption within organizations. This shift involves leveraging AI to enhance workforce skills and foster a culture of continuous learn-

ing. As AI+HI catalysts, HR's mission expands beyond traditional boundaries to support AI catalysts in other functions to strategically integrate AI in ways that augment human capabilities and ensure inclusivity and innovation. This evolution underscores the critical role of HR in navigating the transformative potential of AI, emphasizing strategic insight and a commitment to enhancing human potential through technology.

HR's role is to bridge the gaps, transforming fear and uncertainty about AI into excitement and engagement. By leveraging their unique understanding of the organization's talent and needs, HR can identify the most impactful areas for AI integration and upskilling, ensuring that the workforce is not just prepared but empowered to thrive in an AI-enhanced future.

Moreover, HR professionals themselves must embrace the role of lifelong learners, continuously updating their own skills to stay ahead of the curve. This dual focus—on their own development and the development of their organization's workforce—is what will enable HR to lead by example, fostering an environment where upskilling is seen as an opportunity for growth, innovation and personal fulfillment.

**P+S: It sounds like HR has a monumental role in shaping the future of work in the age of AI. How should they begin this journey?**

**Bradford:** It begins with a commitment to understanding AI—not just its capabilities but its implications for human work and potential. From there, HR can start by fostering a culture of open communication and trust, where upskilling is aligned with the organization's

"We can see that exposure to AI builds curiosity. And AI curiosity can build to AI fluency, which then can turn anyone in your organization into an AI catalyst and help you build to AI maturity."

“HR’s role is to bridge the gaps, transforming fear and uncertainty about AI into excitement and engagement.”

vision and individual employees’ career aspirations. By positioning themselves as AI catalysts, HR leaders can not only navigate but also shape the future of work, ensuring AI serves to enhance our human strengths and capabilities.

**P+S:** How can an organization ensure that its AI transformation remains human-centered and inclusive?

**Bradford:** The essence of successfully integrating AI into our lives and work lies in our approach—it must be unequivocally human-centered. This commit-

ment to human-centered change is not just about mitigating fears or managing transitions, it’s about recognizing and harnessing the incredible potential that AI has to make our lives better.

The key to this approach is trust and inclusion. Trust, because people need to feel confident that AI is a tool for enhancement, not replacement. Inclusion, because everyone across the organization should have a voice in how AI is integrated into their work. AI shouldn’t be a top-down directive; it’s a collaborative journey that recognizes the value each person brings to the table. Building an inclusive AI future hinges on cultivating trust and empowering people to actively shape their futures.

**P+S:** Why is it urgent for organizations to begin integrating AI now?

**Bradford:** We’re at a critical juncture with technological change accelerating at an unprecedented pace. Traditional leadership styles are insufficient in this

new era. Embracing continuous learning, fostering innovation and advocating for ethical AI use are paramount. This era demands a leadership style that’s adaptive, visionary and inclusive, ensuring technology enhances rather than diminishes our humanity.

**P+S:** What strategic shifts are required to navigate this transition effectively?

**Bradford:** Leaders must articulate a compelling vision for AI+HI, aligning their organizations’ culture and processes. Above all, making this shift requires courage—the courage to embrace uncertainty, challenge the status quo, and to lead with a sense of purpose and possibility. The urgency of AI integration is matched only by its potential to transform our world for the better. By learning and leading differently in this era, we can ensure that this transformation is not just successful, but also deeply human-centered and inclusive. ■■

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# Embracing the GenAI Revolution: A Strategic Blueprint for HR Leaders

By David Porter, Nkiruka Ogbuchiekwe, Jungae Kim-Schmid, Roshni Raveendhran and Brad Winn

In the span of less than one year, the corporate sphere has been revolutionized by the advent of generative artificial intelligence (GenAI), a technology that has swiftly transitioned from a novel concept to a cornerstone of innovation across diverse industries.

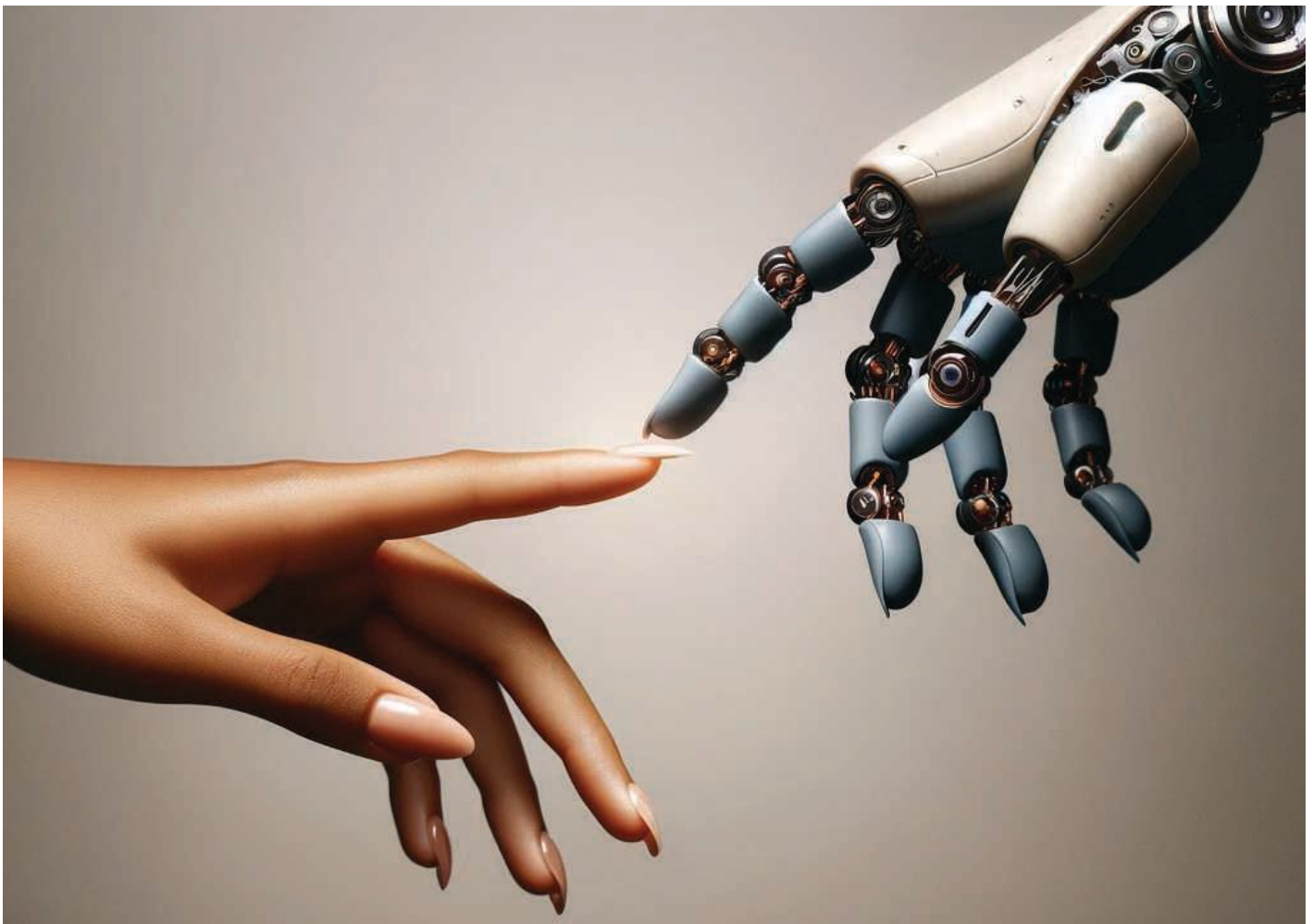
The velocity of generative artificial intelligence's rise to prominence is exemplified by the rapid obsolescence of AI insights shared in a *Harvard Business*

*Review* article on AI in talent management, published by two of this article's authors in October 2022.<sup>1</sup> Just one month after the article was published, the unveiling of ChatGPT significantly altered the AI landscape, rendering previous evaluations of its capabilities and limitations outdated. As corporate executives and senior HR leaders stand on the precipice of this transformative era, it is paramount to recognize the

instrumental role they play in steering GenAI adoption toward enriching the employee experience and enhancing organizational value for customers.

## The Importance of GenAI for HR Leaders

GenAI represents the next leap in artificial intelligence, where large language models (LLMs) like ChatGPT are not just analyzing data but creating



new content that can include prose, computer code, images and video. This evolution marks a clear departure from traditional AI, which focused on machine learning and data analytics without the ability to generate novel outputs. GenAI platforms and tools, such as Microsoft's Bing and Copilot and Google's Bard, are already demonstrating their versatility across business sectors by enhancing decision-making, performing multiple tasks at work and providing sophisticated customer interactions.

As GenAI accelerates and democratizes tech innovation, HR leaders are called to help shape the future of their organizations in the presence of this new capability. GenAI's unique ability to empower anyone to "code" through natural language is dismantling barriers and making AI accessible to all, irrespective of their technical acumen. This universal accessibility means GenAI can significantly influence the workflows and functions across all levels and all roles within an organization. It is now clear that GenAI has the potential to positively disrupt and enhance many aspects of human endeavor in the workplace.

A strategic and culturally integrated deployment of GenAI has the potential to elevate organizational effectiveness and competitiveness, and it is incumbent upon HR leaders to be intricately involved in the decision-making and implementation processes to harness GenAI's full potential.

## **HR's Blueprint: Envision, Own and Influence**

As HR leaders navigate the rapid changes brought on by GenAI, it is common for them to feel unsure about their role in helping their organizations create a path forward. We offer a strategic blueprint focused on the key stages of an HR leader's role in this process. This blueprint is a straightforward guide for HR leaders to reference as they seek to translate the general transformative potential of GenAI to their unique organizational contexts. HR leaders can utilize this three-stage blueprint to create and implement their own unique GenAI strategy: Envision, Own and Influence.

It is not enough for HR leaders to set the strategy for GenAI. They must own the process of ensuring that their organization's culture supports the successful adoption and scaling of GenAI.

### **1. ENVISION: Articulate a Clear Intended Value of GenAI**

Before taking any steps to integrate GenAI into their organizations, HR leaders must establish a clear strategic vision for the technology. This vision should be created in collaboration with CEOs and CIOs, ensuring that GenAI initiatives are aligned with, and can inform, the organization's business objectives, technology investments, and comprehensive people and organizational strategies, from organizational design and hiring to employee development and operating norms.

Once the overarching strategic vision is set, HR leaders should then collaboratively drive top leadership to articulate a variety of related goals, both practical and visionary.

An example of a practical goal is scaling employee productivity. By what degree does the organization envision any given employee's productivity increasing as a result of GenAI? Such attainable and widely relatable goals can help secure organizationwide support for GenAI initiatives.

In terms of visionary goals, HR leaders should help establish goals that align with and amplify the company's mission, setting ambitious targets that inspire and motivate employees to think big about the transformative possibilities of GenAI. These could include using GenAI to accelerate the development of new products or business models.

### **2. OWN: Create a Culture that Supports GenAI Adoption**

Management guru Peter Drucker once said, "Culture eats strategy for breakfast." It is not enough for HR leaders to set the strategy for GenAI. They must own the process of ensuring that their organization's culture supports the successful adoption and scaling of GenAI. To help further frame this significant

responsibility, we pull from Wright and Snell's research<sup>2</sup> on strategic HR management to divide priorities that affect culture into two categories: Managing Employee Competencies (knowledge and skills) and Managing Employee Behavior.

### **Managing Employee Competencies**

Managing employee competencies involves understanding and developing the skills and knowledge that employees possess to ensure they are equipped for the changes GenAI will bring. Here are the two critical steps that HR leaders can take to manage employee competencies for GenAI adoption:

#### **STEP 1**

#### **Hire Leaders with the Right Mindsets and Abilities**

The success of GenAI adoption is heavily dependent on the leaders who drive it. When the opportunity arises during the GenAI journey, HR leaders must prioritize hiring individuals for senior roles who are not only tech-savvy but also open to experimentation and lifelong learning.<sup>3</sup> These leaders should be aligned with the strategic vision for GenAI and capable of fostering a culture of innovation.

Not only will this enable the success of your GenAI initiatives down the line, but research also indicates that leaders who are perceived to have high levels of tech-savviness tend to inspire a culture where employees feel encouraged to speak up and contribute new ideas, which is invaluable for innovation.

#### **STEP 2**

#### **Provide Resources and Training for Employee Upskilling with GenAI**

HR leaders intuitively understand the importance of employee upskilling for their GenAI endeavors. However, the

# People + Technology

## Embracing the GenAI Revolution: A Strategic Blueprint for HR Leaders

importance of training is underscored in a recent *MIT Technology Review Insights* survey in which 600 global tech executives named employee training and upskilling as their No. 1 difficulty in AI platform implementation.<sup>4</sup>

HR leaders should start upskilling with a first wave of general enablement tools that will help all employees rapidly onboard to GenAI usage. They should then quickly and responsively start creating upskilling resources for specific employee personas (e.g., tech-focused employees, senior leaders) that are in line with both the overarching GenAI vision and strategy as well as feedback from employees.

While designing an upskilling approach, it is also critical for HR leaders to balance providing explicit AI guidance with giving workers the freedom to experiment with GenAI tools. As noted by Ryan and Deci's self-determination theory, employees who are intrinsically motivated are much more likely to stick with GenAI tool usage despite challenges.<sup>5</sup> Providing employees with choices in how they engage with and learn about GenAI tools and prioritizing employees' relevant application of GenAI over rote learning are ways to help build this intrinsic motivation.

HR leaders should seek to customize their upskilling programs for their specific context, but they should leverage the plethora of publicly available training materials as a foundation. And GenAI itself can also be leveraged as a tool for ongoing learning. University professors are already leveraging GenAI as coaches and mentors in their classrooms,<sup>6</sup> and learning providers such as 360 Learning have already launched GenAI-based services to assist organizations in their broader upskilling efforts.

### Managing Employee Behaviors

Managing employee behaviors is about shaping how employees use their competencies within the organization and aligning their actions with strate-

gic objectives. For GenAI adoption to be successful, HR leaders must guide behaviors in a way that supports innovation and responsible use of technology. Here are four critical steps that HR leaders can take to manage employee behaviors for GenAI adoption:

#### STEP 1 Create GenAI Champions in Leadership and Across Your Organization

The presence of GenAI champions in your leadership team can significantly influence the successful adoption of the technology. HR leaders should prioritize senior leader enablement with GenAI, focusing on sharing the "what" and "why" behind the organization's drive to adopt GenAI.

Senior leader GenAI champions should then actively encourage experimentation and use of GenAI across their teams, role modeling GenAI usage and reinforcing the cultural norms and expectations advanced by HR that employees should be experimenting with GenAI to find valuable applications in their daily work. HR leaders and leadership champions can also implement organizational structures that encourage experimentation (e.g., hackathons, ideathons) and organically identify GenAI champions from the wider employee base using these structures.

These GenAI champion employees should then be empowered to support their peers with GenAI applications in the flow of work, such as peer-led office hours and sharing a library of successful employee-developed use cases and prompts. This is an excellent way to

supplement the organization's top-down learning strategy with a ground-up source of enablement support.

#### STEP 2 Set a Tone of Healthy Skepticism Around GenAI

While GenAI can provide accurate and valuable assistance, it is important to foster an approach to GenAI that promotes healthy skepticism among employees. HR leaders should encourage staff to critically evaluate GenAI outputs and maintain a balance between automation and human oversight in their workflows.

A tone of healthy skepticism still sets positive expectations for the value of GenAI within the organization, which can reinforce individual employees' persistence as they seek to find ways to apply GenAI to their specific work.

#### STEP 3 Make Responsible AI Usage the Default

A responsible approach to AI usage involves the setting of clear policies around data usage, privacy and discoverability, as well as the implementation of robust security measures around an organization's data.

Because many datasets that could potentially be fed through GenAI tools are sensitive and personnel-related, it is imperative that HR be involved in both setting these policies and embedding compliance with these policies as the default norm in the organization's culture. To achieve this, HR leaders can take steps such as embedding respon-

"It is critical for HR leaders to balance providing explicit AI guidance with giving employees the freedom to experiment with GenAI tools. ... Employees who are intrinsically motivated are much more likely to stick with GenAI tool usage despite challenges."

sible AI policies into GenAI upskilling and hosting broad discussions about ethical applications of AI.

#### STEP 4

##### Keep Employees in the Loop

It is critical for HR executives to proactively engage with employees, management and IT teams from the onset of their organization's GenAI journey to assess feasibility, identify potential barriers and address any obstacles that may arise. As initiatives progress, establishing a robust feedback loop becomes critical, allowing for agile responses to the personal and professional impacts GenAI may have on employee roles and the organizational structure.

Such feedback aids not only in refining GenAI strategies but also in swiftly addressing resistance to change, dispelling misconceptions and reinforcing the value GenAI brings to the company. Moreover, fostering an environment that encourages employees to share their GenAI experiences and insights can unveil common challenges and solutions, stimulating collaboration and dismantling silos.

### 3. INFLUENCE: Ensure Alignment with Human Capital Strategies

Decisions made by organizations now will have profound implications on how employees work, perceive their roles and see themselves in the corporate structure. That's why it is vital for HR leaders to exert sustained influence on GenAI policies and investments to ensure those decisions are aligned with the human capital strategies.

HR should advocate for piloting various GenAI applications in controlled settings, rather than committing to a single solution and then potentially having to switch the entire employee base to a different solution a few months later. This approach allows for the assessment of different tools' effectiveness and ensures that the organization does not become overly reliant on a single GenAI application.

HR leaders must also set the expectation for emergent change, both within the leadership and the wider organization. The capabilities of GenAI are

HR should advocate for piloting various GenAI applications in controlled settings, rather than committing to a single solution and then potentially having to switch the entire employee base to a different solution a few months later.

advancing at an exponential rate, with limitations seen today likely to be overcome within the next year or two. This rapid pace of development necessitates that organizations remain agile, continuously updating their GenAI strategies, organizational designs and operating models in response to both feedback from within the organization and external evolution of the technology.<sup>7</sup>

By maintaining a strategic position at the decision-making table, HR can ensure that the adoption and scaling of GenAI are conducted responsibly, ethically, and in a manner that supports the organization's mission and enhances employee experiences.

**Conclusion:** The potential for GenAI to transform how organizations operate and how employees approach their work is immense. As exemplified by our collaboration with an LLM in drafting this article, the use of GenAI in workflows across industries is becoming a new norm and employee expectation.

For HR leaders, the call to action is urgent and clear: No matter your organization's stage in embracing GenAI, it is imperative to prioritize investments in organizational adoption now. Start

by collaboratively setting a strategic vision. Then, own the creation of a GenAI-supportive culture and influence the organization's readiness for future GenAI evolution.

Employees in every organization are likely already experimenting with GenAI tools. By taking strategic steps now, HR leaders can channel these individual experiments into a cohesive engine of value creation and innovation for their organizations. ❖

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**David Porter** is the senior director of digital and corporate learning at Moderna.

**Nkiruka Ogbuchiekwe** is the senior director of leadership, management and culture at Moderna.

**Jungae Kim-Schmid** is the manager of MBA programs at Moderna.

**Roshni Raveendhran** is an assistant professor of business administration at the University of Virginia Darden School of Business.

**Brad Winn** is a professor of leadership and strategy in the Huntsman School of Business at Utah State University.

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See online links at [www.shrm.org/executive-network/insights/people-strategy](http://www.shrm.org/executive-network/insights/people-strategy). Note: The views represented in this article are the authors' individual views and do not represent Moderna's views on this subject.



# How Directors Should Lead on GenAI

Because the generative artificial intelligence revolution is a huge disruptor to the way work is being done, directors are being forced to make important decisions on the topic—and to ask the right questions. Dawn Zier sat down with three experienced board members to discuss a director's essential and evolving role in GenAI.

### Participants

**Saar Gillai**, chairman of Liquid Instruments; director at Semtech

**Anastassia Lauterbach**, founder and CEO, AI Edutainment; director at Cyberion, RiskQ and Aira Technologies. Co-founder of the Austrian and German chapters of Women Corporate Directors

**Carlyn Taylor**, chief growth officer and global co-leader of corporate financing at FTI Consulting; director at Flowserve and The Hain Celestial Group

### Moderator

**Dawn Zier**, former CEO of Nutrisystem; director at Hain Celestial Group, Prestige Consumer Healthcare and Acorns

**DAWN ZIER:** Carlyn, you were in Davos earlier this year, where there was a lot of talk around generative artificial intelligence (GenAI). You also oversee AI strategy at FTI Consulting. Can you share some of your key takeaways from Davos?

**CARLYN TAYLOR:** There's a lot of discussion about whether GenAI will replace humans in the workplace and in what types of roles. Right now, GenAI is just math. It may seem like it's talking to you, but it's really just math and statistics. It doesn't actually think the way we do; it doesn't have judgment.

At Davos, there was debate as to whether we're ever going to be able to create AI that has judgment. There were also conversations around the creation of artificial general intelligence (AGI) and superintelligence, the latter meaning that AI is smarter than humans. Some thought this might be 20 years away; others thought it would never happen.

Many of the AI discussions at Davos centered around regulation with a desire to not overregulate. AI is going to solve many difficult problems for the world and mankind. It's going to be much more positive than negative. But safeguards need to be in place. Some AI experts said the EU is going to regulate AI to such an extent that they're going to kill off AI entrepreneurship there. In the U.S., neither political party seems inclined to overregulate it.

**ZIER:** Anastassia, you bring a European and academic perspective along with many years of industry expertise. What are

**your thoughts? Saar, please bring the Silicon Valley voice to the conversation.**

**ANASTASSIA LAUTERBACH:** I am against the European AI Act for several reasons. It doesn't solve for any risk of AI technologies. Deep learning is mainstream in machine learning today. As long as the problem is clearly stated and all training parameters are clear, the machine will execute admirably and deliver reliable results.

However, unlike humans, machines don't understand what is in front of them. This is why we see a lot of "hallucinations" in ChatGPT and its cousins. There will also be issues with biases in existing datasets. For example, there is a gender gap in medical applications, as historically the health care industry developed therapies on cohorts of healthy young male probands. Also, it's difficult to apply one-size-fits-it-all to the human-in-the-loop problem. Every application is different. Only experts can decide what is contextually valid. Bureaucrats won't be capable of helping.

Midsized AI companies already spend 25 percent of their revenues on the cloud and 15 percent on data hygiene and pre-processing. Additional expenditures for regulatory compliance might put them out of business. The EU AI Act is now under review by the legislators, but it's dangerous to have people regulating things they don't understand. If implemented, the best companies will leave Europe and development will move abroad, leaving Europe competitively disadvantaged. Depending on the degree of regulation, Europeans might have a limited consumer experience if

regulators start banning certain services coming into Europe. The Middle East, especially Saudi Arabia, is opening its doors and incentivizing companies to move there to develop AI. Currently, this is the one region worldwide without financial issues, so it offers fertile ground for those looking for investment dollars.

**SAAR GILLAI:** While coming from Silicon Valley, I also have a military intelligence background. So, while I support innovation 100 percent, there needs to be balanced regulation.

We talk a lot about physical border control, but what about protecting our digital border? Before the web, I couldn't just bring anything I wanted to into the country; everything went through passport control. TikTok has no passport control. China solves their border problem with the Great Firewall, but that's authoritarian. However, without digital passport control, we can lose our sovereignty. Balancing digital innovation and regulation, including GenAI, is a complex issue. There's no silver bullet.

Pivoting to superintelligence, I don't think we're close to that. GenAI is taking information and spitting stuff out based on pattern recognition. GenAI lacks wisdom, even though it may seem to emulate it. It's a very good actor with an authoritative, confident swagger. But in reality, it's just the next level of data processing—a faster horse.

**ZIER:** GenAI is a clear disruptor. One could argue it levels the playing field by expanding access to data and insights. Do companies need to be first movers?

“Many of the best tools are open source and often free. Most companies don't need to build their own language models. They don't need to spend a lot of money. The rewards will come to those who are curious. Watch what some of the cutting-edge companies and start-ups are doing. If you're not playing with AI and experimenting, you will lose a competitive edge.”

*Saar Gillai*



## Directors Roundtable

### How Directors Should Lead on GenAI

**GILLAI:** We're at the very early stages of this. I have published a pyramid framework that starts with data followed by information, knowledge and wisdom. The first stage of this revolution is about taking information and turning it into knowledge, in the same way that the first stage of the web was about taking stuff you had lying around and making it easy to access.

There's also a lot of free, quality GenAI materials available online to help people at all levels understand and learn it. Additionally, many of the best tools are open source and often free. Most companies don't need to build their own language models. They don't need to spend a lot of money. The rewards will come to those who are curious. Watch what some of the cutting-edge companies and start-ups are doing. If you're not playing with AI and experimenting, you will lose a competitive edge.

**TAYLOR:** I agree with Saar. There is a wide range of maturity within large companies across the world, so don't be concerned if you're just getting started on thinking about how to respond to AI. However, the AI revolution is moving faster than the internet revolution. We are at an inflection point. Companies that don't proactively engage will get left behind.

Disruption is already visible in the creative industries that produce electronic content. These industries will be revolutionized very quickly. There's also a lot happening in the tech and health care fields and, to a lesser extent,

finance, because of how regulated financial services are today. In health care, the most dramatic changes are happening in R&D for new drugs. In financial services, business leaders are taking a more measured approach due to the risks and potential biases around sensitive customer information they are responsible for protecting.

**LAUTERBACH:** Building off what Carlyn said, GenAI creates huge copyright issues. If GenAI is creating something in the arts or literacy space based on the past works of authors, artists or musicians, is that really original content? We have to be careful of using synthetic data in the medical world to ensure we aren't enhancing false or misleading information, and we need to still solve the larger issue that the learning models behind GenAI are flawed due to their mathematical architecture.

I do not believe that GenAI levels the playing field. Those who master the infrastructure and those who master the curve game will win. There will be costs around regulation and compliance that could erode margins. It will be hard for smaller companies and start-ups to compete.

**ZIER:** I think the point about input bias is very important. I was just at a conference where GenAI was being demonstrated, and it was asked to create the image of a CEO, a terrorist and a housekeeper. The inherent biases based on historical stereotypes were visibly apparent. This kind of bias in data can

also present itself in talent searches, as there have been instances of women and people of color not "showing up." We need to be careful that we don't take an unintended step back.

#### **ZIER: How should companies and boards begin to think about GenAI?**

**TAYLOR:** The first thing boards should do is make sure that their companies have a strong senior technical expert who understands what AI can do and can work with the business executives to think through best use cases. Second, the company should explore the general tools that are available from Microsoft, OpenAI, Google, etc. to see if any are worth deploying. They should also review open-source point solution tools, which are often more valuable—and free. Don't invest too heavily or too quickly in one or two solutions, at least not yet. Third, get your data organized if it isn't already. Data needs to be organized in a way that not only protects confidential information from getting outside your company but also has permissions around who has access internally. Finally, experiment and conduct proof-of-concept tests.

**GILLAI:** Companies want to bring in experts, but there are no real experts for most use cases. The experts are people with some technical sense who play with it, learn and understand. Technical people in your company should experiment and partner with cross-functional areas on thinking through use cases.



“Boards need to assess whether their companies need to be pushed to get started or slowed down to avoid risks, which depends on the maturity and speed of the company. While the opportunities are exciting, boards should provide a balance to the AI enthusiasm and make sure they are complying with regulations to avoid unintended consequences.”

*Carlyn Taylor*

The safest place to start is with your company's public data, as there's no privacy risk. Leading-edge companies are putting all the information from their website into a language model and using it to answer product questions. It streamlines the customer service experience while simultaneously improving satisfaction.

Content marketing and press releases are other great use cases. GenAI can do 80 percent of the work, then you need a smart person to finalize the content. GenAI can be an expert assistant, allowing individuals to level up and do more interesting work while improving productivity.

### **ZIER: As directors, how should we be thinking about oversight for AI?**

**LAUTERBACH:** When it comes to oversight for AI, directors need to understand the cyber risk and have clear action plans as to what to do in case of an attack. They need to think through how AI pertains to the company's business model and how it can drive profitability. Finally, they need to make sure that the data strategy mirrors the competitive strategy.

**GILLAI:** The board needs to make sure the right structure and processes are in place. Ask who owns it. It should be someone in IT. How are you protecting data? What policies are in place? What contracts are in place, and how are third parties being vetted?

The board will need to provide oversight that balances embracing AI with the right structure and guardrails. Cyberattacks will get more sophisticated with the use of AI, so you will want to revisit corporate controls and make sure that you have double triggers for approvals and other things.

**TAYLOR:** Boards need to assess whether their companies need to be pushed to get started or slowed down to avoid risks, which depends on the maturity and speed of the company. While the opportunities are exciting, boards should provide a balance to the AI enthusiasm and make sure they are complying with regulations to avoid unintended consequences.



## **GenAI 2029: Where Are We Headed?**

**W**e asked our roundtable of board directors to look into their crystal balls and tell us what the impact of generative artificial intelligence (GenAI) will be on the way we do business five years in the future.

**TAYLOR:** This is one of the biggest revolutions I've seen in my career, similar to the internet. I think GenAI, with the proper guardrails in place, will improve productivity, help automate complex tasks and make it much easier for people to interact with computers, because you can use real-world language to ask the computer to do things. But GenAI won't replace thinking, judgment and creativity. It can free up more time and resources for people to focus more on the important work they do and less on mundane tasks. It will make us quicker and more efficient.

**GILLAI:** I agree that GenAI will have a massive improvement in productivity because it will take away a lot of manual, repetitive work in the same way Excel did when it came out. The machine will do a lot of the data work.

GenAI will level up people in the workforce. A lot of people who are very smart are not necessarily great writers, don't create good presentations and don't know how to best organize their thoughts. GenAI can help them do that today. Everyone can have an executive AI assistant at their disposal.

I also think our education system must change. We will need to teach people how to think critically and how to gain knowledge and wisdom. They won't be able to gain knowledge at work in the manner a junior person traditionally has, because AI will be doing that work. It will be similar to the way we teach people math when they never actually have to do the math.

**LAUTERBACH:** GenAI can provide broader access to the masses in the form of education and creativity tools. It has the opportunity to excite children early on to enter the world of AI to study neuroscience, computational science, computing, engineering and linguistics. This will have a positive impact on the future workforce as we will have more diversity, which will reduce the risk of biases and optimize AI for everyone.

## Directors Roundtable

### How Directors Should Lead on GenAI



It's important for leaders in regulated industries or in industries who hold a lot of sensitive customer data to have guardrails in place and experienced individuals monitoring for bias and other risks. Here are some questions boards should be asking:

- What are the use cases that the management team has thought through?
- Who on the management team is accountable for the AI strategy?
- How can we drive productivity?
- What guidelines and governance are needed around the use of AI?
- How is data being protected?
- What permissions are in place?
- What data is being used to train the AI, and how diverse and representative is it?
- How do we attract the next generation of AI talent?

#### **ZIER:** How should directors be using GenAI in the boardroom?

**TAYLOR:** Boards should not replace their own judgment and thinking, based on years of real-world experience, with the output of a new tool. AI is just one of a variety of methods boards can use to draw inspiration for finding the right questions. I use ChatGPT to give me a quick summary on topics I don't know much about, but it's not good for answering specific questions on a specific situa-

tion. It's important to remember that it doesn't always answer factual questions correctly, so refrain from asking it for specific or recent facts.

**GILLAI:** One of the challenges for board directors is to make sense of information they don't deal with daily and to recall information across multiple meetings spanned months apart. GenAI could be a good tool for sorting through this.

One of the board portals could come out with an overlay that allows you to ask questions such as "What was said on this topic in earlier meetings?" and "How have the numbers changed?" Over time, GenAI should enable the board to ask smarter questions and make more informed decisions, because the information will be at their fingertips and presented in a more digestible way.

With more information readily available, we will need to maintain good governance and remind ourselves of the lines between the board and management. Importantly, GenAI does not give you wisdom or replace director judgment.

**LAUTERBACH:** I was involved in a huge crisis on one of my boards and what I noticed is that directors love to outsource the thinking to lawyers or to consultants. It would be easy to view GenAI



"It would be easy to view GenAI as a tool you could outsource

thinking to, but I strongly caution against doing that because GenAI lacks basic understanding. It's OK to use it as a tool, but recognize that it is flawed, can be factually incorrect and has inherent bias. It's a long way from replacing our human expertise and instincts."

*Anastassia Lauterbach*

as a tool you could outsource thinking to, but I strongly caution against doing that because GenAI lacks basic understanding. It's OK to use it as a tool, but recognize that it is flawed, can be factually incorrect and has inherent bias. It's a long way from replacing our human expertise and instincts.

One benefit coming out of machine learning is that directors can have a real-time view into what is happening with the company, especially in terms of financials and trends. Dashboards will become more robust if the company invests into the data processing engine and real-time application environment. ■■

The Directors Roundtable was hosted by



**Dawn Zier**, the former CEO of Nutrisystem and a current board member at Hain Celestial Group, Prestige Consumer Healthcare and Acorns.

# SHRM 24

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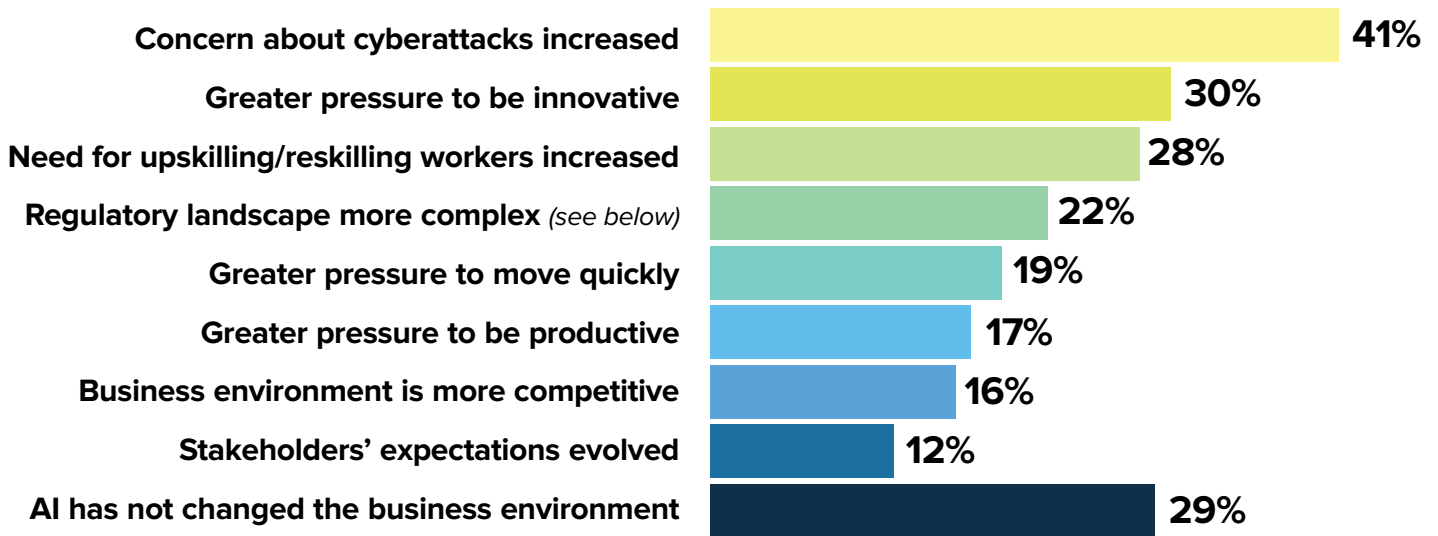
# Navigating AI Now and in the Future: Perspectives from HR Leaders & Employees

To gain insights into AI in the workplace, SHRM Research surveyed 1,993 U.S. workers and 1,220 HR leaders in January and February 2024. The results reveal a rapidly changing business landscape as organizations embrace the power of AI, either now or with plans to adopt the technology within the next year or two. Notably, HR is emerging as a key area that is ripe for AI investment and opportunity.

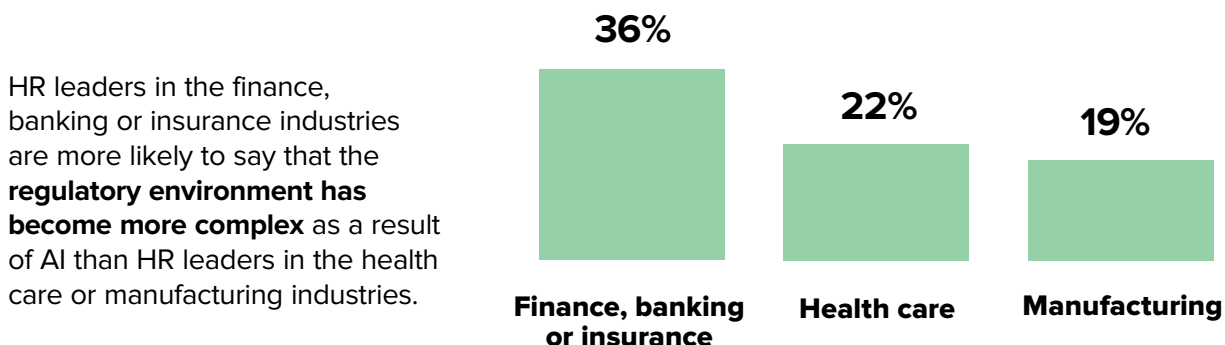
While AI holds great potential, human intelligence and collaboration remain critical to its success. To successfully navigate this future, individuals will need to cultivate a diverse skill set, with HR taking center stage in upskilling and reskilling efforts.

## AI IS REDEFINING THE BUSINESS LANDSCAPE

The percentage of HR leaders who say the following changes are happening in the business environment as a result of AI:

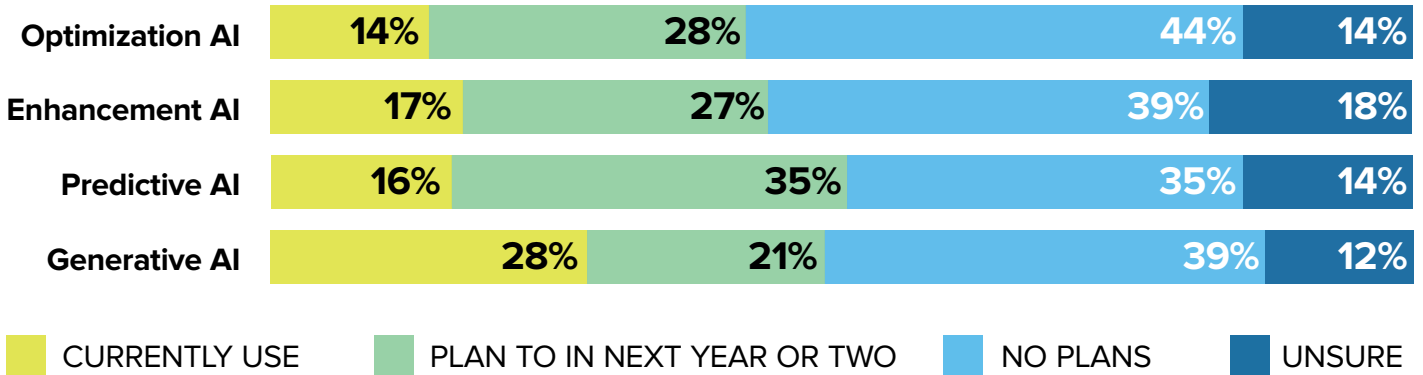


Note: HR leaders were asked to select all the changes that apply with the exception of "AI has not changed the business environment."



## WHERE ARE ORGANIZATIONS FOCUSING THEIR AI EFFORTS?

The percentage of HR leaders who say their organization has implemented or plans to implement the following types of AI:



### DEFINITIONS:

**Optimization AI:** Systems designed to improve or maximize efficiency

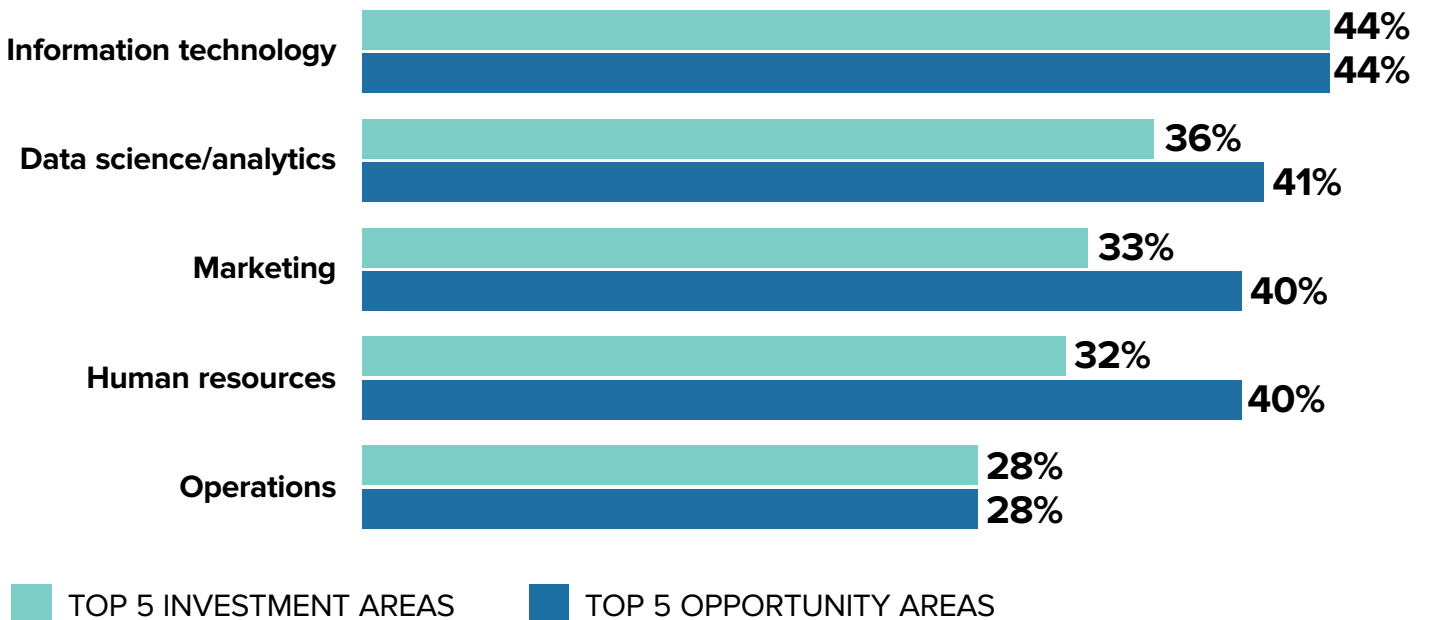
**Enhancement AI:** Systems designed to refine and improve existing content or data

**Predictive AI:** Systems designed to analyze historical data and make forecasts

**Generative AI:** Systems capable of creating new content based on patterns learned from existing data

## TOP INVESTMENT AND OPPORTUNITY AREAS FOR AI

HR leaders identified these functional areas as both the top AI investment priorities for their organization and the greatest opportunities for AI application.

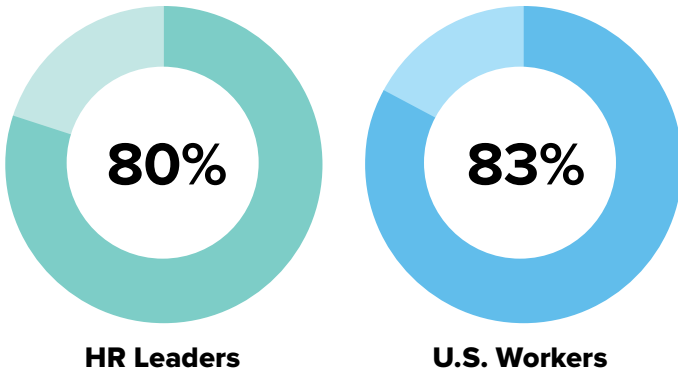


Note: HR leaders could select up to four areas. This chart only displays the top five investment areas and top five areas of greatest opportunity.

## HUMAN-AI COLLABORATION: A KEY TO UNLOCKING FUTURE SUCCESS

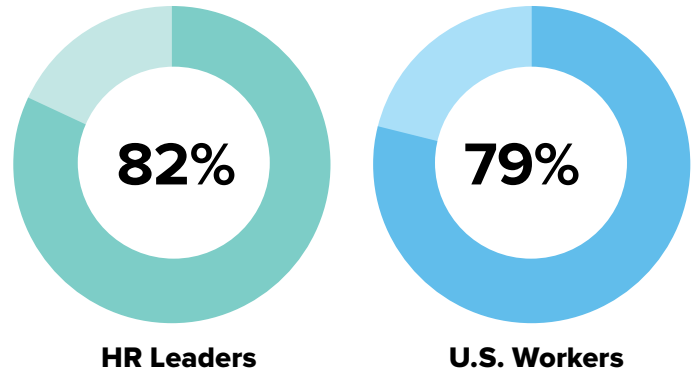
Will the ability to collaborate with AI be a valuable skill in the foreseeable future?

Percent of respondents who agree or strongly agree:



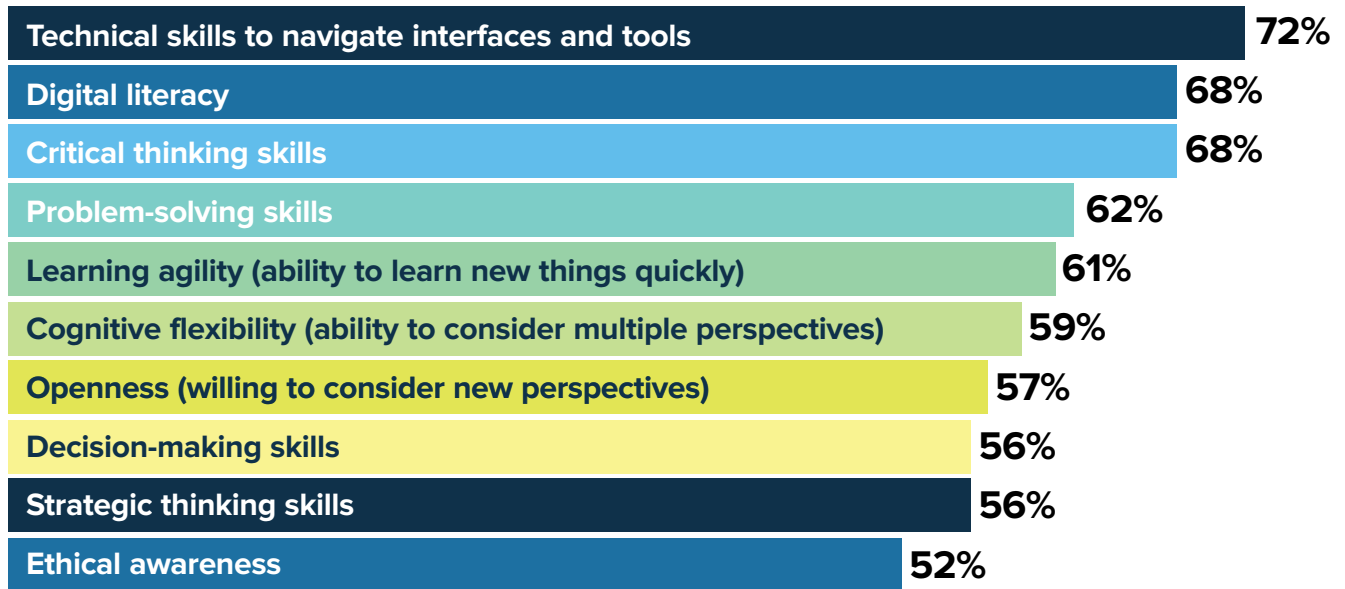
Is the success of AI dependent on the proficiency of the AI user?

Percent of respondents who agree or strongly agree:



### WHICH SKILLS ARE ESSENTIAL FOR AI COLLABORATION?

The percentage of U.S. workers who consider the following skills crucial for successful collaboration with AI:



Note: Respondents were asked to select all that apply.

**29%**

Among organizations that use AI, nearly 3 in 10 (29%) have been proactive in training and/or upskilling employees who work alongside AI technologies. (SHRM 2024 Talent Trends)

**41%**

Among C-suite HR leaders who discuss AI with other members of the C-suite, 41% cite employee reskilling and upskilling as a primary topic area.

## Upskilling and Reskilling for the AI-Driven Future

By Ragan Decker, Ph.D.

**T**he rise of artificial intelligence in the workplace demands a reimagining of the skill sets essential for employees. Recent SHRM research underscores this point, revealing that 83 percent of HR leaders believe that upskilling will be essential for workers to remain in a job market shaped by AI.

This sentiment aligns with the prevailing understanding that AI is more likely to reshape existing jobs than entirely replace them, as affirmed by 58 percent of HR leaders (with only 16 percent of HR leaders in disagreement).

The ability to collaborate with AI will likely be critical in the future, as 88 percent of HR leaders and 86 percent

of U.S. workers believe that AI needs humans for optimal functionality. What skills will be needed for effective human-machine collaboration in the future? U.S. workers say the most important competencies will be technical skills for navigating interfaces and tools (72 percent), digital literacy (68 percent), and critical thinking skills (68 percent).

However, teaching these skills presents some challenges. When HR leaders were asked why their organization hadn't implemented various types of AI, lack of knowledge and skills among their workforce was a common theme. This highlights a critical skills gap that needs to be addressed for widespread AI adoption to happen.

Despite this skills gap, the implementation of AI training and upskilling programs remains limited. Among organizations utilizing AI, only 29 percent have taken proactive measures to train and upskill employees working alongside AI technologies (*Talent Trends*, SHRM Research, 2024).

# 29%

**of organizations utilizing AI have taken proactive measures to train and upskill employees working alongside AI technologies.**

Furthermore, the research highlights a lack of strategic foresight among many organizations. More than three-quarters of HR leaders have not yet been tasked with evaluating the influence of AI on the composition of the workforce (77 percent, see below), and only 17 percent have been asked to examine the impact of AI on skill requirements. This lack of proactive planning hinders an organization's ability to adapt and thrive in the AI-driven future.

### 3 Smart Steps for HR

To bridge this gap and prepare for the future, organizations must adopt a proactive approach to workforce planning and development. SHRM Research recommends that HR leaders take the following steps:

- **Play an active role, often taking the lead, in planning for the AI-driven future**, including evaluating the impact of AI on skill requirements, educational requirements, the organizational structure and workforce composition overall.
  - **Foster a culture of continuous learning** by encouraging employees to embrace lifelong learning and skill development.
  - **Invest in comprehensive upskilling and reskilling programs** tailored to the specific needs of the workforce.
- By taking these steps, organizations can ensure their workforce is well equipped to thrive alongside AI, unlocking its potential for greater efficiency, productivity and innovation in the years to come. 🧩

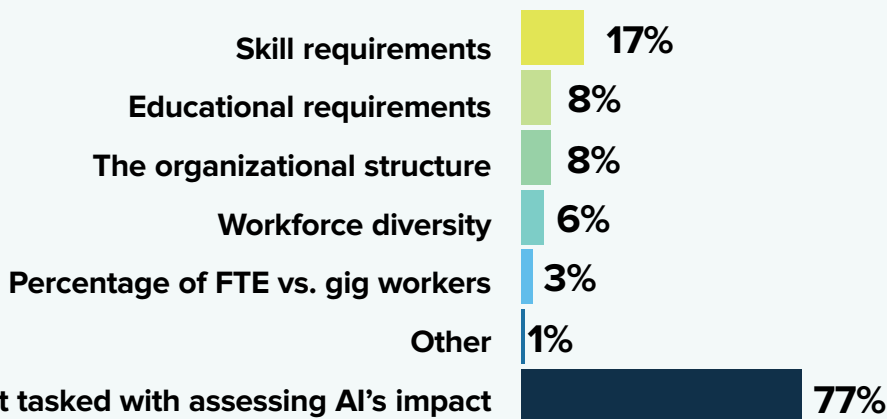
Ragan Decker, Ph.D., Manager EN/ES Research, SHRM

# 83%

**of HR leaders believe upskilling will be essential for workers to remain in a job market shaped by AI.**

## A LACK OF STRATEGIC FORESIGHT?

The percentage of HR leaders who say that they have been tasked with assessing AI's impact on each aspect of workforce composition.



Source: *AI in the Workplace*, SHRM Research, 2024. Question prompt was: Select all that apply, with the exception of "I have not been asked to evaluate the influence of AI on the composition of the workforce."

THE  
**AI+HI**  
PROJECT

# ‘THE STAKES ARE HIGH’

Maximizing Human Intelligence in the AI Revolution



Thought-provoking insights from SHRM’s inaugural AI+HI Project, hosted in Silicon Valley in March.

By Patrick DiDomenico

**T**he explosion in generative artificial intelligence (GenAI) technology over the past 18 months is reshaping work and the workforce. To help organizations navigate this massive wave of change, SHRM welcomed hundreds of HR executives and C-suite leaders to Silicon Valley in March for The AI+HI Project, a three-day immersive discussion on the transformative potential of harnessing the power of AI and human intelligence.

“With 44 percent of work tasks in line to be automated or augmented by AI, the stakes are high,” Nichol Bradford, SHRM’s executive-in-residence for AI+HI, told attendees. “If we get it wrong, we risk job disruption, limited growth and unrealized possibilities. But if we get it right, we can create a future where people can reach their full potential and transform their companies.”

Here are important lessons and insightful quotes from some of the more than 25 speakers at the event, which was held at Microsoft’s campus in Silicon Valley.



### WILL AI TAKE MY HR JOB?

“HR professionals often ask me if they’re going to lose their jobs to AI. I say, ‘No, but you might lose your job to an HR person who embraces AI, because they’re going to become more efficient and deliver an ROI that you can’t deliver because you’re not embracing that technology.’ That is your threat. It’s not the technology itself.”

—Johnny C. Taylor, Jr., SHRM-SCP, president and chief executive officer, SHRM



### You Can’t Blame AI for Biased Job Decisions

GenAI tools have the potential to both reduce and create biases in recruitment, hiring, terminations and other employment decisions. But federal regulators have made it clear that employers cannot use “The AI made me do it” as an excuse for biased decision-making.

At the U.S. Equal Employment Opportunity Commission, “our federal investigators are going to be looking at the results,” said EEOC Commissioner Keith Sonderling. “We’re going to look at, ‘Does that result show bias or does that result show it was a lawful employment decision based upon the skills necessary for the job?’ That is the same standard we’re going to hold you to if you use AI or if you use a human brain.”

For example, Sonderling said, if a company uses AI-generated job descriptions that include biased skill requirements, “you’re going to be liable wherever you got those descriptions.” On the flip side, AI tools can also help companies identify potentially biased wording in current job descriptions.

Finally, Sonderling said CHROs need to do their due diligence on vendors selling new AI tools that overpromise risk-free decisions. He warned, “You can’t have a set-it-and-forget-it approach to AI in HR because you’re dealing with civil rights, and there’s just so much that goes into that.”



### Manage AI Like You Manage Your Employees

For AI integration to be successful, organizations can’t view it as merely a plug-and-play solution that’s led by their IT department.

“I’m a technologist by training and have built AI products. What I see missing from AI today is actually the HR angle,” said Beena Ammanath, the leader of Deloitte’s global technology and AI ethics team.

“AI needs to be managed like you manage your human workforce,” she explained. “With AI models, you build them, you develop them, you onboard them and they’re continuously learning. Sometimes you need to put both on a PIP [performance improvement plan]. You need to continuously monitor its performance ... and you may want to retire the model at some point.”

“It’s not the time for HR to just use the tools that your IT teams put out. It’s time for HR to take a very proactive role in shaping how AI is going to impact the workforce ... and make sure there’s maximum benefit,” Ammanath said.



### THE NEXT INDUSTRIAL REVOLUTION

“This is not a fad or a bubble. We are looking at the next Industrial Revolution. ... But this is not going to take years to make a major impact on the workforce. This is going to happen over the next several months.”

—Jose Cong, chief people officer, Humane





## PREVENTING BIAS IS STILL A HUMAN JOB

“From A to Z of the employment relationship, there’s now AI software that will either completely make the decision for you or assist you with the decision. But the key is that there is still going to be an employment decision. And you can be just as liable if a human makes it or if a robot makes it.”

—EEOC Commissioner Keith Sonderling

## How to Flip the Narrative from Panic to Positive

Headlines like “AI is coming for your job” are causing many workers to resist this revolutionary technology. But fighting or ignoring AI is pointless, and HR needs to lead the way in reframing the narrative to position the technology as a positive for employees’ jobs and careers, said Johnny C. Taylor, Jr., SHRM-SCP, president and chief executive officer of SHRM.

“We’ve got to get people to the point where they want to embrace this. Because, ready or not, here it comes,” he said. “We’ve got to make clear to employees that AI can make their lives better and it doesn’t have to be a huge risk to them personally and professionally.”

The key selling point, Taylor said, is to show employees how AI efficiencies can help give people more time in their day to do more human-centered work—and to leave the workplace on time.

“Imagine what AI is going to be able to do. ... We can go to that nurse, that doctor, that pharmacist and say, ‘This isn’t about threatening your job, it’s going to make your life better. You’re going to have more time for what matters,’” he said.

The AI explosion will also require HR to lead the way in training employees on the new skills of the future.

“We believe there are ways to use AI in HR to effectively upskill, reskill and cross-skill employees. And that’s how you get people to buy into AI,” said Taylor. “Upskilling is the No. 1 way that you can embrace AI and use it for the good of our profession.”



## Break Down Silos with ‘Horizontal’ Insights

Most companies today are organized vertically in different departments. But AI, by its nature, is a “horizontal” technology that extracts data and creates insights from across all those silos. As a result, companies need to evolve their organizational structures to apply AI more holistically and embrace more cross-functional collaboration, said Neel Adhya, chief digital officer at BlackRock.

“A lot of companies will say, ‘Let’s keep the organization the way it is and embed some AI into it.’ And that’s OK. You will get some early benefits and productivity improvements,” he said. “But the companies that are really pulling away have figured out a mechanism to organize around the technology. Put AI at the center of your business model and then organize your teams to take full advantage of that.”

Adhya said the real ROI from AI won’t be how it improves employee productivity, but how it improves your relationship with your customers.

“In the next couple of years, it’s going to really transform how customers experience your brands and your companies,” he said. “But the highest ROI comes when AI fundamentally changes the business model of a company.”

## A DUTY TO INNOVATE WELL

“It’s essential that we get out of these thought loops of fear and lay the groundwork for AI knowledge. Don’t be hesitant about trying ChatGPT or [Microsoft] Copilot. ... We have a duty of care to innovate well, and that means leaning into this cross-collaboration.”

—Amy Blankson, chief evangelist,  
Digital Wellness Institute

## Expect Congress to Focus on the ‘Evil Things’ of AI

In Europe, the legislative response to AI has been a 1,000-page law by the European Union, a new bureaucracy and licensing requirement. At The AI+HI Project, two members of the congressional bipartisan Task Force on AI—Rep. Jay Obernolte, R-Cal., and Rep. Don Beyer, D-Va.—agreed the U.S. will take a narrower approach aimed at limiting the negative effects of AI.

“We very much feel any U.S. action is going to be much more limited,” said Beyer. “We’re going to be much more permissive. We don’t want to stifle creativity and imagination and really innovative uses [of AI]. Instead, we will limit our interactions to the evil things and the downside risks that may come out,” such as AI-generated video deepfakes.

More than 200 AI-related bills are currently pending in Congress, and there’s a small chance for federal legislation in 2024, such as encouraging funding for AI research. More than 15 states have already passed AI-related laws, mostly focused on data privacy and accountability. Beyer said a key issue that needs to be addressed is where the line should be drawn on when federal AI laws pre-empt state and local laws.

Because AI technology issues know no borders, Beyer said international cooperation on this topic will be essential: “Ultimately, we’re going to need something like a Geneva Convention on AI.”



### BUILDING EQUITY WITH AI

“We need AI that’s going to make the world a better place by reducing inequality, closing achievement gaps and ending the mental load on those that are stressed and on overburdened families.”

—Reshma Saujani, founder and CEO, Moms First, and founder, Girls Who Code





## THE HUMANITY OF AI

“Work is where humanity will learn how to integrate AI into our society, and it will ripple out into every corner. ... So HR plays a key role in championing human-centric change management that will affect not only their companies, but the entire world.”

—Nichol Bradford, executive-in-residence for AI+HI, SHRM

## ‘Aspirational AI’: Using the Tools for Social Good

Most AI attention in the workplace has centered on productivity gains or cost savings. But Reshma Saujani, founder and CEO of Moms First, and founder of Girls Who Code, a nonprofit that’s trained 500,000 women around the world on technology, said the right AI tools can also help reduce employee stress, improve mental health and solve real-world problems.

With the support of ChatGPT developer OpenAI, Saujani launched PaidLeave.AI, one of the first GenAI tools aimed at helping solve an employee benefits problem. The site answers questions about New York state’s paid-leave law using a basic ask-me-anything field similar to ChatGPT. Surprisingly, the most traffic to the site is coming from HR professionals who use it to find answers for their employees.

“Imagine what the future could look like with aspirational AI,” said Saujani. “We can do more than just prevent inequality gaps from being bigger. We have to think creatively about how we can use AI to close them. ... Because in the end, AI is only as good as we are.”



## Safer, Faster and More Effective Interviewing

For HR, hiring efficiencies are some of the low-hanging fruit on the AI tree.

HR departments “should be looking into increasing the capabilities of recruiters to get through larger volumes of candidates and reach out at scale,” said Jose Cong, chief people officer at Humane, which has developed the first AI wearable, the Human AI Pin. Humane is now running every job description through a GPT to make sure it’s free of bias and matches what is being requested from the company’s teams.

Cong added that in late 2023, Humane started using an AI tool to record all candidate interviews and panel feedback. This began as a way to collect transcripts to identify potential biases. But in recent months, the vendor-supplied tool has improved to be able to spot potentially biased patterns among interviewers, as well as provide insights on interviewing efficiencies.

“That’s really helping coach us to be better interviewers,” he said. “It’s helping us look at patterns in terms of potential liability, but also in terms of, ‘Are we going after the right talent caliber?’ and ‘Do we have the right questions?’ All of that is making us more effective in lowering our cost-of-hire and reducing our time-to-hire.”

## GET SERIOUS ABOUT POLICIES AND TRAINING

“Accountability for AI will, at the end of the day, be on the employer. So it’s really important to get your policies and training in place, on both the positive and the negative of AI.”

—Shlomit Yanisky-Ravid, professor, Fordham School of Law



## THE DANGERS OF MISUSING DATA IN AI

“We’re looking at a proliferation of magic lamps. And it’s not the genie that’s dangerous. It’s the wisher who does not have the skills to think through what they’re wishing.”

—Cassie Kozyrkov, CEO, Data Scientific



## FIND YOUR AI BALANCE POINT

“With AI, Pandora’s box has now been opened, so companies have to accelerate their value delivery process to survive. ... But it’s important to have the right balance. That means acceleration of the value while still doing it in a way that’s safe, secure and trustworthy.”

—Fred Miskawi, vice president,  
CGI Global AI Enablement



Emily M. Dickens, chief of staff, head of public affairs and corporate secretary, SHRM

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

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



### HR as the ‘Caretaker’ of AI: Don’t Lose Your Values, Humanity or Trust



Generative AI absolutely is the biggest innovation in tech in the past 50 years. It’s part of every conversation I’m in, whether it’s at the board table, the executive table or the CHRO table. We’re all talking about it and learning and experimenting,” said **Jacqui Canney, chief people officer at ServiceNow.**

“But you can’t release AI into your company and into the world without having a caretaker of the AI. ... Humanity and trust has to be part of how you are using AI in your company. In our company, we have a group of us that are focused on that, so that we are still maintaining our values and making sure that [AI] isn’t violating anything that we would be not proud of here but using it in a way that is augmenting what we are proud of.”

### Will AI Advancements Result in a Lower Headcount in HR?



I think we always assume that advancements mean fewer people in roles. I have yet to see it quite play out that way,” said **Andre Joyner, CHRO at JCPenney.** “I think it typically plays out that efficiencies that you gain from those advancements help individuals to do what they do better or maybe allow for them to do more of what they do more effectively. I think that’s the case with AI, as well.

“With AI, you’ll utilize that capability from sourcers and interviewers to better filter candidates and get more interviews done sooner. You’ll be able to lean into more efficiency around the interview process. I don’t necessarily think that means you’ll have fewer recruiters. I just think you’ll do a more effective job in sourcing.”



### It’s HR’s Duty to Teach Employees How to Be Good Mentors and Mentees



I am not a big fan of formal mentor programs that partner people together, because I think there’s an organic relationship that develops that matching based on resumes or algorithms can’t necessarily do,” said **Calvin Crosslin, chief diversity officer at Lenovo and president of the Lenovo Foundation.**

“What I like to see is when we teach people to be good mentors and we teach people to be good mentees. ... There are a lot of senior leaders oftentimes that are good at giving advice and not always as great at pausing and listening to what a person really wants out of their career or out of their life. So [teach] people to be more like an executive coach in terms of really listening and then enabling the person to guide and direct their career.”

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# Rudy Alanis

**Executive Vice President and Chief People Officer,  
Facility Solutions Group  
Austin, Texas**

**M**any human resource leaders take a round-about path to arrive at the start of their HR careers, but Rudy Alanis began his HR journey as a child. His father was an HR and change management consultant. From Rudy's earliest years, he can remember being immersed in discussions with his father about the evolving landscape of human resources and the workplace.

Although HR was in his blood, Rudy still started at the bottom. He began as an HR intern at GE, which quickly opened doors to new opportunities. He took on new HR roles at GE every few years in Brazil, Puerto Rico, Czech Republic, Mexico and the U.S. After working at GE for 15 years, he is now the executive vice president and chief people officer at Facility Solutions Group, a 2,000-employee electrical contracting firm based in Texas.

### **HOW DID THOSE CHILDHOOD EXPERIENCES SHAPE YOUR VIEW OF HR AND THE WORKPLACE?**

In an era when HR was still largely synonymous with mere hiring and firing, my father stood as a trail-blazer, reshaping perceptions and practices in the field. His visionary approach to HR was ahead of its time, which set a profound example for me to follow. Complementing this was the profound influence of my mother, a devoted theologian, whose quest for the deeper meaning of life and work resonated with me. It seemed almost predestined that I would find my calling in HR.

My formative years were enriched by dinner table conversations that spanned from my father's admiration for Jack Welch to my mother's emphasis on nurturing people to reach their full potential. As I grew, my passion for business intertwined with the understanding that the real engine of success lies in empowering people, irrespective of industry or location. It was this fusion of influences that ultimately pointed me towards a career in HR.

### **WHAT IS YOUR LEADERSHIP PHILOSOPHY?**

My basic philosophy is that "talent sets the floor; character sets the ceiling." I also believe in learning every day and staying humble and hungry. Surround

yourself with great talents and always look to act as a servant leader.

### **WHICH HR INITIATIVE ARE YOU MOST PROUD OF AT THIS JOB OR A PREVIOUS JOB?**

Designing and executing an organizational talent playbook—an annual business review centered on talent attraction, retention, development and recognition. It's a session that places talent in the forefront of success, with investments, metrics, goals and delivery expectations.

### **WHAT OBSTACLES DID YOU OVERCOME TO GET WHERE YOU ARE TODAY?**

First, by being an immigrant, I had to work hard and learn to adapt and compete against the best local talent. Then, combining business experience with people experience, I always look to drive a new idea of what HR is all about. Also, it was challenging to move my wife and kids to new places—where no one else was willing to go—to start a new learning adventure and break paradigms. Every obstacle has made me stronger, and I'm thankful for it.

### **WHAT IS THE GREATEST CHALLENGE THAT HR LEADERS FACE RIGHT NOW?**

To remember why we're in HR in the first place. It's not about how great we can be with things like technology, processes, communications, PowerPoint and time management. It's about the way we connect and help people develop their full potential. Tools, technology and processes should help us improve how people live, work, connect and deliver.

### **HOW IS YOUR COMPANY USING AI TO IMPROVE HR PROCESSES?**

We're using AI for the creation of policies, documents, process and SOPs. We're still learning more every day and looking to understand how this incredible tool can serve and improve the way our people learn and work.

### **WHAT IS THE BEST ADVICE YOU'VE EVER RECEIVED?**

A few things: First, never give up. Patience, hard work and a clear purpose will allow you to change the world. Also, never compromise on surrounding yourself with great talent. Finally, you cannot improve something you don't measure. ■■



by Rhonda Morris

# From Hand to Heart

How a lifelong love of handwritten letters led to a unique promise to our 40,000 employees.

**O**phelia Moses Jackson, my grandmother, was my first pen pal. She lived in Louisiana. I lived in California. We started when I was 5 and she was 65.

Her letters arrived in a simple white envelope and were written on lined school paper. Her cursive handwriting was beautiful. And she always included a crisp \$5 bill because I was the only grandchild who wrote to her. My sister and cousins thought I was odd, but our letter-writing connected us—long before email, cell phones, texting and video calls.

My love affair with writing and receiving letters stayed with me as an adult, and I have always made time for it, even amid a hectic work schedule. To help me feel close to my daughter when I was traveling internationally for work, I wrote letters to her from the time she was 3 months old up until she was about 18, when the pandemic curtailed my travels. I wrote about the country I was in, what was going on in her life, and work triumphs and challenges.

I am still responding to letters from my co-workers and have stopped counting them. I stopped logging them in a spreadsheet. I stopped sending emails to let them know that their letter had arrived and that I would respond soon. I could not keep up. But I never saw this as a chore. It's hard to describe the joy of receiving a handwritten letter. Looking at my pile of work mail became exciting. Would I get a letter today? Seeing my name written on an envelope amid a pile of junk mail was exhilarating.

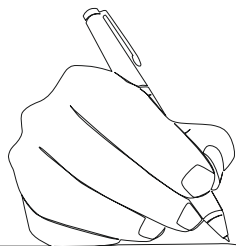
As much as handwritten letters—both writing and receiving them—brings me joy, the art form is rife with problems. They cannot be spell-checked, auto-corrected or edited. Unless you make a copy, you have no record of what you wrote. Vulnerability abounds. One letter was written in pencil (so that mistakes could be erased, as the sender explained). But every letter was joyful and optimistic.

At my first post-pandemic extended HR leadership team meeting, I decided to handwrite a personal message to each of the 107 attendees. Midway through my boxes of stationery, I concluded that this was one of the dumbest ideas I'd ever had. My hand hurt. But I kept going. The effort was worth it, as it strengthened the connective tissue of leaders who had not seen each other in person in over two years and who had stepped up during the most challenging time our function has faced.

I also gave each leader three blank thank-you cards. We built time into our agenda to write to three people who made a difference during the pandemic—a family member, a co-worker or a friend. Watching the group put their heads down and apply pen to paper was magical. One colleague wrote to his mother and months later shared with me that he would never have done that if it was not part of our meeting.

In an era of instant communication, letter-writing can feel hopelessly outdated. It's not. Emotional energy and a piece of yourself is sent with a letter. It's meditative, causes us to slow down and is one of life's simple joys. ■■

**Rhonda Morris** is vice president and CHRO at Chevron.



Emotional energy and a piece of yourself is sent with a letter. It's meditative, causes us to slow down and is one of life's simple joys.

Early on, I used hotel stationery, which was usually tucked away in a desk drawer (a long obsolete practice). My co-workers helped me procure beautiful local stamps. Over 18 years, only one letter never arrived and only one was photocopied. (I did that because I was in Moscow and I was skeptical that it would arrive in the United States.) I always told my daughter that we would read them together when she turned 18. She is now 21, and we are still working our way through them.

At the start of 2023, I decided to share my love of letter-writing with my 40,000 co-workers at Chevron by making them a promise: If they sent me a handwritten letter with answers to three questions, I would write back. I wanted to know how they were doing, what they were excited about, and what they were doing to rest and recharge.



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