



# Is Your Board Focused on the Future or the Past?

**A**s workforce challenges quickly grow more complex, boards must take a future-focused approach to talent strategy. In this edition of the Directors Roundtable, three experienced board members discuss tomorrow's workforce trends as well as how boards and C-suites can work together to navigate what's ahead.

## PARTICIPANTS



**Margaret Keane**, former executive chair and CEO of Synchrony; board member at Allstate, Cisive, and Tenable



**Vivien Yeung**, former executive vice president and chief strategy officer at Kohl's Corporation; board member at Jack in the Box Inc.

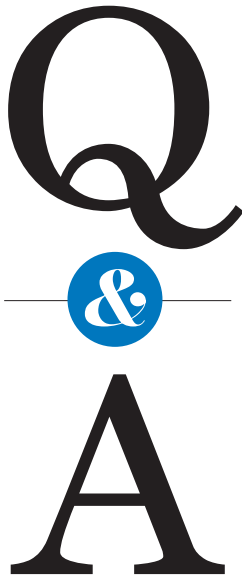


**Dawn Zier**, former CEO of Nutrisystem; board member at Hain Celestial Group, Prestige Consumer Healthcare, and Acorns

## MODERATOR



**David Reimer**, CEO of The ExCo Group



## THE BOARD OF THE FUTURE

**DAVID REIMER:** When you hear the phrase “workforce of the future,” what does that mean in the boardroom?

**MARGARET KEANE:** Technology and AI are a big piece of this, obviously. Where does that go? There are big hopes for AI. We haven’t really seen the fruition of that yet, but it will come. What jobs will be impacted? How do you make sure you have the right talent to deliver? How do you have the right protections inside your company for the risks that AI may create? You need the right talent to manage all of that, because it demands a certain level of sophistication in people’s skill sets.

**DAWN ZIER:** Technology is also the big issue on my list. Many companies right now are thinking about AI as a way to save costs rather than as a strategic tool, because it’s easier to see AI right now as a way to improve efficiency. But I don’t think that’s the unlock for companies long term. The unlock is using AI to accelerate innovative thinking and growth.

A lot of entry-level jobs and other roles in industries like manufacturing are going to be automated. And I worry a lot about the impact on high school and college grads and their ability to find work. There will

be economic pressure on the middle and lower class, which has implications for the broader class divide in society. Yes, new jobs will be created. But the way we educate the workforce through high school and college is going to have to change.

I also think about how work is becoming so much more transactional. Employees are putting greater value on their whole self in addition to their work self. Like a lot of people in my generation, I had a lot more of my identity tied up in my work. The approach of the younger generation is probably healthy, but it creates a challenge for companies in how they identify future leaders. And how do we invest in them to get them to invest back into the company? That’s a top priority for boards.

**VIVIEN YEUNG:** I’ll build on that to say organizations need to think about how they hire and develop people in terms of mindset and skill set. Technology is changing so fast that there’s no doubt jobs are going to change for almost everyone in the next five years. So, you have to hire for mindset — people who are adaptable and curious and comfortable with learning new skills all the time. That is going to be so much more important in the future.

In terms of skill sets, organizations have to think hard about their competitive advantage: How do they differentiate themselves in their industry? Then, focus on those skill sets. A lot of the other skills can be automated.

## TAKING THE LONG VIEW

**REIMER:** What you’re talking about requires longer-term thinking. As directors, how do you balance the volatility of the moment with sustaining a long-term view?

**YEUNG:** What often drives the time frame in these conversations is technology investment. It’s real capital investment. How does it impact your workforce planning? It typically takes two years to roll out a new technology. To the extent that the technology plan and the workforce plan have to be intertwined, that is the horizon the board has to make decisions around.

**ZIER:** The environment of having an annual strategy session no longer works. We have to be talking about strategy all the time. We have to focus more on optionality, and I don’t think board and management teams necessarily do that so well.

There needs to be more process and discipline around not only the strategy, but also scenario planning, and real clarity around what success looks like. That will give you the benchmarks for holding teams accountable. We don’t want to pivot every week or every month, but, as directors, we need to encourage management to make faster determinations on when strategies are not working appropriately and pivot to other options.



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**KEANE:** This period we are living through now is like the pandemic on steroids. That was such a challenging period because there was no road map. Everybody turned to the CEO for answers. And now, everybody is being whipsawed and dealing with so much uncertainty and disruption.

The question that boards need to ask now is: How resilient is the CEO and the management team? And how do you, as a board, support them through this?

Boards have to step back and think about how they can help the team and the CEO get through this tsunami of stuff coming at them. We're not always going to have the answer, but we need to make sure we're having the right discussions. We need to tell them we have their back, because this is one of the tougher times for CEOs and companies and leadership teams.

**YEUNG:** If the board feels they have the right leader in the CEO, then boardroom conversations need to pivot from aligning on specific decisions to aligning more broadly around the strategic goal. What is the company or organization trying to achieve? Once you align around that, then it provides management a wider degree of freedom in terms of what their actions might be. Because the work changes so fast, there's no way a board can keep up on everything every day with management.

## IDENTIFYING TRUE CULTURE

**REIMER:** It can be hard, given that day-to-day volatility and the arms-length role of directors, to get a feel for the culture of a place. Pulse surveys present incomplete pictures. How do you get a clear sense of culture?

**KEANE:** You can get a sense of the dynamics as soon as you walk into headquarters, just from the person who welcomes you at the front desk. It's also important for directors to get to know the top talent in the company. As you spend time one-to-one with them over coffee, you're going to get a vibe for whether things are working or not. I also watch carefully for how everyone on the leadership team interacts with each other. Finally, I'm a big believer that the people who really know what's going on in a company culture are the people who are closest to the customer. As a board member, if you can get out and meet those people, you're going to learn a lot.

**YEUNG:** I also watch carefully for the baseline dynamic between the board and management team. You want to encourage straight talk around real issues. It's true for the organization at all levels, especially when people are geographically dispersed. You have to foster an environment where people can have difficult conversations.

**ZIER:** Those informal meetings between directors and the leaders who are below the C-suite, such as vice presidents and high-potentials, are critical. That's how you get to know more about what's going on inside the company. I also look at comments on Glassdoor, fully recognizing there's bias there because the people who go on Glassdoor to complain are usually a little jaded. But sometimes, you will see patterns and themes.

## AVOID BEING MANAGED

**REIMER:** Many board meetings are run as if they were Broadway productions: "Get 'em in, give

'em a show, get 'em out." How do you make sure, as a director, that you're not simply being managed?

**ZIER:** That's a very real issue. I don't want to just be presented to. Assume we've read the deck. Assume we understand the basics. I want to have a conversation, so just talk to us. Tell us what's going on. What keeps you up at night? What's your concern? Also, you have to question the whole team, not just the CEO.

Our job as directors is to think about the strategy and manage the risk. So, you have to ask questions like: What if this doesn't work? What then? Also, directors need to watch to see if everybody on the leadership team first looks to the CEO before saying a word. That's a pretty strong signal that the CEO may not be empowering their team.

**YEUNG:** I fully agree with that. No one wants to sit through a long slide presentation. It's not productive. On the public board where I serve, we also encourage leaders to let the people who do the day-to-day work present and to allow time for plenty of questions. That way, the board gets to know the next level of talent. And because the expert is in the room, we can ask them deeper questions about specific issues. That serves the purpose of both developing next-level leaders and allowing the board to get under the hood a bit.

## TALENT DISCUSSIONS

**REIMER:** When it comes to strategic talent discussions, what do boards need from CHROs right now?



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**ZIER:** It's about assessing for qualities and skills that are different from what we may have looked for traditionally. Are the leaders resilient? How do they deal with ambiguity? It's more about that wartime general mentality, because things are not business as usual. Some people thrive in a stressful environment. They get calmer. Other people lose it. So, how is the leadership team as a whole coming together? And where are the weak points?

I don't like the phrase "soft skills" because it implies they're less important. But in this environment, they're even more important. That's the strategic conversation we need to have.

**KEANE:** If the CHRO is good, they have a real pulse of the dynamics throughout the organization. If you're organized correctly in the HR function, the team will give you the measure of what's really happening out there in terms of employee morale and what's on people's minds.

I learned through the pandemic how important it is to be very connected face-to-face. Be in front of employees as much as you can. The CHRO is a critical piece of that whole process, helping management and the board understand what they need to worry about. How do we make sure we are doing the right things to be successful as a company?

The pandemic was this massive thing that happened to us as a human race. It's over, and we're kind of acting like it didn't change things. But it changed a lot, including the relationship people have with their jobs. At the end of the day, we have to motivate a whole workforce to feel good about coming in to work every day.

**YEUNG:** The long-term trend is that people want to live happy and fulfilling lives, and they want to more seamlessly integrate their work lives and their personal lives. That started before the pandemic, but the pandemic accelerated it. I don't think we can put that genie back in the bottle. We have to think of our colleagues as full human beings with lives outside of work. The companies that take care of their people and make them happy and fulfilled at work are going to hire and retain the best talent.

Depending on the unemployment rate and state of the economy at any given time, companies will have more or less leverage. But over time, companies have to think about how to engage their employees and make their jobs fulfilling. Many CHROs are very comfortable talking about individual talents and compensation. But a lot of companies don't have a plan around culture. What does the organization do beyond specific policies like return to office? CHROs need to think about the holistic culture they're trying to create in the organization.

**ZIER:** For younger and newer employees, the pandemic was a total reset on their values. And they will have different views when they become leaders themselves in the future. But we cannot try to use brute strength to go back to the way things were. This new workforce is saying, "I'm not doing that. Show me respect." The employment pendulum may have swung back toward the power of the employer at the moment, but it's a huge miss if we don't really understand that generational shift, because that's the future.

## FUTURE-FOCUSED DIRECTORS

**REIMER:** How does everything we've been talking about affect the profile of who is going to be a really effective director?

**YEUNG:** I've always found it helpful for the board to maintain an updated list of skills they require. That can help you spot the gaps among your current directors. We need to bring in new talent and new profiles of board members. When it comes to skill sets and experience in technology, for example, we need to look outside the existing board profiles. They need to cast a wider net and bring in, often, younger board members with different experiences.

And as a board member, you have to be a lifelong learner. If you're not an AI expert, you still need to learn enough to ask the right questions and think about how technology is going to impact the organization in the future. That humility and curiosity is becoming even more important.



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**ZIER:** Directors have to be curious and educate themselves on current issues. On my boards, we often bring in outside presenters or encourage directors to take courses on certain topics.

For example, I just finished taking an online course at MIT on AI to ensure I have a level of proficiency and can ask the right business questions. I don't believe the board needs to have a deep functional expertise in every area. We have to be able to think broadly and strategically across a lot of areas. Management teams need to be the experts.

**KEANE:** As board members, as leaders, we are in for a very challenging time. We have to increase our communication and our engagement as board members and be extraordinarily supportive of the CEO and the management team.

We have to be flexible, too. Sometimes, boards get caught up in their processes. We have to learn how to be more flexible as we help work through this uncertain environment. We have to help as much as we can without stepping over the line of managing the company. We're there to govern and protect shareholders but, at the same time, help the organization achieve its goals. ■■