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Recorded message: The Hennessy report from Keystone partners, a free-flowing conversation with leaders in the HR community talking about themselves, the industry, and their work. Brought to you in cooperation with NEHRA, the Northeast Human Resources Association.

Dave Hennessy: Welcome to the debut of The Hennessy report. I'm your host, Dave Hennessy. Since the Hennessy report is in cooperation with the Northeast Human Resources Association, it's very fitting that our first guest is Tracy Burns, the CEO of NEHRA. Either way, I just want to give you a heads-up that on our next episode, we have Beth Grous, the Chief People Officer of TripAdvisor. That will be released very shortly.

Back to this episode, we'll first hear about Tracy's very cool HR background before she became the CEO of NEHRA. She'll talk a little bit about how NEHRA helps raise the game of the HR function in New England. Really, something that comes through is her deep HR expertise, and she even offers some good advice on this podcast to the HR function, and HR leaders, and people moving up in the function.

Talks about the greatest leader she's ever worked for, and it's somebody we all know. That's an interesting exchange. At the end, we learn some interesting facts about Tracy. I bring you, Tracy Burns.

Dave: Well, it's great to be joined by the CEO of NEHRA, the Northeast Human Resources Association, here in their headquarters in historic Concord Massachusetts. Tracy Burns, hello.

Tracy: Hello Dave. Thanks for having me.

Dave: It's great to have you. Thanks for taking your time out of your schedule, because I know as of this recording, we're about t-minus a month from the biggest event you put on every year, which is your annual conference. We're right getting into that sweet spot. When is the bubble of preparing for that conference? When is the stress really on to you, as you get ready for it?

Tracy: I think there are a couple of bubbles. Right now, I think we're still trying to enjoy the last few days of summer, but certainly, after Labor Day is concluded, the heat will be on for all the last minute logistics and making sure that everything is in its place.

Dave: Venue, speakers, those are lined up. How many months ago was that?

Tracy: We typically plan a year in advance, so we will have keynotes and things like that. We're already working on 2018 conference, but we make our selections in the spring for all of the breakouts. The location, we already know will be the Sea Crest again next year. We try to do the big things and the dates and stuff up front.

Dave: We're going to talk about NEHRA a little bit later, but I wanted to get more into your background and then we'll get back to NEHRA. We met way back. It was Harvard Management Company, when you were the head of HR. I remember when I first met you, you were working on about six things at the same time, while we were having a conversation.

We also talked while you were at HMC, where you started to consider this role. I remember talking about your interview process and we got to talk a little bit about your excitement in joining. It'll be good for our listeners to hear a little bit about your career background. How you got to where you

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are today. Where you started in HR. I know you have an interesting background that started in music publications on the West Coast. Maybe you can take us through your career evolution?

Tracy: Absolutely. I think, unlike a lot of HR professionals, I knew that I wanted to do this at a fairly early age. My stepmom was -- she spent 40 years in HR, in ammunition manufacturing out west. About the time I was a teenager, she started working on what was then called total quality management. She would bring these big binders home, and for whatever reason, I just got intrigued by that work.

My initial focus in HR was always going to be organizational development training. I went to business school with a minor in HR and worked almost 18 years in corporate HR. I did start in publishing, which was Guitar Player and Bass Player magazine, which is a very cool environment.

Dave: Was it because you had an interest in music or is it --?

Tracy: No. It was the early 90's, and it was the job that I applied for and got, which was great. I felt very lucky. It was actually part-time. So I had two part-time jobs at the time. It was a great environment. California is not necessarily an easy place to learn HR. There are a lot of rules and regulations that are, everyone else has sort of come up to speed with, including Massachusetts is probably right behind California, when it comes to just being pretty rigid around HR employment law. In that case, it was great, but the environment in itself, as you can imagine, was pretty casual.

We actually did the very last interview with Jerry Garcia before he passed away. I wasn't involved in any of the interviewing, but I hired the people that did those interviews. I felt like I was -- and my name was on the inside of one of the magazines [laughs]. I was like, that was my claim to fame. Then I moved out to Boston in about 1996, and I spent my entire career up until 2010 in corporate HR.

Dave: In what other organizations?

Tracy: As you mentioned Harvard Management Company. That's actually --

Dave: The most recent one right before NEHRA?

Tracy: Yes. Right before NEHRA. That's the endowment that manages the money for Harvard University. I worked at UMass Medical School out in Worcester, in the arm of the school that does public sector consulting, so it's a very mission-driven organization. It was sort of the for-profit arm of the school that sent funds back into the school. It's an interesting business model.

I worked for Sam Adams. Locally known as Boston Beer, but I worked there for five years. Prior to that, I worked at IBT, which is in State Street Bank, so financial services, healthcare, non-profit, for-profit.

Dave: And the training from your family in ammunition?

Tracy: Yes, exactly [laughs].

Dave: Quite a wide variety of industries you've been exposed to.

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Tracy: Yes. Absolutely.

Dave: What drew you to the NEHRA opportunity? What was interesting about that to you?

Tracy: I think a few things. I joined NEHRA probably like a year after I moved to Boston. As a networking professional development opportunity, I think my boss said, "You should join NEHRA," and so I did. It's kind of what we did back then. Then I started volunteering at NEHRA. Did some teaching, and about the time that I started to get a little itchy about being what I call inside the corporate box, if you will, in just an HR capacity, it had been 17, 18 years, this opportunity came up.

I really never looked back. It was an interesting -- as you mentioned, I did some due diligence. I talked to a lot of people who were involved, more intimately involved in the organization than I was, including a lot of the board members, and still keeping a foot in HR, but moving into maybe a different sort of environment, if you will.

Dave: Tapping into your expertise, but in a different way. You actually, you didn't mention this, but I remember you doing a little of this when you were at HMC, because you inherited the reigns of FSHR financial services HR, which was and is an organization. I think that's now rolled under NEHRA that serves -- it's like an HR association for HR professionals in financial services. It wasn't an investment role, right?

Tracy: Yes. Absolutely. Yes.

Dave: So you came in experienced in this world a little bit?

Tracy: I did. I think it inspired me to be more -- I'm not sure if I had not inherited that group and gone through the experience that I did with it in the evolution of it, being maybe 75 people to well over 200, given the financial crisis and seeing that that association, that community really filled a lot of need for HR professionals. Not that NEHRA didn't, but it was sort of this downtown Boston kind of --

Dave: Well, it was a niche. Filling the need of a niche, right?

Tracy: Right. Having gone through all of that, and feeling as though a lot of gratification of bringing people together and giving them a place for sometimes, frankly, it was just to close the door, and almost therapeutic in a lot of ways, because a lot of HR people were getting laid off at the time. They were transitioning. They were laying people off, as we were at Harvard. Sometimes it was with new things, but either way, it was just could be really emotionally draining.

Dave: It was new for a lot of HR people, especially the scale, right?

Tracy: Right.

Dave: Oftentimes, HR people don't have that person they can lean on inside the organization, because a lot of information is confidential and --

Tracy: It can be very isolating.

Dave: Yes, no support.

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Tracy: Yes. It was an interesting bridge. Everything just lined up perfectly.

Dave: That's great. Maybe a little bit about what you see as the role, or the mission of what you do here at NEHRA. Some people that are listening actually don't know much about the organization. It's the largest HR association in New England. It has been for quite a while. Maybe just a little bit about NEHRA and what you're trying to do here?

Tracy: Sure. We have been around in this market for well over 30 years and have evolved, I think, pretty well with the evolution of the HR profession, which is I'll talk about in a minute, but is really important both from being the largest association, I feel like we have an obligation to make sure we stay ahead of the curve in terms of what HR leaders need, and at the same time build that community.

A lot of what we do here is professional development. We're building a community of HR people that can lean on each other in the times that we were just talking about, when things become isolating and, or just challenging environment in general. Our sole purpose is really to support the HR professionals. A majority of them are here in Massachusetts, although we do have members in other parts of New England.

Beyond professional development and the community, we also have tools and resources that people can use. They can get in touch with each other but we also have templates of policies and things that are really -- sort of might seem basic, but if you were the sole practitioner in an HR firm, or you're in a start up firm and you've never done HR, it's a great opportunity to build and tap in to things and not have to -- spin your wheels.

That's a majority as to why we exist as an organization, and the shift has been predominantly in programming, I would say. I've been here almost seven years, and when I first came in 2010, we're all in crisis right? Some people like-

Dave: Yes, nobody had any money, right?

Tracy: - Yes, no one had any money and all the associations, for the most part, were really hurting, partly because of the economy, but also because of the expectations that shifted in just why you join an organization. As I mentioned, in the 90's, my boss said, "You should join," I'm like, "Okay," you know, you sort of did that.

Dave: Right, at that time we had financial crisis. Also, social media was coming on at the same time. Right?

Tracy: Right, so you have that competitiveness of social media being what used to be the leverage of an association, right? The ability to connect people.

Dave: Right the social part.

Tracy: The social pieces of it, and frankly, even the ability to Google a question or Google a template, and then having other organizations put on different programming, so the core leverage that an association had beyond membership, started to be threatened by, not only economy but all these different types of competition that we didn't have, prior to that.



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When I first came in, we had been hit pretty hard. Luckily, we had many, many years of success at NEHRA, because of prior leadership, and we were able to sustain this organization with reserves that we had, frankly, you know- that allowed us to continue to operate a staff which a lot of associations, especially in the HR space, are completely volunteer based. Which is a risk, when the volunteers change over, or they don't have interest anymore, so at least with us, we have great staff. We've been able to sustain that and at the same time we really look into our programming, and understand that the needs of an HR professional have changed. There's probably very little that we offer now that we offered seven years ago, and there's nothing that we offer now that we offered 10 years ago.

Dave: Will you give me example of those kinds of things? I know some of the things are done better very exciting, especially with the conference. They're very different types. What are some other things that are very different programming-wise?

Tracy: Well, I think that because of the evolution in the HR profession and moving from being highly administrative to being more strategic and not in all cases, if you're starting up an HR function inside a small organization, there's still going to be a lot of heavy lifting and tactical things that you need to do, but there are different resources to tap into. Having a benefit broker, versus doing the benefit administration yourself, or even outsourcing some of your HR function.

There's pieces of the administration that, depending on the organization, to all and benefits and you need to get people hired and you have to develop them and all those other things, but the way in which we do those are different. Our programming needed to change. We don't need to technically teach someone how to do benefits administration, necessarily. Instead, we talk more about benefit plan design, and cost containment, and where the CEO may come in and say we need to cut cost on employee benefits by X.

It's one thing to have your employees fill out the new employment forms. That's either all online, self-managed, or it's a smaller part of your job, whereas you really have to understand the benefit market or the comp market or even from a human capital systems management. All the systems out there that are -- there's a lot of competition and there's a lot of things to know, that we just didn't have to worry about 20 years ago.

Dave: So, because of technology and resources that are available by third parties, the role has become more strategic?

Tracy: It's become more strategic and it shifted from the actual tactical work, to a different kind of work, that may not always feel strategic, but is somewhere between strategic planning and how you're strategically kind of positioning your organization and your department and then yourself. There's a piece of it that I've strongly felt, having been in the profession for so long, that we needed to be the place where people got that, and that not just always the place where someone said, "I need this type of training," and then we would build it.

It was a little bit more proactive than reactive and because if we were just feeding people the things they thought they needed, I think that we would end up eventually, going away. Partly because of competition, but also, I think our role is to pull people along.



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Dave: Right, you have to have that. You have to get this reaction from some HR people. I would have thought that I should be thinking so you want to get that, as well as well as being reactive to what their needs are.

Tracy: Yes. Absolutely.

Dave: What are you hearing for these, from HR people? What do you see as the top requests for content or forums? What do you generally hear?

Tracy: I think there are a few things. One is, the language has shifted now to human capital management. That happens. Right? We went from personnel to HR, HR consultant, HR business partner, so some of the--

Dave: Oh, you had a speaker last year, in the conference, didn't like the term, human capital.

Tracy: Yes.

Dave: Everybody has their favorite words

Tracy: Absolutely, but the concept, I think, of human capital management offers so maybe a more strategic view point I suppose. That's the new way we're thinking about things in more broad perspective. Under that, it's all about talent and the war for talent in some industries really died down in the new economy and took its toll, but in other areas like life sciences, biopharma, it really never did. Now that financial services has come back, and we have big organizations in the area, like GE, who's saying, "We're going to hire 20,000."

Dave: Amazon, Red Hat, Google, it's amazing, everybody's here and there are a lot in Seaport and a lot in Kendall Square and the burbs too. It's amazing.

Tracy: They're all looking talent. Yes. That's the number one thing. Not necessarily help me develop my interviewing skills. That's a great example of ten years ago. That was those classes you could find one every day somewhere. Help me understand behavior based interviewing. How do I most effectively interview?

Dave: You're not hearing those questions?

Tracy: Not hearing those as much.

Dave: Right.

Tracy: How do I find people? How do I source them? How do I understand even before I get to that point in my organization, what do we need from a workforce planning perspective? How can we position ourselves to be a competitive employer of choice? That's been around for a while. How do I build a culture and environment that will attract the right people? What it is that I need? How do I find them?

Dave: How do I bring them from other places sometimes too right? There are as not as many people available in Boston right now for certain functions.



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Tracy: Absolutely. Where do you find the talent? It's more about being in the communities now. In fact, what I've been hearing is that organizations who have the capacity and resources to do this are actually talking to people well in advance of ever thinking about actually hiring them. Whether it's high school or college or just having an industry-specifics sort of event, where they can start building relationships with these people that they may or may not want to hire someday.

That could be like, I don't know, two, three, five years strategy. Which is really interesting because I used to get a lot of pressure to build pipelines, and it's like if we can fill the jobs we have, we'd be happy, but now they're really serious about the pipeline.

Dave: Right.

Tracy: So that's really ...

Dave: That's funny you say that. I just heard that for the first time, that offers are being made, to people that are just going to senior year of high school. I was surprised to hear that. You know, you mentioned it. You said you've been hearing about this recruiting early on or giving them training and development in certain functions.

Tracy: Sure, well and I think in industries like the STEM case, companies are wisely investing in pushing or supporting people to go into STEM, especially women, but into these fields where there's already a shortage. If you look at the numbers, they'll continue to be. Those investments make a lot of sense. Just courting people for a lot longer than they used to be, and just talent in general is where the pressure is.

Dave: You know we talk about the association world. Well, I've been part of associations where there were dinner meetings and I think that has kind of come out of favor a little bit more. It just seems like the association world has had to adapt to membership preferences. You touched on that a little bit. What other things have you've seen as far as format, the way people want to get -- I'm talking about the content, in the way people get their connection to the organization. A little bit about the way.

Tracy: Yes. I mean, we definitely have made a fairly significant investment in technology, because we saw early on, that that was going to be the competitive advantage for us from being able to compete with the new social media platforms or other organizations that were offering things online. We made an investment, both in terms of how we operate our own membership database, and the access to that, internally and externally, as well as our website, and what that offers and what it connects to and just to be -- before was a little bit more static. Which I think, everyone's was.

We've tried to keep up with technology in terms of how we present ourselves and how we go to market, so that may be linked to various age groups and that's been a little bit of an interesting thing, because while sometimes, there's a perception that NEHRA is sort of the more junior to mid-level organization for HR professionals, if you look at title alone, it's really director and above.

Partly that is that spend power. Your ability to do that, but also the demographics. A lot of I'd say average demographic is, probably a white female who's 45, maybe mid-career, but we're looking at the pipeline just like any other organization is and how to attract young professionals.



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Our investment in technology I think early on and what we continue to do is to try to create a pipeline of young professionals who want to be part of NEHRA as well. The way that we communicate on social media and even, I think, one small example is we don't really do a lot of mail anymore. We don't send paper invoices. We don't because there's an economic piece to that, but there's also an effectiveness and a perception piece. We'll be able to do postcards and things like that, every once in a while, but we really try to keep things mostly electronic and immediate.

There's this immediacy that is convenient and allows us to stay on top of it.

Dave: You brought up different age groups, and it leads us to the NEHRA question of the podcast.

Tracy: Oh boy.

Dave: For those of you in the podcast this will be something we'll include every time and the NEHRA question is, what things would you recommend to young HR professionals in HR or interested in moving into or up in HR leadership?

Tracy: Sure, well I think, first of all, it's a great time to be in HR. I think that more so, than even when I started, because of what I mentioned before, which is, it is more strategic. I think that largely organizations understand better now the value that HR brings and the role that it can play that can impact culture. If culture is king and helps you attract and retain talent, then it just positions HR as more of a strategic player than it probably did 10 or 15 years ago.

I still think the work in general, is just more interesting so if you're in HR, thinking about getting into HR, sometimes that you come through an operational or business line or an admin role, I think getting some intel from someone you know already in HR is great, because sometimes there's a perception, whether it's good or bad, that this is fun, and sometimes it's like, "I wouldn't want to have to do that."

I think really understanding the full scope of the profession is important before you move in, but if you've already made a commitment to be in HR, I think that being involved in this is obviously my opportunity to sell NEHRA, being involved in an association, whether it's NEHRA or not, is really important. People will say, "Millennials don't join. Millennials don't want to meet face-to-face," it's not true at all. What we're finding is that our young professional advisory board was very easy to put together and they have a lot of really great ideas.

They want to connect together, and they want to be face-to-face, more so than just socially. They want to brainstorm ideas and talk about the profession and talk about the issues that they may be having inside of their own organization now. I think it's great. I think it's still not a profession that people probably, unlike me in high school, I was like, "I think that's something I really want to do."

But it could be because of awareness. If my step-mom wasn't in HR, I probably would not have-- no one was probably going to sell me on that. Although, I had some friends in college that we all went through the same program, and all ended up being sort of lifers if you will.

Dave: You bring up an interesting point that sometimes I've seen lately more people that come outside of HR, moving into HR leadership roles. We've seen that much more often in the last five, 10 years. One thing we haven't seen too much is, I haven't, you might say different, that we don't see a lot of CEOs coming out of that function. Do you agree with that?

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Tracy: Absolutely.

Dave: That's a problem, isn't it?

Tracy: It is.

Dave: How can we change that? Maybe we can't but how can it be changed?

Tracy: Well I think that-- I'm smiling because I was on a panel, I don't think that you were the audience, but I was on a panel probably 10 to 15 years ago. It was with a couple of other gentlemen who were talking about CEOs. I said, "I think HR people would make phenomenal CEOs," and the reason being, and at time it sounded a little bit like, "Well of course you're going to say that because you're in HR."

I truly believe that the complexities that you're faced with as an HR professional especially, well in your entire career, but let's say when you get into the C-suite, the expectations and the complexities that you're dealing with are not that dissimilar than a CEO. Right? I think that it's been typically like a finance person or an operational person that would move into the CEO position.

If you think about it from a skillset standpoint, the complexities of dealing with the human behavior and understanding the strategy of the organization, and how to leverage your workforce aren't always things that from a finance, or marketing, or IT, or operational standpoint, are front and center.

I think as we've moved from the industrial to the knowledge service economy, that that's a skill set that you absolutely have to have. We just put together this program recently called the executive women in leadership, which is one of the best things I think that we've done at NEHRA since I've been here, and it took a lot of effort by a lot of really great people.

One of the things that we talk about is how different it is-- this particular program prepares women for the C-suite, just women. Most of them are a couple of...

Dave: Not just HR.

Tracy: Just HR.

Dave: Just HR?

Tracy: Yes thank you. They all want to be CHRO someday, at least they think they do. What we've talked about is the transition into the C-suite. Being an HR leader is one thing. You're leading a function and depending on the organization, you might have a variety. Your scope may be broad, but generally you're leading an HR function.

You're leaning, like all the other professions, you lean on your technical skills which is sort of a big step. You get into the C-suite and it's open field. We're teaching them how to navigate those relationships, how to prepare for that, how to really hone their business skills.

It's one thing to know the business that you're supporting, but it's another thing to know how the entire operation works. What are the internal and external market factors all that stuff.

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Dave: Or the board of directors interactions

Tracy: Board relations, all of those things that are really important there. What I've learned through that, too, is that, I think I have a deeper appreciation for the complexities of being the top HR person and how in some ways there's more pressure than maybe some of the other roles. One of the nuances is that a lot of times--

Dave: In what way?

Tracy: One is that you're often a confidant to the CEO, but then you have your peers who are in the C-suite, and so you have to really be able to navigate the trust and the confidence of the CEO, who you may be giving advice to that may impact your peers or not. Also, if you're a really good CHRO, then that's the role you play and it's a critical role.

I think that there's a lot of pressure, but at the same time you can have a really big impact. The insight that you would get from being the right hand of the CEO, I think, also could be a great pathway into being a CEO or being groomed for that. Now whether they'll take it or not we'll see, but being so close to that CEO that you could just see a person fit right into that role.

Dave: Who do you look to now for HR thought leadership?

Tracy: I'm lucky because everyone that sits on the NEHRA board is an HR professional. I essentially have a dozen advisers. I also have everyone that used to sit on the NEHRA board, because those relationships are pretty deep. Even when someone's not on the board, I even have people say, "Am I not on the board? I can't remember," because we keep them so closely after that...

Dave: Because they're still advising.

Tracy: They stay close, we keep them involved in one way or another. I look to them for thought leadership and that was, I think one of the changes that we made when I came on board probably within two years. Once we got the operational pieces stabilized if you will, the board role changed from being what I would say, before was a little more hands-on tactical, to being more strategic and thought leadership.

What it does is it allows us to really get the CHRO's, the real thought leaders, because we have four meetings a year, we have things that go on in between but for the most part, what we really want is their brains and we want we want to know what they need, what they need from their direct reports informs our programming.

We're not asking them to worry about the logistics of where we're going to have our next conference, who's a good keynote. We might ask them those things.

Dave: But it's more about the content?

Tracy: It's about the content.

Dave: And the direction, right?



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Tracy: I think we're very fortunate in this market to have a lot of really talented CHRO's. I think that we could put any of them up against you know CHRO's in other markets, and I don't know the other markets well enough. I just know that I look at my board compared to you know some of the other markets and I'm like, "We have a really talented group of people."

Dave: It sounds like you keep them NEHRA to you.

Tracy: [laughs]

Dave: That is the pun of the podcast, I apologize.

Tracy: We do, yes.

Dave: You said you didn't know much about the other markets, but you do have a relationship with SHRM. What do you know about what's different in New England and Boston, compared to what you're hearing from your SHRM counterparts in other markets? Do you get together with them?

Tracy: We do, yes, absolutely.

Dave: It's a group of CEO's or executive directors or whatever they're called in each market and you get out there?

Tracy: Yes, absolutely. SHRM is the governing parent if you will, out of Washington DC. We have over 500 SHRM chapters across the country.

Dave: Wow. 500?

Tracy: 500.

Dave: Okay, yes.

Tracy: The chapters are as small as 35 people and as large as 3,000 people.

Dave: What's your membership right now? What are we talking about?

Tracy: We are a little over 2,100. We are what they consider super-mega. There's about five of us that are around this size. Then there is another dozen that fit the super-mega fold and so, in that there's maybe 20 of us that get together on an annual basis, face to face, sometimes.

Dave: The large chapters.

Tracy: Well, large chapters, we are not all exactly structured the same way. Some of them are still more volunteer based. Those of us that have the larger membership and are structured, we each have five, or six, or seven staff. We don't run a big conference. We have enough similarity from a business standing point that it makes sense for us to get together. We also have monthly meetings, just conference calls to share our ideas and things like that. I think just like anything, different markets need different things.

When I used to hire sales people for Boston Beer, the type of person and the type of sales that you would do in this market are very different than Texas or very different than Pacific Northwest or

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Southern California. There are just different needs based on what industry is there, because that feeds into what role that HR might play and how many corporate headquarters are there. You might be in Atlanta running a lot of big corporations.

A lot of big companies, so that you may have a variety of HR professionals and Silicon Valley completely different set of needs. They even have their own certification. It depends on the different markets. In general, we are on the same page in terms of most of our programming around what the needs are. Again, it depends on, -- we are on the same page in terms of what the other competition is. Everybody has the same social media competition, the same market, brokers or people offering programming in the market that provides some competition.

Generally, the type of programming that might be done is mostly based on what is needed. Here in Boston, there are a couple of things. One is, we're a heavy academic environment. Even when we talk about certification, New England was one of the last ones to jump on that. The certification.

Dave: Isn't that ironic.

Tracy: It is, but we are also what people like to call over educated. We would go back and get an MBA versus become certified. There's SHRM certification and there's HRCI certification. In either case, they've been slower. In the last couple of years, I think that it's both because of the evolution of the profession and also because of the impact of the economy, we started to see certification a plus, certification required. Now, we've probably caught up to most other markets.

In general, people would go back and get a master's degree or some other advanced degree, whether it's in business or not.

Dave: Or HR.

Tracy: Yes, in lieu of certification. I think that makes us a little different in terms of how we might approach some of our programming.

Dave: Who's the greatest leader you've ever worked for?

Tracy: A couple come to mind. One, I would say, Jim Koch, who's the founder of Boston Beer. There was just ironically, an article this morning on him from the *Business Insider*. They were talking about, he's a billionaire, right? And yet he's just Jim.

Dave: He's down to earth.

Tracy: He's flannel, even in the interviews, flannel Sam Adams shirt and his khaki pants. He's earned the Willy Wonk beer. They are like, "This guy has the best job in the world." he's like, "I'm drinking by eight o'clock in the morning." I'm a trained professional. I admire that he hasn't really changed. He definitely went through this period and I was at the tail end of this when I came on board of being the CEO or the president. The man's got three degrees from Harvard. He's absolutely capable of being the CEO or the president but he handed that off to someone and became the brewer.

That's where I feel like this with NEHRA. When you find your spot, and clearly that had been his spot but for whatever reason, he had gone into CEO role for a while because he owned the company.

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When they went public, he started to do this other stuff and I just admired that he hasn't really changed that much. He's been true to himself.

Dave: Consistent.

Tracy: Consistent and the brand's done really well. It's had its ebs and its flows but he stayed, he's stayed true to himself and to the brand, which I think is admirable, 30 something years later.

Dave: Right, he really led the craft brew revolution.

Tracy: Absolutely. Even with the pressure of all the things that had been thrown their way in terms of, oh you don't brew everything in Massachusetts...

Dave: I'm glad you brought that up. I was going to bring that up. I remember watching a gotcha investigative reporting piece. I think it was on 2020 and they were interviewing him. They asked him that question like they caught him, "You don't even brew this in Boston." He had the answer ready, "If Julia Child came to your kitchen and made you dinner, would you say that you cooked dinner or Julia Child?" and all the time during the interview, he was sipping the Sam Adams, and I just said, "I like that guy right off the bat." That's great experience you had to get up and close with him.

Tracy: Yes, really someone who I just think has just been true to who he is and not try to be someone else. Just admirable.

Dave: Protecting the innocent or the guilty, can you share a bad leader story?

Tracy: Sure, I think that having worked in HR, you see all kinds things. Maybe not necessarily someone I worked directly for, but I think that in environments that are -- When the business is set up to incentivize people for things that are not always perfectly aligned with the people strategy. If your primary job is sales, I don't even care what you're selling, that's going to be your front and center and that's great.

When you move into a role where you have responsibility for people in general, I think that that's where I've seen the rub because it's a, well this is what I do and this is how the organization makes money. Why would I want to do anything else? Why would I want to develop people? Why would I care about my behavior at work? If I'm the top sales person I'm probably going to -- I can choose my way out of having to do these things.

There's this incongruency. It doesn't just happen in sales. People being moved from technical worlds into leadership, sometimes the behavior comes out of just not knowing what to do. Sometimes it comes out of ego, right? In every organization, I've been in, I've probably dealt with my fair share of people who I either had to sell on my word, trying to develop someone, or why we should fire somebody even though you'd really like to, to just bad behavior, kicking a garbage can, stomping their feet.

Dave: But they get away with this sometimes, because of those reasons you've described.

Tracy: Absolutely.

Dave: I wonder if the next generation, I don't know of the millennials are going to put up with that?



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Tracy: I don't think so. I absolutely agree with you. Sometimes I feel like I put -- because all these things that the millennials are doing, I love, like the flexible work and just the fluidity with how they think, the lack of hierarchy, all these things are absolutely groovy. I don't think they'll put up with a non-diverse, non-inclusive organization, and I don't think they'll put up with bad behavior. Partly because, they don't have to, and partly because they know it's not right.

It's not that you and I didn't feel like we had to put up with that, we didn't think it was right, or we weren't focused driven. It's just that this generation has a bigger voice that the Gen X did, probably because of their size.

Dave: We were raised by people that worked for the same company for their whole life.

Tracy: Exactly, 40 years. You just put up with it. You don't rock the boat.

Dave: You mentioned diversity and inclusion. My view is that NEHRA has done some great things. I've been to the many events that you've put on since you've been the CEO of NEHRA, that have had great speakers. Maybe just a little bit more about your thinking on diversity and inclusion. Some of the people that you look to for thought leadership. I know that you've had some of them speak, but maybe a little bit more about where you think things should go.

Tracy: Absolutely, I will say that NEHRA has had a footprint in D&I for quite a long time, which I'm very proud of. When I came on board, they already had the D&I community forum and that had been running for years and years with the gala obviously. That had been running for quite a long time.

Dave: Right that's the spring event. Some people show up a month early to the event.

Tracy: [laughs] some people do and they never hear the end of it [laughs].

Dave: It's a long running joke, and I took a picture in the lobby of that hotel, when nobody was there.

Tracy: Better early than late.

Dave: That's right. That is a big event. I think that is your biggest event you put on where's that many people in the same world. I know the conference probably has more touches to people over-all because it's three days or four days, looking at your chart on the wall here. I think it's four days. I'm not sure, but then you have 500 people sometimes at that event.

Tracy: No, I think the gala is sort of our signature event outside of the conference for exactly what you said. We sort of have everybody in one room for one night, so we have a captive audience. The primary driver for that event has always been the scholarships so over the course of 22, 23 years we've been doing it now, we've given nearly a \$100,000 dollars to high school students and those students are usually the highlight. As you know we had Billie Jean King a couple of years ago which-- she was phenomenal and we've had a lot of--

Dave: My mom was very excited to get one her signed tennis ball that she threw to the audience, I'm a hero, thanks to you.



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Tracy: She was just great, and yet the high school students who stand up there at 18 years old and tell their stories are usually even after Billie Jean King, you know, are the highlight.

Dave: Those are emotional talks, inspiring.

Tracy: Right and so that's one of the ways we have programming, we have a monthly forum that we do, that is a little bit more casual. It's a networking opportunity, and we have a guest speaker, and we cover some sort of diversity topic. Then we do diversity programming in general, whether it's how to hire veterans or we've done some work around transgender and disabilities and all the different facets of diversity.

The gala is really the celebratory event and probably our deepest touch into the community, because of how we go about finding the scholarship students and then giving back. This year we had a couple of students that came back, who we'd given money to a few years ago, and it's great to see that even though it's a \$5,000 check, that that somehow was the seed for their success. That they went to college because of that, or they were able to do something that maybe they wouldn't have been able to do.

I think D&I, it's been part of what we've done for a really long time but it's also evolved both from a profession standpoint. It still falls into HR because it's a natural spot for it to be, although we're starting to see it move in different directions in terms of reporting relationships. Generally speaking it's sort of under the HR umbrella, but unlike HR, there hasn't been as much training and rigor around what does it mean to be a diversity professional.

There's more certification now for that and also, just I think, a better understanding of the types of programs it'll support, both becoming a really great diversity professional, how to be a diversity leader but then also how to sell that inside of your organization.

Dave: The why.

Tracy: People know it's important but we've really moved, I think, as a profession, from it's a nice to do too. To it's a business imperative.

Dave: If there are people that you'd recommend people read about or find on YouTube, who are some of your favorites that you'd say are great thought leaders in this area?

Tracy: Right, Howard Ross who teaches unconscious bias. He's like the guru. Amazing. We've had him. We've also had Leslie Trop, who's one of his colleagues. She was at the conference last year. I would say, in general he's sort of the guru in that space. I think the interesting thing about diversity is, I mean there is a lot of variety and unconscious bias sort of for me sits in the center because it touches everything that you around diversity.

Dave: Right I think I heard something about this recently that they can do testing that all of us have it to some extent.

Tracy: Absolutely.

Dave: Whether it's gender or race it's there, to some extent, with everybody.



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Tracy: Instead of feeling guilty about it, how do you recognize it and manage it because it's probably not going to go away, but if you understand that's your-- if you can raise it a little bit to the surface and say, "Okay now I get that I have this bias, but maybe I didn't understand before or I felt guilty about it so I hid it."

Then how do you figure out how to manage it so it doesn't impact your decisions, because the biggest thing is it's going to impact promoting someone, hiring someone, any people decision that you make. It could even be not as a hiring manager, but just how you treat your peers or colleagues, and things like that. He's probably my favorite.

There are people in the Boston Market including at Ed Hurley-Wales who's our current board president. He's the vice president of market diversity for ADP, and it was a life long-- he started in the Navy but they moved into HR mostly in high tech for a very long time, and he, I think of all the people that I know in this space, when I talk to him I feel like he gets it. He gets it better than I do, obviously but we talk a lot about that skill set and what makes an impactful diversity leader and the type of work that an organization needs to do in order to really move the needle, and it's a lot of work.

Sometimes I think we forget that, and we want things to move quickly, like, "Well, we had this training, why is everybody still acting the same way?"

Dave: Like a lot of other things.

Tracy: Right. I give him a lot of credit for where we are from a diversity standpoint at NEHRA, versus where we were ten years ago, because I think he's pushed it up.

Dave: Anything that comes to mind as far as misconceptions about your diversity inclusion programs? What are some of the things you see?

Tracy: I think that it goes back to-- and this happened in HR too, that training doesn't fix everything, so just because you have sexual harassment training or just because you have unconscious bias training or what other kind of training you might offer, that doesn't change the culture. It's the accountability that changes the culture. You have to have accountability from the top down and this new leadership needs to walk the talk.

An investment in diversity has to go beyond training and development. I think that's the piece of it that people will catch on really quickly if you're just doing a lot of training or making them go to a lot of training.

Nothing changes so like so why am I going to yet another training when I know nothing's going to change. I think that's the biggest hurdle and I also think that the lack of metrics around it or the lack of accountability for metrics and HR has gone through this quite a bit as well, so you do all of these things. You make the investment even you see some behavior change but what really changed? Like what's your imperative are you trying to get more women in your C-suite? Are you trying to get more diversity across the board?

You might have more diversity in one sector or one level of your organization, but is it at the top? I think being transparent about those metrics, first of all getting a handle on them, so it's not just



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activity-based. I think Silicon Valley has been transparent about those challenges and sort of leading the way from a tech standpoint around what's working and what's not.

Dave: Yes, some of the biggest moves seems to be coming from that area.

Tracy: Yes, which is great but now everybody else has to sort of follow suit. It's not about the money or the activity, it's about, "Okay we did this, now five years later."

Dave: It's how has the culture changed. In my humble non-practitioner of HR opinion, I think one of the biggest changes has been for HR is in the way that organizations to start review annual appraisals. You had a Speaker David Rock I thought was quite enlightening. I learned a lot from him and what he had to say. Is that last year or two years ago?

Tracy: Last year, yes.

Dave: In the way we do employee ratings. I think it ties in to what we talked about Millennials. Millennials don't want another foot on their forehead. It's demotivating. Anything that you want to share about this subject and what you see coming? What's the next chapter on this? What are you hearing from your members and your board about this subject?

Tracy: Definitely a hot topic, in the last I would say three years. If you go back to your question about what are the things-- I think talent, like looking for talent is still, like that's where the big pressure point is. This whole performance evaluation topic, it has just exploded in the last couple of years. It's for a lot for the reasons that you mentioned. Everyone hates it. HR hates it, managers hate it, employees hate it, like, no one likes it. Yet, up until recently, no one had to really come up with an alternative, and HR or employment attorneys would say "Well you have to have something da da da."

Some organizations, are like "Not really. You can just get rid of it." "Yes get rid of it." I've heard from the head of talent at the Gap a couple of times. We had him at the conference, we've had him in our senior forum a few times and they, actually at the corporate office, got rid of them. Then created a different sort of system and measurement of performance that was-- they have these conversations so that people are still getting feedback, but it's separate of sort of these quantitative goals and targets, because if you think of what people will say is one thing or the other that'd be like, "I just want to blow it up."

At the end of the day, you can't really blow it up if you're going to have some sort of performance-based conversation. They want to blow it up, what that usually means they want to blow it up as it currently is, and so how do they get from that point to something that works? It's usually iterative.

The Gap is no different than that. They've kind of done it internally, now they're trying to roll it out to the stores and so what does this mean because those environments are different and how do they build in the kind of consistent feedback, this 10-minute conversation versus doing it once a year trying to figure out?

And what's really important and what are the metrics around the organization in a retail environment. That's important anyway because they're always going to be looking at the sales numbers. "What's the behavior that drives us that sale?" Deloitte's done some really good work around this. I like the fact that they did it all internally.

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Dave: Well, they have their big HR organization size.

Tracy: Yes, then they can take that. Now they can take the things that they've learned, what worked, and then pull it out, push out to their clients which I think is great so it's like they don't also don't like the ratings. They also don't like giving feedback for the most part or get it. There's all these elements that people don't like, but you have to have something tangible, something measurable. It's not a compliance you have to, it's a, "How do you develop or promote people?" or "How do they know even where they stand in the organization if you don't have something?"

Dave: Right. How do you ensure managers are having conversations with employees?

Tracy: Yes.

Dave: About these topics.

Tracy: Right. And the equity around how you're paying someone and all of those things that unfortunately, I think still have to happen, but they could happen in a different way. GE is a great example because they're so highly performance-based.

Dave: This is my last HR question.

Tracy: Great.

Dave: What's the oddest, strangest, craziest HR story that you have?

Tracy: [laughs]

Dave: You don't have to name any companies or people. Anything that comes to mind, just a wild HR story. I'm sure our HR listeners would love to hear them so they don't feel alone.

Tracy: Yes, yes.

Well those of us in HR often say. "There's a book to be written about all the crazy things that happen." so everybody has their own favorite story. Let me think if I can. [laughs] I have to figure out a way to protect the innocent. Unfortunately, my stories largely relate to managers who weren't properly equipped to be managers. [chuckles] It would be a nice way to put it. Right?

Dave: Can you give an example?

Tracy: They weren't trained. Yes, I can. I had a manager once who had become dependent upon the HR department for a lot of things. A lot of times we were the heavy, we're the bad guy where we're delivering the bad messages, but he called and said, "So and so just showed up for work in go-go boots." That's not part of the dress code, so he was looking to me for what I'd do. I was like, "Tell her to go home." It's one of those things I think at that point I said, "I think we need to put him through training. Some sort of basic training."

The thing that I think always got me is that you have really highly competent people, sometimes they're executives. They may be the C-suite.

Dave: They're brilliant and accomplished?
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Tracy: Brilliant, but when it comes to these, what HR people, because we were exposed to it all the time, seemed to us as kind of common sense. I've definitely had the manager who's come in and shut the door and said, "I'm going to fire Jane tomorrow," and there's no documentation other than how wonderful Jane is. I think we all have that one. I've had a couple of sticky situations in terminations that required security and outplacement firms and things that some of those organizations ended up being later really close friends, because you go through that.

You kind of prepare for the worst and nothing ever really ends up being that bad. In that respect, it's something different every day. I was fortunate enough to work in some organizations.

Let's take Boston Beer for example. I walked in there and we had a five o'clock rule. You could drink beer after five o'clock. People sell beer all day long, so theoretically you'd think there would be all kinds of HR issues around drinking. There was not one in the five years that I was there that was directly related to someone having too much alcohol. There are all kinds of other things that went on, but it had nothing to do with the product partly because people respected the product and they respected what we did. Everyone might be lining down to the kitchen at five o'clock absolutely. That was a given.

Dave: Including HR?

Tracy: Including HR, yes.

Dave: You don't have to answer.

Tracy: Yes, absolutely. What's funny is before we built the internal bar, we had beer on tap all the time. You could go down there at noon but just no one did. That's what I mean by respect, but before we built that they had to walk by my office to get to the cooler and the new hires would just zoom by. I'd be like, "Can you bring me one?" because they were always worried that I was going to be like, "That's the third one you've had." but I was just the opposite. I would try to engage and let them understand that that was just part of who we were.

We always saw it as not necessarily drinking internally but externally as a marketing opportunity. We had orientation and we took everybody out to lunch, and you did walk into, let's say Legal Seafood, and you'd see 12 people drinking Sam Adams and you don't know that we're a new hire orientation. You walk right in, "Come, I'll buy you one." "Maybe not right now, but maybe I'll have one tonight." so that was the mentality of it too, which was kind of fun.

Dave: All right, my silly questions. I got a couple. We have a few minutes here. We'll let you get back to your conference planning, with one month to go. What's your favorite movie?

Tracy: This is probably going to reveal too much about me, but I'm just going to say it because it's the only movie that if it's on, I'll sit and watch it which is *Overboard*.

Dave: I don't know it.

Tracy: Goldie Hawn and Kurt Russell.

It's the set where they met, as well. I love it for a variety of reasons. One, so she's like this big snooty millionaire and he's working on the property or on the boat, I think, that she has. She's just awful to

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him and then she ends up falling overboard, hitting her head, doesn't remember who she is and then he takes her. He lives in this horrible shack with three little boys that are just horrible. Then they end up falling in love, the kids love her. It's got this really great ending. It's like a romantic comedy, I guess.

It is just one of those things that if I'm flipping through the channels and it's on.

Dave: You can't go by that one.

Tracy: I always just get sucked into it.

Dave: What's the first concert you ever attended?

Tracy: Beach Boys with my parents in 1978, and it was great.

Dave: West Coast?

Tracy: West Coast. I saw them again when I was older, but that one in particular I'll never forget. It was just a big deal.

Dave: With your parents, wow.

Tracy: Yes.

Dave: And your last concert? What's the last one?

Tracy: [laughs]

Dave: It's been a while.

Tracy: No, it hasn't.

Dave: It's been a while.

Dave: You're afraid to say.

Tracy: I attended Guns and Roses concert last year. Actually in August of last year at Gillette Stadium. I'm an '80s kid so I loved it.

Dave: You're a rocker, Tracy.

Tracy: It was a great concert. It was great. It was a lot of fun.

Dave: Well with that, I think we're going to end the podcast. Let you get back to work. We really appreciate you coming on as you work.

Tracy: Absolutely. Thanks for having me. This is a lot of fun.

Dave: Thank you for the NEHRA question of the podcast as well.

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Tracy: Yes, you're welcome. My pleasure.

Dave: We'll see you in the conference in a month.

Tracy: Absolutely.

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