

**Kellogg Insight**  
**The Insightful Leader**  
**Podcast transcript**  
**September 2021 — Andee Harris**

**Laura PAVIN:** Awesome. Okayyy. Uh, tell me how you ran into Kevin...

**Jessica LOVE:** You're listening to The Insightful Leader—I'm your host Jess Love.

Today, we're going to do something a bit different. We're going to tell a story: not a highly unusual one. But a really typical one...just to showcase how *atypical* this moment is.

[music]

Business leaders here in the U.S. are trying to figure out how...and when...and IF...they should bring employees back to the office. Of course a lot of organizations *thought* they had it figured out, but now, with the delta variant surging, even companies that *did* figure things out are rethinking things.

I recently talked to Insight multimedia editor, Laura Pavin, about her conversation with a CEO...who is facing this exact, complicated, mult-faceted challenge. I wanted to see what this one CEO's experience could tell us about what leaders across the U.S. are going through.

**LOVE:** Okay, so talk to me about Andee Harris.

**PAVIN:** Andee Harris teaches about innovation and entrepreneurship at Kellogg. But she's also the CEO of a tech company called Challenger. It helps support companies' sales operations. They have around 200 employees, and offices in D.C. and the U.K. Andee became the company's CEO at the beginning of this year—obviously, in the middle of a pandemic—and she immediately had to make some hard decisions around people returning to work. So I wanted to hear more about what happened, and get some insight into how companies were rolling with the pandemic's tides. And the answer is: it's complicated.

I met up with Andee at one of the Kellogg buildings to talk about it.

[Ambience from Northwestern building]

**Andee HARRIS:** Actually, it worked out. When you emailed me, I was like, 'oh, that's perfect. Because I was going to be here for a four o'clock thing anyways.'

**PAVIN:** We take the elevator up to the fourth floor, settle ourselves onto an office couch, and hop right in. She tells me a bit about what she was doing before Challenger. She ran an HR technology company called High Ground in Chicago...it was acquired in 2018 in one of the larger exits for Chicago that year. She goes on to do some consulting work and teaching here at Kellogg, and works on mergers and acquisitions for a steel fabrication company.

**LOVE:** Wow, that's a lot packed in there.

**PAVIN:** Oh yeah. She's non-stop. And it seems to have started young, haha. So, a side note here: I did some pre-interview online sleuthing, as one does, and saw that she was recognized for selling the most Girl Scout cookies in the U.S. in the '80s. I couldn't even get my own parents to buy girl scout cookies from me. So she's just a force.

Anyway, the pandemic hits while Andee is at the steel fabrication business, she leaves, and eventually takes the job as CEO at Challenger in January of 2021. And her introduction to the people she would soon be leading was definitely not what she was used to.

**HARRIS:** I flew into Arlington Virginia...it was so odd just to walk into an office and it was completely empty. Just being like, 'okay, I'm about to meet everybody via Zoom and make this huge announcement without being able to really see anybody's faces.' I've taken over a few times as the CEO, as a hired gun, and this was definitely the weirdest experience.

**PAVIN:** People sent little Zoom chats, you know, saying 'welcome' and all that.

**HARRIS:** I remember somebody put like 'go blue' in the chat. Because I went to Michigan.

**PAVIN:** But she wasn't really able to gauge how well or not well it had gone. Which is kind of a frustrating theme for many people who have to interact with colleagues remotely. Text, by itself, can only communicate so much.

**LOVE:** That reminds me: early in the pandemic, we published this great book excerpt from Leah Thompson, a Professor of Management and Organizations here at Kellogg. And the book "Negotiating the Sweet Spot" was written pre-pandemic, but it contained these prescient passages on how to negotiate in writing. One of those tips that has stuck with me is that, in the absence of body language or any vocal cues to communicate tone, you should strive for a 2:1 ratio between positive words...or emojis...and negative ones. It sounds like not everyone on Andee's new team was following this groundrule!

**PAVIN:** They sure weren't.

**LOVE:** In that same vein, I'm curious to know how Andee is handling this remote environment. Because it's really hard to learn about an organization's culture—not to mention influence it—when no one is in the office. So did Andee decide to bring people back into the office?

**PAVIN:** She decides that people can come back to work, physically. But it's optional.

[Music]

Anyone in any role at Challenger can decide to do their job remotely.

**HARRIS:** We felt like if we tried to say, 'come back five days-a-week, people would just be like, 'no way.' People are still figuring out childcare and all the things that go along with that.

**PAVIN:** But she also decides to make the idea of coming in enticing.

**HARRIS:** We are giving them incentive. So we're doing collaboration days on Wednesday and we're bringing in lunch and we're making it kind of fun for people on Thursdays. We're doing

breakfast and happy hour. Just because, the idea is really just so people can see people. It's not so much about people not getting their work done. It's about people feeling a sense of belonging and a sense of engagement with their company.

**LOVE:** And how is that going? Did her strategy of making the workplace more appealing bring more people back? And how has that changed the culture at Challenger?

**PAVIN:** Well, they're in the thick of it now, but she said that so far it *has* brought people back, and that people *do* seem generally happier being in the office. So things are looking good right now.

But it hasn't all been rosy. Because a not insignificant number of Challenger's workforce decided to move during the pandemic. And I'm not talking like...they moved to another town. They went much further than that.

**HARRIS:** Some of them moved to just like the dream place that they always wanted to live. Like 'I've always wanted to live in California' and decided 'why not?' We had people who, for financial reasons, decided to move to cheaper parts of the country.

**PAVIN:** She and the company only found out that a lot of these people had moved really far away after discovering that some people had changed their addresses on the employee portal. And then the company just started running into problems in other states, suddenly.

**HARRIS:** There's, you know, obviously unemployment and payroll ramifications, taxes...different states have different laws. So then all of a sudden it's like, well now we've got 10 people living in California. Well, those are two totally different laws. We have to file in California. We actually got fined by the state of New York because we had a few people move there. So, you know, what happened was it became kind of a nightmare to track all of that. If we're going to really let people work in every single state in the country, then we're going to have to hire an HR person just to administer all of the unemployment and all the taxes and all the things that go along with that.

**LOVE:** Laura, I just want to take a step back to reflect on how unique this moment is for employers. We recently interviewed Benjamin Friedrich, strategy professor at Kellogg, for an article on current labor market trends. And he pointed out that companies have learned *a lot* about remote work during the pandemic. Specifically, often for the first time, they have been forced to calculate exactly what is gained and lost when employees work across locations...what extra costs are imposed. They've also finally been forced to invest in the technology that allows remote work to happen. But what's crazy is that what they are *doing* with this new knowledge and capability is all over the place. Everyone is deciding for themselves just how much flexibility they want to retain. Which in turn will have a big impact on their ability to attract and keep talent.

**PAVIN:** Totally. And look, Andee knows that flexibility is valuable to people. Even for me, as an employee, I've really enjoyed the fact that I can go visit my family near St. Louis without having to take the day off because I can work from the passenger's seat while we're en route.

And Andee has found remote work to be more beneficial to her life, too, but in other ways. She says she's gotten healthier now that she doesn't go out to eat as much for things like business outings. She makes food at home. And all of these things...they are not insignificant.

So she really did want to figure out how to let people work in other states without it being unmanageable for the company. And she and the company ultimately decide that yes, employees can live in other states. But they cap it at five employees per state. She said that's because five is the cutoff before her company would have to start paying into the unemployment system in those states.

**HARRIS:** It's a little unfair, but it's like...the first person there...you're okay. But if you're going to be the sixth employee, like we're going to have to tell you you can't move.

[Music]

And so we had an example here in Chicago...

**PAVIN:** This was before they let the lease lapse on their satellite office in Chicago.

**HARRIS:** ...one of our star performers, a great employee, didn't tell anybody that she moved to Wisconsin, and she basically moved back home to Wisconsin during the pandemic. And she was our sixth employee to move to Wisconsin. And we're like, 'you can't move.' And it became a really hard discussion because her manager was like, 'but she's a star performer. I can't lose her. She's one of my best on my team. I can't believe you're not going to let her move.' And we were like, 'it has nothing to do with us trying to be difficult. It has everything to do with...now we need someone to manage all of that in Wisconsin. And we're not set up to do that.' And so I do think this is becoming like a very hard topic because it became really sensitive like, 'but you let the other five people do that.' It's like, well then do you say, 'well, one of you have to move,' like, 'pick an employee?' Do you take your lowest performer and say, 'sorry, you're now let go' so that this higher performer can live in Wisconsin?

**LOVE:** That sounds...like not a conversation I'd want to have.

**PAVIN:** Me neither! But this is happening at companies everywhere. Even at Facebook and Google.

**LOVE** I guess the other thing I'm wondering about is...how Andee is thinking through the salary issues that might come with having employees live so far away from the offices? You mentioned Google and Facebook, and they are considering offering employees less money if they move to a less expensive area. And the justification is that, a big part of the reason these employees were paid more to begin with, was to account for the fact that it's expensive to live in Mountain View and Menlo Park, California. So I'm curious to know how, or if, Andee is working through that question.

**PAVIN:** It's absolutely something she's thinking about. But she hasn't landed on a decision yet. She's actually watching to see how other, bigger tech companies approach it, first.

**LOVE:** Laura, there's another thing we haven't talked about yet: vaccinations. Some companies are requiring employees to get them. Northwestern certainly does. Others aren't. And now that Challenger is trying to encourage people to come into the office, I'd imagine they've had to reach some sort of decision on that. So what have they decided?

**PAVIN:** They are not requiring them...for now.

**HARRIS:** However, we are strongly suggesting it. If you're not vaccinated, we are asking you to wear a mask. Hopefully people will get vaccinated and make it a little bit easier.

**PAVIN:** Not requiring people be vaccinated is not a decision she made lightly. Especially when you consider that she and her family got COVID. She's known people—including an uncle and a cousin—who died from it. And she continues to deal with long-haul symptoms.

**HARRIS:** You know, as a woman and someone who talks about like, don't tell me what to do with my body, you don't tell me what to put in my body...it's a very heated debate, right? And then you have the mistrust of the government and you understand where they're coming from. And so you're really trying to see all sides of it. But it can be challenging. I'm hoping that people that aren't vaccinated will just use that opportunity to work from home, which is why...which goes back to our policy of, you know, being a little bit lenient on the working from home piece.

**PAVIN:** But she *is* reserving the right to change the plan on a vaccine requirement...and she will probably have to because, not long after our interview, President Joe Biden announced that companies with more than 100 employees would have to adopt vaccinate mandates. I followed up with Andee afterward, and she confirmed she would follow any private sector mandates.

**LOVE:** I guess, if other leaders are to take anything away from Andee and her experiences being a leader during the pandemic, what would it be?

**PAVIN:** Well, I asked her exactly that. And it ultimately boiled down to being honest and compassionate with your employees. Telling them you are doing the best you can with the information you have. And also just making sure you're making decisions that are best for your company, and not someone else's.

**HARRIS:** I don't think there's a 'one size fits all,' right? I can't look at Google and say, 'well this is how they handle it, so this is how we should handle it.' I think you have to look at your employee population and just be really sensitive to...what is the employee population and how many different types of employees do you have? Some people have unions, some people have hourly workers, so there's lots of different needs. And making sure that you're not just trying to do a 'one size fits all' and being honest with your employees and saying, 'hey we're still figuring this out,' right?

[Music]

'This is the best that we're doing right now.' Just like I think our country's still trying to figure this out.

**HARRIS:** In all my years, you know, I've been a CEO on and off for 30 years. I was CEO during the recession, obviously, in 2008...the financial recession...and in all my years, this has certainly been the most challenging.

**PAVIN:** Leaders are in uncharted waters right now, and Andee's experience is a snapshot of that.

I found talking to her so interesting not because she's going through something *completely* unique, but because her experience kind of captures what a lot of CEOs are going through right now. And the road they face ahead.

**LOVE:** Laura, thanks for sharing this with us.

**PAVIN:** It's my pleasure.

[Credits]

**PAVIN:** This episode of The Insightful Leader was written by Laura Pavin and Jessica Love. It was produced by Kevin Bailey, Jessica Love, Fred Schmalz and Emily Stone, and it was mixed by Laura Pavin. Special thanks to Andee Harris. As a reminder, you can find us on iTunes, Google Play, or our website. If you like this show, please leave us a review or rating. That helps new listeners find us. We'll be back in a couple weeks with another episode of The Insightful Leader.