

## Practical frameworks for building and managing diverse leadership teams

PagerDuty's CEO Jenn Tejada opens up on recruitment strategies, company-wide listening tours, and fostering a workplace of belonging.

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When <u>Jenn Tejada</u> joined <u>Pager Duty</u> as CEO In 2014, she not only aimed to grow the DevOps platform into a market leader, she also wanted to build the company's legacy as one of the most global and diverse software companies: "I want Pager Duty to set the example of what the future of tech could be, not just repeat what's already been done," she tells Bessemer.

When a company realizes that <u>homogeneity has limited creativity</u> and operating potential, leadership has to step in as soon as possible.

"It's important to address talent and culture like any company would address any other big problem, like churn or competitive differentiation."

With a recent IPO under its belt and more than 600 teammates in six offices around the world, PagerDuty stands out with a senior leadership team comprised of 47% women and 45% of underrepresented people in management positions.

In this exclusive interview, CEO Jenn Tejada, along with PagerDuty's Global Head of Inclusion, Diversity, and Equity <u>Marcus Cooper</u> share practical frameworks to build diverse teams and a company culture that fosters belonging.

## Break through bias during the recruitment process

"Anyone who works at a company should look at the leadership team and see themselves mirrored in some way," Jenn says. "Representation matters because it proves to everyone that there's opportunity and professional mobility."

However, as long as companies continue to <u>associate leadership with its stereotypes</u>, women, people of color and different orientations will be overlooked.

To make a systemic change, PagerDuty offers six steps so growing companies break through bias as they ramp their recruitment efforts:



- 1. Prioritize team values over personal ego. "A unique blend of being humble, hungry, with high emotional intelligence has proven to be a really successful profile of a leader for us. Big personalities on the team with less EQ, but very strong IQ, can break our team model.

  Obviously, people can get far in life with a 'high performer, yet non-conformer' mentality, but at what cost? We've been able to achieve so much more when our internal team focuses on our company values over our individual egos."
- 2. Use impact as a proxy to gauge future success. First, ask the candidate to provide evidence of their impact during the interview process: "How did you know you were making progress for both the business and your team?" This type of question reveals <u>first principles</u> <u>thinking</u> and <u>self-awareness</u>.

"Anybody can write a great resume and say they worked at the best brands. I want to know what impact they actually had on the organization. Deep reference checking is really important to us," Jenn says.

A hiring manager should always speak with the official references the candidates provides but also backchannel with a former manager, peer, or direct report. While these calls provide more dimension to a candidate's personality—and what they'll be like on the job—it's important to contextualize feedback in case there are "sour grapes" toward the candidate. Ultimately, the goal is to identify common themes, to substantiate a candidate's skills, and discover what type of environment helps them thrive.

3. Design equitable interview questions. On the topic of inclusive recruitment strategies, Marcus Cooper tells us, "instead of relying on 'culture fit'—which is often a dog whistle term for 'someone like me'—an interview panel should design behavioral questions that pertain to a company's cultural values so a team finds the right complement to the group.

"For example, if your value is 'make it right' you could say: Tell me about a time where things didn't go as planned, but you made it right so everyone felt good about the resolution?"



Marcus shares a protip: "Adding in a 30 minute culture and community interview is a great way to test for alignment, too. Over lunch or a coffee break, a candidate gets a sense of company values and a team representative evaluates the candidate on a more personal level."

**4. Build a bigger talent funnel.** "Executive recruiters shouldn't be so tied to their common search strings," Marcus says. "They must outbound to new networks, but most importantly, differentiate between the necessary, hard skills of a role from a candidate's coachability."

To go beyond the usual tactics recruitment teams employ, Marcus recommends leveraging software and strategies early on to get an edge on the talent competition. "It begins with hiring senior recruiters and sourcers with explicit diversity training and experience. Most likely these experts have implemented and leveraged a talent intelligence platform, such as <a href="Eightfold">Eightfold</a>, and talent market analytics software, such as <a href="Horsefly">Horsefly</a>, to discover qualified candidates and drive informed hiring, pay equity, and representation goals."

- **5. Rely on data to measure progress.** Marcus recommends that companies set up people analytics with platforms, such as <u>Hibob</u> and <u>Culture Amp</u>: "When establishing a baseline, there are two initial spheres to track: the first is representation (the easiest being race and gender), and the second is finding a proxy to measure employee inclusion." These insights help teams recruit effectively and design benefit packages based on the current and projected employee population.
- 6. Slow the search down, if necessary. "When a leader is pressured to hire fast because the company is scaling quickly, that's when they should push back and declare that they can't commit to hiring until they've seen a diverse panel of candidates." If you don't take the time to build the right team from the start, you'll pay for it on the backend.

## Be the chief listening officer to make lasting cultural shifts

"Establishing the intrinsic belief that everyone's opinions matter—a foundation layer to building a culture of belonging—means that leaders need to listen more than we talk," Jenn says.



These three vital practices help leaders stay perceptive, drive the employee feedback cycle, and keep teams engaged:

1. Launch your official listening tour. As a leader or manager, commit to having a coffee or going for a walk with every single person at your company within your first year of joining.

The onus should never be on the individual contributor to wrest the time and courage to speak up to their manager. New habits and team behaviors can build structure so more voices are heard across the organization.

Mute "the loudest person in the room." A common complaint at tech companies is that the most extroverted people are heard most frequently. By offering people a forum to write down their questions, opinions, or concerns in a more formal setting, leaders will receive responses from more introverted members. This could look like creating a survey, or use a software like <u>Slido</u> that lets audience members submit and upvote questions anonymously.

For smaller team settings, managers can use this technique to shake up brainstorming, too. Instead of throwing out rapid-fire ideas aloud, teams can set aside 10 minutes to write down ideas and give everyone equal time to voice

3. Don't forget to close the loop. One of the most critical parts of being a good listener is to let the person know they've been heard and what is going to happen next. Some of the best leaders are also the most reflective. Sending out a company email on a regular basis is an effective way to amplify the lessons learned from coffees and "walk and talks."

Reinforcing a consistent feedback loop builds trust at scale. It also demonstrates to teams how an executive is making strides to listen and learn from people throughout the organization.



## Embrace vulnerability to build trust with your team

Being able to express oneself honestly and respectfully on a team, without consequence, is a vital dynamic associated with high performing and inclusive teams. This is why Jenn encourages her executives to voice feedback directly and receive feedback in a constructive manner. However, the only way Jenn was going to teach this skill was to model it.

"Good leadership requires you to be vulnerable enough so your team can give you feedback without having to worry about bruised egos. I'm most proud of the fact that my team feels comfortable to be completely honest with me."

"When I was a younger executive, I carried around this burden where I thought I had to know all the answers all the time. Now, I ask so many more questions. PagerDuty is better off when I approach work with a learn-it-all mentality versus being a know-it-all."

To learn more about how PagerDuty went from early stage to IPO, <u>read Ethan Kurzweil's</u> <u>take</u> on the company's inventive strategies to grow revenue, adoption and usage over time.



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