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(Podcast introduction)

What does it mean to be “human?” No small question. Despite the world’s best minds having wrestled with it for millennia, judging from the progress they’ve made so far, it may take at least a few more before they can begin to approach an answer.

Now imagine you’re a business owner: Maybe philosophy is your thing, and maybe it’s not, but you’ve been hearing lately that in order to hire and keep the people you need, answering *that* question is a critical factor in your success.

How will *you* answer it?

19:58 So what we’ve been talking about here is humanity in the workplace and when I talk to people they say, “Oh that’s really cool, we’re bringing humanity *back*.”

20:07 And my position is I don’t think we’ve ever really had humanity in the workplace.

That was China Gorman, former CEO of the Great Place to Work Institute and former interim CEO of the Society for Human Resource Management. Now a consultant, her work has taken her all over the world to speak with organizations about workplace cultures, talent acquisition and the future of human resources. Along the way she’s learned a thing or two about where her profession is going -- and where it’s been.

Pulling back the curtain of history to examine the ways in which we as a species have been utilized as workers, Gorman identifies what could be described as the large-scale commoditization of people as labor and a lack of respect for the person as an individual.

20:13 The slaves building the pyramids or feudal times when if a farmer ran off the lord sent somebody to haul him back and put him back to work.

21:01 It was all about hands.

Hands, not minds, says Gorman, have been how those who want people for work have mostly regarded those looking for it. And not just the lords and pharos, either.

Despite that the percentage of Americans who finish high school and college has roughly doubled every thirty years since the start of the Twentieth Century, the idea of the worker as a pair of hands has persisted, even as rising wages swelled the ranks of the American middle class.

One big employer who made headlines for paying his employees outsized salaries was auto magnate Henry Ford, who instituted a \$5 workday when most blue collar workers were making only half that much.

Yet the last thing Ford wanted on his factory floor was a thinking, reasoning human being.

20:33 He’s famously quoted as saying, “Why is it that everytime I ask for a pair of hands they come with a brain attached?”

20:41 And he didn’t say that like that was a positive thing.

20:45 What he was asking for was robots. He could see it coming and so hiring humans was a little bit problematic.

Ford passed away in 1947 at the age of 83. Had he lived to 100 he would have witnessed the first machines replacing humans on automotive assembly lines. Something he may not have counted on, however, was that the age of industrial automation would require many auto workers to become much more than just a pair of hands.

Robots may not need brains attached, but their operators certainly do.

Fast forward several decades to the information revolution, where the availability of data storage and communications platforms has been keenly felt by nearly every individual, organization and industry. Not unlike their predecessors who found that new technologies made their heads more valuable, not less, employees in the digital age needed cognitive skills as a matter of course.

21:18 The information age wasn't just about the advent of technology and the use of computers.

21:24 But it was also the recognition that people had brains in them and we ought to be advancing those brains, investing in those brains, and actually utilizing those brains.

21:43 Not forsaking one for the other.

21:07 Employers began to be aware that the stuff inside our heads was pretty valuable and in fact we couldn't probably grow our business without the stuff that was in our heads.

According to IBM, more information has been created in the last two years alone than in all the time that came before. But the data explosion of the current generation wasn't just numbers, facts and figures; much of it came from human beings, who using their collective brainpower created a nexus of knowledge and online commerce so vibrant that it takes more than mere minds to comprehend it -- it takes not only a rational, thinking human being, but a *feeling* one as well.

And that's a fact hasn't been lost on the world's employers, who in seeking get more thinking and feeling out of their employees have begun investing in creating more-human cultures at their workplaces.

Ford would be appalled.

21:47 Now we're really starting to pay attention to the intrinsic values and motivations and emotions and relationships.

21:34 What the era of humanity in the workplace is: The marriage of the hands, the brain, and the heart.

Not everyone is as optimistic. For years employers, economists and labor advocates have wrestled with the idea that robots will one day make a person's mind as obsolete as his hands -- not the sort of robots with plastic faces and mechanical arms, mind you, but the kind that can listen to a voice and understand what it's saying, answer a difficult question as well as a person might, or even give the impression that it understands what a person is feeling and empathizes.

But where some see a time in the future when automated technologies have become so good at what they do that the brainwork which built the information age is no longer needed to make it run, others see a chance for humanity in the workplace to thrive in a way it never has before.

12:44 We're at an interesting decision point: Are we going to use those technologies to create closer and more positive relationships or are we going to use that technology to drive humans out of the workplace, become totally robot-centered, dehumanize even more

7:43 As we move through the demographic changes that we are in the midst of right now: the baby boomers, are one foot out the door. The first wave of Gen-Z is joining the workforce sort of as we

speaking, but the rapid exit of baby boomers is coming and it's quite clear that there's not enough Gen-X'ers behind them to take over, but when they do, they're going to think and lead in ways that are different.

00:00 We're getting all kinds of new data that really does support the fact that when people at work are happy, all kinds of good things happen. They're more productive; they're more collaborative; they're more innovative. Turnover goes down, retention goes up, errors go down. ... Everything you want to go up goes up, everything that you want to have go down goes down. And none of it -- *none of it* -- is rocket science.

12:16 All of these factors are creating an opportunity for leaders to fundamentally rethink the economics of the relationship between employer and employee.

But even if the opportunity is there, will business leaders take it? Corporations are "evil," after all, and the bigger the corporation, says common knowledge, the more evil it is; what passes as "human" at a 50-person firm may not be possible at a 500-person enterprise.

12:29 I don't know if I believe that's true: that the bigger you get the harder it is to be human.

17:18 Bold moves are being made. Grand experiments are getting started. And it's not who you would think. (Laughs) The large organizations that are making these bold moves . . .

17:06 Companies like GE and Accenture getting rid of performance reviews: Who would have thought that would ever happen?

13:07 What I'm seeing is a trend towards using these new technology advances to create stronger, more positive human relationships.

22:30 Not only does it improve corporate performance, everything you want to go up goes up, and everything you want to go down goes down, and the data supports that.

22:43 It also feels really good.

What's driving this trend, Gorman suggests, isn't necessarily some form of latter-day corporate benevolence, as some companies might expect you to believe. No, the Grinch's heart hasn't suddenly grown three sizes overnight.

What's driving it is that today's formula for business success requires an infusion of humanity at every level of an organization -- from leadership to sales to HR -- in order to appeal to customers and the public-at-large, but, mostly, to attract and keep the talent whose minds and hearts make them far more valuable than a mere set of hands ever could.

19:21 The people are the essential part of the calculus.

4:24 As there are, in fact, talent shortages, CEOs and their boards are becoming very aware of talent as the most sustainable part of the business.

5:09 If you don't have a team, you don't have people who can produce your product or deliver your services or innovate your code or bring your product into the marketplace and interact with target customers.

5:25 If you don't have people who can do that, (**thump**) you're not in business anymore.

To appeal to the talent they want many businesses are employing methods they've never tried before: for example, offering perks such as in-house child care and subsidized entertainment, services like financial and mental health counseling, and helpings of positive reinforcement served generously.

Much of this is indirect compensation, or, technically, not compensation at all. Which raises an interesting question: If today's talent is so much more valuable, and the last thing you want as a business owner is to lose those employees, why not simply start paying them more?

5:34 Pay is not everything for people to emotionally bind themselves to an organization and stay.

5:50 Human beings have all kinds of other needs. We gotta have air, we gotta have water, we gotta have food and sleep.

5:59 We have to know, when we go to bed tonight, we're going to be safe and our house isn't going to burn down or the bears aren't going to come into our cave and eat us up.

6:08 Social needs. We have esteem needs. We need to be told from time to time that we're doing good work.

5:44 If it's only about money, the next time somebody calls and offers you more, you're gone.

So who has the right formula?

Many businesses looking for ways to humanize their cultures lean initially toward the familiar tech startup model popularized by California culture and the mainstream media.

00:55 I was CEO of the Great Place to Work Institute which is the research and analysis for the *Fortune* 100 Best Companies to Work for list every year.

01:07 There are a number of Silicon Valley-based technology companies on the list and have been on the list for a long time. They're big names: Google -- number one in the U.S. -- and Intuit, Genentech, Adobe, Autodesk -- a lot of the big names.

01:25 You go visit them, you see all of these great, cool perks. But here's the thing: the war for talent in the technology world isn't in fact over. The competition for talent is still very fierce. If you looked at compensation schedule for google, for intuit, facebook, all the big names that we know are there, you'd be hard pressed to say which one is googles, which one is intuit, which one is genentechs, which one is adobes, because they're all going after the same talent.

1:59 And it's the same thing with perks. They will wash your car for you. They will actually take your car to get fixed for you. They have 24-hour free food. You can take food home with you. You can take your family's food home with you.

2:14 They will not only do your dry cleaning, somebody will do your actual laundry. And if you look at all of those organizations and you see the list of perks, you'd be hard-pressed to tell the differences between the perks between those employers.

The rationale of business owners who envy these cultures is understandable . . .

00:42 It's just human nature to say, "Ooh! Bring your dog to work, wear flip-flops, shorts, have foosball games and have free food, and that's what makes workers happy.

... but what works in Silicon Valley does so for a reason -- a reason which doesn't exist in most industries.

2:29 Here's really the difference. When you talk to employees as I have from companies who are in those world-class company cultures.

2:41 "I feel like these perks mean, 'My leaders care about me as a person and as a human being.'"

2:53 So if I can take food home for my family tonight, that means I don't have to cook dinner and I can have better interaction with my kids.

3:01 "If I don't have to go get my car fixed and if I don't have to deal with my dry cleaning and laundry this weekend that means I can go and see my kid play soccer."

2:48 Work and be productive at work; have a happy life outside of work.

3:19 If you ask the same question to employees of -- and you know who those brands are, they're big brands, but they aren't world-class humanity-focused cultures -- and you ask those people, "So what do those perks mean," and they are the same ones. . . .

3:36 "I'll tell you what they mean. It means the leaders here don't ever want me to leave. They want every ounce of blood and oxygen that I've got. They don't want me to be home on weekends. They don't want me to go home tonight. They have free food for me so that I never have to go home. They clean my car and do my laundry so that I never have to leave. It's the same list of perks, and the meaning that employees derive is entirely different.

4:06 So perks aren't the "thing"; leadership, culture, organizational values; how you interact with and value your employees.

That means being true to your identity as an organization and not copying another industry's example, no matter how fun it may look.

Appealing to your workers' humanity, says Gorman, means getting to know their frustrations and addressing them in a more personal way.

10:19 Employees bring their stress to work.

19:40 The dynamics that are happening outside their work life.

10:25 If you ask them, "What would be a benefit that would really help them?" it's scholarship money for their kid to go to college. Who would have asked for that ten years ago, twenty years ago?

10:38 Professionalism means you leave all your personal stuff at home and you're only focused on the job, except that if you've got a smart kid and the ticket to their economic freedom moving is a college degree but you can't afford it, but your employer helps you afford it -- what is that going to do for your attachment, your motivation, your engagement with that employer?

11:01 What if all new fathers could take three months at home to bond with the baby along with the wife? What kind of positive emotional attachment and engagement would that generate?

11:15 There are all kinds of services now that help employees with financial problems, not just the standard three conversations with a counselor and you're on your own, but a real financial expert to figure out a strategy for your 401k portfolio and any other financial kinds of investments that you've got.

11:36 And the whole healthcare morass.

11:40 Employers are really beginning to help individuals understand in far greater depth how to make good choices for them.

Businesses, by and large, are beginning to understand that in order to bring on more talented people, they at least need to appeal to their more personal motivations during the recruitment process. But not all companies that advertise a great culture know how to follow through on that promise, nor do they intend to.

That ultimately doesn't help those companies, says Gorman.

14:27 When an organization knowingly represents its employer brand in a false way. Goes out to the market and says, "Come and work for us." When the new employee gets there, yes, they can wear flip-flops and shorts and tee-shirts and they can absolutely bring their dog to work, there's 24-hour free food . . . and their boss is a jerk, and the deadlines to produce are unrealistic . . . the leadership clearly doesn't care about them as people, that's bait-and-switch.

6:39 Organizations that have really hard cultures -- leadership doesn't value people, doesn't respect people, never say thank you -- they have a hard time getting the talent they need and then an even harder time retaining it.

15:20 If I'm going to go to a place that gives me all those expected perks, but I know for sure that my boss is going to be a jerk, I might be willing to do that for a couple of years, but you're going to have to pay me so that I can improve my financial situation to give me some freedom to do some other stuff that I want to do after I leave.

6:54 On the converse side, organizations that pay in the median or well, have the appropriate level of perks, and who through their behavior at the top appreciate their employees: they're outproducing their competitors three- or four-hundred percent.

15:38 If in fact you're selling a human culture: (i.e.) we relate to each other as a team, we try to have fun when it's appropriate at work, we're going to invest in your development so that your job will have meaning, and yeah you get all these great perks but you're also going to get to work with other people who you have a lot in common with . . .

16:00 If that's what you promise and that's what you deliver, people are probably going to stay for more than two years, and the data's beginning to really show that.

So the effort of pretending, it seems, simply isn't worth it, nor is it likely to succeed. Organizations that try to pull the wool over applicants' eyes will always fail sooner or later, and lose their goodwill in the process. People considering work at such companies now have many ways of discovering their true colors.

14:58 Will out them, and they are. That's one of the benefits of the transparency that social technology has brought into the workplace is: when you're feeding recruits a line of bunk, they have ways of finding out now!

Where companies go from here is anyone's guess, but many analysts and business leaders believe that the gains made in creating a more human workplace cannot be unwound.

Still, skeptics worry that humanization in the workplace will become a passing trend, a blip in history that suddenly flared and just as quickly throttled down, that as soon as today's valued brainwork and heartwork can be digitized and automated, robots will be all the "talent" businesses need.

Not Gorman.

22:09 Well here's the funny thing about human relationships: they're real and they're powerful and they're meaningful.

18:48 People are still needed and still will be needed for years and years and years and years and . . .

21:56 Without them, we really understand that work doesn't have meaning, people can't bring passion into the workplace, we can't elevate your business without the interaction of the heart.

And if businesses' focus on creating a more personalized, human workplace seems more self-serving than genuine, the presence of ulterior motives don't necessarily mean they're moving in the wrong direction.

17:33 I don't like "ulterior motives"; there are multiple motives to do these bold moves.

13:17 If you're doing the right thing, you're doing the right thing.

19:11 It is all about business success. It is all about growing the top line, and the bottom line. There's nothing wrong with that.

14:00 Whether they're doing that simply because they know it's better for the bottom line, or they really appreciate the people who work for them and want to show them appreciation *and* it's better for the bottom line . . . I'm not actually sure that matters.

To hear more from China Gorman, visit her website at chinagorman.com or follow her on Twitter @ChinaGorman.

(Outro)