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The New Rules of Managing Talent



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AS WE EMERGE from the pandemic, companies are confronting a talent agenda starkly different from any we've ever faced—the return to the office, the call to fulfill promises of equity and inclusion, and a digital skills shift accelerated by the past year press for attention, all while employees are feeling burned-out, disconnected, and ready to flee. No wonder that losing talent has become organizational leaders' number one concern (see “Put Employees at the Center of Your Post-Pandemic Digital Strategy”).

We created this collection of articles to help. From traditional strategies for engaging high potentials to pandemic-driven trends in employee benefits, ground yourself in the retention and recruitment strategies that make a difference. Learn too about the rise of talent platforms and the strategic way to use them to address rapidly changing skill gaps.

A critical variable at the heart of today's retention challenge is the return

to the office. The key isn't just figuring out whether people will want to come back, go hybrid, or stay remote; it's about making sure that the rules are fair and that some of the more subtle drivers of performance—like psychological safety—still have a chance to flourish.

Finally, the return to the office comes after a year of racial reckoning, a remarkable gender gap in job losses, and a new recognition of companies' responsibility for the mental health and well-being of employees. If there's a thread that runs through all of these articles, it's not just that employees' needs have changed or even become more urgent. It's that the needs and voices that have been there all along are being heard with new clarity and energy by companies that see their workers not just as “talent” but as individual, whole people.

– ***The Editors***



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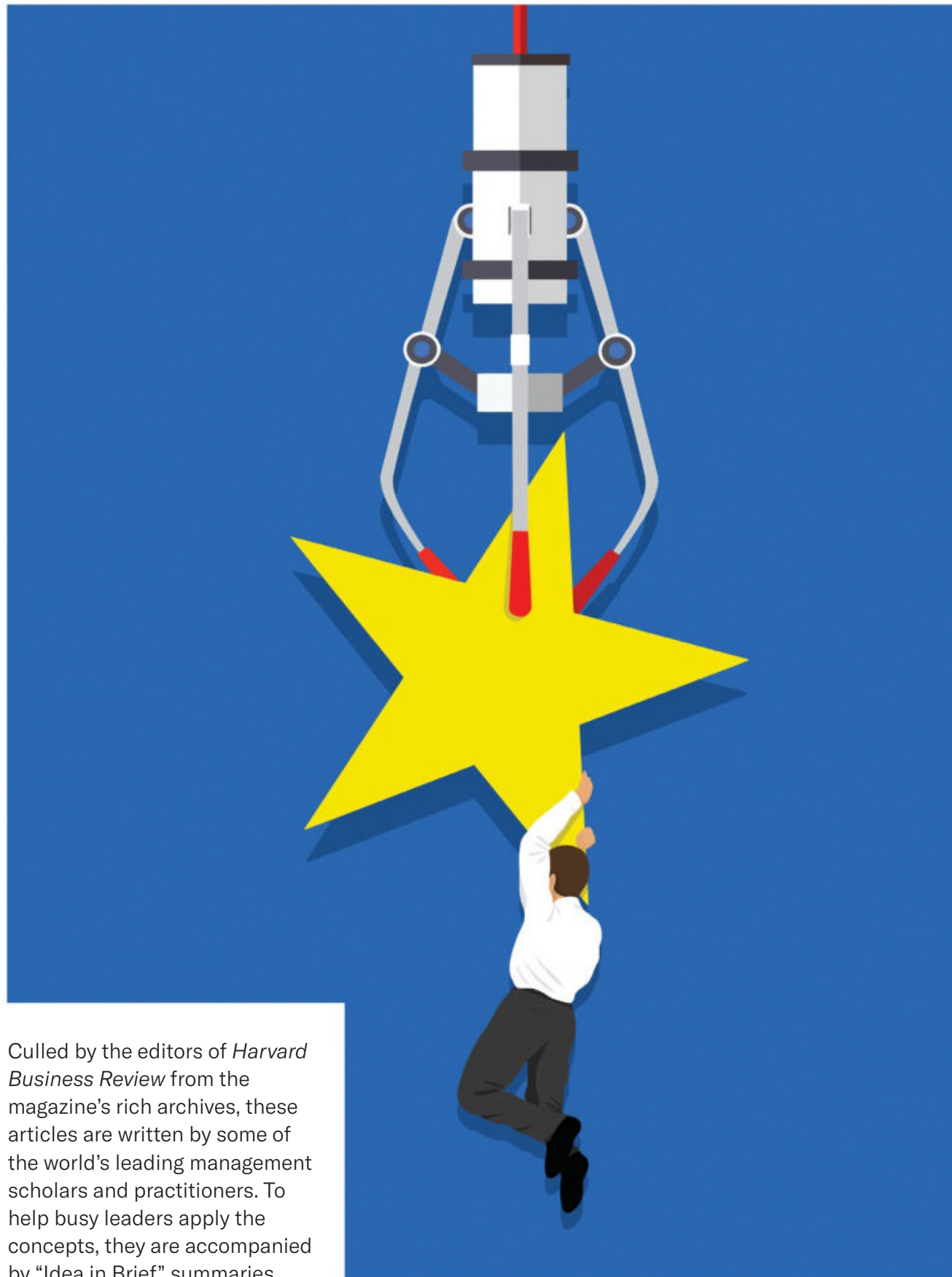
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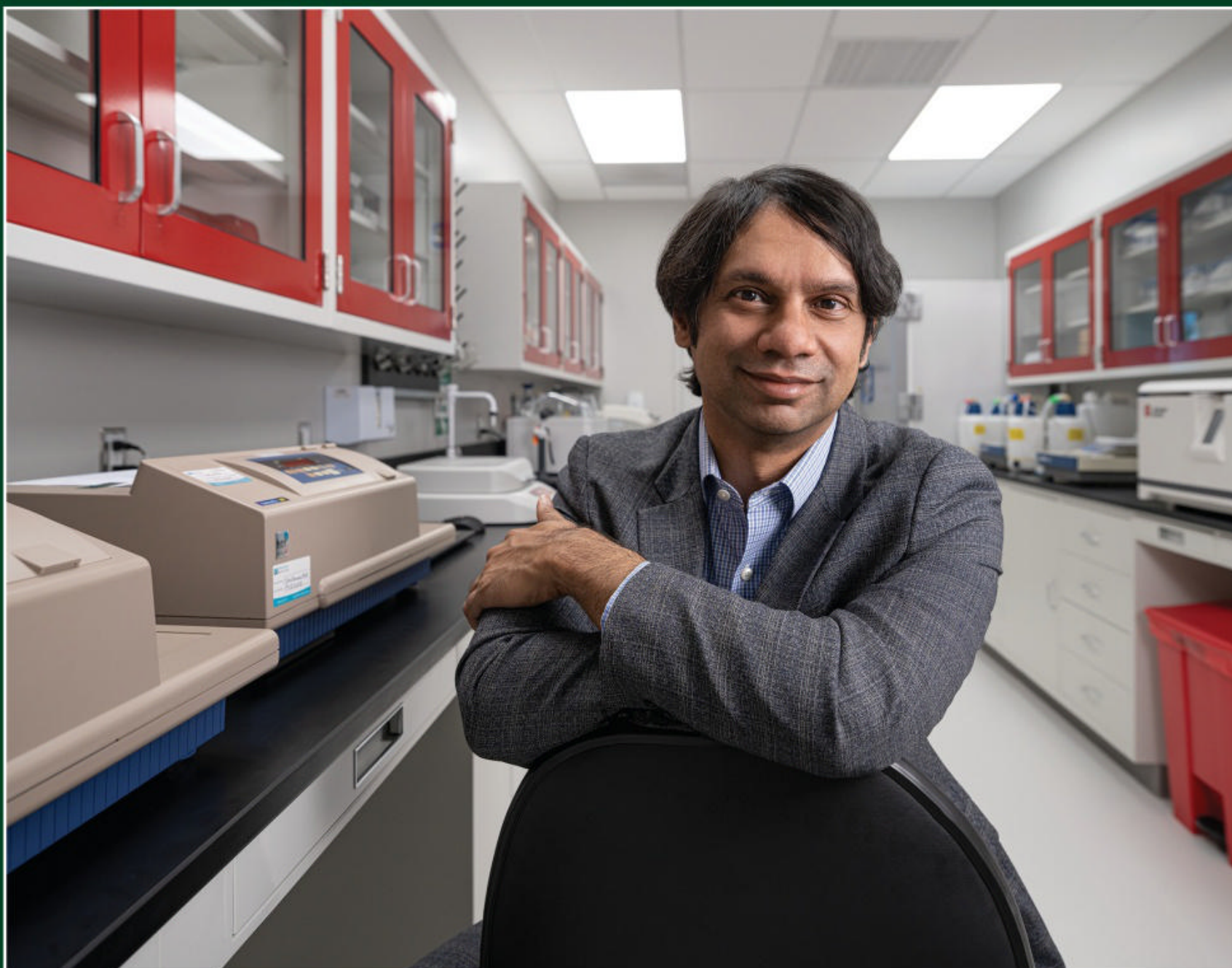
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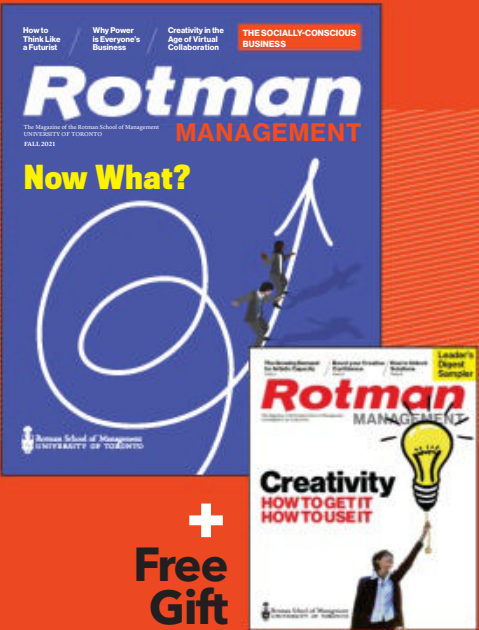
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RECRUITING AND RETAINING

ORIGINALLY PUBLISHED NOVEMBER–DECEMBER 2020

Rethinking the On-Demand Workforce

Digital talent platforms have matured, and many companies are using them to hire skilled gig workers. Now they need to get strategic about it.

→ by JOSEPH FULLER, MANJARI RAMAN, ALLISON BAILEY,
and NITHYA VADUGANATHAN

IN THIS ERA of chronic skills shortages, rapid automation, and digital transformation, companies are confronting a growing talent problem, one that has the potential to become a strategic bottleneck. How can they find people with the right skills to do the right work at just the right time? The half-life of skills is shrinking fast, and many jobs

now come and go in a matter of years. Not only that, but major demographic changes are underway: Boomers are aging out of the workforce, and Millennials and Gen Z are taking over, bringing with them very different priorities about who should do what work—and where, when, and how it should get done.





To help companies address these challenges, a new generation of talent platforms—such as Catalant, InnoCentive, Kaggle, Toptal, and Upwork—has emerged. In contrast to Uber, Amazon Mechanical Turk, and TaskRabbit, these platforms offer on-demand access to *highly skilled* workers, and our research shows that their number has risen substantially since 2009, from roughly 80 to more than 330. Much of that growth took place during the past five years alone. Today almost all *Fortune* 500 companies use one or more of them.

Platforms that provide workers who have four-year college degrees or advanced degrees represent an increasingly important but understudied element of the emerging gig economy. To better understand this phenomenon, we undertook a survey of nearly 700 U.S. businesses that use them. We then conducted in-depth interviews with many corporate leaders whose companies are relying on the platforms and with platform founders and executives.

That companies are leveraging high-skills platforms in large numbers came as no surprise to us, because in recent years we've seen how they can increase labor force flexibility, accelerate time to market, and enable innovation. We were impressed, however, by the variety of engagements that companies are making with the platforms. They're seeking help with projects that are short- and long-term, tactical and strategic, specialized and general. What's more, 90% of the leaders we surveyed—C-suite and frontline—believe these platforms will be core to their ability to compete in the future.

But here's what did surprise us:

Despite the extent to which companies are now turning to such platforms, very few firms have developed a cohesive organization-wide approach to their use. Instead, operational frontline leaders who are desperate to get things done have been reaching out to them on an ad hoc basis, often without any central guidance. This approach is costly, inefficient, and opaque.

To compete in the years ahead, companies must do better. They'll have to acknowledge and embrace the full potential of digital talent platforms—which is to say, figure out how to engage strategically with what you might call the *on-demand workforce*.

Though millions of workers were laid off this past spring, in the coming months employers will begin to rehire—and when they do, they'll need to be more purposeful about their approach to talent. How can they access hard-to-find expertise? Which positions or roles have changed, and what new capabilities are required? What work can be done more successfully and efficiently by skilled freelancers? In an environment of ongoing uncertainty, employers will be even more attracted to the freelance route for a variety of reasons: It makes hiring easier for hard-to-fill jobs, offers access to a wider set of skills, reduces head count, and allows more flexibility during times of change.

In this article we'll take stock of where most companies now stand on this front. We'll show how some pioneers are speeding ahead to take advantage of what the new talent platforms have to offer, and we'll explain how you and your management team can do the same.

The Maturing Gig Ecosystem

As the gig economy has grown, three kinds of platforms have emerged:

Marketplaces for premium talent.

These platforms, which include Toptal and Catalant, allow companies to easily source high-end niche experts—anybody from big-data scientists to strategic project managers and even interim CEOs and CFOs. Toptal, for example, claims it culls the “top 3%” of freelancers from across the globe. Experts might be hired for strategic initiatives or embedded in teams, and the projects they're assigned to can range in length from a few hours to more than a year. The Covid-19 crisis is increasingly turning companies toward this kind of platform: Consider that this past spring Catalant reported a 250% increase in demand for supply chain expertise. (Full disclosure: Coauthor Joseph Fuller is an adviser to Catalant's board of directors.)

Marketplaces for freelance workers. These platforms, which include Upwork, Freelancer, and 99designs, match individuals with companies for discrete task-oriented projects—designing a logo, say, or translating a legal document. For example, when Amazon wanted to explore creating custom social-media content for its new TV shows, it tested the waters with Tongal, which connects companies to individuals with media know-how. Many freelance platforms offer access to workers from around the world with a wide variety of skills, and payment is often per completed task. Covid-19 is accelerating the move toward these platforms, too: As large swaths of society began

■ The number of freelancers who say they consider gig work to be a long-term career choice is the same as the number who consider it a temporary way to make money.

working remotely, Upwork saw a spike in demand for digital marketing expertise from companies trying to reach consumers in their homes.

Platforms for crowdsourcing innovation. These platforms, which include InnoCentive and Kaggle, allow companies to post problems among large communities of technically sophisticated users—and reach a far broader base of them than could ever be found or developed in-house. The challenges run the gamut from simple coding projects to complex engineering dilemmas. Working with the platforms, companies often create competitions and offer prizes for the best solutions. The U.S. Transportation Security Administration, for example, ran a \$1.5 million competition on Kaggle to help improve the algorithms that predict threats using images from airport scanning equipment. Enel, the Italian multinational energy company, uses multiple crowdsourcing platforms to generate ideas for a host of issues: how to improve recruiting and even what to do with defunct thermal plants. And the pharmaceutical company AstraZeneca has turned to InnoCentive’s “solvers” to develop molecules used in genetic research and testing.

The Growing Supply

Millions of well-qualified Americans today are attracted to contract work. Freelancers are now estimated to make up roughly a third of the U.S. workforce, and those who are highly skilled represent a small but growing slice of it. And for the first time since 2014, the number of freelancers who say they consider gig

work to be a long-term career choice is the same as the number who consider it a temporary way to make money. Early signs suggest that Covid-19 will also speed up this shift.

Much of the shift is the result of demographic changes that have been underway for four or five decades but that traditional organizations have done little to recognize or address. There are at least four key trends:

Care responsibilities. Single-parent and sandwich-generation families are on the rise. Burdened with child-care and eldercare, many employees are dropping out of the workforce or struggling to manage full-time jobs. Gigs allow them the flexibility to handle their family obligations while delivering quality work.

Female employment. Women’s participation in the U.S. labor force has been declining steadily since 2000. Highly skilled, experienced women who take time off to have children and for other life events are finding it difficult to restart their careers or are seeing themselves get sidetracked in traditional organizations. According to a 2009 Center for Work-Life Policy survey, more than two-thirds of “highly qualified” women—that is, those with advanced degrees or high-honors BAs—who drop out of the workforce would not have done so if they’d had access to more-flexible job arrangements. Online talent platforms allow them to more smoothly reenter the workforce and advance their careers.

The aging of America. Workers who are laid off or edged out of traditional firms once they hit their fifties often find that talent platforms offer them a



Idea in Brief

THE PROBLEM

Thanks to rapid automation, digital transformation, and demographic change, it’s harder than ever for companies to find people with the right skills at the right time.

THE RESPONSE

Digital talent platforms now offer companies on-demand access to highly skilled workers. Almost all *Fortune* 500 companies make use of these platforms, but mainly on an ad hoc basis. The process is costly, inefficient, and decidedly not strategic.

THE PATH FORWARD

In newly strategic ways, companies need to embrace the full potential of digital talent platforms and the on-demand workforce. Doing so will allow them to create new business models and unlock new sources of value.

■ To get the most out of talent platforms, companies need to break work down into rigorously defined components that can be easily handed over to outsiders. Managers can't be vague.

way to continue to use their skills and experience—while maintaining satisfying work/life balance. Given that by 2030 one in five Americans will be older than 65, talent platforms expect that experienced workers with hard-to-find skills will flock to their fold.

The Millennial ascendancy.

Millennials, who are already the largest generational cohort in the workforce, tend to be tech-savvy and to prefer to work for themselves rather than for traditional organizations. They want more autonomy and control over their job security than previous generations had.

Early Lessons

In studying how talent platforms are being used, we've identified three areas where companies have consistently found platforms most useful:

Labor force flexibility. When the head of technology at the PGA, Kevin Scott, found himself frustrated by the need to constantly improve and upgrade the organization's digital capabilities and offerings despite a lack of in-house digital talent, he partnered with Upwork to quickly engage software engineers to generate and develop promising ideas. Using Upwork, the PGA was able to get projects started and finished considerably faster than before.

Time to market. Many managers have turned to talent platforms to fast-track processes, meet deliverables, and ensure outcomes. When Anheuser-Busch InBev wanted to quickly expand into new, disruptive products, it realized that despite having a workforce of 150,000, it needed outside help. By tapping into Catalant, the company

was able to rapidly get consumer data analyzed and find experts to help roll out products like kombucha tea and spiked seltzer. Similarly, when Matt Collier, a senior director at Prudential PLC, was on a tight deadline to overhaul the training given to insurance agents in Singapore, he turned to Toptal to find designers and other talent that could help him create course materials quickly—and ended up getting the job done for less than it would have cost with traditional vendors.

Business model innovation. Digital talent platforms can also help companies reinvent the way they deliver value. In 2015, when Enel made the strategic choice to embrace the United Nations' 2030 sustainable development goals and build new businesses around them, it engaged the services of several crowdsourcing platforms, among them InnoCentive, which alone gave Enel access to more than 400,000 of its highly skilled problem-solvers worldwide.

Overcoming Resistance

In our survey, C-suite executives in particular seemed to envision a future reliance on talent platforms: Half thought it "highly possible" that their core workforce (permanent full-time employees) would be much smaller in the years to come, and two-thirds told us they expected to increasingly "rent," "borrow," or "share" talent to meet specialized needs.

Why, then, have so few companies designed strategic approaches to working with talent platforms? Because the structures and processes that most

organizations have in place have been designed expressly to protect them from external vendors, much as white blood cells protect our bodies from pathogens. If companies want to work successfully with digital platforms, they need new structures and processes that function as immunosuppressants.

That's a major change, and many vice presidents and directors are worried about the practical implications of embracing it. Integrating an on-demand workforce into a firm's strategic core, they recognize, means questioning and redesigning every aspect of the organization. For managers already in the throes of a digital transformation, the prospect of taking on another massive project is hardly appealing.

But a digital transformation requires a talent transformation. The two go hand in hand. Company leaders understand this. Nearly two-thirds of our survey respondents reported that "understanding the digital skills needed for the future" had been a top priority for them in the previous three years. The very nature of work changes with more technology and automation, as does a company's ability to find the skills needed to do that work. Online talent platforms provide a way to develop that ability rapidly and with much less effort.

Engineering the Talent Transformation

To engage with the on-demand workforce at a strategic level, companies will need to focus on five main challenges:

Reshaping the culture. When a company decides to turn core functions



over to freelance workers, permanent employees often feel threatened. They struggle with sharing information, raise doubts about the values and work habits of outsiders, and assume the worst. That's what happened when NASA began using crowdsourcing platforms to generate innovative ideas: The organization's engineers began to worry about their job security and question their professional identities. As one employee put it, his colleagues were not used to saying, "Hey, we have a problem and we don't know how to solve it. Can you help?"

Often, the strongest opposition comes from employees who have the least exposure to high-skills talent platforms. The members of Enel's leadership team saw this when they decided to seek external innovation help. Pushback came not just from the rank and file but also from senior leaders who were nervous about the message this approach would send. Was turning to freelancers a sign of weakness? Did it signal that the leadership team lacked confidence in the permanent staff? But with some careful attention to cultural change, the company managed to overcome that resistance. Instead of allowing employees to fear the unknown, Enel focused on educating employees about how they could benefit from an on-demand workforce. According to Ernesto Ciorra, the company's chief "innovability" officer, the first step was to help all full-timers understand that they could use talent platforms to tap a powerful new source of strength. ("Innovability" is Enel's term for innovation plus sustainability.) "We had to become humbler," Ciorra told us, noting how important it was to

recognize that at times "the best ideas lay outside the company."

Rethinking the employee value proposition. Companies need to get employees to see how they personally can benefit from talent platforms. That's what one private equity firm did when it rolled out plans to collaborate with Upwork. According to Hayden Brown, Upwork's CEO, the message the firm sent its employees was "This is a way to help you. There are a lot of things that you may be doing in your day-to-day work that you can offload so that you can do even higher-order work or free yourself up to do more strategic thinking."

However, as more teams include full-time and gig employees, working norms will have to change. Full-time employees will often need to step into coach and "connector" roles—asking questions of outside colleagues, identifying discrete pieces of work for external partners, and making it possible for gig workers to tap institutional knowledge. Full-time and gig employees will also have to learn how to work productively across dispersed, often remote teams. They'll have to become adept at collaborating with a revolving set of teammates, articulating previously tacit team norms, and making progress easy for everybody to track. Companies will have to base promotion incentives for managers on outcomes attained rather than full-time employees overseen. Some talent platforms have already created tools—available through their enterprise agreements—that can help companies with these sorts of transitions.

Reorganizing work into components. One of the biggest predictors of

whether a company will get the most out of a talent-platform partnership is how well it can break work down into rigorously defined components that can be easily handed over to outsiders. Most companies haven't focused on this, because in traditional workplaces, managers can afford to be vague when making assignments. They know that everybody on the project team will be interacting so frequently that they'll be able to clarify goals and make course corrections over time. But when companies use talent platforms, they have to provide much more up-front definition. Enel learned this lesson quickly when it adopted its open-innovation approach. As Ciorra told us, "You can't just say, 'I need something useful for my renewable-energy problem.' Instead, you have to be specific: 'I need to reduce the usage of X when I do Y in Z context.'" Only after employees started providing this kind of clarity in crowdsourcing appeals did the company begin getting the help it needed.

Reassessing capabilities. To engage strategically with talent platforms, companies need to develop a portfolio approach to skills. The first step is to understand which capabilities they have in-house, of course. Unilever uses the services of a company called Degreed, which allows employees to develop and certify their expertise in specific areas with so-called microcredentials. The employees get recognition for their know-how and understand exactly which skills they need to acquire to advance; the company benefits because it can now identify which skills the organization already has and who possesses them.



Once the company has mapped internal capabilities, it can prepare for step two: striking the right balance when dividing work up internally and externally. That's something Royal Dutch Shell tackled after identifying an urgent need to generate new revenue through digital and services growth. Using a cloud-based platform called Opportunity Hub that it already had in place, Shell was quickly able to assess the areas where it had the talent to speed toward its strategic goals and where it lacked the right skills. Soon it realized that it had shortfalls in key areas such as digitization and the internet of things—and that it didn't have the time to find and hire the right people. To get working immediately on projects in these areas, Shell partnered with Catalant.

Rewiring organizational policies and processes. This can be surprisingly difficult, as Collier discovered when he tried to bring in Toptal to help Prudential revamp thousands of training slides. A new mindset and a different way of working were necessary. "To adapt our initial contract for freelancers," Collier told us, "we had to navigate a number of necessary processes, including due diligence, intellectual property, technology risk, antibribery, even anti-money-laundering." To get the talent he urgently needed, Collier positioned working with Toptal as an experiment and persuaded stakeholders to give it a try. That paid off. Today, Prudential has a standard service agreement with the platform, and Collier readily leverages it for design and other types of skilled work.

A major challenge for companies that want to harness the on-demand

workforce is that they're still subject to regulations and practices that evolved in the predigital era. At Unilever, for example, one struggle was figuring out how to pay freelancers from digital platforms. According to Adfer Muzaffar, a former Unilever senior manager for talent and learning, "Freelancers are accustomed to immediate payment on the platforms via a credit card. But we had longer payment terms, and credit card payment was not an option. We wanted to be able to track who we paid, what we were paying for, what was the quality of work, whether the rates offered were competitive compared to our local costs. So we had to find solutions so that our internal mechanisms and processes could support this new way of working."

TALENT TRANSFORMATIONS ARE often easier than they might seem. That's because many companies have people on staff who already have a wealth of experience with talent platforms—the managers who have used them on an ad hoc basis. These people can provide valuable guidance.

Ultimately, however, to bring about change on the scale needed to innovate new business models, companies will have to appoint a leader to explore how online workforce platforms can unlock new sources of value. This has to be somebody from the C-suite. It might be the CTO, the CMO, the CFO, or the CHRO—we've seen successful examples of each.

In the end, of course, it's not titles that matter. It's finding leaders who understand their companies' strategic positioning, who recognize the revolutionary potential of engaging with the

on-demand workforce, and who can inspire a cultural shift in their organizations that will make a genuine transformation possible.

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Blackmagicdesign

Introducing ATEM Mini Pro

The compact television studio that lets you create presentation videos and live streams!

Blackmagic Design is a leader in video for the television industry, and now you can create your own streaming videos with ATEM Mini. Simply connect HDMI cameras, computers or even microphones. Then push the buttons on the panel to switch video sources just like a professional broadcaster! You can even add titles, picture in picture overlays and mix audio! Then live stream to Zoom, Skype or YouTube!

Create Training and Educational Videos

ATEM Mini's includes everything you need. All the buttons are positioned on the front panel so it's very easy to learn. There are 4 HDMI video inputs for connecting cameras and computers, plus a USB output that looks like a webcam so you can connect to Zoom or Skype. ATEM Software Control for Mac and PC is also included, which allows access to more advanced "broadcast" features!

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ATEM Mini is really a professional broadcast switcher used by television stations. This means it has professional effects such as a DVE for picture in picture effects commonly used for commentating over a computer slide show. There are titles for presenter names, wipe effects for transitioning between sources and a green screen keyer for replacing backgrounds with graphics.

Live Stream Training and Conferences

The ATEM Mini Pro model has a built in hardware streaming engine for live streaming via its ethernet connection. This means you can live stream to YouTube, Facebook and Teams in much better quality and with perfectly smooth motion. You can even connect a hard disk or flash storage to the USB connection and record your stream for upload later!

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With so many cameras, computers and effects, things can get busy fast! The ATEM Mini Pro model features a "multiview" that lets you see all cameras, titles and program, plus streaming and recording status all on a single TV or monitor. There are even tally indicators to show when a camera is on air! Only ATEM Mini is a true professional television studio in a small compact design!

ATEM Mini.....**US\$295**
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Reengineering the Recruitment Process

The skills needed in many roles are continually changing—and sources of talent are too.

THE COVID-19 PANDEMIC has upended many traditional business practices. When it comes to recruiting, the crisis has not so much disrupted as accelerated shifts in the talent landscape that were already under way, leaving many companies poorly served by their current hiring practices. In a period of steep unemployment, it might seem that companies looking to add workers

would be in the driver's seat. But job openings have also been rising in recent months, meaning that competition for top talent remains keen—and in uncertain times, bringing on the right people is more important than ever.

A recent study from research and advisory firm Gartner examines those shifts in the workforce landscape and lays out a road map for navigating the

new one. The researchers identified three trends that are rendering traditional recruitment tactics obsolete.

First, the skills needed in many roles have an increasingly short shelf life, owing in part to more-frequent and disruptive technological breakthroughs. A 2019 survey of 3,500 managers found that only 29% of new hires have all the skills required for their current roles, let alone for future ones. The research finds that in key functions such as finance, IT, and sales, positions filled today will require up to 10 new skills within 18 months. It also documents rising uncertainty about what skills will be needed in current and future jobs as the surge in remote work sparks the redesign or automation of many tasks.

Second, the talent pools recruiters have routinely tapped are becoming outmoded. Highly gifted candidates can now be found outside traditional talent clusters, such as leading universities and technical colleges. More and more people are acquiring critical skills informally on the job—or even in their own basements. “Work lulls and layoffs have driven a boom in virtual learning, giving workers new autonomy in developing skills outside their day jobs,” the researchers write.

Finally, candidates are increasingly selective about whom they work for, so firms need a compelling “employment value proposition,” which might involve anything from competitive compensation and benefits to career-development opportunities and a reputation for stellar management. Talented candidates, particularly at high levels, are weighing opportunities differently. Factors such as meaningful work and proximity to



family have taken on added importance during the pandemic. The freedom (often the imperative) to work remotely and to manage one's own schedule has increased employees' expectations that they can exert considerable control over the design of their jobs. Especially in a period of high unemployment, the researchers say, when people are reluctant to leave a secure position and take a chance on a new one, companies need to offer employee experiences that candidates truly value.

To adjust to these trends and build the workforces they need, companies should focus on two key courses of action.

Hire for potential, not experience. The first step in adjusting to the new landscape is to stop thinking about hiring as a matter of replacing specific employees, the researchers say. When looking to fill a vacancy, too often managers simply put together a profile mirroring that of the person who has left, perhaps tacking on a few new requirements—the equivalent of saying, “I want Sally plus these three other qualifications,” the researchers write. At best, this yields candidates who are prepared for yesterday's challenges but probably not ready for tomorrow's.

Human resources leaders should push hiring managers to look beyond the immediate needs of their business units and consider what skills the larger organization must acquire to succeed in the future. “The first question HR asks a hiring manager shouldn't be ‘Who do you need?’ The better question is ‘What do we need?’” says Dion Love, a vice president in Gartner's HR practice. “HR executives are positioned to drive this conversation because they should have

an understanding of long-term talent gaps at the organizational level.”

Hiring for skills presents its own challenges, of course, including designing assessments that reliably identify potential. “Employers are asking, ‘How can I test for curiosity? For learning agility?’” says Lauren Smith, also a vice president in Gartner's HR practice. “They are scanning résumés for indicators such as success in a variety of roles and for transportable rather than industry-specific experience. It's no longer a question of ‘Is this person credentialed?’”

When hiring managers place less emphasis on academic degrees, certifications, and formal experience, they will naturally look beyond traditional talent pools—the second course of action. Recruiters should target the “total skills market,” looking at in-house talent with adjacent skills, candidates whose skills are self-taught, and—especially with the ubiquity of remote work—people in different geographic locations. Recruiting outside high-priced talent clusters can reduce costs. It should also boost diversity, because nontraditional pools tend to contain more women and people of color than are found in the usual recruiting hot spots.

Move beyond Ping-Pong and free snacks. It's critical that companies understand how candidates view them, the researchers say, and if necessary, find ways to boost those perceptions. Prospective hires are scrutinizing organizations' responses to the pandemic and looking to see how companies have helped—or failed to help—their employees find a comfortable work/life balance. In a survey of 2,800 job candidates conducted as part of the research, 65%

reported halting the application process because they found some aspects of the job or the company unattractive. “The increased scrutiny and workers' demand for more influence...make it difficult for recruiters to rely on their usual incentives,” the researchers write.

In managing their employee value propositions, organizations might take a page from the playbook of consumer goods companies. “Firms must understand candidates' expectations” and craft positions accordingly, “in the same manner in which they tailor their products to customers,” Love says. HR departments at some leading companies hold focus groups to assess job seekers' expectations, benchmark their offerings against those of competitors, and scour social media and job-review sites such as Glassdoor to understand how they are viewed by current, past, and potential employees.

The pandemic is challenging companies to rethink traditional ways of doing business—thus providing an opportunity to reform outdated recruiting practices. “In my conversations with clients, I've found that the pandemic has opened their eyes,” Love says. “The world was already transforming, but now the changes are much easier to see.”  **HBR Reprint F2102A**

by *HBR editors*

About the research: “Advancing Recruiting's Value Through Uncertain Times: Shaping the Workforce,” by Gartner (white paper)

CYNTHIA BURKHARDT:

“We Are Seeing Talent Emerge in Unlikely Places”



As the global head of talent acquisition at health tech giant Philips, **Cynthia Burkhardt** oversees the filling of some 15,000 positions a year. She spoke with HBR about how the company is adjusting recruitment practices during the Covid-19 pandemic. Edited excerpts follow.

HBR: How has the pandemic changed the talent market?

BURKHARDT: We've been talking for some time about

the dispersion of skills outside tech clusters, but Covid has accelerated the timeline. People in lockdown have embraced online learning, and now we are seeing talent emerge in unlikely places. One example is a chef whose restaurant had to close, so she taught herself to program in [the computer language] Python.

How has this changed your approach to recruiting?

Our approach is different for

managers and business leaders. For business leaders, we try to speak their language and focus on balancing quality with cost savings. We've created a tool that merges HR, finance, and population data, along with information about the labor market, which business leaders can use to build various workforce scenarios. What would happen if I hired 80 architects in Bangalore instead of in Eindhoven? If I used contract workers instead of hiring FTEs? If we hired more talent from universities rather than recruit experienced professionals? This data helps us question our assumptions about the types of workers we need and where to find them. And as a result, we aren't as homogenous now. We're tapping into new geographies and more-diverse types of workers to get the jobs done.

And at the manager level?

We are fortunate to have relatively low turnover at Philips. But that means our managers are not always aware of changes going on in the talent market. We strive to show them that the modern practice of hiring for skills can be more beneficial than hiring for résumés. We try to help them think more strategically, instead of reflexively trying to find a replacement candidate with the same credentials as the person who previously held the job. We say, “Let's not talk about the job title; let's talk about the objectives of the job and the skills needed to achieve them.”

We also use peers to help assess candidates in a program

called Bar Raisers. For example, managers may not have the technical expertise to evaluate certain candidates, so they partner with software developers who test applicants and offer feedback. In doing so, the developers become adept at quickly spotting top talent.

How do you hire differently in a candidate's market?

You have to be aggressive, particularly with hard-to-fill roles. You also have to tailor your recruitment approach and communications to the position; an engineer cares about different things than a sales executive does. We equip recruiters with “battle cards” on companies where we commonly look for talent. The cards provide continually updated information about the companies—press releases, Glassdoor and LinkedIn content, stock price, and so on—and highlight the areas in which we are the more attractive employer.

For instance, software developers typically prefer to work on a variety of high-impact projects, so Philips built a software center of excellence to rotate developers around the business. That sets us apart from our rivals, and candidates have responded well. Speaking to candidates about corporate purpose is also essential. When the pandemic hit, our work building ventilators and the stories coming from our employees were inspiring. We feel that our corporate purpose of improving lives gives us an edge in attracting top talent. ☺



RECRUITING AND RETAINING

ORIGINALLY PUBLISHED MAY 2010

How to Keep Your Top Talent

One-quarter of the highest-potential people in your company intend to jump ship within the year. Here's what you're doing wrong.

→ by JEAN MARTIN and CONRAD SCHMIDT

PRACTICALLY EVERY COMPANY these days has some form of program designed to nurture its rising stars. With good reason—these high-achieving individuals can have an enormous impact on business results.

Programs aimed at this class of talent are usually organized around some sort of annual nomination process and offer targeted leadership-development opportunities such as business rotations and special stretch assignments. But de-

spite the prevalence of these programs, most haven't delivered much in the way of results. Our recent research on leadership transitions demonstrates that nearly 40% of internal job moves made by people identified by their companies as "high potentials" end in failure.

Moreover, disengagement within this cohort of employees has been remarkably high since the start of the recession: In a September 2009 survey by the Corporate Executive Board, one







in three emerging stars reported feeling disengaged from his or her company. Even more striking, 12% of all the high potentials in the companies we studied said they were actively searching for a new job—suggesting that as the economy rebounds and the labor market warms up, organizations may see their most promising employees take flight in large numbers.

Why do companies so often end up with a shortfall in their talent pipeline? And what distinguishes organizations that have been able to prepare their rising stars for postpromotion success? Working directly with human resources officers, we and our research team at the Corporate Leadership Council have examined current practices to identify what works (and what does not). We have studied more than 20,000 employees dubbed “emerging stars” in more than 100 organizations worldwide over the past six years, exploring how they viewed their employers, how they were managed, and how they reacted to changes in the economy.

Throughout different industries and countries, and in both booms and busts, our findings were consistent: With startling clarity, they showed that most management teams stumble badly when they try to develop their next generation of leaders. Senior managers tend to make misguided assumptions about these employees and take actions on their behalf that actually hinder their development. In isolation or in combination, these mistakes can doom a company’s talent investments to irrelevance—or worse. In this article we’ll take a closer look at the six most common errors, and by highlighting

what some organizations are doing right, we’ll show what can be done to correct them.

MISTAKE 1

Assuming That High Potentials Are Highly Engaged

You’ve assembled the newest crop of candidates for your fast track, and your CEO is about to step forward to address the group. The room is filled with bright, shining talent. It would seem fair to assume that this group, of all the crowds you could have assembled, comprises people who are enthusiastic about your company. But if your young stars are anything like those at the companies we’ve studied:

- One in four intends to leave your employ within the year.
- One in three admits to not putting all his effort into his job
- One in five believes her personal aspirations are quite different from what the organization has planned for her.
- Four out of 10 have little confidence in their coworkers and even less confidence in the senior team.

Why all the negativity? Our study of this group suggests two main reasons: outsized expectations and lots of alternatives. Many of these employees set an incredibly high bar for their organizations. Precisely because they work harder (and often better) than their peers, they expect their organizations to treat them well—by providing them with stimulating work, lots of recognition, compelling career paths, and the chance to prosper if the organization does. So when the organization is struggling—as most are these days—your star players are the first to be disappointed.

Meanwhile, they are much more confident than their rank-and-file peers about their ability to find new jobs and are much less passive about researching other opportunities. As a result, when organizations cut back and ask employees to “tough it out,” the stars will be the first to say, “No thanks. I’d rather find an employer who appreciates the high level of contributions I’m making.”

The downturn has also taken a measurable toll on morale. Since 2007, when companies began adjusting their strategies and curbing spending in response to the weakening economy, employee engagement has plunged. The number of employees who can be described as “highly disengaged”—those most critical of their coworkers, admittedly reducing their effort, and looking for new employment opportunities—has more than doubled, from 8% in the first half of 2007 to 21% at the end of 2009. And as noted earlier, that figure is especially high among star players.

The disenchantment of high potentials has troubling implications for companies. In our research, we found that discretionary effort (that crucial willingness to go above and beyond) can be as much as 50% lower among highly disengaged employees than among their colleagues with average engagement. No CEO, especially in the current environment, can afford to lose so much productivity from a company’s core contributors.

It may seem obvious, but the solution is for senior management to double (or even triple) its efforts to keep young stars engaged. That means recognizing them early and often, explicitly linking their individual goals to corporate ones,

and letting them help solve the company's biggest problems.

It also means regularly taking the temperature of these valuable employees. In China's rapidly growing market, where finding and retaining talent is especially challenging, multinationals are paying careful attention to their satisfaction. Shell has appointed career stewards who meet regularly with emerging leaders, assess their level of engagement, help them set realistic career expectations, and make sure they're getting the right development opportunities. Executives at Novartis have created a simple checklist to get a read on how crucial employees in China are feeling. Managers rate their relationships with those employees and stars' happiness with their jobs, career opportunities, and work-life balance. The checklist raises the red flags—and managers, with support from the company's HR team, address them quickly.

Even when the bonus pool is running dry, companies can still get up-and-coming talent excited. One retail company rewards its stars by running banner ads celebrating their successes on its intranet, offering them telecommuting or other flexible work options, and even naming companywide initiatives after them. A large manufacturer we studied gives its rising stars privileged access to online discussion boards, led by the CEO, that are dedicated to the company's biggest challenges. Emerging leaders are encouraged to visit the boards daily to share ideas and opinions and to raise their hands for assignments. The site not only boosts their involvement and captures innovative ideas but also gives the CEO and other

senior leaders a direct line to the company's best and brightest.

MISTAKE 2 **Equating Current** **High Performance with** **Future Potential**

The "high potential" designation is often used, at least in part, as a reward for an employee's contribution in a current role. But most people on your leadership track will be asked to deliver future results in much bigger jobs—a consideration that often gets overlooked when senior management anoints elite talent.

It's true that not many low performers have high potential. But it's wrong to assume that most high performers do. Our research shows that more than 70% of today's top performers lack critical attributes essential to their success in future roles. The practical effect of this is that the bulk of talent investments are being wasted on individuals whose potential is not all that high.

What are the attributes that best define rising stars? Our analysis pinpoints three that really matter: ability, engagement, and aspiration. *Ability* is the most obvious attribute. To be successful in progressively more important roles, employees must have the intellectual, technical, and emotional skills (both innate and learned) to handle increasingly complex challenges. No less important, however, is *engagement*—the level of personal connection and commitment the employee feels toward the firm and its mission. As suggested earlier, this attribute should not be taken for granted—and just asking employees if they are satisfied with their jobs isn't enough. Instead, try this simple but



Idea in Brief

Nearly 40% of internal job moves involving high potentials end in failure. If you want to keep your rising stars on track...

1. Don't just assume they're engaged. If emerging leaders don't get stimulating work, lots of recognition, and the chance to prosper, they can quickly become disenchanted.

2. Don't mistake current high performance for future potential. Stars will have to step up into tougher roles. Explicitly test candidates for three critical attributes: ability, engagement, and aspiration.

3. Don't delegate talent development to line managers. That only limits stars' access to opportunities and encourages hoarding of talent. Manage the quantity and quality of high potentials at the corporate level.

4. Don't shield talent. Place stars in "live fire" roles where new capabilities can—or must—be acquired.

5. Don't assume high potentials will take one for the team. A critical factor determining a rising star's engagement is the sense that she is being recognized—primarily through pay. So offer A players differentiated compensation and recognition.

6. Don't keep young leaders in the dark. Share future strategies with them—and emphasize their role in making them real.

1 in 3

high-potential employees admits to not putting all his effort into his job

1 in 4

believes he will be working for another employer in a year

1 in 5

believes her personal aspirations are quite different from what the organization has planned for her

powerful question: “What would cause you to take a job with another company tomorrow?” This query prompts people to share their underlying criteria for job satisfaction and to list which of those elements are missing.

Similarly, managers should not make assumptions about promising employees’ levels of *aspiration*. This third critical attribute—the desire for recognition, advancement, and future rewards, and the degree to which what the employee wants aligns with what the company wants for him or her—can be extremely difficult to measure. In our experience, it is best to be direct with high-potential candidates, asking pointed questions about what they aspire to and at what price: How far do you hope to rise in the company? How quickly? How much recognition would be optimal? How much money? And so on. (Of course, these responses should be balanced against individuals’ “softer” objectives involving work-life balance, job stress, and geographic mobility.)

Shortcomings in even one of the three attributes can dramatically reduce candidates’ chances for ultimate success. (See the sidebar “The Ways High Performers Can Fall Short.”) And the cost of misidentifying talent can be high. You might, for instance, invest dollars and time in a star who jumps ship just as you are looking for her to take the lead on a project or problem.

Senior leaders need to find a good way to assess top performers on each of the three dimensions. (See “Measuring Employee Potential.”) Companies such as AMN Healthcare have done just that—building their annual talent-assessment

processes around measures for ability, engagement, and aspiration. Last year, as part of its annual succession-planning process, AMN Healthcare conducted interviews with more than 200 rising leaders, specifically to get a read on their engagement and aspiration levels. This information, combined with managers’ assessments of ability, gives AMN a clear picture of its bench strength. “Our executive committee has far more confidence in the employees identified as high potentials since we started using this model,” says Laurie Jerome, the company’s vice president of learning and talent development.

MISTAKE 3

Delegating Down the Management of Top Talent

It’s easy to understand why most companies do this: Line managers know their people best and have a very concrete view of their strengths and weaknesses. Most organizations also recognize the economic benefit of delegating talent management to line leaders—when corporate and HR budgets are limited, it shifts the costs of development programs from headquarters into the budgets of business units.

That said, it is a bad idea to delegate management of high potentials to line managers. These employees are a long-term corporate asset and must be managed accordingly. When you leave the task of identifying and cultivating tomorrow’s leaders exclusively to the business units, here’s what tends to happen: Candidates are selected solely on the basis of recent performance. They are offered narrow development opportunities that are limited by the

business units’ scope of requirements and focus mostly on skills required now rather than tomorrow. Talented employees can also be hoarded by line managers—collected and protected and certainly not shared.

Responsibility for high potentials’ development must be shared by general managers. Johnson & Johnson’s LeAD program offers a great example of this approach. As part of J&J’s organizational and talent review process, the company’s managers select individuals they believe could run a business (or a bigger business) in the next three years to participate in LeAD. The program lasts nine months in total. During this time, participants receive advice and regular assessments from a series of coaches brought in from outside the company. They also must develop a growth project—a new product, service, or business model—intended to create value for their individual units. Each candidate’s progress in this regard is evaluated during a leadership session that is held in an emerging market such as China, India, or Brazil in order to increase participants’ global knowledge. Graduates leave the program with a multiyear individual development plan and are periodically reviewed by a group of senior HR heads for further development and reassignment across the corporation.

J&J managers believe that the LeAD process has accelerated individual development. “More than half of the LeAD participants have already moved on to bigger positions in the company, and the program has been in existence just three years,” says Corey Seitz, vice president of global talent management



at the company. One program participant told us, “It was an incredible experience—one that will certainly improve my ability to lead and contribute to J&J.” The company has found that when top talent is seen as a critical organizational asset to be developed by senior leaders across the firm—and made to feel like right-hand partners to management—the group’s ability and willingness to contribute to the firm dramatically increases.

MISTAKE 4

Shielding Rising Stars from Early Derailment

In many talent-development programs, a central concern is derailment—or the failure or underperformance of a candidate at the next level. Human resources executives and line managers alike will go to great lengths to ensure that employees with promise are placed in training assignments that provide a bit of a stretch but little real risk of failure. That’s understandable; they want to avoid disrupting the business. So most high-potential rotation programs rely on an annual session in which open positions at that point of the calendar year are matched to candidates with the best chances of success. These rotations typically cover various functions and business units—under controllable levels of danger to all concerned.

By being too cautious, however, HR executives and managers can thwart employees’ development and put the business at greater risk in the long term: Emerging talent is never truly developed and tested, and the firm finds itself with a sizable cadre of middle and senior managers who can’t shoulder the

10 Critical Components of a Talent-Development Program

In our research, we uncovered a core set of best practices for identifying and managing emerging talent.

Explicitly test candidates in three dimensions: ability, engagement, and aspiration.

Emphasize future competencies needed (derived from corporate-level growth plans) more heavily than current performance when you’re choosing employees for development.

Manage the quantity and quality of high potentials at the corporate level, as a portfolio of scarce growth assets.

Forget rote functional or business-unit rotations; place young leaders in intense assignments with precisely described development challenges.

Identify the riskiest, most challenging positions across the company, and assign them directly to rising stars.

Create individual development plans; link personal objectives to the company’s plans for growth, rather than to generic competency models.

Reevaluate top talent annually for possible changes in ability, engagement, and aspiration levels.

Offer significantly differentiated compensation and recognition to star employees.

Hold regular, open dialogues between high potentials and program managers, to monitor star employees’ development and satisfaction.

Replace broadcast communications about the company’s strategy with individualized messages for emerging leaders—with an emphasis on how their development fits into the company’s plans.

demands of the company’s most challenging (and promising) opportunities.

True leadership development takes place under conditions of real stress—“the experience within the experience,” as one executive told us. Indeed, the very best programs place emerging leaders in “live fire” roles where new capabilities can—or, more accurately, must—be acquired.

A great example here is Procter & Gamble. Several years ago managers in the company’s flagship Family Care division identified a set of complex, high-

impact positions that offered particularly quick development and learning—for instance, “brand manager for a leading product” or “director of marketing for a new segment or region.” Division managers dubbed these “crucible roles” and began a concerted effort to fill 90% of them with high potentials. Candidates had to pass through three screens to be eligible: They had to have adequate qualifications to perform well in the particular crucible role, stellar leadership skills, and a clear developmental gap the crucible role could help fill.



Through this program, P&G has measurably increased the percentage of employees qualified for promotion: More than 80% of P&G's high-potential employees are ready to take on critical leadership roles each year—putting the company at a tremendous talent advantage when the going gets tough.

MISTAKE 5

Expecting Star Employees to Share the Pain

Great leaders elect to suffer alongside the rank and file—and sometimes more, in the tradition of the captain who goes down with the ship. So it might seem that your star employees would embrace that same sense of honor and duty. Not so fast. Particularly in difficult business environments, the decision by a senior executive team to freeze or cut salaries and performance-based compensation across the board may seem fair, but it erodes the engagement of the stars. (Recall that one of the most important factors determining a rising star's engagement is the sense that he or she is being recognized—primarily through pay.) The head of human resources at a leading U.S. financial services firm recently bemoaned to us the general unwillingness of his firm's business leaders to differentiate among employees' performances and to direct scarce merit pay to the highest-performing and highest-potential people. Such well-intentioned egalitarianism is a critical mistake.

Our research indicates that under normal circumstances, high potentials put in 20% more effort than other employees in the same roles. Their contributions may be even larger in

The Ways High Performers Can Fall Short

The sobering truth is that only about 30% of today's high performers are, in fact, high potentials. The remaining 70% may have what it takes to win now but lack some critical component for future success. Indeed, our analysis suggests that individuals in this latter group fit into one of three common archetypes:

1. Engaged Dreamers

Engaged dreamers have high levels of engagement and aspiration, but insufficient ability to succeed in more challenging roles. Only about 7% of current high performers fall into this category. Unless the organization can significantly—and quickly—raise these employees' talent and skill levels, the probability that they will succeed at the next level is effectively zero.

2. Disengaged Stars

Frighteningly, more than 30% of today's high performers suffer from a lack of engagement. They have the ability and aspiration to be high potentials but are insufficiently committed to the organization to be prudent bets for long-term success. Indeed, employees who exhibit this profile have only a 13% chance of succeeding at the next level. This group represents a sizable opportunity, however: Organizations can heavily influence employees' engagement levels—if they're paying attention.

3. Misaligned Stars

This group accounts for 33% of current high performers. Misaligned stars have both the ability and engagement needed to successfully take on more critical

responsibilities, but either don't aspire to the roles available at more senior levels or don't choose to make the sacrifices required to attain and perform those high-level jobs. Their lack of aspiration is less damaging to their potential than a lack of engagement or ability, as evidenced by their 44% chance of success at the next level. But organizations must triage them to separate those whose aspirations might change from those whose long-term career and personal goals would be better accommodated in another organization.

constrained organizations, where stars tend to be carrying a disproportionate share of the workload because of recent downsizing efforts or restructuring. When you consider that—alongside our discovery (through conversations with recruiting executives) that many firms are actively creating “hit lists” of talent they can target at other firms, and the data showing a significant drop in

“intent to stay” scores among top employees—an alarming picture emerges.

During tight fiscal times, it actually costs less to create meaningful differentiation in compensation—even without the jet fuel of (now out-of-favor) stock options. Modest cash or restricted stock grants go further than before, and rank-and-file expectations with respect to

21% of employees were “highly disengaged” at the end of 2009—up from 8% in the first half of 2007

70% of today’s high performers lack critical attributes essential to their success in future roles

merit pay have never been lower. One manufacturing firm recently dedicated a proportion of the dollars saved through layoffs to sweetening the bonus pool for emerging leaders, in order to stave off attrition among them. A retail company we studied has altered salespeople’s compensation plans so that high potentials can reap more of what they sow: It doubles the commission salespeople receive for every dollar sold above their annual goal. And another, smaller manufacturing firm we observed has been quietly buying its high potentials lunch every day this year. Even modest signals can go a long way toward helping talent feel appreciated.

Some executives worry that by giving A players special treatment, they may be creating the perception of a “favored class” at the organization. Indeed, 60% of the firms we studied say they avoid using the “high potential” label publicly. But that doesn’t mean companies shouldn’t make emerging stars feel special. Our research suggests that even employees who haven’t been dubbed high potentials work harder (and seem happier) in a system in which good things (raises, promotions, and the like) happen to the people who deserve them. The bottom line: An employee’s rewards should be in line with his or her contributions. And if you’re treating everyone equally, you’re not doing enough to support and keep the people who matter most.

MISTAKE 6

Failing to Link Your Stars to Your Corporate Strategy

High potentials are acutely aware of the health of the firm and are rightly

focused on the acuity of the senior team’s strategy. In fact, our research shows that their confidence in their managers—and in their firms’ strategic capabilities—is one of the strongest factors in top employees’ engagement. An organization that goes “radio silent” with respect to its strategy—or, even worse, explicitly or implicitly signals a strategy freeze in the midst of economic uncertainty—runs the risk of disengaging its rising stars just when they are needed most.

Firms have developed a number of ways to share their future strategies on a privileged basis with their young leaders and to emphasize their role in making that future real. Some companies send them e-mail updates detailing firm performance and strategic shifts; some invite them to quarterly meetings with high-level executives; and some provide access to an online portal where the company’s strategy is outlined and critical metrics can be viewed. A global information services firm we’ve studied gives its high potentials access to a website that allows them to serve as a kind of “shadow board”—weighing in (and even voting) on corporate direction. As part of its Key Talent Programs, HP offers high potentials the opportunity to attend closed-door briefings on important strategic issues, work in teams to help resolve them, and discuss their final recommendations with senior leaders at the company.

A FIRM’S MOST talented staffers can have meaningful effects across the business. But when burgeoning talent is misidentified, unchallenged, or unrewarded, these individuals become

a drag on overall performance. Even worse, their disengagement and eventual derailment can lead to depleted leadership ranks and damage employee commitment and retention across the firm.

Senior executives need to reinforce the message that the “high potential” designation is not primarily an acknowledgment of past accomplishment but mainly an assessment of future contribution. Their talent-management initiatives must challenge and cultivate rising stars, not just celebrate today’s high achievements. As the head of HR at one technology firm told us, “These are the people who will launch new businesses, find new ways to strip out costs, build better customer relationships, and drive innovation. Really, the future of our organization is in their hands.” ☺

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RECRUITING AND RETAINING

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CASE STUDY

Should You Fight to Keep a Star?

→ by BORIS GROYSBERG

HBR's fictionalized case studies present problems faced by leaders in real companies and offer solutions from experts. This one is based on the HBS case study "Roller Coaster Ride: The Resignation of a Star" (case no. 405031-PDF-ENG), by Boris Groysberg, Steve Balog, and Jennifer Haimson, which is available at [HBR.org](https://hbr.org).

DO YOU HAVE a few minutes to talk?

The Slack message from Alysha Stark made Connor Stephenson uneasy. He was the managing director of equity capital markets at Paulson & Harper, a Chicago-based boutique investment bank, and Alysha was one of the directors on his team. She'd been leading the upcoming deal with MicroBase, and

things had been going well. But Connor knew that urgent meeting requests were often bad news.

Sure, he typed. I'm free now.

When Alysha stepped into his office, she closed the door and sat down across from him.

"I might as well come right out with it," she said. "I'm resigning."

Connor's heart sank. He didn't know how the firm could handle MicroBase without Alysha; she was the only person at P&H who knew the intricacies of the semiconductor industry.

"Where are you going?" he asked. He tried to keep his voice calm, though he felt something between panic and anger.

"I'm taking a job at Randall," she replied. Connor visibly winced. Randall was one of P&H's competitors.

"They're offering me 20% more base pay, plus a higher bonus range," she explained.

Just two months earlier, Connor had asked Alysha about the rumors that she was thinking of leaving. She had reassured him: "We all get calls, of course, but nothing I would consider." Connor had believed her. After all, her recent bonus had been generous, and she was on track for a promotion to managing director.

"Who else knows?" he asked.

"Right now, just my family. And Trent, of course."

Trent Tucker was an up-and-coming associate who worked closely with Alysha, and they made a powerhouse team. Connor instantly realized that Trent might follow her—such moves were common in their industry. But it was good that Alysha had been discreet so far. If others knew that one of the firm's best bankers was about to leave for Randall, it could hurt morale, not to mention the MicroBase deal. At least now he—and HR—would have more leeway to negotiate. At a previous firm, he'd made the mistake of extending a counteroffer to a VP being wooed by a rival, and then he'd spent the next six months fielding raise requests from the rest of his team.

Connor knew that many firms had a no-counteroffer policy; their attitude was "If you want to quit, quit." But P&H took it case by case. Leaders would discuss deals with people they truly wanted to retain, while letting less valuable employees go.¹ Alysha most certainly fell into the first category.





"I know the timing isn't ideal," she said now.

"It's not," he replied. They were set to start raising a new round of funding for the semiconductor company in the coming quarter. "But I'm not only worried about MicroBase; I'm concerned about you and your future. We're one of the top boutique firms in the country. Why do you want to leave? Is it really about the money?"

"That's only part of it. I'm just ready for a change—or I will be, after the mandatory few months off.² I'm getting stale here, and I'm really intrigued by the culture at Randall."

Connor tried to read between the lines. Did Alysha feel uncomfortable at P&H? Was she implying that as a Black woman, she'd be treated better at Randall?³

"Alysha," he said, "you know how much you're valued here. We all see you as a future leader of this firm. Can you give us a shot at keeping you?"

Alysha started to shake her head, but Connor kept going: "Just give me the rest of the day to see what we can come up with. I don't want you to make this decision lightly. And I can't tell you how sad I'd be to lose you as a colleague." With that, Alysha's expression softened. She promised to wait the day out in the conference room and consider a counteroffer.

Not That Many Alyshas

As soon as Alysha left his office, Connor texted Malik Turner and arranged to meet him in the downstairs café. Malik, a fellow managing director who focused on M&A, was his closest friend at the

firm. While filling him in, Connor felt his resentment rising.

"Maybe I shouldn't fight to keep her. I mean, maybe it's more like 'good riddance,'" he said.

"Good riddance to Alysha? We're still talking about your favorite team member, right?" Malik asked, confused.

"Yes, I know. But two months ago she said she wasn't looking to make a switch. Then clearly she interviewed behind my back."

"OK, so you feel betrayed. But did you really expect her to tell you that Randall was trying to poach her? No one does that."⁴

"And think about it," Malik continued. "She's an incredibly talented Black female investment banker focused on tech. Of course she's going to get offers."⁵

Connor had to admit that he knew how much in demand talent like Alysha was. But he'd let his conversation with her too easily assuage his concerns.

"Have you talked to Joshua yet?" Malik asked. Joshua Schafer was the president and cofounder of the firm.

"We had a quick text conversation. He said that he trusts me to figure out what's best and that he'll have my back."

"Good. Now what about Trent? Does he know enough about MicroBase to jump in?"

"He's smart, and he knows a lot. But he's more junior than Alysha is, and the client is not going to see him the same way they see her. I'll have to step in myself, and I'm already spread thin. Plus, I'm sure he's got an offer from Randall as well."

"OK, here's your game plan. Talk to Trent and find out what he's thinking.

Then have HR get on the phone with some recruiters to see who else might be out there."

Connor rolled his eyes. Of course he needed to consider external candidates, but given P&H's hiring protocols, there was no way he'd have someone in the role soon enough to get moving on MicroBase.

"If I were you, Con, I'd put together a counteroffer.⁶ There aren't that many Alyshas in this business. Losing her—and perhaps Trent—would be bad for you and the whole firm."

We Need Continuity

Connor asked Trent to meet him in his office. "I hear Alysha's already told you about her offer."

"She has. It seems like a great opportunity."

"For her?" Connor probed.

"Of course," Trent replied, "and for me too."

"You're thinking about going with her?"

"Well, Randall's made me an offer, and it's more money. But I haven't accepted yet."

Connor knew that pay was often the primary motivator for bankers, but other things also mattered: firm culture, reputation, opportunities, a good team leader. He believed that Trent had to care about P&H's cachet, management's support, and the possibility of an early promotion.

Ordinarily, such rapid advancement for an associate would have been out of the question. But if Alysha were really walking today, elevating Trent was probably Connor's most time- and cost-efficient option.⁷

■ Connor knew that pay was often the primary motivator for bankers, but other things also mattered: firm culture, reputation, opportunities, a good team leader.

“I can’t promise anything yet, Trent, but I’m wondering if a promotion could entice you to stay.”

“That would definitely make me think twice,” Trent said, looking pleased.⁸

“I’ll be straight with you. If Alysha leaves—and I’m still hoping she’ll reconsider—I’d prefer to bring in an established banker with the same level of experience that she has. But I might not be able to do that for a variety of reasons.”

Trent nodded.

“So this could be a great opportunity for you. I’d like to do whatever it takes to keep you. We need continuity on MicroBase. You helped construct all the models, and you’re well-acquainted with the players there.”

“I’m certainly interested,” Trent replied. “Of course, I’d need specifics.”

Connor stood up and shook his hand. “OK. Let me get back to you.” Inside, he felt queasy. Now he was looking at preparing two counteroffers.

Consider the Risks

Early that afternoon, Connor sat down with Liana, an HR manager.

“I’m kicking myself for ignoring all the signs,” he said. “This shouldn’t be a crisis. I should have had a pipeline, been more proactive about succession planning, retention—all of it.”⁹

Liana didn’t respond immediately, and he suspected she agreed with him but didn’t want to rub salt in his wounds.

“Let’s go over your options,” she said, jotting down “Counter,” “Promote,” and “External” on a notepad.

“I guess ‘Go back in time’ isn’t really one of my choices, is it?”

“Afraid not,” Liana said. “Now, I talked to two of our recruiters earlier, and they didn’t sound hopeful about finding someone with Alysha’s expertise in semiconductors. There are people out there, as you know, but most of them have made moves recently, and none of them have her profile.”

“She’s one of the few women in this field—I realize that.”

“And one of fewer women of color, which may be why she’s considering Randall. They’re known for their inclusion initiatives, and they’ve got great diversity on their executive committee.”¹⁰

“And we don’t,” Connor acknowledged.

“No, not yet. But we’re working on it, and we should be sure to communicate that to Alysha.”

“Are those recruiters looking only at the big firms?” Connor asked. “We should check the smaller, regional firms too. That’s where Alysha came from.”

“I’ll follow up with them,” Liana said, “but I think there’s a pretty limited pool to choose from right now, given how hot the semiconductor industry is. Besides, even if we found someone, the hiring, relocation, and onboarding process usually takes two or three months—and longer if we have noncompetes to deal with. Who’s going to cover MicroBase in the meantime?”

“Trent would,” Connor said. “He’s Alysha’s number two.”

“Then I’d lean toward promoting him,” Liana said. “We talk a lot about internal advancement here, and this is a chance to put our money where our mouth is.”

“I’m worried that Trent’s not ready. I’d have to get heavily involved. Can’t we just match Randall’s offer to Alysha?”



Case Study Classroom Notes

1. A 2018 survey of 5,500 hiring managers found that 58% had extended counteroffers to retain employees being recruited by other companies.

2. In the finance world, it’s common for firms to require departing employees to take “gardening leave”—a period of paid time off before they start work for a competitor.

3. In a 2017 Gallup poll, Black employees reported fewer opportunities to learn and grow at work than their white colleagues did.

4. Do employees have a responsibility to tell their managers they’re job hunting?

5. Many companies recruit minority candidates, but Black managers tend to be promoted more slowly and experience less support at work than their white peers.

6. CEB data shows that 50% of employees who accept a counteroffer end up leaving within 12 months.

7. Some experts argue that counteroffers are more cost-effective than internal promotions or outside hires.

8. In a 2017 survey, close to 40% of senior executives and HR leaders agreed that accepting a counteroffer from a current employer will adversely affect one’s career.

9. What exactly should Connor have done to prevent this situation?

10. Fewer than 5% of Fortune 500 board seats are held by women of color.

Liana sighed. “Money may not be what matters to her.”

“It’s the first thing she mentioned this morning,” Connor said.

“We can certainly try that approach, but we need to consider the risks carefully. If we bump up Alysha’s base salary by 20% and give her a higher bonus range, it’s likely that word will get out, and then everyone else will start to feel underpaid. And I don’t have to tell you how corrosive that can be to a culture.”

Connor sighed heavily. *What am I going to do?* he thought. *I need to have a plan by the end of the day.*

Boris Groysberg is the Richard P. Chapman Professor of Business Administration at Harvard Business School, a faculty affiliate at the HBS Gender Initiative, and a coauthor of *Talk, Inc.* (Harvard Business Review Press, 2012) and *Glass Half-Broken* (Harvard Business Review Press, 2021). Twitter: @bgroysberg.



Should Connor match Alysha’s offer, promote Trent, or try to find an external hire? The experts respond.



Mehtab Bhogal is the cofounder of Karta Ventures, a U.S.-based private equity firm.

Connor should extend a counteroffer to Alysha, with her future opportunities at P&H as the centerpiece.

That’s the approach we use at our company. Rather than offering an immediate pay jump, we lay out a road map that explains what it would take for the employee to reach his or her goals.

When people tell us they’re weighing an outside offer, there’s often a deeper issue going on. They may not understand their long-term prospects at the firm, or their manager may not be developing them to their fullest potential.

Connor has made mistakes leading up to Alysha’s resignation—and

assumptions following it. For example, he presumes that she might be leaving because of cultural issues at P&H, but he hasn’t tried to confirm this. His first step should be to find out more from Alysha. Why is she really resigning? Is it because of salary? Does she not see a future for herself at the firm?

If it’s true that Alysha is leaving because she perceives the firm’s culture to be discriminatory or unwelcoming, then Connor should give her an opportunity to help fix the issue for herself and others, perhaps by offering her a role in addressing representation at the firm. However, if money is the core issue, then Connor might need to let Alysha go. In the past, when I offered pay increases to keep people, I found that it encouraged bad behavior; employees courted outside offers just to get a salary boost.

If Connor takes the road map approach with Alysha but she leaves anyway, he should focus on Trent. But



I wouldn't promote him right away. Instead, allow him to lead the MicroBase deal and reward him with a better title and salary after he earns them.

Early in our firm's history, an executive threatened to leave because he felt his cash salary was too low. We tried to help him appreciate his total compensation package and future prospects, but he was still unhappy, so we let him go. As a high-growth firm, we need people who truly believe in the value of equity.

By contrast, another employee wanted to leave not for another job but to pursue an MBA. After I described a few different career paths he could have with us, he decided to stay—without an immediate pay increase.

But you can't get mad at people who receive other offers. When you have talented employees, that's to be expected. So my partner and I encourage people to talk openly with us about any job opportunities and their future. Then we do our best to persuade them to stay.

Ideally, Connor can show Alysha a promising future for herself at P&H. It may be an offer she can't refuse.



Krista Mathews is the chief customer officer at Overstock.com.

Connor has put himself in a tricky situation, and he doesn't have great options.

His best bet may be to handle the MicroBase deal himself.

I don't think he should present Alysha with a counteroffer. Money may be the

first thing she mentioned, but departing employees often use pay as an excuse. It's the easiest explanation and saves them from talking about other concerns that are more difficult to express. Connor might be able to keep Alysha by delving into—and solving—those problems. But he doesn't have a lot of time, and her mind may already be made up.

I also don't like the other options that he and Liana have laid out. Trent's not going to know the nuances of the MicroBase relationship, and an external hire will take too long to ramp up. Instead, Connor has to step in himself.

I was in a similar situation recently when one of my direct reports left for another job. His work was critical to meeting our strategic goals, so I got deeply involved in the program he was running and cleared my calendar for his duties. That's what Connor needs to do here. Perhaps Trent will want to stay on at P&H with a view to an early promotion and a pay raise. But I don't think it's wise to make him a counteroffer now either.

Once this crisis is over, Connor should think about how he can better manage people like Alysha and Trent in the future. Step one is to ensure that everyone on his team feels valued. I learned that lesson early in my career. I was about to give one of my best employees a promotion, but when I asked her to go for a walk so I could share the news, she started crying, thinking she was getting fired. I'd somehow failed to let her know how much I appreciated her. Now I ask myself all the time: Am I reminding my people—in language they understand—how much they bring to the organization? Connor should do the same.

Connor could also get better at noticing—even proactively looking for—signs of discontent. I have quarterly development conversations with all my direct reports and “skip-level meetings” with the rock stars on their teams—the Trents of my world. I check in with them about where they are in their careers, what they're enjoying about their current roles, and what's draining them. I get a good sense of which folks are flight risks and then take steps to retain them, whether it's giving them bigger challenges, removing obstacles, or even finding them a more suitable role on another team.

I expect every one of my employees to be able to answer what I call “the lottery question”: If you won a huge sum of money and left the company, who would replace you? Then we discuss whether the likely successor is ready and, if not, how we can fix that.

There are also organization-level improvements that P&H could make. For starters, it should consider beefing up its noncompete clause. When I worked at Target.com, half of the 50 or so employees on the merchandising team went to Amazon within a year because we didn't then have a noncompete. The company does now!

Obviously, P&H also needs to make sure that its all-star employees feel supported. Every organization should be focused on creating a culture where people can bring their authentic selves to work. If that's not happening, invaluable employees such as Alysha are likely to walk out the door. ☹

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Making Exit Interviews Count

This underused practice can be a powerful tool for retention.

→ by EVERETT SPAIN and BORIS GROYSBERG

AN INTERNATIONAL FINANCIAL services company hired a midlevel manager to oversee a department of 17 employees. A year later only eight remained: Four had resigned and five had transferred.

To understand what led to the exodus, an executive looked at the exit interviews of the four employees who had resigned and discovered that they had all told the same story: The manager lacked critical leadership skills, such as showing appreciation, engendering commitment, and communicating vision and strategy. More important, the interviews suggested a deeper, systemic problem: The organization was promoting managers on the basis of technical rather than managerial





skill. The executive committee adjusted the company's promotion process accordingly.

The greater goal for any company, of course, is to retain valued employees. Research has shown that high turnover predicts low performance and that an organization with turnover lower than its competitors' can be at a considerable advantage—particularly if it retains its top performers. If people are leaving an organization in ever-increasing numbers, figuring out why is crucial. And the most useful tool for doing so is one that too few leaders pay attention to: exit interviews. According to our research, many companies don't even conduct these interviews. Some collect exit interview data but don't analyze it. Some analyze it but don't share it with the senior line leaders who can act on it. Only a few collect, analyze, and share the data and follow up with action. The company mentioned above is in this final group, and it's undoubtedly better for it.

In today's knowledge economy, skilled employees are the asset that drives organizational success. Thus companies must learn from them—why they stay, why they leave, and how the organization needs to change. A thoughtful exit-interview (EI) process can create a constant flow of feedback on all three fronts.

Though we are unaware of research showing that EIs reduce turnover, we do know that engaged and appreciated employees are more likely to contribute and less likely to leave. If done well, an EI—whether it be a face-to-face conversation, a questionnaire, a survey, or some combination of those methods—can catalyze leaders' listening skills, reveal what does or doesn't work inside

the organization, highlight hidden challenges and opportunities, and generate essential competitive intelligence. It can promote engagement and enhance retention by signaling to employees that their views matter. And it can turn departing employees into corporate ambassadors for years to come. Indeed, of all talent-management processes, a strategic EI program—one that is designed to yield ongoing, long-term benefits—may be one of the most powerful yet least understood.

The State of Exit Interviews

Too often EI programs fail to either improve retention or produce useful information. We've identified two reasons why. The first is data quality. The usefulness of an EI depends utterly on the honesty and forthrightness of the departing employee. People may be less than candid on their way out the door for many reasons. Some feel pressed for time or unmotivated to explore their feelings. They may not want to say anything negative about a supervisor they like, or anything at all about a supervisor they don't like. As one HR leader at a European mining company puts it, "Are they really going to tell you they're leaving because they don't like their boss? Probably not, because they want references."

The second reason is a lack of consensus on best practices. The goals, strategies, and execution of EI programs vary widely, and the findings and recommendations from empirical studies are often vague or conflicting. But in our view, the deepest problem is that many organizations use EI programs as an ex-

cuse not to have meaningful retention conversations with current employees.

To get a clearer sense of the state of EI processes and outcomes, in 2012 and 2013 we surveyed 188 executives and interviewed 32 senior leaders. They represented 210 organizations in 33 industries, headquartered in more than 35 countries. Many interviewees were personally responsible for leading the exit process at their companies, and some reported on their own experience of leaving an organization.

Three-quarters of the companies in our study conducted some type of an EI for at least some departing employees. Of those, 70.9% had their HR departments handle the process; 19% had the departing employees' direct supervisors do it; 8.9% delegated the job to the direct supervisor's manager; and 1% turned to external consultants. About 8.2% of organizations used more than one interviewer. Only 4.4% used questionnaires; 1.9% used a questionnaire accompanied by a face-to-face or a telephone interview, and 2.5% used questionnaires as the sole form of EI.

Regardless of method, the effectiveness of an EI program should be measured by the positive change it generates. We asked the executives whose companies had programs to name a specific action taken as the result of an EI (a policy change or an intervention in HR, operations, marketing, or some other function). Fewer than a third could cite an example. Thus two-thirds of existing programs appear to be mostly talk with little productive follow-up. It's not surprising that many people we spoke with believe that exit interviews have a negative return on investment.

■ Most exit interviews are conducted during the last week of an employee's tenure, which is probably long after he or she has disengaged.

To better understand why so many programs fail to prompt action, we asked a subset of executives what happened to the data collected from exit interviews. Most said their companies consolidated the data, but fewer than a third of those organizations regularly shared it with senior decision makers. In other words, most companies ignore the strategic value of exit interviews.

Overall Goals

A strategic EI program provides insight into what employees are thinking, reveals problems in the organization, and sheds light on the competitive landscape. In shaping their programs, companies should focus on six goals:

1. Uncover issues relating to HR.

Companies that conduct exit interviews almost always pursue this goal but often focus too narrowly on salary and benefits. To be sure, people need a certain level of financial compensation to remain with an organization, but unless their salary is out of alignment with their peers', money doesn't usually drive them out the door. Plenty of other HR practices can play into an employee's decision to leave. One leader from a food and beverage company told us that exit interviews inform his company's succession planning and talent management process.

2. Understand employees' perceptions of the work itself, including job design, working conditions, culture, and peers. This can help managers improve employee motivation, efficiency, coordination, and effectiveness.

3. Gain insight into managers' leadership styles and effectiveness. This equips the organization to reinforce positive managers and identify toxic ones. One executive at a major restaurant chain told us that several exit interviews she'd recently conducted revealed that micromanagement was a big problem. The conversations, she said, "led to some very tangible outcomes," such as establishing training and development initiatives to create better managers.

4. Learn about HR benchmarks (salary, benefits) at competing organizations. "We use exit interviews to see how competitive we are against other employers: time off, ability to advance, different benefits, and pay packages," an HR executive at a global food and beverage company told us. "And we want to see who is poaching our people."

5. Foster innovation by soliciting ideas for improving the organization. EIs should go beyond the individual's immediate experience to cover broader areas, such as company strategy, marketing, operations, systems, competition, and the structure of his or her division. One emerging best practice is to ask every departing employee something along the lines of "Please complete the sentence 'I don't know why the company doesn't just ____.'" This approach may reveal trends.

6. Create lifelong advocates for the organization by treating departing employees with respect and gratitude. That may encourage them to recommend their former companies



Idea in Brief

THE NEED

In today's knowledge economy, skilled employees are any company's most valuable asset. Thus it's important to understand why they stay, why they leave, and how the organization may need to change.

THE OPPORTUNITY

Exit interviews, when conducted with care, can provide a flow of thoughtful feedback and insight on all three fronts. They can increase employee engagement and retention by revealing what works or doesn't work inside the organization.

THE CHALLENGE

Too often, exit interview programs fail to achieve their potential for two reasons: First, the data they produce can be spotty and untrustworthy. And second, little consensus on best practices exists. This article attempts to address both concerns.

■ Standardized interview questions make it easy to spot trends, but they rarely deliver surprising insights and may come off as perfunctory.

to potential employees, to use and recommend the companies' products and services, and to create business alliances between their former and new employers. "You want [a departing employee] to leave as an ambassador and customer," said one North American financial services executive.

Tactics and Techniques

Our most troubling finding is that, as noted earlier, EIs are wholly an HR function at most companies. Indeed, HR often conducts the interviews and consolidates the data, sharing it with management only when directly asked. But this approach marginalizes the process and suggests that it is an operational duty rather than a strategic opportunity. Human resources may administer the program day to day, but it is imperative that the right line leaders participate in the interviews and that the executive committee oversees the program's design, execution, and results. Our research suggests that the committee should meet to discuss this topic at least annually.

After defining goals and assigning ownership, organizations can focus on tactics and techniques. Here are the main factors to consider:

The interviewer. We found that interviews conducted by second- or third-line managers are most likely to lead to action. Second-line managers (direct supervisors' managers) typically receive more-honest feedback precisely because they're one step removed from the employee. Also, these managers are in a position to follow up immediately and effectively. Their participation

signals that the company cares about the opinions of departing employees.

If your company institutes a second interview post-departure, consider hiring a consultant to conduct it. An external consultant typically has several advantages over an internal interviewer, including expertise in exit interviewing and a complete lack of bias, so he or she is more likely to produce reliable data. (You might not want to use a consultant for the first EI, because you'd lose the value of the line manager's participation.)

The interviewee. Some organizations interview everyone who leaves, and some interview only professional employees, executives, or high potentials. We recommend making EIs mandatory for at least some employees, because research has shown that doing so increases the odds that some specific action will be taken. (See the sidebar "Different Results for Different Kinds of Companies.") Our study revealed that the organizations with the most-progressive programs prioritized high potentials and stars over others—a sensible course, given that they're harder to replace. Furthermore, high potentials are generally knowledgeable about the company and also likely to know more about competitors, because they are often recruitment targets. Those who leave can be the most valuable organizational ambassadors, because they're likely to wield plenty of influence in the future. One global telecommunications executive told us that when a high potential leaves, "we want to know everything about it."

Timing. Some experts argue that the most productive moment to conduct

the initial EI is halfway between the announcement of an intention to leave and the actual departure—after the initial rush of emotion has died down, but before the employee has checked out mentally. Unfortunately, most exit interviews are conducted during the last week of an employee's tenure, which is probably long after he or she has disengaged.

Another effective approach is to wait until after the employee has left the company. "We typically do the exit interview about a month later, and it's much more relaxed," says one leader in the auto industry. "This is especially if the person who left was a high potential. They normally tell us very honestly why, and often we respond with programs to work on the problems."

Recommendations about the optimal length of an EI vary. Some executives believe it should be kept to an hour, with the option of continuing should the conversation merit it. Others recommend up to 90 minutes. You may want to let departing employees choose the setting and timing of their exit interviews.

Frequency. Should you conduct one, two, or three exit interviews? Companies can get rich feedback by scheduling several interactions—an interview, a survey, a phone call—before and after an employee departs. Many experts advocate conducting one interview while the employee is still there and one a few months after departure as an effective way of getting forthright responses. In one study, by Joel Lefkowitz, of Baruch College, and Myron Katz, of BFS Psychological Associates, 59% of former employees who answered a questionnaire mailed several months after their



exit gave reasons for leaving that differed from those they'd offered during their initial exit interviews. And every employee who had initially failed to cite causes for leaving mentioned specific reasons on the questionnaire. Many company managers feel that three to six months between the initial interview and a follow-up is optimal.

Method. Most experts believe that a face-to-face interview is the best way to create rapport, though some consider telephone interviews just as effective. Scholars who have found that telephone interviewing may elicit greater honesty than face-to-face meetings argue that the additional cost of in-person interviews is not justified. We generally prefer face-to-face interviews for the most valued employees. But depending on the individual who's leaving, the questions to be asked, and other factors, telephone interviews may be preferable.

If the program calls for more than one interview, varied approaches can help elicit candid responses and test for consistency. We believe that telephone interviews and web surveys are typically best used as complements to face-to-face interviews, and that at least one in-person interview is essential to promote long-term ambassadorship.

Structure. An unstructured interview can yield unexpected and helpful responses, but it makes consolidating the information more difficult, especially when turnover is heavy. The strength of standardized interview questions is that they make it easier to spot trends. However, they rarely deliver surprising insights and may come off as perfunctory, unintentionally

signaling that employees' ideas are not important to the organization. By combining the two approaches companies can more effectively probe areas of frequent dissatisfaction while also leaving room for unanticipated responses.

Manner. Interviewers should be trained to listen more than they talk and to avoid displays of authority. They should be patient and friendly, occasionally asking open-ended questions and speaking only enough to prompt the interviewee or steer the discussion toward an important topic. They should refrain from discussing fixes for any problems that surface. For example, if a departing employee says that the company requires too many signatures for contract approval, a skilled interviewer will ask him or her to recommend a solution but won't talk about possible company responses. "Don't try to fix issues then," a European telecommunications executive recommends. "Allow the employee to vent. Don't draw it out. Don't second-guess management." Again, training is critical, given the emotional nature of most resignations. It takes skill to reach the heart of the matter.

Interviewers should also frame questions positively and avoid embarrassing interviewees or delving into their personal lives. They might ask how an employee liked the job (was it rewarding, challenging, too easy?) and how working conditions could be improved. Sometimes interviewers ask departing employees how their colleagues feel about their work, because someone who's reluctant to offer a candid opinion might be comfortable ascribing his or her feelings to coworkers. Regardless

Different Results for Different Kinds of Companies

When exit interviews are mandatory, the probability that they will lead to specific action generally increases. But our results varied significantly by geography, industry, and size.

For example, 92% of the Asian-Pacific companies we studied conduct mandatory EIs—probably as a result of the exceptionally tight labor market in Asia—but those companies are the least likely to take action after EIs. We also found that EI questionnaires don't work as well in Asia's relationship-based cultures. Only 64% of Central/South American companies conduct mandatory exit interviews, making them the least likely to do so. Mandatory EIs lead to specific action more often in the United States than elsewhere.

As for industry variation, even though professional services firms, for example, are the least likely to have formal exit interview programs, they are the most likely to take specific action as a result of them. This may be because their competitive advantage lies in their people, so these firms strive to be responsive to employees' requests. Also likely to act on the basis of EI data are management consulting firms (65%) and nonprofits (57%), whereas only 20% of utilities and 11% of educational entities do so.

Finally, our research indicates that an organization's size matters. Among midsize companies, 87% make EI programs mandatory, as do 77% of large ones and 66% of small ones. Small organizations are highly likely to follow up if they use questionnaires, but large ones are not.

When leaders understand how the effectiveness of EI design factors can vary according to these three characteristics, they can customize their programs to be as productive as possible.



of whose feelings are shared, useful insights may result.

Most employees have other jobs lined up by the time they announce their departure. An interviewer should consider asking about the new job, but not about how the two positions compare; it's important not to make the employee feel he has to defend his or her choice. The point is to gather benchmarking information. Also, the interviewer should ask for suggestions for improving the job, the work group, or the entire company. Finally, interviewees should have an opportunity to talk about any other pressing matters or thoughts.

Information gained. How will the company consolidate, share, and act on the EI data? First, any distribution plan should respect the sensitivity of the data and protect interviewees' candor, particularly about their bosses.

Second, the distribution of data should be timed according to the executive decision cycle. A company might require senior line managers to present their subunits' EI data in detail at an executive committee meeting, including specific actions that will be taken in response to feedback or specific reasons for not taking action. When the EI process identifies performance or opportunity gaps, the committee can demand solutions and provide the needed resources.

Leaders often ask if they should share EI data with current employees. That should be up to the executive committee; many executives argue that the company is not obligated to share the data.

Recognizing the uniqueness of each employee, organizations can create an "exit interview menu" that allows him

or her to customize the EI experience by choosing the interviewer(s), location, method, length, follow-up, and so on. This design honors departing employees by letting them leave on their own terms, and can lead to better data and stronger ambassadorship in the future.

A Continuing Conversation

For too long, exit interviews have been considered a discrete event focused on organizational failure. We believe that's a mistake, especially in the current world of big data and data analytics, where the potential impacts are most likely amplified. The EI should be the culmination of a series of regular retention conversations with employees focused on organizational learning and relationship building. It should not be the first conversation a company has with an employee about his or her feelings and ideas.

Employees should be asked individually in regular conversations why they choose to stay with the company and what might make them consider leaving. The head of a governmental organization recommends that these conversations cover three questions: Are we helping you be effective in your current job? Are we helping you build a successful career? Are we helping you have a fulfilling life? Retention conversations can surface professional and personal issues before they lead to turnover. For example, high potentials often leave if they feel the company isn't giving them enough development opportunities.

Of course, even the most diligent retention efforts fail with some employees. But they do tend to strengthen the bond

between employees and the organization. Employees who believe that the company has demonstrated authentic concern for their professional well-being are more apt to offer valuable information during the EI. As one global consumer products executive told us, "The exit interview reinforces the values of the organization. If it becomes part of your organization's DNA, it becomes hugely beneficial." At the best companies, the retention process starts at the time of hiring and continues well past the employee's last day of work in the form of vibrant corporate alumni programs.

An effective EI process creates a needed mechanism for companies to systematically learn about and from what is their most important resource: their human capital. 

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RECRUITING AND RETAINING

Quick Takes



1. What Does It Mean to Be a Manager Today?

→ by BRIAN KROPP, ALEXIA CAMBON, and SARA CLARK

A YEAR INTO the pandemic, the implications of how Covid-19 has changed how people will work from now on are becoming clear. Many employees will be working in a hybrid world with more choices about where, when, and how much they work. For midsize companies specifically, a Gartner analysis shows that 46% of the workforce is projected to be working hybrid in the near future.

To better understand the impact of Covid-19 on the future of work, we surveyed 3,049 knowledge workers and their managers across on-site, remote, and hybrid work contexts, as well as 75 human resources leaders, including 20 leaders from midsize companies. Except where indicated, our findings come from these 2021 surveys.

Managers used to be selected and promoted largely on the basis of their ability

to manage and evaluate the performance of employees who could carry out a particular set of tasks. Within the past five years, HR executives started to hire and develop managers who were poised to be great coaches and teachers. But the assumption that coaching should be the primary function of management has been tested since the pandemic began. Three disruptive, transformative trends are challenging

traditional definitions of the manager role:

Normalization of remote work. As both employees and managers have become more distributed, their relationships to one another have also become more asynchronous. Gartner estimates that in more than 70% of manager–employee relationships, either the manager or the employee will be working remotely at least some of the time. This means that employees and their managers will be less likely to be working on the same things at the same time. Managers will have dramatically less visibility into the realities of their employees’ day-to-day and will begin to focus more on their outputs and less on the processes used to produce them.

Accelerated use of technology to manage employees. More than one in four companies have invested in new technology to monitor their remote employees during the pandemic. Companies have been buying scheduling software, AI-enabled expense-report auditing tools, and even technologies to replace manager feedback using AI. While companies have been focused on how technology

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■ Managers who display high levels of empathy have three times the impact on their employees' performance than those who display low levels of empathy.

can automate employee tasks, it can just as effectively replace the tasks of managers. At the extreme, by 2024, new technologies have the potential to replace as much as 69% of the tasks historically done by managers, such as assigning work and nudging productivity.

Employees' changing expectations. As companies have expanded the support they offer to their employees in areas like mental health and childcare during the pandemic, the relationships between employees and their managers have started to become more emotional and supportive. Knowledge workers now expect their managers to be part of their support system to help them improve their life experience rather than just their employee experience.

When managerial tasks are replaced by technology, managers aren't needed to manage workflows. When interactions become primarily virtual, managers can no longer rely on what they see to manage performance. And when relationships become more emotional, managers can no longer limit them to the sphere of work. These three trends have culminated in a new era of management where it's less important to

see what employees are doing and more important to understand how they feel.

Radical Flexibility Requires Empathic Managers

To be successful in this new environment, managers must lead with empathy. In a 2021 Gartner survey of 4,787 global employees assessing the evolving role of management, only 47% of managers are prepared for this future role. The most effective managers of the future will be those who build fundamentally different relationships with their employees.

Empathy is nothing new. It's a common term in the philosophy of good leadership, but it has yet to be a top management priority. The empathic manager is someone who can contextualize performance and behavior—who transcends simply understanding the facts of work and proactively asks questions and seeks information to place themselves in their direct reports' contexts.

Empathy requires developing high levels of trust and care and a culture of acceptance within teams. It is a lot to require individuals to ask questions that produce vulnerable answers without compromising trust, diagnose the root cause of an

employee's behavior without making assumptions, and demonstrate the social-emotional intelligence necessary to imagine another's feelings.

Empathy isn't easy, but it's worth it. In fact, in that same survey, 85% of HR leaders at midsize companies agreed that it's more important now for managers to demonstrate empathy than it was before the pandemic. Further Gartner analysis shows that managers who display high levels of empathy have three times the impact on their employees' performance than those who display low levels of empathy. Employees at organizations with high levels of empathy-based management are more than twice as likely to agree that their work environment is inclusive.

Creating a new workforce of empathic managers is especially difficult for midsize companies. While larger companies can earmark billions of dollars for learning and development for massive workforce transformation, smaller companies are more fiscally constrained and don't have the same resources. Midsize companies also often don't have the scale to create a managerial class within their workforce—they need man-

agers to be both managers and doers.

Midsize companies need to find solutions to develop more-empathic managers without massive investments and continue to have those managers work rather than just manage. This will require organizations and their HR functions to develop their managers' skills, awaken their mindsets to manage in new ways, and create the capacity across the organization to enable this shift. Here's how to adopt a holistic strategy that invests in all three of those strategies.

Develop empathy skills through vulnerable conversation practice. Asking managers to lead with empathy can be intimidating. Many managers understand empathy conceptually but aren't sure how to use it as a management tool:

Are these questions too personal?

How do I create a trusting relationship with my direct reports?

Is caring acceptable at work?

How do I talk about social justice?

It goes against deeply ingrained assumptions that we should keep work and life

■ Managers' motivation to be empathic increases when organizations invest in roles designed to support them.

separate. Managers need opportunities to practice—and, crucially, room to make mistakes—to learn to lead with empathy. Unfortunately, only 52% of 31 learning and development leaders polled in May 2020 reported that they're increasing their focus on soft skills.

To build empathy, Zillow creates cohorts of managers across the organization who engage in rotating one-on-one conversations with their peers to troubleshoot current managerial challenges. These conversations offer frequent, psychologically safe opportunities to engage in vulnerable conversations focused on how managers can commit to specific actions to care for themselves, as well as support the well-being of their team. Managers can practice their empathy with their peers, asking specific questions to understand their challenges and articulating their own circumstances in response to probes. Importantly, these types of conversations offer managers the opportunity to fail—in a safe space—which is an opportunity rarely given to figures of authority. They also help managers feel less isolated by practicing empathy with peers, who are less likely to pass judgment.

Empower a new manager mindset by creating a network of support. According to our 2021 survey of 4,787 global employees, 75% of HR leaders from midsize companies agree that managers' roles have expanded, yet roles and teams are not structured to support well-being.

Goodway Group, a fully remote company since 2007, knows that the best business results and purpose for work happen within teams and that distributed teams face greater challenges with communication and shared visibility. Goodway created a dedicated role, the team success partner, whose responsibilities include fostering trust and psychological safety and supporting team health. Managers work with team success partners to respond to the unique challenges distributed employees are facing; this includes facilitating psychologically safe remote conversations and supporting new team member assimilation.

Managers' motivation to be empathic increases when they have a support system that makes it clear that the burden isn't theirs alone and when organizations invest in roles designed to support them.

Create manager capacity for empathy by optimizing reporting lines. Managers are already overburdened by the demands of the evolving work environment, and actions that drive empathy are time-consuming. Whereas 70% of midsize HR leaders agree managers are overwhelmed by their responsibilities, only 16% of midsize organizations have redefined the manager role to reduce the number of responsibilities on their plate.

Recognizing the pressure on managers to maintain team connectedness in a remote environment, leaders at Urgently, a digital roadside assistance company, rebalanced their managers' workloads. When managers have a team size they can handle, they can dedicate time to fostering deeper connections and responding with empathy. Moving to a hybrid environment creates complexity; one key part of the solution is to help managers prioritize their workload to focus on fewer, higher-impact relationships with individuals and teams.

Organizations that equip managers to be empathic by holistically addressing the three common barriers—skill, mindset, and capacity—will achieve outsized returns on perfor-

mance in the post-Covid-19 world.

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2. A Better Way to Develop and Retain Top Talent

→ by MARGARET ROGERS

DMYTRO LASTOVYCH/GETTY IMAGES

WE'RE IN THE middle of a work revolution. Globalization and the rise of artificial intelligence, paired with a new generation of consumers who desire more-personal, intuitive brand experiences, are forcing companies to rethink their approach

to talent management and acquisition. Workers with capabilities that allow them to keep up with this pace of change—such as adaptability, technological literacy, and people management—are now in steep demand. But today's employers are

struggling to keep them on board.

Promises of cushy perks and pay are often used to compete for top talent. Still, when you consider the cost of employee turnover—\$600 billion in 2018 and \$680 billion by 2020—

this extravagance seems counterintuitive. A Work Institute report predicted that one in four workers would leave their jobs in 2018. Nearly one-third of that turnover was attributed to unsupportive management and a lack of development opportunities.

The most obvious solution to upping employee retention, then, is creating more-effective training and development programs. However, I hear from business leaders every day who struggle to achieve their goals despite having elaborate programs in place. The main issue here is that many of these programs aren't designed with the user, or the employee, in mind.

I have focused a large swath of my career on user-centered design principles—placing the user top of mind to ensure success and understanding. The same mindset applies to effective employee development.

While training is often necessary when teaching people new skills, it's only the first step toward a more distant end. In my experience, the most impactful development happens not through formal programs but through smaller moments that occur within the workplace: on-the-job

■ The most impactful development happens not through formal programs but through smaller moments that occur within the workplace.

learning opportunities that are wholeheartedly catered to the worker's unique needs and challenges.

It might seem impossible to offer every employee this kind of personalized training, but any company can do so at scale when managers create a learning environment. Here's how:

1. Start by asking more questions to gain insights on employees. Empathy and understanding are fundamental principles of user-centered design. Just like a business must understand what its customers need to produce the most useful products, managers must understand what their employees need to give them ideal learning opportunities. Asking questions is the best way to do this.

Start by scheduling regular one-on-one meetings with each team member. In addition to using this time to check in on their current projects, ask them what skills they're most comfortable with and which they would like to develop. Inquire about areas that feel especially challenging.

Here are a few examples you can use to kick-start that process:

- What parts of your job are most interesting and rewarding?

- What areas are you finding most challenging right now?

- What are you doing to reach short- and long-term career goals?

- Are there any other projects, committees, or additional responsibilities you would like to be a part of?

- Is there anything else you're curious about that you haven't been able to explore yet?

In these meetings, practice active listening and try to come from a place of genuine curiosity rather than judgment. This means leaving your laptop closed and taking notes the old-fashioned way. It's also helpful to repeat in your own words what employees say during these meetings to ensure you fully understand their insights.

2. Create more on-the-job opportunities. Once you've identified the skills your team members want to learn, look for opportunities to help people develop them. Classroom-style training is a stellar foundation, but it can lose its effectiveness if it isn't applied readily. "Learning moments" are an easier, quicker way to move the needle. These moments can be significant or small, but engaging employees in this way is key to helping them

step outside their comfort zones, practice, and build confidence.

For example, imagine one of your employees is uncomfortable having tough yet necessary conversations. In a one-on-one meeting, he might express frustration about a peer whom he is struggling to collaborate with. You could take this opportunity to create a "learning moment." This might look like role-playing a tricky conversation or writing down a step-by-step plan of action. In this way, you are helping your team member practice and improve his communication skills in a safe setting (rather than simply sharing theoretical advice). The next time he comes across a similar situation, he will have tools to help him overcome it.

Treating every challenge your employees face as an opportunity for practice and growth—whether it is something personal, like improving communication skills, or practical, like learning a new technology—is critical to establishing an environment in which people believe they are valued enough as individuals to be given the time and space to flourish. It also gives managers the chance to help their employees effectively upskill and reskill on a case-

by-case basis as new obstacles arise outside of formal trainings and in everyday work experiences.

3. Vary learning experiences. Part of keeping "users" top of mind is considering which experience will best cater to their personal needs. Factors such as the employee's tenure, experience level, and adaptability are all variables that could impact that decision. Smaller opportunities—say, participation in projects where the employee can rely on more-experienced peers for support—are best when a team member is unfamiliar with or newer to a necessary skill. Bigger opportunities that require employees to take risks and stretch beyond their comfort zones are more suited to individuals who have prior experience carrying out a certain task; in these moments, they can put their skills to the test more independently and play a larger role.

Pretend, for example, you have two employees who express interest in public speaking and presentations. They both recognize it's a valuable skill to develop as they work toward becoming leaders. From previous meetings, you know one of them is less experienced than the



other and is therefore more nervous about speaking in public. This employee might benefit more from a small group setting, like a lunch and learn during which he gives a short presentation. Because the other employee has had more practice in this area, a lunch and learn would not be as valuable for her. Instead, you might have her fly solo and present on a topic at the next companywide meeting or at a conference in front of a larger audience.

It's important to save the most significant opportunities for those who are ready. These have higher stakes—for the employee, the project, and the company at large.

The level of control employees have over their growth should also vary. You might encourage a more experienced employee to design or seek out their own opportunities for growth, but a less experienced employee often requires more structure around key learning areas. Either way, it's crucial to allow employees a level of autonomy. When left alone, people will naturally find innovative ways to accomplish new things. Experimenting with autonomy also allows mistakes to be made—just as much as it allows suc-

cesses to be had. This will help you identify skill gaps and brainstorm ways people can fill them.

Remember, safety is necessary when confidence is low, but pushing employees to the edge of discomfort results in real development.

4. Provide regular feedback. Feedback is perhaps the most valuable aspect of this process, and it starts with setting clear expectations. As your team continues to carry out on-the-job opportunities, work with employees to set goals to strive toward. Provide regular feedback on what they are doing well and where you see opportunities for improvement.

During this time, be patient. Reflect on the work your employees have done up to this point, making sure to discuss both successes and failures without judgment. If an employee tried something new and it didn't pan out, recognize the effort. People are more likely to grow from their experiences when they aren't punished for failure. (In fact, they're probably kicking themselves already.)

In the same vein, you can ensure employees actively apply what they've learned by putting together a plan for improvement—whether

that means creating clearer deadlines, helping them better manage their time, or thinking through difficult problems when they arise. Tracking personal metrics is also a helpful way for employees to measure performance and growth on their own time.

5. Manage your time.

Employee development can be overwhelming, especially when you have a larger number of direct reports. Take proactive steps to avoid ending up with an unmanageable workload. Before shaping opportunities, determine how much bandwidth you have. What level of involvement and support are you capable of giving as a manager considering everything else on your plate? Setting realistic expectations for yourself is critical.

Keep in mind that not all coaching has to come from you. In some cases, you may be able to distribute employee-support tasks to informal mentors, other managers, senior leaders, or peers.

When leaders try to implement these user-centered principles in their interactions, experiment with them, and continually refine their coaching based on those

findings, they will not only see astounding growth, they will be able to effectively engage and retain top talent. Any company can begin by making a few changes to their managerial practices. It's time for leaders to open communication channels and address each employee personally. Help your workers shape their learning and long-term contributions for the better.

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3. Your Star Employee Just Quit. Will Others Follow?

→ by ART MARKMAN

WHEN I WAS a graduate student at the University of Illinois in Urbana-Champaign in the late '80s, several of the program's most esteemed faculty members left at the same time to work at other schools. This sudden exodus disrupted the tight-knit, collaborative community of scholars that had kept people in the department for so long. When a few faculty

members departed, others began to think they'd be the only ones left. Suddenly everyone was looking for other opportunities.

This same dynamic can take hold in an organization when one or a few key players leave. Movement of talented employees across firms is inevitable, but if you're in a leadership role, there are things you can do

when a star employee leaves to prevent their departure from becoming a stampede to the exit doors.

Ask Questions, Then Listen

Perhaps the most important thing you can do when someone leaves is to listen—carefully. Start by conducting an exit interview with the person departing to find

out what factors led to their decision. Probe a little to understand any concerns—even if someone is leaving to take on a great opportunity at another firm, there may still be some dissatisfaction lurking in the wings that's leading other people on the team to cast a wandering eye at other jobs.

Then, take the pulse of the rest of your team. Meet with team members individually and talk to them about how they're doing. Ask how they think the departure of their colleague will affect morale. If you picked up concerns from the exit interview, weave them into the discus-

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■ The most important thing you can do when someone leaves is to listen—carefully.

sions to find out if those concerns are widespread. Just the act of talking with people can reassure them that you care about how well the team is functioning.

Many organizations run regular engagement and trust surveys. If yours is one of them, consider doing a brief survey of the whole group to find out how they're feeling about the organization and leadership. These "pulse" surveys can help you get a sense of your employees' reactions to positive or negative milestones within the organization or even external issues that have gained societal prominence.

If these conversations and surveys do uncover significant concerns among team members, it's important to engage them directly. Start by explicitly acknowledging the concerns so that employees recognize that you're aware of the problem. Then, be transparent in your attempts to address the issues people have raised. Gathering information from employees will increase long-term trust only if they sense that you're actually working to use that information constructively.

Focus on the Future

Happiness in the workplace is driven by several factors.

Having great colleagues is one of them, so the loss of a valued teammate can disrupt the community. The sense that the team is accomplishing important things also informs employee satisfaction. People are often happiest when they see their work as a calling that adds up to something bigger than themselves. The departure of a stellar employee may influence this sense of calling among other team members for a couple of reasons.

First, people are more motivated to meet goals when they perceive them as important—and when they believe they can actually make progress toward them. When someone leaves, everyone else may feel like their ability to achieve significant goals will be hampered. If that's the case, you need to reassure people that their goals are still achievable and commit to replacing those who have left if that's crucial for success.

Second, a departure can lead to cognitive dissonance. When you hold contradictory beliefs in mind simultaneously, mental mechanisms work to make those beliefs more consistent with each other. A key employee's decision to leave may be seen as a vote of no confidence in the organization's core mis-

sion, which can lead other employees to question—and ultimately to devalue—that mission and consider other job positions elsewhere.

In team meetings and conversations, stay focused on future opportunities and the importance of the group's goals. This reinforces the sense that the team's work has broad importance and emphasizes the role of the existing team, rather than creating reminders of who's missing.

Provide Development Opportunities

Another driver of workplace satisfaction is the belief that your job allows you to grow. Employees are generally happier when they receive training that enables them to do their jobs better, and one reason there's so much turnover in the modern workplace is that employees often feel that organizations don't have their long-term interests at heart. Training and education programs are a great way to enhance trust because they demonstrate a clear desire to focus on employees' long-term effectiveness and well-being. Management should redouble efforts to provide these opportunities to employees. In addition to the specific benefits a particular training

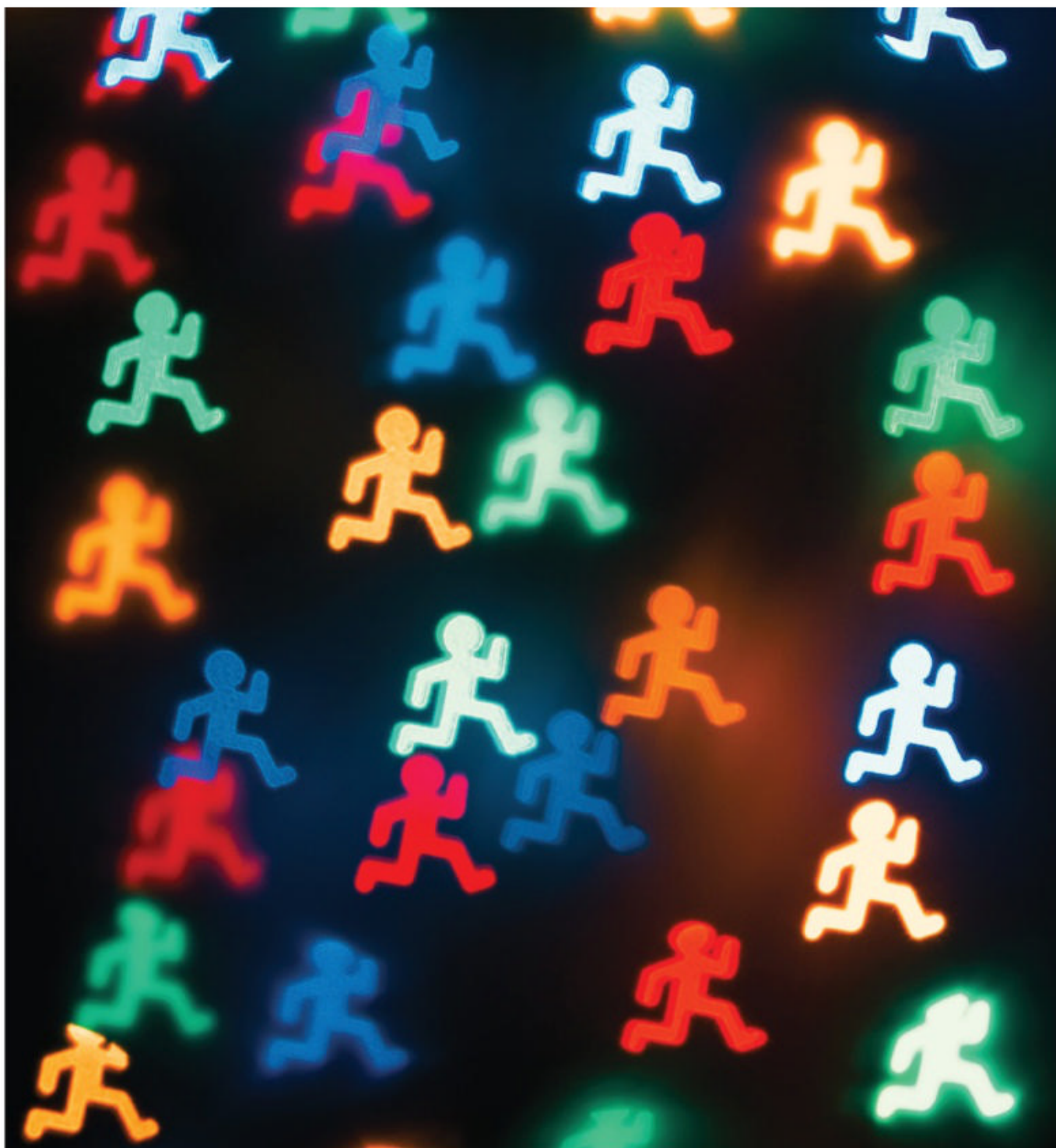
may provide, investment in people's futures increases loyalty to the organization.

The departure of a star employee can cause their team members to question their own satisfaction—and futures—at the company. Managers who respond by being attentive and looking forward can help keep the rest of the team from jumping ship.

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PEOPLE DON'T QUIT a job, the saying goes—they quit a boss. We've heard it so many times that when we started tracking why employees leave Facebook, all bets were on managers. But our engagement survey results told a different story: When we wanted to keep people and they left anyway, it wasn't because of their manager... at least not in the way we expected.

Of course, people are more likely to jump ship when they have a horrible boss. But we've spent years working to select and develop great managers at Facebook, and most of our respondents said they were happy with theirs. The decision to exit was because of the work. They left when their job wasn't enjoyable, their strengths weren't being used, and they weren't growing in their careers.

At Facebook, people don't quit a boss—they quit a job. And who's responsible for what that job is like? Managers.

If you want to keep your people—especially your stars—pay more attention to how you design their work. Most companies design jobs and then slot people into them. Our best managers sometimes do the opposite: When they find talented

4. Why People Really Quit Their Jobs

→ by LORI GOLER, JANELLE GALE, BRYNN HARRINGTON, and ADAM GRANT

MIRAGE/GETTY IMAGES

■ Smart managers create opportunities for people to use their strengths.

people, they're open to creating jobs around them.

Working with our People Analytics team, we crunched our survey data to predict who would stay or leave in the next six months, and we learned something interesting about those who eventually stayed. They found their work enjoyable 31% more often, used their strengths 33% more often, and expressed 37% more confidence that they were gaining the skills and experiences they need to develop their careers. This highlights three key ways that managers can customize experiences for their people: enable them to do work they enjoy, help them play to their strengths, and carve a path for career development that accommodates personal priorities.

Crafting Jobs for Enjoyment

Many of us have unanswered callings at work—passions we didn't get to pursue in our careers. Whether we lacked the talent, the opportunity, or the means to make them our occupations, landing in a different career doesn't make these passions disappear. They linger, like the professional version of the one who got away. And since we spend the majority of our waking hours at work, there

isn't always time to pursue these unanswered callings as hobbies. So we look for ways to bring our passions into our jobs. Personally, we know a lawyer who missed his dream of being a pilot and so sought out aviation cases, and a teacher who walked away from a music career but brings a guitar to class. But inside organizations, people often need support to craft their jobs.

Managers can play a major role in designing motivating, meaningful jobs. The best go out of their way to help people do work they enjoy—even if it means rotating them out of roles where they're excelling. A few years ago, one of Facebook's directors, Cynthia, was leading a large team of HR business partners. She realized that she wasn't spending her time doing what she enjoyed most: solving problems with her clients. She had taken on more responsibilities managing a large team because of her strength as a trusted adviser to some of Facebook's key leaders. But once she was in the job, she realized it meant doing less of the work that energized her.

With her manager's support, Cynthia hired someone new onto the team, with the long-term vision of asking her to run the team

and then moving back to an individual contributor role. Cynthia wasn't just hiring a direct report; she was hiring her future boss. Once the new hire was ramped up, and she clearly enjoyed the organizational and people management elements of her job, she and Cynthia made the switch. Cynthia is now thriving, solving problems with the clients she loves so much, and her new hire is leading the team. Keeping Cynthia at Facebook was much more important to her manager than keeping her in a particular role.

Too often, managers don't know enough about what work people enjoy. It spills out in exit interviews—a standard practice in every HR department to find out why talented people are leaving and what would have convinced them to stick around. But why wait until they're on their way out the door? One of us, Adam, has worked with companies in multiple industries to design entry interviews. In the first week on the job, managers sit down with their new hires and ask them about their favorite projects they've done, the moments when they've felt most energized at work, the times when they've found themselves totally immersed in a state of flow,

and the passions they have outside their jobs. Armed with that knowledge, managers can build engaging roles from the start.

Bringing in Underutilized Strengths

In a world dominated by specialization, we're long past the era of the Renaissance man. Once in a blue moon we see one. Marie Curie won a Nobel Prize for her pioneering work in physics and then earned another in chemistry. Richard Feynman transformed electrodynamics, decoded Mayan hieroglyphs, and cracked safes in his spare time. Although few reach this level of accomplishment in multiple fields, many talented people are polymaths. At Facebook, our head of diversity is a former lawyer, journalist, and talk show host; one of our communications leaders used to sing in a rock band; and one of our product managers is a former teacher. Sadly, the narrow job descriptions that companies create stifle their ability to use the full range of their employees' skills.

Smart managers create opportunities for people to use their strengths. To see how that can play out, let's consider Chase, who was recently working as a soft-

■ It's up to managers to design jobs that are too good to leave.

ware engineer at Instagram. About six months ago, when his team went through rapid product iteration to introduce new tools and formats, Chase helped lead the team to exceptional results. But he finished the project drained from the extensive coding and cross-functional work—and started wondering whether there were other ways to contribute. Talking with his manager, Lu, he realized that while he had a strong technical background, he really excelled at building prototypes to help prove concepts quickly and then iterating. But Instagram didn't have any roles that blended this skill set, and Chase didn't have a track record in traditional design work.

Lu convinced the design team to take a risk and allow Chase to try a new role for a “hackamonth.” During that time, Chase partnered with Ryan, a product design lead, to quickly build several prototypes that tested novel ways of capturing and sharing. His success not only landed him in a brand-new role that leveraged his strengths but also created the conditions to build a broader team of collaborators with similar skills and interests. According to Lu, “A shift to this role was a no-brainer for

Chase and a win for Instagram. All that was missing was the push to make this happen.”

Creating new roles isn't the only way to let people play to their strengths. In a connected world, a huge part of getting work done is seeking and sharing knowledge. Some estimates suggest that knowledge workers spend more than one-quarter of their time searching for information. It's up to managers to help them figure out where to turn. As managers learn who knows what, they can connect the dots—or better yet, build a searchable database of experts. The goal is to put employees' strengths on display so that people know whom to contact.

Making It Possible to Lean In at Work and at Home

In too many situations, opening a door in our careers means closing one in our personal lives: the special project that takes date nights away from our partners; the big promotion that takes weekends away from our kids; the new role across the country that takes us away from our families.

At Facebook, our best managers work with people to minimize these trade-offs by creating career opportuni-

ties that mesh with personal priorities. Here's an example.

Shona, an agency lead, was coming back from maternity leave to a global role where time zones directly conflicted with her parenting. With her manager, Shona developed a prioritization plan for travel. For anything that was important but not essential, she worked with regional colleagues to set up meeting coverage. Shona's manager also connected her with a mentor in a global role who guided her through her transition. In Shona's words, “This deep level of support gave me the confidence to return to work fully present and also be there for my daughter.” Managers who give this kind of support find that their people not only deliver but also stay longer—they're proud of where they work.

People leave jobs, and it's up to managers to design jobs that are too good to leave. Great bosses set up shields—they protect their employees from toxicity. They also open doors to meaningful tasks and learning opportunities—they enable their people to be energized by their projects, to perform at their best, and to move forward professionally without taking steps backward at home. When

your manager cares about your happiness and your success, your career and your life, you end up with a better job, and it's hard to imagine working anywhere else.

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5. How Engaged Is Your Team, Really?

→ by AMY BRADLEY and SHARON OLIVIER

A RECENT GLOBAL study of engagement from the ADP Research Institute found that if employees consider themselves part of a team (or even better, part of more than one team), they are twice as likely to feel engaged in their work. Furthermore, countries with greater numbers of workers who consider themselves part of a team, such as India

or Saudi Arabia, report high levels of engagement as well. Knowing that engagement is tied to teams is critical for leaders looking to increase their output, since engagement is a known driver of productivity. But research we conducted on behalf of Oracle and Engage for Success (a UK group seeking to improve engagement levels across

workplaces) shows that many teams may be less engaged than they appear.

Over a three-year period, we interviewed team leaders, ran focus groups, observed meetings, and gathered engagement metrics across 41 work teams spanning nine industry sectors including transport, government, health care, utilities, chemicals, technology, and non-profit. Our research—in this study and others—suggests that a third of teams fall into a category we call pseudo-engaged. These teams appear engaged both in surveys and in the eyes of management: The employees are often satisfied with their jobs, committed to the company, and happy to recommend the workplace to others. But when we looked more closely, we found that they also exhibited deeper signs of disengagement, such as antipathy toward colleagues and dishonesty to managers.

Why the disconnect? These teams are made up of people who may be highly engaged at an individual level—and eager to further their own careers—but just aren't invested in their teams. Understanding what's really going on can help managers and leadership get to the heart of seemingly

intractable issues. Keep alert for these three signs:

Lack of teamwork. Consider a team of health-care professionals we studied in a dementia care ward. They had excellent engagement scores, and the team manager had recently won a leadership award. The nurses and staff reported that they were motivated by a strong sense of purpose rather than money or status. They were clearly committed to providing the best patient care—for their own patients, anyway.

Still, things weren't perfect. For one, the nurses were burned-out. One said that she was so physically and emotionally exhausted at the end of the workday, she could not even muster a smile for her children. Some of the work wasn't getting done: Despite their tender care for their patients, these nurses had little regard for team-based duties, such as helping prepare the ward for mealtimes. We also observed that they were reluctant to partner with one another—to change a patient's bed linens, for example.

The ward's management had been unaware of these problems because they had focused on the team's successful top-line engagement numbers, none of

■ Leaders should build metrics for team success and explicitly name team duties in individual job descriptions.

which measured teamwork. To avoid this myopia and correct for its oversight, leaders should build metrics for team success and explicitly name team duties in individual job descriptions. They can encourage teamwork by explicitly celebrating acts both large and small: for example, spontaneously stepping in to help with a patient's bed change or creating an initiative to improve how relatives provide feedback. Team leaders can speak up when they notice these acts in the moment and again in team meetings so that everyone can see collaboration is recognized. Management can also encourage team members to give one another kudos through coworker appreciation programs, such as a wall where employees write simple thank-you messages to their colleagues when they feel supported.

Playing the system. When a company measures performance only at the individual level, team members can find more-deliberate ways to pursue personal gain at the expense of the full team's productivity. They might stretch their workload to fill time rather than taking on more tasks, cherry-pick the duties they perform on the basis of what they

enjoy doing, or insinuate themselves into conversations or meetings with management for their own advantage. This behavior is catching: It doesn't take long for new recruits to lose their enthusiasm for collaboration when they see that the system rewards egoism instead.

A team we studied in the chemicals industry worked extra hard to do all their work in four hours for a whole six-hour shift. They looked highly productive—until we found out that they planned to spend the other two hours “chilling and drinking tea.”

To change the team's behaviors, again, set targets and metrics at both the individual and team level and explicitly reward teamwork and team output. Managers should work with their teams to codevelop a sense of shared values and purpose. They can also rotate who is accountable for specific metrics to encourage teammates to develop collective accountability.

Only managing up. Finally, some pseudo-engaged team members value others' impressions of their performance over the reality of their work together. Team leaders often unwittingly set the example here. If they seem more interested in

ingratiating themselves to senior management than being present and available for their own teams, those teams are likely to mirror the behavior, becoming more concerned with managing up themselves.

Managers of team leaders should require that managers spend time with their teams so that they can understand what is happening on the front line. And they should encourage team members to think about what “looks good” from a team perspective rather than promoting themselves individually. One team leader we studied kept a board in the corridor outside their offices where team members commented on a daily basis about their passions or frustrations. This allowed him to sense the daily climate of the team and allowed the whole team to talk about which activities went well and which could be improved in each team meeting. As a result, they developed a sense of good performance at a team level. Finally, introducing social activities can also build the team's social ties and a shared sense of responsibility.

While it's easy to be lulled into thinking that teams are fully engaged, understanding what's going on beneath the surface can help

point managers in a specific direction: helping their teams see that they value and reward collaboration, mutual support, and shared responsibilities. As these lessons kick in, teams can finally become fully engaged in their work, delivering, as research shows, superior performance, improved customer service, and increased client satisfaction.

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6. The Pandemic Is Changing Employee Benefits

→ by TIM ALLEN

IN MID-FEBRUARY 2020, I became the CEO of Care.com. I expected a lot would change, but I didn't expect—nor could I have predicted—that everything would. A global pandemic completely upended the way we work and clouded even the most well-thought-out strategic plans.

One thing became very clear, very quickly—the undeniable interconnectedness of work and life. We all felt it acutely. Aspects of society and business that were long overdue for a change were now laid bare: We have a broken care infrastructure. Support for mental health is

insufficient. And so many of us are entangled in demanding and inflexible workplace cultures that create burnout. Just to name a few.

But one of the most dire consequences we face is the alarming number of working mothers who face an untenable choice: their children or

their paycheck. And as any parent will tell you, that's not really a choice. This problem has surged over the last year: Nearly 3 million women—especially Black and Latina women—have been pushed out of the U.S. labor force. A yearlong pandemic has erased decades of progress, underscoring just how fragile and inept our old care system was. Our post-pandemic economy won't fully recover—or reach its full potential—unless and until women get the caregiving support they and their families need.

I'm encouraged to see that companies are responding. They've recognized that employee benefits can be life-changing for their workforce, especially those centered around care, flexibility, and mental health. In conversations I've had with business leaders, many have told me that in order to better support their employees and the business, they plan to revise their benefit strategies.

To better understand exactly how these changes will manifest, Care.com developed *The Future of Benefits* report, in which we asked 500 human resources leaders and C-suite decision-makers from across the U.S. what employee benefits they plan



to keep, get rid of, add, and expand as a result of lessons learned during this crisis. Here's what they told us.

Key Benefits Are Expanding and Shifting

Those we spoke to confirmed the toll the pandemic has had on their employees and their business: decreased productivity and retention, increased absenteeism, and declining mental health. That's why almost all (98%) of the leaders we surveyed plan to newly offer or expand at least one employee benefit, prioritizing the ones workers deem most essential, like child and senior care benefits, flexibility around when and where work gets done, and expanded mental health support.

In exchange for these essential benefits, 89% also said that they are deprioritizing at least one type of employee benefit because of Covid-19—most frequently on-site childcare, paid vacation days, commuter benefits, tuition reimbursement, and food or meals.

Without Care, People Can't Work

Work/life “balance” has always been a lie. Work and life are not independent entities fighting for 50/50 equilibrium. They're intercon-

nected, and one affects the other. But people—especially women—have been conditioned to design life around the demands of work, and rarely to design work around the demands of life. Between February and September 2020 alone, 1.2 million parents of children ages 5 to 17—disproportionately women—were out of the labor force. Employers can't afford this massive hit to their workforce.

The pandemic has forced employers to act. They realize that care benefits are essential to employees' productivity and success at work. In fact, 57% of senior leaders told us that their organizations are assigning higher priority to care benefits to better support their employees in both work and life. And 63% said they plan to increase their company's already existing childcare benefits. These may include paid access to online platforms to find care, subsidized backup care, new-parent support, and cash subsidies to parents, among others. As one survey respondent told us, “Employees cannot leave their home life at the door. They bring their worries to work, and it impacts their productivity.”

Employers have also opened their eyes to the chal-

lenges of employees who care for the elderly. Our research on senior care found that 83% of adult children have sought new care options for their senior loved ones during the pandemic and 89% were considering switching from a nursing home to in-home care. Indeed, about 17% of the U.S. workforce care for a senior relative or loved one, and nearly half of them are sandwiched, also caring for children under age 18. And family caregivers are not solely Gen X and Baby Boomers. Of the 41 million Americans who are unpaid caregivers to the elderly, 10 million are Millennials.

So, it's not surprising that benefit equity is top of mind with employers: 41% of our respondents plan to newly offer or expand senior care benefits to employees. As one survey respondent shared with us, “Our company is realizing that senior care is just as important as childcare. Employees cannot focus if they have to tend to dependents.”

The Future of Work (and Care) Is Flexible

Hybrid work models are anticipated to proliferate in 2021 and are likely to endure. PwC found that, while some employees plan to keep working remotely

exclusively post-crisis, fewer are prepared to give up the office entirely. To attract and retain these employees, companies are planning to provide more options to make hybrid work/life be effective for them. Our survey backs this up: 66% said they plan to offer greater work flexibility, a family-friendly benefit with no direct costs to the business.

With the rise of decentralized workforces across industries, HR leaders told us they're planning to offer benefits that provide flexibility to support workers wherever they are, not just those who work at corporate headquarters. For instance, they're deprioritizing on-site childcare facilities in favor of flexible childcare benefits, with 61% favoring the latter more now than they did pre-pandemic. Most plan to add or expand paid memberships to online platforms for finding and managing family care and/or in-home backup childcare. While companies that already offer on-site childcare aren't necessarily planning to close those facilities, new care benefit plans enable them to adapt to when, where, and how people live and work—and to treat their remote workforce more fairly.

■ Expanding benefits alone can't stem the tide of burnout, but they may provide a bridge to the work-culture changes employees need.

The Mental Health of Employees and Their Families Is Essential

The pandemic's toll on our mental health and wellness has been astounding and may take years to undo. Employers are therefore trying to mitigate mental health issues that affect their employees, including burnout, which was a global crisis well before Covid-19 hit. As Jennifer Moss, an expert on burnout and workplace well-being, points out, burnout isn't just an employee problem; it's an employer problem that requires employer-led solutions. Expanding benefits alone can't stem the tide of burnout, but they may provide a bridge to the work-culture changes that employees badly need.

It's not just employees who are suffering from pandemic-related mental health issues. Their kids are, too. Months of distance learning, isolation, and worry have led children to experience increased rates of stress, anxiety, and depression. Alarming, the CDC reported that the proportion of mental-health-related emergency department visits shot up by 24% for young children and 31% for tweens and teens in 2020.

The good news is that 41% of our respondents plan

to expand mental health benefits this year. Indeed, 59% cited improved mental health as one of the primary outcomes of caregiving benefits (and that percentage increased to 68% in companies employing more than 2,000 workers).

Systemic Change Can Happen Through Benefits and Activism

The future of benefits ultimately depends not just on companies but on state and federal policies as well. The passage of the American Rescue Plan is a notable and hugely important start, but fixing the three crises made worse by the pandemic—a care crisis, a women's employment crisis, and a mental health crisis—will require diligence, tenacity, and innovation. And CEOs and HR leaders must be on the forefront of this. It's why I joined with other male allies and endorsed the Marshall Plan for Moms to pay mothers for their unseen labor and to pass policies addressing parental leave, affordable childcare, and pay equity.

Visionary companies need not wait for long-overdue policies to be passed. They can act quickly to support their employees' ability to care for themselves and others, and in so doing,

improve their workplace performance. Our "new normal" doesn't have to look like the old one. In fact, it's better if it didn't.

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Tim Allen, CEO of Care.com, oversees the company's strategic direction, leadership, and growth, all centered on one mission: to transform how families care for all they love. A 15-year veteran of media and technology company IAC, he has played pivotal roles shaping IAC brands like Vimeo and Ask.com, and founded and ran IAC's Mosaic Group. A father to young twin boys, he relates to the challenges faced by working parents everywhere.



7. How Small Companies Can Offer Great Paid-Leave Programs

→ by JOAN MICHELSON

THE UNITED STATES is the only industrialized country without a national paid maternity leave policy, and one of six OECD countries without paid leave for fathers. That leaves U.S. firms to decide whether to provide paid leave to their employees who need time to care for themselves, new children, or loved

ones. Just 21% of the civilian workforce, typically white collar workers at larger firms, have access to employer-provided paid leave.

Yet some recruiters and executives at small firms, especially tech start-ups, say that providing paid leave to employees—or living in a state with a public paid-leave

program—is increasingly making the difference in recruiting and retaining top talent, especially as the Covid-19 pandemic strains families to the breaking point. “I’ve had people turn me down because of the paid leave,” says Patricia Sias, head of HR at a small STEM firm that does not offer paid

family leave. In a previous position, with a large firm, she said the paid leave policy often sealed the deal, especially for women and younger candidates. “Millennials brought [paid leave] up right off the bat,” she says.

Men are increasingly bringing it up, too. Marcia Call, a recruiter with Talent-Front who specializes in small businesses, says paid leave was a make-or-break issue in two recent cases, both men. “It was extraordinarily important to these men that they have this benefit,” Call says. Though the firm she was recruiting for didn’t offer paid leave, it is located in Washington, DC, one of a handful of states and local jurisdictions that have a public paid-leave policy. That closed the deal.

Research has found that paid leave policies can help employers recruit top talent, especially in the highly competitive tech sector. A 2016 Deloitte survey found 77% of employees said that whether a firm offered paid leave—and the length of it—had some bearing on where they chose to work. Half said they’d rather have more paid leave than a pay raise. Jaime Klein, founder and CEO of Inspire HR, calls it “the Google effect”: “Facebook, Google, they’ve started doing

RYANLANE/GETTY IMAGES

■ Paid leave can increase retention, especially for women and diverse talent.

these longer paid leaves, and in an effort to track with them, organizations—no matter their size, no matter their industry, the best-places-to-work-type organizations, the ones that have a real focus on talent—have tried to extend their paid leave as well.” One of her female engineer candidates with multiple offers told Klein she specifically chose the company with the most generous paid leave.

Paid leave can increase retention, too, especially for women and diverse talent. When Google expanded its paid parental-leave policy from 12 to 18 weeks in 2007, the retention rate of women post-maternity leave increased by 50%, as Susan Wojcicki, CEO of YouTube, a Google subsidiary, explained in a 2016 speech to the Anita Borg Institute’s Grace Hopper Conference.

But many small firms, especially cash-strapped tech start-ups, often don’t have the resources to offer paid leave. The Department of Labor reports that just 15% of companies with 99 or fewer employees have access to employer-provided paid leave, compared with nearly one-third of workers at large companies. “But many small employers view their employees as family,” says

Katie Vlietstra Wonnemberg, a principal with public policy firm Public Private Strategies. “They want to take care of their people.”

That’s a big reason why a coalition of small businesses in the United States, led by organizations like the Small Business Majority and Main Street Alliance, has been calling for a national public paid-leave policy to help them compete for talent with bigger firms. SBM’s polling found that 70% of small businesses support a national policy. Another survey in October of 600 small-business owners found widespread bipartisan support for a national public policy. “Paid leave would allow small businesses to compete with larger companies that have the resources to provide such a benefit while taking care of their employees,” John Arensmeyer, SBM founder and CEO, wrote to the Department of Labor in September.

But until such a policy is in place, what can tech firms and small businesses do to address their disadvantage in paid leave so that they can attract and retain top tech talent? Here are six suggestions from longtime human resources professionals and small-business leaders who have been navigating this minefield:

Do a cost-benefit analysis.

Providing a paid leave benefit can be expensive, but so can *not* providing it—failed recruiting efforts are expensive. For example, ResumeLab reports that 43% of new hires quit due to unmet expectations generally, costing 30% of recruiting time and resources. Offering generous paid leave could help them think twice about leaving before they do. Plus, the repercussions of losing top talent “ripples through your organization,” Sias explains. It’s important to count the boost to productivity, engagement, morale, and firm reputation that can come with a paid leave policy, too.

Talk to your employees. “I think executives really need to listen to the feedback they receive from their staff,” Sias insists. “You really truly have to have a plan of action on how you’re going to address what those [pain] points are. And if it’s...leave and benefits, do them. It’s the low-hanging fruit, and it goes such a distance. Staff feel heard. Staff feel appreciated. Staff feel acknowledged...and if you’ve missed it, you’ve lost their trust.” If you just listen but don’t act on their feedback or explain why you can’t, they won’t believe you care, and they won’t trust you.

Include men. Paid leave policies shouldn’t be reserved just for women. Todd Olson, founder and CEO of Pendo, a software services firm in Raleigh-Durham, North Carolina, points out that making their paid parental leave available to all parents has been key to maintaining a diverse talent pool: “Supporting men also helps women get back to work, if that’s what they choose to do.”

Plan handoffs in advance.

The work goes on, even while employees are on leave. Plan ahead and get buy-in from those who will be covering projects and tasks. The new team might need to be trained or brought up to speed, too. Dan Najjum, CFO at edtech firm Signal Vine in Alexandria, Virginia, says it’s not hard, but is important: “With enough time and planning, you can figure out how this can be done. You want your coworkers to care about each other.” If you don’t plan ahead, you risk resentment that can backfire or the work may be done improperly, which could have serious deleterious effects on your business.

Be consistent and communicate openly. Don’t just sweeten paid leave benefits for new recruits, Sias advises.

■ **Providing a paid leave benefit can be expensive, but so can *not* providing it—failed recruiting efforts are expensive.**

Make sure the same benefit is available to new talent and current employees. “As employers, it’s not just what you do to get people in the door; it’s the life cycle of the employee, and...people talk.” If you communicate about these and other policy issues openly as they evolve and demonstrate you are being responsive to your team’s feedback and needs, you’ll build a culture of trust.

Be a voice in the public policy debate. Small businesses employ 49.2% of the U.S. workforce and 43% of high-tech talent. As more states craft statewide paid-leave policies and momentum builds for a national paid-leave policy, small businesses must become educated and involved in crafting these policies to ensure their needs are addressed. Vlietstra Wonnemberg says, “They have to find a way to insert themselves in the conversation—by they themselves being an advocate or joining a business organization that aligns with their view.”

It’s important to remember that your organization’s leave policy affects your reputation. Human resources executive Diane Irving, who has spent more than 25 years in STEM fields, puts it

plainly: “Is this a generous organization, or is this not a generous organization? You get a reputation. There’s a competition for talent, and it may tip the scale.”

As the pandemic rages on, it’s becoming increasingly clear that if small businesses and tech firms want to recruit and retain the best talent possible, they need a competitive paid-leave policy. As Nicholas Christakis of Yale University states, “The dynamics of a contagious disease made it abundantly clear...[that] paid sick leave... [and] such policies are likely to endure after the virus subsidies, either because companies see the wisdom of it, lawmakers enforce it, or workers demand it.”

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8. Maternity Leave Isn’t Enough to Retain New Moms

→ by MITA MALLICK

A FEW WEEKS into my first maternity leave, a former colleague and friend called to check in on me and my infant son, Jay. It had been a rough birth physically and took place in Manhattan, in

the aftermath of Hurricane Sandy, which added to the stress. I welcomed her call, thankful to hear her familiar voice.

“How are you doing?” she asked me gently, as we

PAULAPHOTO/GETTY IMAGES



swapped new-mom stories and made plans to meet up soon. “Is everything OK job-wise? Are you still planning to return to work?”

“Oh yes,” I replied quickly, changing my son’s diaper as we spoke. “Why wouldn’t I?”

She was silent for a moment, then said, “A recruiter called me about your job, and it’s also posted online, so I thought you weren’t coming back. I’m sorry to be the one to have to tell you that.”

I don’t remember what I said next. I don’t remember how the call ended. I do remember that my head was spinning. I finished feeding my son and put him down for a nap.

Why would my job be posted online when I was going back? Why were they looking to backfill me when I was on maternity leave? Why hadn’t anyone told me?

I thought back to the period before I’d taken leave. When the doctor advised me to stop traveling to customer meetings in my third trimester, my bosses weren’t happy. When I stayed at the office until 11 PM to work on urgent requests while seven months’ pregnant, no one ever suggested that I order dinner. (I recall finding old airline crackers in my bag.) When I wrapped up things

a few days before my due date, management assured me that I would come back to my role. But now I didn’t trust them. I resigned toward the end of my maternity leave after finding another opportunity.

The lesson I drew from this was simple: Maternity leave is one thing; support for new mothers is an entirely different issue.

Asha Santos, a partner at Littler Mendelson P.C. who advises U.S. companies on employment law and how to build respect in the workplace, agrees: “How a woman is treated in the months leading up to her maternity leave, and then during leave and shortly thereafter when she returns to work, will determine whether or not a company will be able to retain her,” she explains.

According to the Society for Human Resource Management (SHRM), 60% of organizations offered 12 weeks of maternity leave and 33% offered longer leaves. Some organizations are also making policies more inclusive: Spotify, Etsy, Twitter, and others offer paid parental leave for both birth and non-birth parents to step in and fill the void in countries like the U.S. where no mandated paid parental-leave exists.

But paid time off is not enough. Organizations need to create a broader ecosystem to support them. Here are five questions to focus on as we look to retain, develop, and promote new parents, especially mothers:

Who will take on her

work? I have been on maternity leave twice. I have also had a number of bosses, team members, and peers take leave. When there’s no clear plan for transitioning responsibilities or one that simply throws work onto employees and colleagues, it creates a great deal of anxiety. A new mom might feel like she is burdening her team, while her peers become resentful.

One solution is to create a pool of former employees who know your organization well and could consult for a few months to cover the work, or partner with an organization like The Second Shift, founded by Gina Hadley and Jenny Galluzzo, which has created a marketplace to match companies with female experts who can help on certain projects or cover leaves. This is how my second maternity leave was handled: My boss hired a former employee as a consultant to cover my work for the five months I was out.

If you can’t bring in a consultant and need current team members to help, ensure that they are compensated with a cash bonus or an increase in base salary. If they don’t have bandwidth, consider tapping other people in the organization to help and then reward them.

How will you assess her

performance? I once received a poor performance review after I’d just come back from maternity leave. I’d previously been told that I’d met my deliverables and was leaving the team in strong shape, and the rationale for the new rating was vague: “The business is now in decline.”

Don’t operate this way. Instead, sit down with people before they take leave and give them detailed feedback on their performance year-to-date versus their goals. If necessary, explain how the leave will affect any merit or bonus pay. If a formal review would have taken place while they’re out, promise another formal review when they return. Some might want to have this conversation during their leave.

If you are forced to rank team members on a bell curve, evaluate those on maternity leave on the basis

■ ■ Don't assume that all new mothers want to be on the "mommy track."

of their performance before it. If new parents are falling to the lower end of the curve, your organization needs to have an open and honest dialogue about the biases you're bringing to the table.

What are her career aspirations? When I once raised my hand for a role that would require significant travel, a former boss said to me: "Your kids are too young. You don't want to be on the road and away from them that much." I wasn't given the option to apply; the decision was made for me.

Don't assume that all new mothers want to be on the "mommy track." Instead, continue to ask about and understand their career aspirations, checking in as you would with any employee on how they want to grow in the organization. Come into those conversations with an open mind and listen carefully.

If you hear that a new mother's ambitions are unchanged, ensure that she is guaranteed her same role when she returns and is included in succession planning for key roles. Give her clear guidance on what it takes to get that next assignment or promotion, and ask her if she would like to be contacted during

her leave about upcoming opportunities.

What other policies do you have to support new mothers? Companies need a robust suite of policies to make motherhood work for new working mothers. According to the Society for Human Resource Management (SHRM), 81% of companies offer new mothers ramping-back-to-work options after they return from leave.

While some women will want choices to help them ramp back up to full-time work, others will want to explore alternative options. Offer a suite of possibilities including flexible working, part time positions, or job-sharing opportunities for all individuals.

Ensure that all your offices have a mother's room, where women can pump comfortably and privately. Consider installing a hospital-grade pump so that women can bring in just their pump parts instead of their machine. Design rooms with comfortable seating, a fridge, a sink, and a microwave. Allowing women who travel for work the benefit of shipping their breast milk home can be a game-changer.

Backup childcare is another key offering, which

many companies have added during the pandemic. Finally, tech companies including Facebook, Google, and Salesforce have also started to offer additional paid time off for caregivers.

How will you know if you are successful? What gets measured gets done. How do you know if you are retaining mothers? Track how many return from leave (and don't assume it's because they don't want to work anymore). Measure how long they stay out after their first child and any subsequent children. Patagonia is a great example of a company that focuses on this data and has strong retention. It supports working mothers with policies such as on-site childcare and an organizational culture that embraces rather than ignores employees' families.

Ask your new working parents what more they want. Host roundtables and listening tours to ensure you are meeting their needs. Crowdsource ideas and co-create solutions to be a better place to work for employees with young children.

Senior leaders have to commit to creating an infrastructure that supports new parents, and particularly mothers, beyond paid leave.

Once you do, these employees will feel that they can build a long-term career—and their families—at your organization.

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9. Your Company Needs a Better Retention Plan for Working Parents

→ by DAISY DOWLING

YOU'RE A LEADER with ambitious goals for yourself and your team in 2019. The plan is set; the performance, growth, and efficiency targets committed to. But, to be fully prepared for the year, one issue should be at the top of your priority list: the Working Parent Problem.

This is a new, simple label we can use to describe the sometimes overwhelming

challenge of trying to earn a living and build a career while also parenting well. For organizations and leaders, it refers to the challenge of effectively employing and fully unleashing the potential of the folks who are navigating the demands of work and family.

If you've thought about the Problem before as a manager, it's probably been

under a different, hazier label ("work/life balance" or "integration"), and potential solutions may have seemed like a nebulous, elective effort; there was no clear path or upside to getting involved. Even if you've directly confronted the Problem in the past—for example, a star performer suddenly decided to stay home at the end of a parental leave—the issue

probably still felt adjacent to your core business goals, a relatively small and inevitable cost of doing business.

But it isn't anymore. In the current economic and cultural landscape, the Working Parent Problem has moved up to the forefront of leadership concerns, and it's going to stay there. Ignored, it can become a powerful and insidious threat to your



team's and organization's success.

Here's *why* focusing on working parents is so important:

The demographic is huge.

Let's look at the cold hard data: In the United States, the civilian workforce ages 25 to 54 is 102 million people, and there are 52 million working parents, according to the Department of Labor. It's therefore possible—probable, even—that 50% or more of your new-product sales team (or line managers, or clinical care providers, or the candidates for that specialty role you've been recruiting for and that's proving impossible to fill) are trying to be committed professionals while also raising their kids in a present and loving way. At the same time, unemployment rates are at near-record lows. So, if you're having serious trouble finding the talent you need, it's probably time to focus on how you can attract this huge pool of working mothers and fathers, retain them, and ensure they deliver at work.

Although I've used the United States as an example here, data on the growing ranks of professionals with children in other countries is also eye-opening. (In

England alone, there are 1 million more working mothers now than 20 years ago.) In today's war for talent, working parenthood isn't a skirmish—it's a major, central battle.

The struggle is arguably more difficult today than in past decades. Not only is the sheer *number* of working parents large and growing, but those men and women also carry much heavier loads than previous generations have. Today's working parents are three times more likely, on average, to be part of dual-career couples or to be single than they are to have spouses at home full-time. That means the majority of committed working-parent employees have no slack in their system: no one to whom they can hand off the school pickup or pediatrician visit or 10 PM feeding. And as wonderful as many technological changes are, some have also made working parenthood harder: iPhone in hand, there's no reason, or excuse, to ever be “off” work, even during the parent-teacher conference or family dinner. Translation: Being a working parent isn't a marginal or occasional concern for mothers and fathers on your team; it's one of the central challenges of

their lives, and they grapple with it daily.

More working parents care more—and may vote with their feet. Several recent studies indicate that for working parents, flexibility and work/life balance trump every other career decision-making criteria—including pay. And research shows that men, historically less engaged in childcare and other child-related activities, are becoming increasingly committed to it: Today's dads overwhelmingly report wanting to be present and on the job at home. They're becoming increasingly willing to make serious career choices around it, too. So working parenthood isn't a “women's thing” anymore—it's a universal concern driving whether people join or stay with your organization.

It's a bellwether. How you treat working parents is an indicator of how you treat talent in general, especially in the eyes of prospective or more-junior employees. Does the Career section of your corporate website include information about family-related policies? If not, candidates—whether they have kids or not—may quickly move on to other

sites and job opportunities that appear more parent-friendly. And if up-and-coming stars with young children are leaving your team or organization to stay home, or accepting jobs where it seems more feasible to combine work and family, their younger colleagues (folks who aren't part of that 52 million yet but want to be someday) will notice and start wondering if they've found the right place to build their long-term careers.

Bottom line: Without a good approach to working parenthood that you're willing to showcase publicly and some visible examples of moms and dads succeeding in your organization, you'll have a hard time developing a reputation as a great boss or convincing people that your company is “a great place to work.”

The issue pervades our public dialogue. Scan the headlines or type the term “working parent” into your browser, and you'll find a deluge of articles, commentary, and opinion generated in the past two to three years—all underscoring the immediacy and scope of the Working Parent Problem. It's certainly top of mind for anyone directly affected by it—and

■ In today's war for talent, working parenthood isn't a skirmish—it's a major, central battle.

increasingly for people who aren't—and will quite likely stay in that spotlight for the foreseeable future. If you're a senior leader who hasn't yet gotten a question about the issue from a reporter, investor, or board member in front of a crowd, or from a star performer during a mentoring conversation, you probably will soon. You don't want to get caught without a thoughtful stance on a hot-button topic that affects so many people.

External help probably isn't on the way—at least, not anytime soon. Yes, there has been a lot of discussion recently in the United States and other countries about working-parent-friendly legislation, including paid and extended parental leaves. While those types of laws could eventually be helpful for parents and for organizations, they may not pass or pass as proposed, and they could be delayed for years. To be effective, your talent strategy has to be based on the here and now, not on the “may-bes” of the future.

So what exactly does a strong, feasible strategy look like? And how, in the face of this large, complex challenge, can individual leaders take charge and make an im-

pact? In my consulting work, I've advised executives and organizations of all sizes and types in various industries to focus on six key things:

1. Demonstrate personal support for working-parent employees in a highly visible way.
2. Define your organization's working-parent challenge from the frontline employee perspective, through both a quantitative and a qualitative lens.
3. Engage allies within and outside the HR team to identify and execute on solutions.
4. Take a comprehensive approach rather than relying on silver bullet solutions.
5. Support—and help shape—grassroots, employee-led solutions, such as peer-to-peer working-parent mentoring programs or employee resource groups (ERGs).
6. Outcommunicate the competition when it comes to working-parent matters.

Ultimately, every leader and organization will find different ways to solve the Working Parent Problem. But, as with any challenge, acknowledging its reality, size, and nature is always the right place to start. ☺

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How to Do Hybrid Right

When designing flexible work arrangements, focus on individual human concerns, not just institutional ones.

→ by LYNDA GRATTON

BY LATE FEBRUARY 2020, as the implications of Covid-19 were becoming clear, Hiroki Hiramatsu, the head of global HR at Fujitsu, realized that the company was in for a shock.

For years, flexible work arrangements had been on the agenda at Fujitsu, but little had actually changed. Most managers in the Japan offices still prized face-to-face interaction and long office hours—and according to an internal survey conducted not long before, more than 74% of all employees considered the office to be the best place to work. But the pandemic, Hiramatsu foresaw, was about to turn everything upside down.

By the middle of March, the majority of Fujitsu's Japan-based employees—some 80,000—were working from home. And it didn't take long for them to appreciate the advantages



of their new flexibility. By May, according to a follow-up survey, only 15% of Fujitsu employees considered the office to be the best place to work. Some 30% said the best place was their homes, and the remaining 55% favored a mix of home and office—a hybrid model.

As employees settled into their new routines, Hiramatsu recognized that something profound was happening. “We are not going back,” he told me this past September. “The two hours many people spend commuting is wasted—we can use that time for education, training, time with our family. We need many ideas about how to make remote work effective. We are embarking on a work-life shift.”

For 10 years, I’ve led the Future of Work Consortium, which has brought together more than 100 companies from across the world to research future trends, identify current good practice, and learn from emerging experiments. Since the pandemic I’ve focused our research on the extraordinary impact that Covid-19 is having on working arrangements. As part of that effort, I’ve talked extensively to executives, many of whom, like Hiramatsu, report that they’ve detected a silver lining in our collective struggle to adapt to the pandemic. These executives told me that given the astonishing speed with which companies have adopted the technology of virtual work, and the extent to which most employees don’t want to revert to past ways of working, they’re seeing a once-in-a-lifetime opportunity to reset work using a hybrid model—one that, if we can get it right, will allow us to make our work lives more purposeful, productive, agile, and flexible.

If leaders and managers want to make this transition successfully, however, they’ll need to do something they’re not accustomed to doing: design hybrid work arrangements with individual human concerns in mind, not just institutional ones.

The Elements of Hybrid

Figuring out how to do this is far from straightforward. That’s because to design hybrid work properly, you have to think about it along two axes: place and time.

Place is the axis that’s getting the most attention at the moment. Like Fujitsu’s employees, millions of workers around the world this year have made a sudden shift from being place-constrained (working in the office) to being place-unconstrained (working anywhere). Perhaps less noticed is the shift many have also made along the time axis, from being time-constrained (working synchronously with others) to being time-unconstrained (working asynchronously whenever they choose).

To help managers conceptualize the two-dimensional nature of this problem, I’ve long used a simple 2x2 matrix that’s organized along those axes. (See the exhibit “Work Arrangements in Place and Time.”) Before Covid-19, most companies offered minimal flexibility along both dimensions. This put them in the lower-left quadrant, with employees working in the office during prescribed hours. Some firms had begun to venture into the lower-right quadrant, by allowing more-flexible hours; others were experimenting in the upper-left quadrant, by offer-

ing employees more flexibility in where they work, most often from home. Very few firms, however, were moving directly into the upper-right quadrant, which represents an anywhere, anytime model of working—the hybrid model.

But that’s changing. As we emerge from the pandemic, many companies have firmly set their sights on flexible working arrangements that can significantly boost productivity and employee satisfaction. Making that happen, I’ve learned in my research, will require that managers consider the challenge from four distinct perspectives: (1) jobs and tasks, (2) employee preferences, (3) projects and workflows, and (4) inclusion and fairness. Let’s look at each in turn.

1 Jobs and Tasks

When thinking about jobs and tasks, start by understanding the critical drivers of productivity—energy, focus, coordination, and cooperation—for each. Next, consider how those drivers will be affected by changes in working arrangements along the axes of time and place.

To illustrate, let’s consider a few kinds of jobs and tasks, their key drivers, and the time and place needs that each involves:

Strategic planner. A critical driver of productivity for this role is focus. Planners often need to work undisturbed for stretches of at least three hours in order to, for example, gather market information and develop business plans. The axis that best enables focus is time—specifically, asynchro-

■ Executives are seeing a silver lining as they adapt to the pandemic: the opportunity to make work lives more purposeful, productive, agile, and flexible.

nous time. If planners are freed from the scheduled demands of others, place becomes less critical: They can perform their work either at home or in the office.

Team manager. Here the critical driver of productivity is coordination. Managers need to regularly communicate in-the-moment feedback with team members. They need to engage in conversation and debate, share best practices, and mentor and coach those on their team. The axis most likely to encourage this aspect of productivity is once again time—but in this case, the time needs to be synchronous. If that can be arranged, then place again becomes less critical: Managers and employees can do their coordination tasks together in the office or from home, on platforms such as Zoom and Microsoft Teams.

Product innovator. For this role, the critical driver is cooperation. But now the important axis is place. Innovation is stimulated by face-to-face contact with colleagues, associates, and clients, who generate ideas in all sorts of ways: by brainstorming in small groups, bumping into one another in the hallways, striking up conversations between meetings, attending group sessions. This kind of cooperation is fostered most effectively in a shared location—an office or a creative hub where employees have the chance to get to know one another and socialize. To that end, cooperative tasks must be synchronous and conducted in a shared space. Looking to the future, we can expect that the development of more-sophisticated cooperative technologies will render shared physical space less of an issue.

Marketing manager. Productivity in this role—indeed, in most roles—requires sustained energy. Both time and place can play a role here. As we've learned during the pandemic, many people find being at home energizing, because they are freed from the burden of long commutes, they can take time out during the day to exercise and walk, they can eat more healthily, and they can spend more time with their families.

The challenge in designing hybrid work arrangements is not simply to optimize the benefits but also to minimize the downsides and understand the trade-offs. Working from home can boost energy, but it can also be isolating, in a way that hinders cooperation. Working on a synchronous schedule can improve coordination, but it can also introduce constant communications and interruptions that disrupt focus.

To combat these potential downsides, Hiramatsu and his team at Fujitsu have committed to creating an ecosystem of spaces that together make up what they call the borderless office. Depending on employees' or teams' specific drivers of productivity, these spaces can take several forms: hubs, which maximize cooperation; satellites, which facilitate coordination; and shared offices, which enable focus.

Fujitsu's hubs are designed with cross-functional cooperation and serendipitous encounters in mind. Located in the major cities, they are comfortable and welcoming open-plan spaces, equipped with the advanced technologies necessary for brainstorming, team building, and the cocreation



Idea in Brief

THE OPPORTUNITY

Since the pandemic, companies have adopted the technologies of virtual work remarkably quickly—and employees are seeing the advantages of more flexibility in where and when they work. As companies recognize what is possible, they are embracing a once-in-a-lifetime opportunity to reset work using a hybrid model.

THE CHALLENGE

Moving to an anywhere, anytime hybrid model will succeed only if it is designed with human concerns in mind, not just institutional ones.

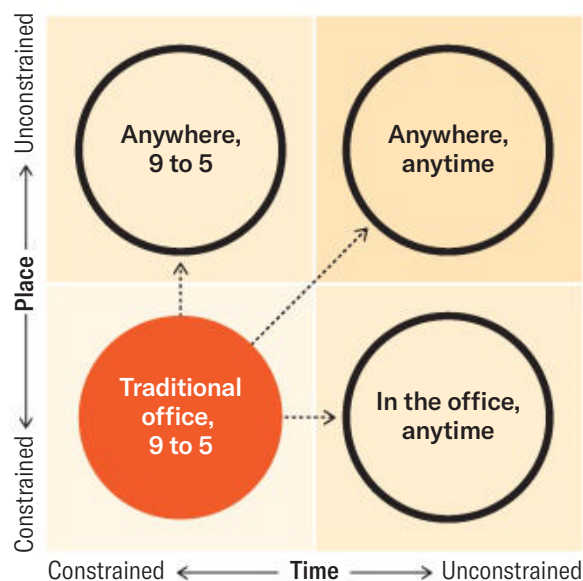
THE WAY FORWARD

That requires companies to approach the problem from four different perspectives: (1) jobs and tasks; (2) employee preferences; (3) projects and workflows; and (4) inclusion and fairness.



Work Arrangements in Place and Time

Working in the office from 9 to 5 used to be the norm, with companies allowing limited flexibility in where or when employees worked. The pandemic has upended that model, as managers recognize that many employees can work productively anywhere, anytime.



of new products. When Fujitsu employees want to work creatively with customers or partners, they invite them to a hub.

The company's satellites are spaces designed to facilitate coordination within and between teams that are working on shared projects. They contain meeting spaces where teams can come together, both in person and virtually, supported by secure networks and advanced videoconferencing facilities. These opportunities for coordination, especially face-to-face, address some of the isolation and loneliness that employees may suffer when working from home.

Shared offices, which make up most of Fujitsu's ecosystem of spaces, are located all over Japan, often near or in urban or suburban train stations. They can be used as short stopovers when people are traveling to visit customers, or as alternatives to working at home. They are designed to function as quiet spaces that employees can easily get to, thus minimizing commuting time. The productivity aim here is focus. The shared offices are equipped with desks and internet connections, allowing employees to work independently and undisturbed or to attend online meetings or engage in online learning.

2 Employee Preferences

Our capacity to operate at peak productivity and performance varies dramatically according to our personal preferences. So in designing hybrid work, consider the preferences of your

employees—and enable others to understand and accommodate those preferences.

Imagine, for example, two strategic planners who hold the same job at the same company, with focus as a critical driver of performance. One of them, Jorge, is 40. He and his family live some distance from his office, requiring him to commute an hour each day to and from work. He has a well-equipped home office, and his children are at school during the day—so, not surprisingly, Jorge feels he is most productive and focused when he can skip the commute and stay home alone to work. He prefers to go into the office only once or twice a week, to meet with his team.

Lillian's situation is very different. She's 28. She lives in the center of town and shares a small apartment with three other people. Because of her living situation, she can't work for long stretches of time at home without being disturbed. To focus, she prefers to be in the office, which is not far from where she lives.

Jorge and Lillian differ in another way: tenure with the company. This, too, affects their preferences. Jorge has been with the firm for eight years and has established a strong network, so time in the office is less crucial for his learning or development. Lillian, on the other hand, is new to her role and is keen to be mentored and coached, activities that demand time with others in the office.

Companies on the hybrid journey are finding ways to take their employees' perspective. Many, like one of the technology companies in the Future of Work Consortium, are providing managers

■ ■ When thinking about jobs and tasks, consider how key productivity drivers—energy, focus, coordination, and cooperation—will be affected by changes in working arrangements.

with simple diagnostic survey tools to better understand their teams' personal preferences, work contexts, and key tasks—tools that allow them to learn, for example, where their team members feel most energized, whether they have a well-functioning home office, and what their needs are for cooperation, coordination, and focus.

Equinor, a Norwegian energy company, has recently taken an ingenious approach to understanding its employees: It surveyed them about their preferences and developed nine composite “personas,” with guidelines for hybrid work arrangements tailored to each one. One of the personas is described like this: “Anna” is a sector manager in Oslo who has been with the company for 20 years. She has three teenagers at home and a 40-minute bicycle commute into the office. Before Covid-19, she worked every other week from home, primarily to focus. But with her teenagers now doing remote schooling in the house, she is often distracted when working from home. When the pandemic is at last behind us, and her kids are back at school, she hopes to spend two days a week at home, doing focused work, and three days in the office, collaborating with her team.

As managers seek to identify the hybrid arrangements that are best for their teams, they consider, for example, how they would respond to an “Anna”: How would her circumstances and preferences affect her capacity to collaborate with others? More broadly, managers consider the implications of coordinating a variety of personas across virtual teams. What are the risks to the safety, security, and effectiveness

of operations? How will changes affect collaboration, leadership, and culture? What might the overall effects be when it comes to taxes, compliance, and external reputation?

3 Projects and Workflows

To make hybrid a success, you have to consider how work gets done. An executive who manages Jorge and Lillian, the hypothetical strategic planners mentioned above, must not only consider their needs and preferences but also coordinate the work they do with that of the others on their team—and with other functions and consumers of their work. That kind of coordination was relatively straightforward when team members all worked in the same place at the same time. But in the era of hybrid work it has grown significantly more complex. I’ve observed executives tackling this in two ways.

One is to significantly boost the use of technology to coordinate activities as employees move to more-flexible work arrangements. Consider the case of Jonas, an Equinor employee. Jonas works as an inspection engineer in the Kollsnes plant, which processes gas from fields in the North Sea. After the pandemic hit, the plant’s managers made it possible for Jonas and his team to carry out some inspection tasks from home, by supplying them with state-of-the-art video and digital tools. These include, for example, robotic devices that move around the plant recording detailed in-the-moment visual data, which is then streamed back to all the

team members for analysis. As a result of these changes, Jonas and his colleagues can now conduct very effective remote field-safety inspections.

Managers at Fujitsu, for their part, use a range of digital tools to categorize and visualize the types of work their teams are performing as they experiment with new arrangements on the axes of time and place. That, in turn, has enabled them to better assess individual and team workloads, analyze remote working conditions, and confirm work projections. Team leaders are also able to understand employee working patterns by studying detailed movement data and examining space utilization and floor density data. This allows Fujitsu managers to design the right arrangements for their workflows and projects.

Other companies are using this moment as an opportunity to reimagine workflows. New hybrid arrangements should never replicate existing bad practices—as was the case when companies began automating work processes, decades ago. Instead of redesigning their workflows to take advantage of what the new technologies made possible, many companies simply layered them onto existing processes, inadvertently replicating their flaws, idiosyncrasies, and workarounds. It often was only years later, after many painful rounds of reengineering, that companies really began making the most of those new technologies.

Companies designing hybrid arrangements need to work hard to get workflows right the first time. Leaders at one of the retail banks in our Future of Work Consortium analyzed and

■ Hybrid arrangements should never replicate existing bad practices—as when firms began automating work processes, decades ago.

reimagined workflows by asking three crucial questions:

Are any team tasks redundant? When executives at the bank asked themselves that question, they realized that in their new hybrid model they had retained too many traditional meetings. By eliminating some and making others (such as status updates) asynchronous, they boosted productivity.

Can any tasks be automated or reassigned to people outside the team? In many new hybrid arrangements, the bank executives realized, the simple answer was yes. Take the process for opening an account with a new high-net-worth customer. Before Covid-19, everybody assumed that this required face-to-face meetings and client signatures. But now, thanks to the redesigned process introduced during the pandemic, bank managers and customers alike recognize the ease and value of remote sign-up.

Can we reimagine a new purpose for our place of work? Here, too, the answer turned out to be yes. To make their hybrid model work successfully, the bank executives decided to reconfigure their existing office space in ways that would encourage cooperation and creativity, and they invested more in tools to enable people to work effectively and collaboratively at home.

4 Inclusion and Fairness

As you develop new hybrid practices and processes, pay particular attention to questions of inclusion and fairness. This is vitally important. Research

tells us that feelings of unfairness in the workplace can hurt productivity, increase burnout, reduce collaboration, and decrease retention.

In the past, when companies began experimenting with flexible approaches to work, they typically allowed individual managers to drive the process on an ad hoc basis. As a result, different departments and teams were afforded varying degrees of flexibility and freedom, which inevitably gave rise to accusations of unfairness. And many employees, of course, had time- and place-dependent jobs that made hybrid arrangements either impossible or far from optimal. They often felt treated unfairly.

Brit Insurance has done admirable work on inclusion and fairness. As the company's CEO, Matthew Wilson, and its chief engagement officer, Lorraine Denny, began the design and implementation of new ways of working, early in 2020, they made a bold choice. Rather than involving "the usual suspects" in the design process, they randomly chose employees from offices in the United States, Bermuda, and London—amounting to 10% of the workforce, from receptionists to senior underwriters—to participate.

During the following six months, teams of six employees—each drawn from multiple divisions, levels, and generational cohorts—worked together virtually across Brit Insurance. They began with diagnostic tools that helped them profile and share their own working capabilities and preferences. Then they embarked on a series of learning modules designed to create deeper insights into how they could work

together to better serve one another's needs and those of the company as a whole. Finally, they engaged in a half-day virtual "hackathon," during which they came up with ideas and pitched them to the CEO. The result was what they called the Brit Playbook, which described some of the new ways they would now all work together.

Selina Millstam, the vice president and head of talent management at Ericsson, a Swedish multinational, recently conducted a similarly inclusive effort. Every new work arrangement, she and the executive team decided, would have to be rooted in the company culture, important aspects of which were "a speak-up environment," "empathy," and "cooperation and collaboration."

To ensure that this would be the case, Millstam and her team last year engaged employees in "jams" that were conducted virtually during a 72-hour period and supported by a team of facilitators, who subsequently analyzed the conversational threads. One of these jams, launched in late April 2020, played a crucial role in giving Ericsson employees a platform to talk about how hybrid ways of working during the pandemic might affect the company culture. More than 17,000 people from 132 countries participated in this virtual conversation. Participants made some 28,000 comments, addressing how working during the pandemic had created both challenges (such as lack of social contact) and benefits (such as increased productivity through reduced distraction).

This jam and others like it helped Ericsson's senior leaders develop a more



nuanced understanding of the issues and priorities they need to take into account as they design hybrid work arrangements. Change, they realized, is bound to create feelings of unfairness and inequity, and the best way to address that problem is to ensure that as many employees as possible are involved in the design process. They need to have their voices heard, to hear from others, and to know that the changes being made are not just the result of individual managers' whims and sensibilities.

SO HOW CAN YOU propel your firm toward an anywhere, anytime model? Start by identifying key jobs and tasks, determine what the drivers of productivity and performance are for each, and think about the arrangements that would serve them best. Engage employees in the process, using a combination of surveys, personas, and interviews to understand what they really want and need. This will differ significantly from company to company, so don't take shortcuts. Think expansively and creatively, with an eye toward eliminating duplication and unproductive elements in your current work arrangements. Communicate broadly so that at every stage of your journey everybody understands how hybrid arrangements will enhance rather than deplete their productivity. Train leaders in the management of hybrid teams, and invest in the tools of coordination that will help your teams align their schedules.

Finally, ask yourself whether your new hybrid arrangements, whatever they are, accentuate your company's values and support its culture. Carefully

and thoughtfully take stock: In the changes you've made, have you created a foundation for the future that everybody in the company will find engaging, fair, inspiring, and meaningful? 🧐

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MAKING HYBRID WORK

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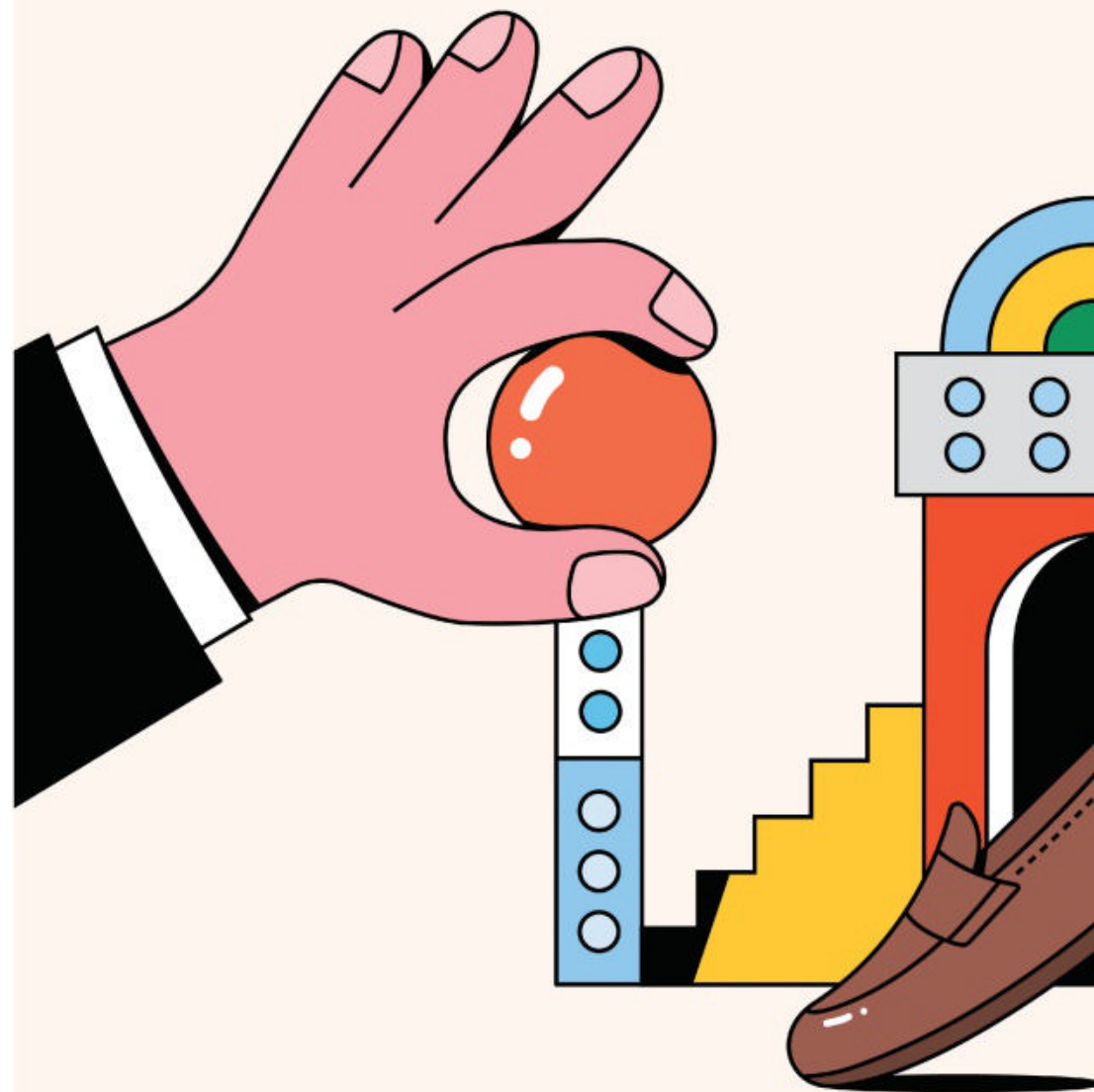
Designing the Hybrid Office

From workplace to “culture space”

→ by ANNE-LAURE FAYARD, JOHN WEEKS, and MAHWESH KHAN

IN JUNE 2019 the International Olympic Committee (IOC) opened Olympic House, its new headquarters, in Lausanne, Switzerland. Constructed over six years, at a cost of \$150 million, the new building was empty within just nine months. IOC staffers, like knowledge workers around the world, were working from home.

The natural experiment forced on the world by the coronavirus demonstrates that the academics and tech visionaries who have been talking since the 1980s about the possibilities of remote work were not exaggerating. Research from before the pandemic established that some workers in wealthy industrialized countries can work effectively from home, and that about 80% of them would like to do so, at least some of the time. After months of working remotely, employers, too, have learned that most tasks are accomplished and most meetings go just fine without the office.







Of course, companies won't suddenly abandon their offices, because going to the office has never been just about work. And technology won't make socializing less dependent on direct interpersonal contact anytime soon. But we do need to rethink the cube design that all too many offices exemplify.

Pre-pandemic, most businesses saw the office as a place where individuals could get work done. Post-pandemic, the office will only secondarily be a place to carry out tasks or engage in routine meetings, especially for knowledge workers. They will be able to do much of that from home, thanks to the growing functionality of information and communication technologies. As a result, employees will increasingly be working in what we call the hybrid office—moving between a home work space and a traditional office building. The latter will become primarily a *culture space*, providing workers with a social anchor, facilitating connections, enabling learning, and fostering unscripted, innovative collaboration.

In the following pages we explore the social functions of the office and describe how a number of forward-thinking companies are developing a new model—using intelligent, tech-enabled design to turn ergonomic workplaces into socially engaging culture spaces.

The Office as Social Anchor

In the course of our researching the impact of remote working, one Paris-based senior marketing manager told us that before the March 2020 lockdown, he had a flexible schedule and enjoyed

working from home two or three days a week. Thus he didn't mind much when his company announced that the office would stay closed at least until the end of December. Yet by early July, despite being in virtual meetings almost all day every day, he was lonely and pining to see his coworkers face-to-face. We have heard this theme again and again: At first, existing relationships seem to thrive when people work remotely. But over time problems emerge. Even self-identified introverts who relish a chance to work at home discover that it can be too much of a good thing.

Studies in cognitive psychology and neuroscience show that human cognition depends not only on how the brain processes signals, but also on the environment in which those signals are received. That's why the limited body language available in videoconferences can trigger misinterpretation and make bonding difficult. Being physically colocated helps people interpret others' moods and personalities, making it easier to build and cement relationships.

A short meetup at a colleague's desk can result in what the psychiatrist Edward Hallowell calls a *human moment*: a face-to-face encounter that allows for empathy, emotional connection, and nonverbal cues to complement what is actually said. When communication takes place remotely, the connection is severely weakened and nonverbal signals are harder to pick up on, even when people can see each other on a screen. In human moments people are often energized and more likely to empathize with each other, which supports organizational culture and collaboration. Neuroscientific

research suggests that the brain chemistry of people in human moments is distinct from that in purely transactional encounters.

Many remote encounters are purely task-focused and largely free of emotional connection. Microsoft recently surveyed its employees about how they were dealing with the Covid-related remote-work environment. One of the effects most often cited was an increase in the number of (shorter) meetings needed to solve a problem, because, as a survey respondent put it, people could no longer “just pop by to someone else's office to ask a question.” Another said, “I can't wander over to someone's desk or connect over coffee in the kitchen. As a result, I think I spend a lot more time in meetings.”

Meetings are important, of course, but not more so than human moments, because it is relationships, not merely acts of collaboration, that create trust between coworkers. Studies have long shown that frequent in-person interactions lead to commitment, support, and cooperation among people on teams. That's why many tech companies that boast about being 100% online still have an office. Even those that have no physical space emphasize that teams should meet face-to-face on a regular basis: “We get the whole company together once a year for seven days so that Automatticians can create bonds that influence them all year long,” says the website of Automattic, the company that owns WordPress and Tumblr.

Research into distributed open-source software development communities shows that members consider regular real-life meetings helpful for

■ Studies have long shown that frequent in-person interactions lead to commitment, support, and cooperation among people on teams.

nurturing relationships. The WELL (Whole Earth 'Lectronic Link), which started in 1985, is one of the oldest virtual communities in existence. The WELL attributes its survival to fostering deep relationships through in-person contact: Its members have practically grown up together—they've attended one another's weddings and funerals and supported one another through child-rearing years and illnesses.

The Office as Schoolhouse

When organizations move to remote working, they need to consider the impact on how knowledge is shared. Much of it can be codified, efficiently scaled, and distributed by knowledge-management systems to all employees, whether they're working on-site or remotely. But the really critical knowledge in most organizations cannot be made explicit. Ask new employees at almost any company and they will say that they learned as much from observing their colleagues and managers and interacting with various stakeholders as they did from going through new-employee orientation and specialized trainings—if not more. Classically, this on-the-job learning takes place through apprenticeship. New employees learn the correct and proper way to behave—"how things are done around here"—from directly observing those around them, especially their mentors.

Technology can certainly be used to facilitate this sort of learning, but without question an office makes the process a lot easier. In September 2020 Jamie Dimon, the CEO of JPMorgan Chase, said in a session with equity

research analysts that after six months of working from home, junior employees were losing out on the informal, intangible benefits of sitting together in the office and no longer profited from the spontaneous learning and creativity that comes from human-to-human contact. Although JPMorgan Chase, like other banks and law firms, relies on virtual training to teach core skills, those trainings don't provide real-life, desk-side insight into how, for instance, a portfolio manager might choose between two technically similar stocks.

The need to sometimes be in an office was strongly expressed by a young IT professional we met in London during the course of our research. He described his mid-2020 virtual onboarding experience in a global financial-services company as "surreal." Because its offices were closed, he had not been able to visit them or meet a single member of his new team in person. The onboarding was done over Zoom, and the team had regular virtual check-ins and meetings.

He was impressed by the effort his new company made to create the best possible experience, but, he told us, "The truth is, I still do not know the system, the environment, and there is nothing my company can do. Things that would have required me to simply turn around in my chair and ask my colleague at the neighboring desk in 10 seconds now take me several emails back and forth to understand." And questions sent by email have more weight than questions asked of someone face-to-face, so he hesitated to send messages to colleagues he had never met. "I am always wondering whether or not to ask the 'silly' question," he said.



Idea in Brief

THE PROBLEM

Remote work is delivering some near-term productivity boosts and cost savings, but the longer-term impact may be very negative for company performance.

WHY THAT IS

Human beings require personal connection to build trust. Learning through observation requires physical proximity. And chance encounters between diverse individuals are a rich source of innovation.

THE SOLUTION

Tomorrow's offices will serve primarily as a place to renew social ties, build a learning culture, and offer opportunities for serendipity. They will be designed and managed to foster human connections with the help of technology.

■ People need be only 50 meters apart for regular communication (whether face-to-face or in any media) to decrease.

He worried that it would take him more time to learn the ropes needed to do his job efficiently in the long term. He also wondered what the norms were for interactions and ways of working. He tried to pick them up through emails, calls, and Zoom meetings, but he found it harder to understand the company culture than he had in his previous job.

The Office as a Hub for Unstructured Collaboration

When people from different functions and departments collaborate, they can solve complex problems and generate innovative new ideas. Such collaboration is usually triggered by chance encounters—in conversations around a coffee machine or a copier—in which people identify others they can get help from or work with. (“Have you talked to Sofia? She worked with a similar client last year. She might be able to share what it did or point you to a reference.”) Research confirms this: The Human Dynamics group in the MIT Media Lab collected data from employees’ electronic badges and found that frequent face-to-face interactions outside formal meetings were the best predictor of productivity.

Although you can’t plan for impromptu conversations, you can make them more likely to happen. One manager we interviewed described setting up a big board to post all the insights her team collected for one project. She positioned the board in a central area that people often passed through and held team meetings around it; passersby would listen and sometimes join

in. Her desk was nearby, so when people stopped at the board, she would go over and chat with them about it, explaining the project and getting their feedback. The insights she gleaned from these chance encounters were added to the board.

That kind of unstructured collaboration requires close in-person contact, which isn’t possible when everyone is working from home. It can be difficult to achieve even when people are in the same building, because communication of all kinds suffers if colleagues are located far from one another in the same office. Tom Allen, an MIT organizational psychologist, demonstrated in the 1970s that people need be only 50 meters apart for regular communication (whether face-to-face or in any media) to decrease.

Organizations that reduced workplace density in the interests of social distancing have learned the truth of that. One European home-appliance group divided employees at headquarters into two cohorts. One came in on Mondays and Tuesdays and the other on Thursdays and Fridays, with no rotation. After four months a number of projects had slipped off schedule because many of the people collaborating on them came in on different days and never met in person.

Precisely because they recognized the importance of providing regular touchpoints, some early adopters of remote work, such as IBM and Yahoo, decided a few years ago to partially reverse their very liberal telecommuting policies. And when Microsoft changed its policy in 2020 to let more employees work from home, it also provided in-

office touchdown spaces for them—a practice sometimes referred to as *hoteling*.

Creating the Office of Tomorrow

Widely available technology is not only facilitating remote work but also progressively automating much of the routine work that traditionally defined people’s jobs. Together these two developments are fundamentally redefining the meaning of work and the role of an employee in the organization. Increasingly, what companies need from people is their creativity—and as we’ve seen, people are more creative when they’re together and can share human moments. That’s why we need the office. But tomorrow’s offices will have to be very different from what we’re used to, and three features will define them. They will be:

Designed for human moments.

Low-cost open-plan designs and cramped seating—which researchers have consistently found to be detrimental to morale, collaboration, and productivity—are ubiquitous, but some companies have moved beyond that model. Their new approach strikes a balance between openness and privacy, incorporating design elements that enable social interactions of many types—from a quick chat at the corner of an open stairway to low-voiced gossip by the kitchen counter or the coffee machine. Among these elements might be an alcove where a few people can polish a presentation or a high table where two people can stand for an impromptu meeting and be joined by a junior em-



ployee who passes by, overhears them, and stops to ask a question.

The IOC's Olympic House, built for the purpose of humanizing work, has many such features. In the century following its founding, the IOC had grown to occupy four locations across Lausanne. By 2012 its leaders had noticed that this fragmentation was damaging relationships among its 400-plus employees. Although the nature of the work meant that people traveled extensively and often worked remotely, IOC's leadership believed that a single home base was essential to creating a sense of community that would foster the well-being of employees and stakeholders and, above all, provide human moments for building trust and stimulating creativity.

Within just a few months Olympic House became, as one IOC manager put it, a "happy place to come to every day, where we feed off each other's energy." Its design fosters formal and informal encounters, profoundly changing how teams interact. For example, its great central staircase—shaped like the five rings of the Olympic symbol—forces people from different departments to encounter one another on the way to and from their desks and encourages them to stop and talk. "Those spaces around the staircase" one IOC manager explained, "are full of sofas and coffee corners where you would like to spend five or 10 minutes speaking with your colleagues about open points that you need to tackle, rather than sending a lot of emails. And this human element is at the heart of what we do."

The designers also paid particular attention to acoustics. In the areas with

desks—allocated according to a hoteling scheme—sounds are muted by carpets and sound-absorbent material on the ceiling and in the furniture. Near the central staircase and in other areas intended for socializing, the architects deliberately used less sound-absorbent material to create a "coffee shop buzz" and draw people in to chat and socialize.

Details like these matter. A global tech company we know decided to cut costs by eliminating the coffee machine in one of its R&D centers. Initially productivity went up: Managers measured an increase in the number of lines of code produced and a decrease in the number of bugs. People were spending less time talking over coffee and more time coding. But later the total number of product releases went down, owing to an increase in integration bugs. That coffee talk turned out to have produced valuable collaboration.

Customized by technology.

Technology has helped us take home the work we can do more efficiently on our own. It can also help us better understand how we operate socially, and that understanding can lead to more-effective design and use of social spaces.

Silverstein Properties, a real estate development and management firm in New York City, provides a case in point. The company has created an AI-based platform called Dojo, which tracks the movement of people to feed a data-driven scoring system that generates office layouts and seating charts to maximize the likelihood of serendipitous informal interactions.

Dojo enables users to create collaboration profiles for individuals, teams, and the organization as a whole. (Some

industries and functions require a greater proportion of independent work than others do.) This allows companies to cluster employees by work style, using metrics such as the percentage of time spent in meetings, the average amount of free time between meetings, and the distribution of meetings during the day. The result is a kind of nonhierarchical org chart that can help managers find ways to use the company's physical spaces and technology to create more opportunities for employees to connect.

One of Silverstein's tenants, a tech company with more than 400 employees, used insights from Dojo in redesigning its office. The platform showed that if the tenant redistributed its people according to cross-departmental "neighborhoods," it could improve collaboration and reduce its real estate footprint. The tech company also found that no one was using the small rooms, meant to provide privacy, that were situated far from where most people sat. Instead employees made their private calls in the elevator lobby. So it did away with the small rooms and installed phone booths in the lobby. After making those changes, it had 20% more space than it needed, which it was able to sublet.

Technology can also support relationships between people working remotely and people in the office. In the mid-1980s researchers at Xerox PARC created a media space combining video, audio, and computing technologies to support social interactions between their labs in Palo Alto and Portland, Oregon. This allowed people in the labs' lounge areas and in some individual offices to connect virtually. Similar



experiments at Xerox's EuroPARC in the UK, at Bellcore, and at the University of Toronto show that even a peripheral awareness of one another can help people working remotely feel closer to those on-site and vice versa.

Of course, technology should go only so far. As long as employees can see who is present physically and who is available virtually—which technology like Dojo can facilitate—they should be free to create their own encounters and moments of collaborative thinking.

Managed to encourage connections. For their part, managers need to ensure that when people come to the office, they feel they have permission to socialize and connect with their colleagues. In addition to explicitly stating this, leaders should reinforce it by spending time themselves in the common areas and participating in social events.

The global design consultancy frog provides a good example of what this involves. Frog has offices, or “studios,” around the world, which the company uses to cement social ties and teach newcomers about the company culture. Rituals that foster informal learning abound, from Monday Morning Meetings (where recurring themes across projects and industries are discussed or new content is shared in a presentation) to Wellness Wednesdays (during which, for example, a yoga class might be taught) to coffee time every afternoon and happy hours for team members and occasionally for clients.

These rituals all offer opportunities for junior and more-senior employees to mingle, share stories about projects and life, and informally ask for advice. Work

happens as much in the lounge and the kitchen as in the rooms where project teams brainstorm with whiteboards and Post-it notes. Seeing or overhearing these work sessions, formal and informal, is critical to learning the subtleties of good design and managing client relationships.

When the world went into lockdown, frog discovered some positive aspects to working from home. Collaboration across the global studio network improved, for example. Without the constraints of face-to-face work, frog could increase cross-pollination among its studios worldwide and better utilize people's talents. It was also able to keep some of the rituals alive, with a few tweaks. At a virtual daily coffee time, for example, someone might post a question such as “What's the craziest way you've been injured?” to get people out of work mode. Given these benefits and the cost savings from shutting down a studio in an expensive market like New York, frog's leaders wondered if the company could continue with working from home, since the transition had been smooth. But they realized that the studio plays a central role in the company culture for informal learning and socialization—and although New York rents are high, the space cost is a relatively small part of frog's overall expenses. Even if working at the studio needs reinventing, it will remain a core part of being an employee.

As we all go back to the office, it will be essential to avoid conflating face time and actual output when assessing performance—so that people don't feel they need to show up to convince the boss that they're working hard. And

when in the office, they shouldn't feel obligated to be in meetings or on their computers all the time. If coming back in means only individual work and task-focused meetings, the positive lessons from the pandemic will have been lost, and the organization's performance and culture may be jeopardized.

To avoid that, Adam D'Angelo, the chief executive of the question-and-answer website Quora, announced that the company would not adopt a selective remote approach—whereby leaders or certain groups go to the office while regular employees work from home. Instead everyone—from the CEO down—would work from home, but everyone would be required to spend time in the office as well. The intention, as he explained on the company blog, was to “prevent the office from becoming the ‘real’ headquarters.” It sent a clear signal to Quora employees that going to the office was not a way to impress your boss; in the eyes of management, working from home was and would continue to be just as legitimate.

When in the office, leaders need to model the kind of social behaviors that people ought to engage in. They should not spend all their time in meetings; rather, they should follow the lead of Paul Bennett, IDEO's chief creative officer, who says he sits “permanently and resolutely with our IT team at its help desk, which is the most visible and central spot in our San Francisco office.” He adds, “I think of the help desk as an overlap between a coffee bar and a hacked-together technological lifeguard station. The people there are full of energy and fun. Sitting high up on a stool with them has encouraged

■ ■ **Once back in the office, people may feel obligated to be in meetings or on their computers all the time. If so, the positive lessons from the pandemic will have been lost.**

people to approach me spontaneously. This lets conversations and interactions happen naturally over the course of the workday.”

Opportunities for non-work-related rituals (such as meditation, yoga, and the plank challenge) are also a great way to nurture relationships and signal that the office is about connecting. Of course, in-person meetings should not be banned, but they need to be limited so that a day in the office does not become a day in meetings—and they should involve activities that might be difficult to do remotely (such as brainstorming while standing up or moving around a table).

By the same token, companies must ensure that their employees aren’t “always on” if they are to engender engagement and creativity. Taking breaks is not always easy, especially if employees are being monitored with surveillance software or managed by bosses who focus on screen time rather than productive output. Make it clear that it’s fine to take a lunch break or to reschedule an 8:00 AM meeting to accommodate someone’s regular morning run or swim or yoga practice. Here again, role-modeling matters. It can be as simple as setting your status on Slack or another tool to say “I’m out for lunch” or “I’m online all week except Thursdays.” Recognize that sometimes people need a long weekend or a holiday. The software services provider Basecamp gives each employee a 30-day sabbatical every three years.

AS MANY ORGANIZATIONS allow people to work remotely at least some of the time, it’s worth remembering that

distributed collaboration has a long history. What that history and our contemporary experience show is that supportive infrastructure, technologies, and organizational processes are necessary but not sufficient for productive collaboration. People still need in-person touchpoints that provide opportunities to clarify and align expectations, to refresh rules and work practices, and to build or revive trust. In a world that enables and leverages work from home at scale, it is all the more important to bring people back together in offices to deliver on those human needs. ☺

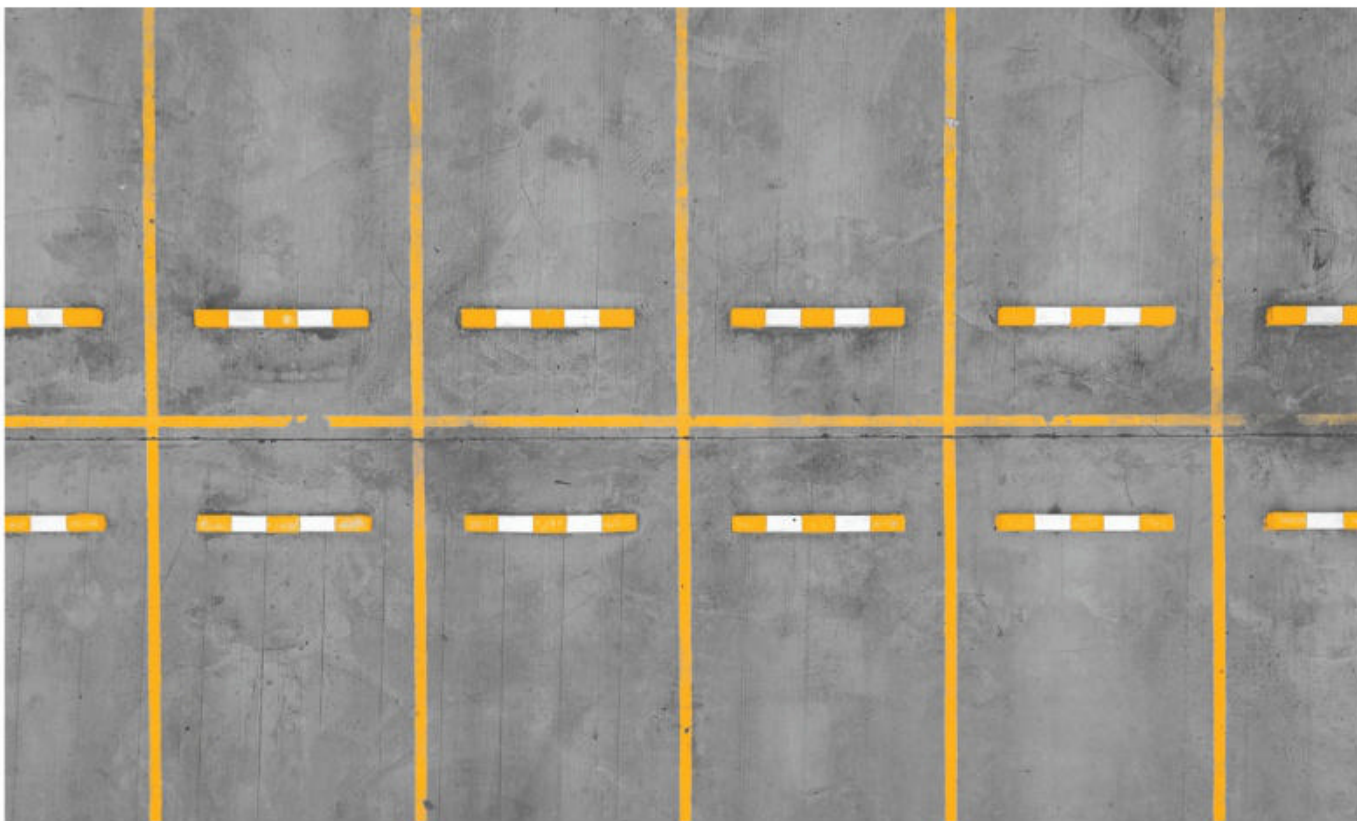
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MAKING HYBRID WORK

Quick Takes



1. The Post-Pandemic Rules of Talent Management

→ by BECKY FRANKIEWICZ and TOMAS CHAMORRO-PREMUZIC

OVER THE PAST decades, rapid digital transformation has enabled organizations to completely reimagine the way they work and manage talent. From reliable video-conferencing platforms, to digital collaboration software, to ubiquitous cloud-based connectivity and a data-centric approach to strategic decision-making powered by the synergy between artificial and human intelligence, an imaginary

worker from the 1950s would surely marvel at the current landscape of work as if they were in a *Black Mirror* episode.

And yet, it took a pandemic to truly accelerate this trend and transform the way most people work day to day, leveraging these foundational aspects of technology to dramatically change how we approach jobs and careers, perhaps forever. Indeed, for those with the

skills to work remotely, the crisis has turbocharged an unparalleled shift toward more-flexible work and being able to live *one life* that better blends work and home—trends we know workers have wanted for some time now.

Technology has the potential to be a great enabler, providing humans with the tools to remain emotionally and socially connected even while in physical isolation, and the pandemic has been

the critical catalyst for change. At the onset of this crisis, talent literally left the building, and we're now beginning to realize that in many places, it is unlikely to come back. In what will surely count as one of the strongest demonstrations for the extraordinary human capacity for adaptability, workers of the world have been able to remain productive even in lockdown.

Humanyze, a technology firm that specializes in social sensing (led by MIT's Ben Waber, who coined the now widely used term *people analytics*), mined anonymous company email, chat, and calendar data to find that working without an office has actually extended people's working time by an average 10% to 20%. It also reduced work-related stress and negative emotions, and increased confidence and well-being, as well as communication with close collaborators, by a staggering 40%. In the early days of the pandemic, Microsoft reported a 200% increase in virtual meetings (mining its client data from Microsoft Teams), with a total of 2.7 billion meetings per day. Although virtual teams and remote work were already quite prevalent prior to Covid-19, overall collaboration will most likely increase

ANUCHA SIRIVISANSUNAN/GETTY IMAGES

■ The pandemic marks the formal entrance to the age of digital nomads and a personalized workforce.

when everyone is remote, with firms like Twitter and Square announcing their employees can work from home forever, and early indicators suggesting that business collaboration is stronger now than before the pandemic.

As we look to the *new next*, unsurprisingly, many people have no desire to return to the office full-time and, by extension, be forced to live close to it, especially if appearances are mostly for symbolic or decorative purposes. As our newly released ManpowerGroup global analysis shows, eight in 10 workers want more remote work to attain a healthier work/life fusion. To be sure, we had been talking about the benefits of an agile, hybrid, and fluid workforce for some time, but the pandemic marks the formal entrance to the age of digital nomads and a personalized workforce, with five salient trends (and opportunities) to consider:

1. Technology that deepens human connections.

Discussions about new technologies, such as AI, often paint a bleak and dehumanizing picture. For example, the author of *Sapiens: A Brief History of Humankind* (Harper, 2015), Yuval Noah Harari, has warned of the

rise of a “useless class” of humans. And vastly exaggerated alarm bells are being rung over automation. A more obvious trend so far has been that humans working *with*, and enhanced by, AI almost always produce better results than humans without AI, or AI without humans. While the crisis accelerated the use of technology, which enabled the decoupling of work from a “place,” this shift was already occurring as a large proportion of organizations—large, medium, and small—made necessary investments in online collaboration tools like Zoom and Teams, growing the market for collaboration software to more than \$45 billion globally (resulting in a 300% increase in Zoom’s share price since the pandemic started).

Technology is rapidly becoming more human. We aren’t simply collaborating; we are running businesses, visiting family, attending weddings, and educating our children through technology, making the virtual world more humane, forging deep digital connections that are founded on true human connectedness. The crisis has converted collaboration software to “cohabitation software,” with Microsoft reporting a 10% increase in

social meetings (including “pajama day” or “meet my pet day”) during the past few months. All this allows us to exist “in the same space at the same time” together, while we determine the place.

2. Culture built outside the building.

Last year, when the world could not even imagine the present state of affairs, we presented our research on what workers want, and a *Fortune* 500 CEO asked us: “How do you possibly build culture when you don’t sit together?” Our response was that culture doesn’t exist within *walls*; it exists within *people*, so you have to build culture through people, wherever they sit. We could tell he was skeptical—yet the pandemic has proven that we can and must build culture from living rooms and home offices across the country. Workers knew this a while ago. It’s why people may use the exact same technology yet experience work in a very different way when they move from one company to another. Fundamentally, culture is “how we do things around here,” and it’s the sum of default behaviors, preferences, values, and decisions that make each organization a unique habitat, regardless of whether people frequent an office or not.

Now company leaders are realizing it as well. Leaders can focus on building culture anywhere by refraining from micromanaging, getting over the politics of presentism, and learning to measure what each employee actually produces and contributes to the organization with as much objectivity and data as possible. Above all, by nurturing trust and fairness in relationships with employees, leaders can upgrade the company culture even in a virtual-only world.

3. Work that supports life.

Our ManpowerGroup research shows that the second concern after health for workers post-crisis is maintaining flexibility. Most workers want to work remotely a few days a week; they want a hybrid workplace between work and home that allows for better balance. But the office *does* still have a role in human connection. Companies like Ford are taking this moment to redesign how office space works. Others are investing in new hubs where people come together to collaborate and socialize. Gen Z employees are the most positive about coming back into the office (on their terms), and they, especially, look to the workplace as a source of socialization as

■ Talented individuals with in-demand skills in any sector realize they can live where they choose and work where they are qualified.

much as a place to network and learn. Gen X and Baby Boomers, who are leading many companies today, enjoy the separation that the physical workplace brings in their efforts to keep work and home a bit more separate.

It's critical for leaders to realize that while workers may still want to *occasionally* come to the office, few want to come in every day. For jobs that must be in person, it's going to be important to flex the hours to minimize the commute, flex the shift to allow parents to be part-time teachers, and flex the days to enable the workforce to work in a way that supports life.

4. Screens as the great equalizer. The great thing about video calls is that the boxes are all the same size—it's a great equalizer. Prior to the crisis, we had all been in meetings where a portion of the team was in person and others were online. The online participants were primarily bystanders to the actual meeting. There was an advantage to being "in the room," akin to being in the right place at the right time, and saying the right thing to the right person.

As companies work to improve diversity, equity, and inclusion (DEI), technology provides the level playing

field most groups want. Not only is it harder to engage in office politics, show off, or manage up when you are in a Zoom call and everyone is watching, but the ability to capture, record, and analyze meeting data provides organizations with hard facts to evaluate DEI in real time. Diversity analytics, including a measure of how much people from different groups speak during meetings, whether they are included or excluded from the informal social networks that govern the power dynamics of an organization, and whether their ideas and comments are well-received by the group, promises to accelerate progress in a still dysfunctional area. It is a wonderful silver lining that technology and the global health crisis have sanitized a lot of the toxic politics and nepotism that corrupt the meritocratic ideal of talent-centric organizations: It is a lot harder to "pretend to work" when nobody sees you or cares about where you are.

5. Talent geographically unleashed. The virus isn't confined by borders, and neither is talent in a virtual world. For years, the model has been the same: When you're interested in hiring talent, an early question is

often "Will you relocate?" On most talent plans around the world, it's the biggest career-limiting question, as it has restricted career advancement and company growth for decades. However, in recent years, we have seen an empowerment of skilled talent calling the shots on separating where they choose to live and where they contribute to work. Software developers experienced the earliest shift—the work followed the talent. Then, with record low unemployment in many areas of the world last year, we saw this openness to location expand into other sectors, such as banking and consumer goods.

Technology has now untethered talent from location. Talented individuals with in-demand skills in any sector realize they can live where they choose and work where they are qualified. And employers realize they can source "best of" talent from anywhere in the world as long as they have internet connectivity. The idea that workers have to physically move to get a job is gone, along with the costs of relocation. It's actually quite simple: Talented workers want to be free—free from geographic borders, free from physical location expectations, and free from

government restrictions. As the *Economist* estimates, opening borders to free up talent would result in a \$78 trillion increase in global GDP: "Labor is the world's most valuable commodity—yet, thanks to strict immigration regulation, most of it goes to waste." If technology and cultural organizational changes enable people to do their work from wherever they want, they will set talent free even with current immigration laws and restrictions, countering the recent political trend to slow down globalization in favor of nationalist policies.

WORKPLACE AND WORKFORCE have now been separated, while work, home, and school have been brought together. Technology is moving humanity away from the office and back into homes across our nation every day. We are building culture outside of buildings, with work that supports life on a more even playing field, with talent that can come from anywhere. As we look to the future, it's time to unleash these new ways of working for the long term, with a focus on well-being, equality, and productivity that can work for both employers and employees long after this crisis ends. It's time to em-



brace the truly global talent pool that is available to drive growth, regardless of where those people call home.

In short, the global talent pool has arrived, and talent is the new global currency...*if* businesses have the culture, confidence, and technology to tap into it.

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2. What Psychological Safety Looks Like in a Hybrid Workplace

→ by AMY C. EDMONDSON and MARK MORTENSEN

"Our office policy is that people should come into the office once per week. Now they are organizing a team meeting with 15 people. I guess some people seem to feel comfortable with that, but I'm not. I have a young family at home, and we have been very careful. I can't say that though."

—Executive at a global food brand, shared privately

[To a colleague working from home]

"We miss having you here with us in the office. We are seeing more people in the office these days, and it's really nice to have more people around."

—Comments made in a virtual team coffee chat

SINCE THE PANDEMIC changed the landscape of work, much attention has been given to the more visible aspects of working from home (WFH), including the challenges of managing people from a distance with reduced trust and new power dynamics. But a far less visible factor may dramatically influence the effectiveness of hybrid workplaces. As suggested by the above quotes, sorting out future work arrangements, and attending to employees' inevitable anxieties about those arrangements, will require managers to rethink and expand one of the strongest proven predictors of team effectiveness: psychological safety.



How New Forms of Work Affect Psychological Safety

Psychological safety—the belief that one can speak up without risk of punishment or humiliation—has been well established as a critical driver of high-quality decision-making, healthy group dynamics and interpersonal relationships, greater innovation, and more-effective execution in organizations. Simple as that concept may be to understand, Amy’s work has shown how hard it is to establish and maintain psychological safety even in the most straightforward, factual, and critical contexts—for example, ensuring that operating room staff speak up to avoid a wrong-side surgery or that a CEO is corrected before sharing inaccurate data in a public meeting (both are real-life psychological safety failure examples reported in interviews). Unfortunately, WFH and hybrid working makes psychological safety anything but straightforward.

When it comes to psychological safety, managers have traditionally focused on enabling candor and dissent with respect to work content. The problem is, as the boundary between work and life becomes increas-

ingly blurry, managers must make staffing, scheduling, and coordination decisions that consider employees’ personal circumstances—a categorically different domain.

For one employee, the decision of when to work from home may be driven by a need to spend time with a widowed parent or to help a child struggling at school. For another, it may be influenced by undisclosed health issues (something Covid brought into stark relief) or a nonwork passion, as was the case with a young professional who trained as an Olympic-level athlete on the side. It’s worth noting that we’ve both heard from employees who feel marginalized, penalized, or excluded from this dialogue around work/life balance because they’re single or have no children, often being told they’re lucky they don’t have to deal with those challenges. Having psychologically safe discussions around work/life balance issues is challenging because these topics are more likely to touch on deep-seated aspects of employees’ identity, values, and choices. This makes them both more personal and riskier from legal and ethical standpoints with respect to bias.

We Can’t Just Keep Doing What We’re Doing

In the past, we’ve always approached “work” and “nonwork” discussions as separable, allowing managers to keep the latter off the table. Over the past year, however, many managers have found that previously off-limits topics like child-care, health-risk comfort levels, or challenges faced by spouses or other family members are increasingly required for joint (manager and employee) decisions about how to structure and schedule hybrid work.

While it may be tempting to think we can reseparate the two once we return to the office, the shift to a higher proportion of WFH means that’s neither a realistic nor a sustainable long-term solution. Organizations that don’t update their approach going forward will find themselves trying to optimize extremely complicated scheduling and coordination challenges with incomplete—if not incorrect—information. Keep in mind that hybrid working arrangements present a parallel increase in managerial complexity; managers face the same workflow coordination challenges they’ve managed in the past, now with the added challenge of coordinating among people

who can’t be counted on to be present at predictable times.

Strategies for Managers

Let’s start with the fact that the reasons why managers have avoided seeking personal details remain just as relevant and critical today as they’ve always been. Sharing personal information carries real and significant risks, given legal restrictions related to asking personal questions, the potential for bias, and a desire to respect employee privacy. The solution thus cannot be to demand greater disclosure of personal details. Instead, managers must create an environment that encourages employees to share aspects of their personal situations as relevant to their work scheduling or location and/or trust employees to make the right choices for themselves and their families, balanced against the needs of their teams. Management’s responsibility is to expand the domain of which work/life issues are safe to raise. Psychological safety is needed today to enable productive conversations in new, challenging (and potentially fraught) territory.

Obviously, simply saying “just trust me” won’t work. Instead, we suggest a series

■ Far too many managers demand candor of their employees without demonstrating it themselves.

of five steps to create a culture of psychological safety that extends beyond the work content to include broader aspects of employees' experiences.

1. Set the scene. Trite as it sounds, the first step is having a discussion with your team to help them recognize not only their challenges but yours as well. The objective of this discussion is to share ownership of the problem.

We suggest framing this as a need for the group to problem-solve to develop new ways to work effectively. Clarify what's at stake. Employees must understand that getting the work done (for customers, for the mission, for their careers) matters just as much as it always has, but that it won't be done exactly as it was in the past—they'll need to play a (creative and responsible) role in that. As a group, you and your employees must come to recognize that everyone must be clear and transparent about the needs of the work and of the team and jointly own responsibility for succeeding, despite the many hurdles that lie ahead.

2. Lead the way. Words are cheap, and when it comes to psychological safety, far too many managers demand

candor of their employees—particularly around mistakes or other potentially embarrassing topics—without demonstrating it themselves or without protecting it when others do share.

The best way to show you're serious is to expose your own vulnerability by sharing your own WFH/hybrid work personal challenges and constraints. Remember, managers have to go first in taking these kinds of risks. Be vulnerable and humble about not having a clear plan and be open about how you're thinking about managing your own challenges. If you're not willing to be candid with your employees, why should you expect them to be candid with you?

3. Take baby steps. Don't expect your employees to share their most personal and risky challenges right away. It takes time to build trust, and even if you have a healthy culture of psychological safety established around work, this is a new domain, and speaking up about buggy code is different from sharing struggles at home.

Start by making small disclosures yourself, and then welcome others' disclosures to help your employees build confidence that sharing is not penalized.

4. Share positive examples. Don't assume that your employees will immediately have access to all the information you have supporting the benefits of sharing these challenges and needs.

Put your marketing hat on and market psychological safety by sharing your conviction that increased transparency is helping the team design new arrangements that serve both individual needs and organizational goals. The goal here isn't to share information that was disclosed to you privately but rather to explain that disclosure has allowed you to collaboratively come up with solutions that are better not just for the team but also for the employees. This needs to be done with tact and skill to avoid creating pressure to conform—the goal here is to provide employees with the evidence they need to buy in voluntarily.

5. Be a watchdog. Most people recognize that psychological safety takes time to build, but moments to destroy. The default is for people to hold back, to fail to share even their most relevant thoughts at work if they're not sure they'll be well received. When they do take the risk of speaking up,

but get shot down, they—and everyone else—will be less likely to do it the next time.

As a team leader, you need to be vigilant and push back when you notice employees making seemingly innocent comments like “We want to see more of you” or “We could really use you,” which may leave employees feeling they're letting their teammates down. This is a really hard thing to do and requires skill. The idea isn't to become thought police or punish those who genuinely do miss their WFH colleagues or need their help, but rather to help employees frame these remarks in a more positive and understanding way—for example, “We miss your thoughtful perspective and understand you face constraints. Let us know if there is any way we can help.” Be open about your intentions to be inclusive and helpful so that people don't see requests for their presence as a rebuke. At the same time, be ready to firmly censure those who inappropriately take advantage of shared personal information.

It's important that managers view (and discuss) these conversations as a work in progress. As with all group dynamics, they're emergent processes that develop and shift over time. This is a

first step; the journey ahead comes without a road map and will have to be navigated iteratively. You may overstep and need to correct, but it's better to err on the side of trying and testing the waters than assuming topics are off-limits. View this as a learning or problem-solving undertaking that may never reach a steady state. The more you maintain that perspective—rather than declaring victory and moving on—the more successful you and your team will be at developing and maintaining true, expanded psychological safety.

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3. Making the Hybrid Workplace Fair

→ by MARK MORTENSEN and MARTINE HAAS

THE PANDEMIC HAS up-ended much about how we work, and what comes next is neither the death of the office nor a return to the way things were. Instead, our new reality will be hybridity: working with employees who are co-located in the same physical space as well as employees working remotely.

Hybridity promises organizations the benefits of remote working (increased flexibility, reduced carbon footprint, labor-cost optimization, and increased employee satisfaction) along-

side the critical strengths of traditional colocated work (smoother coordination, informal networking, stronger cultural socialization, greater creativity, and face-to-face collaboration). But hybridity is also inextricably tied to power—it creates power differentials within teams that can damage relationships, impede effective collaboration, and ultimately reduce performance. To lead effectively in a hybrid environment, managers must recognize and actively manage the two distinct

sources of power that can impede—or facilitate—hybrid work: *hybridity positioning* and *hybridity competence*.

How Hybridity Positioning Affects Power

First, hybridity means that, due to where they're positioned, employees have different access to resources and different levels of visibility—both key sources of power and influence.

Resource access differs depending on whether the employee is located in the of-



ILLUSTRATION BY JASON SCHNEIDER



office or outside it. Employees in the office have ready and quick access to technology and infrastructure to support their work. They tend to have faster and easier access to information, and that information tends to be more current and broad (including informal watercooler conversations), which provides them with an edge when it comes to the rapid changes of today's environment. Being in the office also provides access to the emotional and task-based social support provided by peers.

In contrast, employees who work remotely often find their weaker technological setup and infrastructure (slow connections, inability to access certain resources from home, a less sophisticated home office setup) makes it more difficult to demonstrate their competence. Not being present for informal interactions leaves remote workers feeling out of the loop and the last to know. Being remote may also lead employees to feel more isolated and lacking the relationships and connections that provide social support.

Visibility level, or being seen by those in power, is also shaped by an employee's location—especially their location relative to that of their boss and senior managers.

Working in the same space as the boss increases the likelihood that employees' efforts and actions will be recognized and top of mind. Employees who are seen in the hallways are more likely to come to mind when it's time to staff an important new project, and their actions on that project are more likely to be recognized, resulting in credit for a job well done. Even if the boss is working remotely, when an employee is based in the office, it increases the likelihood that their actions will be seen by others and indirectly reported to the boss. When working remotely, no one sees the late nights or early mornings or how hard employees are working to deliver on their obligations. Credit for a collective output is very likely to be unevenly attributed most to those who are in the office and more visible.

Taking these two dimensions of hybridity positioning together, we can understand how hybridity affects each employee in a team or work group by thinking in terms of where the employee and manager are situated.

How Hybridity Competence Affects Power

Not all individuals are equally skilled at operating

within a hybrid environment. The ability to effectively navigate in a hybrid environment is itself a skill and therefore a source of power. Hybridity requires employees to be ambidextrous—able to balance between and navigate across both worlds—in a way that fully colocated or fully remote working doesn't.

Employees who are strong at relationship building, both face-to-face and virtually, have an advantage in hybrid environments, as do those who are willing to ask for, find, and claim the resources they may not have easy access to. Employees with good network and political awareness are able to recognize advantageous positions and situations, and those who establish strong relationships that can transcend the gap between face-to-face and remote working can use informal connections to replace missing information. Hybrid environments reward employees who think and act adaptably and flexibly, who organize and coordinate across a complex and dynamic environment, and who establish and provide evidence of their own trustworthiness when working in a context of low visibility.

On the other hand, employees who are less effective

at building relationships in either in-person or remote environments may find themselves struggling to work with collaborators who do work that way. Those who are less skilled at coordinating work within such a complex system may find they're constantly out of sync with colleagues and managers.

Hybridity competence is a separate source of power from hybridity positioning. Someone in a disadvantaged position may still be able to work effectively if they have high hybridity competence, while someone in an advantaged position may still be ineffective if they have low hybridity competence.

The Managerial Challenge

While employees need to ensure that they're visible to their managers and can access the resources they need for their work, managers similarly need to make sure they stay informed about what their employees are doing and facilitate their access to those resources.

Managers who are colocated with their employees have more information about what and how those employees are doing. Managers who are remote from their employees may feel like they're operating in the dark.

■ Managers must remain acutely aware of how hybridity creates an imbalance in their teams with respect to employees' access to resources and visibility levels.

Incomplete information is nothing new, but hybridity's real threat is to fairness. Here are four ways managers can actively manage the structurally inevitable differences in power that arise in a hybrid environment and their effects.

Track and communicate.

Create an accurate map of your team's "hybridity configuration": who is working where, and when. Once you've mapped this out, you need to have a conversation with them to surface the challenges they and you face and discuss what you can do to overcome them. Always bear in mind that your employees' resource access depends on their location, and their visibility depends on their location relative to yours.

Making this task more complex: Hybridity is itself dynamic—a result of variations both across employees ("Martine works in the office; Mark works from home") and for individual employees ("I work in the office MWF and at home TT"). This makes hybridity a moving target. It requires ongoing systematic tracking, codifying, and visualizing to help both managers and employees stay aware of the configuration of hybridity in a given work

group and manage the resulting power dynamics.

Design. While some level of power imbalance is structurally inevitable in a hybrid team or work group, when necessary and possible, managers should intervene to redistribute power through shifting access to resources and/or visibility levels.

At the same time, policies and procedures should be revisited regularly to ensure they don't provide an unfair advantage based on hybridity—for example, KPIs that don't align with resource accessibility, or evaluations that don't account for differences in visibility levels.

Educate. Many of these issues arise not solely from hybridity itself but from a lack of awareness of the power imbalances it creates. To effectively manage in hybrid environments, managers must promote awareness of the issues and educate employees (and themselves) on how to avoid bias.

Particularly important is establishing a culture of psychological safety and (individual/collective) trust. This will increase the likelihood of employees speaking up and asking for resources when they need them, as well

as their confidence that their efforts will be recognized.

Monitor. With this understanding in mind, it's important that managers keep an eye out for key intervention moments. Through our discussions with executives, we've identified a number of key opportunities to address the potential challenges of hybridity for power dynamics within their teams:

- **Performance reviews and evaluations.** Managers must remain acutely aware of how hybridity creates an imbalance in their teams with respect to employees' access to resources and visibility levels, as well as the information they hold about their employees. Reviews allow managers and employees to review and discuss imbalances and how to address them going forward.

- **Team launches.** Hybrid teams start with team members who are not on the same footing. Team launches are an opportunity for managers and team members to recognize, acknowledge, and discuss power differences and to decide how to collectively manage them.

- **Onboarding.** How can managers bring people into the organization when not everyone can physically come to the office? How can

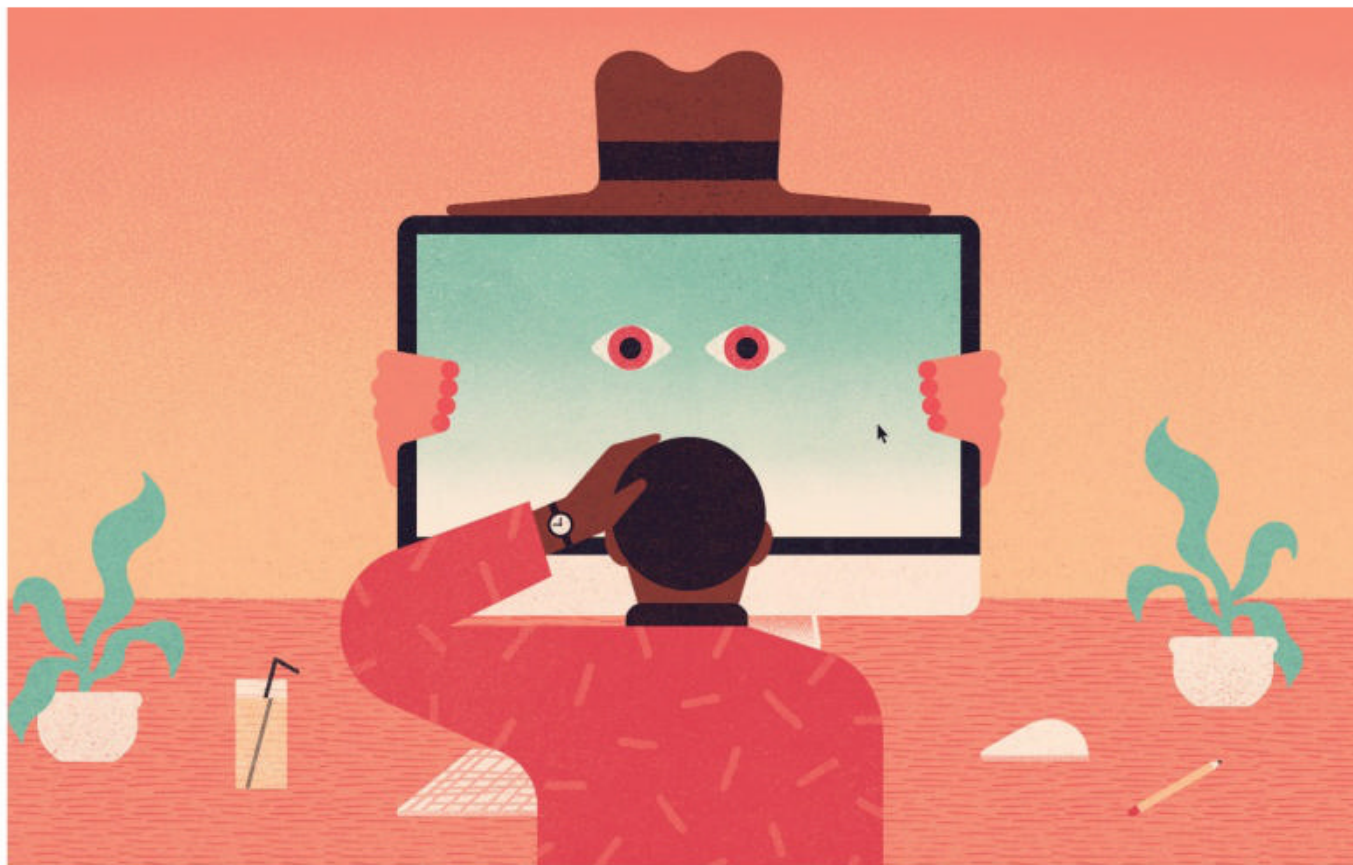
they put their new remote hires on a comparable footing with those who are brought into a face-to-face office environment? Hybridity's impacts on group dynamics need to be incorporated into onboarding sessions and discussions to ensure new employees recognize the importance of consciously managing hybridity-based sources of power.

For companies to reap the many benefits of hybrid working, managers must be aware of the power dynamics at play. It's critical that they develop an understanding of hybridity positioning and hybridity competence and take steps to level the playing field for their teams.

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4. If You're Tracking Employee Behavior, Be Transparent About It

→ by TOMAS CHAMORRO-PREMUZIC and RICHARD BUCHBAND

BEFORE THE PANDEMIC, it was already clear that one of the key leadership qualities that sets great bosses apart is empathy—the ability to understand and care about others' emotions. Empathy has become even more important amid the coronavirus crisis, with managers needing to focus more on their employees' physical and mental well-being and pay attention to their per-

sonal circumstances to help mitigate stress and nurture resilience.

But this task is made even more challenging by the reliance on technology to stand in for face-to-face interactions, which requires mastering the awkward art of displaying empathy while using videoconferencing tools. Human communication is emotional by nature, but that doesn't transfer well

to digital environments, and there's a clear difference between feeling and expressing emotions to a computer screen and interacting with someone who is physically present.

To make matters worse, there are delicate ethical and legal implications of managing virtual-only workers—implications that are often unknown to or overlooked by managers. The boundaries

between people's professional and personal spaces were quite blurred before working from home (WFH) became ubiquitous, and they are even murkier now.

In our view, there's a tricky balancing act between showing empathy for your employees—for example, by frequently checking in on them, evaluating their general emotional well-being, and finding out about their personal circumstances—and respecting their privacy. Some of the issues are ethical rather than legal, and managers shouldn't assume that common sense will suffice. For example, although there may be no legal issues around scheduling remote meetings during traditional working hours, it is clearly ethical to take into account people's personal circumstances (childcare, area lockdowns, and the space and silence constraints of a home office, for instance). Sometimes the issues are digital, flowing from the unparalleled reliance on technology, visible and invisible, that supports the WFH environment. Think of Zoom fatigue, the pressure to learn new technological tools, and the productivity drops caused by switching from analog meetings to virtual ones. Now more than ever before,



managers should understand not just the elements of good leadership, including inspiring, connecting, and understanding their teams, but also the regulatory and moral implications of exercising it while virtually entering people's homes.

Consider the following scenario, which will be familiar to a significant share of the global workforce:

A company has migrated all nonessential workers to WFH. They are using their own devices, home technology, and cable modems, possibly sharing with housemates or family members who are doing their own work at home or with students who are attending school remotely. As a consequence, the company is more concerned than ever about security, privacy, and productivity. Are its data and proprietary information safe? Has its exposure to hacking increased? Are there new cybersecurity risks? Are people actually working, or are they slacking off? Are they working more or less than before? In particular, if the culture has historically rewarded presenteeism, will managers learn to evaluate what people produce and deliver, or will they feel compelled to micromanage and obsessively check what

employees are doing while working from home?

The company has reached deep into its security tool kit and is deploying some combination of the following commonly available tools: keystroke monitoring, screen capture, email monitoring, and tracking traffic over the VPN connection, including what nonwork programs or software may be operating over it. The main reason may be to keep the company's data safe, but these activities may also provide useful information to managers about what employees are doing when they are WFH.

How do things look from the employee viewpoint? First, employees may not even be aware of this heightened level of surveillance. While many people expect to be observed and measured and to have their activities monitored while they are in their traditional workplaces, their expectations for what happens outside the office setting may differ. Employees might expect a greater degree of privacy when working from home. Home has historically been viewed as separate from the workplace, with many people assuming that their choices, beliefs, lifestyles, politics, and browsing histories are beyond the reach—and not

the business—of their employers. Now line managers and leadership are encouraging or mandating WFH and are looking to strengthen a trust-based relationship in a time of societal and corporate dislocation. Meanwhile a different corporate function, tasked with protection and security, is expanding an array of sophisticated tools that can keep track of what you are doing in your living room and over your router.

And all this is happening at once. Can these competing interests and activities be reconciled? Perhaps. Attempts to do so will benefit from an understanding of the legal framework, a review of ethical considerations, and ultimately a shared set of communications and expectations designed to strengthen the trust relationship. The key question in our view: How can a well-intentioned manager protect the company's interests while preserving employee expectations around trust and privacy? Are the two irrevocably in conflict? We think not. We believe it is perfectly possible to design an ethical corporate monitoring program that balances the competing priorities.

Is remote monitoring legal? In the United States, the answer is generally yes. Com-

panies have a legitimate interest in protecting corporate assets. Electronic privacy is regulated at both the federal and the state levels, with the most significant restrictions deriving from the federal Electronic Communications Privacy Act of 1986 and from some state law analogs. In general, the ECPA prohibits employers from intentionally intercepting their employees' electronic communications, including email and instant messaging, but allows two important exceptions. The first is the "business purpose exception," which has been interpreted to permit employer monitoring of electronic communications if the company can show a legitimate business purpose for doing so. The second is the "consent exception," applicable if the company has the employee's agreement.

The business purpose exception is broad and may encompass interests such as the protection of corporate intellectual property and the safeguarding of systems against malware or computer viruses that may be introduced through social media use or other nonbusiness activities. Employers might also want to ensure that workers are complying with company policies and

■ In today's digital WFH environment it may not be possible to completely define the boundaries between corporate and personal.

not using company time or equipment for unapproved activities, such as online gaming and pornography.

At the same time, many states recognize a common-law right to privacy. There is a long-standing legal concept of privacy, sometimes called an “intrusion upon seclusion,” that still applies in many locations. Under it, an individual has the right to privacy in their personal affairs, free from intrusions by another person (such as an employer), whether that intrusion is physical in nature or takes the form of electronic surveillance of private matters or records. This raises thorny questions about whether monitoring reaches into an employee's personal activities—a distinction that is especially challenging to draw when personal and business matters are conducted in the same location, on the same devices, and potentially at the same time. A handful of states, including Connecticut, specify additional constraints, requiring that employees be given advance written notice of the type and methods of monitoring to be used.

Gabriel García Márquez wrote that “[a]ll human beings have three lives: public, private, and secret.” Before

the pandemic and the digital revolution, these lives were surely easier to delineate. In today's digital WFH environment it may not be possible to completely define the boundaries between public and private, or between corporate and personal. In our experience, conflict often arises because of mismatched expectations: when the WFH employee expects a level of privacy that is out of alignment with the employer's priorities and expectations. Many of the ethical issues around boundary setting in general derive from a person's surprise when boundaries are approached or crossed—“I had no idea that X was happening” or “I didn't know the company would be monitoring my laptop usage at home.”

One approach is to remove the element of surprise. Corporate culture is increasingly recognized as a distinguishing feature and consists of factors relating to employee trust and corporate transparency. Maintaining a corporate surveillance program that operates in the shadows is at odds with these objectives. It might nab the occasional miscreant, but it does little to promote positive conduct or deter inappropriate use of corporate assets. Ultimately,

the decision about whether, how much, and what types of monitoring to deploy will be a company-by-company choice, informed by the specifics of your business, the nature of your WFH policies, and the size of your organization and budget. We believe that a balanced approach, including clear communications with employees about the existence of and reasons for a corporate monitoring program, is consistent with a transparent culture and a relationship of trust. Helpfully, this aligns with companies' underlying legal frameworks, which in the U.S. are premised on concepts of legitimate interest and notice and are further strengthened when employees give their consent.

Although the current situation may be uncertain and unprecedented, some of the old good principles of management still apply—perhaps more than ever. Our goal should be to instill trust and create an ethical climate where fairness and transparency are the dominant currencies, and people experience safety rather than stress or anxiety. The means for achieving this may be new, but at the end of the day it is still about communication, engagement, and well-being, all of which are key to

enhancing performance and productivity. ©

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How to Promote Racial Equity in the Workplace

A five-step plan.

→ by ROBERT LIVINGSTON

INTRACTABLE AS IT SEEMS, the problem of racism in the workplace can be effectively addressed with the right information, incentives, and investment. Corporate leaders may not be able to change the world, but they can certainly change *their* world.

Organizations are relatively small, autonomous entities that afford leaders a high level of control over cultural norms and procedural rules, making them ideal places to develop policies and practices that promote racial equity. In this article, I'll offer a practical road map for making profound and sustainable progress toward that goal.

I've devoted much of my academic career to the study of diversity, leadership, and social justice, and over the years I've



consulted on these topics with scores of *Fortune* 500 companies, federal agencies, nonprofits, and municipalities. Often, these organizations have called me in because they are in crisis and suffering—they just want a quick fix to stop the pain. But that’s akin to asking a physician to write a prescription without first understanding the patient’s underlying health condition. Enduring, long-term solutions usually require more than just a pill. Organizations and societies alike must resist the impulse to seek immediate relief for the symptoms, and instead focus on the disease. Otherwise they run the risk of a recurring ailment.

To effectively address racism in your organization, it’s important to first build consensus around whether there is a problem (most likely, there is) and, if so, what it is and where it comes from. If many of your employees do not believe that racism against people of color exists in the organization, or if feedback is rising through various communication channels showing that Whites feel that they are the real victims of discrimination, then diversity initiatives will be perceived as the problem, not the solution. This is one of the reasons such initiatives are frequently met with resentment and resistance, often by mid-level managers. Beliefs, not reality, are what determine how employees respond to efforts taken to increase equity. So, the first step is getting everyone on the same page as to what the reality is and why it is a problem for the organization.

But there’s much more to the job than just raising awareness. Effective interventions involve many stages, which

I’ve incorporated into a model I call PRESS. The stages, which organizations must move through sequentially, are: (1) Problem awareness, (2) Root-cause analysis, (3) Empathy, or level of concern about the problem and the people it afflicts, (4) Strategies for addressing the problem, and (5) Sacrifice, or willingness to invest the time, energy, and resources necessary for strategy implementation. Organizations going through these stages move from understanding the underlying condition, to developing genuine concern, to focusing on correction.

Let’s now have a closer look at these stages and examine how each informs, at a practical level, the process of working toward racial equity.

Problem Awareness

To a lot of people, it may seem obvious that racism continues to oppress people of color. Yet research consistently reveals that many Whites don’t see it that way. For example, a 2011 study by Michael Norton and Sam Sommers found that on the whole, Whites in the United States believe that systemic anti-Black racism has steadily decreased over the past 50 years—and that systemic anti-White racism (an implausibility in the United States) has steadily increased over the same time frame. The result: As a group, Whites believe that there is more racism against them than against Blacks. Other recent surveys echo Sommers and Norton’s findings, one revealing, for example, that 57% of all Whites and 66% of working-class Whites consider discrimination against Whites to be as big a problem as discrimination against

Blacks and other people of color. These beliefs are important, because they can undermine an organization’s efforts to address racism by weakening support for diversity policies. (Interestingly, surveys taken since the George Floyd murder indicate an increase in perceptions of systemic racism among Whites. But it’s too soon to tell whether those surveys reflect a permanent shift or a temporary uptick in awareness.)

Even managers who recognize racism in society often fail to see it in their own organizations. For example, one senior executive told me, “We don’t have any discriminatory policies in our company.” However, it is important to recognize that even seemingly “race neutral” policies can enable discrimination. Other executives point to their organizations’ commitment to diversity as evidence for the absence of racial discrimination. “Our firm really values diversity and making this a welcoming and inclusive place for everybody to work,” another leader remarked.

Despite these beliefs, many studies in the 21st century have documented that racial discrimination is prevalent in the workplace, and that organizations with strong commitments to diversity are no less likely to discriminate. In fact, research by Cheryl Kaiser and colleagues has demonstrated that the presence of diversity values and structures can actually make matters worse, by lulling an organization into complacency and making Blacks and ethnic minorities more likely to be ignored or harshly treated when they raise valid concerns about racism.

Many White people deny the existence of racism against people of color

■ If your employees don't believe that racism exists in the company, then diversity initiatives will be perceived as the problem, not the solution.

because they assume that racism is defined by deliberate actions motivated by malice and hatred. However, racism can occur without conscious awareness or intent. When defined simply as differential evaluation or treatment based solely on race, regardless of intent, racism occurs far more frequently than most White people suspect. Let's look at a few examples.

In a well-publicized résumé study by the economists Marianne Bertrand and Sendhil Mullainathan, applicants with White-sounding names (such as Emily Walsh) received, on average, 50% more callbacks for interviews than equally qualified applicants with Black-sounding names (such as Lakisha Washington). The researchers estimated that just being White conferred the same benefit as an additional eight years of work experience—a dramatic head start over equally qualified Black candidates.

Research shows that people of color are well-aware of these discriminatory tendencies and sometimes try to counteract them by masking their race. A 2016 study by Sonia Kang and colleagues found that 31% of the Black professionals and 40% of the Asian professionals they interviewed admitted to “Whitening” their résumés, either by adopting a less “ethnic” name or omitting extracurricular experiences (a college club membership, for instance) that might reveal their racial identities.

These findings raise another question: Does Whitening a résumé actually benefit Black and Asian applicants, or does it disadvantage them when applying to organizations seeking to increase diversity? In a follow-up experiment,

Kang and her colleagues sent Whitened and non-Whitened résumés of Black or Asian applicants to 1,600 real-world job postings across various industries and geographical areas in the United States. Half of these job postings were from companies that expressed a strong desire to seek diverse candidates. They found that Whitening résumés by altering names and extracurricular experiences increased the callback rate from 10% to nearly 26% for Blacks, and from about 12% to 21% for Asians. What's particularly unsettling is that a company's stated commitment to diversity failed to diminish this preference for Whitened résumés.

This is a very small sample of the many studies that have confirmed the prevalence of racism in the workplace, all of which underscore the fact that people's beliefs and biases must be recognized and addressed as the first step toward progress. Although some leaders acknowledge systemic racism in their organizations and can skip step one, many may need to be convinced that racism persists, despite their “race neutral” policies or pro-diversity statements.

Root-Cause Analysis

Understanding an ailment's roots is critical to choosing the best remedy. Racism can have many psychological sources—cognitive biases, personality characteristics, ideological worldviews, psychological insecurity, perceived threat, or a need for power and ego enhancement. But most racism is the result of structural factors—established laws, institutional practices, and cul-



Idea in Brief

THE PROBLEM

Racial discrimination—defined as differential evaluation or treatment based solely on race, regardless of intent—remains prevalent in organizations and occurs far more frequently than most White people suspect.

THE OPPORTUNITY

Intractable as it seems, racism in the workplace can be effectively addressed. Because organizations are autonomous entities that afford leaders a high level of control over norms and policies, they are ideal places to promote racial equity.

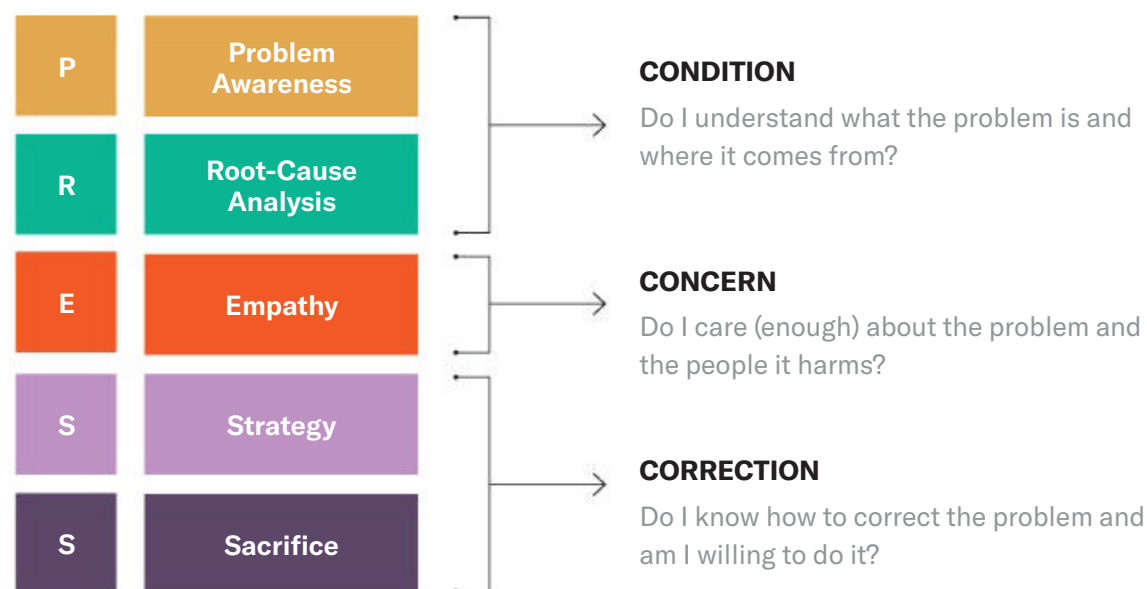
THE WAY FORWARD

Effective interventions move through stages, from understanding the underlying condition, to developing genuine concern, to focusing on correction.

tural norms. Many of these causes do not involve malicious intent. Nonetheless, managers often misattribute workplace discrimination to the character of individual actors—the so-called bad apples—rather than to broader structural factors. As a result, they roll out trainings to “fix” employees while dedicating relatively little attention to what may be a toxic organizational

A Road Map for Racial Equity

Organizations move through these stages sequentially, first establishing an understanding of the underlying condition, then developing genuine concern, and finally focusing on correcting the problem.



culture, for example. It is much easier to pinpoint and blame individuals when problems arise. When police departments face crises related to racism, the knee-jerk response is to fire the officers involved or replace the police chief, rather than examining how the culture licenses, or even encourages, discriminatory behavior.

Appealing to circumstances beyond one's control is another way to exonerate deeply embedded cultural or institutional practices that are responsible for racial disparities. For example, an oceanographic organization I worked with attributed its lack of racial diversity to an insurmountable pipeline problem. "There just aren't any Black people out there studying the migration patterns of the humpback whale," one leader commented. Most leaders were unaware of the National Association of Black Scuba Divers, an organization boasting thousands of members, or of Hampton University, a historically Black college on the Chesapeake Bay,

which awards bachelor's degrees in marine and environmental science. Both were entities that could source Black candidates for the job, especially given that the organization only needed to fill dozens, not thousands, of openings.

A *Fortune* 500 company I worked with cited similar pipeline problems. Closer examination revealed, however, that the real culprit was the culture-based practice of promoting leaders from within the organization—which already had low diversity—rather than conducting a broader industry-wide search when leadership positions became available. The larger lesson here is that an organization's lack of diversity is often tied to inadequate recruitment efforts rather than an empty pipeline. Progress requires a deeper diagnosis of the routine practices that drive the outcomes leaders wish to change.

To help managers and employees understand how being embedded within a biased system can unwittingly influence

outcomes and behaviors, I like to ask them to imagine being fish in a stream. In that stream, a current exerts force on everything in the water, moving it downstream. That current is analogous to systemic racism. If you do nothing—just float—the current will carry you along with it, whether you're aware of it or not. If you actively discriminate by swimming with the current, you will be propelled faster. In both cases, the current takes you in the same direction. From this perspective, racism has less to do with what's in your heart or mind and more to do with how your actions or inactions amplify or enable the systemic dynamics already in place.

Workplace discrimination often comes from well-educated, well-intentioned, open-minded, kindhearted people who are just floating along, severely underestimating the tug of the prevailing current on their actions, positions, and outcomes. Anti-racism requires swimming against that current, like a salmon making its way upstream. It demands much more effort, courage, and determination than simply going with the flow.

In short, organizations must be mindful of the "current," or the structural dynamics that permeate the system, not just the "fish," or individual actors that operate within it.

Empathy

Once people are aware of the problem and its underlying causes, the next question is whether they care enough to do something about it. There is a difference between sympathy and empathy. Many White people experience



sympathy, or pity, when they witness racism. But what's more likely to lead to action in confronting the problem is empathy—experiencing the same hurt and anger that people of color are feeling. People of color want solidarity—and social justice—not sympathy, which simply quiets the symptoms while perpetuating the disease.

One way to increase empathy is through exposure and education. The video of George Floyd's murder exposed people to the ugly reality of racism in a visceral, protracted, and undeniable way. Similarly, in the 1960s, northern Whites witnessed innocent Black protesters being beaten with batons and blasted with fire hoses on television. What best prompts people in an organization to register concern about racism in their midst, I've found, are the moments when their non-White coworkers share vivid, detailed accounts of the negative impact that racism has on their lives. Managers can raise awareness and empathy through psychologically safe listening sessions—for employees who want to share their experiences, without feeling obligated to do so—supplemented by education and experiences that provide historical and scientific evidence of the persistence of racism.

For example, I spoke with Mike Kaufmann, CEO of Cardinal Health—the 16th largest corporation in America—who credited a visit to the Equal Justice Initiative's National Memorial for Peace and Justice, in Montgomery, Alabama as a pivotal moment for the company. While diversity and inclusion initiatives have been a priority for Mike and his leadership team for well over a decade, their focus and

conversations related to racial inclusion increased significantly during 2019. As he expressed to me, "Some Americans think when slavery ended in the 1860s that African Americans have had an equal opportunity ever since. That's just not true. Institutional systemic racism is still very much alive today; it's never gone away." Kaufmann is planning a comprehensive education program, which will include a trip for executives and other employees to visit the museum, because he is convinced that the experience will change hearts, open eyes, and drive action and behavioral change.

Empathy is critical for making progress toward racial equity because it affects whether individuals or organizations take any action and if so, what kind of action they take. There are at least four ways to respond to racism: join in and add to the injury, ignore it and mind your own business, experience sympathy and bake cookies for the victim, or experience empathic outrage and take measures to promote equal justice. The personal values of individual employees and the core values of the organization are two factors that affect which actions are undertaken.

Strategy

After the foundation has been laid, it's finally time for the "what do we do about it" stage. Most actionable strategies for change address three distinct but interconnected categories: personal attitudes, informal cultural norms, and formal institutional policies.

To most effectively combat discrimination in the workplace, leaders

should consider how they can run interventions on all three of these fronts simultaneously. Focusing only on one is likely to be ineffective and could even backfire. For example, implementing institutional diversity policies without any attempt to create buy-in from employees is likely to produce a backlash. Likewise, focusing just on changing attitudes without also establishing institutional policies that hold people accountable for their decisions and actions may generate little behavioral change among those who don't agree with the policies. Establishing an anti-racist organizational culture, tied to core values and modeled by behavior from the CEO and other top leaders at the company, can influence both individual attitudes and institutional policies.

Just as there is no shortage of effective strategies for losing weight or promoting environmental sustainability, there are ample strategies for reducing racial bias at the individual, cultural, and institutional levels. The hard part is getting people to actually adopt them. Even the best strategies are worthless without implementation.

I'll discuss how to increase commitment to execution in the final section. But before I do, I want to give a specific example of an institutional strategy that works. It comes from Massport, a public organization that owns Boston Logan International Airport and commercial lots worth billions of dollars. When its leaders decided they wanted to increase diversity and inclusion in real estate development in Boston's booming Seaport District, they decided to leverage their land to do it. Massport's leaders made formal changes to the



selection criteria determining who is awarded lucrative contracts to build and operate hotels and other large commercial buildings on their parcels. In addition to evaluating three traditional criteria—the developer’s experience and financial capital, Massport’s revenue potential, and the project’s architectural design—they added a fourth criterion called “comprehensive diversity and inclusion,” which accounted for 25% of the proposal’s overall score, the same as the other three. This forced developers not only to think more deeply about how to create diversity but also to go out and do it. Similarly, organizations can integrate diversity and inclusion into managers’ scorecards for raises and promotions—if they think it’s important enough. I’ve found that the real barrier to diversity is not figuring out “What can we do?” but rather “Are we willing to do it?”

Sacrifice

Many organizations that desire greater diversity, equity, and inclusion may not be willing to invest the time, energy, resources, and commitment necessary to make it happen. Actions are often inhibited by the assumption that achieving one desired goal requires sacrificing another desired goal. But that’s not always the case. Although nothing worth having is completely free, racial equity often costs less than people may assume. Seemingly conflicting goals or competing commitments are often relatively easy to reconcile—once the underlying assumptions have been identified.

As a society, are we sacrificing public safety and social order when police

routinely treat people of color with compassion and respect? No. In fact, it’s possible that kinder policing will actually increase public safety. Famously, the city of Camden, New Jersey, witnessed a 40% drop in violent crime after it reformed its police department, in 2012, and put a much greater emphasis on community policing.

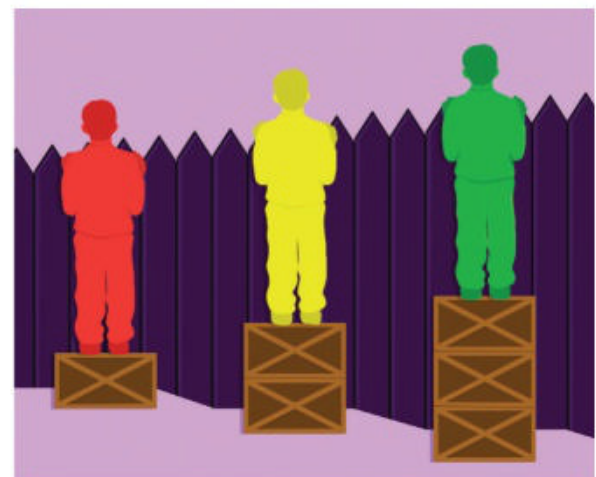
The assumptions of sacrifice have enormous implications for the hiring and promotion of diverse talent, for at least two reasons. First, people often assume that increasing diversity means sacrificing principles of fairness and merit, because it requires giving “special” favors to people of color rather than treating everyone the same. But take a look at the scene below. Which of the two scenarios appears more “fair,” the one on the left or the one on the right?

People often assume that fairness means treating everyone *equally*, or exactly the same—in this case, giving each person one crate of the same size. In reality, fairness requires treating people *equitably*—which may entail treating people differently, but in a way that makes sense. If you chose the scenario on the right, then you subscribe to the

notion that fairness can require treating people differently in a sensible way.

Of course, what is “sensible” depends on the context and the perceiver. Does it make sense for someone with a physical disability to have a parking space closer to a building? Is it fair for new parents to have six weeks of paid leave to be able to care for their baby? Is it right to allow active-duty military personnel to board an airplane early to express gratitude for their service? My answer is yes to all three questions, but not everyone will agree. For this reason, equity presents a greater challenge to gaining consensus than equality. In the first panel of the fence scenario, everybody gets the same number of crates. That’s a simple solution. But is it fair?

In thinking about fairness in the context of American society, leaders must consider the unlevel playing fields and other barriers that exist—provided they are aware of systemic racism. They must also have the courage to make difficult or controversial calls. For example, it might make sense to have an employee resource group for Black employees but not White employees. Fair outcomes may require a process of



■ Fairness requires treating people equitably—which may entail treating people differently, but in a way that makes sense.

treating people differently. To be clear, different treatment is not the same as “special” treatment—the latter is tied to favoritism, not equity.

One leader who understands the difference is Maria Klawe, the president of Harvey Mudd College. She concluded that the only way to increase the representation of women in computer science was to treat men and women differently. Men and women tended to have different levels of computing experience prior to entering college—different levels of *experience*, not intelligence or potential. Society treats boys and girls differently throughout secondary school—encouraging STEM subjects for boys but liberal arts subjects for girls, creating gaps in experience. To compensate for this gap created by bias in society, the college designed two introductory computer-science tracks—one for students with no computing experience and one for students with some computing experience in high school. The no-experience course tended to be 50% women whereas the some-experience course was predominantly men. By the end of the semester, the students in both courses were on par with one another. Through this and other equity-based interventions, Klawe and her team were able to dramatically increase the representation of women and minority computer-science majors and graduates.

The second assumption many people have is that increasing diversity requires sacrificing high quality and standards. Consider again the fence scenario. All three people have the same height or “potential.” What varies is the level of the field and the

fence—apt metaphors for privilege and discrimination, respectively. Because the person on the far left has lower barriers to access, does it make sense to treat the other two people differently to compensate? Do we have an obligation to do so when differences in outcomes are caused by the field and the fence, not someone’s height? Maria Klawe sure thought so. How much human potential is left unrealized within organizations because we do not recognize the barriers that exist?

Finally, it’s important to understand that quality is difficult to measure with precision. There is no test, instrument, survey, or interviewing technique that will enable you to invariably predict who the “best candidate” will be. The NFL draft illustrates the difficulty in predicting future job performance: Despite large scouting departments, plentiful video of prior performance, and extensive tryouts, almost half of first round picks turn out to be busts. This may be true for organizations as well. Research by Sheldon Zedeck and colleagues on corporate hiring processes has found that even the best screening or aptitude tests predict only 25% of intended outcomes, and that candidate quality is better reflected by “statistical bands” rather than a strict rank ordering. This means that there may be absolutely no difference in quality between the candidate who scored first out of 50 people and the candidate who scored eighth.

The big takeaway here is that “sacrifice” may actually involve giving up very little. If we look at people within a band of potential and choose the diverse candidate (for example, number eight) over the top scorer, we haven’t

sacrificed quality at all—statistically speaking—even if people’s intuitions lead them to conclude otherwise.

Managers should abandon the notion that a “best candidate” must be found. That kind of search amounts to chasing unicorns. Instead, they should focus on hiring well-qualified people who show good promise, and then should invest time, effort, and resources into helping them reach their potential.

THE TRAGEDIES AND PROTESTS we have witnessed this year across the United States have increased public awareness and concern about racism as a persistent problem in our society. The question we now must confront is whether, as a nation, we are willing to do the hard work necessary to change widespread attitudes, assumptions, policies, and practices. Unlike society at large, the workplace very often requires contact and cooperation among people from different racial, ethnic, and cultural backgrounds. Therefore, leaders should host open and candid conversations about how their organizations are doing at each of the five stages of the model—and use their power to *press* for profound and perennial progress. ©

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Robert Livingston is the author of *The Conversation: How Seeking and Speaking the Truth About Racism Can Radically Transform Individuals and Organizations* (Penguin Random House/Currency). He also serves on the faculty of the Harvard Kennedy School.



FOSTERING DIVERSITY

Quick Takes



1. How to Hold Your Company Accountable to Its Promise of Racial Justice

→ by REBECCA KNIGHT

AFTER THE KILLING of George Floyd triggered a global conversation about race in America, many companies expressed their solidarity with the Black community and the Black

Lives Matter movement, pledged money to fight discrimination, and promised to embrace diversity in their workforces.

Now, as the year is drawing to a close and so much focus

is on the coronavirus and the economy, leaders' commitments toward racial justice are at risk of falling off the list of priorities. How can you use your influence to ensure your organization follows through

on its promises? How can you press for changes in hiring and promotion practices? What difficult conversations might you need to have and with whom? How can you push without damaging your career? And what steps can you personally take to help your organization promote inclusiveness?

What the Experts Say

Companies are ordinarily quiet during times of social unrest, but the protests that followed the violent deaths of George Floyd, Ahmaud Arbery, and Breonna Taylor marked an inflection point. Organizations recognized that they needed to take a stand, says James Detert, a professor at the University of Virginia Darden School of Business and the author of *Choosing Courage: The Everyday Guide to Being Brave at Work* (Harvard Business Review Press, 2021). "There was a level of energy, activism, and reckoning that was different from anything that had happened in the past," he says. "The fact that [the protests] occurred amidst a pandemic that has disproportionately hit minority groups, and that has revealed the effects of systemic racism, made people hopeful that this time would be different."

CARMIE PARRAMON/GETTY IMAGES

■ Promoting change inside your organization must not place extra burdens on employees of color.

Now, though, months after organizations made those public announcements on social media, it's not necessarily clear that change will happen, according to Tiffany Jana, founder and CEO of TMI Consulting and the coauthor, with Matthew Freeman, of *Overcoming Bias: Building Authentic Relationships Across Differences* (Berrett-Koehler, 2016). This is where employees—managers, team leaders, and even individual contributors—come in. “You can be a catalyst for change,” says Jana. “You can push your organization to go from inadvertent corporate blackwashing to leadership and accountability.” Here's how.

Do not expect your colleagues of color to lead this charge. First things first, know that promoting change inside your organization must not place extra burdens on employees of color. “The emotional tax of being a person of color in the workplace is hard enough, and putting yourself in the firing range” of having to educate others and push for structural change is unfair, says Jana. In fact, research shows that women and minorities can be penalized for promoting diversity. Let your Black and brown

colleagues engage on their own terms. Some may want to lead; others may choose to be involved in different ways, or not at all. Detert says that white people need to do some introspection and take responsibility for making change. “White allyship matters,” he says.

Find co-conspirators. To tackle racism and discriminatory policies in your workplace, Jana says you need “co-conspirators”—colleagues who are similarly motivated to make change. Ideally, you want a coalition composed of “people who love the company, who love the mission, and who want to stand with Black Lives Matter.” Not only is it more powerful when many people are making the same case, it also makes it more difficult for leaders to avoid taking action. “It's easier to silence one person [than many],” says Jana.

Once you've identified your core group, work on generating widespread support. Encourage other like-minded colleagues to outwardly endorse your efforts, says Detert. While direct advocacy would be great, “sometimes it's enough just to get others to stand with you, and say, ‘I agree.’” The simpler you make it for

“those around you to say, ‘I am with you,’ the more likely you are to have others jump on your train,” he says. Be strategic about bringing the right people into the fold, he says, adding that the biggest issue to consider is, “Who has a direct trusting relationship with the person or people you need [to persuade], and how you can enlist them?” In some cases, the person with that relationship will reach out directly to leaders on your behalf, he says. “In others, you're asking them to make the connection and vouch for you” to lend you credibility.

Identify your goal(s). Next, you and your group need to sort out what specifically you're trying to accomplish. “One of the failures of diversity work is nebulous goals,” says Jana. “You need concrete objectives tied to data.” Detert suggests looking at the kinds of promises your organization made over the summer, which may have been a “standard laundry list of agenda items.” Your company may have said it was going to improve its hiring practices or perhaps create a task force to study inclusive office cultures. “What's often missing are firm, measurable commitments,” he says.

Focusing on one change you'd like to see could help you build momentum. For example, you might push for the company to commit to interviewing X% of candidates from underrepresented backgrounds for its job openings and bring in Y number of new hires. (Even if your HR department is unwilling to share your company's current numbers, it ought to “respond to a query about best practices or benchmarks no matter who asks,” says Detert.) Your group's goal is to devise objective metrics to help your organization gauge progress or to implore people in power to do the same. Otherwise, there's no way to hold the company accountable.

Determine your target audience. Next, you need to figure out whom to talk to. Obviously, you want to reach the person or group of people empowered to make change or senior leaders who can convince those people to make these issues a high priority. You also need to consider who controls the money if the changes you suggest have budget implications, says Detert. If your company has a venue in which employees can raise concerns, such as an all-staff meeting or virtual town hall,

■ Use language that avoids blame and instead clearly indicates a presumption of shared cultural aspirations.

you and your group can use that avenue to make your case. Or you might consider setting up a meeting directly with the leader or leaders who have authority to make a change.

Here again, it's important to think about which of your co-conspirators is best positioned to influence that person. It will depend on the context, says Detert. Ask yourself: How much credibility do I have with the ultimate decision-makers? Who among my group is the most influential and persuasive? And whom do we trust to make the case with passion and skill?

Make your case. With goals in mind and the right target audience, you now need to make your case. Jana suggests coming at the issue from a place of positivity and curiosity, and saying something like, "We see that the company made a supportive statement on social media, and we are proud to work for a company that took this stand. Our group is wondering: What is to follow? Will there be training? Will new practices be put in place? And is there a strategy?"

Be helpful and offer to take on work. Let the powers-that-be know that you're willing to "take it

upon yourselves to come up with solutions," Jana says. Detert suggests asking leadership to consider the economic consequences of "what the company could stand to lose if it doesn't change its ways" as well as the "cultural stakes of inaction being in violation of who we say we are" as a company. While "having to make an economic argument for basic human rights is gross," it is an unfortunate necessity at many organizations, says Detert.

Avoid accusations and seek to understand.

Drawing attention to the ways that the organization contributes to inequitable outcomes for people of color may make those in charge defensive. Since white men hold the power at the vast majority of companies, you may need to make clear that you're not accusing them of racism but seeking to involve them in a solution. Detert recommends framing the issue in "we," not "you," terms. Your goal is to use "language that avoids backward-looking statements or blame and instead clearly indicates a presumption of shared cultural aspirations and a desire to work as partners from the same side of the table," he says.

Try to understand what underlies their resistance to change. "You might hear things like, 'I want to support this [goal of diversity in hiring], but if we commit to quotas, I worry that we will undermine our culture of meritocracy,'" Detert says. Listening to these concerns will give you and your collaborators a deeper understanding of why the organization may have made little progress in the past. Of course, change takes time, but you may uncover other reasons that can spark ideas for how to accomplish your goals.

Get creative. If, for instance, leadership is hesitant to commit to a companywide hiring practice, get creative in finding ways to accomplish your goals even if at first, it's only on a small scale. Perhaps management is open to "making meaningful investments to the pipeline," such as the creation of a mentoring program for employees from underrepresented groups or recruitment events focused on people of color, says Detert. Or maybe your group could identify a team leader or two who will agree on record to strive for certain hiring numbers within their unit. "The question to ask yourself is, Who is willing to make small, meaningful

public commitments?" says Detert.

Be courageous. "Getting an agenda on the table, moving sentiment, and making change at an organizational level" is difficult to do even in the best of times, says Detert. During the coronavirus crisis, when many people are working from home and dealing with pandemic-weary colleagues over Zoom or Slack, "it's gotten even more challenging," he says. "These are explosive topics in a thin communication medium."

Don't despair. This is hard work—and it's important. Summon your courage. "You need to decide what kind of ally you want to be," says Jana. "You have the opportunity to stand up for what is good and right, and you have a chance to stand up for people who've not had a fraction of the opportunities that you've had."

Principles to Remember Do:

- Identify concrete goals. Know what you want to accomplish before pushing for change.
- Collaborate with other like-minded colleagues who will help you strategize ways to



accomplish your goals of racial justice.

- Push for firm, measurable commitments from your organization to create accountability.

Don't:

- Place the burden of leadership on social justice on your employees of color. Now is the time for everyone—especially white people—to step up.
- Ignore what underlies resistance to change. Listen to management's concerns so that you can understand how to build your case.
- Be timid. Making change isn't easy or straightforward, but it's important to do the right thing.

Advice in Practice

CASE STUDY 1

Commit to hard work and keep the conversation going by holding leaders accountable.

For Charis Marquez, vice president for sales effectiveness at Levi Strauss & Co., 2020 has been an “emotional roller coaster.”

The social unrest over racial injustice, the surge of protests over police killings of Black Americans, and the pandemic's inequitable impact on the Black commu-

nity has felt overwhelming at times. “It's all very heavy,” she says. “For me, and I think for many of my Black colleagues, there was no time to process everything that was going on. And yet, the business was still moving, and we had to keep coming to work.”

Charis, who works closely with Project Onyx, Levi Strauss & Co.'s Black Employee Resource Group, says that the company has long been committed to action around racial equity—both in society and within the organization itself—but that there is more work to be done.

Currently, she says, she is focused on making sure that the conversation around social justice is ongoing. She is part of a group that meets regularly with senior executives, including the company's chief human resources officer and chief marketing officer, about Levi Strauss & Co.'s efforts around racial injustice. “Our leadership is well intended,” she says. “It's not that they don't care or that they don't want to have these conversations; it's that they don't always know what to say. So, we help them understand. They want to do the right thing.”

Prior to the spring, the company already had diver-

sity imperatives around its hiring policies. Charis and her group want to make sure that managers are holding recruiters accountable. “We want to empower them to say, ‘I need more Black and brown talent on this hiring slate.’”

She and her group are committed to expanding the membership of Project Onyx and increasing allies within the group, as well. “We have the same intentions—but we don't always agree on the best ways to go about it,” she says. “We do know that if we want change, it's going to have to feel a little uncomfortable at times. In order for us to grow, it's not always comfortable.”

CASE STUDY 2

Clarify your intent and be creative in how you accomplish your goals.

This spring's social upheaval had a deep impact on Caroline Caselli, a sales manager at Box, the cloud computing business.

She felt that her company “met the moment in a genuine and authentic [way]. We are a values-driven company, and we have a progressive culture,” she says. “We don't shy away from talking about what's going on in the world.”

The company's CEO made significant donations to social justice causes selected by Box employees' Black Excellence Network, and the company vowed to match employee contributions to similar philanthropic efforts. Meanwhile, hundreds of employees engaged in internal discussions focused on issues of systemic racism and allyship.

Later in the summer, Box dedicated time at its annual hackathon event to generate ideas on how the company can increase its employees of color in sales. “We came up with a sales internship that we are pitching to historically Black colleges and universities for the summer of 2021, including a partnership with Spelman,” she says.

Caroline, who is white and has been at the company for seven years, is proud of Box's response, but she also knows that as a manager of a small, diverse team, she has a special obligation to make sure her company continues to keep diversity and equity as a top priority.

She has some experience with corporate social activism. A few years ago—at the height of the #MeToo movement, when Christine Blasey Ford, the professor who accused Supreme Court Justice Brett Kavanaugh of



sexually assaulting her when they were teenagers, testified in front of the Senate Judiciary Committee—Caroline was moved to action. As the head of Box’s employee resource community (ERC) supporting women at Box, she helped coordinate global conversations with employees. She also worked with management to update its policies and training on bullying and harassment in the workplace.

Along the way, she learned some lessons about how to get things done. “A piece of feedback I received during that experience was to clarify my intent,” she says.

When talking to senior managers about problems she and other like-minded colleagues wanted to see addressed, for instance, she learned to frame her statements around why they were broaching the issues in the first place. “When I said, ‘[I am talking about X issue because] I care about Box and I want Box to be a leader in this space,’ it led to productive conversations,” she says.

Today Caroline uses that framework in her efforts to urge Box to delve into its demographic data around employee hiring and promotions. “I like to ask the hard questions,” she says. “Right

now, I’m pushing our company to look at what the data on [hiring and promotion] outcomes is telling us.”

Caroline says she also regularly engages her peers in conversations about Box’s hiring practices. “And I spend a lot of time talking with other managers about the ways our company could increase its numbers of underrepresented groups,” she says.

Getting others on board and raising awareness of the issue has been relatively straightforward, but it’s an ongoing process, she says. “One of the reasons this stuff is so hard is that people don’t have the vocabulary for it,” she says. “But if you can identify those actionable, bite-sized items that could create changes, it can make a difference.”

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2. What Black Employee Resource Groups Need Right Now

→ by AIKO BETHEA

EMPLOYEE RESOURCE GROUPS (ERGs), also called business network groups or affinity groups, have served and supported the culture of corporate America since the 1970s. Typically organized around a shared identity, such as race, gender, age, or mental health, they serve as a haven of belonging, offering a space for underrepresented employees to find one another, stave off a sense of isolation, and experience

a reprieve from the daily aggressions they’ve endured at work.

ERGs bring many benefits to organizations. They identify and help develop internal leaders. They lead to higher retention rates. They educate employees—including senior leadership—through internal events, panels, and more. They help companies recruit underrepresented individuals and develop a talent pipeline:

CHELSEA VICTORIA/STOCKSY

■ It's time that organizations compensate ERG leaders for their work.

According to a 2014 survey conducted by Software Advice, 70% of U.S. respondents between ages 18 and 24 and 52% of respondents between ages 25 and 34 reported they would be more likely to apply for a role at companies that have ERGs. Fifty percent of survey respondents stated they would remain at a company because it had an ERG.

Black ERGs were the first affinity groups established in corporate America, primarily in response to the racial unrest in the country. Xerox pioneered the first corporate ERG—a group for its Black employees—in 1970. Black ERGs still remain as relevant as ever—and have become even more impactful. AT&T's Black ERG, the NETwork, has more than 11,000 members, and in 2015, the company reported an 85.6% retention rate for its Black employees. AT&T credits the NETwork as a prime resource for identifying candidates for leadership. More recently, in the wake of George Floyd's death, Amazon committed \$10 million to fighting for social justice and aiding Black communities. The company's Black Employee Network (BEN) helped leadership identify the recipients of those funds. Similarly, DoorDash established a \$500,000 fund,

which will be directed by its Black ERG to state and local organizations.

Right now, at a height of racial uprising in the U.S., what do Black ERGs need? Most of their needs are the same as what they needed yesterday and will need tomorrow, and some are not exclusive to Black ERGs. But denying these needs will only exacerbate the inequity that Black employees already experience.

Equity and Resources

As with most ERGs, Black ERGs are largely volunteer led. They typically don't have a sustained or committed budget. Members cobble together funding by soliciting various leaders to provide funding for events or even paying out of pocket for things like refreshments. They take this work on in addition to their full-time jobs, without additional compensation. I have worked at organizations where ERG members have even received backlash from their managers and colleagues for participating in "extracurricular" activities or for rocking the boat and highlighting race.

It's time that organizations compensate these leaders for their work. In the past, ERGs were primarily a support network for people

with shared identities, but now organizations rely on them for recruitment, retention, marketing, strategic guidance, and other business functions.

Compensation could take the form of an increase in overall compensation, a bonus, or formally dedicating a percentage of their role to this work.

Funding conference attendance is another potential form of compensation. Conferences for Black employees, such as the National Black MBA Conference, AfroTech, or the Corporate Counsel for Women of Color Conference, provide Black employees a way to feel less isolated, develop their network, and receive leadership and development training that speaks to their specific experiences.

Companies can also fund memberships in external organizations that support Black employees in specific fields and sectors, such as the National Association of Black Accountants or the National Bar Association. There are professional organizations that support Black employees in practically every sector.

Organizations should provide their ERGs with administrative support. From reserving rooms to creating

flyers to ordering catering, this work requires extended amounts of labor and does not necessarily provide the development skills ERG members need to become valued leaders.

Transparency and Trust

Companies that use their ERGs to recruit Black employees need to make sure they are taking care of their current Black employees. If they don't, they are ultimately adding to the emotional labor of their current employees, who are left to nurture and support their new colleagues when they are subjected to anti-Blackness and inequity.

Performative allyship needs to be done away with. Right now, companies are issuing words of support for Black Lives Matter and Black employees. Unfortunately, the experience of Black employees doesn't always match what's been said in these written commitments, and this hypocrisy will do little to foster trust. Black people are promoted at a lower rate than white peers. They are paid less than their white colleagues. Reports of discrimination and other marginalizing behavior goes unaddressed by HR teams: Black employees account for 13% of the U.S. workforce—

■ Top leadership needs to proactively request direct input from Black employees on their concerns—and then act on those concerns.

and 26% of discrimination complaints filed at the Equal Employment Opportunity Commission. In fact, companies pay millions of dollars to settle racial discrimination claims every year.

One way to build trust is to hold leaders accountable when they fail to adhere to their organization's publicly espoused diversity, equity, and inclusion values. When leaders are given a pass—whether it's for making or allowing denigrating statements about Black people; not hiring, retaining, or promoting Black employees; second-guessing Black employees' decisions in ways that they don't question white employees; or relying on Black employees for expertise on race rather than for their skill set—it sends a message to Black employees: You are not valued. You do not belong here.

Mental Health Support

Black Americans experience trauma on a daily basis, and the severe psychological distress caused by ongoing police shootings doesn't dissipate once employees enter the workplace. In fact, the level of anxiety and trauma can escalate when Black employees are underrepresented in white-dominant workplaces. Black ERGs

provide a safe space for these employees to be connected and supported, and to process and discuss these experiences.

Companies shouldn't solely rely on Black ERGs for this work. They must ensure that employee assistance programs (EAPs) provide racial trauma support and have a roster of Black care providers. After the murder of George Floyd, organizations like Amazon brought in racial trauma specialists to support their employees. On MSNBC recently, Ashley McGirt, a prominent racial trauma specialist in Washington State, noted an uptick in corporations that are seeking racial trauma specialists as they acknowledge the impact of racial aggressions on the health of their Black employees.

Formal Validation from Leadership

It doesn't matter how much value Black ERGs bring to an organization if the highest levels of leadership don't recognize—or worse yet, dismiss—their contributions. Recognition from the C-suite informs budget opportunities, encourages grace from people managers when employees want to participate or attend learning opportunities offered by ERGs, and

demonstrates an intention to include and welcome Black employees. Below are some of the ways that leaders can give this type of validation.

Invest in your Black employees' success. Companies should leverage Black ERGs to fill internal leadership pipelines. These are employees who are already putting in the effort to be engaged and plugged into the organization. Failure to groom internal Black talent for leadership will result in Black employees leaving or becoming disengaged and lead to a never-ending hiring spree to recruit new Black employees. A lack of promotions for Black employees will also present a red flag for potential Black candidates the organization seeks to hire.

Signal public support. The workforce notices when the CEO is present at an event or sends a companywide message encouraging employees to attend a function by an ERG. This validates their efforts and presence. It is another way of saying, "This group belongs here and is a part of our team," or "We all can benefit from this event, and it is a worthwhile use of your time." Similarly, people notice when the CEO is absent or indifferent.

Connect with—and listen to—your employees. It's a mistake for leaders to get input only through employee surveys and HR. Too often that feedback gets diluted or muddled. Instead, top leadership needs to proactively request direct input from Black employees on their concerns—and then act on those concerns. No matter how much data is collected, there is no substitute to having firsthand, transparent, and open conversations with Black employees and then heeding their guidance.

Actively sponsor the ERG.

Each ERG should have an executive sponsor who is either in the C-suite or one level removed and can advocate for the ERG's initiatives, clearing barriers and supporting them in achieving their strategic goals. In the case of Black ERGs, I believe the sponsor should be a non-Black person so that they model active learning, cultural stewardship, and advocacy across cultures. Too often, the few Black leaders are drafted to lead the Black ERG instead of recognizing that cultural stewardship is the responsibility of all leaders. The executive sponsor should be present at all ERG events, an active participant in initiatives, and committed



to being an ongoing learner and not an expert.

In recent years, some companies have moved away from ERGs—in 2017, Deloitte announced a plan to enhance its ERGs with “inclusion councils,” designed to engage employees across diverse backgrounds. But many advocates recognized this step as another white-centered decision made at the cost of underrepresented employees. Why can’t the white leaders move past their discomfort to be a part of these conversations and participate in spaces where whiteness isn’t centered?

Black ERGs are a clear pathway for organizations to offer support to Black employees. They are also a critical resource for information about what is and is not working for Black employees. Valuing, supporting, and sustaining a Black ERG is a win-win for the company and those they aim to support.

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3. What Your Asian Employees Need Right Now

→ by SHALENE GUPTA

IN THE WAKE of the Atlanta spa shootings and the skyrocketing increase of hate crimes against Asian Americans (nearly 150% in 2020), I waited for an outpouring of corporate messages in support of #StopAsianHate.

I was optimistic, given how many companies

renewed their commitment to diversity and social justice last summer in reaction to #BlackLivesMatter. Instead, the response seems to have been mixed. Some organizations have done a great job, including Etsy, which donated \$500,000 to support AAPI (Asian American and

Pacific Islander) communities and implemented bystander training for American employees, and Coca-Cola, which donated \$1.85 million to AAPI organizations. Others have floundered by remaining silent.

I wanted to understand how employees were feeling

■ Leaders should send a clear and firm message that anti-Asian racism and hate crimes are unacceptable.

about these mixed results, so I reached out to my networks and interviewed people via Zoom about how they felt about their employer's actions in response to the rise in anti-Asian racism. I received an outpouring of replies from friends, friends of friends, acquaintances, and acquaintances of acquaintances. The majority of the respondents were Asian American, and overall, employees—both Asian Americans and otherwise—wished their employers had done more.

Xavier* is Asian American and works in the corporate communications department of a large health-care company. He drafted a message from the CEO condemning the shootings and standing in support of the Asian American community. Instead, the CEO opted to send a missive on the company's performance. "How can I keep being the voice of the company for someone who doesn't even see me?" Xavier wondered. He's currently looking for a new job.

By contrast, Wendy, who is also Asian American, recently joined a tech firm and was impressed by her employer's response. Even before the Atlanta shootings, her firm had posted a message about the increase

in hate crimes against Asian Americans. After the shootings, they posted a message on LinkedIn, created an employee forum for discussion, and made a donation to a group that supports Asian Americans. Wendy had received multiple offers while she was job hunting, and her company's response confirmed she'd picked the right one.

D, an Asian American partner at a midsize consulting firm who leads his company's diversity, equity, and inclusion (DEI) efforts, says that in the wake of the shooting, company leadership debated how best to respond and opted to go with what was best for their employees. They reasoned internal outreach would be more helpful than posting a message on their website. Senior leaders sent out a message to all employees and emailed line managers to let them know some employees would be struggling.

And employees are struggling. Kelly, an Asian American who works at a tech firm, says that she's getting racially harassed when she leaves the house, and she worries about her grandmother. Meanwhile, her employer issued no statements about the rising anti-Asian sentiment.

"We're just getting more and more of these verbal insults," she says. "And to see no support from my company? It honestly doesn't feel the best."

After speaking to the employees mentioned in this article and others, I developed this set of best practices for senior leaders and managers, based on either actions their companies took or actions they wished their company had taken.

Acknowledge

The most common theme I heard from employees was surprise over leaders' silence or disappointment that only the CEO had spoken up. They wondered what the silence meant.

Leaders up and down the chain of command should send a clear and firm message that anti-Asian racism and hate crimes are unacceptable and that they stand in support of the AAPI community. Don't stay silent, dilute the message, or hide behind the diversity office. A favorite among the people I spoke to was HubSpot's unequivocal Instagram post, which simply read: "We stand in solidarity with Asian American and Pacific Islander communities. We always have. We always will. Period. #StopAAPIHate."

I spoke to a Hispanic employee at a major university who was shocked because although the president of the university sent out a message after the Atlanta shootings, they said nothing despite the school's high Asian population. The employee, who has since left for other reasons, said she thought the lack of response was indicative of an overall attitude toward race in the organization.

An Asian American employee at a biotech firm mentioned feeling let down because his company sent out one email from the diversity office, and it wasn't signed by any visible leaders or anyone he knew. "I'm happy to have strangers reach out and be supportive, but I wish it wasn't just strangers," he says. He also pointed out that several of his managers who hadn't commented on #StopAsian-Hate had pride stickers and "support BLM" in their email signatures, which made him question the authenticity of their commitment to social justice.

Be Available

Support can come in many forms, whether it's letting the team know that your door is open, allowing people to take time off to process their feelings, or simply giving



them space. Not everyone on your team will have the same response. An Asian pathologist I spoke to mentioned she would have felt uncomfortable if she'd been asked to share her feelings at work. A programmer said if he wanted to have a discussion, he would have liked to have had it with his direct manager.

To meet this range of needs, let everyone on your team know the resources that are available and that you'll listen if they want to talk. That way, employees who want and need support can initiate a discussion. This will also avoid singling out or tokenizing team members on the basis of their race. Remember that it may not be immediately obvious who on your team has ties to the AAPI community or is struggling. Some of the people I interviewed were not of AAPI descent but had spouses of AAPI descent. A hate crime impacts the entire community.

Discuss

Create a voluntary space for a discussion. Some employees may want to talk about how they are feeling, whereas others may not. A white law associate was disappointed that her firm hadn't created a space for

discussion, particularly since they'd created well-thought-out programming for Black Lives Matter. An Asian American designer at a different company says she was grateful her organization had a discussion forum, because it brought everyone closer together. While the designer's boss hadn't personally said anything to her, she says seeing them at the company discussion made her feel supported. An Asian American health-care employee mentioned that he didn't attend his company's discussion, but knowing it was there made him feel like the company took racial disparities seriously.

At Wendy's company, employees ended up discussing ways to make employees feel safe while commuting, a fear that Wendy had had long before the Atlanta shootings. "Now I feel like the door is open for addressing that concern," she says.

Commit

Several employees wanted to know about their company's long-term plan to make a greater change in society. What this looks like will vary from company to company. "I genuinely enjoy my job, but what does it mean to ethically move through the world?" a law associate

asked. She wished her company had made donations to groups supporting the AAPI community, whereas a manager at a pharma company was impressed by his company's willingness to send out a message immediately.

They also both wanted to know more about their company's long-term commitment to DEI. Cultural sensitivity training? Better hiring practices? More C-suite representation?

D, the partner at the consulting firm who leads DEI for his company, commented that in the long run, the most important step was for companies to think about how to make long-term changes to eradicate systemic biases. "We have to change as a firm, but like any change in corporate culture, it's a marathon, not a sprint. So, we need to be committed to this for years."

Taking a strong stance against anti-Asian racism should be noncontroversial and is an easy way to show compassion, make employees feel supported, and earn trust. Failing to do so shows callousness and at worst can result in losing employee trust, as Xavier's story shows. Research shows that 68% of Americans expect corporations to take a stance on social issues. Remaining silent

in the face of injustice is no longer a viable option.

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*We identified employees using pseudonyms and first initials to protect their privacy.

Shalene Gupta is a coauthor, with Sandra Sucher, of *The Power of Trust: How Companies Build It, Lose It, and Regain It* (PublicAffairs, 2021). She is also a research associate at Harvard Business School.



4. Five Ways to Bring Women Back into the Post-Pandemic Workforce

→ by MITA MALLICK

WITH NEARLY 2.2 million women having left the U.S. labor market since the beginning of the pandemic, women's workforce progress is spiraling backward. Working mothers have been forced to quit or drastically reduce their hours as balancing work, childcare responsibilities, and remote school has become untenable.

Let's move beyond the statistics and start the difficult work of helping women rebuild their careers. Doing so will help companies find talent with the specific skill sets they need and avoid some of the high costs associated with turnover. More important, it may ensure that women's progress in the workplace isn't set back

an entire generation. Here are five ways business leaders can immediately lay the groundwork for bringing women back into the workforce after the pandemic.

Offer a pandemic leave of absence. The Family Medical Leave Act (FMLA) allows eligible employees to take

up to 12 workweeks of leave during a 12-month period for certain family and medical reasons. It's been criticized over the years for its limitations and has continued to fail women and their families during the pandemic.

In the absence of stronger government policies, businesses must step in to bring women back into their organizations. Start by offering a pandemic leave of absence for a 12- to 18-month period. This can be unpaid, but benefits should be covered. At the end of the leave, your obligation is to guarantee employment at the same level and the same salary, but not necessarily the same job.

Criteria for your pandemic leave policy can focus on women who were identified as high performers before the pandemic and who have said that they may need to resign due to schools and childcare options being unavailable. This is an opportunity to keep them with your organization and at the same level of seniority. They'll value your support and loyalty and be less likely to seek employment elsewhere when they are ready to return.

Remove pandemic-gap-year bias. Women who are forced to exit the workforce will face bias due to the

■ Companies should make it clear that they won't discriminate against women who had to take time away during the pandemic.

employment gap on their résumé. Candidates with résumé gaps may be viewed as unambitious or lacking skills and have a 45% lower chance of receiving interviews than those without them.

Organizations have to encourage women to be open about the pandemic gap year on their résumés and LinkedIn profiles. They can do so by publicly sharing their commitment to bringing women back into the workforce and being clear that they won't discriminate against those who had to take time away during the pandemic. Leaders must also remove their biases against it and focus on candidates' skills and prior experience.

Implement diverse slates of candidates. As you work to remove bias against the pandemic gap year, ensure that other biases aren't preventing women candidates from being considered. Thanks to the "two in the pool effect," a woman's odds of getting hired are 79 times greater if two women candidates are in the pool of finalists.

Educate recruiters and hiring managers on diverse candidate slates before implementing one, and consider piloting it in areas

of the organization where you've seen high voluntary attrition of women. Tools like Greenhouse can help you track data and make better hiring decisions. Share the success you have with the rest of the organization to help with rollout.

You can also partner with firms that can help you source talent with strong pipelines of women candidates. Audeliss, the Rich Talent Group, and Mathison are three standout organizations that can help you achieve diverse slates and bring more women into your organization. As search firms, they serve as advisers to both the company and candidates and can play an important role in advocating to remove the stigma around women looking to reenter the workforce. If you do partner with a search firm, include an inclusion rider in your contract, requesting slates that include women who have been out of work due to the pandemic.

Scale return-to-work programs. Returnship programs have been growing in popularity and provide an opportunity for organizations to attract great talent and for individuals to reenter the workforce after time away. Now's the time to

create a returnship program for women. If you already have one, think about how you'll scale it for after the pandemic.

HubSpot's Returners Program is a 20-week program offered twice a year that comes with skills training, support, and the potential for a full-time job. Fitch Ratings' Women Returners is a 10-week, full-time, paid internship for financial professionals looking to restart their careers. Path Forward is a nonprofit helping over 75 companies including Walmart, Netflix, and PayPal create returnships. Path Forward reports that more than 80% of their participants have been hired by the companies where they completed their returnships.

Reskill women. Companies in industries that are predicted to rebound quickly and do well in a post-pandemic world should take this opportunity to reskill women in certification programs. Graduates should be placed into roles upon completion, with an assigned coach and a company mentor for the first year as they transition. Companies that have done well during the pandemic, such as Google, Facebook, Amazon, and Apple, could reinvest their

profits into paying women to complete specific upskilling programs.

This is the time for companies to take steps to support their women employees—both now as the pandemic continues and after it ends. The ones that do will not only see benefits in terms of hiring and costs, they'll also help mitigate the backward spiral of women's workforce progress. 

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SUPPORTING HEALTHY WORK

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Beyond Burned Out

Chronic stress was rampant even before the pandemic. Leaders can't ignore it any longer.

→ by JENNIFER MOSS

WHEN THE COVID-19 pandemic began, I felt as if I were in one of those disaster movies, standing in front of a rapidly spreading fire as an entire city was about to be engulfed in flames. And despite feeling that a massive disruption was imminent, I could only watch in shock.

I've studied burnout and worked with organizations to address it for years, but nothing would inform my understanding of the topic more than living through 2020. For some time I'd been sounding the alarm: "Burnout is getting worse. People are sick!" Then we were all suddenly thrust into unknown





territory: By April 2.6 billion people had gone into lockdown, and places of employment for 81% of the global workforce were fully or partially closed. A huge percentage of knowledge workers began doing their jobs from home—many collaborating on Zoom, whose daily active users skyrocketed from 10 million to 200 million. This sudden shift did what little else had been able to accomplish before: expose how thinly stretched and worn down we all were—and had been for a while. And it also made our burnout much, much worse.

Just How Bad Is Burnout?

Although the concept of occupational burnout originated in the 1970s, the medical community has long argued about how to define it. In 2019 the World Health Organization finally included burnout in its International Classification of Diseases, describing it as “a syndrome conceptualized as resulting from chronic workplace stress that has not been successfully managed.” This language acknowledged that burnout is more than just an employee problem; it’s an *organizational* problem that requires an organizational solution.

When you analyze the real causes of burnout, it becomes clear that almost everyone has been attacking the problem from the wrong angle. According to Christina Maslach of the University of California, Berkeley, Susan E. Jackson of Rutgers, and Michael Leiter of Deakin University, burnout has six main causes:

1. Unsustainable workload
2. Perceived lack of control
3. Insufficient rewards for effort

4. Lack of a supportive community

5. Lack of fairness

6. Mismatched values and skills

While these are all organizational issues, we still prescribe *self-care* as the cure for burnout. We’ve put the burden of solving the problem squarely on the shoulders of individual employees. “Let’s just recommend more yoga, wellness tech, meditation apps, and subsidized gym memberships—that’ll fix it,” we say. But those are tools for improving well-being. When it comes to preventing burnout specifically, they won’t be effective. We desperately need upstream interventions, not downstream tactics. In this article I’ll describe tactics companies can use to address some of the organizational roots of burnout.

Teaming up together, Leiter, Maslach, and David Whiteside, the director of insights and research at YMCA Work-Well, and I created a survey that analyzes the state of burnout and well-being during Covid-19. We combined several evidence-based scales, including the Maslach Burnout Inventory General Survey (MBI-GS), a psychological assessment of occupational burnout, and the Areas of Worklife Survey (AWS), which assesses employees’ perceptions of work-setting qualities that affect whether they experience engagement or burnout.

With support from *Harvard Business Review*, we gathered feedback from more than 1,500 respondents in 46 countries, in various sectors, roles, and seniority levels, in the fall of 2020. Sixty-seven percent of respondents worked at or above a supervisor level.

What did we learn, in a nutshell? Burnout is a global problem. Some stats:

- 89% of respondents said their work life was getting worse.
- 85% said their well-being had declined.
- 56% said their job demands had increased.
- 62% of the people who were struggling to manage their workloads had experienced burnout “often” or “extremely often” in the previous three months.
- 57% of employees felt that the pandemic had a “large effect on” or “completely dominated” their work.
- 55% of all respondents didn’t feel that they had been able to balance their home and work life—with 53% specifically citing homeschooling.
- 25% felt unable to maintain a strong connection with family, 39% with colleagues, and 50% with friends.
- Only 21% rated their well-being as “good,” and a mere 2% rated it as “excellent.”

The 1,500 people in our survey not only much more squarely fit the burnout profile than did the nearly 50,000 respondents who had taken the MBI-GS before the pandemic, they also scored very high on exhaustion and cynicism—two predictors of burnout, according to the MBI-GS. “These survey responses make it clear that a lot of people are having serious disruptions in their relationship with work,” Leiter notes. “It’s not surprising that people are more exhausted—people are working hard to keep their work and personal lives afloat. But the rise in cynicism is even more troubling. Cynicism reflects a lack of trust in the world. So many people feel let down by their

■ Burnout is more than just an employee problem; it's an *organizational* problem that requires an organizational solution.

government's poor preparation for the pandemic, as well as by the injustices in work and well-being that the pandemic has highlighted."

Millennials have the highest levels of burnout, we found. Much of this is due to having less autonomy at work, lower seniority, and greater financial stressors and feelings of loneliness. The last was the biggest factor leading to burnout, according to our research. As one Millennial put it: "The pandemic has had a tremendous impact on my well-being—I've had mental health challenges, and I've hit major road-blocks with that. My physical health has changed because I can't exercise like I used to. It's affected me economically. I feel as though my career has been set back yet again."

How Did It Get This Bad?

So, yes, burnout is severe today, but the seeds were planted before Covid-19 hit—even then, many workers were already experiencing high levels of it. The pandemic was simply an accelerant.

Consider teachers. Pre-pandemic, they endured long hours and chronic under-pay. Nurses and physicians, who have seen some of the most extreme cases of burnout, worked notoriously long shifts—often 16 hours or more, despite research showing that patient errors increase threefold when nurses (for example) work shifts lasting 12.5 hours or longer.

In other sectors—such as technology—overwork is celebrated, even though research clearly shows that putting in more than 55 hours a week does nothing to improve job performance. For example, in 2018 Elon Musk tweeted

the following in response to a *Wall Street Journal* article describing Tesla's culture of long hours: "There are way easier places to work, but nobody ever changed the world on 40 hours a week." What number of hours is needed to change the world? "About 80 sustained," Musk tweeted.

Former employees of Uber shared in 2017 that working until 1 or 2 AM was typical at the company, and a 2015 *New York Times* article about Amazon described "marathon conference calls on Easter Sunday and Thanksgiving, criticism from bosses for spotty Internet access while on vacation, and hours spent working at home most nights or weekends."

It didn't help matters that during the pandemic we misdiagnosed the resulting stress as acute rather than chronic. And once it was clear that the crisis was a triathlon, not a sprint or even a marathon, organizations did very little to help employees over the long term in meaningful ways, abandoning or failing to adapt their initial efforts.

In the first weeks of the pandemic, most organizations were expecting it to end quickly. Remote workers were given a return-by date of one month. Then another month. Then in May big tech companies like Facebook and Google extended working from home to the end of the year. (They then extended it well into 2021.) In the meantime people were left to figure out their new WFH arrangements largely on their own.

We also saw a surge in "well-being by video," as leaders scrambled to figure out how to replace the at-work experience with a virtual one. Team



Idea in Brief

A PROBLEM IN PLAIN SIGHT

Even before the Covid-19 pandemic, many workers were already experiencing high levels of burnout. Resulting from chronic workplace stress, burnout has historically been viewed as an *employee* problem, with prescriptions of self-care for the cure. However, it is actually an *organizational* problem requiring an organizational solution. The pandemic exposed the issue—and made it much worse.

SURFACING SOLUTIONS

Through a survey analyzing the state of burnout and well-being during Covid-19, the authors discovered just how bad burnout is and how it got that way. But their research also illuminated where to focus in order to combat burnout. Factors that predicted lower levels of burnout included feeling a *sense of purpose*, having a *manageable workload*, feeling able to *discuss mental health at work*, having an *empathetic manager*, and having a *strong sense of connection* to family and friends.

PREPARING FOR THE FUTURE

Focusing on these elements can help companies address employee burnout. More important, they provide a starting point for getting the right systems in place now—before the next crisis happens.



building now included Zoom happy hours and morning stretch sessions. In the first few weeks these virtual events were jam-packed, but within a month well-being measures just became part of the staff's workload and there was no "happy" left in online social hours.

Several large-chain grocery stores in Canada and the United States chose to give their frontline workers "hero pay," only to claw it back after a few months. (Some retailers are restoring it, but many have abandoned the policy.)

In the spring, physicians, nurses, and first responders were celebrated with parades and applause. Over time the cheers stopped. The applause faded at the worst possible time—when health care workers needed it most. They already had the highest rates of burnout, but the pandemic took them to unprecedented levels.

It's understandable that we might not have recognized the true impact of the pandemic at first. So much was unknown. But once we realized we were in it for the long haul, we could have slowed down and analyzed what was working and what wasn't. We could have been more creative about changing practices to ease burnout. But we didn't. Instead of pumping the brakes when the virus spread and acute stress began to become chronic, we made things worse in these key areas:

We didn't adjust workloads. Overwork was the most-cited reason for burnout and decreased well-being in our pre-pandemic qualitative research. Research from Gallup has shown that the risk of occupational burnout increases significantly when an em-

ployee's workweek averages more than 50 hours, and rises even more substantially at 60 hours. Clearly, this issue has not gone away. If anything, the pandemic has probably exacerbated it.

One respondent to our recent survey shared, "Everything seems like a rush. There's more pressure to produce, and no one respects time boundaries. Emails start at 5:30 AM and don't end until 10 PM, because they know you have nowhere else to go. For single people with no families, it's worse, because you don't get to say, 'I need to go take care of my kids.'"

We didn't give people control and flexibility. The pandemic brought employees a host of new challenges. Childcare options were limited, with day care centers and schools closed and grandparents separated from their extended families. Parents were grappling with homeschooling children while working from home—with the whole family on the same Wi-Fi connection—and dealing with increased household chores resulting from suddenly having everyone under the same roof 24/7.

Some organizations saw the value of allowing employees more flexibility, but too many did not. I suspect this stems from the way the notion of flexibility has long been steeped in bias, with some considering it "a mother's benefit." The lockdown tested that idea, but in the end the existing systemic failures of workplace policies and biases about women proved disastrous. Gains for women would be lost, with serious consequences.

According to the Center for American Progress, "four times as many women

as men dropped out of the labor force in September, roughly 865,000 women compared with 216,000 men." Black, Latinx, and Indigenous women are experiencing this most acutely because of "the multiple effects of being more likely to have lost their jobs, being on the front lines as essential workers, and solving their childcare challenges on their own."

"There's no respite from work," shared one woman in our survey. "I work 9 to 9 almost every day. My husband is working in the office, and I'm working from the kitchen counter, with the baby in the living room. I don't get time to focus on anything. If I'm spending five minutes with my son, my instant messages are blowing up (and I hear the noise). If I'm working with my back to my son, I'm constantly turning around to check on him."

The impact of the disruption to women's ability to work is enormous. Even a 5% decline in maternal labor force participation would set women back 25 years, according to the report.

We allowed more meetings and unhealthy levels of screen time.

We talk about Zoom burnout as if it's a new thing. In reality, it's just a new manifestation of a bad workplace practice on overdrive. We've had meeting fatigue forever. According to Steven Rogelberg of UNC Charlotte, who wrote *The Surprising Science of Meetings*, pre-Covid-19 studies showed that about 55 million meetings a day were held in the United States alone and that U.S. organizations wasted \$37 billion annually because most meetings were unproductive.

■ Having a manageable workload was one of the strongest predictors of lower burnout. Organizations should communicate more about priorities and about what can be put on the back burner.

Despite all that, meetings increased substantially during the pandemic. According to a recent study sponsored by the National Bureau of Economic Research that analyzed the data on more than 3 million people, the amount of time employees spend in meetings has increased by 13%. In addition the average workday is now 48 minutes longer.

What's especially troubling here is that video calls are actually harder on us physically and mentally. Our brains find it more challenging to process nonverbal cues like facial expressions and body language on them, making it tough to relax during conversations. Plus, slight delays in verbal responses subconsciously make us dislike people, according to research cited by Jena Lee, an attending psychiatrist and assistant professor at the David Geffen School of Medicine at UCLA.

"I sit all day. My ankles were swelling at one point, and I had to sleep with my feet elevated. I don't sleep well. I have no time to do anything I enjoy," one of our survey respondents told us. "I go from one Webex or Teams meeting to the next."

We didn't recognize the extent of people's struggles. Burnout, when experienced in the extreme, can be tragic. That's what Corey Feist, who is outspoken on the topic of physician burnout, emphasized to me in the wake of his sister-in-law's suicide last April.

Dr. Lorna Breen was the medical director of the emergency department at a hospital in Manhattan. She was working on the front lines, deep into the first surge of a locked-down New York City as the virus raged through it.

Feist remembers Breen describing the hospital as "Armageddon."

The factors that played a role in her burnout, according to Feist, are multi-fold. "First she contracted Covid-19 and was exhausted, depleted, and probably dealing with the brain fog that we now know impacts people with the virus. Then she went back into the workforce way too fast. On top of still being sick and exhausted, she would now face a volume of death and dying that she'd never seen before. Add in feelings around not being able to contribute and not being able to take care of your patients—because they were dying, and doctors are trained to fix people—and it was all so overwhelming."

Not every case is as distressing as Breen's. But her story points to a key truth: One big problem of the pandemic is that we simply haven't realized—much less acknowledged—how hard circumstances are. And we've been applying Band-Aid solutions to a gaping wound in the form of yoga programs, wellness technology, and meditation apps. The need to recognize that people are working unsustainably day after day, that they may not feel safe talking about their mental health, and that they're overwhelmed and exhausted is urgent. There is no app to fix that.

And the vast majority of senior leaders have told us that they're tired, too—and tired of leading tired people. This global pandemic is not "business as usual," so we need to stop acting as if it is.

How to Beat Burnout

There are some easy things we can all do to combat burnout, most critically

at the organizational level. There was good news in our research, and it illuminated where we need to focus. Factors that predicted lower levels of burnout included the following:

Feeling a sense of purpose. Respondents said that this feeling helped defend against burnout at work. In fact, burnout scores declined as purpose scores increased: Twenty-five percent of people who felt a strong sense of purpose in their work had not experienced any burnout (according to both self-reporting and the MBI-GS) in the previous three months. However, since the data reflects knowledge-worker sentiment, I wouldn't want to suggest that employees on the front lines or first responders should rely on purpose to prevent burnout. This finding requires more analysis, but my colleagues and I found it to be an important insight.

Having a manageable workload. This was one of the strongest predictors of lower burnout. To help overburdened employees, organizations should communicate more about priorities and about what can be put on the back burner until time permits (or perhaps forever).

One of the most glaring issues related to workload was meeting fatigue—it tops the list of things organizations must tackle. To begin to address it, use this simple formula:

1. Ask, Is this meeting necessary?

2. If yes, then ask:

- Does it have to be a video call?

■ Companies that were already engaged in a burnout prevention strategy have been more successful at leading their workforce through the Covid-19 crisis.

- Does it have to be longer than 30 minutes?
- Which attendees are absolutely essential?
- Can we turn off our cameras and use our photos or avatars instead?
- Can we do an audio-only conference call for a much-needed screen break?

3. Start meetings with a check-in. How are people feeling? Does anyone have a back-to-back call? If you're leading the meeting, set a timer so you can let anyone who does have one jump off five to 10 minutes early.

Feeling that you can discuss your mental health at work. Our survey found that nearly half of respondents don't believe they can openly do this—and 65% of those people experienced burnout “often or always.”

That is a massive problem.

The first step toward solving it is to create a culture of psychological safety at work, which Harvard Business School's Amy Edmondson, who is an expert on the topic, defines as “a climate in which people are comfortable being (and expressing) themselves.”

For example, when someone messes up, we may get angry. Yes, we all have a right to be frustrated, but whom does that serve? The bigger goal is to set things right. Edmondson suggests that more-productive responses start with asking about what help is required to get back on track. That is, after all, what we really care about. When this kind of communication is common, people generally feel safer talking about more-personal topics, like mental health.

Another tactic is to offer employees access to mental health support. That could include:

1. A mental health resource page listing local outreach programs and mental health practitioners that are cause- or crisis-specific.

2. Reduced hours, flexible hours, or even paid time off for anyone who has mental or physical health concerns—or who is caring for a loved one affected by the crisis. We were dramatically caught off guard by the pandemic. This can't happen again—time off and grief policies should be readied now.

3. A peer-to-peer outreach program. Firms can select leaders to train in mental health 101, who can then be activated as a support system for the staff in a crisis.

4. Having managers check in on their direct reports immediately. The pandemic was a jarring example of how quickly a crisis can escalate. If we have communication plans in place before disaster hits, we can provide answers to pressing issues. Just by asking more frequently “How are you doing?” and “How can I help?” we'll demonstrate that the well-being of our team is a priority.

Having an empathetic manager. This was the second-most-cited need in the survey, just slightly behind manageable workloads. And for good reason: According to Harvard Medical School's Helen Riess, who is also the cofounder and chief scientist of Empathetics, communicating empathically increases job satisfaction, reduces burnout, and

is highly correlated with enhanced well-being. It is perhaps *the* most critical skill in a crisis and something that we can all improve on.

Empathetic leadership requires three things: acknowledging and overcoming any personal biases and privileges you might have; actively listening to your people; and taking action. I want to focus on the second—active listening—as something that's particularly important today. It involves giving people a safe place to share and demonstrating that you've heard them by acting on their words. You can do this one-on-one or set up open forums through Slack or Teams or any other workplace social collaboration tool, where good ideas can proliferate. You may also want to create the opportunity to provide anonymous feedback; there are survey tools out there that make it easy to do that.

Another unique way to combat burnout is to become a “professional eavesdropper,” according to Martha Bird, a business anthropologist for the data processing company ADP. Why? Because it's often the small things we say and do over time that account for the bigger picture on our well-being. “People are messy, and the messiness is what tells us the most,” she told me. “We humans attempt to make the mess meaningful. And that meaning is reflected in what we do.”

Bird is suggesting that we need to look deeper than an occasional “How are you doing?” One study found that on average an adult will say “I'm fine” 14 times a week, though only 19% of people really mean it. Almost a third of the 2,000 people in our survey said that they often lie about how they're feeling.



By paying closer attention to what your employees are talking about and seeing patterns, you can spot and head off problems.

So the next time people say they're fine, ask again, "Are you really fine? It's OK if you're not. I'm here if you need to talk."

Having a strong sense of connection to family and friends. Our survey highlighted how many of us feel isolated. Before offices went virtual, one of the most healthful benefits of work was that it allowed us to establish and build friendships. That's much more difficult, if not impossible, to do remotely.

"I started this job six days before the pandemic meant that we had to work from home. I found it challenging to connect with new colleagues over Zoom calls," one survey respondent wrote. "Even when I do go to the office, we are not allowed to meet in person. I think I have spent a total of about 10 hours face-to-face with my colleagues, and maybe 40 to 60 hours in Zoom meetings with them. It's hardly enough to build trust and respect in a way that would feel meaningful to me."

Personally, I think some companies went too far too fast by making work from home a "forever" policy. Nearly three-quarters of employees want to have access to an office, according to a recent JLL survey of more than 2,000 employees across 10 countries. And 80% of high performers have missed their office greatly during lockdown, according to the same report.

Flexible options are what workplace experts have long been arguing for. As soon as it is safe to do so, we need

to create hybrid solutions that allow coworkers to connect and collaborate in person and virtually.

Rich Barton, CEO of Zillow, has chosen to offer both work-from-home and in-office options. "The way our team delivered after we went remote turned my legacy opinion of working from home on its head and began a journey toward letting our people decide where they will thrive and be the most productive," he told me.

The best relationships are still built when we can see one another's faces in person. The need to socially distance for almost a year now has taken a toll. So once the pandemic's risks subside, leaders need to find ways to bring their teams back together in a physical space to connect in real life.

Prepare Before the Next Crisis

Of course, this is all just a starting point for how companies can address burnout. But the point I want to hammer home is this: Leaders, get the right systems in place now, *before* the next crisis happens.

I've found that the companies that were already engaged in a burnout prevention strategy have been more successful at leading their workforce through the Covid-19 crisis. And I've been pleasantly surprised by the number of leaders who were deeply motivated to support their workforce. Here is one example that stood out for me.

Alan May is the executive vice president and chief people officer for Hewlett-Packard Enterprise (HPE). I spoke with May in October 2020,

when nearly all the company's 60,000 employees were working remotely. He believes HPE's long-standing commitment to well-being has helped it weather the year's challenges. "Crises tend to just accelerate underlying trends," he observed. He hasn't been creating wellness programs only in response to Covid-19; when it hit, the company was already two years into an internal campaign focused on them.

Long before the pandemic, HPE was addressing burnout. One of the examples May shared was having "meetingless Fridays" to create "white space" for employees to work on ideating or reflecting. He also reinforced the importance of having frontline managers check in with employees regularly. While he's not expecting those managers to be mental health experts, he shared that "in a number of cases, as a result of some of those interactions, we've detected some concerns, and we've been able to escalate them and get more professional help."

May also had created virtual social chat groups for peer-to-peer communication, where leaders could also actively engage, to bring together like-minded individuals with no real objectives. "We didn't proctor the groups, but we did participate to some extent by listening," said May. And when the crisis hit and "employees started sharing specific tips and tools for others working at home or specific suggestions for those that were homebound and lonely, it just became all about lifting up those good ideas and executing on them."

The resilience HPE employees appear to have built up seems to have served them well during the pandemic.



According to the firm's "Employee Work Experience Data" from July 2020:

- 91% of employees agreed that employee health and well-being was a top priority for HPE.
- 92% agreed that their direct leaders had shown genuine concern for their well-being.
- 91% agreed that their direct leaders had shown flexibility by allowing them to balance their personal and professional lives.

Employee experience scores like these send an important message: "We feel supported. Keep it up."

If your organization also wants to foster great workplace experiences, well-being must be table stakes. Put mental health and burnout prevention protocols in place now. Prepare a communication strategy well in advance, so that when another crisis hits, information about support programs and details on any new health and safety measures can be shared instantly with employees. Keep in mind that poor communication during the Covid crisis has been a primary regret for more than a third of C-level leaders—and that 32% of employees surveyed claimed they yearned for more communication, done sooner and more transparently.

THERE IS NO quick fix for any of the burnout issues we're facing, and sometimes that can feel paralyzing. We need to start small, or the task will seem too overwhelming. Big change starts with modest practical steps, working toward collective change.

We can't waste this crisis. The well-worn phrase "Knowing is half the battle" feels applicable here. If we can identify organizational signals of stress—because we are *finally* paying attention—then there is hope for the future.

Leaders, we have endured a trial by fire, and there's no turning back. We did not experience this crash course in emotional flexibility—this testing of our resilience—only to squander the learning. We have a shot at truly preventing burnout, and we can't say that it's too hard or too much work or that it requires too much change. The best moment to make a move is when everything is up for grabs. It's time to turn the change that was inevitable into the change that was always possible. Starting right now. 🧘

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Hewlett Packard
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GREETINGS FROM **THE EDGE**

The Edge is where insight meets opportunity. A place where the difference between success and failure isn't measured in time – it's measured in real time. A place where you can't always wait for data to reach the cloud – you need the cloud to come to your data. And your software to adapt to you. All connected by a single force. Quickly. Securely. And cost-effectively. So that you can make the most of the Age of Insight. And stay agile enough, flexible enough, and confident enough to not only keep up, but to stay ahead of whatever's out there. Because any company can be at the center of innovation. Only the truly insightful ones live at the edge of it.





SUPPORTING HEALTHY WORK

Quick Takes



1. The Pandemic Has Exposed the Fallacy of the “Ideal Worker”

→ by JOAN C. WILLIAMS

WITH MOST OF US working from home these days, Americans’ workday has increased by 40%—roughly three hours a day—the largest increase in the world. Yes, I fact-checked that. I couldn’t believe it either. The problem with all this busyness and productivity is that it comes at a huge price. Many employees are now doing the work of three or more people. They’re

doing their own job, their childcare worker’s job, and their children’s teachers’ job. Yet, many employers seem oblivious. I hear reports of companies cheerfully assuring their employees, and themselves, that everyone is working at, or close to, 100%. Why don’t more managers see the problem here?

It’s because there’s still a widespread reverence

for the “ideal worker.” We commonly define the ideal worker as someone who starts working in early adulthood and continues, full-time and full force, for 40 years straight. The concept reflects a breadwinner-homemaker model that dates back to the Industrial Revolution and functioned fairly well through the 1960s, until women began enter-

ing the formal workforce in greater numbers. But the ideal-worker norm has long exacted a higher toll from women—who not only did their day jobs but were also expected to deal with responsibilities for their families and households.

However, it’s not just women who suffer under the burden of the ideal-worker norm. According to a recent

DIMITRI OTIS/GETTY IMAGES

■ Research shows that telecommuting typically makes workers more productive.

survey, 14% of women are considering quitting their jobs due to work-family conflict related to Covid-19. Perhaps more surprising, so are 11% of men. My organization runs a hotline for workers who encounter discrimination based on family care responsibilities, and we hear all the time from men whose organizations have outdated leave policies that give the primary caregiver months off but far less time off to the secondary caregiver. We're all seeing how the pandemic can serve to level the playing field as some men take on more domestic responsibilities than they used to. This is not to deny that women are doing more; the point is that very often neither men nor women are the ideal workers of times past. Today, a key divide is between parents and nonparents. "I've noticed that there is a huge split among my trial lawyer colleagues. Those without children are, for the most part, getting a lot done. Those of us with kids at home are litigating as if sinking in quicksand," says Gordon Kaupp, a lawyer in San Francisco.

To be sure, we're seeing the erosion of the ideal of an employee whose family responsibilities are kept tastefully out of sight. Before

Covid, many parents quietly skulked off to attend a school play or coach a soccer game, workers nursed their babies in cars parked outside factories, and adult children slid away unobtrusively to take an older parent to a doctor appointment. Now there's a lot less of a taboo because you can't hide it. In fact, that taboo has now shifted: Men who are old-fashioned enough to be embarrassed when their kids walk in, like the BBC dad, are now ridiculed (perhaps unfairly, if he was just reflecting others' expectations of him). Covid has made visible the conflict between an older generation of ideal workers and younger men who consider a good father as someone who is involved in his children's daily care. An in-house lawyer at a large company told me: "It has really humanized our leaders, because they are all sending messages about how they are coping with their kids, dogs, and 72-year-old mother, trying to make it clear that we are all in this together."

If there was ever a time to put to rest the old-fashioned notion of the ideal worker, it's now. Post-pandemic, let's resculpt workplace ideals so that they reflect people's lives today—not half a century ago. If you are focused

on employee engagement, this is the path forward. (If you aren't, you should be: A recent study found that disengaged employees cost employers 34% of their annual salary.)

The first step is to institutionalize telework. I and other advocates have long known that the main barrier to widespread adoption was a failure of imagination. That's over. Under Covid, many jobs that were "impossible to do remotely" went remote with little transition time and modest outlays. Three things happened in the past month to make the unthinkable doable: (1) Companies have now invested the time and money necessary for seamless remote access. (2) Older employees who were not as tech-adept have now invested the time to figure it all out. And (3) supervisors have learned how to supervise people without physically breathing down their necks. The unthinkable has become not just thinkable but mundane.

But we have to recognize that long-term telecommuting is different from the crisis-related working from home that's now widespread. Telework requires having childcare during work hours and a setup that allows for undistracted attention to

work. For hourly workers in states like California, telework also requires employers to ensure statutorily mandated worker protections like meal and rest breaks. Most employers will also want controls to set limits on overtime.

At a deeper level, companies need to get analytical about the optimal role of remote work going forward. Lots of research shows that telecommuting typically makes workers more productive—not surprising given the amount of sports chatter around the water-cooler. Remote work also makes people more engaged and satisfied and less likely to quit. And remote workers often work longer hours—again not surprising since the average American spends 54 minutes a day commuting.

Don't assume that telework is an all-or-nothing proposition. For many jobs and companies, the challenge will be to find the right balance of telework and on-site work. What many knowledge workers need are spurts of unstructured interaction, followed by hours of quiet time to execute—time that's often more productive done away from the office. Finding the optimal combination of telework and on-site work



will vary from company to company, job to job, and person to person.

As a smart person once said, never let a good crisis go to waste. Let's not waste this one. Instead, let's work together to ensure that a silver lining of this vast and frightening pandemic is a new definition of the worker as someone who's ambitious, focused, and committed—but who must also balance work obligations with care-giving responsibilities. When 30 million kids are out of school, employers can't just ignore that.

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RESEARCH

2. People Want Their Employers to Talk About Mental Health

→ by KELLY GREENWOOD, VIVEK BAPAT, AND MIKE MAUGHAN

MENTAL HEALTH awareness has reached an inflection point. Singers, actors, and athletes are increasingly coming out about their challenges. Michael Phelps has been outspoken about his struggles with depression. Lady Gaga told the press what it's like to live with PTSD. Prince Harry added his voice

to the group when he spoke about his battle with anxiety. Dwayne "The Rock" Johnson, talking about how he copes with depression, said, "One of the most important things you can realize is that you're not alone."

While these kinds of stories help break down stigma, they are, unfortunately, not

enough to make people feel safe talking about mental health at work. Despite the fact that over 200 million workdays are lost due to mental health conditions each year (\$16.8 billion in employee productivity), mental health remains a taboo subject. In fact, almost 60% of employees

■ Mental health is becoming the next frontier of diversity and inclusion.

have never spoken to anyone at work about their mental health status.

To figure out why, Mind Share Partners, SAP, and Qualtrics conducted a study on the prevalence of mental health challenges and stigma in U.S. workplaces. It looked at the full spectrum, from 100% mentally healthy people to those with chronic and severe impairment. In previous studies, mental health has often been measured through either diagnosable conditions or general stress levels. But these two metrics do not fully capture the breadth of mental health experiences that lie between them, such as undiagnosed conditions, episodic challenges, and symptoms that do not meet a clinical threshold.

We aimed to broaden this perspective by framing our questions in terms of individual symptoms, which are less stigmatized. Instead of asking whether respondents had a specific diagnosis, we asked if they had experienced one or more symptoms from a list of common mental health conditions. (For example, “In the past year, have you ever felt sad, numb, or lost interest or pleasure in most activities for at least two weeks?”) We collected responses from more than 1,500 U.S. adults in the for-profit, nonprofit,

and government sectors, with statistically significant representation across race, gender, LGBTQ+ identity, education, and seniority groups—including demographics that have been historically underrepresented and underresearched in this area.

What Did We Find?

Fewer than half of our respondents felt that mental health was prioritized at their company, and even fewer viewed their company leaders as advocates.

This needs to change. Mental health is becoming the next frontier of diversity and inclusion, and employees want their companies to address it. Eighty-six percent of our respondents thought that a company’s culture should support mental health. This percentage was even higher for Millennials and Gen Zers, who have higher turnover rates and are the largest demographic in the workforce. Half of Millennials and 75% of Gen Zers had left roles in the past for mental health reasons, both voluntarily and involuntarily, compared with 34% of respondents overall—a finding that speaks to a generational shift in awareness. It is not surprising then that providing employees with the

support they need improves not only engagement but also recruitment and retention, whereas doing nothing reinforces an outdated and damaging stigma.

Because companies are not doing enough to break down this stigma, many people don’t self-identify as having a diagnosable mental health condition, even though up to 80% of us will manage one in our lifetimes. Low levels of self-identification mean that many workers won’t seek treatment, and it might explain why disclosure rates in companies are low. Our research showed that while nearly 60% of respondents experienced symptoms in the past year—a number much higher than the oft-cited 20% of people who manage a condition in any given year—close to 60% also never talked about their conditions at work. When conversations about mental health did occur, fewer than half were described as positive. In fact, respondents were the least comfortable talking with their company’s HR and senior leaders, although senior leaders, including CEOs, were just as likely to struggle with mental health symptoms as individual contributors.

While level of seniority had no impact on those who

did and did not struggle with mental health, it’s important to note that demographics did. We found that LGBTQ+ people, Millennials, and Gen Zers were more likely to experience mental health symptoms for longer durations and were also more open to diagnosis, treatment, and discussion about them at work. In addition, almost half of Black and Latinx respondents had left a job at least partly for mental health reasons, compared with 32% of white respondents.

How Can Companies Do Better?

Companies that want to improve the state of mental health at work—especially for younger, diverse demographic groups—need to adjust their strategies. Mental health is not just an HR issue; it’s also a diversity, equity, and inclusion (DEI) issue and, given its prevalence across all populations, is slowly becoming its own category within DEI. At the same time, mental health needs to be looked at through an intersectional lens because each person’s experience varies. HR departments or check-the-box solutions like employee assistance programs (EAPs) are not enough to address its nuances or drive change on

■ CEOs should serve as the normalizers-in-chief of mental health challenges to help build a culture of acceptance.

their own. Nor will mental health policies alone solve the problem.

Regardless of how robust a company's benefits are, it is culture that ultimately reduces stigma and empowers employees to actually use those benefits without fear of retribution. Our study shows that the most commonly desired workplace resources for mental health are a more open and accepting culture, training, and clearer information about where to go or whom to ask for support. The ways to achieve these and other critical components are multifaceted.

Start at the top. Changing the culture is a top-down process. It starts with transforming leaders into allies. Encourage executive teams, managers, and senior employees to share their experiences (or those of close family members or friends) at all-staff meetings or in other interactions with their teams. Modeling disclosure and vulnerability as strengths, not weaknesses, goes a long way toward reducing the stigma and setting the tone for transparency.

The CEO also has an important role to play here. Currently, many departments within a company

have touchpoints with mental health, from HR to DEI to Learning and Development. However, there is rarely a single owner of corporate initiatives around it to ensure accountability. Given the prevalence of people with mental health issues, as well as employees' desire for their companies to address mental health, CEOs can no longer afford to ignore it. Instead, they should serve as the normalizers-in-chief of mental health challenges, with support from their chief human resource officers, to help build a culture of acceptance that permeates their organizations. "When SAP CEO Bill McDermott goes out of his way to champion wellness and mindfulness," says Nick Tzitzon, executive vice president of marketing and communications at SAP, "it sends an unmistakable signal to 100,000 colleagues that we're serious about building a culture of psychological safety."

Invest in education.

Trainings are imperative for all employees—especially managers—to learn how to name, normalize, and navigate mental health at work. Managers don't need to become therapists. However, they should have a baseline knowledge of tools they can

use during difficult conversations and actions they can take to reduce the stigma, in addition to an understanding of mental health conditions, their prevalence and impact at work, and ways to recognize and respond to employees who may be struggling. In short, managers need to be taught to treat each individual with respect and realize that there is no one-size-fits-all solution.

Tzitzon believes that mental health is the next wave of inclusion, but that it won't be accomplished until all employees feel comfortable being honest and open about their mental health conditions without fear of consequences. "The leaders who help people open up about whatever is holding them back at work," he says, "will be the most effective and admired."

Provide support. At a minimum, companies need solid mental health benefits, and those that do have them must learn how to communicate them clearly—as well as their confidential nature. Many employees are either unaware of the mental health resources offered at their organizations or afraid to use them. In our study, Millennials were 63% more likely than Baby Boomers to know the

proper procedure for seeking company mental health support.

One way to ensure every worker is aware of these benefits is to talk about them, and any policies that support them, during employee orientations, as well as periodically each year. Stand-alone anonymous surveys or mental-health-specific questions within existing employee engagement surveys are effective ways to measure attitudes toward mental health and keep organizations accountable. (After all, what gets measured, gets done.)

Some companies, like Verizon Media, Johnson & Johnson, and RetailMeNot, are taking their efforts a step further and implementing employee resource groups as a part of their DEI strategies. Such groups help raise mental health awareness throughout companies and create a forum for individuals with a condition, caregivers, and allies to support one another. Including mental health in DEI strategies is a critical component of enabling people to bring their full selves to work.

The ability to support employees with mental health conditions—which includes most employees at one time or another—is



becoming a defining issue in the next-generation workplace. While progress is being made, much more needs to be done to destigmatize conversations and treatment. So far, the lack of organizational ownership and a reactive approach have failed to create work cultures in which employees feel safe speaking up.

The good news is that change is possible. It starts with acknowledging the equal prevalence of mental health conditions from the C-suite to the front lines, changing organizational culture, introducing proper training and support, and addressing mental health as a stand-alone DEI issue. CEOs must lead by example as both the priority and culture setters of their companies. That said, every employee has a role to play as well. Culture change of any kind requires top-down and bottom-up support. Mental health is no different. 🧠

HBR Reprint H056G0

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Executive Summaries



“It’s a once-in-a-lifetime opportunity to reset work using a hybrid model—one that, if we can get it right, will allow us to make our work lives more purposeful, productive, agile, and flexible.”

HOW TO DO HYBRID RIGHT
PAGE 68



Recruiting and Retaining

Rethinking the On-Demand Workforce

Joseph Fuller, Manjari Raman,
Allison Bailey, and Nithya Vaduganathan
page 10

As companies struggle with chronic skills shortages and changing labor demographics, a new generation of talent platforms, offering on-demand access to highly trained workers, has begun to help. These platforms include marketplaces for premium expertise (such as Toptal and Catalant), for freelance workers (Upwork and 99designs), and for crowdsourcing innovation (Kaggle and InnoCentive). Almost all *Fortune* 500 firms use such platforms. But most do so in an ad hoc, inefficient way, according to a Harvard Business School/BCG study. Companies need to get much more strategic about their engagement with talent platforms and fully embrace their ability to increase labor force flexibility, speed time to market, and facilitate business model innovation. That will require rewiring policies and processes and redefining working norms. Most important, leaders must inspire the cultural shift needed to realize the platforms’ transformative potential.

HBR Reprint R2006G

Reengineering the Recruitment Process

Harvard Business Review Staff | page 18

Hiring top talent in the post-pandemic environment will be more challenging than it may have appeared while the economy was struggling with high unemployment. Competition for top talent is still fierce, and recent months have seen a rise in job openings. Meanwhile the pandemic has accelerated changes in the talent landscape that were already underway, leaving many companies unprepared to compete.

A recent study from research and advisory firm Gartner examined these shifts and identified three trends that render traditional recruitment tactics obsolete: 1) Because of rapid advances in technology, the skills necessary for many jobs have a short shelf life; 2) the traditional talent pools that recruiters relied on (such as top universities) are becoming outmoded as highly gifted candidates can also be found elsewhere; and 3) candidates are more selective and value job opportunities differently than they did in the past, factoring in meaningful work and proximity to family more than they had before.

To address these changes, the researchers recommend getting away from traditional hiring markers (such as industry experience or degrees) and looking to hire for potential. They also advise that job seekers coming out of a pandemic aren’t looking for free snacks and foosball; they are looking at how organizations helped workers achieve a desirable work/life balance during a challenging time.

Cynthia Burkhardt, global head of talent acquisition at Philips, discusses how the health tech giant has been changing its recruitment tactics accordingly.

HBR Reprint F2102A



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Executive Summaries



Recruiting and Retaining

How to Keep Your Top Talent

Jean Martin and Conrad Schmidt
page 22

Practically every company these days has some form of program designed to nurture high-potential employees. But a recent study by the Corporate Executive Board demonstrates that nearly 40% of internal job moves made by people identified by their companies as “high potentials” end in failure. Disengagement within this cohort of employees also is remarkable: One in three emerging stars reported feeling disengaged from his or her company. Even more striking, 12% of all the high potentials in the study said they were actively searching for a new job—suggesting that as the economy rebounds and the labor market warms up, organizations may see their most promising employees take flight in large numbers.

Why do companies have so much trouble bringing along their next generation of leaders? The Corporate Executive Board’s research showed that senior managers make misguided assumptions about these employees and take actions on their behalf that actually hinder their development. When dealing with high-potential employees, firms tend to make six common errors: assuming that all of them are highly engaged, equating current performance with future potential, delegating the management of high potentials down in the organization, shielding promising employees from early derailment, expecting stars to share the pain of organization-wide cutbacks, and failing to link high potentials and their careers to corporate strategy. These mistakes can doom a company’s talent investments to irrelevance—or worse.

HBR Reprint R1005B

CASE STUDY

Should You Fight to Keep a Star?

Boris Groysberg | page 30

Connor, a managing director at an investment bank, is in a bind when team superstar Alysha announces that she’s leaving to join a competitor. As the lead on an upcoming deal with a semiconductor company, Alysha is the only person in the company with the intricate knowledge of the industry necessary to close the deal. Making matters worse, she may take another employee, Trent, with her.

As he ponders his next move, Connor must consider what’s driving Alysha’s resignation: Is it really about money, or is there something more? As a talented Black female investment banker focused on technology, Alysha might be drawn as much by the other company’s culture, particularly its diversity and inclusion initiatives, as by a financial incentive.

Connor has to decide whether to make Alysha a counteroffer, entice Trent to stay with a promotion, or try to recruit an outside hire. And when the crisis is over, he must reevaluate how he communicates with his employees and plans for succession.

This fictional case study by Boris Groysberg features expert commentary by Mehtab Bhogal, cofounder of Karta Ventures, and Krista Mathews, chief customer officer at Overstock.com.

HBR Reprint R2003M

Making Exit Interviews Count

Everett Spain and Boris Groysberg
page 36

In the knowledge economy, skilled employees are the assets that drive organizational success. Thus companies must learn from them—why they stay, why they leave, and how the organization needs to change. A thoughtful exit interview—whether it be a face-to-face conversation, a questionnaire, a survey, or a combination—can catalyze leaders’ listening skills, reveal what does or doesn’t work inside the organization, highlight hidden challenges and opportunities, and generate essential competitive intelligence. It can promote engagement and enhance retention by signaling to employees that their views matter. And it can turn departing employees into corporate ambassadors for years to come.

Unfortunately, too few leaders pay attention to this tool; their programs fail to either improve retention or produce useful information. The authors believe this is owing to poor data quality and a lack of consensus on best practices. They suggest six overall goals for a strategic exit interview process and describe tactics and techniques to make it successful. Among their recommendations: Have interviews conducted by second- or third-line managers. Make exit interviews mandatory for at least some employees. And because standard interviews enable you to spot trends, but unstructured ones elicit unexpected insights, consider combining the two approaches in semistructured interviews.

HBR Reprint R1604G



Making Hybrid Work

How to Do Hybrid Right

Lynda Gratton | page 68

Since the pandemic, companies have adopted the technologies of virtual work remarkably quickly—and employees are seeing the advantages of more flexibility in where and when they work. As leaders recognize what is possible, they are embracing a once-in-a-lifetime opportunity to reset work using a hybrid model.

To make this transition successfully, they'll need to design hybrid work arrangements with individual human concerns in mind, not just institutional ones. That requires companies to approach the problem from four different perspectives: (1) jobs and tasks; (2) employee preferences; (3) projects and workflows; and (4) inclusion and fairness.

Leaders also need to conceptualize new work arrangements along two axes: place and time. Millions of workers around the world this year have made a sudden shift from being place-constrained (working in the office) to being place-unconstrained (working anywhere). Employees have also experienced a shift along the time axis, from working synchronously with others 9 to 5 to working asynchronously whenever they choose.

If leaders and managers can successfully make the transition to an anywhere, anytime model, the result will be work lives that are more purposeful and productive.

HBR Reprint R2103C

Make Working from Home Work for Everyone



Whether you're new to remote work or you're a seasoned pro, you've likely experienced the benefits and the challenges of getting things done away from the office. The **You at Work: Doing Your Best Work Remotely** article collection provides best practices and tips on:

- Collaborating effectively with remote teams
- Maintaining focus while working from home
- Managing remote direct reports
- Running effective virtual meetings, and much more.

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Executive Summaries



Making Hybrid Work

Designing the Hybrid Office

Anne-Laure Fayard, John Weeks, and Mahwesh Khan | page 76

The natural experiment forced on the world by the coronavirus demonstrates that the academics and tech visionaries who have been talking since the 1980s about the possibilities of remote work were not exaggerating. After months of working remotely, we have all learned that most tasks are accomplished and most meetings go just fine without the office.

But that, the authors warn, doesn't mean companies should suddenly abandon their workplaces. Going to the office, they argue, has never been just about work. And technology won't make socializing less dependent on direct interpersonal contact anytime soon. In this article they describe the important social functions of an office: It's where people build trust through personal interaction, learn the nuances of their job, and build and maintain organizational culture. And it's through random in-person encounters between people from different functions and cultures that many of the most innovative business ideas are born. The authors conclude by showing how design, technology, and management practices can be used to make tomorrow's offices more effective as social, learning, and innovation spaces.

HBR Reprint R2102J



Fostering Diversity

How to Promote Racial Equity in the Workplace

Robert Livingston | page 96

Many White people deny the existence of racism against people of color because they assume that racism is defined by deliberate actions motivated by malice and hatred. However, racism can occur without conscious awareness or intent. When defined simply as differential evaluation or treatment based solely on race, regardless of intent, racism occurs far more frequently than most White people suspect.

As intractable as it seems, racism in the workplace can be effectively addressed. Because organizations are small, autonomous entities that afford leaders a high level of control over norms and policies, they are ideal sites for promoting racial equity.

Companies should move through the five stages of a process called PRESS: (1) Problem awareness, (2) Root-cause analysis, (3) Empathy, or level of concern about the problem and the people it afflicts, (4) Strategies for addressing the problem, and (5) Sacrifice, or willingness to invest the time, energy, and resources necessary for strategy implementation.

HBR Reprint R2005D



Supporting Healthy Work

Beyond Burned Out

Jennifer Moss | page 116

In our always-on world, burnout has long been a threat. But in 2020 burnout became rampant, seemingly overnight. Within weeks millions of people lost their jobs and faced financial and food insecurity. People working on the front lines worried for their physical safety, and those in health care put their lives at risk every day. A third of U.S. employees started "living at work"—with the kitchen table as their new pseudo-office. Over the year acute stress would become chronic stress. And it shows few signs of abating.

Today's level of burnout is the result of an existing problem made exponentially worse. Yet despite how massive the problem is, it's never too late to fix it. Combating burnout may feel like an overwhelming and herculean task, especially after months of emotional fatigue, but if you're armed with the right tools, it can be easier than you might think. And ready or not, we can't ignore the urgency—we are in the midst of a burnout epidemic.

HBR Reprint H0669W



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