Steve 0:15

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Steve 1:04

Welcome back to the At Work in America show. My name is Steve Boese. I' with Trish Steed. Trish, how are you?

Trish 1:10

I'm fantastic. How are you doing?

Steve 1:12

I am fantastic as well. I'm super excited. It's summertime as we record this, which is great. It's super hot where I'm at, sun is shining. I think after the show, I'm gonna go outside, and I don't know, do and do something, but, yeah, I'm feeling great today.

Trish 1:29

Good. Well, I'm in Colorado and literally looking out the window at the Rockies. And so if I don't go outside later today and hike or go to the lake or something, I would be, I'd be disappointing everyone, I think. So, yeah, get out before we get on the road.

Steve 1:42

And since it's time, since it's great weather, we do have to thank in advance our guests. He's Peter Cappelli. He's the George W Taylor Professor of Management and Director of Wharton Center for Human Resources, taking a little break from a beautiful summer day, I hope where he's at, to join us to talk about work, remote work, hybrid work, returning to the office. Peter is the co author of a new book that's coming out soon. I've got an advanced copy here "In Praise of the Office: the Limits to Hybrid and Remote Work." It's a great read. It's a fast read. I finished it yesterday. Uh, started a few days ago. I love the book. We're here to talk about it. Peter, welcome back to the show. How are you?

Peter Cappelli 2:25

good? Thank you guys. I am fine.

Steve 2:28

Peter, this is an interesting time to be talking about this subject. Whereas some folks are like, Oh man, I'm burned out on this debate between remote or hybrid or in person. I, for one, think it's not settled at all, and there's tremendous amount of tension in just to keep it narrow in US workplaces, but I think it's around the world as well, trying to figure out how to manage those three options and figure out what's the best path for the organization. I'd love for you to maybe share some thoughts on the inspiration behind this, taking a look at this, writing the book, and really trying to help people understand these issues a little bit better.

Peter Cappelli 3:10

Okay, sure, maybe back up just a little bit. You know, remote work has been around a lot longer than the pandemic. It started in a kind of conceptual way with the idea of teleworking, which was cooked up by a NASA engineer in the 1970s to deal with smog and car traffic and pollution congestion, and his idea was kind of different. It wasn't that you would telework from home, but that companies could set up satellite offices outside their downtown headquarters, and with new computers and telephone lines, you could go there to work rather than having to commute into the city. But the government still uses the phrase telework and because it's been around since the 70s, but you know the it was studied fairly often before the pandemic, but it wasn't all that common. And basically, the studies indicated it was not great for the people doing it, if you were thinking about their work experience, right? So everything, frankly, was worse for them. Commitment was lower. Their engagement was lower, their social isolation was greater. Not surprisingly, their promotion rates were worse. Their turnover was higher. Their life outside of work may have been better, but it was difficult to be a remote worker when everybody else was in the office. So the difference with the pandemic, of course, is that that situation flipped now everybody was home, and so there was no stigma to being the remote worker. It's also fair to say, though that the pandemic experience doesn't translate very well, because we just forget how creepy it was, right? And do you remember wiping off your groceries when you came home? I mean, you know. And. And and the idea of going out in public, I remember even in Philadelphia, if you were on the street and almost nobody was and somebody was coming at you on the street, they would cross the street to get away from each other, right? Yeah. So people were delighted to be working from home, because otherwise you'd be out of a job, and also you'd have to go to the office where you thought you could die. So it was not a typical experience. Employers, I think, did the right things, guided, frankly, by their HR people, asking the employees, we need your help. You know, in order to keep the company going, and we need to make sure that you take care of yourself. I mean, they said and did all the right things. So performance was a lot better than we expected, although, frankly, two expectations were pretty low. I mean, we were stunned that the wheels didn't come off right, because nobody knew how to do this. We weren't sure it was going to make any sense. But I think the reason it worked as well as it did was people really pitched in and made a big effort. It's also the case, though, that companies were not exactly running at 100% then they were floated on a lot of government support, and business was down, but, you know, they were being paid to keep going and things, you know. So, so the pandemic experience, which was way better than we expected, probably didn't translate completely to the post pandemic period, right? So I had written a book at the beginning of the pandemic because we were getting all these questions about, what do we know and what should we do? And I didn't know, but I'll research back into this earlier period of remote work, and then we just sort of thought about, you know, what the issues are going to be. So that was a book I wrote before, called "The Future of the Office" and the publishers wanted to update it, and I thought there's so much we've learned since then that we don't want to update we just want to write a different book. And so this book is from the pandemic period sort of on, and particularly the post pandemic period. So, you know, we had pre pandemic which was weird, because it was quirky to be remote, but some things like hoteling got started. Then we had the pandemic period, which was quirky because, you know, it was a crisis going on at the same time. And we have the post pandemic period where we started to think things were, you know, maybe starting to settle down. But I think the reality was, and by the way, this all falls on management, and unfortunately for management, because they've got all the marbles, you know, everything that happens is their responsibility to deal with. And I think what happened is companies were never really settled on the models they've got right now, but neither did they tell people that. So if you're an employee, and it's been now five years since the pandemic, you think we're in this new normal period, and things are okay, and it's reasonable to think that, because your employers weren't telling you otherwise, but it turns out they were never all that happy with it, and some of them were really, I mean, some were, and some were not right, and the ones who were not, we're hearing of right now. And so it's a big change problem, and I think companies have not addressed the change, right?

Trish 8:27

I think it's, it's really good for me that you've written sort of the next book in the in the series, right? Instead of just sort of improving upon maybe the book that you had before. Because when I was reading this one, at first I thought, Oh, is this going to be a book that tells everyone should all go back, right? And it's not that at all. I found it very thoughtful on how you went through whether or not there are certain benefits of working in office versus working from home, and there are many. I don't want to give away everything in the book, but I wonder if you could maybe share how you went about figuring out and speaking to different organizations to determine, what are some of the benefits for coming back? Because I think, of course, it's, you know, we can all assume it's seeing someone face to face, right? It's building that relationship. But what are some of the other things that you found that successful organizations and doing this are finding as a benefit?

Peter Cappelli 9:23

So let me see if I could just broaden it out a little bit and talk about what the political dynamic is, because I'm just guessing the three of us all are working from home the other Right? And, you know, I think the for many employees, it is something that we like a whole lot better, but it's not necessarily best for all employees. If you're beginning your career and you're beginning it remotely, you're in trouble, right? And one of the things I would always ask people. Well, in groups of managers, is to say, what would you tell your kids if they had the opportunity to work remotely? What would you would should they go in the office or and they, everybody says, go to the office, right? Because you got to learn so much, and a lot of that learning is just tacit, right? So one of the big things that's a problem with remote work is that there's no if there's nobody in the office, is new hires are lost. And we've we never really understood how work got done in offices, because if you think about it, there's office work, which is the moving of paper, largely right, or ideas and stuff around. And then there's the office context. And we never knew how much the work itself was driven by the office context until we started to separate office work from a physical office. And then you can start seeing how much the way work got done was driven by the fact that we were face to face. And just briefly, I think the weird thing about this whole thing for me, and before we got on the air here, we're talking a little about the pushback issues, you know, for for employees, for many of them, this is who are working remotely. This is almost like a civil rights issue for them, right? I mean, this is, I've had it for a long time. I built my life around it, etc...

Steve 11:35

Maybe even hired under those pretenses, right? Peter, many people were, you're absolutely that was the deal when they signed their offer letters, right?

Peter Cappelli 11:43

And they're understandably right in feeling betrayed about that. You know, at the same time, the in the world of kind of thinking about this and management thinking and research and things, there's a divide between kind of the engineers and economists view, which we used to call Theory Y, through, those of us remember Theory X and Theory Y, right? Theory X, Theory Y was this view that you know, you just tell people what to do, you measure it, you monitor them, give them incentives and get out of the way, which is another way of saying, there's nothing to management, right? And Theory Y, which was certainly the more progressive view, was that people have human needs, and meeting those needs causes work to go better, and some of those needs are interpersonal. You know, we like to work together, as we found with the Western Electric experiments now, 100 years ago. Information flows when we're working together in ways that are hard to document, you know, I need an answer to a question. I just go to your desk or your office, I stick my head and say, I got a real problem. I need help, you know, and I get the answer then, and we're seeing now that it's not happening with remote work nearly so well. So the interesting divide is you've got this kind of, you might say, very conservative thinking approach, which is, sure let people work remotely. They don't need an office at all. Just tell them what to do, measure it, give them financial incentives, leave them alone. It's a really old fashioned Theory X view. And yet, you've got that view embraced by many employees as kind of, this is a progressive kind of left wing kind of view. And at the same time, you've got the more progressive view about work, which is humans need interaction and other sorts of things. And then on the management side, you've got this weird alliance between, you know, Theory Y managers who think people have to be in the office because otherwise they're going to cheat, and the progressive management view, which is, no, they need to be together, yeah, in the office because it meets their human needs. And on the other hand, we've got this sort of civil rightsy kind of view that for me, it is so much better for me to be out of the office, right? And so it's just a weird mix up of what we used to think of as a pretty clear dividing line between what's good for employees and what's good for companies and what's progressive in your thinking and what's not progressive, right? So it is a really weird mix. And so one of the weird things is that, you know, there are a lot of people who don't like this book because they don't want anything raised to question their current arrangements, which are maybe permanently remote or something, you know. And as you say, we're not really saying that, but we are finding that, you know, almost you could be attacked from both sides, right, yeah, from the managers who believe people have to be in the office because. Is, darn it, otherwise they're just goofing off. And the employees who say we have to be at home because otherwise this is not good for us. You know, boom, boom, boom, boom, really weird circumstances.

Steve 15:11

Yeah. And I think some of that pushback too has come from some, at least not all, but certainly some of the more widely reported return to Office, orders or mandates that have come in some of the larger, more influential companies, which, depending on your point of view, can seem like a little arbitrary, right? It's there, there. It's Oh, it's just, I feel better when I can see everybody out there, on the on the floor, and feel that energy, you know, kinds of things, yeah, versus Hey. Let's really talk about things like, you know, social ties in the workplace and innovation and collaboration, and kind of seeing, seeing beyond your own four little walls of your home office, if you will. And one of the really interesting points I think Peter the book makes, and hadn't thought of before, and I think it's a really good one, is that in remote working environment, often people just tend to focus on their own deliverables, their own tasks. They're measured that way, on their own individual KPIs. They're getting the work done, quote, unquote, and everything should be fine, right? And in that scenario, and there's a bigger picture that you, I think, really aptly describe and point out in the book, where, you know, it's really not all about or, you know, just getting your own things done. I'd love for you if you could to comment a little bit about that idea that it's not it's because it's easy to fall back to that right in a defensive remote work.

Peter Cappelli 16:43

And this is actually is trish's question, which I never actually got around to answering before, but we danced around it. And as Steve is saying, those are some of the issues that employers are finding, that there's all kinds of things that made the office work go that we never measure, and they're never in your job description that says things. For example, when new people are hired, they're going to be lost. You should take that person to lunch and tell them what's going on. Don't assume they know what they're doing. Go over and ask them, you know, try to build relationships with new hires, and if you're a supervisor, get to know your direct reports and you know all that stuff, right? So collaboration issues or problems, brainstorming and things like that. Trying to do that remotely is just a pain, I think that. So here are the two big things which are just hard to argue with, about hybrid and remote. Hybrid work, by the way, permanently remote. I don't think that's much of a story anymore. If you look at companies that are permanently remote, and I've seen a couple of lists that try to name them, they're almost all tech related companies where the work is could be a little more individual. They're almost all companies that have always been that way. So they started as remote because of resource constraints, or they started during the pandemic. And the other thing about those companies is that it's not a free flowing you know, I'm just working on my own. They've got rule books that are thick about how you have to behave in order to maintain transparency and to make collaboration work, and it's a lot of effort. So the idea that if I'm working in a fully remote company, I'm I can just do what I want, it's a lot more burdensome than it is in an office, because they are trying to replicate some of those office things, right? So anyway, back to the two big issues for hybrid people are not coming in, right? So you have these hybrid policies, and I think we cite a bunch of the studies in the surveys, in the in the book, but you know, the one that always struck me is, even if you ask employees, are they coming in, they say, No, are you there? On your anchor days? Something close to 50% say they coffee badge. And coffee badge, you know, you come into the office, you swipe your badge, you get a cup of coffee, you go home. So you're going through the motions of coming in, but you're not actually doing anything there. And you know, we understand why, because if other people are not there, there's no point in me being there, right? And the companies are not making them do it, and it's just hard to argue that that makes any sense. You know, if you're going to have anchor day rules, people have to be there. And the problem is, it's not just about you, it's not that you were there by yourself, it's that everybody is there so we can interact with each other. So even if you don't think I personally have a reason to be there, you will have a reason if you are all there to be there, right? The other thing, which is hard to argue with, is meetings are just a disaster, remotely, right? Meeting time is up. As far as we can tell, meetings are. Much less productive, partly because A, they're bigger, because there's no cost to just adding people to the meeting. B, the norm is, don't pay attention in meetings. So you can see, you know, the number of organizations that have a norm of cameras off. If cameras are off, you know, evidence is pretty clear, people are just doing other stuff, which means they're not paying attention, then that means you have to have post meeting meetings to explain to people what went on in the meeting. Partly, maybe because nothing was actually done in the meeting...

Peter Cappelli 19:39

Peter, you didn't, you don't, you didn't put this in the book. But you could also put in people are not even showing up. They're sending their AI note taker to the meeting. I was in a meeting not too long ago, had two or three people in it and like, about four or five AI note takers for other people, right? So it's, yeah, that's getting extreme in that, which you obviously wouldn't do in the office, right? Boy, that is a great sit there on the table for you, right?

Peter Cappelli 21:00

Yeah, it's a great point, because it also illustrates, if you're having a meeting, just to convey information, you shouldn't be having a meeting in the first place, right? Just send a memo at right? So meetings are taking up more time for people who are remote, and they're much less useful than they were before, right? And you know, those problems could both be solved, I suppose, in an hybrid environment, but it's going to require more effort and more rules and more regulations, right? But hybrid is not working well in lots of places because they just it requires a lot of rules and enforcement, and employers haven't done it. I mean, I would say it's such a testament about the failure of how organizations have been managed. They haven't taken this seriously. They've really, I think, assumed that it's just as if people are in the office, except they're only there two days a week, and we don't have to do much else. I think people at the top have also said, we'll just push it down and let the lower levels decide, because that always sounds sensible, but in this case, it's not because nobody wants to be the bad cop, making my people come when other managers don't. So you know, it's gotta be driven from the top. It's a big change exercise, and thinking it's just going to happen, which is largely what employers have been doing, is a huge mistake.

Trish 22:18

Yeah, well, I'm glad you brought that piece up. Because I think, when I think back to working in professional services, also in healthcare and in manufacturing, it's sort of like as leaders, which many leaders are. You know, it's typically people of our age range, right? We were brought up in a certain type of management training to where we learn. I mean, people were in the office. That's how we've learned how to manage them. And so if it's on us as the leaders to suddenly figure out how hybrid needs to work, that's really difficult. And there's also a little bit. I was talking to my my kids about this. My twins are 21 and both are seniors, ready to go out into the work world, and I said them

Peter Cappelli 22:58

Do you want to go to the office?

Trish 22:59

Yeah. So it's interesting. One absolutely wants to be remote, the other one absolutely wants to be 100% in the office. Okay, so, again, it's very personal. I think, well, yeah, but I just wonder, you know, how do those of us who are in leadership levels, manager and above, say, what can we do, or where do we go to learn how to do this, right? Because our leaders might not know either, right? We're just not trained, and we've worked so hard for 30 years to get us to all be like this kind of leader, yeah, and now all of a sudden, we're not supposed to be that kind of leader.

Peter Cappelli 23:37

Now that is a great point, because it also explains why it is so easy to be blind to the problems, right? Because you just have this assumption about how things work. You have this assumption about what other people know. And one of the big problems we've got now, you know, average job tenure with an employer in the US is four years, right? So it's not uncommon to have 20% in turnover in large organizations. I mean, some have huge turnover, but you know, 20% a year, 15, 10% a year. You know, since the pandemic, that means roughly half your workforce is new, and that half does not know any of those things that we learned from being in the office, but we're just assuming that they did. You know, even social skills like you know how to interrupt somebody, right? So sometimes in the office you got a real problem, somebody you know is working, you are going to be interrupting them. But there is a skill to knowing how to do it, when to do it, what to say and when to stop too, right? I just can't bother Trish again because I bothered her twice today, or I could see from her expression not to do it, right? So you learn that in the office, you do, but if you have not been in the office, you don't. And so the problem going forward is it's not just two different cultures you've got. Yeah, but you've got two different sets of skills too, and you can quickly see how the leaders, as you say, are out of touch with the people below them, and the people below them are puzzled by what goes on with the people at the top. And why is it that we can get things done and they can't? Well, one reason is we still know people in the organization, and we can just get on the phone and call them and they don't, so they can't, so yeah, where do they get this back to your question, where do they learn how to do this? Well, our book in praise of the office, explain, explains what has to change. But it is ultimately, as you folks know, you know most every big story around the workplace is an organizational change story, and the HR people have to be the organization change masters, because nobody else is right. And increasingly, we find people in the top ranks of the executive suite have very little management experience, and they they got no management training anymore, because we cut that out, you know, so and if you go through an MBA program, you could easily miss that, because those programs are often just very quantitative and don't teach much about management, frankly. So they need somebody who can tell them, Look, this is a change management process. Here's how we have to do this. And they all are similar. You know, you got to start with a, as John Cotter, long ago, said, a burning platform, you know, the crisis. Here's why we got to do this, because we got a real problem if we don't. And you can't just say, as a lot of leaders are saying, we work better in the office? Well, I don't. I'm perfectly working better at home, so I don't get this, right? You got to persuade them that this is a real problem, and it's not just you because you don't trust them, because that is the attribution that's being made now by a lot of workers, and it's boys I'm not helping, right?

Trish 25:34

I have a little follow up question real quick before we change gears, and that's as an educator, and little bit pre show we were kind of talking about, you know, they're just challenges, right? People that are in college right now are getting a lot of online courses, right? I know my kids, Steve's son, like everyone's doing these courses. What are you hearing as an educator in terms of your teaching in a certain way, and then they go into the work world? Are you finding that that helps them transition, or are there things that educational systems and professors are doing to sort of get them ready for a either hybrid or fully in the office position?

Peter Cappelli 27:45

Well, I guess I would say first on the online aspect, that really has faded.

Trish 27:51

Has it okay?

Peter Cappelli 27:52

And thank God for us, for professors. And you know, if you think about it, the online story was you could package the material better, you can do it at scale, you know, and you could do it better than an instructor could do lecturing. And you could back up and start over, well, a textbook is identical to that, right, right? And no one has ever learned, I don't think ever organic chemistry by locking themselves in a room with a textbook, right? So the one thing we've got going for us is the social context of a classroom forces people to learn in ways that they're not doing it on their own. You know, if you looked like at the big, distributed online classes, remember, for a while there were tons of tech classes, computer IT Pro programs. I think Stanford had some programming class. A million people signed up for online or some ridiculous number, and like, five finished the course. They sign up, but they just don't persist, and because it's hard to learn, right? So I think, I think, actually, we are preparing them more importantly than in the past, because they're together, because it's quite likely when they leave, they might have to work in a situation where they don't see people face to face, and they don't learn about the differences between people. You know, I hadn't thought about this, but I teach a course called how to be the boss, which is really just a course about first line supervision and dealing with the problems that you always face. And the problem has been, you know, like for undergraduates, they end up now supervising people like in professional services after two or three years, right? You know, three years, and you're experiencing some training, developing somebody who's just arrived, right? They've no idea how to do it, right? And this will amuse all the HR people. The one of the first things we talk about is, what do you do if you got a co worker? There who smells, and they think it's ridiculous, right?

Trish 30:04

But we need to tell them, don't run to HR. We don't want to take care of that for you.

Peter Cappelli 30:09

But as well, exactly, we do tell them that. And one of the things, they think it's funny, right? How could this possibly happen? But you know, everybody in HR knows this happens a lot, right? All the time, right? So, you know, I think we are giving them some preparation that they need, but not enough, right? It's not like they're going to walk into an organization which is hybrid, where they don't bump into people much or fully remote, and they never do, and that they're going to be able to function in a face to face context, right? So you hear this all the time from people in hybrid organizations about what the new hires don't know, you know. And one of the places I was doing interviews, they created their own training program in that office for new hires, something that the company hadn't done, but they said these people are so lost that we got to teach them a bunch of stuff that we always just assume people would know they don't right. Because, you know, in the first few months or so in the office, you learn a lot by watching, yeah, you know, like, what can you wear, for example, right? And how do you approach people, and where do you pick up the gossip, and what gossip is okay to say and what is not okay, you know, if, and part of the problem we've got is some people never learn that stuff, right? But you got a much better chance of learning it if you can watch than if you ever see it.

Steve 31:41

I even think back a long time ago to my first out of college corporate job. It was a huge corporation, right fortune, pen, probably at the time, right big office, all of that. It to me, just thinking back on it, my experience there, this first couple of years, I could not imagine, not how I could have survived that been sitting in my house, yeah, and negotiating all that, if we had the technology back then, which we really didn't, but let's say we did. We had today's technology, I know I just couldn't see it being possible. I would have understood anything. Would I wouldn't have known hardly anyone. Probably I wouldn't have got anything. I wouldn't have made, you know, I made some great relationships in those first few years, which really set me up for the next little phase of my career, right at that place, and then beyond it. And yeah, so look, I'm a as you said, Peter, we're all sitting at home right now as we do this, obviously we have experienced in our working lives the benefits of working from home. I have plenty but, but I won't you know, and I do think reading this book to like, open my eyes a lot too, because previously I've been, oh, those out of touch CEOs, they just want everybody in because it makes them feel better. I think there's so much merit to building those connections, building that network, learning from observing, learn both behaviors and like job functions and tasks. And just I'd think about, and I was thought I would encourage other folks to as well, especially mid career and older folks, think about your early experiences in the workforce, and try to imagine if they would have been in a, say, a remote setting, or even a hybrid setting, but certainly a fully remote setting. And I think you might think a little bit differently, and I certainly have.

Peter Cappelli 33:26

I think it's a great point. And also, one of the reasons we can work remotely successfully is because we were in the office, yeah, right, because you know how things work, and, you know people and and honestly, one of the things that that I'm experiencing, right? So I've been at the Wharton School 40 years. I told my undergraduate class that just, you know, the beginning you say, some they just started applauding. Like, look, he can stand and walk. Oh, nice, yay. Well, one of the reasons it can work remotely is because, you know, I know lots of people, right? Yeah. But it's becoming because we have sort of hybrid like, I know what we've got, sort of hybrid like, and I hear this across all universities, people just not coming in. So you're you're not meeting new people, and the young people coming in, the newer people, they're not meeting new people. And my social capital is eroding, because the people that I knew are leaving, they retire and they turn over, right? So at some point it probably would become pretty difficult for me to operate nearly as well remotely, because the social capital that I built from being with other people, from being together, just erodes with turnover, nit gets refreshed, right? Yeah. And that takes us to the I suppose, the issue of what should we be doing, which I imagine you want to be getting us too quickly. Yeah. Talk about that now?

Steve 33:27

Yeah, let's but yeah, maybe because I think there, I think every organization is going to approach this a little bit differently, yeah, and you've got some tools and some frameworks in the book to help them, but yeah, what should we do if, especially if you're a leader right now, listening to this, who I really would like people in the office more, but I've been unsuccessful in making that happen?

Peter Cappelli 35:20

Well, I think, you know, some rules you just have to enforce, you know, like anchor days. If we have anchor days and you're supposed to be here, you should be here. And the reason it's a problem now is because we went so long without enforcing them, right? And it's a good reminder about management. You know, it's not enough to have a rule, you know, you have to demonstrate that it is enforced, or it'll just be walked over. I mean, people just assume it doesn't apply anymore, right? So, you know, you got to have people show up on anchor days, and there's got to be a reason for them to be there on anchor days. Not just being in the office, per se, is probably not going to do it right. So we have to be able to reorganize our schedules in such a way that we have meetings on those days, right? And we probably have to have rules about meetings, which we probably always should have had, and that is, don't have a meeting, for example, if you're just passing on information, if you don't need discussion, don't have a meeting, right? Just send out a memo so that we could have meetings on those days, and we could do things to build relationships. You know, for new hires, for sure, I mean simple ones, even in your own office, if the organization won't do it. One, a great thing I heard from a couple of supervisors is just make a list new person coming in, who should this person meet, and then send out some joint invitations from you to these two people, the new hire and the person you want them to meet, saying, I think it would help her a lot if she met you. Could you get together for a coffee chat or something on our anchor days when we're here. And I think you could do broader things than that, like my team works in the work stream. We send stuff to the other this other team, this other group, and we have to work collaborative with this other group over there. Let's just get them together, you know, like at lunch, and I'm not saying social events, they don't seem to work very well, because we all know, if you have like, a cocktail hour, we talk to the people you already know, right? So, you know, have a lunch and assign seats, just put a little name tag there for people and mix them up so that they have to talk to the people next to them, and the people next to them are from a different team, right? And you can and make the conversation purse, you know, useful and performance related, like, what do you need from us, our team, what bugs you about, what you get from us? You know, those sorts of things. Doesn't take long, but we want to create social relationships so that people know each other. You know, one of the big things too, which is pretty obvious that we all experience, if you've got a dispute with somebody over email, it can get nasty really quickly, right? Because nothing causes you to pull any punches, even though sometimes it's written, so you don't want to put too many things in writing, but it gets nasty. Bing, bing, bing, bing, if you've got to look at the person, the punches get pulled very quickly, right, right? And people are much nicer. And it's more like, hey, we just had this problem. I'm just trying to figure this out here, you know, it doesn't start with, you're an idiot, you know? So that's a simple reason why things work better in person.

Steve 38:40

Also, that asynchronous kind of, you know, node is going to let things go longer than they should. If you're right in front or across from that person, you're hopefully going to solve it or not, but you're going to have some type of resolution and versus an email thread, right, which can go on for days or weeks, right?

Peter Cappelli 38:58

Yeah, that's a great point. And also following up what you said earlier, given that people are so focused on their individual tasks, which came out of a pandemic, yeah, okay, we told supervisors, how do you manage Steve and Trish, we got to assign make sure they know what they're supposed to be doing, and talk to them about that and hold them accountable for their contributions so they start changing their view about what they're supposed to do. And I understand that somebody's pinging me once a favor. That's fine, but I got to get my own work done first, right? So I get back to them the next day, maybe. Maybe you've got this, or your your listeners have experienced this in organizations like you have an IT problem now that our it has gone sort of hybrid and virtual, you know, you get a response in a couple of days. And if you're pinging them and saying, you know, my I'm doing this podcast, and it just went down, yeah, and you get a response tomorrow saying, just checking, do you still have that problem? You know, it's not very helpful, right? Yeah. There's no easy ability to prioritize these asynchronous discussions for people, and there's no incentive for them to take them on, right? So those are all examples of things that we got to do something about.

Trish 40:13

I think also, as just as you were talking earlier and Steve, as you were sharing your first job, I think we need to do a better job as leaders and telling stories about the why? Because as as you were both talking, I'm like reminiscing about my own jobs, yeah, and some of the good things in the office I haven't thought about in a long time, and that would be really valuable to share so that it's not just, Well, you have to come back on these anchor days, because we said so, right, yeah, maybe talk about your own experience and why it's so valuable. Yeah, I think too it's interesting. When you were talking about the, you know, someone has body odor or something, I'm thinking about what of all the people who started working in human resources during the pandemic, who have never been in an office either, like and now they are going to either have to deal with it or teach someone else how to deal with it, right, right? And it's not always body odor, like there it could be too much cologne, or, like, there's always, you know, those conversations. And I can't imagine going through my career and not being able to have something that's just a very quick, polite in an instant done. They can change it, if that were through email or over a video. Yeah, I just feel like, Steed, to your point a minute ago, that would, like, really stretch it out too. It would make it then maybe what it is.

Steve 41:33

You know, one of the things for me, like I said this in the pre show before we turned on the recording, like, I think the book is super optimistic. That's how I when I finished reading it, I thought, hey, this is really optimistic. It's not just hey, everybody should go back to work in an office. It's more about hey, there's a lot of really good, powerful, important things that we get, both as individual employees and the organization, from being together, from working together, from knowing each other, from being open to support each other, right, from really developing that deep understanding and hopefully trust, right? That only can really happen when you really get to know someone, and there's plenty of research and data, as Peter points out in the book, that you can't really get it's not the same, right? The chemical reactions, right, are not the same when we talk to people you know, over video so, but you also are realistic and saying, Hey, a lot of organizations are going to try to do this hybrid model. That's just, that's just the truth. So many are and are still working with it now, and there's loads of great advice in here, but how to make that work better, right? And how managers can be equipped, how people can be kind of brought into that and buy in as well. So I think there's loads of good things here. Whether you're an organization who wants to bring everybody back to the office or wants to make their hybrid arrangement work better, wants to, you know, just be more successful with it. I think there's lots of good things in here. So I thought that's kind of my that's my quick summary of the book, right? My takeaways. And Peter, I'd love for you to comment on that. It's Is that what you were sort of hoping to achieve?

Peter Cappelli 43:11

Yeah, you know, I think we certainly ended up there. I'm not sure I started out that way. And some of this maybe is also tribute to my co author, Ranya, who is in Austria. By the way, this is not really any more so much of a world problem, because, much to my surprise, in Europe, virtually everybody's come back to the office. And I figured, you know a place where employees have more power, they would be out much longer, but now they're back. It's a UK, US, a little bit Canada, Australia, kind of a thing. But I think, you know, I think for sure, if, if you're in the office four days a week, one day remote, would you notice a difference? Probably not much. If you're on in the office three days a week, and you're really trying to make this work, would it be about the same as in a five day, probably so in two days. Maybe, you know, the more you're in, the less you have to manage to get these social relationships built. But you can do it right. You can offset the problems of people not seeing each other, if, when they are together, the meetings are kind of purposeful. One of the things we didn't talk about, though, which which is worth noting, is the other side. The group that was really Pro, pro remote work is a group that we often think of as kind of anti employer, employee, rather. And that's the finance function, right? And hoteling, hoteling was driven by the CFOs, yes. And there were surveys at the very beginning of the pandemic that about, as I recall, it's in the book someplace, about 40% of them reported that they were going to shrink the office footprint after one month. Years into the pandemic, wow. And that is puts you on a path where it is hard to back up right. And one of the problems that employers have now is, if you did that, you shrunk the footprint, you can't get everybody back to the office anymore. So you have to be extra purposeful about how to make connections over time. So you know, this Tuesday, I'm going to get my team together with this group over here, because I know they're likely to be there on Tuesday next week, on Wednesday, I can try to get my team together with this group over here. But the complication is, even if it's three days a week and you've got hoteling, people are not going to bump into each other naturally and create these problems, right? So when we shrunk the footprint down to save money, we created another problem, and it is quirky that it's the CFOs who are likely to be defending remote work because they don't want to have to go back to adding real estate. I mean, it's a weird political story here now, right? Things you never would have imagined, right?

Trish 46:13

I'm glad you brought up hoteling. That just gives me such like, horrible memories, horrible flashbacks. But one of the things too, about hoteling was it was originally designed to be more collaborative. At least that's how it was sold to many of the organizations that you know bought into that idea. And that was like early 2000s I think that I was really starting to see that at work. And for example, where I worked in professional services, the idea was that all of the professionals, we had desks that had wheels, and we were going to wheel over, so I need to work with you, Peter, we're going to wheel over, we're going to work together. We're going to collaborate. And then, Steve, I'm going to wheel over and work with you the next day, right? So it was not even it was also, yes, you had to check in, like a hotel. But for the people who had grown up in a very hierarchical model where it's like, wait a minute, I made manager, I made senior manager, and now I have a desk with wheels. Where am I wheeling to? There was some unintended, I guess, discord at the higher levels, because you felt like all of the things you'd worked hard to earn the respect, yeah, I don't know. I just say hoteling is so multi layered in terms of the impacts, right? They're good parts, but there's also just some very personal things.

Peter Cappelli 47:27

I think the way it's played out, it's largely bad. So the beginning of hoteling, as you say, started with the.com era, when real estate was so expensive in Silicon Valley that they couldn't get space for their employees. So they were trying to arrange for some of them to be out of the office and work remotely. And then when you came in, you borrowed an office, right? And initially, for a while, and maybe it was in professional services too. Remember, they would set your office up for you when you came in, they had a like, a shopping cart with your stuff, and they would set it up. And then you felt like, felt like it was your office. Then that went away. And then they got rid of offices altogether. You know, your remote office was not going to be anywhere near where your co workers were, because they had a separate building for remote people or something, and crappy little offices and things, yeah. And then they got rid of offices altogether, and they moved towards shared, open office plans. So most of the hybrid places now are open office. So people hated hybrid so much that it died by like, 2007 or so. It had just disappeared, except in some professional service firms where you were with a client all the time anyway, right? Didn't make any sense to have an office that died. Open offices were designed to, supposed to be for people to talk more to each other, because you're on this open room, it had exactly the opposite effect, in that you don't want to talk to anybody because you'll be disturbing everybody else. So if you go into one of those places, what you see is everybody's just plugged in like this, right? People hate off of open offices even more than they hate hybrid. Yeah. So what have we done? We've moved toward, you know, hybrid. We've moved toward hybrid. And I meant to say they hate hoteling, and we've given them hoteling and open offices, and they hate it, and they hate being in the office.

Trish 49:26

It's because they like privacy, too. There's an element of needing privacy. Yep, I remember I had, I had to fire my boss, of all things in an office that had a glass front, oh yeah. And so everyone else thought that he was getting promoted, and they saw what was going on, and they started clapping. Oh boy, he had really just been let go. Oh no, yeah. And I had no other place to do it. So I think that, God, there's just Yeah, so many, so many layers of. That thought needs to go into how these how any office space works. Yeah, Steve, I know we're going long, but I do have, I want to bring your mind way back. I know at one point years ago, you shared a story where there was a study done and people who were going to be quitting their jobs started slowly taking their things out of their office. Do you remember that?

Steve 50:20

I don't, yeah, I don't remember the citation exactly. I do remember the story.

Trish 50:26

So this was like, late, probably 2009, or something. And I remember, I still working in human resources, and I started paying attention, Steve, after you told me that, and I could predict, just based on their space, who started weird pictures start coming down with so Peter, I don't know, I don't know if that's ever come up in your research?

Peter Cappelli 50:43

It's scientific that's for sure. You know, there was a famous Johnny Cash story like this, the 64, 65, 66 Cadillac, and the guy who kept stealign parts, and then he built the car when he got it all together, but it was parts from three different years. So, yeah. Well, that's an interesting point. I mean, it's a great metaphor for checking out mental, right? Yeah, checking out, right?

Trish 51:08

So you might miss the signs. If they don't have a space in an office, you might miss signs of trouble or distress.

Steve 51:16

Oh, yeah, we're way long. But yeah, they're seeing mental you talk about in the book too, and it's a good, good thing that you called out Peter was about mental health and stress and burnout, right? And helping managers really need to try to recognize those signs and be trained about that and learn how to step in and direct people to resources that the organization might have for them. Very difficult to do if you're not seeing those people you know, on regular basis, certainly, or seeing them at all in person, right? So that's another good point. There's loads of good stuff in this book. Like I said, I felt it's super optimistic and very kind of eye opening for me, because I would have been certainly, Hey, forget that those evil CEOs calling people back to the offices are so out of touch, they just care about themselves. But there's a lot in here that I think is going to help people who want to just make what they're doing, whether it's hybrid, whether it's it's fully in office, just make it work better. So I do think it's, I highly recommend it. Great book coming out in September. Peter, I think like later September?

Peter Cappelli 52:15

September's right around the corner.

Steve 52:17

I recommend it. But Peter, thank you so much for taking the time today. Great stuff. Great to chat. And I love that we're sort of presenting some of these ideas which, you know, some people don't want to hear, but I think that they need to be heard. So thank you.

Peter Cappelli 52:32

Thank you.

Trish 52:34

I love that it's a guidebook, I think too, whenever we're thinking about, you know, sometimes you read a book and you put it down, and that's it for me, if I if I'm a business leader of any type, if I buy this book, it's something I'm going to go back to time and again. So even if my organization is still hybrid, maybe I just want to teach myself about how can I have better relationships and talk to new hires and mental health and all those other things. It's all in there. So I do think it can be used in that way? Is more of like read it, but then go back to it and kind of use it as talking points with your own leaders. Good stuff. Thank you, Peter.

Steve 53:10

Thank you so much. Peter Cappelli, from Wharton, the book is "In Praise fo the Office: The Limits to Hybrid and Remote Work," and we thank him. Trish, thank you. Thanks to our friends, of course, at Workhuman for supporting the show. Go to hrhappyhour.net. for all the show archives and listen to this and all our shows there. So, thanks so much. My name is Steve Boese. We'll see you next time. Bye for now.

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