

- Hey, and welcome to "PCTY Talks." I'm your host Shari Simpson. During our time together, we'll stay close to the news and info you need to succeed as an HR pro. And together, we'll explore topics around HR thought leadership, compliance and real life HR situations we face every day. On today's episode, I have with me, Johnny C. Taylor, Jr., President and Chief Executive Officer of SHRM, the Society for Human Resource Management. So how have you seen HR's role change in the last two years, because the world around us has changed so much. I'm curious to your perspective.

- Yeah, so in one word, we've become indispensable. And that's the way to describe what has happened over the last two years as a function. I don't want to tell you, but for the last 20, 30 years, you're too young for that, but in my career, there was this idea that we wanted a seat at the table. And then we migrated from those of us who were fortunate enough to get a seat at the table, is we wanted to be heard when we were at the table. And then the next iteration of that was okay, I now need to be valued. Because you're hearing me, but you don't value what I'm saying. And what the pandemic has done for us, or what the occasion of the pandemic, is finally, HR people are at the table, they're being heard and listened to, and then valued. Because now people really understand, people meaning other business leaders, fully appreciate that in a knowledge-based economy, people are the differentiator. The differentiator between businesses that are gonna win and businesses that are going to lose or languish as some sort of mediocre business operations. And it literally is who gets their talent strategy right. So as a result of them coming to that realization, they've now said, there are people who are experts at talent. Talent management, talent identification, talent engagement. There are people who do that. And, oh my gosh, they're HR. The pandemic has really shone a light, a bright light on HR, the function and how indispensable it is, and inextricably intertwined with business success. So there's business strategy, talent strategy equals successful business.

- You spent some time kind of delving into what HR needs to be doing right now in a recent book that you just launched last year, titled, "Reset: A Leader's Guide to Work in an Age of Upheaval." The book really focuses on urging leaders to completely reimagine, reorganize, and reset their operations, to create more daring, resilient, and sustainable future. I read the book, we're gonna ask some questions on it, and I absolutely loved it. I think it's right where we need to be from an HR perspective. What do you see as the biggest obstacle for HR professionals to embrace this new way of thinking?

- Oh gosh! I hate superlatives, but I am going to dare to answer and tell you the biggest. The biggest is HR people. Our fully understanding embrace the reset moment. In some ways, even the most successful of us are held down, held back by our very success. So it was working. Whatever we were doing in 2019 was working. So why would

we, how could we dare to think differently? To reset our expectations, to revisit the employee-employer relationship. Just everything. And I think there's a real threat and a challenge to our profession if we don't embrace how differently the world operates or will operate going forward. It requires a total, your ability to divorce yourself from the good and the bad of the past. And some of the things that by the way, you thought were bad five years ago, today might actually be good, but that requires you being able to step out, get out of your own way and embrace this whole new world. And that scares me because as I said, for the people who are the most successful amongst us, are likely to wanna continue doing what we've done, because by the way, it's what put us in the C-suite. And I don't think that's gonna cut it going forward.

- It leads right into my next question. You talked about this, you dedicated a whole chapter around innovation in your book. And at the end of that chapter, there's this great list of questions that we as HR people should really ask ourselves. And one of the ones that really stuck with me was, do I really care about new ideas? Man, that hit me like a gut punch. And I think about HR professionals and our need to kind of have everything in lockstep, right?

- Yep.

- How do you encourage HR professionals to take more risk when it comes to supporting innovation?

- Well, I think it's really odd. We think of innovation as happening elsewhere within the organization. Products, you ask them. Who needs to innovate? Will our product people need to do it? If you're in a professional services firm, our professional services people need to do it. They think of innovation as something that you export, we as HR professionals. And what we do is we support them in exporting that product. I think what we've gotta do is think about our real product and it's our people. I mean, in some ways, and how do we innovate in the context of HR? So not how does HR support other people in their innovation, but how do we innovate ourselves? And that's the answer, but we have to have a very different relationship with change? And I gotta tell you, I use this as... I explained to someone, I said, "If your CEO had come to you in February of 2020," any organization, you name it, and said, "You know what? I think we're gonna all work remotely starting Monday." This was a Friday. We as HR, would've told everyone, "No way, it can't be done. We've gotta bring experts in. We've gotta bring consultants. You're moving too fast. It's too strange and transformation requires time, and we've gotta ready the staff." We would've made this an 18-month project. And you know that, right? Versus the way it really happened. March 13th, 2020. I remember the day well, 'cause it was Friday 13th, is essentially everyone went home. Everyone who could go home. Now to be fair, a lot of employees worked in the workplace, continued our retail workers, our law

enforcement, just so a lot of people went to work. I don't wanna overstate it, but the idea was we were forced to innovate overnight and we did it, and the world didn't come to an end. In fact, I would argue that we actually saw an acceleration of some of the best ideas and best innovations when it came to workplace. So I said this to someone the other day and it was kinda weird 'cause it falls on you hard. And I said, the pandemic wasn't all bad. A lot of good happened in the pandemic, particularly from a human capital and talent standpoint. A lot of the stuff, the new ideas that we would have rejected or was that analysis paralysis, we would've engaged in that and talked ourselves out of it, it forced us to make decisions on the spot to try new things. And I think that's what we have to do, is get a very different relationship with new ideas and innovation.

- I love that. You talk about culture too in the book and we all know it's kinda difficult navigating culture in your organizations. Pre-pandemic, during the pandemic, whatever's coming next, it's gonna continue to be something that we have to figure out. And I think, a lot of times we find ourselves in a situation where our C-suite, our leadership teams think we have a culture, and then your frontline employees are like, yeah, no, we have B culture. How do you kind of bring that together? Where you as an HR professional can come to the table and say like, "I hear, C-suite why you think that way, but here's what I'm seeing, and here's the innovation and the change I wanna bring when it comes to our culture as we move forward."

- So I think they're two different things. So there is a current state culture. And how do you figure out what that is? You ask employees. We know that. You can survey, poll, interview, whatever your tool is and mechanism by which you do it, people will tell you exactly what your culture is if you ask them. In fact, they'll offer it up when you don't ask them. So you can get that. But what that tells you is who you are. And you'll see different versions of how it shows up. Rank and file may describe a culture that's very different than middle management, different from senior management. You may see by department different subcultures within a big culture. But at the end of the day, all of that is obtainable. That data that will help inform what is your collective culture, and then you can dissect it into various departments, individuals, levels, et cetera. The bigger challenge I gotta tell ya, is deciding what your culture is going to be. So it's really looking going forward, which is the biggest challenge of it all. So you could say, I mean, as someone told me, I think it was Ron Serrano I was talking with the other day. He said, "These organizations that say, we don't have a culture, miss the point. Every place has a culture." So figure out what that is. And then it's important to develop a strategy toward what culture you want within your organization. That's the challenge of HR, is sitting down with the entire C-suite and saying, "This is who we want to be." And not just who we want to be written about as our employer brand, not just who we put up on the wall at plaques, but who and what the lived

experience within our organization, what it is. And that's the big challenge for us as HR professionals is to lead, nurture, facilitate the process of concluding and getting cultural clarity, which is the phrase that I use a lot, is because of all of these competing sort of definitions of culture and different individuals' own experiences with culture, you've gotta get cultural clarity. That's what we have to do, is help lead our organizations to cultural clarity.

- I like that you mentioned kind of defining what your culture, what you want it to be. We introduced new values in our organization. It was a couple years ago now. And when we launched them, we talked about, you're gonna see things that are dead on aligned with where we're at right now, and then there's statements in there that are aspirational. And that really helped that conversation for when somebody looked at it, and was like, "Yeah, no, that's not us." It's like, yeah, we get there.

- That's right. And importantly though, it's really important too, that you're able to then describe behaviors. Because people say, "Yeah, I get it. I heard the words and I can even repeat the words, but I don't know what behaviors evidence that. Like, show that I'm living these guiding principles." So it's as much about coming up with the clarity and the words, but the behaviors so that people know which behaviors to model, which behaviors will be rewarded, and which behaviors will be penalized or punished. That's what we've gotta do as well.

- In the section of the book where you talk about innovation, you give this really great example that I actually think highlights equity really well. And I'm gonna read from the book. If you're listening and you wanna follow along, it starts on page 33 at the bottom. And here's the quote. "When I was at Paramount, we had an incredibly talented team of lighting designers. Some of them dressed a certain way, very casually, let's say. To be frank, one of them wasn't into personal hygiene and structured time. He just didn't care about how he looked or when he came to work. That's a lot to deal with, right? But, you know, he was really talented and we knew he was going to do amazing things for us in design. We had to accept him to get him, which meant providing him with a workplace that was different, his own area." I love this story. I love to hear more your perspective on how we as HR professionals can start thinking more like this, looking at creative ways to be equitable with the whole gamut of people that are out there.

- Well, so like, listen. We did it then, and we were ahead of ourselves in some ways, but we don't have the luxury now to not find ways to make everyone of our really talented people feel like they belong, that they're included and that they're valued. And it doesn't show up in the same way in different people. That's the point of diversity. And equitable treatment is to figure out what people's

unique asset is to the organization, figure out whether or not they are culturally aligned. And that doesn't mean they can't see the world differently, experience the world differently, but that they are aligned with this vision that we've now articulated once we have cultural clarity. But once you get that, that still shows up in different ways. It may show up in the guide, the way that I described the way, and we as HR folks have gotta stop trying to put people into boxes. We're gonna make you operate this way. Even the whole conversation that we're having around workplace flexibility now. It's not, I've heard people say, "Oh, it's remote work or it's in office." It's not binary like that. What employees have told us is they want flexibility. It isn't, to you, I love the way you position this. It's about equity. It's not about equality in the job, right? Equality means treat everyone equally. Well, that maybe not. In this case, the guy that I talked about at Paramount, we didn't try and treat him the way you treat... 'cause then I would've to say, "Well, you wear this because he wears that." Or "You work these hours because she works these hours." That's equality. What we're talking about is equity. Now, we clearly, I wanna make sure for anyone who's listening, they don't go off and say, "Johnny Taylor said we don't need equality anymore." We need equal opportunity. Let me be clear. But equity then shows up in different ways, and it's acknowledging individual characteristics, traits, lifestyles, work styles, et cetera. And then trying to find a way to make all of that work within the context of our workplace. That's what this is all about. And I'm so glad you pointed out the story. 'cause it was a long time ago in my career. And we were really cutting edge then, because the answer from HR was we can't hire him, and we sure as hell can't keep him. And we would've missed the talents of our generation had we taken, and I call that lazy HR. Lazy HR is you wanna take people and fit them into your little world, as opposed to saying, maybe we can broaden our world a little bit and find space for everyone to be treated respectfully. And it's by the way, it's mutually beneficial, because if they perform very well, we benefit from it, and likewise.

- Speaking of expanding HR's view of things, there's a lot of Ban the Box initiatives all over the US, and SHRM itself has put a lot into dedicating its time to help those who've been incarcerated. This is something that I think is so important. There's so many people out there who have done their time and they still can't find the jobs that are out there. It's a huge untapped talent market. How can we help have those conversations with our leadership team to think differently when it comes to criminal records and the work that we're doing in our organizations?

- So it's real simple. First of all, 'cause there are gonna be some people who will respond to the moral or humanity case that we need to give these people second chances. But there are a lot of people who won't be moved by that. They think that if you committed a crime, even after you served your time, there are consequences that flow from

having done that. So we as HR professionals can't rely exclusively on, let me appeal to your sense of this is good for mankind. It may not work. What I do in those instances, 'cause I do start with that argument. That argument that this is, you have to give people, all of us have made mistakes before, and I try to appeal to state senior leaders, to their sense of what if you were judged for the rest of your life by one bad mistake? What if that were you? What if you were born into these circumstances that led you to do this particular criminal act that led you to jail, and you're 25 years old and now no one's gonna hire you for the next 50 years that you're here on this earth. Ridiculous, right? Some people say that's the way it works out. So realizing that that doesn't work, we as HR executives need to have another approach for the people who aren't moved by that. And there will be people who are, as opposed to judging them, throwing your hands up, let's find another argument. Two others that I rely on quite a bit. One is I describe the reality, the numbers game. I say, "Listen, we don't have the luxury to do this. There's 750,000 people or so coming out of America's prisons every year, and we have 11 million jobs open in this country and we need them, period." It's just fact. I need people to fill these jobs. So if I have someone who's made a mistake, that could be a welder. I have someone who's made a mistake in their life that resulted in them having criminal justice... I mean, a criminal background, but they can be a programmer, then I'm gonna figure out how to do that. So we don't have the luxury of our bias anymore. I just practically hit them between the eyes with it. And I talk numbers. The American birth rate has been on a 20-year decline. During the pandemic, from '20 to '21, the birth rate dropped 4%. There's just no more ways to do this. We need human beings on knowledge-based economy. We need more of them. So the economy on fire and you're unwilling to hire people because they made a, are you serious? So that's my number one. Then I talk about, so for the people, who don't that fall for that one, or who don't about, there's a third argument. So listen, if someone gets out of jail and you won't let them work, then what do you think the odds are that they will commit another crime to survive? They've gotta eat. They've gotta be able to provide for themselves. They've gotta be able to pay, if they're out on probation or parole, they gotta pay those fees. So where the hell do you think they're gonna get the money from? You. So either, you're going to allow these people to come back into society and figure out how to be meaningful and give productive lives and tax paying, or they're gonna become a burden. And that burden may start with them committing a crime against you, your family members, your business, what have you, which is a problem for you. And then they're gonna go back to jail and we're gonna spend 35, \$45,000 a year to house them and to medicate them and to educate them. So I get real practical and say, if we want to do something about recidivism, the best thing especially that HR professionals can do is get people back to work. Thus our program, getting talent back to work. One of those three arguments usually works.

- I really appreciate that. I think that's such great talking points and hopefully, our listeners can bring that back to their leadership team. As we wrap up this conversation, what are you most excited about for the future of HR?

- So it is interesting. The thing that I'm most excited about is the thing that I'm most afraid of. And it is that this moment, this special moment for HR, and I've been at this for now 25 plus years, we've never had the platform that we have in business, than this very moment. I'm smiling. I know you on a podcast, so you can't tell it. but you're smiling. We're all smiling because we are at this moment, where I'm talking with CEOs and board leaders and chairs of boards, they're all talking about HR. They're all talking about talent strategy. They're no longer saying that I have a problem accessing financial capital markets. I don't have a problem accessing financial capital. My problem is accessing human capital. And they are saying HR is going to be the group of experts who can help solve for that really vexing problem for us in business. So it's a huge opportunity for us. My concern, and it's the thing that makes me so excited by the way. The other side of that though, is if we don't step up, if we fail to deliver as a collective profession, someone else is gonna do it. They'll turn to someone else in your organization. So I'm gonna leave you with this. I've seen it happen 10 years ago, and then I'm seeing the talks of it happening again. An organization says HR is the most important thing that we do and the most important function that we do. But because they aren't doing it, I'm gonna split up the function. So I'm gonna give employer relations to the law department. I'm gonna give comp and benefits to the finance department. I'm gonna give HRS to the technology department. You hit the point, I'm gonna break this thing up. Talent acquisition, I'll just give it to the operators. They're gonna hire the people anyway. They're gonna work for 'em. In other words, they're going to take the HR function as we know it, and that's the profession, and spread it out amongst others within their organization to do the work, because we are not seizing this moment and stepping up and delivering high quality HR. So I'm excited about the prospect of being in a function that everyone knows is now valuable and incredibly indispensable, back to my word. I'm really concerned about them saying, "Yeah, maybe the HR function is important, but maybe not the HR profession."

- Well, Johnny, this has been a great conversation. I'm excited for the future of HR. I think there's so much at our fingertips that like you said, we need to seize the day and seize the moment to just do amazing things in our organizations. So thanks for your time.

- Thank you. God bless you.

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