From Hire to Higher Grounds Crafting Your Human Capital Strategy\_YouTube

**Brian:** Welcome to the One Advantage Podcast, exploring the intersections of peer power, culture, and agility. Your hosts, Jason Richman, Mike Richeson, and Leo Batari, co founders of the One Advantage Community of Practice and Advantage Peer Groups.

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**Mike:** Hey everybody, welcome back to

another episode of the One Advantage Podcast. We have got a full house. Which we haven't had in a little while Jason's here, Leo here is here, and Mike is here. So we're looking forward to a great episode today, and the topic title is From Higher to Higher Grounds, Crafting Your Human Capital.

Strategy, whoever came up with that. That's a nice one. Although I know that perhaps the phrase human capital isn't one of Leo's favorites. We'll find out about that in a little while and no doubt play around like we normally do. But before we go any further, Jason, we haven't seen you in a little while.

You must have been all over the place. Tell us about it.

**Jason:** I have been from Southern California to, to Boston and Stinson, Colorado and Chicago in between, Mike. It's been it's, it has been a whirlwind the last couple months. But it's been fantastic. And it's so relative to what we've been doing.

Right now, we've been working with a couple organizations that are going through. Mergers and acquisitions, and they're bringing, they're bringing groups of groups of individuals from different cultures together to create one culture. When you talk about developing that strategy and formulating that culture to maximize those resources, that's what we're talking

about

today.

**Mike:** Yeah, we saw a post

from you, a blog the other day, where of course, You are going through your own merger and acquisition yourself, right?

**Jason:** Yes. The acquisition of the Dale Carnegie franchise in Orange County, and it's, yeah. Every, everything we do with clients we're doing internally with ourselves.

**Mike:** Practicing what we preach.

**Jason:** We use what we've

preach.

**Mike:** Yeah. What about you, Leo? You've been practicing what you've been preaching, where, and where have you been, where have you been lately, Leo?

**Leo:** For the last week I've been home which has been nice. Unlike, Jason's This Land is Your Land, from the Redwood Forest to the Gulf Stream waters, travel there, but no, for me, I've been home.

Next week I'll be in Florida, the following week I'll actually be in Texas. Pennsylvania and Florida. So for the next few weeks, I'll be traveling quite a bit, but no, all good. And always try to practice what we preach, so good stuff.

**Mike:** Yeah. I've been largely in Southern California, but, over in L. A., down in San Diego, last night, actually, I was at an awards ceremony for the Corporate Directors Forum in San Diego, and we have a sort of blossoming conversation going on between them and the Advisory Board Center that I'm involved with all about the sort of up framing of governance.

Systems and advisory advantage and all that kind of stuff in the future. So that was really interesting. And today, everybody from higher to higher grounds, crafting your human capital strategy, organizations that successfully harness the potential. of their most valuable asset, their people are more likely to prosper.

Tune in to hear about the evolution of human capital strategy and its significance in today's world, the mutually beneficial relationship between employee development and company goals and tips and tricks for small businesses to develop a robust human capital strategy without breaking the bank. Leo, let's come to you first.

What do you, how do you begin to think about that? And yeah, what was this thing? I think a few podcasts ago, you said you weren't a big fan of the phrase human capital, just flesh that out a bit for us.

**Leo:** First of all, I think human is a noun, not an adjective. Number one. Secondly, this idea that it's to define capital, it's to define.

Use in many respects and as a tool, as opposed to, I think people wanting to be seen as people, they want to be seen as human. We want to, I think the workplaces today are doing a much better job of tapping into our shared humanity. And I find the language a bit counter to that, so that's my little pet peeve with human capital.

But but, without all of these, semantic arguments and all of that, obviously we are here to talk about people. And I think the expectation is that people want to feel heard. They want to have a voice they want transparency. They want a different relationship with their leaders than maybe we had with ours, growing up in the business world as boomers.

So I think we've got to be attuned to that. We've got to be understanding of those expectations and what that means and what that's all about .

**Mike:** Yeah. Yeah. Great start. Jason, what would you add on the fire of all of that?

**Jason:** I was in this conversation last, or earlier this week and I often use the term organizational dynamics, right?

Because your organization and the dynamics of your organization are made up of people. And, if you make a correlation to how we as individuals feel about the world we live in and the resources we have. With climate change and new energy and, the direction we're going from an economic standpoint and and an energy standpoint, you can make that correlation to corporate America and the utilization of resources within our organizations, right?

And if, I see our leaders of our organization having that same level of passion. About their people now, versus in burning through those resources and burning up and getting, using up those resources, but sustaining those resources, making them last, investing in them, developing them, treating them like humans, like Leo said, to maximize the individual reward and part of our organization.

And I make that analogy to, our world and even our corporate environment, what's. They're all filled with resources as it's how we manage and use. Those resources that, sustain us going forward. And I think it's a fascinating, comparison really.

**Mike:** Yeah. And, we've talked, touched upon this before.

I think one of the benefits of using phrases like human capital or something else like that, team members or associates or something like that is that it. It gets away from using the word employee, where an increasing proportion of your human capital resources in the future will be non employees, this idea of the gig economy, freelancers, portfolio professionals, as we've talked about before there are some predictions that by 2030, More than 50 percent of the workforce is likely to be freelance and therefore they're not employees.

And so now you've got this additional variable of how do you inspire, motivate, lead people who do not have a payroll W 2 here in the States relationship with you. So life is only going to get more complicated in terms of how you fully leverage the human capital assets. that you've got on your team, correct, Jason?

What would you add to all of that?

**Jason:** I think you're dead on and, tapping into part of that. And we've done a lot of engagement workshops and developmental programs around tapping into the hidden assets. Look at your own teams, look at the people you work with, look at the groups you engage with.

And you walk out of there. One of, one of our best practices is. Anytime we engage with an organization, I always put together an executive brief and an executive report. And part of that report is some of those true talents and hidden assets that probably aren't being tapped into from a leadership standpoint, right?

And I think that's a huge component of making sure. That your individuals within your organization are aligned with where you want the business to go. And they got a big component of really tapping into those hidden assets or maybe unknown below the iceberg, right? The back, the bottom half of the iceberg.

That if you really keep your head on a swivel and you're observing and you're really, truly authentic and transparent and really care about your individuals, you're going to identify. Some unbelievable benefits that you didn't realize were there.

**Mike:** Yeah, it's interesting. I have a friend in Orange County who writes about The concept of what he calls unwrapped gifts.

There are gifts in front of you that are still wrapped up. They're still, they're not revealed. They're not invited to fully show themselves. And so what gifts do you have around you that are still wrapped up that you could unwrap and fully reveal themselves, Leo, what else would you would you offer here?

**Leo:** A couple of things. First of all, I think there's another kind of twist on the notion of unwrapped gifts. And those are the gifts that are unwrapped that are around us all the time that we don't recognize as gifts, right? We don't think of them that way. And to be fair to the intent behind the idea of human capital is to try to give people who tend to be Have their heads buried in Excel spreadsheets to recognize the value of human beings in the business world and in business, right?

So if we attach capital to that, then all of a sudden that draws attention to it. But, I think both you and Jason spoke to the idea that, as leaders, we're not giving up power. By giving people a seat at the table, by wanting to hear their voices. We are actually being resourceful as leaders to leverage all of those human beings that we have around us.

And that if we're not asking them questions, if we're not getting, from them all of the gifts that they bring to the table, then shame on us as leaders if we're not making that happen. So I think that, yeah.

**Mike:** Yeah, and then it's no surprise everybody, therefore, that we called out our ebook, The One Advantage, all about peer powered cultures of agility.

So what Leo just said, when you're giving people a bigger seat, a bigger voice, a bigger empowerment around your table, you're not giving up power at all. You're actually leveraging the power of peers into a culture of, future proofing yourself, having the agility you need for the future.

And Jason, you use the phrase head on the swivel which I love, of course, because it opens the door to a conversation about chaos and all of that. And how do you have that 360 degree situational awareness by keeping your head on the swivel? And for me, one of the things that diminishes human capital is if we, as leaders, Are allowing our enterprise to operate in disorganized chaos and we're not able to keep it in a flow of organized chaos, which is fun.

Yes, it's fast, but people feel that they are, in the flow of something truly great. Whereas if it's in disorganized chaos, they start to feel frustrated. They start to feel frazzled. They start to feel burnout. So there's some very practical realities here in terms of. Cultural behaviors, Jason, of how do we truly invite our human capital to to show up with all of its gifts and play all in, as it were, what would you add?

**Jason:** That's a that's a very, that's a great question. And I and I'm thinking but again, in, in regards to the leadership observations, it's hard, harder and harder today, just like we've talked several times for leaders to be able to actually see it. With their eyes, right? We're in remote workforces.

We're bringing together. So it goes to project briefings, progress reports, project updates, right? Getting really analyzing and observing the depth that goes into how they're communicating results, how they're working on a daily basis and keep challenging. Employees to bring solutions really in every engagement.

You heard me say several times, that my belief that every conversation you have with one of your employees, with one of the people in your organization has a performance component to it. And I'm a big believer that. In that, because it's performance based on continuation and more development or improvement or whatever that might be, it should also be an opportunity to really challenge people to bring a higher level of, a higher level of quality, a new idea, a different way of thinking about something constantly stretching your people to come up with that, I think is a great way to, to keep that observation, moving.

**Mike:** Yeah. And innovation in all of its forms is the, is one of the easiest things to talk about and one of the hardest things to do. Leo what else would you offer here?

**Leo:** Yeah, I think Amy Edmondson from Harvard Business School has a wonderful formula around that. And it's the form of a two by two that shows the relationship.

Between psychological safety and accountability, that these are not opposing forces. These are forces that actually rely on one another, that the greater the psychological safety we have, the more ability we have to create a healthy culture of accountability one that allows us to set high standards and promotes learning.

And she sets this two by two up by, I'll explain this briefly, with If you have high psychological safety, but no real accountability, then your folks are just going to operate in the comfort zone, and that's obviously not where you want them, right? If their psychological safety is really low, and their accountability is really low, these are the folks that are probably walking around your office saying, is it 5 o'clock yet?

with the mug, right? They've written on it, right? Because they, all they were looking to do is as little as humanly possible, and if they can avoid being fired by Friday, then that's good enough for them, right? So on, on the other end, you've got no psychological safety. People feel like they've got no voice at all, but yet we're constantly hammering them and pounding them for results.

Those folks live in the anxiety zone, which is a devilishly difficult place to be in any sustained, manner. But, Speaking to what you both did with regard to learning, agility and all that. If you have a higher degree of psychological safety, and if they recognize and embrace this idea of high standards and accountability, those folks live in the learning zone.

And now that's where all of that iterative process, that ability to change, that ability to learn and grow and get better, that's where that lives. And I think the more that leaders understand that relationship and what to do with it. They're going to unlock some things in their company that I think are going to be rather extraordinary.

**Mike:** Yeah, and given that it is Friday, and depending on what time zone Jason is in, sometimes he's in St. Thomas, it is almost five o'clock on Friday. Jason, you made it through another week. Well done. Mind you, you are the boss, so nobody's about to fire you. But that's so well said. I love that two by two.

Isn't it great how often two, just the simplicity of two by twos are so insightful and revealing. And a light bulb starts to come off. What would you add in the mix here, Jason?

**Jason:** Oh I don't have a whole lot to add to that. It's another, I go back to the statistic that came out, I think it was 86 percent of people in the workforce learn from their peers, so what we're really seeing a big trend in, in regards to. Maximizing the resources and making sure that our teams are developed and formed in the right way is building in a high level of accountability on those teams, right? And with the two by two, having small accountability groups or accountability partners.

And I'm not talking about a mentor, mentor y type relationship. I'm talking about smaller accountability to your peers. To, to share experiences to bring thought leadership, to bring new ideas to the table and have true accountability relationships within your organization that these individuals are supporting each other, right?

Yeah, and they can jointly bring ideas, they can bring stuff to the surface and, but it keeps them engaged

**Mike:** at a different level.

**Leo:** Yeah. There's a, there was a an event yesterday and yesterday being Thursday, September 7th, that Edelman ran on trust at work and it's extension, obviously the incredible work they do as part of the Edelman Trust Barometer and

**Mike:** Which we talked about in a previous episode, everybody, if you want to a

**Leo:** This special report on trust at work really speaks to a lot of issues that have, I think, incredible implications for leaders with regard to everything we're talking about. I would just encourage folks to find that report. It would be rather easy to find online. Just Google, Trust at Work, Edelman, September 7th. And I'm sure there will be a downloadable file available there.

I did not able to attend the event live yesterday, but I did sign up for it. So I've got the recording. I've taken some time to review the report, but I really want to spend more time with it because it's always so insightful and I think could be a really great resource for a lot of our audience members.

**Mike:** Yeah. Yeah. Yeah. And, everybody, I think we spoke, we began to speak about this a couple of episodes ago, right now, of course, there's this huge uprising of artificial intelligence and you might imagine that means that human intelligence is going to become less important over time.

I think we would all agree. No, it's going to be an exact opposite. The more that there's an uprising of artificial intelligence, the more that human intelligence will have to keep up with it. And Yeah. Generating a peer powered culture of agility with the human intelligence side of your business will only become more important, not less, as we progress here.

And so Jason this is just gonna, this is gonna be more and more of an imperative for leaders, correct?

**Jason:** Yeah, and we recently did, been working with an organization on new hires and bringing new people into the organization and you talk about aligning, your individuals, your people, to the business strategy and that type of stuff, your onboarding plan of new people should have that cultural component to it.

Culture should be a big part of your onboarding program, making sure they understand the culture, where it came from, why it exists, what, and making sure that they operate and behave within those cultural pillars and those cultural standards. From maximizing, your people and getting the best out of your people, but not only that, your people getting the most and the best out of your company.

**Mike:** Yeah.

**Jason:** And we have that part embedded when they come on, when they come in the door the first day. Yeah. Go ahead.

**Mike:** Go ahead, Leo.

**Leo:** Just that in addition to that it obviously the onboarding piece is huge, as Jason mentioned, but think about what it, and how it has to be part of your hiring process as well.

You want, if you're going to hire someone, you want them as best possible for you to have that comfort level that they, Have what it takes to be successful in your organization specifically and that they have a very clear understanding of exactly what they're walking into and whether they feel it's a good fit for them.

And obviously that's going to be such a help when it comes to that onboarding and really trying to I think help them be not only part of the culture, but a contributor to it and its growth.

**Mike:** Yeah, not least of all, because Leo you often speak about clarity, don't you?

Organizational clarity and how can you hope to have clarity unless on the way in and then sustained thereafter, you're helping people get really clear on what our culture is and what behaviors we want around here. Is that what you're thinking about normally when you talk about clarity?

**Leo:** Oh, sure. Yeah. And I think it ties into what you said about artificial intelligence. My hope, of course, is that it's going to help us start asking better questions. Yeah. And that we can work together to do that, that we will ask those questions, have those conversations, achieve that kind of clarity.

And the, I think the implications for that are huge and

far reaching.

**Mike:** Jason, cultural clarity, what would you add on the fire of that?

**Jason:** I would say well defined and expectations. Yeah. You can say we've got a culture of employee centricity, right? We've got a culture of performance.

We've got a client centric culture. But if your communication, your messaging kind of stopped there, right? That is going to be perceived and be met in a lot of different ways. Yeah, so if you're developing and defining what that culture is, you need to have clear definitions. You need to have expect expectations of behaviors within those cultural pillars.

And that's where that clarity comes in. So what does that mean to be innovative? What does that need to be ethical? What does it mean to be transparent? And then how is that observed in the organization?

**Mike:** There you are, that's it, isn't it?

**Jason:** That needs to be clearly situated, communicated, educated and lived by.

**Mike:** Yeah, and that's the key, isn't it? That if it isn't, if I'm not, if we're not defining culture and core values to a level of granularity that gets into observable and audible. Behavioral norms of what I always want to see and hear around here, or I never want to see and hear around here. I can't, I can only hold you accountable for something I can see and hear.

Or, See and Hear the Absence of, correct Jason?

Correct. You're absolutely right.

And everybody, one of the things I like to do, down, down the pathway that, that Jason leads us down here with all of his fantastic work and you can see his books if you're watching the video here On the shelf behind me and you can see a Leo's books and oh, by the way, you can see my books as well.

Oh, my book rather plus the ebook. But one of the things I like to challenge people with everybody is How are you going to institutionalize your core values in 100 different ways around your organization? Now people look at me like I'm crazy. They think what? What are you talking about?

We've only got 30 employees or a hundred employees or 300 employees. Oh, I can imagine GE that's got X hundred thousand employees. I could imagine them institutionalizing their core values in a hundred different ways around their corporation. It's but what we're trying to shock you with everybody is that old idea that the soft stuff is the hard stuff, the simple stuff.

is the complex stuff. If you think that one or two or three little ways Of institutionalizing your core values into your company, like putting a poster on the wall and putting a screen saver on everybody's computer and giving everybody a plasticized little business card sized memory jogger is going to institutionalize your core values.

You're fooling yourself. Now, can you, do you need to do 100 ways? No. If you get to 10 or 20 or 30, you will be streets ahead. of the average company and starting to emerge with a cultural advantage. Would you, what would you add to all of that, Jason?

**Jason:** I would add to that is, is bring it down to, bring it all the way down to the individual contributor level and how it impacts their daily activities and their daily lives.

And it's got to be real and it's got to be relative. And what does this mean to me? What's in it for me, right? If I'm a part of this organization and working amongst our teams and our groups and our departments, right? Make sure it's aligned. From top all the way down to the bottom of the individual contributors.

So they understand what it means for them.

**Mike:** And they're trained, they're mentored, they're coached, their performance appraisal is built around core values. We do core values, assessments, and scoring. And we start meetings and we end meetings by referring to our core values. And we hold people accountable using our core values and all of those kinds of things, Leo, what other.

What other kinds of angles would you pile on with that idea?

**Leo:** I just think, and you guys have spoken to it really, the idea of understanding the values is one thing. Understanding what behaviors are expected in order to live those values is quite another. And once people have clarity about what that looks like, and I think in reverse, when we see behaviors when we see those observable things, people oftentimes make assumptions about why those things are going on, as opposed to asking questions, and oftentimes, the reality of why those things go on could be very different than what they are.

coming to their own conclusions on. So again, I think it comes down to clarity. It comes down to asking good questions. It comes down to, living those values and in an everyday, type of way. And, and there's a lot of, folks out there, I think do it really well.

**Mike:** Yeah, and how do you get away from the sort of cliche of, people are our most important asset.

We've heard that for forever. And if we're not careful, it just hangs around as a cliche. And what we're talking about, everybody, is no. How are you going to truly make that a competitive advantage? And that you've lean, you lean into this and you unpack this. And you start to institutionalize different ways and levels and layers with which you can live into this as Leo just said, to make this a cultural advantage, getting out ahead of your competitors.

Correct, Jason?

**Jason:** Yeah. And I would challenge every leader out there. Look at the companies with the best brands. Look at companies with great, powerful brands. Look at the companies that, that put so much weight into the voice of their customer and the perception from their customer. But they're so afraid to get the voice of the employee, to get a really clear picture of what the day in a life is for your employee.

We're fantastic and open to hearing that and getting that from our customer and making changes. We have to take that same approach by understanding what's a day in the life look like for our employees and our organization also.

**Mike:** That is so well said. The voice of the customer, everybody, but what about the voice of the employee?

And in many ways, these days, we actually say that the employee is the customer, because if we get the employee stuff right, they will get the customer stuff right. Leo, final thoughts for our listeners?

**Leo:** It just occurred to me that coming from a corporate communications background and having worked for a lot of companies that went through layoffs, that I've never crafted a press release that led with, X corporation is about to lay off 5, 000 of its most important assets today, right?

That doesn't happen. That doesn't happen. They're their most important assets when they're convenient. And then it's wow, they're just an expense that we're leaving on, so let's start at least walking the talk

**Mike:** all the way. Jason, final thoughts?

**Jason:** I would agree the same thing.

And from all leaders listening to this podcast, take a step back and look a little deeper into the people you have on your teams and really tap into those unrecognizable strengths that they could be bringing to your overall goals.

**Mike:** Yeah. So there you have it everybody from higher to higher grounds.

I, I quite like that. I would also say to, to harder work, to leaning in more. To to doing more things towards institutionalizing your culture and your core values and those expectations and behaviors. Another episode of the One Advantage Podcast, everybody. Come on back and also join us next time.

We will see and hear you then.

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Thanks again for listening and we look forward to more great episodes to come