S4 E43 Dr. Gleb Tsipursky

SPEAKERS
Peter Margaritis, Dr. Gleb Tsipursky

Peter Margaritis
Welcome back everybody. We have a returning guest. We're excited that Dr. Gleb contacted me about his new book, and wanted to see if he could get time on my podcast. And I said, "Absolutely!" And the title of the new book is "Returning to the Office and Leading Hybrid and Remote Teams: A Manual on Benchmarking to Best Practices for Competitive Advantage." And that title in itself has a lot in it. There's a lot to this. Dr. Gleb, so first and foremost, thank you for taking time out of your busy schedule to spend some time on my podcast.

Dr. Gleb Tsipursky
Thank you for welcoming me, Peter. I really appreciate it.

Peter Margaritis
This is interesting. I, this whole concept of what you're talking about, is part of this whole this as people describe it the Great Resignation. Just I'm so curious about this. So, what... I know you've done a tremendous amount of research on this topic, can you share some of those statistics with the audience?

Dr. Gleb Tsipursky
Happy to. So yes, it's the Great Resignation. But when we're thinking about this Great Resignation, I strongly encouraged... we helped 17 more companies and organizations transition back to the office in this context. So, encouraged them not to think of this as a pain point versus serious opportunity to seize competitive advantage. We'll talk about how to do that. But you don't want to think of this simply as a huge pain point though, because you want to think of it as an opportunity. You'll get much further. But let's talk about the statistics. So when we look at the statistics, I talked in the book about the meta analysis of eight major surveys from organizations, like the Harvard Business School and the Society for Human Resource Management. So, organizations that don't have a particular stake in the outcome, major service. And what they found was that there's a very strong desire for people to have substantial remote work. So, the surveys on average found that anywhere from 80 to 85%, depending on the survey, of the respondents want substantial remote work at least half the work week. 25 to 35% of all respondents want full-time, remote work. Only something like 10 to 20%, of respondents want full-time in the office. So, this is very clear where the future's headed. The future is going to be because the remaining people 55 to 65% want hybrid. So, that is really where the future is heading, and we'll talk about what hybrid means. Now, what we need to understand is that this is something people really want. It's not like they're just saying it. People really want this. So, we see that the surveys, anywhere from 40 to 55%, of the respondents would be willing to leave a company, if they're not given that preferred flexible work schedule, and over 70%, 70 to 80%, are more likely to stay. And this is the

critical factor, people are perceiving flexibility as more important than health care insurance benefits and other sort of typical perks and benefits. Flexibility is the number one thing that people want in the future, in right now, the future of work. So, that is fundamentally important. They're willing to give up some serious money for it. So, we're see that people are, well people would want to go back to the office are not willing to give up any money for it but it ranges from, they're willing to give up 20 to 30% of their salary for a full-time remote work for people who want full time day off work. So, that's a lot of money that people are willing to give up to have the kind of flexible schedule that they want. So, we're seeing very clear indicators. Now, there's other research I can talk about, but I want to let you get another word sideways.

Peter Margaritis
That's okay. I came across an article that PWC, has now, put a policy in place, as if you want to work full-time remote, you can. And this is only for the US contingency. the US employees. Interesting thing I found out about as I was reading this article, that if you decided you want to work remotely, you can work anywhere. However, your pay may be cut, if you are in a place that has a lower cost of living than where you currently are or something like New York City. If you're going to New York and you decide to go out into the country to live, you have to prepared they are going to cut your pay on that. I think it's fair. Yeah. Sure so, happy to talk about that. So again, I helped 17 organizations transition and this is definitely a consideration. Cola, Cost of Living Adjustment. Now, I strongly don't recommend that organizations actively cut the pay of people who are remote, but I do recommend that there is a cost of living adjustment which needs to, of course be fair to people. And so, what I recommend, that takes place is that this is addressed through future promotions, so they get less of a promotion less of bonuses, and so on, in the future, depending on the cost of living. So, that is something that's fair, but people having their pay cut is likely to lead to them being unhappy, and then, quite possibly resigning. So, this is something for companies to be seriously thinking about. So, that's about one dynamic in terms of pay. Another thing I talked about two companies in terms of pay that surely a surprisingly few companies do, 25% apparently, is actually funding people's home offices. So, funding people's home offices is incredibly important. And what I usually recommend companies do is do something like 3000 for initial transition, and then 2000 for each year afterward with additional 500 for working parents. And this is for everything from laptop to lighting to microphones to camera, ergonomic furniture, room separators, soundproofing, all that sort of stuff, and stipends for internet and so on. This is really important because the future is going to be mostly hybrid, so realistically speaking, most people becoming in one to two days a week will be some proportion is going to be fully remote, maybe 10 to 20% of your workforce, but the rest is going to be coming in one to two days a week. That means that the large majority of employees are going to do their work at home. So, you want to maximize the productivity comfort engagement and morale at home. For that they need to have a well equipped offices, and that's why companies are going to be doing so much better off if they fund the home offices of their employees. I agree. In the book you write, and it's chapter three, mental blind spots leading to disastrous decisions are returning to the work, to the office. Talk bout that these, these mental blind spots are that CEOs are just not seeing, because their blind spots. Right, exactly, that's what blind spots are. Now, what...when I talk about blind spots, I talked about cognitive biases. People refer to different things. I'm talking about specifically very academic research clear academic research on why our brain is mis-wired. So, cognitive biases are dangerous judgment errors that stem from the wiring of our brain. Our brain is not adapted to the modern environment. If you think about it, the internet has

been around since 1990s, right? We haven't had time to evolve for it. Our intuitions, our emotions, our reactions, our feelings, our gut reaction is wired for the savanna environment, when we lived in small tribes of 50 people to 250 people. We had to survive based on the fight or flight response. So, this is not the modern environment that we live in, but that's what we're wired for. As a result, we make a series of dangerous judgment errors called cognitive biases, and you can take a look at this list of cognitive biases on Wikipedia. There's over 100 of them. I have a book out on this topic called "Never Go With Your Gut: How Pioneering Leaders Make the Best Decisions and Avoid Business Disasters," which is what Peter and I discussed in the previous episode. That is something that you can check out if you want to learn more about the general cognitive biases. But specifically to return into the office but I talked about in my new book, returning to the office and leading hybrid and remote teams. There are several cognitive biases that are very dangerous for leaders, and leaders we see are making terrible decisions, even at the highest level companies. Google was for many months saying that when the vaccine is widely available, they'll force everyone to go back to the office. And once vaccine became widely available, Google, people at Google started complaining and resigning and leaving elsewhere, and Google had to change its tune on June 5, so long before the Delta surge and say that you know we screwed up, and I'm sorry, on May 5. And say, we screwed up, that was a problem, and let up to 20% of our workforce work fully remote, because they were losing billions and billions of dollars from employees leaving, and the cost of replacing them is pretty high. Tech people, same thing, on June 10 happened to Amazon, you know another trillion dollar company. And then on June 24, Uber again changing their tune. So, we see the top leaders at the very highest levels are making pretty bad bad decisions. And why is that? Well, it's because of these cognitive biases. You know, it's not because they like data. It's not because they like decision making prowess. You know, they run the biggest companies we have here in the United States, and of course that means in the world. So, what is happening is that these leaders are falling into several blind spots. One of the biggest ones is called the status quo bias. So, what's the status quo bias? Status quo bias refers to us having a desire to maintain or get back to something that we perceive as the right way of doing things, functioning, being. The status quo, so the savannah environment, the ancient savannah of an environment was very important for us to maintain the status quo. It was a very precarious environment. So, any threats to our survival would be serious dangerous and changing the status quo was likely to lead us not survive. Therefore we have a strong drive to get back to the status quo. Similarly, leaders like the leaders of Google and Amazon have a strong drive to get back to the status quo that they perceive as successful. The office. They want to be successful. They want to be in control. They want to be surrounded by their followers. They like that. They feel comfortable, and they feel that that's how they know how to live. And of course, that's a big big problem. That's one, the status quo bias. Another one is called the false consensus effect. So, the false consensus effect. That's where leaders believe that others in their tribe, in going back to the tribalism in the savanna, share the same opinions as they do. So, the leaders at Amazon and Apple and Google and Uber, believe that their employees generally share the same opinions and that they'll, you know, that what they're saying about not wanting to go back to the office is not serious. Now, I was working for consulting for a large theater executive group of many many 1000s of PR executives across the United States and the globe. And they did a survey of their membership, and they found that... this is a middle market company so companies from 50 to 5000 people...and they found that all these companies only 44% did surveys of their employees on the return into the workplace. Only 44% I mean, that's ridiculous, isn't that? Yeah, that's exactly what happens. They have these false beliefs. So, this about what the employees want. This is a huge problem. So, we tend to

have too much of a belief about what others are in our tribe quote unquote, share our perspective. So, that's a big problem. So, false consensus effect. And related to that is the confirmation bias. How do we look for information? We look for information in a way that confirms our beliefs and ignore information doesn't. So, leaders when I talk to them, when I consult before we do the surveys, what often happens is that the CEO talks to the C suite, the C suite talks to the senior VPs and kind of stops there. They all agree that they want to go back to the office, and nothing else. That's a big problem. And the final thing I want to talk about that's very serious called functional fixedness. Functional fixedness, we have a certain fixed perspective about how things should function, once we learn about them, once we have that we know about their function. You might have heard of this as the hammer nail syndrome. When we have a hammer, everything looks like a nail. Well, when we have a certain way of collaborating, we tend to impose that way of collaborating on all other countries. For example, in the March in March 2020, the lockdown has happened, and companies, overwhelmingly, impose their ways of collaborating on virtual conference. They're in office ways of collaborating and understandable immediately now we're in week two weeks, three weeks, but clearly this has gone, the pandemic has gone on for over a year, 18 months, and they're still collaborating exactly the same ways that we started collaborating in March 2020. You can see that from Zoom happy hours. Zoom happy hours are not a fun thing. We buy now we have research of, well we had research earlier that they were not great and we have clear research that they cause disengagement, so by the fall of 2020 we have research to actually cause disengagement. The opposite of what they're supposed to do, which is causing engagement with teams and so on. But leaders kept doing them and be doing them and doing them and that's not a good idea. And we have a lot of other problems where leaders did not strategically adapt their companies, that organizations to the new environment. Instead, they just kept going with what they know, instead of strategically adapting to the future and I see the same things happening, so that's why my book is titled, Returning to the Office and Leading Hybrid Remote Teams. I've seen the same things happen in the hybrid environment. You need to lead in a very different way for the hybrid workplace and leaders are not figuring that out and they're leading in the same old way that they lead in fully in office environments. I've got a client in Boston, a CPA firm. And prior to the pandemic they were wanting to build more space. They needed more space. The pandemic hit and then they said well we need to slow this down, and then they start surveying their workforce, and ask them when it comes to time what do you guys want to do? Do you want to come back? Do you want to work remotely? And now they've created displaced workforce, where you can work remotely. I think, I think you're talking...they created a very nice hybrid workforce, and then go back to the architects and so you know we don't need to build this out, we need to condense it some, because we're not going to need all this footprint. To me that's a very progressive firm, because they had, they were part of that 44% that actually did survey their people. They correct me if I'm wrong, I'm going to go to the third hand. You may know that, but apparently, Jamie Dimon came out publicly and said we're all going back to the office. Okay, that mentality is probably not working very well for him right now. now. No, no it's not working very well at all. I actually have first hand information from some of the investment bankers at the company who risk, who quit, and they went to work for alternative companies either Citigroup, so which is kind of a major investment bank that chose not to force its employees back at all, or smaller investment firms. So, there's plenty of opportunities. You know, this is what the Great Resignation is about, where there are plenty of opportunities for people who want to work fully remotely to find a job, the kind of people who can do that. We have about 50% of the American workforce who can work fully remote, and this is the folks that we're talking about. And right now, instead of made to go back to the office, we see that about

25 to 35% one full-time remote. Well, of that proportion, a large proportion will not accept going back to the office. When we look at how people moving during the pandemic, we know that over 20% of people moved during the pandemic away from their office. I mean, they're going to move back to the office. Right, right.

Dr. Gleb Tsipursky
This is not the kind of the future. So, what we're seeing is that really terrible decision making, and that top people, the ones who have options, the ones who have flexibility especially believing, which is why Google and Amazon, Uber changed their minds, which cost them billions of dollars to change of course their plans and lost employees and all of that, but we're seeing that and some are Jamie Dimon are still staying stubborn.

Peter Margaritis
That is a good way of describing it, staying stubborn. I kind of worded it this way. His ego is getting in the way of his thought process. Very much so.

Dr. Gleb Tsipursky
Because you have to admit that you're wrong, and that is a difficult thing to do for people who are not trained in admitting that you're wrong or trained in bias. So that's kind of what my work is about. How do you defeat bias? How do you defeat these cognitive biases? One of the techniques that you need to learn is learning to love figuring out that you're wrong, because then you can be right. And that is a difficult mental skill to develop. It's not an easy thing to do to acknowledge and welcome being wrong, because nobody wants to intuitively be wrong. Our intuitions lead us in the wrong direction on this topic, so we need to overcome our intuitions. And overcoming our intuitions, like just like changing any mental habit is a pretty difficult thing to do. So, that is one of the difficult things to do that you need to do if you're going to be a really successful business.

Peter Margaritis
So, you talked about the competitive advantage, so is that competitive advantage basically a hybrid model?

Dr. Gleb Tsipursky
Yes, so what you want to look for in the future. So, the 17 companies that I helped transition back to the office, 16 of them adopted a hybrid first model. And what that means, and the team lead hybrid first mode. So, this specific hybrid model where you don't just go from the top down. So what's happened with Apple, for example. Apple just said from the top down, we're gonna come back Monday, Tuesdays and Thursdays. Everyone will come back. This is a serious problem, because this kind of top down approach not only is it going to be a problem for people who want to work full-time remotely, and you see people at Apple rebelling. Actively writing letters, complaining and it's very rare for Apple, you know, it's a very compliant workforce usually very loyal. And so, you see these tech people rebelling at that was a big, big unusual dynamic. And they're saying, you know, we want to work fully remotely, and also want to choose the time that we go back. You know, having everyone go back on the same schedule. It's obviously a bad use of space. So, in your architectural firm, it's your client is decided that we want to condense space. It's also going to be because they get there people who want to come in at

hybrid schedule, do not come in on the same day, rather than what Apple's doing, right? Kind of bad, bad use of our space. That's one dynamic. And then the other dynamic is you want to be really thinking about okay, why not let team leaders choose? That's the right, that's where you want the authority. You want to push it down, because team leads, the leaders lower level supervisors of rank and file members of your employees, of your staff, are the ones best positioned to know what their team needs. So, each team has certain different needs and different dynamics. And it does not hold the people need to be there at the same time, and they don't need to be there for the same length of time. As a default hybrid first model, team led model, is one day a week for everyone to come in. Now, one day a week is fine for team cohesion, collaboration, and you know, that once a week meeting for everyone who is part of the team. It also encourages, it facilitates and strongly encourages having 10 to 20-30 depending on the kind of work you do have your workforce be fully remote. So, allowing people who want to be fully remote to be fully remote unless they are unable to do so effectively. Now, what does it mean to do so effectively? People who want to be fully remote, they need to understand that they need to be taking initiative. They need to be organized. They need to be disciplined, and they need to be good self advocates, because there are career issues associated with being fully remote when other members of your team are hybrid. So, you need to be aware of that and be a good advocate for yourself in the team. If you want to have a good career. So there are definitely things that need to be addressed, and not everyone is right for a fully remote home. So most people are going to be best served by coming in for at least one day a week. And you don't want to do too much so then you want to train the supervisors on given these broad guidelines say that, encouraging them to let people who can do so to work fully remote, and then everyone else to come back as a default coming to the office one day a week on different days so you don't have too much occupancy in the same day, and you can cut down your office space and real estate costs, and then you want to train these team leaders on how they make their decisions. And so, you want to, how do they, how do you make a decision on when to come in? If you don't train them, no phones the status quo bias and false consensus effect confirmation bias, all the other stuff that we talked about. So, you want to train them on that. You also want to train them on how to work effectively, and my book talks about how to collaborate effectively, innovate effectively, and do perform reviews effectively in hybrid settings and fully remote settings. So, you want to train them on these before they make a decision on how to come back. How many people will... how often to come back, and then you want to give them criteria. When you come back you want to come back only based on the amount of collaboration your team does. Why is that? Well, because individual tasks are overwhelmingly better done at home. People are 20 to 30% more productive on their individual tasks at home. Overall, we're actually more productive at home. Something like 10 to 14% more productive, across all of our tasks. The collaborative tasks are kind of a wash. Some are more productive at home. Some are more productive in the office. And so, there's definitely an argument to do some collaborative tasks in the office. For individual tasks. it's way better to do them at home. You don't have nearly as many distractions. You're more focused. You can concentrate. Or if you like the buzz of other people doing work around you, you can go to a co- working space or you can even go to the office if you want that or you can go to a coffee shop or something like that depending on your preferences. But that's kind of a much better place to your individual tasks without being forced to come into the office. And so, you want that balance. You want to any team leads, those supervisors who want people to come in more than one day a week to submit a plan at justifying how based on the amount of collaborative work, why they should be doing more than one day a week in the office.

Peter Margaritis

That is quite interesting, because this is the future of work. Do you think eventually we will get most organizations to buy into this hybrid type of approach or begin to go down this path, whoever still resisting it today?

Dr. Gleb Tsipursky

I would be very surprised if we don't, because they will be left behind in terms of getting talent. You know, people are our greatest resource. That's a very accurate phrase. You know, your systems can be competed away your products, your ideas. It's people who are your greatest resource. Your people and your culture. If you are not going to be satisfying your people, ones who can work full remotely, if you're not going to be satisfying them. A. They will leave to go elsewhere, B. You will have a bad culture. Because people will be unhappy if they stay. You know, the ones who can't find a job elsewhere will not be the best people. So, over time, the companies that are trying to force their employees back to the office are going to be that and 9 to 5, Monday through Friday, 9 to 5 back to the office, which is you know, not having a hybrid model. These are the companies that will definitely be left behind. And it's very sad. And you're seeing some really good companies. Xerox is one example, which is forcing its tech employees back to the office and it's hemorrhaging people. And you know, it's a big, big problem for Xerox. Apple is... we have people are leaving Apple. People are leaving these companies and it's you know, not a good fate for these people besides the investment banks, Goldman Sachs and so on that we talked about.

Peter Margaritis

It's kind of interesting. For years, I'll ask my audiences when I'm speaking what what business are you in? And they give me everything from, you know, sales or auditing, taxation. And I just look at them. Well, that's a byproduct of the business that you're in. And I get them kind of mad. And I eventually say, you're in the people business first and foremost, without people you have no business, which is simplistic in its thought. I mean, if I treat my people well, they will stay, and if they're treated like crap, they're going to leave. But we've... it's still after the industrial age, we're viewed as a number, a replaceable person. That even even that is wrong. I always contended that we are the people business. If you treat your people well, they will respond. I don't know. I just get so frustrated. Like, why don't these CEOs understand the simple easy concept?

Dr. Gleb Tsipursky

It's just the way that people are. They are egoistic, and they tend to want, especially CEOs, you see a lot of CEOs who are confident, the more confident the CEOs, the less well their company performs. And there are studies measuring confidence by the kind of statements they make, and media interviews, the number of media interviews they do. The company performance tends to suffer, the more confident that they appear in public statements. But the leaders who are desirable or desired are usually the leaders who are more confident because it matches that alpha monkey male persona from the savanna environment. So, they have worse performance, but they match our stereotypes. So, they play into our biases of what a strong and confident leader should be. And so, these leaders tend to keep moving up, even though their companies do less well. And, and so they're, they don't have an incentive to not have that strong confidence, arrogant and unempathetic perspective toward people. Now, if they want the company to perform well, they do. But that's not something that many leaders

really, who are the kind of people who you're talking about, really care about. They don't really care about the company. They care about themselves and their salary.

Peter Margaritis
But again, I could have said it any better than that, because it's exactly what it is. As I think about this, but it's got it, it's taken notice, because you mentioned, well, we made this decision. A Google was the one. And, Oh No, we made a bad decision. And they admitted to it and reverse that. I hope that some of these other companies really stopped because the numbers are starting to get staggering on this quote unquote great resignation. And it's more than just remote working. But that seems to be a big part of why we'll see this mass exodus. I don't know what's so as we wrap up when we do a lot of great advice, and give them one thing, what's the one piece of advice you'd give my audience as to dealing with this? What do we do as a relates to the future of work? What should we do?

Dr. Gleb Tsipursky
You should not trust your instincts.

Peter Margaritis
Because the biases that you're talking about, right?

Dr. Gleb Tsipursky
Exactly. So, your instincts are going to be lying to you about the future of work. You should not be trusting your instincts. You should really be focusing on the data. And you should be analyzing how the cognitive biases that I talked about might be impacting your instincts, not trusting them, not going with your intuition, looking at the data, looking at your what your employees want, understanding that how, like you said, Peter, that your people are driving the success of your company. Your people are the key resource, and you want to satisfy them, make them happy, make them engaged. And because otherwise, you know, you're going... you're in a race, the best people and you will not have the best people remaining if you don't make your people happy. So, this is something that you want to go against your instincts and around the future of work. And you want to realize that your instincts are based on a backward perspective on a backward looking perspective. Because the future of work, we are in a really key disruptive inflection on the future of work. You want to see this as an opportunity to succeed in the future rather than as a huge pain point. And in order to succeed, you need to go against your instincts, which are obviously going to based on your past experience.

Peter Margaritis
Talking about dealing with the uncomfortable having go against my instincts, but that's, that was so well put. How can people find you? How can we contact you?

Dr. Gleb Tsipursky
Sure, well, my book "Returning to The Office and Leading Hybrid and Remote Teams: Benchmarking the Best Practices for Competitive Advantage" is available on Amazon. So, check that out. And for me myself, you can check out my resources at DisasterAvoidanceExperts.com That's DisasterAvoidanceExperts.com There's blogs, podcast, videocast, online courses, books, of course coaching, training, speaking all that sort of good stuff. Check out especially

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Peter Margaritis
Before I let you go? What's the next book you're working on?

Dr. Gleb Tsipursky
I am right now spending my time on helping leaders make the best decisions about returning to the office. Can't share what my next book will be on, but right now this is what I'm focusing on.

Peter Margaritis
Thank you so very much. It's a pleasure always to see you. I love this conversation. And the audience, go get his book. It's got a lot of helpful tips in there. And think about going against your instincts. I can't... I just... I get tickled when I say that. But it's true. Think about going against your instincts, and make it a daily habit as much as related to this topic, and pick yourself out of your comfort zone and get uncomfortable for a while. So with that, with that being said, thank you very much. I always appreciate it, Gleb, and I'm sure we will talk again soon on my podcast.

Dr. Gleb Tsipursky
Thank you again, Peter.

Peter Margaritis
I want to thank Gleb for his time and discussing his book, "Returning to The Office and Leading Hybrid and Remote Teams: A Manual for Benchmarking the Best Practices for Competitive Advantage" in the tips that he provided. I will conclude with an improv quote that's fitting for this interview and was also fitting with for the interview with Brian Comerford. and that is "Improv takes place in the present tense."