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Recorded Message: The Hennessy Report from Keystone Partners. A free flowing conversation with leaders in the HR community talking about themselves, the industry, and their work. Brought to you in cooperation with NEHRA, the Northeast Human Resources Association.

Dave: Welcome to The Hennessy Report. I'm Dave Hennessy and today's guest is Steve Pemberton, the CHRO of Workhuman. Steve has an amazing life story. In fact, it's chronicled in both the book – autobiography – and the movie *A Chance in the World*. Reading and some key people in his life really elevated him out of some very difficult circumstances. In fact, he talks about on this podcast somebody that was a meaningful mentor to him later in life, and that was Kathleen Wilson-Thompson, the head of HR at Walgreens.

In fact, Steve served as head of diversity and inclusion for Walgreens on her team. Steve really sees HR as the people who take care of people, and Workhuman uses technology to enhance that and support performance management, providing the mechanism for moments that matter. Steve's a very inspiring leader and has incredible insights, which you'll enjoy. In fact, he really is focused on income inequality and things larger than just his organization and his immediate circle. In fact, he talks about his experience with “human lighthouses” and how we all have them.

Up next we have Danielle Stanton, the CHRO of SNHU. Good timing on that podcast because that's one of the leading online educators. And now our conversation with Steve Pemberton.

Steve, welcome to the podcast.

Steve Pemberton: Thanks for having me, David.

Dave: We usually like to get a sense of our guests and what they care about and what's important to them, and there's a lot to know about you. I've read your book and watched the movie and just an amazing life with a lot of people early in your life that failed you. How'd you get your confidence to be a leader in business from there?

Steve: In some ways it was the same kind of mindset that I had in the middle of that circumstance growing up in foster care and largely being forgotten about. It's a harsh thing to say, but the reality is that I'd been discarded. My reaction and my response to that was to fight with whatever was around me. But when you're a young boy, you're limited, so my weapon was reading actually. I just enjoyed it the way that anybody would enjoy a hobby. And this idea that it could actually elevate me out of the circumstance became clearer to me as I continued to do well in school as a result.

That kind of approach and what it allowed me to do is develop a vision of my own life but then also any situation or circumstance. It also forced me to be solution-focused, to think quickly, and this mindset that what I don't know I can learn, provided that I am willing to do the preparation, willing to sacrifice. And then lastly, and probably no doubt the biggest effect that it all had was being in positive, affirming, empowering, inspiring environments and in those careers. So, throughout my career, it's no accident that I've always been focused in mission-centered industries, so in higher education; I was in career advancement, in healthcare, and now in recognition, empowering humanity.



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That is just very much a reflection of those early years, the absence of those things in my life. But then later on the memory of them are still with you and how important the work that we can do can fill the gaps in other people's lives, especially now. Especially now.

Dave: So, in some ways the challenges that you had earlier were also the fuel in a way because you knew what was needed to keep making yourself better and making your life better.

Steve: Yeah. Sometimes the pain of our past is part of the happiness of our present. Audre Lorde made that point some time ago, and it's true. And I've always thought that HR is a unique profession in that context because, literally, we sit right in the middle of humanity. HR, we're the people who take care of people, so they can do their best work, right?

Dave: That's great.

Well, why don't we talk about your business. Let's talk about Workhuman. What's the model? We touched on a little bit, but if you could tell us a little about how you work with organizations and what the mission is at Workhuman.

Steve: Well, it's really predicated on this belief that the best of humanity comes from positive, empowering, inspiring environments that are crowdsourced and peer-driven. So much of the ways in which we are recognized in organizations oftentimes will come from management, but whether you're working on a team or on a project that requires some degree of collaboration or support across functions, you really do begin to learn who's doing the work and the impact that they're having.

So, what we do is, in essence, provide the mechanism and the platform to bring those moments that matter to people's lives on a daily basis. That comes across with their peers. And, of course, it's seen and approved by management who also receive recognition and deliver recognition. The net effect of that, the ability to transform culture takes the words off the wall and puts them into behaviors and things that you can actually see.

Dave: Can you give us a sense of what it looks like inside an organization? Is it a software and there must be some education about how to use this?

Steve: Yeah, so it is literally just that. It is a platform that sits on your desktop, on your mobile.

Dave: And everybody in the company has access...

Steve: And everybody in the company has access.

Dave: ... all levels.

Steve: All levels. It doesn't matter who you are, when you started, how long you've been there. From the day that the platform's implemented, you have the ability to begin recognizing immediately. A lot of that has to do with our own internal implementation process, so we have a whole team that is



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dedicated to getting the platform created, established, formalized, and then communicated across the company.

Our brand promise is that this platform and the way it's architected it's going to allow you to shape, shift and celebrate culture on a daily basis. That means it's all going to be focused on the adoption and the implementation side. One of the secrets to our success is that we're going to be as passionate about the implementation process as we are about the sales process.

Dave: Right. And you said it really helps build culture as well. I imagine, it changes culture when you really implement some of these tools.

Steve: It does. It does impact culture, it affirms culture. I was actually literally on our recognition platform this morning. I was approving recognition moments. I was delivering recognition moments on some very specific tasks and projects that were completed really well.

Dave: So you're eating your own cooking. This is done inside Workhuman as well as for your clients.

Steve: Yes.

Dave: I imagine as an HR leader you have a very unique perspective because you're also a user, a buyer, somebody that would buy these types of services, so I imagine you have influence in the customer side of this operation, the product development side. Is that true?

Steve: Because we deliver to HR specifically through comp and ben functions, so we can be kind of a lab for a product team, "Hey, how would you respond to this? How would you think about that?" So we get involved in a lot of those things early on.

Dave: So you can test some things.

Steve: Absolutely.

Dave: It's like, "Hey, I think this will resonate in the marketplace. We love it."

Steve: Yeah.

Dave: You also can give some bad news and say, "Don't use this one. Don't give this to a client."

Steve: We've seen a lot of HR faux pas, so you go, "But if you really thought about that for a minute." I've seen enough of those faux pas and I say, "What was the decision-making process? Who was in that room? Who was around the table?" I said, "Okay, this is a good thing to do." And sometimes it's the absence of those voices.



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For us, it's not just recognition though. We call it the Workhuman cloud because there is an intersection of people processes that I think recognition is the foundation of, but recognition can also translate into performance management.

Dave: I was going to ask that. Yes. How do these tools interplay with performance management for your clients?

Steve: For us, it's conversations actually, and that's literally what it's called, conversations, where you're having these rather than once a year or twice a year performance management discussions.

Dave: Everybody's saying this just doesn't work. Ratings once a year...

Steve: Yeah.

Dave: ...it just doesn't work.

Steve: One of the problems is that you can't react to things real-time. In a conversation, so let's go back to the project that you and I are working on, and let's say that you were late or I was late, or you and I mutually agree, "Hey, we got to sit down. That didn't go as smoothly as we wanted it to." That's literally a conversation that you and I can have, so I'm giving you feedback, you're giving me feedback, "Hey, where can I improve?" Well, the next task or project I'm going to remember, "Hey, David really pushed me on this. I'm going to be attentive to that next time around."

Dave: It's not just good news recognition. There's also, "Hey, I think we can do this better next time."

Steve: Absolutely. As is service milestones, as our life events. I can tell you that in our company we had 41 babies who were born. 10 people were married across our workforce.

Dave: Just in the last year?

Steve: Just in the last year.

Dave: How big is Workhuman now?

Steve: A little over 600.

Dave: 600. Okay. And it's Dublin and...

Steve: Framingham.

Dave: Have we always needed these kinds of support tools to share with each other and to be positive and to be more recognizing of each other's accomplishments? Was it always that way, or is it the sign of the times that we need to provide more of these kinds of...



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Steve: I think it's always necessary. The goodness of humanity always wants to be affirmed. That is one of the elements of being a social being is affirmation. But there's something different in this time now. The foundation of culture, dissonance, cynicism, attacking, certain degree of mean spiritedness, disconnection, that oftentimes regrettably is quite purposeful because there's some business models that are tied to it. There's political models that are tied to it.

I'd argue when so many other structures are not necessarily living up to their mission, the workplace actually is becoming maybe the last best place for humanity to define itself because in the course of a working day, you're going to encounter people who are different than you who have different talents and skills than you do, and oftentimes you have to work with those individuals towards a greater good. There's something instructive for the rest of us about that, so why not the workplace as opposed to trying to find it externally?

Dave: Since you mentioned it, you were a head of D&I before you became a CHRO. Can you talk a little bit about what works well in the workplace with regard to creating a more diverse and inclusive workplace and what doesn't?

Steve: Yeah. I do think that this as a evolution has gone through different cycles and I do think with the end of the runway of one particular cycle, which is necessary and important. That is always talked about the importance of diversity and it would be part of the social fabric of the organization. But just some hard realities that we have to face. That is not going to be the most effective way for us moving forward.

Dave: What do you mean?

Steve: Well, I think, one, that you're still dealing with a lot of tensions over the rapid acceleration of diversity, both in society and in organizations. We still have really a dearth of leadership at senior levels as an example.

Dave: The needle is not moving nearly fast enough, right?

Steve: And we know that while we have been in that phase of diversity and inclusion, we now know that many women were experiencing the most monstrous and inhumane of behaviors in the workplace, the Me Too Movement. What are some of the strategies I think that can help us advance? One, just a philosophical shift, and it requires a kind of a dual perspective because, on the one hand, so much money has been spent on unconscious bias training, but there's a harsh reality to face that a lot of what we're seeing today is not unconscious. This is conscious behavior.

Dave: It can be bad intent as well as unconscious bias.

Steve: Yes. Those things that are unconscious should be our focus, of course, but we also got to sail very aggressively. At Workhuman we're in a unique position to help address this. If the only time that we're talking about diversity and inclusion and belonging and whatever other evolution is in the context of adverse behavior, then you miss the greater connection points to everything else that different lenses and different experiences bring.



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And anytime you're talking about the gender perspective in the workplace in the context of sexual harassment, that's a real problem because it's not all that she is. There's a lot of other perspectives that come from experiencing the world differently as a woman or a person of color or someone with a disability or the LGBTQ community.

I mean, you can just go down the road and ask people to bring their whole selves at work, bring their experiences to work, because I think that has such a major impact on everything from product design to marketing campaigns to this greater awareness of the thing that you should not say, of course, but what about the thing that you should say that are more empowering?

There's really tight connection, I think, between diversity and innovation, so we have a braille system which comes because of Louis Braille, and I'm willing to bet that he doesn't create that if he weren't blind. There's so many of these examples, and I think we've got to invert the numerator and denominator here and see diversity as a driver of innovation.

Dave: I love it. Do you think the D&I title should be inside ... D&I should have a function in organizations going forward, or do you have a different perspective? Should it be everybody's responsibility, or do you think in large organizations we should have somebody with a title of head of diversity and inclusion?

Steve: I think you have to because it can lead to a certain degree of self-determination that could be viewed differently. Product, sales, legal, IT can mean all something different. But I do think that those roles have to have a very, very specific focus on empowering, inspiring the functions to help deliver D&I because companies and organizations, if you really think about it, they're made up of small industries: legal, sales...

Dave: Right, the functions

Steve: ... IT, HR. Let's look at this from a recruitment standpoint. HR for quite some time has been a fairly diverse field from CHROs, many who are women.

Dave: Sometimes the only senior executive that's a woman.

Steve: Yes.

Dave: It could be the CHRO.

Steve: Absolutely. Not uncommon, but sales a little bit less so. IT, African Americans or Latinos, less so. And that's as much a function of the pipeline as well. In other words, you have to have different strategies. Some are longer term, longer view, and then others should be more focused on leadership advancement let's say. As a strategic function, I think it needs an owner and a driver. The decentralized model they're rarely sustainable.

Dave: Shift it back to HR here at Workhuman. What's important to the people that work here about how they work together?



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Steve: I would say that we attract people who have a genuine passion and interest in furthering humanity towards a greater good. This is not a vinegar place. This is not a place where currency is gained by attacking, criticizing. It's more on the other side of empowering, inspiring, helping people do their best work and...

Dave: Which is consistent with what you bring to the marketplace anyway, right?

Steve: Yes.

Dave: I would hope it's here, right? But that makes sense.

Steve: It better be. You really do have to live what it is that you're delivering. My team, the company's tired of hearing me say it, but the bar is higher for us. It just is because of who we are selling into. What we deliver to the marketplace are what our brand promise actually is.

Now, the ability of our platform internally I can see who's getting recognized. I can see where the recognition moments are coming, who's delivering them, what teams, what functions and also who's not. So, it gives us this opportunity address to things real-time.

Dave: You can go to that group and say, "Why aren't you using these tools? Why are you not providing the feedback and the coaching and the recognition?"

Steve: Yes. The impact that has on retention, for example. I think one of the areas that we've got to evolve is rather than this kind of a reactive model vis-a-vis exit interviews.

Dave: It's too late.

Steve: Too late. She's already left. Whatever you learn in terms of the reason that she left, it's not going to help her. It might help the next person. But what if you could address that as it's unfolding? What if you realize that there's somebody on your team who has not been recognized, somebody who has not had an opportunity to better themselves through a conversations moment?

Dave: I think this would be a good time to have the NEHRA emerging HR professionals question of the podcast. We do this every time, and I know you're a big supporter of NEHRA too.

Steve: Yep.

Dave: We have Meghan Mandino asking this question.

Meghan Mandino: So you've written about the importance of the Upward Bound program and the mentors you found there. We were wondering if you've had any meaningful mentors throughout your HR career.



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Steve: I have the most influential mentor that I had and still have is the current global CHRO of Walgreens, Kathleen Wilson-Thompson. Kathleen is leading HR for one of the largest companies in the world, but her philosophy and approach was and is actually, as she would often say, “you run your own shop.”

Dave: Oh, she empowers people to run their whatever they're responsible for. You got it.

Steve: You got it. That kind of empowering element actually always made you want to be a student of your craft because I think that that's very important to do. Always learning, studying what are the innovative practices in HR, for example, and then bring those findings and learnings to that leadership table.

To me, the single greatest definition of a leader is whether or not the people who support that individual do they go on and do their careers evolve and grow. And she continues in that vein, and she also would put you in situations that would give you that same opportunity as well. That, to me, was the single most important thing that she did. Mentoring isn't just about having a one-on-one conversation. The mentor talks to you one-on-one in the room. The sponsor talks about you in a positive way when you're not in the room, so. “I think we should really have Meghan join that team.” Sponsors will stretch you.

Dave: Is there somebody that you'd recommend that maybe a lot of people listening have not heard of that you look to in the HR community as somebody that's really doing some amazing things that's up and coming? Anybody we should be watching? These people who doing some amazing things in the function.

Steve: One of my all-time favorite people in the HR space is Candi Castleberry-Singleton who is at Twitter. Candi's always been focused on dignity and respect...

Dave: Same role she heads up the function like you?

Steve: Yes, that I did at Walgreens, and she now is at Twitter. Caroline Wanga at Target is another who comes to mind. Tyronne Stoudemire at Hyatt. Some of the thought leaders. Brené Brown, for example.

Dave: Oh, sure. Yes.

Steve: Tony Schwartz. Brené is focused on leadership, and the way that leaders show up is I think always an important message. And Tony's on that intersection of leading and living. How those two worlds intersect is equally important.

Nissan, which is...

Dave: Yeah, I've heard about them with regard to their HR practices.



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Steve: They have a culture of continuous improvement. They call it Kaizen, which is a combination really of the British and the Japanese styles, but it's all focused on continuous improvement. It's the foundation of the culture. We all have heard the stories of the companies who didn't shift in time, and they were strong, powerful, doing very, very well, but all of a sudden they were no longer relevant, so what happened to them? The landscape underneath them shifted and they wouldn't shift with it.

Dave: Steve, have you had a long held belief maybe since you've been in the HR world that you've changed your mind about?

Steve: There was a time that I really underestimated the importance of leadership. I thought wrongly that when you get to a certain point in your career managing teams, everybody understands what it means to lead. How don't you get that? Why wouldn't you understand...

Dave: You mean if somebody reaches a level in their career...

Steve: "Oh, they've arrived." Boy, is that wrong or was that wrong. It's almost entirely about leadership. In fact, I'd argue that the more responsibilities you take on, the more visibility you have within the organization, whether it's in HR or any other function within the organization, the more humble you have to get, the more that you have to create a culture of a leader of collectivism.

I ask my team all the time, "What don't I know? What don't I see?" I have a responsibility as a leader to create that conversation, "What's giving you pause?" I would much rather my team tell me or us within the company tell each other than the marketplace tell us. But I think the leader has a responsibility to create that culture as opposed to just defaulting to, "Well, you must know what you're doing because it says on the org chart that you're the head of the function."

My feeling is that that's how the whales end up on the beach because they're following the fool up front who says, "I know where I'm going." And you know that there's a couple of whales way in the back and they're going, "This isn't the right way."

Dave: And we need them to speak up because the leadership has to create the environment that pulls that information out.

Steve: Yes.

Dave: Right. That humility to say, "I might not know everything. I might be going the wrong direction." You mentioned how important culture is not only inside organizations but also the larger world, and you have also shown some desire to take that into a political direction. I think you ran for senate, and I'm wondering if we might look for something like that from the future. Maybe talk a little bit about your experience, and what could we see from Steve Pemberton in the future?

Steve: Well, there were some real drivers for me in becoming a candidate for office. One, I think just generally we all in some way have to answer the call of country. Now, how you choose to do that is subject to one's individual choice. For me, it was running for office, but I had some other drivers too.



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We're living in a time of unprecedented income inequality. This actually the third rendition of it. We saw it in the 1890s. We saw it again in the 1920s. This is much worse.

Dave: And you and your life story you've lived through some of this difference in inequality.

Steve: Yeah. The life expectancy in the United States beginning in 2014 is declining. We are the only high income nation in the world for whom life expectancy in an era of major advancements in medicine is going the other way.

Dave: Crazy.

Steve: There's just this harsh reality to face of the avalanche effect of income inequality when people are locked out and shut out of a system. It is no accident that as a result that leads to desperation, self-destruction, and ultimately a certain kind of disintegration of individuals, of families, communities, country. We're seeing record levels of mental illness, record levels of addiction, of incarceration, suicide, family separations.

Many leaders in HR are seeing this because these are also individuals who are employees, so this avalanche of desperation is also becoming part of the expanded responsibility of HR leaders. How do I help address some of these societal ills? And certainly, you're right personally. What I described before those are called deaths of despair. People dying out of despair. This is terrible and it's not going to get better.

I lost both of my parents to deaths of despair, and it subsequently put me on that same road that fortunately so, I did not remain on largely because I had some drive. Yes, but I also was met by some people who had such a major impact on my life. And I actually have come to call them human lighthouses because that's very much what they were.

The challenge at the public realm to me, and I experienced this firsthand as a candidate. You and I woke up today and said, "What am I gonna do today? What am I gonna solve today?" What I encountered far too much in this generation of public servant any way, not all, but far too many of them don't wake up that way and they wake up the way most Americans do. They wake up trying to figure out who and what they can stop.

It's a very different ethos and a very, very different approach to the world. And if at the end of your day you're saying, "Well, I stopped that." That is not a pillow I want to put my head on at the end of the day. I want to know that something I did advanced humanity, created some goodness in the world that somebody's life is actually better because of what I've done.

My wrestle is whether or not public service is the most effective way to do that because the culture, David, the culture is so misaligned with how the rest of us live. We don't understand. We don't understand why there are weapons of war on American streets. We don't get that. You can both protect our liberties and have a universe where children aren't diving under desks. That's not acceptable in America.



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We benefited from leaders in the past who always knew when to correct, so when we had this income inequality before, that's what America did. We kind of self-corrected. What's different this time around is that there is just a flat out, outward, unapologetic resistance to course-correcting, and it's aided and embedded by racism, bigotry, othering, which never improves humanity. There's no society that we can look at today or historically and say that society became better because they were putting somebody in the category of other, so it's not sustainable.

And we have these very stubborn things called the *Declaration of Independence*, the *Bill of Rights*, the *Constitution* that have served America well, so we're going to have to take some stance I think and decide what kind of nation do we want to be.

Dave: It sounds like we haven't heard the last from Steve on these issues, so it's exciting. As an avid reader, what's a book that changed your life?

Steve: It was definitely *Watership Down*, a great classic by Richard Adams.

Dave: I think you read that as a child, right?

Steve: I did.

Dave: Was that given to you by your neighbor that book?

Steve: It was.

Dave: This is 11.

Steve: Yeah. The book itself was very much a lighthouse for me. The reason I gravitated to it so much was because it was about a group of rabbits who all of a sudden found them yanked away from home, and they go off on this mission to just find home and the world is full of danger and difficulty. They're small, they're defenseless, often overlooked, forgotten, and he said something that for me became as much of a life's philosophy. He said they stand and they fight because it's safer than running. It's safer than running.

I, who probably have that natural tendency anyway to push through, persevere, reading something like that just affirmed it for me, so I didn't feel like it was an aberration or that I was an anomaly. Fortunately, I don't have to fight that way anymore, but I take on different fights that are much more about others because I do find others who are fighting those same kind of fights today, people living lives much like my mother and father did and that my siblings are, some of them, not all. And so that's the question in front of us now, so what do we do? It's not about our own suffering but about somebody else's suffering.

I find a lot of those answers to be in the people alongside of us. Heroes aren't always above us, the people you see on your social media timelines and massive followings and big titles and connections to power. I think the real heroes are the people like Claire Levin who brought me books, Ruby, the director



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of the Upward Bound Program, John Sykes, a teacher who took me in when I was just 16. They're very much like the lighthouse.

When you think about the lighthouse, the lighthouse is the tallest structure in the sea. Rarely will you see a name on a lighthouse. It doesn't need that recognition. It doesn't need to tell you what it is. As soon as you see it, you know what it is. It doesn't judge your circumstance. It doesn't care about your label. It doesn't care if you're black, white, voted Republican or Democrat, gay or straight, differently abled. Lighthouse never cares. Sees you in difficulty and then says, "Here's my light. Follow that and you'll be in a new place and in a safe harbor."

The most powerful lighthouses in the world of the human ones. I had them. You had them too. We all can be that.

Dave: Well, I think this is a good moment to end our podcast on that note, so thank you so much.

Steve: Thanks. I enjoyed it.

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