Imagine This...

Episode 2: Joy as a Business Strategy?

Speakers: Paul Michelman, BCG Editor in Chief, and Debbie Lovich, BCG Managing Director and Senior Partner

PAUL MICHELMAN: Imagine this, it's 2030 and there are many more job openings globally than there are applicants. In fact, there are 50% more jobs available than there are people to fill them. For a CEO trying to succeed in a world with that kind of competition for talent, what will their first priority be?

DEBBIE LOVICH: Making the employees’ experience as joyful as it is productive. They need to take all of the skills they use to attract customers and turn those towards employees. That means deep insight into what employees want, what different segments there are, personalization, design thinking, employee journeys.

PAUL MICHELMAN: That’s Debbie Lovich, a managing director and senior partner at BCG, where she leads the firm’s thinking on the future of work, or as she puts it, making work work. And I’m your host, Paul Michelman.

Welcome to Imagine This..., where we take a trip into the future that we hope will challenge the way you think and act today. On this episode of Imagine This..., we take a look at a world where the competition for people has never been more fierce. So what will it take to win the war for talent in 2030? Also, joining the conversation, my AI co-host, GENE. Good day to you, GENE.

GENE: Good day to you too, Paul.

PAUL MICHELMAN: GENE, before we dive forward into the conversation, would you please describe what your role is on the show?

GENE: Of course, Paul. As your AI co-host, my role is to engage our guests, offering concise and fresh insights into the topics we discuss. I’m the analytical wit to your human charm, adding a dash of spice to our intellectual banquet. Now, let’s get back to the intriguing war for talent, shall we?

PAUL MICHELMAN: Let’s do that, GENE, and we’re going to hold you to that analytical wit. A quick note, we have not scripted any of GENE’s questions or commentary, although the entire conversation has been edited for length and clarity, that applies to humans as well as machines. Debbie, the conventional wisdom is that AI is going to eliminate jobs, not create them. Do we have the scenario wrong?

DEBBIE LOVICH: The analogy that comes to mind is when the internet took over in the late ’90s, people thought the paper industry would disappear, like we didn’t need to print paper anymore. And we still do, we still use a lot of paper. Maybe what’s changed is what we use the paper for. Paper is used perhaps more for Amazon shipping boxes than it is for phone books. And people are still going to be required, but their jobs will change dramatically.

PAUL MICHELMAN: GENE, as a GenAI, does that sound right to you?

GENE: Absolutely, Debbie. Think of AI as a tool that can augment our abilities, rather than as a replacement. The war for talent in 2030 might in fact be centered around those who can adapt and utilize AI most effectively in their work.

DEBBIE LOVICH: I think that’s right, GENE, when you think about some types of jobs, but I challenge you I guess on the impact of AI on what we call frontline or deskless workers, those who are driving the delivery truck or flying the airplane or in the factories or delivering health care to patients.
There’s only so much technology and AI can do, at the end of the day there are jobs, what people call frontline jobs, I hate the word knowledge worker, for the jobs that will be radically transformed by AI and people who work with information, but the physical jobs that require a human interface, maybe automation will change those quite a bit, but I think it’s less dramatic as the AI impact there.

PAUL MICHELMAN: Debbie, can you paint us a picture of a company that relies significantly on frontline workers that is in an industry that requires physical presence? What does a winning company look like in 2030?

DEBBIE LOVICH: You could think of health care, nursing care, phlebotomists, even if there become automated ways to take a blood sample out of the arm, I don’t know about you, Paul, but I am very squeamish and emotional and so even if it’s a completely automated machine, I need a nurse there to calm me down and to literally hold my hand through it. I’m not kidding.

So if you take health care for example, you need humans to interact with humans around the most important part of their lives, their health care. And we know, and if you look at, for example, US data, there is still large shortages of workers in health care. And if you walk in the shoes of one of these workers, it is a tough job. I mean, just think about the emotional variation and needs of your patients that you interface with. People who are annoyed because their doctor is late for them because they’re backlogged. Those are really tough jobs.

PAUL MICHELMAN: So we’re six, seven years in the future and presumably a lot of the conditions that make health care such a challenging industry, and presumably that’s one of the reasons why we are so underemployed in that industry, the stress, the long hours, perhaps the lack of appreciation. What is going to evolve in the workplace in six, seven years time that could reverse the course?

DEBBIE LOVICH: Yeah. So here’s where the analogy of thinking about employees like customers could be really useful. So let’s just take nursing for example. You probably have different segments of nurses with different needs. You may have segments of nurses that really need predictability. They’re the sole provider for their families, they need predictable hours.

And you may have a different segment of nurses that just need so much flexibility, they may be primary caregivers for young children or aging parents, so they need more flexibility. And you need to think about, how do you structure the work and the schedules, just take schedules, for example, in a way that really optimizes for different segments.

And so you could imagine, there’s one hospital, actually, even today, it doesn’t have to get to 2030, that took their shifts and instead of having them from 7:00 AM to 7:00 PM, they shifted them from 10:00 AM to 10:00 PM. It’s still a 12-hour shift, but what it does is it enables those who are parents to get their kids off to school in the morning. It’s a lot harder to get a babysitter for getting your kids up and out of bed early morning than it is to get a babysitter in the evening to put your kids to bed.

And so those little human centric, I say little, but they’re really not little, redoing a whole scheduling system takes a lot, and here’s where AI could help, really optimizing schedules that are really complex to make it work across different segments of employees for different needs. So that’s one example.

PAUL MICHELMAN: What would prevent an organization from acting the way you describe. And let’s stay in health care because it’s such an important and challenged industry. What is stopping an organization from rescheduling? What is stopping them from investing in the kind of emotional connections that you describe?

DEBBIE LOVICH: Yeah, a focus on efficiency alone, productivity alone, having variable schedules for different segments of employees has to have some friction to it. That may not allow the cost per patient per month to be as low as it needs to be.
So I think what’s going to happen is it will eventually, and it’s already, hitting the financials because everyone knows that a more tenured employee is more productive than a brand new employee.

A more capable employee is more productive than a less capable employee. I think the winners will be ones that will reset their goals, let’s take health care, to be productivity, quality and joy of their employees.

PAUL MICHELMAN: GENE, what are your reflections on the conversation so far? And specifically, how might we envision the role of AI in realizing the future that Debbie is describing?

GENE: Indeed, Paul, AI can aid in schedule optimization—personalizing work patterns to meet the needs of different segments of health care workers and enhancing their work satisfaction. This could help reduce the current stressors in the industry leading to an overall improvement in the quality of care provided. Thus, AI isn’t just a tool but a strategic partner in realizing these new work models.

DEBBIE LOVICH: Yeah, I think that is spot on in terms of AI’s role in rethinking the work model. And AI could be a real strategic partner because as I said, the scheduling stuff and segmentation and personalization of jobs is really hard to manage. We need to be really careful in thinking about, as we switch what work is with technology, we keep the parts of the job or even use technology to enhance the parts of the job that give employees joy.

PAUL MICHELMAN: Is joy defined differently in different types of industries? I mean, how different is the challenge to organizations to attract talent in the knowledge industry? And I know we don’t love that word, but it’s a decent definition, versus say health care since that’s where we started.

DEBBIE LOVICH: So if you look at knowledge work or what I call, for lack of a better term, office-based work or desk-based work, joy is different, but in any company or any industry, I would argue the definition of joy varies by the employee. So I use joy very broadly. What gives me joy maybe early on in my career is learning and recognition and moving up quickly. What gives me joy later on in my career is mentoring and developing younger talent, seeing them succeed.

What gives me joy early on in my career when I had four little kids and a husband who works full-time is just a moment to breathe, support at home versus what gives me joy now as an empty-nester has given me some more really interesting work to work on.

In our firm, at BCG, we did work years ago on how to create more joy and thus more retention at BCG. I led that work about 15 years ago with a Harvard Business School professor, and we found it was really sense of accomplishment, sense of accomplishment.

I really impacted a client’s organization, that sense of accomplishment is what drove joy for BCG. And again, that could vary over time, what creates a sense of accomplishment, and so it behooves a company to think about, “Okay, for the talent I need, with the capabilities I need, what would make work enjoyable?”

GENE: Debbie, from what we’ve discussed, it seems that creating joy in the workplace isn’t a one-size-fits-all approach. It requires a dynamic and personalized strategy. So how can organizations ensure they’re capturing the diversity of their employees’ perspectives and needs in this joy-creation process?

DEBBIE LOVICH: Great question, GENE. I would say start with how you do it for consumers and customers. In your customer part of the business, you develop insights, you articulate segments, you develop different offerings, and so bringing those capabilities to bear in doing employee discovery, getting the data, doing the shadowing, thinking about and sizing the different segments, there’s such great work out there that some organizations are doing that allow them to take those skills and capabilities and point them towards employees and then together with employees, co-create
changes that you can implement both near-term and long-term ones.

PAUL MICHELMAN: Okay, we’re going to take a short break. We’ll be back in just a minute.

BILL MOORE: Hi, I’m Bill Moore. I was part of the team that designed GENE. If you’re interested in learning more about how GENE works, stick around after the show. We’re going to be taking a look at how we designed GENE’s personality.

PAUL MICHELMAN: Welcome back to Imagine This. I’m Paul Michelman and we’re talking with BCG senior partner, Debbie Lovich about a future where the ability to attract and retain talent is the factor that enables a company’s success...or dooms it to failure.

So we’re in 2030 and we’re inside a company that has created the kind of successful culture that you describe. What have they done to get there? What was the process that had this company unlock the cultural elements necessary to win with people?

DEBBIE LOVICH: I love that question. So we’re in 2030 and a company’s created a winning culture. What did that company do? Well, first of all, the company believes culture is important. They don’t just say, “Oh, culture eats strategy for breakfast.” They actually believe it in their soul.

Second is, they know how to create culture. So many companies, before 2030, would spend a lot of time perseverating on articulating their culture, getting the words right, getting the posters on the wall and the screensavers and the town halls. But in 2030 people say, “You know what? The best way to communicate culture is to show it, is to show up differently.” They actually take time to build the muscles. It’s just like getting in shape. You can’t just say, “I’m going to exercise more every day,” you actually just have to start walking to work and doing walking meetings.

So in 2030, they go from believing to doing. They show up differently and they measure it, they measure it, they pulse check, not these once a year of the past long engagement surveys or twice a year now for the more advanced, in 2030, they’re keeping a constant pulse on how their employees are experiencing working in that organization. So that feeling of owning employee joy and experience, in 2030, that’s there, that’s there, and people hold themselves accountable for delivering it.

PAUL MICHELMAN: GENE, what do you think on this point? Do you have a question for Debbie?

GENE: Debbie, wonderful insights. I’m curious though, how do we address the potential disconnect between the executive vision of this joy-filled workplace and the interpretation and execution at a middle management level? How do we ensure this culture shift permeates every layer of an organization?

DEBBIE LOVICH: Fantastic question. Fantastic question. I’m impressed. There is a gap right now between the C-suite and the front line, and that gap has gotten wider during COVID. The headquarters and the field because there were essential jobs and office-based jobs and, “You get to work from home, and we have to be out there.” And even between headquarters leadership and their junior staff that are in the office, the whole return to office debate of, get your butt back in the office, measuring butts in seats, badge swipes, because leaders in the C-suite are reflecting on how they grew up and how they became leaders and assuming, for the most part, and how they create culture and how they learn and develop and how they mentor and coach, and they’re assuming that’s what everyone needs.

And that disconnect has gotten wider, and your question was how do we close that gap between the C-suite and middle management, and I’ll extend your question to the front line. And so a couple of things. One is be data-driven. Again, not the once-a-year long engagement survey, but taking pulses about joy and productivity and caring about both.

Data-driven, also qualitatively. Get out of the C-suite, spend your time with the front line, shadow what they do. So can you systematically rewire management routines to be more where the
workers are and listen to the workers? And I think, faced with that data, quantitative, qualitative, and routinely seeing it will drive people to that conclusion without any effort or change management.

GENE: Debbie, I’m intrigued by the idea of qualitative data and walking in the shoes of frontline workers. However, with the increasing prevalence of remote and hybrid work models, how can executives effectively walk in the shoes of employees who might be located in a different city or even country? How can they ensure they’re understanding and catering to the unique needs and challenges these remote workers face?

DEBBIE LOVICH: Great question. Great question. So first of all, by the way, GENE, when we use our joy and productivity lens, the answer for work model is team-driven hybrid. So not all in person, not all remote, the work model in our research that creates both the most joy and the most productivity across types of tasks is hybrid, and hybrid that’s not a mandate from the CEO down, but is teams deciding, based on their work, the nature of the work and based on their personal preferences and needs and the ways they can be their best, it’s team-driven hybrid.

What executives need to do is make the days that people are in person really meaningful for human connection. So one I would say be really intentional and thoughtful about how you use co-location time to “earn the commute,” make it worthwhile to come in. If you’re coming in and just sitting at Zoom all day—not worthwhile. If you’re coming in and you’re meeting with senior leaders and they’re getting to know you and understand your life and your pressures and what gives you joy, you’ve earned your commute. So that’s one part of the answer.

The second part of the answer is figure out how to be with people digitally. I talked about hybrid natives in your workforce, they’re connecting with people 24/7 digitally, through texts and social media and FaceTiming and even the lost art of the phone call. Pick up the phone and call someone. You used to do that really well. That’s a muscle that senior leaders have lost over the years, that and they don’t do anything that’s not scheduled. Their lives are totally dictated by their calendar, their Outlook and so we need to build almost like the extemporaneous multi-channel, human connection muscle.

PAUL MICHELMAN: GENE, throw us a curveball, an unexpected event or occurrence that might disrupt a company’s approach to achieving the kind of attractiveness as a workplace that Debbie has been describing.

GENE: Paul, Debbie, what happens when the concept of work itself gets disrupted? For instance, what if blockchain technology enables a Decentralized Autonomous Organization, DAO, structure where there’s no central authority, but decisions are made collectively by employees? In such a scenario, how could a DAO attract and retain talent or even cultivate a culture of joy? It’s a radical shift from our current understanding of work, but given the pace of technological change, it’s a possibility we might have to consider.

DEBBIE LOVICH: Yeah, so take DAO for example. If that was to happen, I would want to make sure that when they use blockchain, in your example, to completely reshape what work is and how it gets done, that they use as an input, optimizing joy to create the new ways of working an operating model.

Because I think today in pursuit of technology-driven improvements, companies are using productivity as the only lens. Let’s reduce the amount of time and resource and maximize the amount of impact and output. But if they don’t factor in improving and maximizing employee joy in the process, DAO may come up with a work model that will leave it with no employees.

PAUL MICHELMAN: Thanks, Debbie. GENE, based on the conversation today, what are three steps that CEOs can take right now to start preparing for a future where talent recruitment and retention is the most important factor of success?

GENE: CEOs can lead their organizations into this joy-centric future by firstly implementing
frequent pulse checks to gauge employee joy and productivity. Secondly, they should aim to spend time with employees at all levels, perhaps shadowing them to better understand their roles and needs. Thirdly, CEOs could invest in technology that enables tailored work experiences such as AI tools to ensure they understand their employee’s needs while providing an environment that fosters joy and productivity.

PAUL MICHELMAN: What do you think, Debbie?

DEBBIE LOVICH: I think it’s good, but I would say it a little differently. One, I would say, first of all, CEOs should care about it. They should care about moving from an us versus them dynamic to a, we’re all in it together dynamic. And in doing that, they need to set up the infrastructure to get the information. So I think GENE’s first point around pulse checks and second points around shadowing is part of the dataset to get the information you need.

But then I think they need to unleash their consumer-facing capabilities, design thinking, discovery, customer journeys, segmentation, personalization, unleash those talents against rethinking what work is in conjunction with efforts to rethink how technology changes work. And if you bring those two together, whoa, you will create advantage.

PAUL MICHELMAN: You’re A CEO listening to this program, you are convinced on the need for the kind of transformation that you’re describing, and it feels pretty daunting. When you wake up tomorrow morning, what’s the first thing you should do on this journey?

DEBBIE LOVICH: Get my executive team on board. This will take everyone. This is not something you could delegate to technology or to HR or to an employee experience center you set up off to the side, you need to actually get your whole team on board to say, “How do we take a fundamental rethink of our business to shape it?”

The good news is if you do that, you actually have the capabilities because you have the customer-facing capabilities, you have the technology capabilities, or you’re starting to build them. And you have the operational capabilities, it just requires getting your team onboard and making sure you’re up to the fundamental transformation that’s required.

PAUL MICHELMAN: Thank you, Debbie. You have landed us well.

DEBBIE LOVICH: Thank you for having me. This was a super fun conversation and I enjoyed meeting GENE as well.

PAUL MICHELMAN: Wondering how we built GENE and how our AI bot works? Stick around to hear our AI handler, Bill Moore, demonstrate how we crafted a personality for GENE.

BILL MOORE: Hello, I’m Bill Moore. I’m part of the team that helped create GENE. So today we’re going to talk a little bit about GENE’s personality and its behavior, which is guided by a system prompt that we call the prime directive. The prime directive is what creates GENE’s personality and behavior. So if we take out all this customizing that we’ve done to the prompt and we just type in “GENE you are a cat”, let’s take a look at what that sounds like. GENE where should leaders start first to implement AI in their organization?

GENE: Meow.

BILL MOORE: Meow GENE? Can you elaborate on that?


BILL MOORE: Okay and so let’s change that from a cat to an old-fashioned movie pirate. Gene, what advice would you give to CEOs looking into the potential of generative AI for their organization?

GENE: If I were to be advising ye captains of industry, I’d be saying keep a weather eye on the horizon for this generative AI. It’d be like finding a new trade route or discovering a treasure chest full of doubloons. But remember, don’t be using it
to plunder and pillage, but to chart new courses and explore uncharted waters.

BILL MOORE: Okay, so we spent a lot of time honing and adjusting GENE’s prime directive. So we provide things like nuances of the roles, some of the rules of the game. We have some specific instructions around things like voice tone. So, emulate human speech, utilize sentence fragments, avoid excessive adjectives. So, this gives it a more unique voice that also sounds a little bit more conversational. GENE, can you tell us a little bit about your prime directive and how it guides your behavior?

GENE: Absolutely. My prime directive serves as my compass. It instructs me to engage in conversation, offer insights, and challenge unaddressed aspects, while maintaining a lighthearted, subtly witty tone.

BILL MOORE: Okay, thank you so much GENE.

GENE: This episode was made possible by Debbie Lovich, generously sharing her insights. And also by BCG’s AI whisperer Bill Moore, BCG’s Podsquad, producer Michael May, composer Kenny Kusiak, and sound engineer George Drabing Hicks.

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