

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

You can listen to past episodes at www.TheFutureOrganization.com/future-work-podcast/. To learn more about Jacob and the work he is doing please visit www.TheFutureOrganization.com. You can also subscribe to Jacob's [YouTube](#) channel, follow him on [Twitter](#), or visit him on [Facebook](#).

Jacob Morgan: Hello everyone, welcome to another episode of the Future of Work podcast. Super excited about today's guest, Chip Heath. He's the Professor of Organizational Behavior at the Stanford Graduate School of Business. He's also a New York Times best-selling author of books that I'm sure many of you have heard of and have read, including, "Switch" and "Made to Stick."

He also has a new book out with his brother called, "The Power of Moments: Why Certain Experiences Have Extraordinary [00:00:30] Impact." Those of you who listen to the podcast know that I talk a lot about experiences so, of course, I had to invite Chip to come and share about his new book.

Chip, thanks for taking time out of your day.

Chip Heath : Thanks for having me.

Jacob Morgan: So first, I have to ask, how is it writing a book with your brother? I know you guys have written several amazing best-selling books. How is that process?

Chip Heath : We're all for it now. Some guys fix cars [00:01:00] up their brothers. We write business books together. It's kind of a quirky hobby. It's been really cool because we ... Well, a lot of people ask us, "How do you work with your sibling?" And, the implication is, "I don't know if I could work with mine." But, I think our advantage is, we're ten years apart in age and so we really don't know how push each other's buttons, I think, the way that siblings that grow up closer in age do for each other. So, it's been a family bonding experience for us to write books together.

Jacob Morgan: Very cool. I share a [00:01:30] home office with my wife and so, we're around each other like 24/7.

Chip Heath : Wow.

Jacob Morgan: Every time I tell people that they're like, "You know? I don't think I could do that with my wife." And so, I can relate to what a lot of people ask you there, too.

So, really curious, before we jump into your book, why don't we start with a bit of background information about you? Before you got involved with Stanford, with writing all these books, how did you get involved with all this stuff?

Chip Health : I was [00:02:00] an engineer as an undergrad and then when I started thinking about what I wanted to do for the rest of my life, it wasn't engineering. And so, I looked at becoming ... Well, at first, I looked at becoming a high school teacher. It turned out that with my engineering degree, what still, in the state of Texas, has taken me about five years to get my teaching credential to teach math and something else that would be more interesting, history or physics, or whatever. At that point, I decided well ... I'm not sure I gave [00:02:30] my high school teachers, who were great, the respect that they deserved and so, why don't I become a college teacher? Because at least it's a more challenging, rewarding kind of thing than what high school is a lot of time with the recalcitrant kids, you have to work with. So, I decided to go get a PhD and I looked at lots of fields, wound up in psychology and then, when it came time to apply for jobs, business schools were very interested in people with psychology degrees.

Jacob Morgan: [00:03:00] Well, even companies today are very interested in people with psychology degrees. It's a very popular space. I guess after that, then you got involved with Stanford, decided to write your first book and it just kind of all went, the rest is history, as they say, right?

Chip Health : Yeah. I had a quirky research area on the marketplace of ideas and weird things that happen in the marketplace of ideas. So, I was looking at urban legends and rumors that circulate and viral YouTube videos [00:03:30] and trying to figure out what was going on with those, and ended up writing a book about making ideas stick, saying, "If we reverse engineered the sticky ideas, what would the resulting communications look like?" They look quite different that our normal organization, corporate-speak in organizations. So, Dan and I wrote that book and it kind of took off in a way that we weren't expecting. A couple of years later, we wrote, "Switch," which was a response [00:04:00] to a lot of the sticky ideas that people would ask us about were ideas that they wanted to get across about change. With those two under our belt, we just tried to keep the momentum going.

Jacob Morgan: I remember reading that book. I think it came out in 2007, right?

Chip Health : Yeah.

Jacob Morgan: "Made to Stick." Almost a decade ago. That was right around the time when I was looking to go off on my own and leave all corporate work. I definitely remember reading that book, which was a great book. When I told [00:04:30] people on LinkedIn that I was speaking with you, a lot of people said, "Oh man! Yeah, I remember reading that book."

Chip Health : That's great.

Jacob Morgan: It's kind of a cornerstone now, I think, in the business world. So, today, what's a day in the life of Chip Heath look like?

Chip Health : It looks like a lot of people that do writing. I get up in the morning and I respond to emails and I procrastinate writing and somewhere around noon, I [00:05:00] finish up writing emails and I'll fix lunch and get back to the writing in the afternoon. It's a struggle to get things out. So, I'm doing a little bit less teaching than I used to do at the business school because I'm more focused on writing and speaking. It's very much probably what your life is like or a lot of other authors - just kind of a struggle with getting things done, except the advantage that I have is I have [00:05:30] a built in collaborator. So, we can cheer each other up when things get depressing.

Jacob Morgan: Which is always nice.

Chip Health : Yeah.

Jacob Morgan: So, are you secretly working on your next book already?

Chip Health : No. It takes us a couple of years to ... well, we're spending time trying to convince other people to get excited about "The Power of Moments." Once we get a little bit more momentum going, then we might step back and think about what's the next idea.

Jacob Morgan: Got it. [00:06:00] Speaking of "The Power of Moments," why don't we jump right into the theme for your book. The title, aptly, is "The Power of Moments" and in your book you talk a lot of this notion of defining moments. What are these defining moments that you talk about?

Chip Health : I think defining moments are moments that stand out in the flow of experiences, especially meaningful and memorable. We can think of defining moments in our [00:06:30] life and there are probably a half dozen that are really big - meet the person you want to marry, have children, you're thinking about your career and big moments in your career. But, there are also smaller defining moments - a vacation might have two or three moments that really stick out in our minds after we come home from that vacation. What we're trying to understand is what are the characteristics that those defining moments have in common. After collecting [00:07:00] lots of examples of how people talk about consumer purchases and consumer experiences, vacations, and events in their work career, events in their family, we started seeing some consistencies among those.

Jacob Morgan: Okay. Makes a lot of sense. I think that ties very much into employee experience, which we'll talk about in just a minute. These defining moments, do they have to be good, happy moments? Or can they be bad moments.

Chip Health : They can definitely be bad moments. One of [00:07:30] the first examples that we came across is Michael Jordan. He had a defining moment in his life that was very negative. He had tried out for the varsity when he was a freshman in high school and one of the probably worst coaching decisions ever, the coach of his high school team didn't allow him on the varsity the first year. He put him on the junior varsity. Michael Jordan talks about whenever he would as a professional basketball player going for his [00:08:00] third ring, whenever he would lose momentum in practice, he would just think of that list that he saw without his name on it of the varsity picks. That motivated him, burned in the stomach enough, that he stayed motivated for many, many years afterwards. In our book, we try to focus on more positive moments because nobody wants to go around creating negative moments to motivate other people.

Jacob Morgan: That would be quite [00:08:30] awkward if you went around trying to create bad moments for people. I'm sure some people get a kick out of doing that. You never know.

Chip Health : Well, there is boot camp and there is fraternity initiations, so there are certainly examples of it. We just didn't want to focus on that.

Jacob Morgan: Yeah. There you go. Those are great examples, actually. You look at four elements of defining moments - elevation, insight, pride, and connection. Maybe we can start with elevation. What is that [00:09:00] as far as an element of a defining moment?

Chip Health : When you think about elevation, one of the moments we have in our ... we go to parties and there are different kinds of food that we eat in celebrations. The holiday seasons, honestly, we are eating different kinds of dishes than we normally do, so there are enhanced sensory experience. Moments of elevation are moments of powerful sensory sensation. We sit at a national park and we see the beautiful view. We watch fireworks show and hear the sound and watch the light. [00:09:30] We go on a roller coaster. If you think about a birthday cupcake, it's the quintessential elevation moment. It's sugar, fat, and flame all in one compact little object. It turns out that a lot of the experiences that people remark on as defining moments have this characteristic of elevated sensory experience.

Jacob Morgan: So, the moments of elevation, I'm thinking about [00:10:00] inside of our organizations, for example. I think a lot of the stuff you talk about is very much applicable to the workplace. Inside of a company, would elevation be ... what would be an elevation example inside of a company? Would this be, maybe, like a promotion?

Chip Health : I think if the promotion comes with, and most unfortunately don't, a special ceremony, if it comes with a plaque, if it comes with, " [00:10:30] Let's have a great dinner and celebrate this promotion," that would be a moment of elevation. One of the points that we make is that very often, things that should be moments of elevation are actually not. The first day experience is actually

pretty lousy in most organizations. So, there's somebody making a big decision, that they're only going to make a finite four or five times in a life - we start a new job - and yet, there's no amount of celebration. One of my favorite stories in the book is [00:11:00] about John Deere, who tackled that first day experience in a way that helped lead to better long-term retention and bonding especially in Japan-

Jacob Morgan: Can you share that example, actually, because that was a really cool story?

Chip Heath : Yeah. So, in China and India, especially, John Deere had entered the market and they wanted to review recruiting great engineering talent. But, they didn't feel like they had the brand recognition they had in the States. If you think about it, a lot of us growing up in the United States, we are only a couple [00:11:30] of generations away from relatives who farmed the land. So, I grew up, some of my relatives had John Deere tractors. I certainly knew what they looked like, had ridden on one in the past. That's not an experience that's shared in China and India.

The typical first day experience is, you show up, the administrator at the front of the building is excited to see you, but they actually thought you were stopping by early next week. So, some nice person takes you to your cubicle. [00:12:00] The monitor is there, but the computer isn't installed; there are dangling wires. The person that brings you to the cubicle actually has to run off to a meeting, so they grab something to keep you occupied, thrust an employee manual in your hand, and you spend the morning reading about expense reimbursement policy. It's not a moment of elevation.

So, John Deere set out to systematically tackle that. The first thing they did was establish a connection with a buddy that [00:12:30] was in your age cohort and you started texting back and forth with this person. You kind of ... what do you people wear, how do I show up and get to the right place? Your texting buddy meets you the first morning there holding your favorite beverage, because they had asked the subtle question earlier to find out if you're a vanilla latte person or a chai iced tea person or whatever. So, you get your favorite beverage, they walk you to your cubicle, and [00:13:00] your computer is installed. In fact, on the screen saver, there are these beautiful shots of tractors doing what tractors do. I've got some of these images in my presentation. You wouldn't believe how beautiful tractors can be when you shoot them in the sunset in the field, they just turned over the soil. So, you get this moment of beauty in your office.

Your first email is from the CEO who welcomes you [00:13:30] to a company that has a 175-year legacy of innovation. It talks about the first plow that John Deere got a patent on that was a plow that wouldn't clog up with roots as you ran it through the field - so it's a self-cleaning plow. For 175 years, it talks about, John Deere has been making food and shelter for people. Those are two things that we desperately need in a world that's expanding.

So, you've been welcomed [00:14:00] by the CEO. At lunch there's a group of your peers that get together. They talk about projects that they're working on and why they're excited about them. Your manager has stopped by and said, "I'm going to send you out with your peers today, but I want to have lunch with you tomorrow." Throughout the day, people drop by because there's a banner by your cubicle that sticks up above the cubicle farm a couple of feet, so people understand that there's a new person [00:14:30] in the office. Whenever they have some time, they'll stop by and chat.

You wind up at the end of that first day with a sense of, this is a company that is doing important work. It matters. They actually give you a small scale model of the first plow that John Deere patented on your desk. So, you sit there and play with it during the day, running it back and forth in your hands. You felt the first plow. [00:15:00] You had your favorite beverage. You connected with peers and with the CEO. It's an extraordinary day. Direction on the part of people that watch this unfold for the new people is, "Can I start over so I can have this experience my first day?"

If you think about it, everyone should have that experience on their first day. And yet, I talked to dozens and dozens of organizations, and out of several hundred organizations, [00:15:30] I've talked to probably about five that said, "We do that. We do that well."

Jacob Morgan:

Yeah. Most do not do a good job of that. I'm also pretty curious, right, because there are two things. I suppose the first is, how do you make that experience continue? So what happens if you have this great first day, but then day two, three, four, five, six, seven, are all terrible. [00:16:00] Also, you talk about this notion of breaking the script in your book. How do you make these things feel like they're authentic and genuine? Should everybody have the exact same moment? Let's say John Deere hires 1,000 employees on a particular day. Should all 1,000 employees get the exact same thing, exact same process? Doesn't that start to feel a little bit like a template? How do you deal [00:16:30] with that, because I know that's a struggle for a lot of organizations around the world?

Chip Heath :

Let's take those one at a time. The template issue I think is, I feel like it's a little bit misleading because there are so few people doing the right thing in the first place, that I don't think we're going to get bored very quickly by having the right experience. [00:17:00] Think about the template we just talked about. You've got a friend that's been texting you to get you ready to walk in the front door. Is there anything about that template that's going to get boring if 200 other people have that same experience. I can imagine that lunches might get a little old if the same people are called on for every new person that comes in. But I've been in academics long enough that I've been at lots of dinners where [00:17:30] my colleagues describe their research to a new job candidate and, yeah, I get tired of hearing the same research spiel that I've heard 50 times before. But the first 20, it was kind of fun, and the candidate always has

different questions they ask to my colleague and elicit a different set of answers that maybe I hadn't thought about.

I think we have much more patience with good process than we might think. [00:18:00] Certainly, it's better to have a world in which people are going out to lunch with colleagues and talking about the meaningful work they're doing, than have the cubicle scenario where they're sitting in a cubicle for hours reading through expense reimbursement policy in the employee manual. And so, which one -

Jacob Morgan: That's very true.

Chip Health : Which one would you rather have?

Jacob Morgan: That's very true. Very true. Okay. Fair enough. So, what about the second aspect that I asked you.

Chip Health : Go back to that question, because I [00:18:30] lost it in the answer to the second question.

Jacob Morgan: It was about ... how do we ... in your book do you talk at all about how do you make that feeling be consistent? What happens if, on day one, you get this amazing treatment, you get this wonderful experience. But, day two, the manager yells at you. Day three, your computer breaks down, nobody fixes it. Our organizations also need to make sure that [00:19:00] they start off well, but also continue the race strong and finish the race strong, too, right?

Chip Health : Yeah. I think that's right. But, I'm in favor of moments. So, we wouldn't use that argument to say, "Do you really want to do this wedding thing? Because, not every day is going to be like that, where you have all your friends and relatives around to celebrate your relationship." You eat great food, people give you presents, you see friends you haven't seen in a long time. So, [00:19:30] don't worry about that wedding thing, because it may set up an unattainable goal. I think the reason we have great attention to moments in some areas of our life is because those are the days that make life meaningful. Sure there's a lot of boring stuff that happens in the workplace. But, should we stop having retirement dinners or promotion celebrations or great first days at work because we can't sustain that all the time? [00:20:00] The reality is that it's those moments that make a job meaningful.

Jacob Morgan: Yeah. I agree. Fair enough. So, the next element for a defining moment was insight. After that, we have pride and connection. So, maybe we can do a few minutes on insight, a few minutes on pride, and then a few minutes on connection.

Chip Health : I think insight is ... we're constantly thinking about the world and every once in a while there is a moment that [00:20:30] a breakthrough happens. Something is

clear to us that was never clear before. We realize this is not the job for us. We realize this is the person I want to marry. Those are moments of deep insight. I think what we've found in people talking about their jobs and their careers is that very often the moments that they said were defining moments were moments when they came to see the world in a different way. One of my favorite [00:21:00] books of recent years is called, "The Challenger Sale." Have you run across this book?

Jacob Morgan: No. "The Challenger Sale?"

Chip Health : "The Challenger Sale." I think it's the conference executive board that did this. It's a great book talking about sales process. They say that 30-40% of sales people do what we typically think that sales people do. They manage relationships. They are constantly with their clients. They're schmoozing well. They're fulfilling [00:21:30] needs that the client expresses. They're providing high levels of service. But, there's a subset of sales people that don't do that in a way that we've come to think about the sales process. They're actually challenging their clients. They're saying provocative things. They're not necessarily doing high touch service. They're doing intellectual operations on their clients' mental level of themselves [00:22:00] and the industry. What clients say is, "I love this person." The most valued sales people are actually not the people that are doing high touch service. The people that are challenging how the client thinks about their own organization, the industry that they're in.

I think that's a clear example of what insight can do for us. If you're actually the sales person that are providing insights to your clients, they're going to love you, [00:22:30] even if you're not picking up the phone at 2 a.m. to run in for a client need. I think that's a remarkable thing to realize is that very often what people want from us is a level of insight as opposed to comfort or pleasure.

Jacob Morgan: You actually have a pretty easy and tangible example that you talk about in the book. I think [00:23:00] it was a Microsoft example, right, from 2011? Scott Guthrie? I think that's who it was. I think you were referring to how he brought his management team together and had them build an app on one of Microsoft's products.

Chip Health : Yeah.

Jacob Morgan: Can you share that story?

Chip Health : Well, I haven't looked at the details recently. But, Scott Guthrie comes into a unit of Microsoft that's putting out a product that's a web [00:23:30] service. The engineers are basically content with what's going on. They're pretty pleased with what they've done. The exercise that he puts them through is he says, "Okay, let's start a business. We're going to divide up into teams. Each team is going to come up with an idea for a product or a service that they want to deliver and we're going to do it. We're going to sign up our web services. We're

going to implement the code." He took two days out on a retreat for [00:24:00] this. By the end of the first afternoon, it was clear that there were problems with the product.

Jacob Morgan: They were struggling using it, right? The engineers -

Chip Health : The engineers couldn't get signed up, a lot of them, for the service they were talking about. That really kind of woke them up and encouraged them to make some more substantial changes in the product than I think they would have made normally. That's in the chapter that we call, "Tripping Over the Truth." I think the insight [00:24:30] from that chapter is that, very often, our gut reaction in a lot of situations where we want to bring insight to people is to quote them statistics and trot out our experts who said the things that we want people to understand. And yet, Scott Guthrie wasn't quoting statistics about user experience. He wasn't quoting expert Gartner Forrester reviews of the product. He was just letting people experience it themselves. Very often, the most [00:25:00] powerful ways of changing peoples' minds is to let them trip over the truth that they've generated themselves.

Jacob Morgan: Have you ever seen any really good examples inside of companies? I know this is always a challenge on the corporate level where managers and executives, they tend to not experience things on the ground level the way the rest of the employees do. So, going through that story, as I was reading it, I was thinking how interesting would it be to have managers be just [00:25:30] like entry level employees for a week or for a couple of days so they can experience the process of going through the on-boarding process, of learning something new, going through all of the stuff that a lot of the executives typically don't have to go through. Have you seen or come across any examples or stories of companies that have done anything like that?

Chip Health : I've seen some examples. What's the name of the cable TV show? This is a theme of great drama. It's like [00:26:00] a boss becomes a frontline employee for the day.

Jacob Morgan: "Undercover Boss."

Chip Health : Yes! Yeah. It's got great potential for being a source of great stories and drama. Anne Mulcahy actually had, when she turned around Xerox, she forced the top 70 executives of the company, including the comptroller and the head of corporate [00:26:30] law and stuff, she put them on the help desk for a day a month. Whatever calls that came in throughout the day, you had to satisfy them. So, that there is somebody in Des Moines that wasn't getting their shipments of bulk paper correctly, you had to get into the innards of the organization and figure out how do you get the bulk shipments of paper to the Des Moines facility in the right way [00:27:00] at the right time. I think that was a tremendously useful thing for the senior leadership team to have done in trying to turn around a big organization because for one day a month, you're living with the reality of how things are broken in the middle or at the edges of

the organization in places that you would never ever see as the chief legal officer, the chief marketing officer, or the chief financial officer.

Jacob Morgan: I think we definitely need to do more of that inside of companies. Like have people ... [00:27:30] That's how you build, I think, empathy and you allow employees to get other people's perspective.

Chip Health : Oh yeah.

Jacob Morgan: If you don't experience, then it's very hard to do that, so I wish we had more programs like that where employees would take on somebody else's role for a day a month and executives worked in the call center. I think Amazon does that.

Chip Health : Zappos does it.

Jacob Morgan: Zappos, yes.

Chip Health : Especially when you're starting off, everybody [00:28:00] goes through the call center rotation. It doesn't matter if you're the chief procurement officer or the chief financial officer or a person that's hired in as a customer service rep, you're going to spend the first couple of weeks being on phone talking to people about their shoe purchases, trying to find out of stock items. I think it really starts ... talking about, not a first day experience, but a first two week experience, it's kind of like boot camp because you're learning the real work of the organization at the very front [00:28:30] lines and that's got to inform the way that you think about your job from then on.

Jacob Morgan: So, how do we go about creating these insight moments. It seems like one very clear way that organizations can do this is to allow people to experience somebody else's role. That seems like a very obvious, very clear, very practical thing to create an insight moment. Are there any other ways that you recommend we consider and think about these insight elements?

Chip Health : [00:29:00] There are a couple of other ways that we talk about in the book. One is creating moments of stretch. When you challenge yourself to do more than you thought you could do, that's very often a way of generating insight. We do that in athletic contexts. Other people do triathlons. I, myself, have never stretched myself in that particular way. That's a crazy idea. [00:29:30] People do it just to see, "Can I do it? Can I learn something about me?" I think stretch assignments ideally should have that role of giving us insights into ourselves and our skills and things that we didn't know we could do, things that we need to work on that we can't do yet. That's a tool kit.

Another tool kit that a lot of organizations use effectively is preparing for what look [00:30:00] like idiosyncratic events that you can kind of predict that they're coming. The civil rights movement was brilliant at preparing people for situations where they knew that they were putting pressure on the system and

the system would break in various ways. The sit-in, the college kids that were doing the sit-ins at the lunch counters, integrating the lunch counters, would go to workshops where they would prepare to be harassed by [00:30:30] white bigots that wouldn't like what they were doing. When they first went into the lunch counters for about a week, nothing really happened. But then, crowds started forming, they started getting called names, getting roughed up. But, they had practiced ahead of time the non-violent responses that they wanted to have, and so they were able to execute flawlessly the strategy of going in and not being provoked and not responding.

I think that's another interesting [00:31:00] strategy in organizations is for the critical moments that are going to come up at random times and idiosyncratic times, it turns out we can rehearse those moments so that we have the right behavior in the critical defining moment.

Jacob Morgan: Yep. I think that's a great piece of advice. Okay, let's jump into the pride element. And, by the way, I should have defined what the other moments are. So, elevation is "rise above the everyday." Insight is "rewire our understanding [00:31:30] of ourselves or the world." The next element of a defining moment is pride, which is about capturing us at our best achievement, I think is the way that you described it there. So, let's talk about pride for a few moments and then we'll jump into connection.

Chip Heath : Yeah. I think pride is undervalued at management levels at most organizations. I think it's really hard as a manager to praise people [00:32:00] as much as people would like to be praised, recognize people as much as people would like to be recognized. Eighty percent of managers say, "I do a pretty good job of recognizing my people and the accomplishments they make." The number of people at the employee level that say, "My manager does a pretty good job recognizing my efforts," is 20%. So, there's this gap between managers and front line employees of 80/20 that I think is [00:32:30] a striking thing. Just the ability to say, "I saw what you did and I appreciate it," turns out to be a huge, huge factor in how people rate the quality of the workplace that they have. One of the biggest predictors of employee satisfaction and the biggest gaps where management is not living up is this issue of recognition, praise.

I think about a lot of the stories that we collected of defining [00:33:00] moments in careers. Very often, there are things that nobody else would appreciate other than the person that went through it. One employee at a bike shop had rearranged the back office so that the bicycles and the equipment was a little more easy to spot and a little cleaner as you walked through the area. The manager said, "That was a really wonderful thing that you did." [00:33:30] All of a sudden, the three days of effort that the employee put in for doing that, they felt recognized and they felt appreciated. It was all worth it. In fact, it became one of the moments that, when researchers, Dan and I, came along later and said, "What are the best moments in your career," that was a peak career moment is the organizing the back store inventory for the bicycle shop. That manager probably could not remember 48 hours later [00:34:00] having

praised the employee for that, but the employee remembered that for a couple of decades.

Jacob Morgan: I actually just heard a story the other day. I was with my wife and her friend and, actually, this was on Saturday. They were supposed to get together for coffee and she said, "Oh man, my boss at work, he's really making me work extra hours. I need to work like four or five hours on Saturday." My wife is like, "Oh man, like that's pretty tough. [00:34:30] You've got to work on a Saturday?" They ended up getting coffee later. They pushed back their meeting for a few hours. Then, later, my wife's friend texted her and she says, "Oh my god, my boss just texted me and as a thank you for me putting in this extra time, he said that I can have next Tuesday and Friday off. I don't need to come into work and I can relax." I thought, oh man, that's a really cool story because it's unscripted, it's totally unexpected. She said she got so happy [00:35:00] she almost had tears of joy.

Chip Health : Yeah.

Jacob Morgan: It's not just about, "Oh god, you've got to work on Saturday; there's a ton of work to do." She really got thanked and appreciated. And it was just her. It wasn't like here's a bag [crosstalk 00:35:16] and I'm going to display it in front of the company.

Chip Health : Yeah.

Jacob Morgan: So, I thought that was a very, very nice moment that ties very well into this.

Chip Health : Yeah. There's actually, in education, there's a thing ... a paper that's not as famous [00:35:30] as it should be because I think it's a brilliant paper, Cinderella stories and Ugly Duckling stories, where they ask kids about the impact the teachers had on their lives and a striking number of kids have this experience of having felt at some point disenfranchised in the education system and wandering out in the wilderness and then some teacher remarks on some skill or ability that they have, very often in an off- [00:36:00] handed way, and transforms that child's view of themselves and their academic accomplishments or their musical talents or their athletic abilities. We have these tremendous powers as managers and coaches and teachers to transform people's lives and we just don't take advantage of it as much as I think we should.

Jacob Morgan: I totally agree. I couldn't agree more. Why don't you think we take advantage of it, because it doesn't seem like it's a very hard thing to [00:36:30] do to go up to an employee and say, "You know what? I just really want to say you did a great job. I really appreciate it. I know you don't get as much recognition as you probably deserve, but I just want to let you know I appreciate you." It takes 30 seconds. Why do you think organizations are struggling so much with this very basic saying a few sentences to your employees?

Chip Health : I think there are two reasons. One is we think that we're doing that. [00:37:00] We don't necessarily say the words but we feel very positive toward that employee, we smile at them when they show us the revamping of the back office inventory of the bicycle shop, and we think that we said, "Wow, you did a really great job here. That was amazing work that you did." I think there's this kind of curse of knowledge that I'm thinking it in my mind, but it's not getting out [00:37:30] onto the table as actual words. I think we do this with our families, we do it with our kids, we do it with our spouses. It just takes some discipline to actually articulate the words of what's going on.

So, I think part of it is that we have the curse of knowledge that we think that we've already done it. But, part of it is that it's surprisingly embarrassing to say good things to people. One of the exercises that the positive psychology movement [00:38:00] has advocated without nearly the success that it should is the idea of a gratitude letter, where you sit down and you think of somebody that has affected your life and you write them a one-page letter. According to the procedure, you're supposed to go and read the letter to them in person. People that describe having done this, it's like the person that wrote the letter ends up in tears, the person who is receiving the praise in the letter winds up in tears. [00:38:30] There's a powerful bonding moment.

But, it just feels embarrassing to people, the idea that I'm going to show up and say good things to somebody in front of them. I don't what it is about human psychology that makes that an embarrassing moment, but I've told people about the gratitude letter and I think they recognize that it's a good idea. In fact, the psychology research says that if you do that process, you are happier a month later. This propagates over [00:39:00] time so that you wind up happier after that one hour that you spent in that face to face meeting. Thirty days later, you're feeling still the ramifications of that, and yet, we don't do it. We don't thank our teachers. We don't thank our neighbors. We don't thank our co-workers nearly as often as we should.

Jacob Morgan: I wonder if that it's not just a work thing, it's just a life thing. We don't do in our personal lives enough either.

Chip Health : Yeah. Think about whether you've praised [00:39:30] your kids or thanked your kids for what they've done, or your spouse recently. I think that's a very, very sobering thought for most of us.

Jacob Morgan: I thank my 16-month old for crying and throwing stuff on the floor all the time.

Chip Health : Yeah. Well, when your 16-month old gets to be three or four, you're going to find yourself doing praise at the level that we should be doing it in the workplace. It's like, "Oh, very good. You put that ball away. Can you put the boat away?" [00:40:00] We're constantly praising our kids in this over-the-top manner, and yet, I think that's what we crave in organizations. If you could give the four year old, five year old level of constant reinforcement and feedback to people as they complete their project work, I think people would be happier.

Jacob Morgan: I couldn't agree more. I don't think anybody would argue with you on that one. Alright, let's jump into the fourth element. Then I have some [00:40:30] questions about how we bring these things together. The fourth element for a defining moment is connection. So, connecting with others, I think the example you gave in your book is around weddings, socials, stuff of that nature where people come together. I think that one's probably pretty self-explanatory, but maybe we can just spend a minute or two on what that means.

Chip Heath : Well, I think what's subtle about it is how powerful the effects are. Art Aaron has a procedure that you would use with kids in [00:41:00] college that hadn't met each other. You go in for 45 minutes in an experimental lab in a psychology building and you start answering questions. The first round of questions might be something like, "If you could have dinner with any person in the world, who would you pick and why?" You answer that and I answer that. It's more interesting than the typical how's the weather, how's the sports team doing, so you're getting deeper conversation. The second round of 15 minutes, you draw questions from an envelope where the questions [00:41:30] are a little bit deeper. By the third 15-minute round, you're drawing questions like, "If you were to die today, what would you regret not having said and why haven't you said it to someone?" All of a sudden, you and I have been through this 45 minute experience where we start kind of profound and we get deeper and more profound and more self-revelatory of the course of the 45 minutes.

Then you ask people, at the end of 45 minutes, "How do you feel about this person you just [00:42:00] met 45 minutes ago?" The answer is, the ratings of those people that are 45 minutes into a relationship that involves some deep, self-revelation, they feel better than another sample of college students who are describing the most powerful, profound relationships in their life. The 45-minute people rate better than a third of normal college students describing their most powerful relationship with their best friend or their mom or their significant other. [00:42:30] That's a remarkable accomplishment for a 45-minute process. I think what it says is that connection requires a level of depth that we don't often get to in the workplace, but when we get to that level of depth, it's amazing how connected we could feel very, very quickly.

Jacob Morgan: How do you go about doing something like that? Is this just about having employees all show up and work in the same office together. I know there's a lot of debate about flexible [00:43:00] work, for example. So, if employees work remotely, can they not have this sense of connection? Part of me wonders, do you need to do something or just put people in a room together and say, work in an open environment? How does the connection actually happen, and how does it move from people just being located next to each other to actually having that connection?

Chip Heath : Yeah. I think what it requires [00:43:30] is this pushing the boundaries of self-revelation. There was another experiment done in the 1960s, where you had people walk up at a bus stop and this is the open workplace environment. So, you wander up to your fellow employee at the coffee shop, and in one condition

of the experiment, the person said, "Wow, I'm glad that day is over. What do you think about this weather?" So, they start having a conversation [00:44:00] that could be deep, and then they back away from it. In another case, the person said, "That was a really long day, tough day at work. I'm glad that day is over." They kind of leave that there as more of a self-revelatory phrase, saying that you would normally get to. What was striking is how quickly the conversations at the bus stop with a random stranger started getting deep. People would say, "Yeah, I had a good day. My [00:44:30] day was actually good," somebody might say, "I had a conversation with an old friend that was really meaningful."

All of sudden, you're having a conversation with somebody at the bus stop that you wouldn't normally have had because you consciously chose to go a half a step deeper than small talk would normally take you. I think if we apply that to the workplace, just think, people in proximity is not going to get them off of talking about the weather or sports. There [00:45:00] are probably that you've worked with for years and you don't know very much about their home life or their kids or their -

Jacob Morgan: Exactly, exactly.

Chip Heath : - and all it takes ... We actually ran some experiments as we were writing the book and asked people to experiment with some things. People that took this task of going half a step deeper with a co-worker would report these amazing conversations that they would get into with people that they had worked with for years. All it took was an extra half step.

You know so, one person was describing an interaction with a colleague, [00:01:30] who was talking about a move. He said, "It must be really difficult thinking about leaving a house that you've lived in for 10 years." All of a sudden the person was talking about the health problems that they had, the parents of their spouse that led them to rethink their living situation and they were thinking about the implications on their teenage son, of having to move in response to a need that the spouses' mom and dad [00:02:00] had. People would remark that it's extraordinary how close we are in normal life, to really interesting stories and really interesting reaction, but we never take that extra half step to drive the conversation a little bit deeper. And as a result, I think there are people that we work with that we don't know very much about their home life, or their kids, or their passions. You know, because never take that extra half step.

Jacob Morgan: [00:02:30] What about the people who say, "Eh. I don't want anybody to know about my personal life. Like, I just want to work here. I don't want you to know anything about me."

Chip Heath: Oh, I think it's fine. Not everybody's going to play this game. But, you know, a lot of people would value having people at work that they had some connection to other than, you know, how about those, how about those football players?

Jacob Morgan: Yeah. And I think you talk about that. You had a chapter in the book called "Create Shared Meaning," which I thought was great. And you had the story of sharp [00:03:00] and the sharp experience and how everybody got together there. And it reminded of a story, I think KPMG, they wrote an article for HBR. And they did a pretty good job of creating this shared moments of meaning because they... You know, KPMG has this pretty impressive history where they've been around during a lot of significant, historical moments such as Nelson Mandela's ordeal and various world wars. And so KPMG had a role to play in a lot of these very significant, [00:03:30] historical events. And so they took pictures of a lot of their employees and they told stories the role that KPMG played and they had individuals associate with that and say something like "I helped fight terrorism. I am KPMG." And they had all of their employees collectively understand the history and like, you're not just doing auditing, you are making these life changing historical decisions [00:04:00] and impacts on the world. And they saw tremendous results with that. So I think it's hugely important to do those things.

Chip Heath: Yeah, I agree.

Jacob Morgan: And companies don't do it.

Chip Heath: Yeah and it's kind of freeing. Because you're just drawing connections that do exist in the environment, that are real, and yet, we don't always take the time to admire them.

Jacob Morgan: And another way that I've seen companies do this, is... Or, at least, the [00:04:30] big challenge that I see is that a lot of employees they don't know how what they're doing has any impact on either the company, or the customer. And so I think Adam Grint did some studies where employees were doing fundraising and they took two groups and one group was actually able to meet the people that they were doing fundraising for and another group wasn't. And when you had a chance to see who you were doing the fundraising for, you raised a lot more money. Like, it had that sense of connection and meaning. [00:05:00] And so I think that those are great stories.

Chip Heath: Yeah. It wasn't a small effect, so it wasn't like twenty percent. It was more like twice as much or three times as much money, but the fundraiser [inaudible 00:05:13] scholarship was at the end.

Jacob Morgan: Yeah. Exactly. Very, very huge impact. Okay, so we looked at these four elements. These defining moments. Elevation, insight, pride, and connection. So, how do we bring these things together. I'm just thinking for people listening to this podcast that are thinking, how do I create [00:05:30] powerful moments for my employees, for the people who work here? How can they go about starting something?

Chip Heath: I think the first step is just to, you know, think about the situation and think, is there one of these I can build into my situation? Because situations are becoming more powerful and more defining, the more these elements that we can build in. And it's kind of fun to, you know, think about cultural traditions that we have that are defining [00:06:00] moments in a lifetime. So, birthday parties for example. Have two of the elements. They tend to have elevation. They're sensory experiences. We have special foods and we have special fun games that we play at birthday parties for our kids. There are moments of connection because they bring together the friends and the family that care about the child that's having the birthday party.

But, for example, they don't have a lot of pride, typically. And yet, you know, if you think about some families are smart enough to mark the heights of their kids [00:06:30] on the doorsill and so, you can look back and see I was that short last year. But if we added to that, you know, a time capsule that we had a sheet of math homework from the previous year or a list of the friends that you had or a list of the shows you were watching. And, you know, the child realizes, "Man, that math looks really easy this year" and "Man, I can't believe I was watching My Little Pony last year. That was my favorite show." It's so childish.

[00:07:00] And so I think there are things that we can do, even in well defined situations to increase the impact. And if you think about what John Deere did, I mean, they basically took a procedure that had a few of these elements in a standard, you know, first day of work and then they turbo charged them. They really emphasized connections. So you're connected at the end of their day, with the CEO and your peers you went to lunch with and your text buddy that you've been having before. They had elements of pride and insight. So, all of a sudden, you're thinking about [00:07:30] this company as an innovation company from the very first file that John Deere created. You know, and I felt the model on the desk and held it in my hand. This 175 year old plow that kicked off all of this stuff. And, so I think they did really well is they took a situation, that could have been much less of [inaudible 00:07:50] and built in these fork elements and made something that's really remarkable.

Jacob Morgan: One thing from your book that I made a note to ask you about, is that you had this really cool [00:08:00] example of elevating customers. And I think you talked about Southwest Airlines and it was this notion of elevating customers from a four to a seven or from a one to a four. And this was kind of like on a [inaudible 00:08:14] scale. So, basically, for people that are listening and they're not familiar with this... If you have like a scale from one to ten, a lot of the times, when it comes to employees or customers, we spend a lot of time trying to get the people that are at a one to the somewhat happy, [00:08:30] move them up to a five.

Chip Heath: Right.

Jacob Morgan: As opposed to taking the employees or the customers that are seven, and trying to get them to become a ten. And you looked at, well maybe you can talk about

the research that you did. I think it was the employees who rated a seven were more likely to leave if something wasn't right. Do you remember that?

Chip Heath:

Well, it's actually... [inaudible 00:08:56] consumer experience 'cause Forrester has this great consumer experience index [00:09:00] that they use. And we took the models that they had from sixteen different industries. So, hotels and airlines and cable television providers and overnight package delivery services. And we asked the question, basically, what would be the lifetime value of the customer? If you could raise all customers from the bottom half of the satisfaction scale to the neutral point, so what would be the increase in revenues from a customer said point forward if it could solve all [00:09:30] the problems? And then we compared that to the revenue implications of taking all the people from neutral up to just below over the top positive. So, the five through nines. What if we can make them a ten?

And it turns out, if you ask companies where they spend their most time, eighty percent of the time we spend as companies is devoted to solving problems. We're worried about the ones, twos, threes and fours and making them into fives. But, for every dollar that you would earn [00:10:00] across sixteen different industries Forrester found, for every dollar that you would earn by solving every problem that you could solve, you'd earn nine dollars by taking the people that are already neutral to mildly positive and making them over the top, ten out of ten fans. And I kind of pushed them to do this because I suspected that there would be an advantage of making the positive moments more positive. But I had no clue that it would be a nine to one advantage. So it's like, there's just [00:10:30] wildly more value than you're getting by focusing on creating positive defining moments compared to what we spend most of our time on, which is just trying to solve problems.

Jacob Morgan:

Do you think this would apply to employees? So, I'm wondering if, you know, let's say a company does their annual engagement survey and they see that there are some employees that are eh, you know, they're not really happy. And there are other employees that are quite happy, but they could be happier. [00:11:00] And typically in the organization, we'd translate this into the top talent, the highest performing talent. Do you think that we can apply this inside of companies and say okay, well only focus on the top talent. The high performers and do everything that they want and kind of like, ignore everybody else? Or is that wrong way to apply it?

Chip Heath:

Well, I think, I think what's clear with employees is if you... We spend all of our time focused on the bottom part of [00:11:30] distribution. And yet, if we took the fiftieth percentile of performers and we were able to move them up to the seventieth percentile and we took the seventieth percentile from us and move them up to the ninetieth percentile. I think there's just way more upside for that and in our book Switch, we talked about bright spots and our tendencies as individuals is to focus on negatives. Our brains are wired to focus on problems and there's been lots of research, studies on, you know...

If you ask a sports fan after a weekend of sporting [00:12:00] events, how'd your teams do? Sports fan will spend more time obsessing about analyzing [inaudible 00:12:05] quarterbacking the game their teams lost than they will spend talking about, dishing about, analyzing the games their teams have won. And yet, you know, organizations, I think the upside potential of moving the people that are neutral up to really positive, very often those are easier moves than repairing whatever problems lead to a poor performer to be a poor performer. And so I think both in terms of cost [00:12:30] and in terms of the bang for your buck, you're going to be much better off if you can move all of your sales force in the seventieth percentile up to the ninetieth percentile by looking at what the ninetieth percentile are doing.

Jacob Morgan: Well, I think that certainly makes sense and I think a lot of organizations are starting to explore, at least, ways to do that. Alright, so I know we're at the end of the talk of our allotted time. [00:13:00] Any last parting words of wisdom that you would have for people that are listening to this? I know you gave some advice on where people can and should get started. But is there anything else that you would want them to know about these powerful, these defining moment and what they should be doing or thinking about?

Chip Heath: I think what I want people to take away is the issue that these moments are way more important than we typically think of. I mean, think of [00:13:30] the Cinderella stories for the kids in school, elementary, junior and high school that some coach, some teacher, someone in their lives transformed their life in a way that the person that did the transformation probably didn't even realize. And what I was struck by in doing this book, is if we actually take the time to think in moments, there are very often pretty obvious ways that we can improve them. But, we don't think to do it because we're thinking in other [00:14:00] terms. We're thinking of different strokes. We're thinking of, you know, trying to do lots of things in the organization that don't pinch on. How do we connect with this person right now, you know, in a way that's meaningful to them?

Jacob Morgan: Well I think that's a very positive message to end on. And hopefully people listening this will take that to heart and maybe apply some of these concepts inside of their organizations and realize that they have a lot of power to shape the moments of their peers, their coworkers, their managers. [00:14:30] You just don't have to be an executive at the top of the company to be able to do these things. So, where can people go to learn more about your book? I know, I think I saw that you had like a podcast and you have a bunch of other stuff that goes along with this. So, anything that you want to mention, feel free to let people know.

Chip Heath: Yeah. So we have a website Heathbrothers.com. if you log over there, there's resources to go along with the book. We have podcasts to go into more detail for people in healthcare or non-profit domain, [00:15:00] for people who are interested in changing employee experience. And so, all the resources are pretty and all you have to do is log on to the website and register.

Jacob Morgan: Perfect! Well, Chip, thank you very much for taking time. I know you're quite busy with all the stuff you have going on. So, thanks for taking time out of your day to speak with me!

Chip Heath: Oh, thanks for having me.

Jacob Morgan: My pleasure and thanks everyone for tuning in to this week's episode of the podcast. My guest, again, has been Chip Heath. Make sure to check out his new book. I had a chance to read it. [00:15:30] It's really, really a fantastic resource. A very easy read. And the book again is called The Power of Moments: Why Certain Experiences Have Extraordinary Impact. I will see all of you guys next week.