

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.

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Jacob Morgan: Hello everyone. Welcome to another episode of The Future of Work Podcast. My guest today is Michael Arena, the chief talent officer at General Motors, former SVP of Leadership Development at Bank of America. He's also the guest lecturer at the University of Pennsylvania and he has a brand new book coming out June of 2018 called Adaptive Space: How GM and Other Companies are Disrupting Themselves and Transforming into Agile Organizations. Michael, thanks for taking time out [00:00:30] of your day to speak with me.

Michael Arena: Absolutely. Thank you, Jacob, and it's a pleasure to be here.

Jacob Morgan: Before we get started talking about your new book and some of the cool stuff you're doing at General Motors, why don't you give listeners some background information [00:01:00] about you. Clearly, you've had some pretty interesting roles over the course of your career. How did you get involved in this whole space? How are you running things over at GM in the talent practice?

Michael Arena: Yeah, yeah, great. Thanks Jacob. I'm an engineer by undergrad. I grew up as an engineer, industrial engineering, and I entered in to HR because I was fascinated by culture. [00:01:30] For me, it was just a much more gray space than the black and white sort of engineering space. I guess you could say I was in the people analytic space long before we were ever calling it people analytics in regards to trying to put the science behind, at that point, human capital management since then, even leaning in to the social capital movement, but that's my track into HR.

I was just intrigued [00:02:00] by the unpredictability of people. That really led me into numerous HR jobs, mostly in the talent space, and I spent some time, as you've already mentioned, at Bank of America but I've always been on this boundary between academia and corporate America to try to keep myself fresh, which ultimately is what led me here to GM.

Jacob Morgan: Very cool. What's a day [00:02:30] like for you? What time are you up in the morning? Do you have any like specific routines that you practice? Are you straight into the office? What's a typical day like for you?

Michael Arena: Yeah, yeah, yeah. Well, usually the routines are disruptive by 7:00 a.m. It's just the way life is these days. But no, I spend a good portion of my time here in Detroit but, obviously, we're a global company [00:03:00] so I spend a lot of time traveling abroad. A typical talent job. What you would expect.

We're always looking for great talent, so talent acquisition. We do what we must to find the best and the brightest and bringing them into the company and that's always unpredictable. You've got to have many, many conversations, talk about a lot about the business strategy and why this company is changing so radically and so quickly. [00:03:30] The day-to-day activities is, again, about what you would expect for someone who's running the talent function.

Jacob Morgan: Yeah. I mean you have probably several meetings. Do you have some kind of flexible work environments or are you in the office usually from like a set time every day?

Michael Arena: We do. I'm usually in the office. I am one of those people that believes in the face-to-face. I believe in the science behind the face-to-face activities. We are virtual [00:04:00] in that at any given point in time people from my team on this floor will be in or on of the office depending on what they're working on. For me, yeah, I have complete autonomy. If I'm locked in on designing something, you won't find me here. I want to be somewhere else, maybe with a team of two or three people and we're going to be locked down working on something and designing it with minimal interruptions if it all possible.

[00:04:30] That's kind of the way we think about things. It's a very agile workforce more and more than what you might expect from a traditional automotive company and I think you'll see that in HR space where there are times where you have to be around because we respond and we react into needs and there are other times where you're putting a strategic hat on and you get locked down and separate yourself from the day-to-day activities.

Jacob Morgan: Makes [00:05:00] sense. What does a chief talent officer do and then maybe as a side to that question because I realized I forgot to ask you earlier, for people that are not, they may have heard of General Motors but maybe they're not familiar with how many people work there, how big the company is. Maybe some background about General Motors as a company and also what you do as the chief talent officer for General Motors.

Michael Arena: The company is 200,000 strong across the globe [00:05:30] just about every country you can imagine we sell into and of course we design and manufacture product across a multitude of countries as well. Very, very strong obviously in North America, very strong in China and South America, those are major, major markets at this stage.

As far as my job, my accountabilities are basically talent acquisition, talent management, secession planning, [00:06:00] anything you can think about from

a performance standpoint and then a lot of work on both people analytics and culture as we're thinking about how do you create them a more agile culture and how do you truly put the customer in the center of a business that's frankly a place for disruption.

We spend quite a bit of time having those conversations thinking about what the appropriate behaviors are and ensuring that we're [00:06:30] thinking actually in a much more ambidextrous manner than what a traditional business has been forced to think and basically what that means is we spend a good portion, a little bit like the day in my life, we spend a good portion of our time on the core responding to current operational issues, whatever those happen to be or managing those operational issues.

Another portion of time, although I would not say it's equal, on the growth side of the business. What [00:07:00] are new strategic paths? What are some of the core innovations that we're trying to drive into the future? That's one of the things were we spend a lot of time on these days is thinking about that culture from an ambidexterity perspective.

Jacob Morgan: Which is, of course, hugely important. The title of your book is all about adaptive space and how GM and other companies are disrupting themselves. Maybe you can help us understand, what [00:07:30] was the old GM like? Clearly, you're moving towards something new but what is the old GM like? I mean was it very hierarchical? Was it very top down command and control or what was the overall situation there?

Michael Arena: Yeah, Jacob, I've got to give you a response to that not based as much on my experience. It's based on my knowledge since being here. I've been here just a little bit over five years. You can think of GM, [00:08:00] General Motors, as how many people view it traditionally and that is it's really interesting I've gone back and studied Alfred Sloan's original works and it's not called the Alfred Sloan School of Management at MIT for no reason. He essentially architected and created what we know as modern management. Administrative functions, separation of policy and separation of marketing and [00:08:30] various support functions for a business, which obviously at that time was incredibly successful for this business in this company.

I think that traditionally that is how you could view GM. Fairly bureaucratic might not be the right word but certainly hierarchical, very process-centric, policy-centric so certainly, some elements of bureaucracy there but there is also some, if you go way back to Sloan's [00:09:00] original writings, there is also a degree of autonomy within business units to be able to do what they needed to do to respond to the market. That's how I would describe GM. Traditional GM is about what you would have thought about.

Jacob Morgan: What's this new GM that you are in the process of helping build, this adaptive version, this agile organization?

Michael Arena: Yeah, in its more current state [00:09:30] in regards to I think the world is changing around us, right? This is true in automotive, this is true and clearly it's hitting the retail sector very hard right now. It's a disruptor, be disrupted world that we live in. I think the agile version of who we are is you've got to continue to deliver. You've got to continue to drive operations. You've got to continue to do that with precision. [00:10:00] You've got to ship trucks out the backdoor and that's our current state business.

At the same time, you've got to be thinking about the future or you will become disrupted and I think you're seeing that in the traditional automotive world in a very big way and mobility is changing. People in the urban environments and our cities look at vehicles very differently than people in the center of North America or the countryside [00:10:30] of some country like Brazil. Demands from the consumers are changing radically.

One of things we're doing quite a bit of is really getting out on the edges and paying attention to what the customers are saying and engaging them. Not just paying attention to what they're saying but watching them, following them, looking so that we can discover, [00:11:00] engage in so we can discover what the real needs, emergent needs are and what we find is, quite frequently, is if you go to Manhattan or you go to San Francisco, is that there are plenty of people that don't, won't or can't drive or don't, won't or can't own a vehicle. There are other opportunities.

They still have mobility challenges so there are other opportunities for us to be thinking about those things and we're doing a lot of work in that [00:11:30] space.

Jacob Morgan: Yeah, it sounds like there's a lot of exciting stuff happening over there.

Michael Arena: Yeah.

Jacob Morgan: I've read some articles, I think the recent one was posted earlier this year, where it sounded like ... Well, first, you have an internal futurist that works at GM.

Michael Arena: We do.

Jacob Morgan: Just a side discussion there, so who is the internal futurist and how do you work with that internal futurist?

Michael Arena: Yeah. Rick Holman [00:12:00] has held that job for a number of years. We actually have a team. He led that team for a number of years. We're very tightly connected. He is actually moving on. He is retiring but we have partnered with him quite directly both internally and externally. The futurist component to what we do is really great at providing direction. It's really great at us thinking

10 years [00:12:30] out and looking at spectrums of possibilities, if you will. Same thing as internal.

I can talk a little bit how we leverage Rick's work internally here in a few moments but then you need to get out there and try to discover the future today and you know the old adage that the future already exist. It's just not evenly distributed. That's what we try to do with design thinking. We get out there and we talk to consumers on [00:13:00] the edge to try to figure out and predict where they will be next so that we can begin to design solutions that are frankly nontraditional solutions for different emergent needs.

Jacob Morgan: You mentioned that you can mention some of the ways that you've worked together. If you have any examples that you can share, I think that would be a lot of fun for people to hear about.

Michael Arena: Yes, so we launched this and this falls very much in the space of the future work. We launched [00:13:30] an initiative here in 2014 that we have since named GM2020 and it was quite frankly a bottoms up emergent movement that was dedicated to how can we reinvent the future of work today. It all started with some foresight work. It all started with what are the key imperatives that the emergent workforce is going to demand, and there were some really simple things that I won't [00:14:00] remember verbatim off the top of my head, but one is they want connectivity over complexity. That was one of the emergent needs. There was an imperative to be part of something innovative. It was another big need.

The need, and this is what you would see in some traditional millennial research, but the one that comes to mind off the top of my head is people want to be part of something of bigger purpose than themselves. [00:14:30] What we did was we actually leveraged in that future work and there are some future maps that we painted out and we had some statistics so it was much more comprehensive than what I'll be able to articulate right now but what we used that work for was to say, "Okay, if this is where we're going to be in the year 2020, what can we do to make that a reality step by step beginning today?"

We launched an initiative and we [00:15:00] started with, it was initially a generation play. We started with we invited 50 millennials to a conversation. It was a casual conversation kind of like a fireside chat. What do you think about these trends? What do you think about the future? What can we improve in the workforce and then ultimately, we did something that was quite frankly a mistake but becoming brilliant in hindsight. We have them reverse invite some middle [00:15:30] managers within the organization and we did a two-day agile thinking event where we focused in on these four macro trends that we had identified with about 100 people in the room, 50 of them being millennials, 50 of them being middle managers that were invited by their friend of a millennial, if you will, and that really catapulted itself into something we are now calling GM2020, which is a bottoms [00:16:00] up kind of emergent how do we

positively disrupt work and it's all been spearheaded from deep inside the organization.

Jacob Morgan: I think they were four main areas that you guys were looking at, right? The talent gap, connected simplicity, sustainability and purpose and innovation, were those the core [crosstalk 00:16:18].

Michael Arena: That's exactly right. I'm glad you have that in front of you.

Jacob Morgan: I've read the article earlier today because I was doing some Googling. Maybe we can touch on those four things [00:16:30] just briefly, so anything that you can share about the talent gap?

Michael Arena: Yeah. I mean obviously McKinsey highlighted this many, many years ago. Isn't it funny that that's the one I missed? I think it's because that's part of my day-to-day core operational life. Everyone understands that we have this real demographic talent gap that's already hit businesses but now it's become a skill gap, [00:17:00] right? It's a STEM challenge for us in that we're looking for the scientific skills. We're looking for the autonomous engineers. That's been the talent imperative for us in regards to how do we fill those voids, how do we aim for the future and in some cases that means going beyond what the university systems are developing today.

We're doing lots of partnerships with universities. We actually [00:17:30] have a partnership with Udacity to create a MOOC to help create autonomous engineers because the universities aren't producing them today and clearly, we're going to need many, many autonomous engineers to place the bet on the future growth of self-driving vehicles. Those are the types of things that we're looking at.

The talent challenge for us is both real time, how do we get people to help continue to drive [00:18:00] operational core business and then futuristic, how do we design for the future so that we're continuing to develop those skills and bringing the human capital necessary to execute on that strategy.

Jacob Morgan: Okay. Then let's move on to connected simplicity.

Michael Arena: That's a little bit along the lines of the more traditional organization that has layers of hierarchy and silos across the organization to flattening out that [00:18:30] organizational and it's more than structure. It's basically creating the freedom of mobility for people to go to the people and interact with those individuals they need to, to get stuff done. It's freedom, transparency, trust, and it's really the core concept of this adaptive space theory that we've been talking about how can people freely explore, exchange and even debate ideas so that there are enough conduits [00:19:00] of innovation.

Jacob Morgan: All right. Then the last two, sustainability and purpose and then innovation.

Michael Arena:

I just touched on the innovation one a bit. The other piece of that that I've already talked about is how do you become ambidextrous and that's really just about how do you do sustainable innovations on the core but also how do you partition off and/or create [00:19:30] the right social configurations or social arrangements, I'll call them, in order to stand up the bold innovations on the edges.

As far as sustainability, we just launched a new campaign called Zero, Zero, Zero that Mary Barra launched and one of the core elements of that is zero emissions. We just announced last month that we will become an all-electric [00:20:00] vehicle platform company in the future and that we are invested in very heavily right now in what we're calling the EV bolt, which is out in the market and gaining some tremendous success. That's part of the sustainability piece. That's a product play for sustainability but we also know that our employees want to be part of something bigger than themselves and they want to be solving. They don't want to just be earning a paycheck and having a great career. They want [00:20:30] to be a part of the solution that makes a difference in the world. The zero emissions play or the zero emissions bet is one of those.

The other two zeros, by the way, is zero congestion. How do you start to solve some of the congestion challenges inside the world, inside of the urban environments and then the third one is zero accidents. Autonomous vehicles are going to help tremendously in both of those areas [00:21:00] because you will take some of the human error out of the network, out of the system and employees, that's a tremendous motivator for employees to be engaged in something and I mean all employees. This isn't certainly a generational thing. Want to be part of something bigger than their day-to-day working lives if you will.

Jacob Morgan:

Yeah. I mean all those things make a lot of sense. I like that you guys have those four main areas that you are focusing on. [00:21:30] Maybe we can transition a little bit into what GM is doing internally. You guys are in the process of creating an adaptive company. The book's not out yet. I don't have like this specific thing like I don't know what's going to be in the book. Maybe you can share because the title is How GM and other Companies are Disrupting Themselves. How are you guys disrupting yourselves? What are some of the things that you're doing inside of GM?

Michael Arena:

Let me take a step back to go forward on that question. [00:22:00] The way I would go backwards is to say that the book is really predicated on about a decade worth of research, much of which is beyond GM. Much of which happened frankly before I had joined here and there is a research team that went out and did some academic research and I just need to set the context to answer your question very, very directly.

Basically, what we discovered in now looking at, I think it's over 60 different large complex organizations [00:22:30] is that the reason some organizations are agile and others aren't is because of something we call adaptive space.

Basically, you can think of it much along the lines of what I've already been describing that every business needs to deliver on short-term results. We know that. That's what keeps the lights on and at the same point in time businesses aren't afforded the opportunity to not be bold and dramatic in the way that they're inventing the future so they have these, what we will call, entrepreneurial [00:23:00] pockets inside the organization.

Every organization has entrepreneurial pockets or entrepreneurial activity happening but not every organization is able to pull those into the new normal, if you will. In fact, I would say that many companies have not only predicted their own demise but invented it. You can see that through lots of different companies, the demise of Blockbuster and Kodak and you can go on and on and on.

What we're doing is trying to become [00:23:30] more agile in the way we think about connecting up those entrepreneurial pockets so that ideas, again, can freely be explored, exchanged, and debated throughout the organization. I can get, GM2020 is one illustration of that inside of the work front. We've got another really big program so that's a bottoms-up approach.

A more top-down approach is we launched, it was 2013 [00:24:00] or '14 I can't recall but we launched something that we called a Transformational Leadership Program, which is a partnership with Stanford Business School where we took a fairly typical high potential program where we took 35 senior executives, put them into a cohort and took them to Stanford, took them across the globe with Stanford professors for about five weeks, five different sessions on different topics. [00:24:30] At the end of the day, the real benefit of that particular intervention, if you will, had much less to do with the content that was being delivered, although I wouldn't diminish the content into what Stanford's been able to help us do because it certainly helped us to change the conversation inside the company and to place some of the big ball bets that we have on things like ride sharing and car sharing and autonomous and so on but we basically disrupted the social fabric [00:25:00] to where people are working across the organization in a much more coherent way.

We built huge social capital reserves in those cohorts and they're always cross functional, cross geographical groups of people and since then, much more from a top-down standpoint, they've been locking arms on big strategic bets and driving them deeper into the organization. [00:25:30] That's been a huge bet for us. Every year, we renew that cohort so we'll do 35 people every year and at the end of that, there'll be five teams, they'll take on an enormous design thinking challenge and they will make a big pitch to the C suite, if you will, in regards to some of these big bets that we should be thinking about.

Jacob Morgan:

That's the collabs program, right, where I think you described this Shark Tank plus [00:26:00] a hackathon?



Michael Arena: You know that's a little bit different. That's a different activity altogether. This one is much more of a senior leader top-down driven approach to do some design thinking but we're also deeper inside the organization in a much more ad hoc basis running what we're calling collabs with just kind of the shark tank two-day blitz using again design thinking and making a pitch at the end of after small teams have built prototypes [00:26:30] around a given business challenge.

Jacob Morgan: Okay, so you have two completely different programs both focused on innovation and leadership, it sounds like.

Michael Arena: Exactly, exactly. What I would say about, again in the spirit of the future of work, is that we have essentially declared that the best way to learn is by doing and the best way to develop is by engaging people in real live business challenges and activities and we do, [00:27:00] we certainly do classroom training and development but it's almost always accentuated with a real live practical challenge that people are being given so that they can, not just apply what they've learned, but make a difference on the business and a big, big portion of that is getting outside of the four walls of your day-to-day activities.

Jacob Morgan: You also mentioned people analytics earlier, which I know is a huge topic that's come up several times during these podcasts. [00:27:30] Can you touch a little bit around what you are doing with people analytics inside of GM?

Michael Arena: Yeah, I think the thing that makes us unique from many other companies on the people analytics front, we're doing many of the traditional things. We've got predictive attrition models and we've got some predictive models in regards to talent acquisition and we do some of the more traditional human capital activities.

I think what we do that's unique, fairly unique, although more and more [00:28:00] companies are employing these methodologies is a lot of social network analysis. We're looking to help people interact them with people on a day-to-day basis and we're doing that in the context of giving business challenges.

One of the core concepts of agility is about how do you position people on the social network or how do you leverage their position on the social network in order to drive different activities, [00:28:30] different tasks. I guess the simplest way, I call them the 4Ds, the simplest way of thinking about this is there are times, and we'll map this and we'll analyze this and I'll get back to the people analytics part of this in one moment, but you've got to have a different set of connections to go discover things in the world. You need yet a different set of connections to be able to bring those new ideas to life through development. You've got to have more tight cohesive [00:29:00] teams to do that.

To get those things diffused and scaled across the business is yet a different set of connections. Then ultimately, you've got to disrupt the current status quo, if

you will, so you need yet another set of connections, which we call disruptive connections, to make that happen. We're mapping all that out and we can look at like the state of a project and/or initiative and where it is in that maturity process and we're able to map [00:29:30] how many external connections are happening within the team. Have we locked down into what Amazon calls two-pizza teams in order to do very cohesive development and et cetera? We do a lot of network analysis to understand how people are connected and to understand are we really truly optimizing peoples' and individuals' natural propensity within their network.

I guess a short summary [00:30:00] statement of all that is to say you could hire the best smartest, brightest people in the world but if they're not positioned in the network to leverage what they know, then it's unseized potential. What we're trying to do today is properly position and/or encourage people to properly position themselves to really fully leverage what it is that they know.

Jacob Morgan: Can you talk a little bit about, and the reason I'm asking is because some people might not [00:30:30] know what social network analysis actually is. Maybe you can give a little bit of context in what social network analysis is and do you have any examples of how you've been able to leverage that inside of GM for something. Like any stories, any anecdotes that can help people understand the value and the point of social network analysis.

Michael Arena: ONA, sometimes it's called [00:31:00] organizational network analysis or social network analysis, is basically what you see in your external social network when you're mapping together the people that you're connected to your friends, if you will, just like you would with LinkedIn. It's a map. It's a grid at the end of the day but underneath that grid are a bunch of statistics. Every person is a node in most of the network mapping that we do and every individual within that network map [00:31:30] has a set of different network statistics so we can tell based on their network position or those statistics, are they somebody who is "a central connector," which are people that are phenomenal at driving development or are they "a broker," someone who bridges two different groups at the same time and they are very, very good at bringing in discoveries and driving [00:32:00] the front end of innovation.

That's what we do. We map them out. There are algorithms. It's a survey. We use almost exclusively survey-based methods and you would just ask the question, "Jacob, who are the 10 people you interact with most frequently on a daily basis?" You would list those 10 and then we would ask you a series of other questions about each of those 10 people, who do you go to to get advice, who do you go to to get stuff done, who helps you with political advice, [00:32:30] where do you go to get ideas? Through those simple survey-based questions, we can map those connections together. For Jacob, we might have an idea network and then we may say, we've got a career development network, and we map all that stuff together and then leverage it in such a way that we're tapping in to people's natural abilities and natural position on the network.

Jacob Morgan: I have so many questions on that because that's all ... I mean it's [00:33:00] pretty cool stuff, right?

Michael Arena: Yeah, yeah.

Jacob Morgan: Now, on the social network side, at least publicly, we have things like LinkedIn and Twitter and that's ... I think people can grasp that, right? On LinkedIn especially you see how many connections you have, where they're based. Now internally, do you have to do that across multiple systems? Do you do that with email to see who's talking to who or what are you looking at as far as the data inside of GM?

Michael Arena: Yeah. You certainly can use email, and I have, [00:33:30] but we have not been doing that here and frankly, the simple reason is that there's a creepiness factor associated with that. Big Brother's watching and that's not the business that we want to be in that's why we've been using so much survey-based and occasionally, we can use sensors. We can actually give you an RFD chip and it can monitor or measure just like a set of sensors inside of your iPhone. [00:34:00] Occasionally, when we've got a really deep comprehensive study, we might use different sensor methodologies to better understand real time interactions and I can share illustration of one of those in a moment but to answer your shorter question, we are organizations, we think of organizations as being a set of org charts but they really aren't.

Underneath those formal organizational systems that are usually only [00:34:30] useful for the first day that you enter into the organization, there's a real set of connections which is how the work gets done day to day or how discovery happens for the future. What we're doing is mapping out those connections because those are the ones that really matter. Where you sit inside of an org chart may have absolutely nothing to do with who you're connected with on a daily basis.

If we can map out those daily connections then we know how to seed the network, if you will, with ideas [00:35:00] to get them buzzed up. How do we seed stories into the network or how do other people basically get their ideas adopted by tapping in to the power of what we'll call an energizer who is if somebody who's an energizer. Rob Cross has done a tremendous amount of work on all the stuff that I'm talking about and he runs a group called the Connected Commons but basically, Rob has identified that an energizer has a 4x impact [00:35:30] on lifting up other people's ideas and getting them basically providing broader exposure.

Jacob Morgan: No, I mean it makes a lot of sense. How often do you ask these questions? Is this like a weekly thing, monthly thing, once a year, or how often does this analysis get done?

Michael Arena: Just about every question you ask me has an it depends response to it. Basically, what we're doing primarily today [00:36:00] are commission studies. I was with our R&D department yesterday. I did a module on networks and understanding how do you think about agility and your social capital and how do you get your ideas adopted. R&D organizations are very good at developing stuff and getting that deployed is sometimes a challenge.

I was with them yesterday and we're commissioning a study there to help think a little bit about those connections. We [00:36:30] do dozens and dozens of those kinds of studies usually within small groups. I think the largest network we have mapped out so far is about 1200 people. They become fairly daunting once you get beyond that point. Usually, I'm looking for functions, departments and we just ram one inside of HR where we were looking at how much collaboration is happening across the globe and that was I think about a 600-person [00:37:00] network where we're mapping together different countries in seeing who the core bridge contacts are so that we can, and they're not always the people who are on the top of the organizational chart but we can leverage them as a diffusion connection. That's the primary way we do it is commission studies.

We also have a self-assessment that we generated where you can do what we call PNA, which is a Personal Network Analysis, and you, Jacob, can [00:37:30] look at your own tank connections and create your own little network map for yourself and then we've got some coaching tools and development tools around that assessment to help you to better leverage your network position so that you can manage your own network.

Jacob Morgan: That's very cool. I'm wondering how this is, is this visualized somehow in a dashboard? Like I'm just thinking, let' say I did this assessment right now for myself and I did this Jacob Morgan Social [00:38:00] Network Analysis and I worked at GM and it gave me kind of this connection. Does it give me suggestions on how to leverage these connections? Do I see this as a dashboard? What is the output of this survey methodology?

Michael Arena: We're teaching a lot of social capital strategies, if you will, across the company. Just about in any every one of our leadership development programs, we've got a big piece on networks and how do you leverage [00:38:30] your social capital or enhance your social capital. In most of those programs, we use this assessment that again we generated in-house but it's basically it produces a quadrant for you. To make it really simple for you, you get two major pieces of [a part 00:38:48]. You get a network diagram for yourself and it will have as many as 10 to 15 people in it who are your most frequent day-to-day contacts and how well you're connected to them, [00:39:00] then you also get in addition to that diagram and that diagram by the way comes with a set of coaching schemes, if you will, based on where you sit inside that network but in addition to that, and I think the more important piece, is we give you a network role preference, if you will.

There's a grid, at which I could draw the picture for you but I'll try to draw it visually or verbally I should say for your audience. You basically are either a connector [00:39:30] or a broker, so it would map you on that continuum and the other dimension we use is you're an energizer, which I've already talked about or a challenger, and a challenger is the person who since I've already talked about an energizer, a challenger is a person who basically breaks down boundaries to get something new ushered in. The new normal, if you will.

If you can envision a 4 by 4 or a four-block, if you will, you fall into one of those four quadrants [00:40:00] where you may be leaning. Jacob, for example, may be presuming based on the little I know about you, you might be a broker because you span many, many different companies and your network is extensive, which would make you a broker and an energizer because you're interested in all these fresh new topics, which would basically place you into a position to be able to diffuse ideas out across your network, which is exactly what a podcast does. It [00:40:30] would place you in that grid and then it would give you tips for how to better understand how you leverage your network position but then it would also give you what we call network traps. A set of things that you should be concerned about because sometimes you may be marginalized based on that network position just based on some of the natural tendencies.

Jacob Morgan: That's fascinating. I think it's a very, very cool way to look at people analytics. You also mentioned you do [00:41:00] some of the traditional stuff, engagement surveys, I'm assuming correlating that with salary, where you're based, the usual stuff that companies are starting to explore.

Michael Arena: Mhmm (affirmative), yup, absolutely. We've got a whole people analytics group.

Jacob Morgan: How big is the team by the way?

Michael Arena: We're about 20, 20 strong.

Jacob Morgan: Okay.

Michael Arena: It's a little bit of a blend of some of the traditional strategic workforce planning activities and the more advanced analytics, predictive analytics and yeah. [00:41:30] I've already mentioned we've got some modeling that we've done on attrition. We can look at engagement. We can look at the contagion effect of engagement, for example. Based on engagement levels within a given team we can predict when a new employee enters into that team, are they going to trend up or down? Yeah, we build out those types of models. We're spending more and more time on that and it's an area [00:42:00] that, of course, we will continue to invest in even more heavily moving forward.

Jacob Morgan: Yeah, I'm assuming so especially as we talk about AI and all these crazy things happening.

Michael Arena; Exactly.

Jacob Morgan: Speaking of AI, I know there's a lot of discussion around autonomous vehicles and stuff like that but what about using AI for work? Are you thinking about the impact that AI might have on GM as a company internally and what's your stance or belief on that [00:42:30] side?

Michael Arena: The stance is long. That's an area that we need to be investing in heavily, I think. Businesses as a whole need to be ... I think we're early on in that process. Chat bots and using some intelligence behind some chat bots and trying to create some of the learning aspects of that are some of the things that we're beginning to experiment with but I would have to say to you that we're very, very early stage on that front.

Jacob Morgan: Got it. I mean well [00:43:00] as our most companies by the way.

Michael Arena: Yeah, yeah, yeah.

Jacob Morgan: I mean, AI is still something that a lot of people are trying to grasp with or trying to grasp but are you, in general, are you an optimist when it comes to AI or are you on the camp of it might replace a lot of jobs, we should be a little freaked out and scared?

Michael Arena: Well, okay, there are a couple of different aspects to that question. The first one is the jobs aspect. I am not freaked out about that because I think you can go back and look at these disruptions [00:43:30] across time and historically, I mean you go way back to we were originally a farming nation in the United States and while that dissipated radically and certainly if you were a farmer, that's a problem for you if that market or sector is being diminished and disrupted. We have been incredibly agile and responsive not just as a nation but as a world to reproduce new jobs.

That's part of the creative [destruction 00:44:01] [00:44:00] process. At the aggregate, no, I'm not majorly concerned about it. At the individual level, of course, I think organizations have an obligation to rescale, to retool, to repurpose individuals in an emergent technology landscape and I think those are the things that every business needs to be sensitive to.

The other part, the part that I mostly become concerned about [00:44:30] AI outside of making sure that people are given opportunities to reeducate, if you will, on different landscapes. The part that I've become most concerned about is I get really concerned about the virtual world. You might know this already based on our conversation but I'm a social scientist by graduate degree and I get concerned about, I think one of the things you're seeing with the virtual work

movement and the reason so many companies [00:45:00] are moving back in versus out of the workplace is because we realized that serendipity happens through face-to-face interactions.

At the end of the day, I get a little concerned about AI in the misinterpretations and/or this perspective of we are social beings at our very core fiber and the way we interact with people is incredibly nuanced. Even talking to you across a virtual channel [00:45:30] right now while your voice inflection certainly helps us to communicate but I can't see your facial expressions. I don't know if you're interested. I'm not getting social proof from you right now in regards to do you like this idea that I'm talking about right now or am I boring you stiff.

I get really concerned about those virtual channels longer term because I think what they do is they drive great execution and operational efficiencies. I think they're tremendous from that standpoint and [00:46:00] I'm really concerned about the creativity quotient and adaptation and innovation happen through face-to-face interactions.

Jacob Morgan: It's interesting because you bring up what they're good at and what they lack and I think you're right, right? Efficiency, productivity, that's where these types of things are very good but for some of the, you call them deeper, the more creative, innovative aspects perhaps are a little bit harder in virtual environments. [00:46:30] What's your stance and does GM actually allow any kind of flexible work or is it very mandatory show up at work 9:00 to 5:00 or is there some flexibility?

Michael Arena: No, it's absolutely not mandatory. At any given point in time, you will see a given department in or out of the office or in or distributed throughout the company. There is no policy. I mean there is not a flexibility policy nor is there a [00:47:00] sort of you must be in your chair, butts in seats policy. I think it's very much form follows function and I get really concerned about these virtual workplace conversations because it's a form follows question, there is no one size fits all approach. To me, I'm less interested in what people want and more interested in what do these interactions produce and again, it's really basic for me.

If you're trying to drive operational [00:47:30] excellence and you're trying to drive efficiencies, virtual channels are incredible. If you're trying to drive serendipity and you're trying to innovate, well innovative innovation is a collaborative process and you must be able to iterate with each other and that requires the more face-to-face.

I think it's the form follow function question all over again and I think we sometimes get fixated in on best practices in one size fits all solutions and [00:48:00] they don't.

Jacob Morgan: Yeah, you're right. I completely agree. I think it depends like you said on the situation, on what the case and making decisions based on that. That also involves having some kind of, I guess, flexibility and the ability to make choice instead of laying out a template for everybody, which is what companies have usually done. Now I'm curious because we didn't touch on this earlier. What is it like to work at GM? I mean, can you touch on some of the talent practices? I mean is it flexible work, [00:48:30] annual reviews? Is everybody in a cubicle? Like what's the overall just environment of what it's like to work at GM.

Michael Arena: Yeah and, again, I'm going to give you a little bit of the answer that I've already provided for you. It depends on what part of the business you're in. There are some places where this feels very much like a startup and people are locked in to their headphones with their sweat jacket on and it's all about how quickly we can code and stay plan. People are working face to face [00:49:00] crammed into giant conference room-like spaces and it wouldn't look much different than you would imagine in Silicon Valley.

There are other places where people are locked into their jobs and they're executing. Obviously, in manufacturing, participate or attendance is mandatory. You've got to show up and you've got to ... Those are like the two extremes and I would say that we're everything in between those two extremes depending on where you're at.

[00:49:30] In HR, for example, if you are a client-facing group, if you are an HR business partner, you need to be where your business partners are and that's how we're deployed. If you are in a strategic center of expertise like myself, there are times where I'm delivering and I'm with a client. There are other times where or anyone on my team or in the organization, there are other times where they're locked in and they got their earphones [00:50:00] in and they're designing like crazy and doing some research.

It's everything in between and there is no mandatory policy on that. It's a very flexible environment in regards to. There are managers that have preferences, that's true. I think that's true regardless of policies in other organizations but it's a fairly flexible work environment and then, I would also say, the thing is there's a lot of excitement in the year. This whole [00:50:30] sustainability and purpose thing we talked about earlier I think people show great about being part of the mission of the company and the direction we're heading in.

I think people feel like we're poised to positively disrupt and able to really be part of something that could be quite dramatic. You've got a lot of buzz and energy, positive energy, in the work environment and that varies. In some cases, that's true. In other [00:51:00] cases, it's I got a milestone and I got to deliver by the end of day and it's tensed and it's focused and it's very, very tough, I guess.

Jacob Morgan: It's not always about creating Pinocchio's island, right, where everybody just gets free food, free drinks, everything's taken care of, just show up, chill out for a while which, I don't know, sometimes in some companies it feels like they're



trying very hard to create that and while I'm a believer in this theme of employee experience [00:51:30] of investing in culture, tech and physical space and some of these new amazing campuses that we're seeing. I also think there's a lot of accountability on the employee and that organizations shouldn't feel like they just have to create this Disneyland Company where it's kind of like no deadlines, no accountability, just float around, do what you want, and everybody is just happy, happy, happy. But sometimes it feels like we're trying so hard to create something like that.

Michael Arena: [00:52:00] Yeah and I just don't think that's business reality and I think, I mean obviously, you have to create those environments. I mean that is a generational thing and we all want to be a part of a dynamic work environment. When it comes to physical space, when it comes to many of the things that you would see in Silicon Valley clearly, we're investing in those things. Again, I keep going back to what I've talked about numerous, numerous times, there has to be a degree of intentionality in it.

It's not [00:52:30] just doing this. It's not creating popcorn and slushy machines just for the sake of having a perk in the environment. Those are things that are useful. If you're trying to keep people focused on the task of creating something and you want them to feel free like they can stay whenever they're about ready to get this eureka moment and they feel like they're ready for a breakthrough, they don't have to leave because the stuff that [00:53:00] they need isn't around for them at that moment in time.

Intentional work spaces is really critical and I think sometimes that means providing locked down space for people to be alone and to go work on that algorithm where no one can mess with them and they don't have the interruption because they're doing the deep think soap time work that they need to and I think we do think very fluidly and that's where the social connections come in. We do think very fluidly about are we trying to do [00:53:30] lockdown work, et cetera, et cetera.

Jacob Morgan: One thing I know that you're pretty passionate about and maybe we can spend the last few minutes looking at this is culture. Can you share anything that you guys are doing internally around corporate culture and any advice that you have? Actually, I just remembered previously we talked about social network analysis and you were going to give an example or a story but we didn't get a chance to touch on that. Maybe just a quick story or example about social network analysis and how you've used it for something [00:54:00] and then let's just spend the last few minutes talking about corporate culture and what you're doing, why that's important, anything you want to share there.

Michael Arena: Yeah, yeah. Real quickly on the network analysis story, one of the things is to start thinking about some of these network statistics and thinking about how they drive performance. We were in an operation center. We were interested in how team configurations and/or team interventions might or might not have an

impact on various productivity [00:54:30] and efficiency statistics. This was a project that was focused on basically delivering operational results.

What we've discovered was in fact that the cohesions were on a given team. In this case, there were teams of about 18 to 20 people, the cohesions course had a lot to do with how quickly they could respond to request. Shortly said, we correlated this. We ran this analysis for 30 days. We correlated it against real time performance [00:55:00] metrics and then we were able to basically look at response rates versus cohesion and what we found was the highly cohesive teams were far better at responding sooner with higher quality responses than the teams that were dispersed. That was really simple, right?

We created and we spend a ton of money on this solution. We actually just collocated teams so that they were looking at each other. We had to change some chairs and move some people around. We configure a cube [00:55:30] or two or a desktop space or two and then we created huddles. Think of lean startup and/or lean, actually more lean manufacturing concepts where we created these 45-second huddle check-ins. I think it was ultimately every two hours to where people could share what was happening in these small teams.

What that did was it literally, in some other cases, it literally improved productivity or efficiencies up to 25% [00:56:00] and it would have nothing to do with some very, very basic interventions and reconfiguring people.

Jacob Morgan: Very good. Let's talk about ...

Michael Arena: Culture.

Jacob Morgan: Yeah, about culture exactly.

Michael Arena: One of the things, we're fairly program agnostic when it comes to culture. We don't believe culture is about a giant mission statement and the roll out of a new program and a new... We've done all that stuff historically [00:56:30] and honestly, culture for me is really simple. It's about changing the narrative of the organization within the organization and that starts frankly outside the organization as well and really driving expectations around how people should interact and behave at one or another. We do spend a lot of time talking about behaviors and not a lot of time talking about culture whatsoever.

We do talk about what does it mean, for example, to be a part of the same team, to be [00:57:00] one team so that people aren't sub-optimizing for their own selfish needs but they're thinking about being one team. We do think about what does it mean to really put the customer in the center and make the customer first and how do we design around the customer and not for ourselves as experts in whatever it is that we do.

Mostly, the way I would articulate all the work that we've done on culture which has been fairly extensive over the last few years. It's about changing the narrative [00:57:30] around the set of behaviors and that happens top down, bottoms up and across the organization and what we do is a lot of storytelling. We try to showcase different stories. We try to showcase different things that people have worked on and we try to see the network so that those things can be buzzed up inside in a much more organic way inside of the organization.

Culture is a multifaceted, fairly complex [00:58:00] thing to change. The culture grew up the way that it is and it reinforces itself. If you charge head-on into it, into an existing culture, it usually is pretty robust and can kick back pretty hard. I think it was Peter Senge that said, "If you hit a system it hits back harder." It's a little bit like that with culture. If you charge too far aggressively into it but if you actually change the narrative and start to live [00:58:30] it and act it out day by day by day and people start to really believe in that and are energized by it then it begins to emerge in a different manner. It's not about organizational engineering as much as it is about unleashing the potential that's already within.

Jacob Morgan: Yeah. No, I think that's very well said. Well, we've been talking for just about the hour here so I just want to say thank you very much for taking time out of your day to sharing what you're doing at GM, what you're thinking about. [00:59:00] Where can people go to learn more about you, to check out the book that you have coming out in June and anything else that you want to mention for people?

Michael Arena: Yeah, LinkedIn is the best. I don't have a website up yet. The book will just be submitted this week. I don't even have anything that I can lean people towards there but LinkedIn there are some articles out there, some posts out there and that's the best way.

Jacob Morgan: Okay, perfect. Well, Michael, again, thank you so much for taking time out of your day to speak [00:59:30] with me.

Michael Arena: Thank you very much, Jacob. I enjoyed the conversation.

Jacob Morgan: Likewise, and thanks everyone for tuning in to this week's episode of the podcast. My guest again is Michael Arena, the chief talent officer of General Motors and make sure to check out his new book coming out in June of 2018 called Adaptive Space: How GM and Other Companies are Disrupting Themselves and Transforming Into Agile Organizations. I will see all of you next week.