

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: Hello everyone. Welcome to another wonderful episode of The Future of Work podcast. My very special guest today is Cameron Hedrick and he is the chief learning officer at a small company you might be familiar with, Citi. And of course I'm joking, not a small company, they're absolutely massive. So Cameron, thank you for joining me today.

Cameron: Thank you Jacob. It is a pleasure to be here with you and your listeners.

Jacob: So we have a lot of fun stuff to talk about. But the first question I always like to ask my guests is if you can give us a little bit of background information about you. So maybe specifically how you got involved in the space of learning. How'd you even get involved with working at Citi?

Cameron: It's a terrific question. I have been working at Citi for 16 years, actually next week. And I spent eight years prior to that at fidelity investments in various roles that were training and HR related. And then when I arrived at Citi, I started to make my way through the ranks in talent roles. I had a couple of HR head roles, one for the US Consumer Bank and another for the Global Commercial Business. And then about two and a half years ago, I took the chief learning officer role here at the firm.

Jacob: Very cool. And for people not familiar with what a chief learning officer does, what does a chief learning officer, what do you specifically, do at Citi?

Cameron: Right. Well the chief learning officer role takes on many forms I've come to learn. At Citi it's comprised of three things. The first is learning, as you would expect, as part of the title, all things related to learning from platforms [inaudible] strategy, staff budget, and all that goes with that. The second prong of my role is performance management and that's a little bit different. That's the rating system, how people are assessed and how that's whole structured. And then, while I don't have the compensation team formerly I work with them a lot on comp design and that synapse between the performance management rating system and comp. And then finally, culture. Now to be clear, no one really owns culture in an organization, but to the extent someone looks at the enterprise narratives, speaks to regulators, speaks to board about cultural matters, I do play a part in that.

Jacob: So you get to be involved with a bunch of really fun things, which I think is a lot of exciting or it's pretty exciting. And in case people are not familiar with Citi and I suspect

that is not going to be many people. Can you give us a bit of background information about the company? How big are you guys? Which countries are you in? All that sort of fun stuff.

Cameron: You bet. So Citi is over 200 years old in about 100 countries, 200,000 employees. And another uniqueness is that we have a full product line on a consumer side and on the institutional side. So when you think about life from a customer segment point of view in the consumer space from your entry level accounts to extreme wealth management and then on the institutional side from great products for sole proprietors all the way up to the fortune 10. That's-

Jacob: So the two... Sorry, what was that?

Cameron: No, I was going to say, so that's the quick snapshot of Citi.

Jacob: Yeah. I mean a massive global company, you mentioned over 200 years old. So clearly to stay relevant and to keep growing, you guys have had to evolve over the years. I'm trying to think back to some of the podcasts guests that I've had. And you might be one of the older companies that I've had on the show, over 200 years. You're probably one of the oldest ones, if not the oldest organization. And so I'm curious over the 200 year time period, I mean, how does Citi as an organization keep evolving and adapting? And of course we're going to talk about some of the stuff that you're doing now, but how do you guys continuously stay relevant and keep up with the changing world of work?

Cameron: [inaudible] it's just a question I love to think about. I wonder to the extent that there can be something in your cultural DNA for 200 plus years, what is that thing? And how can you go from shipping lanes to through the agrarian to the industrial era? I don't have the answer. I can just tell you culturally I see a lot of collaboration. There's probably not enough of it. That's one of the things I think we could do better at, which we can talk about later. But we have a lot of perspective that comes from our dispersion from a product standpoint and our geographical standpoint. I think that's one of the key factors.

Cameron: I think another thing that Citi's done right over these many, many years is that we rely heavily on local management, in like indigenous management as opposed to parachuting people in from New York to run things in other countries. Of course, we cross pollinate a lot, but we rely heavily on local relationships and local perspective. And I think finally we take a proper amount of risk. Again, that's an area where I think we can do even better in terms of innovation, but we do. We will go out there and be first or a fast follower, I should say, on key items. And that's been historically true for a long time.

Jacob: You mentioned that you've been at Citi for 16 years. Have you seen just this concept of learning change in terms of how we learn as individuals and also how organizations need to think about enabling learning for their people?

Cameron: I have. To be honest that question would be interesting to ask somebody who was not in the financial sector from 2007 until now because the financial crisis put us in a

different space for awhile. So I wonder what life would have been like without that. But what I'm seeing now is a certainly way more than awakening. We are very sober to the fact that the outside influences driven mainly by internet and all that comes with that, right? Speed, transparency, connectivity is driving a completely different learning experience for all of our colleagues here. And we're trying to keep ahead of that because the fact of the matter is inside the walls of the corporation say 10, 15 years ago, the technology was advanced. Remember we used to come into the office for your computing power and now it's the other way around. Right? So we're trying to stay ahead of that insight too.

Jacob: Yeah, I mean I think a lot of organizations are struggling with that. And before we jumped on the call, you guys sent over a couple of slides just to kind of explain some of the stuff that you guys are working on. And one of the slides, I thought, was very interesting and it was looking at some of the big macro trends that are impacting Citi as an organization. And some of them I totally got, right? Some of them made complete sense, but I was actually surprised by some of them on there. So, for example, AI and automation totally get it. That's impacting a lot of organizations around the world. Social enterprise, I'm assuming that relates to kind of this idea of purpose, and meaning, impact, that sort of stuff. Again, makes complete sense. You had demographic and social dynamics. Again, I think everyone can agree with that, but then you also had urbanization, and you had climate change, and you had genetic physiological and psychological. So I thought maybe we can touch on some of those. Maybe starting off with urbanization. Why is that impacting you guys?

Cameron: Well, the data show, and I know a lot of your listeners are far more fluent in this space than I am, that we're moving, we tend to be moving into cities. So there's a higher concentration of human beings in cities. And we look at that for a lot of reasons, right? Because how are we going to go to market? That's the main domain reason we look at it. Particularly in... well, I was going to say particularly in the consumer space, but that's not true because it impacts us certainly in the institutional side as well. I'm also interested in this... I call it the cost of distance, the distance costs, because while people do tend to be moving more to these big cities, the cost of distance is actually coming down. You can live anywhere and do work. The cost of video's coming down, 3D printing's coming around and I just wonder how those two things will play together over time. So that's generally what I mean when I talked about urbanization.

Jacob: Okay. Got it. Makes sense. And what about climate change? I was surprised to see this one on there. I mean a lot of people of course are talking about climate change, but why is an organization like Citi? 200,000 employees, 200 years old, why are you thinking about climate change and how it's going to impact you guys?

Cameron: Well, I think we think of it for at least two reasons, but the obvious one is that it changes business dynamics, right? When you have areas that are going to be dramatically impacted by climate change or over time, coastal flooding will change the sort of real estate outline of the coastal areas that we've come to know, many of which are heavily populated. When drought and rain patterns happen, that changes the flow of goods around the world. So those are some of the reasons we look at it from a business

standpoint. And then from a social responsibility standpoint, we think about it as well. Are we being responsible as a firm to not contribute to the issue?

Jacob: Got it. Okay. And two more that I think are interesting to touch on. One is automation, just because that comes up all the time. And you talked about AI, cognitive, and robotics. So what are you guys seeing and doing maybe even internally when it comes to AI and automation?

Cameron: Well, a lot. More than I even know. And this to your earlier point, the firm is so huge. I couldn't possibly know everything. But here's a couple of examples of mistakes. And let me start with that. Mistakes I've made.

Jacob: I love mistakes.

Cameron: No, I've got a lot of those. I hope we have a lot of time to talk about them. When I took this job three years ago and I was looking at this before this as the HR head for the Global Commercial Business. I was very interested to understand what was happening in the space. And if you read the literature, we have some of the recent literature, but certainly the literature back then, they tend to be dystopian in nature. Apocalyptic, right? Painting pictures-

Jacob: Always is, always is.

Cameron: Right? Millions of people. And I bought into that for a little bit of time. And then I got into this job and I began to search for whole jobs or big multi incumbent roles that were just dying off. My thesis was... now it's embarrassingly simple, I thought, "Look, I'm just going to go find the roles that are dying in mass and then I'll figure out the roles that are coming on in mass and I'll just cross pollinate." I'll out scale or upscale the folks in the dying roles and buy or build capability in the incoming roles. But what we found in fact was that roles don't go away all at once or not many of them do anyway. Little bits and pieces of roles will change and alter the role and it will slowly become something else.

Cameron: So then we began to ask the question, well, what skills tend to be dying off versus what skills are coming on? And before they even materialize into a whole role for a full FTE, how can we in [inaudible] the place with the oncoming roles? And that's been a more successful approach for us. So that's an example of a mistake that we've learned from and now we're making a little bit of headway.

Jacob: So maybe we can unpack that one a little bit because I think that's something that a lot of people struggle with or a lot of organizations struggle with. And I see this all the time. And it's interesting, one of the things I always like to ask people is, "Can you think of a single organization out there that is actually getting rid of workers by the thousands as a result of technology and automation?" And personally, I can't think of a single company. I mean, the only one that pops into mind is Foxconn where they said that they were going to automate, what was it, tens or 100,000 jobs and replace them with robots. But even Foxconn is not doing that to that extreme. And they're also in the process of creating thousands of new jobs in other parts around the world. So, aside from Foxconn,

which is kind of on the fence, I can't really think of any organizations out there that have been just letting go of employees by the thousands as a result of automation and technology. I mean, I don't know if you ever heard of any.

Cameron: I haven't heard of any specific companies. I know where you're going and I agree with you. I don't see them letting them go by the thousands all at once. There are certain sectors that I would look at that would be more probable to let full roles kind of leave at a rapid pace. I think about physical production facilities that could replace humans with robots or transportation, that's the latest one that we're looking at. But I don't see that going on. I can tell you at Citi, there were a few multi incumbent roles that were the human beings that were doing a lot of paper work, right? Literally looking at pieces of paper, checking them, and maybe moving them from pile A to pile B. But even then, there weren't many of those. But other than that, as I said earlier, most roles aren't dying off by the thousands at the rate that the literature was saying they would be just a few years ago.

Jacob: Yeah. So the mistake that you made originally is you assumed that it would be the jobs that were being displaced, but instead it sounds like what's happening is it's maybe tasks or pieces of the job that are being augmented by technology, but it's not the human itself that is being displaced or replaced?

Cameron: Spot on. The machines are substituted for tasks, not jobs. And there's a lack of uniformity, right? This linearity suggested by a lot of the of literature, is it right? It varies by industry, it varies by geographic geographies, it varies by role type. So yes, it's happening. I don't mean to suggest that automation isn't going to materially impact us. It's just not at the rate that we thought it might, at least not yet.

Jacob: I always find that interesting because the business leaders that I interview and so I am working on a new book on the future of leadership and I interview over 130 CEOs around the world and I was asking them all these questions about the future of technology and AI and automation and almost all of them are extremely optimistic about the role that technology in AI will play in the future. Yet, virtually every publication, every research report, every study that you read says that, like you said earlier, there's going to be this massive jobs apocalypse. And so I find this really interesting that there's a huge gap between what the research says versus what business leaders are saying. And I don't know why that gap is there, but it's just totally complete polar opposites.

Cameron: I guess it's sensationalism. I don't know either to your point. I'm sure these people are very well meaning, and the numbers probably suggest this, but then one thing we haven't talked about on a similar wavelength is some of that literature also would sort of suggest that it's going to be a utopian paradise where machines will do all the work and a universal basic income of some kind will need to be put in place and we'll have leisure time. And so that is also, it doesn't appear to be happening.

Jacob: I remember that. Yeah. We're all going to work just a couple of hours a week and the massive world of abundance. Yep. So we have that perspective as well. Okay. Well

anyway, I digress. So that was kind of the first mistake that you made. Was there another mistake that you made as well that you want to share?

Cameron: I wouldn't call it a mistake. This was actually a good bet on re-scaling. So if we want to stay on this particular wavelength for a little bit longer, one of the things that we're piloting is a very open ended way for our colleagues to rescale themselves. And briefly the way that we're trying to sell go goes like this. We have these big service centers like a lot of big companies do where we co locate, lots of different roles, right? So call center jobs, processing jobs, things like that. And targeting those groups, we would kind of have a three tiered system where we'll go in and we'll say, "Listen." To everyone, "The world is changing and we don't want to be fear mongers." But we would say, "It is changing and it's your responsibility to upscale. So here's a pallet of online learning resources and mentors and other experiences that you can avail yourself up to upskill."

Cameron: So that's sort of tier one, very low cost, great scale. And the people that engage in that sort of will work their way into a funnel, if you will, for lack of a better term. A funnel. So tier two becomes a little more rigorous where we're getting more specific about role types or skill types that are coming on. And we say, for example, if you're interested in web development, here's a series of learning assets to which you can take advantage of. So you can kind of get in that. It's a more rigorous thing. And the reason that's important is I think the nature of the person that takes themselves through tier one and tier two will then qualify for a tier three experience, which would be higher costs, harder to scale, but very focused on a specific role where it might cost the firm a lot more to upscale them into that role. But we already have a feel for the person, their aptitude, their motivation. And so that process I think will bear fruit for us over the next few years.

Jacob: Does this mean that any of the 200,000 employees can find something that they're interested in at Citi and try to upskill themselves in that particular area? So, I mean, could I be in like engineering and want to transition to HR and be able to kind of learn those new skills?

Cameron: Well, in theory, yes. But let me be clear, and this will be a theme throughout this podcast as I'm sure it is with a lot of your guests, very easy for me to talk about pilots and small scale wins, very different to actually roll this thing out in mass with great success. So we're at the beginning of a lot of these things and certainly as we move through this discussion, if we want to talk about where we're at on that maturity scale, we can. We're very mature in this space. But what I would say to you, this is an interesting paradigm in which we live now as the specific answer to the question that you asked, is still yes, but not necessarily because we have that encoded in Citi. I think anybody anywhere now, if they really wanted to upscale themselves in a specific area, there's so much great free or low cost content they could take advantage of just to start themselves up the skill curve, whether or not it's sanctioned by Citi. And I see this happen in our company, people take advantage of all kinds of assets outside the firm to prepare them for roles inside the firm.

Jacob: Yeah, I mean YouTube is a great resource. You can find tons of great stuff on there. Maybe the last one I'll touch on from these trends before we jump to the next topic is

the genetic, physiological and psychological. So can you unpack that a little bit and explain why that is a trend that you guys are paying attention to?

Cameron: Yeah. I'll go in reverse order. I know the least about genetics. It's the least developed. But let's start with psychological, functional MRI, other insights that we have into how the brain works, psychological states a person can be in, how they respond to stress, how that impacts productivity, how we can change the workforce environment to get the very best out of people, and instill like conditions of psychological safety to really create the optimum conditions for them to work. So that's part of the psychological real-time types of things that we're looking for.

Cameron: The physiological and psychological. There's some interesting work. This is not happening inside of Citi. This is just out there for other people to see. But I'll give you an example of something that I can see materializing into the workspace in the next 10 years easily, maybe the next three to five, is that we're getting very good at reading biometric signals, right? From just reading a brain waves to heart rates to even, I saw study through two or three weeks ago where some work in observing the hormone levels and crossing the blood brain barrier and what that does to decision making.

Cameron: And so it's not hard for me to imagine a world where we become more in tune with our own biology to the extent where we know that, "hey, maybe this isn't the best time for me to be flying a plane." Or making a trading decision of massive implication, or making any big strategic decision because my bios are off. I'm making this up. But you can imagine how that could be integrated into the workplace in a productive kind of way. So that's some of the things that we're thinking about, thus the bubble on the chart which you referred.

Jacob: It sounds pretty crazy because there is a lot of science behind all this. I mean you talked about brain waves and biometrics. So how much of this is going to be... because in a lot of organizations they were built on this idea of, I think, more art, right? Intuition, gut feeling, shaking somebody's hand, kind of more than the human stuff. Do you think we're going to move towards just these organizations that are completely scientific? Everything is driven by data, biometric data, AI. Is it just going to be this... I don't even know what to call it, almost like a robotic AI data-driven organization?

Cameron: I don't. I sure hope not. I don't think we can reduce humanity, and emotions, and existence, and love, and all the great things about being human. I just don't think you can distill it down to code and data. I just don't. So I think we'll explore the edges and see how it can be useful to us. But what I'm really hoping is that all of this allows us to become more human and to explore that in mysterious space that really is more fulfilling.

Jacob: Hopefully, hopefully. That would be nice. I think that's what a lot of people are hoping for. Okay. So this idea of the physiological and psychological, it seems like that piece is going to be kind of data-driven, so almost like having a fitbit, but on steroids.

Cameron: Yeah. Well, that's right. Jacob, let me give you one actual example that happened to me. I don't know the demographics of your listeners, but this will hit some of them. Just last year, I went to an organization that, they put this... there's a word for it that I can't recall right now, but the thing that reads your brainwaves. So you put this cap on. It has all these sensors on it and then what it [inaudible 00:25:52]. And then they have a screen that you're looking at and they have eye trackers and all this kind of thing. And they are built in such a way where you can review your e-learning, the curriculum that you built.

Cameron: And as you're moving through the curriculum, it will track where people, their attention spikes and where it lulls, and give you kind of a sense of the engagement factor of that piece of e-learning. And then as a designer, you can go back and retool it and say, "Well, there's a big [inaudible] here and a flow here. And maybe if we made these changes it would be more engaging." And that's now. It sounds really fancy and it is, it's neat. I'm not sure how scale able it is, but that's an example of this sort of physiological thing that I'm talking about that's already productized.

Jacob: And that's already happening now.

Cameron: Yeah. We used it for a couple of courses last year.

Jacob: Oh wow. Okay. So this is already something that you've explored inside of Citi. Very cool. Now with all this stuff that's going on, and I actually hear this a lot, in fact, I was just doing a workshop for a large professional services firm, one of the world's largest ones, and we actually had this long discussion around how do you know what path to take? Because it seems like a lot of organizations, there's kind of like this crossroads where you see some of these trends are happening, but how do you know which path to take? Do you go all in with technology or not so much? Do you take a stance when it comes to social and political issues or do you kind of remain neutral? And so how do you know with all these changes that are happening in the world, what the right path is for you to take? Do you have a decision making framework that you go through? Or is right just not even possible?

Cameron: Another terrific question Jacob. I don't think there's a formula. And I can tell you at Citi there's no posted formula. There are norms here, that they're not written on the walls are written anywhere, but I'll just tell you in my own experience. Being first to market as you know is a really risky proposition. There's a lot of upside to it certainly. But we would tend to, in most cases, watch the market more carefully. Let the market start to vet the early technologies and use cases and we'd probably tend to be not the first to market on average. Again, this isn't a Citi imperative, this just my observation of the place. So take that for what it's worth. And you asked earlier why has Citi been successful for so long. That might be it. We're very careful with the big bets. You asked specifically about social issues as well, and perhaps we can explore that later, but it was a very deliberate decision for Citi to get involved in some of these issues in America.

Jacob: Yeah, we can talk about that now.

Cameron: Yeah. Yeah. It didn't come easy and it's very well publicized, some of the decisions we've made about gun control and without getting into the details of the business decisions we've made, it's a decision that we made. And as you can imagine, from our customers and from our colleague base, the reactions were mixed and some people said, "Big firms don't have any business getting involved in any kind of social costs, climate, gun control, or anything else." And others applauded us. And of course that's going to happen for all the companies. The decision is, are you going to get involved? And if you are, are you ready for some of the implications?

Jacob: Yeah. And I think that now probably more important than ever, it is important for leaders and for organizations to have some sort of a stance and to have a perspective, and to have a point of view, and not just kind of hide and say, "We're just kind of..." Kind of be in the middle. I mean, I don't know if you would agree with that or not, but it seems like now especially it's important to have that kind of a stance.

Cameron: I agree with that Jacob and like most humans, I should know way better than this, that I just assumed, right? That most customers and most of my colleagues would be all for it and most were, really most were, certainly on climate. Maybe a little less so on gun related issues. But I think the thing I wasn't ready for is... polarization is way too strong word. But it does unsettle people. And frankly, I'm only speaking for myself now, not for anyone else and certainly not for Citi. For myself, when you live in New York City, you can become disconnected from the social narrative of the country. And I think our election's proven that to be the case. And so this is a big learning thing for me.

Jacob: Yeah, I would completely agree. Well let's jump to the next thing that I wanted to ask you about. And this is one of the slides that you sent over and you talked about your firmer positions, so to speak. And there were a couple of them that you sent over. We talked about one of them, which was automation does not equal certain doom, which I totally agree with. There was another one in there that you said common verified transparency skills framework equals Lingua Franca. What does that mean?

Cameron: Yeah, that's a good question. And when you say it back to me, I think, "I should really revise that and make that easier to understand." When I look in the human capital space, what's the common currency going to be? How are we going to create marketplaces for talent and roles in the future? Right? So there's a lot of work being done on, you'll hear it called different things, skills, frameworks, skills taxonomies, but basically creating a language on skills. So for example, if I say I have a skill in compensation design that needs to be vetted and maybe verified, which is a whole part of this, it's complicated. How can you verify it? And so you can match that with maybe an open role that requires a compensation design experience. Or if I'm looking for a colleague in a firm or outside the firm to learn more about compensation design, I can find them more easily.

Cameron: So my point on that particular slide was let's watch this space because it's important for us as human capital practitioners, which we all are, whether you're in HR or not, to have this common currency, this common language so we can match people to people, people to roles, roles to people, and to do other org diagnostics to see where we're strong and weak from an organizational standpoint on needed skills. Does that help?

Jacob: It does, yeah. I always say skills are greater than jobs. And if you look at yourself as an individual just in terms of a job that you have, I think that's a mistake. It's far more valuable instead to look at the skills that you have and the many jobs that those skills can be applied to. And that's not something that we're traditionally taught to do. I certainly wasn't when I was younger and then when I went to college, it was all about what job do you want? Which company do you want? It was very sort of linear. It was very pigeon hole-ish, so to speak. And today we're starting to see that that approach doesn't work anymore and you really need to have this idea of focusing on skills, not just on a single job.

Cameron: You're spot on. And it goes back to the conversation we were having earlier about the roles don't tend to die off in a hopeless, they don't just die all at once. The skills that compose the role begin to morph. So to your point, we're looking at skills at the unit level and I'm still trying to figure out what I think about what's the best way to verify a skill, how does that get codified and shipped around the place. So we're doing a lot of work looking at that right now.

Jacob: Interesting. I don't know if you're able to share anything that you're doing there. I've heard some stories, for example, I think IBM is doing this where they use AI to match the... so if you're an employee at IBM and you've been there for a couple of years, they have this piece of AI and what it does is it looks at the skills that you have and suggests other jobs for you to take a look at inside of IBM after you've been there, I think two or three years, just as a way to keep employees wanting to stay at the company and to not leave. And so they use AI for that. But I don't know if you're able to share anything that you guys are doing or thinking about in that area.

Cameron: Sure. Well, you're exactly right, by the way, about IBM. I think that IBM has a skills framework, Watson powered skills framework. You can buy it from outside of IBM. So if you want that nucleus, that skills framework to build a marketplace on, they have it. I'm grossly over simplifying this by the way. But they are very advanced in this. There's a firm called Burning Glass that has-

Jacob: Oh, yeah, I know them.

Cameron: Yeah, terrific skills taxonomy that's been really carefully thought through. What we're finding in the market is that there are places that have this skills' taxonomy thing nailed down, but they may not have the marketplaces built on top of them. So by market place, I'm just talking about different use cases. I mean a language isn't really very helpful if you don't have some means of exchange and a way to gain value from it.

Cameron: And I mentioned some of these use cases earlier. The one we're the most interested in is mobility related. So people finding roles, people finding temporary experiences, or the other way around, right? If we have roles, we'd like to canvas the place for individuals who have the skills necessary for that to proactively feed those opportunities to them for consideration. You can imagine the recruiting efficiencies that would come from this done correctly. So that's the nature of what we're looking at. More specifically, this will be interesting to a lot of your listeners as well, we're about to move to workday as a HCM platform and certainly the promise of work day we'll see is that if you have all

these human capital services wired together with a common code base, they can talk to each other.

Cameron: So recruiting, and finance, and talent, and learning, and performance management, there's a lot of cross pollination of data that can happen from that and it creates the possibility anyway for a lot more of predictive analytics and other technology driven matching and things that we're very interested in.

Jacob: Another area you mentioned is be wary of no rating performance management systems and I'm sure you're aware of the trend that a lot of organizations have been going towards this idea of no ratings, no performance reviews, even a lot of them are getting rid of engagement surveys. So why be wary?

Cameron: Yeah, I do think it's dying off a little bit, but you'd imagine, I get a lot of calls about this, that the wave of people saying, "Hey, we're just going to eliminate the rating altogether." There are a couple of issues with that. The first is that if you're meritocratic and any way and you have a finite comp pool, that those two conditions exist for your organizations, you espouse yourself to be meritocratic and you have finite financial resources, which many, many companies fit this profile, you have to array people, you have to somehow stack rank them on a performance basis to allocate your finite compensation resources.

Cameron: So what we found when we started to look around is that yes, they may not be communicating a specific rating to an individual, but there was some kind of a stack rank somewhere to allocate these finite resources. So that's one of the reasons I say be wary. So unless you're a tenure driven compensation organization, and some aren't, right? You just get paid based on the role you're in and how many years you've been there. You've got to watch out for these no rating systems that... There are other breakdowns, but that's the biggest one.

Jacob: So even in these organizations where they don't have rating systems, what you're saying is that somewhere in there, there is a rating system.

Cameron: If you're going to allocate your finite comp pool in any kind of a meritocratic way, there has to be. You just might not see it. And for right or for wrong, we just feel like people want to know where they stand on an absolute and relative basis even with all the downsides to it. And that is not a perfect science. I can speak for a long time on the things that are not good about that too. Done poorly, performance management conversations can really be a drag for the individual and for the organization. But just not having it and not being transparent, also not the right way to go, in my opinion.

Jacob: A lot of people are saying they're doing these real time check-ins where you just kind of have daily or weekly conversations as a way to replace the performance management system. And so the way that I've heard it is that you'll still get your bonus or your salary increased once a year, but the conversations around that are no longer going to be once a year. Those conversations are now going to be happening on a regular basis, daily, weekly, monthly, just more ongoing. Do you think that approach is acceptable?

Cameron: I think it is. We do that here. We're moving more towards the always on 360 degree feedback culture, so you can know where you stand. I would suggest that even pre-internet, the very best managers were having frequent conversations with their peers and direct reports and giving feedback anyway. The technology is just an enabler of that. But yes, that is happening exactly as you outlined. And we're experimenting with a lot of that.

Jacob: Okay. Next thing that I want to talk about is culture. I know that that is a big topic area for you, something that you're especially interested in and passionate about. And so there's a lot of stuff to talk about culture. So inside of Citi, and especially for you guys, I mean you're 200 years old, you are in what many people would consider to be a more legacy conservative space, right? Financial Services. So how do you guys think about culture and what are you doing around culture internally?

Cameron: Sure. Well, I'll start by saying that culture is something that every institution has, whether you try to shape it or not, it's there, it's happening. So our point of view is when you can't control it, you sure better try to shape it in a form that is best for your clients and our colleagues. And that may sound very obvious to a lot of the listeners, but I'm as surprised at how many companies haven't even thought about culture. Culture is just something that happens to them instead of something they try to shape. So moving from there to more onto your question. For us, and I'm going to speak specifically about financial services, although I think this goes for any business in that culture, especially post the financial crisis, was almost synonymous with ethics, at least in financial services, culture equals ethics, ethical fitness, ethical decision making, which was good and right because the trust was broken with our consumers in a lot of respects. So that was fine.

Cameron: Culture now, I'm starting to see, is certainly that. It's most certainly about ethics and all that goes with that. But it's much bigger than that. It's bigger than just not doing bad things. It's about doing great things as well and creating the optimal conditions for colleagues and clients to thrive. So the question then becomes, "Well, okay, great. So how? How do you get after that? If you can't control it, how do you shape it?"

Cameron: And our point of view is really, I guess I could summarize in one word, it's just harmony. We try to create harmony between the mission and value proposition that we put forth with the way we rate and pay people with the policies and processes that we put in place and with the leadership behaviors we espouse. And pretty much any breakdown I can find in the place, there's some kind of misalignment in some of those behavioral motivators. So we're just trying to harmonize those things in the direction of the culture we hope to sustain.

Jacob: And for you guys, it seems like there are a couple aspects of it, right? It's one, two, three, four, five criteria. You have purpose, stories and mindset behaviors, operating system, and measures. And so actually why don't we start with measures because that's probably the one that I think a lot of people are interested in. How do you measure culture?

Cameron: At Citi we have something called the voice of the employees survey that's been going on, I'll probably get this wrong, in 20 years. If it's not 20 years, it's a little over or a little under, but a long time. So we have a lot of longitudinal data. While that survey, a true culture survey, it's not just an engagement survey, while it's morphed over those 20 years, there are core components that have been left in there, so we can have some longitudinal data to go at. So that's the main cultural metric that we have. But when you combine that with, oh my goodness, there's so many metrics you can look at in concert. You can look at audit issues, ethical issues, you can look at performance rating patterns, attrition patterns in certain products, countries or functions.

Cameron: And when you cross pollinate all these metrics together, it starts to illuminate stories, right? Areas where you're strong, areas where you're not as strong, and then you can action something. We're just starting to get at that in a better way than we have in the past. So that's, I think, a partial answer to your metrics measurement question.

Jacob: Okay. And then purpose, maybe you can share a little bit about what you're doing there. I know that's a huge area of focus for many, many organizations.

Cameron: Well it is. And then just for those of you following along, so, Jacob, if I might, what you're referencing is something we call it informally, we call it the culture of flower and it's got five petals, right? Purpose, stories and mindset, behaviors, operating system, and measures. And as I said earlier, the whole game here is to harmonize those things to create the conditions for greatness. So that sounds a little goofy, but that's [crosstalk 00:46:19]-

Jacob: No, I'm glad you provided that context. That's great.

Cameron: Yeah, so measures and it's a system, right? It's not necessarily linear, but they work together. It's to your point, Jacob, the purpose piece is... I mean, our stated purpose of the firm is to enable growth in progress for our clients and the clients take on a lot of form for us, right? That ranges from governments and municipalities to individuals at all levels, to businesses at all levels, as I mentioned earlier. So that's the stated purpose.

Cameron: Now, I think maybe what you were referencing when you said purpose is an important thing is that we're seeing that rise in the research as they should in the context of our people are individuals connecting their daily work, either to some greater purpose of the company, right? And therefore they're more engaged and or, their personal ethos, what they feel like their purpose is on this planet. And yes, we're looking to make sure that there's ample opportunities at minimum for people to engage with the purpose of the company and maximum for that to align with their personal aspirations and purpose.

Jacob: Got it. Got it. Okay. So now we just have a couple of minutes left. But I wanted to talk to you about this culture maturity map that you guys sent over. And it had I guess, five stages and looked at human resources, the CEO leadership, the leadership board, employees, customer, and then company performance. So for people that are... obviously they can't see this chart, but how would you walk listeners through this

culture maturity maps so that maybe they can apply it or use it inside of their companies?

Cameron: Yes, absolutely. And you probably can't see it, but there is a footnote. It's a Hedrick and struggles product.

Jacob: Oh, I see it there. Okay.

Cameron: Yup. And so you can find this on the web and credit to them. I've seen probably a dozen culture maturity maps. This is a really good one. There are other good ones, but go have a look. And this is oversimplified, but basically what they've arrayed this in five stages. They say that stage one, they call it status quo, and that's the organization that may not even be thinking about their culture. It just is whatever it is, they're content with the status quo. They do really nothing to view it, shape it, or dress it in any way. That's your least developed. And then they of course, they just have a continuum of steps to get you to the most of all, the way they depict the most of all, to which is basically that your culture is a strategic asset and therefore you are interested in it.

Cameron: You are creating harmony in your systems. You're strategically and through investments shaping that culture in a very deliberate way. And I would just encourage all of us and I look at this a lot too. Find it out there and then have a good hard think about your company, and where you're at, and how and if you want to move down that to culture maturity scale.

Jacob: When you think about Citi and some of the stuff that you guys are doing internally around workforce, or space, or just anything related to some of these themes that we're talking about, do you think there's anything that Citi is doing that is unique that other organizations are either not doing or thinking about right now?

Cameron: Well, truly unique to Citi, I do think having a cultural assessment approach that has this much data is unique and that's an asset for us. I think we are unique in that we really are trying to cross pollinate knowledge across countries and photic lines because there's a lot of strategic advantage, competitive advantage locked up in that knowledge. And the more we share it, the better we do. I think that we're getting better at thinking about internal data and voice of the customer data and seeing how those two things relate and making decisions based on that. Those are a few of the things. We mentioned some of the upscaling programs. It's certainly not unique to us. We're just getting started, but that will become something that will scale here. Those are a few examples off the top of my head.

Jacob: What is it like to work in Citi? So for example, do you have a flexible work program? Do you guys have open offices or is it cubicles? Is it free food for everybody? What's the general kind of environment like as a Citi employee?

Cameron: Yeah, sure. I'll answer some of your specific questions and then I'll improvise a little bit. We do have open office space and that's from the CEO and everywhere else.

Jacob: So the CEO doesn't have an office?

Cameron: He has the most beautiful cube I've ever seen in my lifetime. He would say the same thing. I mean it is open. I mean it's truly... you can walk by and there is no door, you can see and hear into his space as is true for all of his direct reports, which are on the same floor, and it works. I've reported to folks for a long time now that report to him and I'm in their offices and sure enough, the head of consumer will walk in to talk to the head of institutional and our CEO, Mike Corbat, will walk around and say hi and ask questions. And it is actually playing out like you would think that it will. So there's that. And we do not have free food, although that's a wonderful suggestion.

Cameron: And then culturally, here's what I find. I've been here so long. I'm not objective anymore because I'm such a [inaudible] place. But here's what I hear from a lot of people that come in from the outside, they'll say, "Wow, I thought this place would be a lot more... " Some of them that I hear think they're cutthroat and these aggressive terms, right? That I think have been informed by a lot of the media. But in fact what we find here is that yes, there's a lot of very smart people here that are really serious about their career and their product and they should be, but they're just good people, and just good hearted, well intentioned people on average, of course. We're a big company, so you're going to find exceptions to this. But almost everyone I run into is both smart and good hearted. And that's what I love about the place.

Jacob: Yeah, I can understand why people have that impression because financial institutions are traditionally very cutthroat, and conservative, and everyone's fighting against each other. But I'm glad to hear that at least inside of Citi that that is not what people experience, which is great. Is there anything else... and then I just have a couple of fun rapid fire questions for you, is there anything else that you want people to know about Citi or about any of the things that we've talked about so far?

Cameron: No, I think your questions are great and I've enjoyed the conversation. I think we've hit on most of the big topics. I suppose there's just one overarching conversation I have with a lot of other companies that might be worth bringing up here. And that's this idea of your stance on employees and this idea of being a theory X or a theory Y organization. It might be worth 60 seconds just to unpack that because it's such a great question. And for those of you not familiar with that framework, and the author of that eludes me, I'm embarrassed to tell you, but basically a theory X organization would be one that assumes that people left to their own devices will do bad things or will not be motivated to work, and therefore you see lots of controls and oversight put into that versus a theory Y organization is one that assumes that people are naturally good, they will naturally try to do their best work possible. And you can imagine the way that you would run a company if you have one stance of the other.

Cameron: Now this is grossly oversimplified. There's nothing that's holy X or holy Y necessarily, but as an organizational litmus test, it's a fun question to ask if you're a senior manager or a senior HR person. And so I'd put that out there. That's the only big sort of philosophical thing we didn't hit.

Jacob: Okay. And I think that's Douglas McGregor, if memory serves.

Cameron: Yes.

Jacob: Yeah, he was a psychologist that pioneered that. Yeah, I'm familiar with that as well. That's good. I mean, I'm glad you brought that up. I think that makes a lot of sense as well. It dictates the type of leadership that you're going to have for sure.

Cameron: That's it. Oh, I'm so glad you cited him. Thank you.

Jacob: Oh, sure, sure. Okay, so I have just a couple of fun, rapid fire questions for you. Starting off with what has been your greatest business failure or mistake?

Cameron: Greatest business failure. I had three years at a much smaller company in between Fidelity and Citi and I think we made an investment in decisions that were misinformed. I think we got ahead of our skis a little bit in some ways and that's just been something that I've always wondered about. If we would have invested more in the product side instead of the software side and the hardware side instead of the software side, what would have happened? But I was young and I don't know if it was a mistake, but it's one of those questions that I ask myself a lot. And then I just have the garden variety mistakes that I think most managers may coming up, reacting in emotion or not looking at all the variables that were in play when a decision was made, being overly critical before you had all the information. I've made every classic mistake I think there is.

Jacob: What's your most embarrassing moment at work?

Cameron: Oh, my goodness. My most embarrassing moment at work. I really can't come up with anything. I mean, I made a lot of phone calls on stage and not able to remember something at town halls or [inaudible] I actually do remember... this actually happened a couple of years ago. I was jet lag. We were over in Europe somewhere and we are having a town hall and my boss was there and he asked me a question in front of wherever we were. There were a bunch of people there and my answer was just so discombobulated. It was terrible. I mean, it was incoherent and he had such a good sense of humor. He did come up just still there live and say, "That was not helpful at all, so I'm going to try to answer that for you."

Jacob: Oh God, he's got that good sense of humor in there. What are you most proud of?

Cameron: My teams. The teams that I've been able to work with over the last few years in particular have been terrific. The team I have now are individually and as a collective, some of the smartest, most capable and just kindest people that I've known. It's just one of those good seasons where we would all be smart to recognize in the moment that this was one of those special moments. That's what's happening to me right now.

Jacob: Well, I guess you kind of answered this, this was around the hardest business decision you've ever had to make. But I think you touched on that in your first question. So let me jump to the next one, which is what is your favorite business or non business book?

Cameron: My favorite, Peter Drucker is the answer to that. It's not a book, but anything that Drucker wrote is I love. And I went through a phase in my life where I was studying Drucker and Michael Porter at the same time and it really formed the basis of my love for the space I'm in now. But I have a thing for Peter Drucker, man.

Jacob: He's got some good stuff.

Cameron: I read what he wrote and I look at the date stamp and it's incredible some of the things that he was able to see decades before they happen.

Jacob: Yeah, yeah, I totally agree. Who's the best mentor you've ever had?

Cameron: There's a guy named Don Colbert. I used to play jazz. It's a long story, but I was a musician before I did all this. And this guy, Don, in Little Rock, Arkansas, anybody can reach out to him, he was a jazz lover and he took me and a couple of other of my musician friends under his wing and just gave us great life advice. Interestingly enough, he was a municipal bond buyer and trader, so he taught us about finance. That's where I first started to learn about finance and a just a great guy. And of course my father's the other mentor. But in the business world Don would be the guy.

Jacob: And last question for you. If you were doing a different career, what do you think you would have ended up doing?

Cameron: I would've been a jazz musician for sure.

Jacob: It's not too late. What do you play? What instrument?

Cameron: No it's not. I'm a tramper player. Yeah, I still play. Yeah, I would like to do that full time because it would take me 10 decades to get anywhere close to where I'd like to be, but it's something that I love and I'll get back to more often at some point in my life.

Jacob: Well, Cameron, thank you very, very much for joining me. Where can people go to learn more about you or Citi? Anything that you want to mention, please feel free to do so.

Cameron: Sure. I'm on LinkedIn. Obviously, you can find me there. There is CLO magazine. I've done some work with them recently. I foresee Piece's about to release a research report that I've commented on, a few podcasts out there. You can search me. That's me. I'm not saying it's terribly interesting, but since you asked the question there's that. And then Citi, it's everywhere, right? You can find us obviously on the internet and in almost every trade publication every day in some form.

Jacob: Yeah, you guys are massive. Not a hard company to find. Well Cameron, thank you so much for taking time out of your day to speak with me.

Cameron: Jacob, thank you for asking. I really find it to be a wonderful podcast, and I appreciate your good questions, and I wish you and all your listeners a very good day.

Jacob:

Well, thank you very much and thank you everyone for tuning in. And my guest again, Cameron Hedrick and there is no N there, it's Hedrick. And he is the chief learning officer at Citi. And I will see all of you next week.