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 01:03
Well, thanks everyone for tuning in whoever's watching the live stream. Unfortunately, at the time of recording this, LinkedIn seems to be down. And those of you who watch some of the live recordings know that usually I'm in the studio, my wife kicked me out of the studio because she's doing a presentation. So my setup my microphone is a little bit different today. You got these, this plant behind me and some some, some sunshine, but hopefully everything looks and sounds okay. And my guest today is Aron Ain, the chairman and CEO of UKG, Ultimate Kronos Group. Aron, thank you for joining me.

Aron 01:45
Thanks, Jacob excited to do this been looking forward to it. Appreciate the conversation.

Jacob 01:51
I have so many so many questions for you today. Before we jump into any of the business stuff, why don't we just start with a little bit of background information about you? We were actually talking a little bit about this before I hit the record button. But maybe give a little bit of context to people where where are you from? Where did you grow up? How did you become the CEO of UKG?

Aron 02:11
Okay, great. So I grew up in the Greater New York area on Long Island, which is about I grew up about 30 miles out of New York City, all four of my grandparents were immigrants from Europe, over 100 years ago, came to America running away from persecution that they were experiencing at the time, I guess some things never change. And, you know, they built a life for themselves. And my parents both grew up in the New York area. So I grew up in the New York area, and then went away to school and my first job out of college was with a little startup called Kronos, k-r-o-n-o-s. And maybe there were 10 people there at the time.

Aron 02:51
I wasn't a founder. I'm not a founder, and did just about every job in the company as it grew. And in 2005, I was fortunate enough to be become the CEO of the company. Yep. And was the CEO. We were a public company for a period of time. And then when private, I'm the joyful dad of two daughters. And I have a super fantastic wife who I've been married to this year. Let me count, get it right. 38 years. Unbelievable.

Jacob 03:28
Okay, well, what's the secret to that? First of all, I think my wife and I have been married seven years together for 10 going on 11. So what's the secret to the 38 years?

Aron 03:41
Oh gosh, I don't know if there's any secret just listen into each other trust in each other commute over communicating. It's like the same kind of things that make a great company. It's, a very similar how you get along with people and certainly, you know, our shared experiences, and I wouldn't underestimate the fact that we love each other. That helps a little bit to

Jacob 04:03
That does help. Yes. Well, for people who are not familiar with Ultimate Kronos Group, can you tell people a little bit about the company? What do you guys do? How many employees do you guys have anything that you want to share?

Aron 04:16
Okay, great. So Ultimate Kronos Group is the result of a merger of two amazing organizations. Kronos incorporated started in 1977. And Ultimate Software started in 1992, siblings to each other in the market in the sense that both enterprise software companies both serve aspects of the human capital management market known as HCM. And Kronos, really focused on the workforce management side keeping track of when people come and go to pay them accurately scheduling them so that the right person is in the right place at the right time.

Aron 04:51
Ultimate focus actively on payroll Human Resources talent management, recruiting performance managers Benefits and Benefits Administration. So April 1 of last year, imagine that imagine when we were going through April 1 last year, we merged the two companies, both companies, around 6000 employees, both companies about 1.3 $1.4 billion in revenue. And today we have 13,000 employees, a little bit over $3 billion in revenue. And we rebranded or renamed the company Ukg. On August 28, of last year as a result of that merger,

Jacob 05:33
I love the name Ultimate Kronos Group, it reminds me of like, you know, Power Rangers or something when they used to come together and they used to perform like these really cool, oh what were those little things called these bots, kind of like it was just Kronos. It was ultimate now it's Ultimate Kronos. I love I love the name behind it.

Aron 05:54
All right, well, you're instantly one of my faves telling us that you, telling me that you like how we picked our new name, Ultimate Kronos Group. And so it really our official name actually is UKG. But because there was so much to brand awareness of Ultimate and Kronos, we decided for a period of time, we'll continue to say UKG Ultimate Kronos Group, and then maybe over time, the Ultimate Kronos Group will drop as people get used to UKG.

Jacob 06:20
Yeah, but it sounds cool. When you say Ultimate Kronos, like you got a certain power behind it.

Aron 06:27
Maybe it'll never disappear.

Jacob 06:29
Yeah, you never know. So as the CEO of a company with 13,000 employees. Can you give a little bit of insight as to how you spend your day as the CEO? What do you what do you do?

Aron 06:43
Oh, my goodness, that's a interesting question. Because what I do today, while we're have 13,000, people working virtually for the most part around the world versus what I normally would do, as a CEO of a company are really different. I'm a little bit of a slave to my office and my desk and this camera, as opposed to hugs and high fives and being with each other in person. So today, my time is spent having conversations around how we're going to create great products, how we're going to support our customers, how we're going to take care of each other, oh, my goodness, spend so much time talking about how we're going to take care of each other in the middle of a difficult time span of time and talking to opportunities for organizations that are interested in using our products, spend time with organizations that currently use our products. Yeah, those kinds of things. But I'm today doing it exclusively from my desk on a camera through some sort of virtual setting.

Jacob 07:46
So it's a lot of it seems like a lot of relationship building, even prior to COVID. Were you're just traveling around and building relationships with a lot of people.

Aron 07:56
Yeah, so I think relationships in the sense that those relationships allow us to create great outcomes and make great decisions. But it really was spend time having conversations about both the strategy and tactics of how we're going to advance our business and take care of our employees and look after our customers. And so relationships make it possible. But I wouldn't necessarily describe it as is the dominant component of it being relationship driven, but it requires relationships to get it done.

Jacob 08:30
Got it. Can you talk a little bit about the impact that COVID had on your business? And what did you do as a result of COVID? You mentioned, for example, taking care of your people. And you know that can mean a lot of different things to different people who are listening. So talk a little bit about the impact that COVID had and what are you doing? What did you do to try to take care of your people?

Aron 08:53
Okay, so fair question. So let me just do a quick background because I think it's relevant and a little bit different. So imagine on February 20 2020, we announced we're going to have a merger like no other these two remarkable organizations that are both great places to work, have great cultures, great

products, customers, and everything seems fine, the world seems perfect. And then you know what happened shortly after that. And then April 1, we close and now we can't be with each other. So now we're trying to do a merge or when we can't spend time together, we can't work together and in the in the normal way.

Aron 09:28
So add that on top of everything I'm going to say imagine trying to do all of this in the middle of a pandemic. And look, I was very concerned about what was going on like everybody was and and I told people last March when this was all coming together and COVID was happening was my number one priority was to protect everyone who works for the company and protect all their families. And I was very specific that meant my goal was no reduction in force. No cut in pay, no cutting benefits, no furloughs. But I told people, they needed to help me do that, by helping us protect the balance sheet, protect the company, because we could only do that if we had the resources to do that.

Aron 10:13
So we've been and we went on a force march, and we've been on a force march to protect that balance sheet meeting, we scrubbed apart our spending, understanding that we wanted to not again have no reductions, no cut and pay no cutting benefits. And we cut back travel and other discretionary spending and saw how we're going to have enough cash to be able to support our people, which we convinced ourselves we would we stopped all our hiring, we closed 600 open positions at the time around the company. And we got to work on merging these two remarkable companies in the middle of this, while we figured out a new way to work a new way to work, you know, trying to pursue opportunities and work together all virtually, we used to do it together in person.

Aron 11:04
Now 40% of our employees worked at home before. Hopefully, out of this, but there was still 60%, who for the most part came into the office and even those 40% of work from home, they got together with each other for training and programs and meetings and whatnot. So we also had to figure out the challenge how to do this in a very different environment. And then finally doing it while employees were working at home with the pressure of their kids at home. They couldn't go to school, they had to be moms and dads, and they had to be teachers and caregivers. And so we told them anything we could do to help them with that we told them Family First Family First Family First tell them was okay in the middle of something like this, if their dog ran in the picture there kids needed to do something or there was a little bit of noise in the background. That was cool. That was good. That was expected no guilt about that.

Aron 11:58
We also created programs to support our people. So in the summer, when there was no camp, we created a virtual camp, we had 1600 children of employees sign up from around the world, we put them in cabins, they got to know each other they had activities every day, virtually, we sent things to their homes. We started a day a virtual after school program for them. And now we have a kids club. And so we've done all these things again, while not cutting anything.

Jacob 12:30
So did you actually have to let go of anybody during this time,

Aron 12:34
Nobody was let go because of COVID. It doesn't mean that we didn't reduce things here and there because of business requirements, but nothing, nothing connected to COVID. And in fact, as part of the merger, we took the best of both organizations benefit plans, and it represented a negative $34 million synergy of combining the companies. That means $34 million more spending than we were doing his individual companies in that same area.

Jacob 13:03
Oh, wow. That's fantastic.

Aron 13:05
Amazing, right?

Jacob 13:06
Yeah, no, that's crazy. So it's interesting, because you know, during COVID, a lot of organizations out there who always said, we put people first we care about our people. Now all of a sudden, we're saying, Hey, we gotta let go of 1000s of people. And then there were some organizations, like UKG, like Chase, like several other organizations out there that basically said, Look, we're not gonna let go of anybody. And so it really kind of made me think, which organizations out there really stand by that in which organizations kind of just do that is, is lip service and say they take care of their people, but they really don't.

Jacob 13:46
So I'm curious to hear your perspective. I mean, obviously, you were able to make it work. So you didn't need to let go of anybody. Do you think the organizations out there that had to let go people? Did they just not try hard enough? Are the leaders there, they just don't really care. Or were there some circumstances or situations where you're kind of like, I get it, nothing else you could do?

Aron 14:05
Look, I don't think any organizations Jacob wanted to let people go. But if you're like a hotel, or a gaming industry, or a cruise line, or some aspects of hospitality and restaurants, what were you supposed to do when your business goes down 90%? You don't have unlimited resources, you need to protect the business. So when it comes back as a business to protect, and so I think I wouldn't be too judgmental, at least I'm not about organizations that had to go make these really difficult decisions about reducing staff because they had no choice. We were fortunate enough that our business allowed us to be able to do what we did. Taking the measures we took, but I don't know I be more thoughtful and I know you are. I think we all should be more thoughtful about organizations that really were in a very tough spot.

Jacob 15:04
Yah no, that's a good reminder, because sometimes it's easy for us to see things in the media of, you know, someone, so let go of 5000 employees and everybody gets mad at the company, but they don't understand, you know, the reality of you have to protect the business that there's something to go back to. And I loved, Arnie Sorensen, who unfortunately just passed away. He gave that very emotional video where he talked about the impact that COVID had on Marriott. And you know, as he was literally battling for his life through cancer treatment, and you could see like, he was getting emotional and crying in that video. And even in that kind of situation, he had to let go people but he did it in a very human way where you could tell he genuinely cared about his people. And he felt he felt terrible.

Aron 15:46
Right, so you know. So here's a remarkable business executive Arnie Sorenson and just a tremendous loss to the, you know, community, his community at Marriott and others. We've been a Marriott partner for 25 years. And, you know, as you stated, I can't stay in the better you think he wanted to go let people go? No way. No way.

Jacob 16:11
Yeah.

Aron 16:12
So you think I was hard on him? Impossibly difficult.

Jacob 16:17
Yeah, no, totally agree. Well, on a more on a more positive note. You have won the Glassdoor top CEO Honor, I read four times UKG, Well, even Ultimate Software and Kronos Group, both Best Places to Work, but UKG also lots of awards. So recently, number two best large employer in America by Forbes best workplace for parents by great place to work, best workplace in technology. By a great place to work in the UK, you got a perfectly 100% score on the Human Rights Campaign foundations corporate Equality Index. So clearly, you as a CEO, and as a company, have got something figured out over there. What is the secret behind what you're doing?

Aron 17:06
Okay, fair question. First of all, proud of what we've accomplished, proud of the recognition, I do think that it gives us the energy to keep doing what we're doing. We don't fight for these awards, but it's nice when we get them. From that perspective, I believe with everything in me, Jacob, that great organizations are powered by great people. Great people produce better products, great people deliver better service, when you could produce better products and deliver better service, you'll have better outcomes. The challenge with that, though, is that if you're going to hire great people, great people have choices, great people have choices, because they're great. So you better make sure you create an engaged environment. Because if you don't, those great people will do what great people are able to do, which is find another job.

Aron 17:54
And so winning those awards is a byproduct of understanding that our people are the magic potion behind our success. It's not our products. It's the people who produce those products. It's not our service. It's the people who deliver that service. So we're deeply focused on making sure that we have an engaged environment where those great people want to come to work for us. And those great people want to stay working for us, because then it'll take care of itself. Great people will do what great people do.

Jacob 18:28
Yeah. Can we talk a little bit about some of the specifics? So what is what does that actually mean? Talking about, for example, during COVID, taking care of your people and not letting go of anybody, but what does it actually like to work at UKG? Why do people love working there? Is it just free food and parties all the time? Or is it something more than that?

Aron 18:49
Actually, it's not free food, and actually, it's not parties, to be specific. What it is, it's things that are, I think, more meaningful to people around over communications and trust and transparency and collaboration. It's that everyone deserves a great manager. It's about taking care of each other, being kind to each other, respecting people's careers, encouraging people that work life balance needs to be the most important thing in our life. I tell the people who work at UKG all the time that the most important thing in their life is working for the company, they have their priorities mixed up. I tell them That's silly. Tell them the most important thing should be their families, and they should act accordingly and take care of their families first.

Aron 19:36
So look, unpacking that a little bit. I believe trust is the magic glue that holds together personal relationships. It's the magic glue that holds together professional relationships. I start all of my relationships with people by trusting them. People have to un-earn my trust. They don't have to earn my trust it liberates me to be more productive, it liberates them to have more meaningful experiences and be more productive. It's always telling the truth, always telling the truth. I don't know how to emphasize it enough, always telling the truth, I always tell the truth. If I can't tell somebody, something, I don't fib, I tell them, I can't tell you that. But I always tell the truth.

Aron 20:22
I believe people join organizations because of the organization, I believe they leave because of who they work for. So we have a premium that our 2000 people managers are held accountable to be great people, managers, they're not rated just by their boss, their manager, they're rated more actively by the people who work for them. Our employees have ratings on the effectiveness indexes, if you will, as rated by the people on their team. And I tell them, I don't care what your rating is, at any given point in time. I care about what it is six months from now, show me you got better. So it's all of those kind of things. Over communicate, oh, my goodness, I over communicate. When I'm walking down the hallway of our offices head up phone in my pocket, talking to people asking them how they're doing, discussing with them how things are. There's lots of magic to it. But it's it's much more meaningful than free food. It's much more meaningful than parties, it's even more meaningful than just simply stated what your

compensation is, you know, you go and pay people fairly, and then you do those other things. Holy macaroni, anything's possible.

Jacob 21:40
Yeah, makes a big difference. Can you talk about what some of those criteria are for your people leaders, your people managers of the company? What are what are they measured on? What are some of those factors and variables that you guys look at?

Aron 21:54
Yeah, so we asked them questions about does your boss communicate with me in this way, that way? Does your manager talk to you about what your career hopes and expectations are? You know, simple things, does your manager trust you to do important and meaningful work? You know, get to the heart of it, type of thing. We don't go all the way as far as be as provocative. If you had a choice to work for your manager again, would you Yes or no?

Aron 22:21
The reason we don't ask it that simply, although I'd love to sometimes, is that it doesn't get to the heart of why it would be a yes or why it would be a no. But it's those kinds of questions around communications, collaboration, transparency, honesty, trust. Yeah. Look you know, traditional employee surveys measure the relationship really well between the employee and the organization. Do you know the strategy? Do you have the tools to do your job? Do you think you're paid effectively? Do you feel safe at work, you know, these kinds of questions, but they don't effectively measure the relationship between the employee and their manager. So what we try to do with these 19 questions is get to the core of the relationship between the employee and their manager.

Jacob 23:09
I like that approach. So that, I suppose that could be one very unique thing that you guys focus on is you don't focus just on the relationship between the employee and the company, but really on that relationship between the employee and the person they work for. And I've shared this story before. So I won't say who a family member worked for, I guess I could say, cuz she said it. So my wife, Blake, worked for a fortune, fortune 100 company, and we were getting ready to board a flight to go to Prague. And she loved her job, she had a great relationship with the manager that she was working with.

Jacob 23:50
And as we're getting ready to board the plane, she gets a phone call from the company, then they basically say you have a new a new manager now. And they replaced the manager who was kind and nurturing and really cared about her career, and you know, where she was going, and somebody who had her back with somebody else who was like the guy from office space. Didn't care about her as a person and as a human being. And it just it that is what caused her to eventually leave the company.

Aron 24:20
There you go.

Jacob 24:21
And it's really amazing that in one company, you can have these two very different types of leaders. So how do you have consistency inside of UKG? I mean, you have 1000s of people who are leaders. How do you make sure that they all good and you don't...

Aron 24:36
That's why we asked the employees to rate their relationship with their manager twice a year. That's why we asked them to complete those 19 questions. And that's why every manager has a manager effectiveness index, and the people are in the fourth quarter tally, there have to get better. They can't be managers at the company anymore. That doesn't mean they have to leave the company. But they can't be people leaders.

Jacob 24:59
Ok, so talk a little bit about that. So the manager effectiveness index. So let's say let's say I'm a manager UKG, and I'm evaluated, it sounds like twice a year on these 19 questions. And so it sounds like you have to improve each time.

Aron 25:15
No, if you have a perfect 100, and there's people who do imagine that it means on a scale of, you know, one to five strongly agree to strongly disagree, someone, some managers got a perfect five on all 19 questions from everyone who works for them.

Jacob 25:29
Wow.

Aron 25:30
Wow. Yeah, like really like, wow. So those people don't need to improve, just keep doing it. But there's other people who might-- not might-- they don't. And so that's why the answers to those are important. And look, Jacob. That's why it's important for us to put our own practice what we preach about trust, and over communicating and honesty and kindness and go say, look, these are the scores, you need to do better.

Aron 26:00
Let me tell you a quick story, if I can.

Jacob 26:01
Yes, please. I love stories.

Aron 26:03
When we first started this, I had a longtime manager come and say to me, after we started, this he said, Are you going to train me to be a better manager? I said, Sure. Like, why do you ask when people ask open ended questions like yeah, you know, there's more to the story, right? So they say, Well, I thought I was a good manager. I said, Well, why did you think you were a good manager? They said, Well, I always got my employee engagement scores back and my team got really high scores with the

engagement survey, remember, that measures the relationship between the employee and the company?

Aron 26:37
So I said, Okay, well, why do you think you're not a good manager, they said, I got my first MBI, back, and it was 59. And I was really surprised. So now let's be fair to this manager, they thought they were a great manager. Because they were getting looking at the employee engagement survey, the relationship between the employee and the company, they never actually had the data that was measuring the relationship between the employee and them. Two years later their MBI was in the 90s. They just needed a track to run on they needed the info, they needed the data. And they got better. And we see that all the time.

Jacob 27:23
Yeah, it also brings up an interesting point of perception is reality, because I think there are a lot of leaders out there who genuinely think that they are fantastic leaders, they're great leaders. In fact, I found this in research for my recent book, surveyed 14,000 employees. And we asked all the top executives, how well are you practicing various skills and mindsets like emotional intelligence, and surrounding yourself with people who are not like you? And the majority of the leaders said, Yeah, we're doing a pretty good job. And then we ask the people who work for these leaders, how well are your leaders doing with these things? And they said, leaders are doing a terrible job. So it's really, you know, it's not so much how you view yourself as a leader. But what's more important is how other people view you as the leader.

Aron 28:08
Even worse, right? You might view yourself as a really good leader because of some data that doesn't really get to how you are as a leader. And you're hopping along, saying, Hey, I'm a good leader, blah, blah, blah. Look, I tell the people who work for us, Jacob on a regular basis, it takes unbelievable courage to be a great leader. You think I like having difficult conversations with people about things that affect them negatively. Of course, I don't, but I do it because I need to. So our homegrown training program for our managers is called courage to lead. And I tell them the action word isn't lead the action word in it is the courage, because it takes unbelievable courage to be a great leader. It's hard. It's hard.

Jacob 28:56
Can you share a little bit about what's included in that training program? You know, what are some of the things that you teach your leaders to be able to do to be great people leaders,

Aron 29:04
what we teach them the definition of trust and respect, you know, in a way they maybe haven't heard it before we teach them the meanings of communication and transparency and collaboration. Look, we also teach them, you know, other things like how to run an effective respectful meeting, how to go interview people and evaluate things like that how to go work cross functionally. So it's not just around all these things that get you great scores on your MBI. It's also about other aspects of what it takes to be a good leader.

Aron 29:38
I think what we do a little bit differently than others, is I think other training programs for managers do focus on a lot of those things, but I don't think they focus as actively on those components of trust, transparency, communication, collaboration, honesty.

Jacob 29:51
Yeah, one of the things that you talked about in your book, which is the subtitle of this discussion, how to build an organization where everyone loves to work, you have a sense In a manner where you talk about the un-leader, which is interesting, because we've been talking so much about leaders and being a great leader, what does it mean to be un- leader?

Aron 30:10
You know, I think CEOs get too much credit when things go really well in organizations. And I think they get too much blame, quite frankly, when things don't go well. Let me focus on the too much credit thing. We do well as organizations because of the people who work in the organizations, not because of the CEO, certainly not because of the CEOs alone. And so I think a little humility, and being humble and understanding the world doesn't revolve around us can go a long way.

Aron 30:41
We have 13,000 people at our company, because we need 13,000 people, we don't have that many people to make me as a CEO feel better about myself how big the organization is. And so the unleader is meant to just capture the idea that there's value in showing that the people around us who are as important as we are, when we have jobs like I have, you can get a big head you can get out of balance, you can think you're more important than you really are. And so I try every day to be an un-leader in terms of showing that respect, and, and and offering dignity and being thoughtful to the people I work with. And making sure I understand that the world does not revolve around me. Look, I follow all the same rules as everybody else. Oh, yeah, by fly all this follow all the same travel rules. All that just all the same rules as everybody else.

Jacob 31:44
Okay. So being an un-leader then how would you I guess, if you had to put put a sentence around what that actually means? How would you define being a leader for people who are watching or listening?

Aron 31:55
Yeah, so I would say a non leader is someone who understands and respects that all people who work within their organization are as important as they are.

Jacob 32:04
I love it. So not having, but and it's actually a tough thing for leaders, right? Because as you grow and you become more successful, you get the better parking spots you get the bigger office, the more recognition, the head can get a little

Aron 32:17
So don't get a better parking spot and don't get a bigger office. I know, my office is an inside office. I don't have a window office. Nobody else has the window office. I don't have a window office. Everybody else flies coach, I fly coach.

Jacob 32:32
Hmm. Well, where did that mentality come from? Because not all and I don't know if this is, from maybe how you were raised, or being at the company for a long time, but not a lot of leaders share that mentality? So why? How did you embrace that mentality of I'm not gonna treat myself better than everybody else? And why does so many other leaders have a hard time doing that?

Aron 32:56
Simple answer is, I'm not sure. It's probably a good example of being an un-leader. When you don't know something. Don't act like you know that when you don't. But look, I had fantastic parents, I'm one of five children, I'm number four. You know, we're a middle class family that didn't want for things but didn't have everything. And my parents taught us just great values, and to respect other people and and that we were no better than anyone else and help people who needed a little bit of extra help. And I guess that rubbed off on me and, and then, I guess to some extent, it appeals to my inner self, it appeals to who I am. And it gives me comfort and joy and satisfaction to be that way.

Aron 33:45
Um, look, I think we're all a little bit different Jacob and, and my statements around un-leaders are not meant to be critical of others, everyone has to find their own way. This is what works for me. This is what's effective for me. From that point of view, it's like when I'm in meetings, I tried never to sit at the head of the table. I sit next to people, because I think being across from people, I think, is a barrier. So when I interview people, I always have them sit at the end, and I sit to their side. I just you know, I just think it's a more thoughtful way to engage with people about who they are. When I ask people about their families and about their background. I'm really interested about their families, and I'm really interested about their background. I truly care. And so I don't know why I'm that way. Exactly. But I guess part of it is because it works for me.

Jacob 34:43
Can you teach that?

Aron 34:46
Yeah.

Jacob 34:46
So you haven't come across the leader or I don't know, maybe you have at UKG or some other place who said you know, Aron, you really care about your people. I'm not interested in their personal life and their families like I don't want have, you know, because there are some people who are genuinely like that Just do your job. I don't care. Don't ask questions. I'll pay you well, but I don't want to know about all this other stuff. How do you respond to those types of people?

Aron 35:14

That's a really, really good question. I don't expect everyone to care about people in the full spectrum of how I care about people. But I do expect everyone to be respectful. I do expect everyone to tell the truth. You want to ask people who work with you want to get on my bad side quickly, don't tell the truth. It's like, I just have no patience for that. Look, I'm a sore loser. I'll admit that I play a win. But it doesn't mean I do it in a way that's doesn't exhibit good sportsmanship and being thoughtful about it.

Aron 35:56

So I expect people to do those basic things. If I see people not trusting people, I'll grab them and say, what's the scoop with that? Sometimes they'll say to me, Well, I don't really know him, Well, they have to earn my trust. And I go, Why do they have to earn your trust? And they say, well, they just started here. And I always tell them when they tell me that I say I'm confused about that. So let me understand that. Did you hire them? Yep, I did. Did you interview them? Sure did. But when you were interviewing them, did you say to yourself, they're really good. But you know what? I don't really trust them. But I'll hire him anyway. Of course not.

Aron 36:36

When you hire them, you assumed they were trustworthy? Well, then why do they have to earn your trust? You just told me that you hire them and you thought they weren't great. So little things like that I encourage people to do and those are things I think we can teach people. They all don't have to care deeply about people's families and lives outside of work.

Jacob 37:00

I love the approach that you have of really making the people managers accountable. What happens, and I don't know if this has happened, do you have or have you had people managers that UKG, who you've had to say, look, this is just not for you? So tell me a little bit about how that works? Which Why would they not be a good people manager?

Aron 37:26

Well, because maybe they're not respectful. Maybe they don't have good judgment. Maybe they don't trust people. Maybe they don't treat people thoughtfully. Remember, I hired someone after a year search work for me. And after a short period of time, it wasn't working out sat down with them and we had a discussion that it wasn't working. And the conversation led to where I said, Look, I just don't think you have good judgment. And here's examples. And I think you're judgmental, and here's examples. And that was manifested itself in a very quickly in the people who work for this person.

Aron 38:05

And by the way, this person was a good person. They just didn't align with the culture of what was accepted behavior at our company. So that's a good point that I should make, I should let you judge it. It's a good point. That's the point I should make, that sometimes a certain characteristic or behavior works well at one place, but not another. Sometimes when I interview people that I love, and I get one references negative, I'll work hard to say, well, they might have just exhibited those characteristics there. But it doesn't mean they'll exhibit them here.

Jacob 38:43

Hmm. Yeah, that makes a lot of sense. So do these people, managers who maybe are not effective or they're not improving, fired from the company demoted? What's the process for what happens?

Aron 38:59

Could be could be, we'll start with first trying to get them to be better, if they can't be better than we'll move to, they can't be people managers anymore. If their self worth or ego is tied up and being a manager, then they probably can't stay at the company. Hmm.

Jacob 39:18

So I think that's another thing that probably makes you guys different because I've heard so many stories of organizations out there where employees say, we're not working for leaders who we believe to be effective or good and the company doesn't do anything. They just keep them in that position forever.

Aron 39:34

We used to be that way.

Jacob 39:35

Oh, you did?

Aron 39:36

Yeah, of course. We're not perfect, we didn't start our manager effectiveness work until 2014, 13-14.

Jacob 39:43

Interesting. Okay. So what was it like before? And can you talk a little bit about what that transition was like? I'm assuming it probably wasn't an easy transition.

Aron 39:54

Well, it wasn't that bad. Look, here's how it happened. I went to CEO meetings, I always sit in the front row of these things and listen really carefully. They're too good of learning opportunities for me. I mean, you know, we're having dinner and having drinks and I'll schmooze around with the best of them. But when the stuffs going on, I'm like all in listening. And this head of HR of a 70,000, employee, US company spoke about how they got rid of performance reviews. And they asked four times a year, four questions. One of them was if you could go if you could hire this person again, would you? Yes or no? Whoa, that's provocative. Yes, no.

Aron 40:41

So I came back, no, I raised my hand-- front row. And I said to the guy, have you ever done that the other way with managers, where employees can answer four questions about their managers as a performer because it has always been on my mind, for a long time. They said no, never did that. So I came back. And I told her head of HR, I want us to go start a survey where we asked the employees twice a year about their relationship with the managers. And I wanted to be direct and provocative. If you would, could go work for this manager again, would you Yes or no?

Aron 41:16
So my head of HR whose fantastic business partner to me, said Aron, we can't do it that way. We'll never get to the reason why. Yes, and no answers won't work. I said, Okay, what do you suggest then? So came back and said, let's try this thing with the set of questions which get to the heart of why there's a yes or why there's a no. Now when we first did it, managers were really nervous. So we said, Look, the first surveys, we are not going to share the results with your manager, the managers manager, the only person who's going to see it is you and your HR business partner. And the goal is, and when we do it again, in six months, you'll get better based on these results. But the next one we do in six months, your manager will see it. So it's kind of like you know, what, PSAT kind of thing, it's a practice one that doesn't count. And that's how we started the transition.

Jacob 42:14
And so and people were pretty recep... I would imagine, maybe the employees were more receptive to it than the managers.

Aron 42:21
Well, look, managers who did really well, loved it. Managers who got bad ratings were nervous. So it's, you know, it's all part of this journey you go on when you make changes like this. And so it's gotten better and better. And then, you know, obviously, managers who struggle with these parts of being a leader don't like it probably as much, but it's not optional. You know, it's not optional. People join organizations because of the organization they leave because of who they work for. It's so simple. It'll take a great manager years to build a great team. It'll take a bad manager weeks to destroy it. Think about the example of your wife that you like the company she worked for.

Jacob 43:07
She did, quite a bit actually.

Aron 43:09
Then why did she leave?

Jacob 43:11
Because of this manager.

Aron 43:12
Oh, my God, look what you just said. How is that reasonable for a company to accept that? I don't accept it so we had to put something in place to make it not happen.

Jacob 43:25
Yeah, no, I mean, I agree. It's completely nuts.

Aron 43:29
Nuts

Jacob 43:31
Same thing for me. I mean, all the companies that I worked for, I liked the companies didn't like the managers. That's why 15 years ago, I went off on my own is because I

Aron 43:40
Especially go back to how we started this conversation. Great organizations are powered by great people, great people, better products, better service. Great people who are the first ones that are going to leave if they have a crappy manager? The really good ones. I tell people, you don't want to have this problem. go higher average people that don't have choices. I just don't think you'll do as well. Look, I'm not a genius with this stuff. It's all trial and error. I'm getting to be an old guy here. I've made decades of terrible mistakes with these things. And so I've just tried to keep an open mind and listen and learn and improve.

Jacob 44:23
Do you think that why we have a job has changed over the years? Meaning, you know, if you were to go back 30, 40, 50 years ago, I'm thinking of like, my parents, you know, immigrants, when they had their first jobs, there was no care about, am I going to be treated? Well, it's just paycheck, support the family. And I feel like for many, many years, it used to just be you know, you need a job to get a paycheck. But now for a lot of people around the world the there's kind of a mental shift of I don't just want a job for a paycheck. I want a job where there's career prospects. I want a job. I'm going to learn and grow, or I'm going to work for a great manager. So do you think why do we have a job? And what we look for in companies has changed over the past few decades,

Aron 45:09
Of course. But I think what's more interesting is why it's changed. And I think technology has helped that change. People are can be can move between jobs easier, it's easier to find other opportunities. People don't always live in the same area for their whole lives. And so just things are just different than they were. So I think deep down people had those same desires. Why wouldn't you? Who wants to work 40-50 years ago for a crappy manager? But they didn't feel they had options. Now people have options, and they can do things differently. I think. I'm not a sociologist, or whatever group of people follows this stuff. I'm just a simple business guy who's doing the best I can with it.

Jacob 45:55
I'm also curious, it seems so we talked a lot about the leaders inside of UKG. But what about people who are not responsible for others? And I'm really curious, during the interview process? Are there certain questions or things that you look for that you think are unique to UKG? That maybe other companies are not asking or thinking about?

Aron 46:16
Well, look, I don't know if they're unique, but I think about how we demand them. Let me answer it an insy weensy bit differently, here's how I feel about what we've been talking about the past 15 minutes, I have a certain value system that's really important to me, we just talked about it, I then go hire people who share my value systems, and I hold them accountable to my value systems, they then hire people who share their value systems. And so these things just perpetuate themselves.

Aron 46:47

I tell people, companies don't change as they get bigger, the leadership at the company changes, that's when you can expect a possible change. And so I think what we look for, you know, we have a whole set of values at the company that are focused around, you know, core components of things we talked about, and then that translates into expected behaviors. So we look for those values, when we interview people, and we look for people have those behaviors in those ways, and it doesn't always work out. But that's what we look for. And, it's easier when you create an environment with low turnover like we have, where people who share those values come together, continue to perpetuate them.

Jacob 47:38

Let's say you were not the CEO of UKG. Or you're, you know, kind of a free agent, so to speak, and company around the same size as UKG wanted to bring you in and same challenges, right? You know, there's not a lot of trust. Our employee engagement is down. It's not a great corporate culture. And they wanted to bring you in to turn the company around. How would you approach that? And what would your plan be like? Where would you start? What what kind of steps would you take to try to create a Ukg environment at a different company?

Aron 48:13

Well, I would start by listening and understanding where these gaps are, and then the ones that are a problem, I'd start working to change those. I wouldn't just come in and try to force my own way on it's what I do right now, every day when we have an unhappy customer, I start with listening like why are you unhappy? what's not working? Let's break it down into its components, or we have a project that's not going well, let's talk about what's not going well. So that's what I would do, I would listen and then react to what I heard.

Aron 48:47

And then based on what I heard, I would then do what I thought was the right thing to do to shift it in the right direction that people said, nobody trusts us here. I don't know I'd be talking about the value of trust. And I would then my own, I would practice that. It's funny about like little things like this trust thing. You know, people come and say to me sometimes Jacob, can I get your help with this here? And I go, sure. And they go to explain it to me. What do you think we should do? I go, I don't know what what do you think? They go well, bah, bah, bah, I say okay, well, let's do that. And they go, really? I go, yeah, you're the expert. You're the one closest to and I trust you. And I watch him get uncomfortable. Oh, my goodness, I sometimes take a step closer to them physically. Not right in their own personal space, but pretty close. And I say no, no, no, I really trust you. And I can tell they're uncomfortable because they don't hear that often.

Jacob 49:43

Hmm. How do you do with failures or mistakes? So you trust somebody to take on a project blows up? Maybe you lose a ton of money from a big project. I don't know something something bad happens.

Aron 49:57
Fabulous question. So I try really, really hard to not keep score. And the reason I tried really hard to not keep score, if you came and sold me on an idea to do something, and six months later, it's not going well. And you know it better than anyone that it's not going well, what do I want you to do? I want you to stop it, stop the project, stop throwing good money at a bad idea. But if every time I'm keeping score, and I'm going to put you in the penalty box, then you're going to spend another six months absolutely positively proving it was a stupid idea. And wasted another six months of time and money. So that's how I deal with failure. Now, if the same people keep bringing ideas, and we say, okay, go do it. And it keeps being a dumb idea. And at some point, I say, Well, I'm not sure that this person has great judgment on ideas like this, but I certainly start with the way I described it.

Jacob 51:02
I love that approach. So we only have a couple minutes left. So I thought maybe we could look at just some action items for leaders because there are a lot of leaders who listen to this podcast leaders in some capacity, whether they're senior executives or mid level leaders. I love the dog. If I had my dog here right now, they just...

Aron 51:21
He came and said hello. So I wanted him you to see him. Sammy, say hi

Jacob 51:24
Is he a jack Russell. What is that?

Aron 51:26
It is.

Jacob 51:27
 I have two Yorkie rescues that are downstairs.

Aron 51:30
No, he's a great dog. He's a major

Jacob 51:34
Dogs are like a part of the family.

Aron 51:35
Yep.

Jacob 51:36
They are for sure.

Aron 51:37
Like I'd say --my wife she likes me. But she loves him.

Jacob 51:41
Yeah. Oh, and I feel the same way. I think my wife loves the dogs, maybe a little bit more. So for the for the leaders out there who are listening who are looking to become better leaders. what suggestions do you have, so that right after they're done listening to this podcast, they can start to improve, they can start to become better? What should they do right away,

Aron 52:03
They should make sure that they understand the world doesn't revolve around them, they should go immediately start working hard to trust their people communicating with their people offering transparency and how they communicate with their people. I think those are just key components respect also, is a big one, respect people, this whole work life balance thing, that, you know, people have lives outside of work and everything they do doesn't have to revolve around, you know, their work.

Aron 52:32
Look how well we've done as a company, we have an open vacation policy, people can take as much time off as they want, I care more about what they do versus where they do it and when they do it can't do that can have an open vacation policy without trusting each other. I trust people to get their work done. I would say to people, do you trust people to get their work done? If you do trust them to get their work done? How does that exhibit itself? How do you do that?

Jacob 53:01
I love the how does it exhibit itself? Because I always tell organizations who have all these wonderful values I say, do you think you're the only company in the world that has trust as a value or collaborate? You know, hundreds of companies have these values. But what separates the organization from other companies is how the values come to life?

Aron 53:17
They don't practice it.

Jacob 53:18
No, it's just sits on a banner with a you know, big sign in black ink that says trust. Meanwhile, employees are terrified to speak up. And it's like, why have a value if it doesn't come to life? It's just a word.

Aron 53:32
That's why I think try you know, people with the book that I wrote, they say --Oh I loved your book. And I go Yeah, what do you like best? Oh, that chapter on trust. And I go tell me why. What it comes to is they love it so much. Because it's something that they just don't experience on a regular basis. We can tell when people trust us. You know, when you work for someone who trusts you, how do you feel?

Jacob 54:00
Yeah, I mean, you feel like you can do anything you feel. I mean, I have a small team of 10 people that I work with, and I try to do my best to trust them as much as I can. And when they have an idea, I say run with it. If it doesn't work out, we'll figure it out later.

Aron 54:14
So you trust them? You wouldn't couldn't do that. If you didn't trust them. How do you think they react when you do that?

Jacob 54:22
They actually come up with some pretty, very creative ideas and fun things that we can do

Aron 54:26
But even beyond the idea. How do they feel about working with you?,

Jacob 54:30
Oh, they love it. Yeah, I mean,

Aron 54:32
They love it.

Jacob 54:33
Some of these members of my team, I've worked together, six, seven years. They've been with me, so

Aron 54:38
It'll take a lot for them to leave. So you get an Attaboy for that and not everybody understands that. And for some people that's difficult to do. But if we want to be great leaders, if we want to create organizations where everybody loves to work, if you want to have these places that have these great people work for us, then you better find ways to engage them and you better do these key components around this and we've been talking about Yeah, well, you may be able to trick the people to come work for you. But you're not going to keep them.

Jacob 55:07
Yeah, I couldn't agree more. Well, maybe one last question for you before I ask you some fun rapid fire questions. And that is for people who are not in leadership roles. So you are in a position where you're not responsible for others. And maybe you're at a company where you're working for a leader, and you're just kind of like, not a great leader. What do I do? I don't have any power. How do I resolve my issue? How do I create a better environment?

Aron 55:30
And the company's not doing anything to address it, despite giving you opportunities to talk to them about it?

Jacob 55:36
Yeah, you know, there's so many situations where I get emails from people, and they tell me these stories, and they say, yeah, nothing happens. You know, I tried talking to my leader about and nothing has changed. You know, and I'm just kind of floating around here.

Aron 55:50

I'd probably leave. Why do you want to work, why do we want to work at a place where we're not happy? Like, why would you do that? Like I don't want people to leave. Look, we have a whole program around boomerangs. People who left the company, we have like 300 boomerangs that work for us, people who left and came back? We actively recruit boomerangs, what kind of crazy company does that? Go to our recruiting webpage and we say if you used to work in you loved it, would you come back? We call them up and we have an open position for their job a year later, say, how you doing at the new place? You like it? Not really, Hey, why don't you come back? This goes to respect. People are allowed to go try other things.

Jacob 56:42

I mean, I've heard I think it was LinkedIn or Facebook, they told me something similar once where they said, You know what, we've so hard to make people feel appreciated and valued. And we are so confident in what we're doing that we are okay, if an employee goes elsewhere, and we will keep that relationship going with them. And we'll even help them. You know, we'll help them polish their resume, we'll help help them during the interview process. We are interested in their happiness and their success more than we are interested in just them being here for as long as possible.

Aron 57:12

I don't go quite that far. So if they're really, really good, I fight like a maniac to get them to stay. If they get another offer.

Jacob 57:19

I think it was LinkedIn. I don't remember which company it was. Maybe it was LinkedIn. Maybe

Aron 57:23

They're even better than me, then I don't go quite that far. But

Jacob 57:26

No, I like your approach better.

Aron 57:28

I tell them when they leave, I say, look, I want you to make believe I'm a little birdie sitting on your shoulder whispering in your ear "you can come back".

Jacob 57:40

I love it. Alright, so a couple of rapid fire questions for you before we wrap up. What one moment most impacted your approach to leadership.

Aron 57:52

When I was a young manager, I expected everyone to work as hard as I did. And I realized at one point, when somebody wasn't working as hard as I was, and I got upset with them, they sat down and talk to me. I was like 24 years old. And they said, you know, Aron, I don't want to work as hard as you work. I just don't want to I'll work hard, but I don't want to do it what you're doing. And that was a wake

up call for me. I remember thinking about God, what a jerk. I am. Like wake up and the world doesn't revolve around what I want everyone to do and be like me, that was a defining moment that stuck with me to this day. There's others. But that's one.

Jacob 58:35
That's a great one. What has been your greatest business failure?

Aron 58:39
My greatest business failure? Oh, gosh, I don't think there's one that's the greatest business failure. I think we've done acquisitions that didn't work out that we had to close down. We've opened up operations in new countries and spent millions of dollars that didn't work out and we had to back off from those. Um, yeah, there's a Gosh, could write a book on my greatest business failures.

Jacob 59:02
What is your most embarrassing moment at work?

Aron 59:06
Most embarrassing moment at work. Um, so long time ago, I was teaching a class back in those early days you did everything. And I didn't realize that my fly was down. And I was giving people an example of stuff. And so one of my colleagues in the back of the room, these are all new employees who I was training was pointing to me that my fly was down. So I didn't want to stop. So at a certain moment, I went and said to everyone, I want you to now turn to page 47. And look really carefully at the second paragraph. And when they all would turn the page I zipped up my fly really quickly kept going.

Jacob 59:43
Oh, man, it's great. Oh, what are you most proud of?

Aron 59:47
I'm most proud of creating an incredible organization where people have been able to fulfill their dreams and ambitions and build lives and build careers and build families and be able to do things they never thought was possible.

Jacob 1:00:01
What's the hardest business decision you ever had to make?

Aron 1:00:06
The hardest set of business decisions I've ever had to make is letting people go when they were people who worked really hard, but just weren't right for the role and had to go set them into the world without a job.

Jacob 1:00:16
Yeah. All right, and last three for you, what's your favorite business or non business book?

Aron 1:00:22
My favorite business or non business book? Um, let me think of my favorite business or non business book. Um, well, I can say books I've read recently, I read Steve Schwarzman book reasonably about his career I thought was really interesting. I love historic history books, particularly about, you know, World History in the past couple 100 years. So any number of those. You know what's funny about this with me, Jacob, because I read things on my Kindle. It's like, I don't know the titles of the books. Because I mean, because I'm not looking at the book all the time. So I know what they're about. But I can't always remember what the titles of them are. Isn't that dopey?

Jacob 1:01:11
Yeah. Oh, no, hey, same for me. I have a bunch of books on my Kindle. And if you asked me the title for all of them, I'd be like, I don't know.

Aron 1:01:17
Yeah, it's exactly the same. Someone said he didn't really read it. I did, too. I did. I'll tell you all about it. I just don't know the title.

Jacob 1:01:24
The last two questions for you, who's the best mentor you've ever had?

Aron 1:01:27
Um, you know, there wasn't one mentor. I'm pretty much self taught. If I have to say who the people who gave me my values the best my parents, my family. Those are the people who I you know, I lean on every day even to this day. Whether they're here or not.

Jacob 1:01:49
Yeah, I last question for you. If you were doing a different career, what do you think you would have ended up doing?

Aron 1:01:55
An emergency room doctor.

Jacob 1:01:58
Wow, emergency. Okay.

Aron 1:02:01
I love chaos. I love bringing order to chaos. I love when things are out of control. And everyone else is panicking, and I'm just going, we can figure this out.

Jacob 1:02:12
Ah, okay. I like that. Well, Aron, thank you so much for taking time out of your day. Where can people go to learn more about you, UKG? Are you guys hiring right now anything that you want to mention for people to check out? Please feel free to do so yeah, we

Aron 1:02:26

Yeah, we've got like 1000 open positions, I think over 600 we're actively hiring for now. You can go to our website, you can go check social media around ukg.com or Ukg. You can find us there. From that perspective, and always love having people interested in our company and what we do and, and how we're making a difference in our own little corner of the world here.

Jacob 1:02:54

Very cool. Aron, again, thank you so much for taking time.

Aron 1:02:56

Okay, Jacob, you're fabulous, fabulous person to have a conversation like this about, I appreciate what you do with your thoughtful business and how you're so focused on what's going on with work today and the future of work and how you get to do the things you do to help people be more effective in this important area. So best to you and your family.

Jacob 1:03:17

Thank you very much. I really appreciate that. And thanks, everyone for tuning in. Again. My guest has been Aron Ain. That's A-I-N, Chairman and CEO of UKG Ultimate Kronos Group and you can also check out his book. The subtitle of the book is how to build an organization where everybody loves to work, which is what we have been talking about today. And I will see all of you next week. Thanks for watching.