# Inside Octopus - HR

**Russ:** [00:00:00] Thanks for downloading Inside Octopus. My name is Russell Goldsmith, and for this episode, it's a welcome back to our CEO, Greg Jackson. But I'm also thrilled to say that we have a very special guest joining us online from San Francisco. And so, a huge thank you to four-time bestselling author, keynote speaker and futurist Jacob Morgan for taking some time out of his busy schedule to chat to us today. Welcome to you both, gents.

**Jacob:** [00:00:25] Thank you very much.

**Russ:** [00:01:26] Now, the reason we were so keen to get Jacob on this episode is because he's the founder of FutureofWorkUniversity.com. Now, that's an online education and training platform that helps future proof individuals and organizations by teaching them the skills that they need to succeed in the future of work. Plus, he also hosts the Future of Work podcast, where he speaks with senior executives, business leaders and bestselling authors about how the world of work is changing. So, no pressure on me today. Plus, he also has a new book out called The Future Leader. And I'm sure we'll get to hear about that in a bit, too. Now, the reason we've got Greg back on the show is to respond to some of the feedback we've received following his recent interview on the BBC's CEO Secrets series. This interview ranked at number two in the most read articles in the BBC News app when it went live back in February, it had over two million views within 24 hours, which led to much debate on social media because the BBC headlined it with 'My billion-pound company has no HR department.' Greg we touched on this topic in our first Inside October episode, which is all about culture. I wanted to use this opportunity to go into a bit more detail and give you the chance to respond to some of the questions and criticism that you've received from the HR industry off the back of that BBC interview. So first off, for those listeners who haven't seen the clip or read the article on the BBC website, what did you say that caused such a stir?

**Greg:** [00:01:54] Well, first of all, I'd say hello to Jacob as well and no pressure on me too. Anyway, it's an absolute pleasure to meet you, Jacob. What I talked about was the way we built a company from scratch, which is in some ways different than many existing corporates. One feature of that happens to be that we don't have an HR department, but that doesn't mean we're anti HR, it doesn't mean that we don't think other companies should have one, it doesn't mean we don't think HR directors and HR professionals don't have tremendous value to add. I think what it does mean is that there are more than one way to build an organization around people. Indeed, I think for us, for some companies, looking after the people is considered an important way of getting business results and they're often seen as enlightened companies. But I think even more enlightened is the idea that, a third of our life is spent at work, we live about 70 years or something. So, if we're not enjoying that time at work, it's the equivalent of losing 20 or 30 years of our lifespan, that's a disaster. And so, for me, kind of thinking about people centred work, isn't about using people management to create a better business, of course, that's important, but it's actually one of the functions of work is to create fulfilling lives. And I think it's really important for our companies to think about that. And we happen to do that without a traditional HR department for a whole pile of reasons we can get into.

**Russ:** [00:03:19] Sure. But you've got 1400 people in the business now. So, let's bring Jacob in at this point, do you think that's quite unusual for a business of that size to not have an HR team?

**Jacob:** [00:03:30] Yeah, of course. The first thing I thought of when I saw and read that article is, well, how do a lot of the traditional HR things get done, for example, like hiring, performance reviews, compliance, firing, like there's so much that probably a lot of people are wondering. You know, it sounds great to not have an HR department, but how does all that traditional HR stuff actually get done? As I would love to learn and hear from Greg, how he distributes, is that just something that the managers are responsible for?

**Greg:** [00:04:00] Yeah, exactly. The vast majority of things you described, and much more is something the managers are responsible for. And the insight there was, I've worked in a large corporate, I worked at Procter and Gamble, where, by the way, the HR director was one of the inspirations for me in how you think about people centred organisations. But when I started running and building smaller companies, what you find is when a company has 10 people or 20 or even 50, you typically don't have an HR professional or an HR function, instead, the managers have to carry out the sort of tasks you've described and they also have to act as a sort of pastorale, wellbeing role for their team and they're responsible for their team's motivation, their careers, everything. And they do that by becoming more skilled and rounded managers. They can reach out to experts when they want them outside the organization, and they can learn formally and informally about what's required. But that creates these kinds of really strong roles for managers and leaders in the business. And I think it creates a much more direct connection between the employees and their managers than you may get when you've got often a sort of an emerging parallel organisation. By the way, I should say, this is about how when you're building a business from scratch, you can choose to do it different. It's not to say it's right. It's not to say the formats are wrong. And it's also not just about HR. I think part of this is saying, look, in any organization, once you have a function, a function comes into being as organisation grows because there is some work to be done and sometimes the company decides the right thing to do is hire someone whose full-time job it is. But once they've done the core bit of that work, they've often got a bit of spare time and they start looking around for where else their expertise can be useful. And in doing so, they spot, if you've got a hammer, every problem looks like a nail. So, if you're a professional in one function, everywhere you look in the organisation, you will spot opportunities that you can improve the organisation as you see it and very quickly created quite a lot of extra work that never used to be done. And a lot of that work requires other people to do work as well. And suddenly both the new function is getting busy and so it needs to hire some people and other people in the company are getting busy and they need to hire some people to deal with the extra work. And so, it multiplies. And so, I think part of the thinking here is actually just how do you reduce the number of specialist functions in the organisation? As much as it is specifically about this HR topic.

**Russ:** [00:06:25] But if you're giving that responsibility, you talked about it, to the teams, to the managers, what if one of the issues that a team member has, is with their manager, with the team leader? What happens then? If that where the grievance is?

**Greg:** [00:06:38] I mean, first of all, grievances are a tiny part of the overall function of a company, OK? And we shouldn't build a company around the few things that go wrong. Right. Secondly, if I throw that back at that kind of thinking, it's like what happens when someone in an HR function has a grievance with their manager. Right? So, the problem never goes away. So actually, you have to learn to deal with problems like that in companies, regardless of whether or not you've got that function. Small companies have to deal with it without having an HR function. Actually, I think one of the interesting things is if you don't have another function, who can look after your problems for you, you're much better at preventing them happening in the first place.

**Jacob:** [00:07:18] Greg is assuming that all humans can act like adults.

**Russ:** [00:07:21] That's a very good point.

**Jacob:** [00:07:23] I like it. I mean, it's a simple approach, right? It's basically saying, like, look, you're adults, you have kids, you have mortgages, you have responsibilities, you can figure it out with each other. You don't need to act like little kids and go to a third party to have you figure things out for you. I like that approach. I mean, I am trying to imagine, like a big global company like IBM or Coca-Cola one day getting rid of HR departments and what would happen there. But I mean, to Greg's point, I have a team of 11 people that I work with, I don't have an HR department. I am managing my own team. When issues come up, I step in, I know how much I need to spend, I know who I need to bring in. And I can imagine if I was a part of a company where there was, I don't know, a thousand people and every manager, every leader was responsible for 10, 15, 20 people, everybody would know this about their own teams. Right? Building relationships, what do people care about? What is everybody doing? Kind of helping guide them along the way, helping make sure that they can be more successful. So, it does require, I think, a lot of autonomy and a lot of trust, which is the sign, I think, of a great corporate culture that if you can do that and do it well, yeah, makes sense.

**Russ:** [00:08:36] I want to pick up on something. We've used the term 'manager' quite a bit. And I've started listening to your podcast because I knew you were coming onto the show, obviously. And on a recent episode, you talked about the role of the manager and whether or not we should actually get rid of that term 'manager' and I actually think that all links quite nicely into the conversation that we're having. Do you want to just follow up on that?

**Jacob:** [00:08:58] Yeah, there have been a couple of executives that I've interviewed over the years. One of them who's probably most adamant about this is Bob Chapman. He's the CEO of a company called Barry-Wehmiller. They have around 12,000 employees, it's a manufacturing company. And I've known him for a few years, I've interviewed him a few times. And he's actually in my book, The Future Leader, and he's very adamant about not using the word 'manager' or 'management' in any capacity in his company, either with his teams on any document, it's just, it's deleted. And I'm starting to find that more and more executives are kind of embracing this mentality because nobody wants to be a manager, and nobody wants to be managed. There's always a big debate, do you want to be a manager, or do you want to be a leader? And historically, when we think about management, we think about somebody who's standing over you, commanding control, that's the mentality that we get when we think of a manager, like from the movie Office Space, the guy who comes around and asks for your TPS reports. And then usually when we think of a leader, we think of like this visionary, creative, engaging and motivating and inspiring person. And I think it's interesting, but it's not just about a name change. Right. So, when I say should we get rid of managers altogether, it's not just call every manager a leader. It's a mindset shift, it's a skill set shift, it's understanding that the role of this person is not to delegate and command and control. The role of this person is to help create other people more successful than they are. It's to coach. It's to mentor. It's to create a vision for the organization. It's to do all the types of things that we assume that a leader would typically do. So, I think that's an important disclaimer to make. It's not just about a name change and a title change. It's very much about a behaviour change, a mindset and skill set change.

**Russ:** [00:10:47] Greg, coming back to the point you made on the BBC article, you said that HR and IT departments don't make employees happier or more productive. And I'm just thinking, linking this to what Jacob was just talking about there in terms of leading coaching and, all those different kind of skill sets. I mean, how are you measuring that kind of thing in the business at the moment then?

**Greg:** [00:11:10] And I'd love to come back on the manager point in a second as well, but there's a risk here of making this very boring by just agreeing with Jacob on everything. But, in terms of sort of employee happiness. There are many indicators that matter, right, so first of all, we don't have KPI's for it. What we do instead, though, is maintain an enormous array of ways in which we communicate maximum bandwidth with our team. Now, some of that has a number attached, so we use an app called Officevibe which every day or every week asks team members, questions about how they're feeling, about what's working, what's not, and gives them a channel by which they can communicate anonymously or not anonymously issues and problems and opportunities and ideas and observations. And we hugely care about what's coming in and then talk about it to work out what messages that they're about, what the company is doing well for its team, what it needs to do better and where we've got issues. But I think then we also look carefully at external indicators, just like we look at Trust Pilot for our customers, we look at Glassdoor for our team. If someone wants to go and write externally, positively, or negatively about the company, there's a big signal just in fact, have chosen to do that. Never mind what they actually write. We then have Slack, this astonishing internal communications tool. Last time I looked, we'd had 12 million private messages on Slack in the last year, it's a turbo charged communications tool. We have massive open channels on all kinds of topics, and it enables us to really understand across the whole company, and this isn't about senior managers sitting on high, looking down at what the masses are doing. This is very, very flat, it's the equivalent of open plan offices, but in digital space. And then, for example, every Friday the whole company comes together for what we call 'Family Dinner' and everything from just looking at how many people choose to turn up for that, versus how many choose to do something else with that time is a great indicator of the extent to which we're kind of get things right and wrong. Every person in the company can drop me a slack or an email if there's an issue. We really try to make sure that the corollary to not having a formal command and control structure or sort of an HR department is a really open engagement across functions and seniority, for want of a better term. So, I think that's really important, and some people traditionally come to obsess with the metric or a KPI and say we want to offer you an employee engagement score, 7.8. Right. But the problem is, as soon as you do that, the people whose job is to deliver that, people are being measured on it can find ways to achieve it without delivering the underlying outcome. It's like exam results where as soon as you target educational establishments on the exam results that they're going to deliver. Kids get trained to pass exams. They don't get educated. And it's exactly the same when you measure stuff in companies.

**Jacob:** [00:14:06] I actually talked to a chief human resource officer of a big global company. And she was telling me that if you really want to manipulate your employee engagement scores, they're a couple of really simple things that you can do. One year you measure it when it's rainy and cloudy outside and it looks very depressing. And then the next time you measure employee engagement, you do it when it's beautiful outside. And usually, you'll get an automatic eight to 10 boost in employee engagement scores. Also, organisations, tend to do it, they have an Employee Appreciation Day, the same day that they're doing the employee engagement surveys and say, congratulations, we appreciate you. Free food, free drink, just kind of hang out today. Relax, by the way, take our annual employee engagement survey. So, there are definitely ways that you can get that score, like you said, without actually doing the work to get it.

**Greg:** [00:14:50] That's brilliant, I think it's called Goodhart's Law, and Goodhart's Law says a measure loses its power the moment it becomes a KPI. Can I just talk about the management question as well because I actually really was sensitive even earlier when I used the word managers, because I think there's a sort of a language shortfall because I don't know what other terms to use. But, for example, if you try to build an organization with dramatically less command and control, then sometimes the job of the person is called a manager or leader as an orchestrator, a convener. A friend of mine works for a large organisation and was grumpy because they'd had the third holiday request this year turned down, by some administrator, obviously HR function. And that's how it works in our organisation so, I think with most teams they kind of sort it out among themselves, I think we keep track of holidays just so that if someone leaves, we don't have any days to pay them in lieu or whatever it's called. But actually, most of the time it is for the team to sort out among themselves what's going to work for all of them. And you end up with dramatically better outcomes instead of having this kind of presumption about holiday they want, a rush for everyone to go and quickly, pre-book as much as they can as far in advance, and then find that their colleagues can't get really important days off when something happens. You've got a world where people mediate and kind of come together to solve a problem and that's dramatically better than the kind of control. And so, Jacob when you're talking about that companies and beginning to drop the word manager and often underneath and I'm quite sure the concept, I was really intrigued. And I'd love to learn more because I think it is a hugely more grown-up way of doing things.

**Jacob:** [00:16:34] Yeah. I mean, I think the language that we use inside of our organisations, matters a lot. And if you want people to step outside of the conventional idea of being a manager, but you keep calling them a manager, I mean, when we hear the word manager, that's what we think of, somebody who is, orchestrating, manipulating, moving things around, keeping the ship running. That's just what pops into your mind, like the guy from Office Space. And so, if you expect people to motivate and engage and inspire others, to coach others, to think outside the box, to drive innovation, but you keep calling them manager and that's the association that they have. It's kind of conflicting. So, I think the language that we use inside of organisations, really matters in what you call people. You know, if you keep calling somebody the same thing over and over and over, it's in their job description. It's in their email signature. It's on their business card. It's how you refer to them in their meetings. That's ultimately how they're going to think and how they're going to behave and what they're going to be associated with. And manager becomes kind of like the core part of their identity. Similarly, if you change that around and refer to people as leaders and teach them, again, not just a name change, but kind of the skill set, the mindset change of what that means. And if you have that on their business card, that's in their job description and you refer to them, as that all the time, then that's the behaviour that they associate themselves with. So, I think there is definitely some psychology behind it, as far as how you call people, what you refer to them as on an ongoing basis is going to shape how they behave, how they think and ultimately how they act. So, I definitely encourage organizations around the world to rethink their job titles and how they refer to the people inside their organization who are actually running and leading people. Now, again, not every leader is going to be a great leader. And so, one of the questions that people always ask is, oh, well leader implies that everybody is great. And so, if somebody is a leader and they're not good at their job, how can they be a leader? You can have bad leaders and you can have good leaders. The word leader does not imply that you are amazing. It does not imply that you are perfect at everything that you do. You can have good and bad leaders. And I think that's something important for people to remember.

GREG PICKUP

**Russ:** [00:18:55] So, Greg, how do you set up for a no HR approach? I mean, what's acceptable and what's not?  
  
**Greg:** We are coming up with this framework that we call freedom and responsibility. And I think it's really interesting. A lot of people hear the word freedom and that's very appealing and they forget about the word responsibility. But actually, that's at least as important. And I think what that really means is having a company where it is understood that people are taking responsibility for their actions, for the things they're accountable for. And for example, that means if you're a manager, or leader of people, you're accountable for what's happening with those people. And I think that's a critically important backdrop against which we build a company like this. And you have to do that really with, I think, a very strong sense of culture. So, understanding what is the Octopus way, what are we trying to achieve and how do we go about it? So, for example, in our company it isn't results at all costs. In fact, I'd rather, and everyone should know this, I'd rather a company where when someone makes a mistake, we put our arm around them figuratively and understand that what they need in this scenario is often support rather than admonishment. It's like in a football team, teams that support each other, even if they lose this game, are more likely to win the next one. So I think that's a really, really important aspect. And then then what the company stands for. Our job is using technology to drive the decarbonization faster and cheaper than anybody expected globally. Now, if you understand that and you understand how important people are and you understand our attitude towards things like mistakes and failure, then I think you're in a position to take responsibility and therefore we can give you the freedom to deliver that in the ways that are right in your area.  
  
**Russ:** But how do you then ensure that it's not just a free for all and not effectively a recipe for disaster?  
  
**Greg:** Yes, it's really interesting. I think, having this relentless approach to what is our mission. So, we've all got to be pointing the same way. Someone can't scurry off and decide that, like we're going to invest a little bit money in how to create new coal-fired power plants. And somebody can't create a pocket of the business, which is deeply political and doesn't have the same set of values. As I said before, we get the whole company got on a Friday evening partially in person and partially by Zoom and share the stories and the important learnings from the week. And I think things like that enable us to ensure that there is this consistency and deeply understood series of values and behaviours. that define Octopus.

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**Russ:** [00:18:55] Ok, I want to look at some of the discussion on social media around your interview on the BBC, Greg. There's a few that we've managed to pick up on. So, the first one here HRgrapevine.com, they picked up on the fact that a few people posted on socials saying that you do have various HR roles. So, there was a tweet from a Simon Jones, and he tweeted, so we've lifted this. 'This is an odd story, even a casual LinkedIn search shows several people who described themselves variously as HR Business Partner, People Director, Head of Talent Acquisition'. And then he's put 'maybe the CEO's secret is that he is unaware he employs them'. Now, I know you actually replied directly to Simon on Twitter. Do you want to share what you said to him and whether or not he actually came back to you after that as well?

**Greg:** [00:19:41] I can't remember if Simon came back, but quite a lot of people kind of said the same thing. It was a bit annoying because I had to reply to them all individually and if they'd just read each of the threads, they would've saved it but anyway, no problem at all. I think the interesting thing for me, first of all, I've got to be conscious here. We're talking about people who work in our company who do an amazing job. So, it's important we respect that. Within the job titles, for example, one of them is someone that joined us via an acquisition. And that was the job title he had, now joined he joined our finance department, we didn't set up an HR department and does some incredibly important stuff within the finance function associated with employment, things like payroll, as an example. I think another one, was one of our operations team who looks after the people that do custom operations. And he specifically is taking some time out of his direct line management role to work on training and development and improving our spaces, still working within the operations function. So, it's not an HR department. And I think what you typically find is that the thing that's really critical, as I said actually earlier, is it's about not having a department. So, someone whose job title is, for example, HR Director, who then orchestrates an organisation, whose job it is to do HR. But exactly as we said earlier, and if managers within functions are carrying out some of those tasks related to people, then of course, the function has responsibility for doing stuff. And if a function chooses that, someone going spend a bit of time dedicated to it, that's fantastic. And we do the same on other things. For example, in the UK, electricity and gas smart meters, sometimes need a bit of extra help. So, some of the people from operations have kind of separated out for a short while to really blitz some issues and then go back to operations. I think the underlying thing that was interesting there was the desire not to say, this is interesting, why do you not have an HR department? Or hey, look, it looks like you might have one, help me understand it, it was to say, oh, you're a liar. You do have an HR department, or you're a fool. You've got HR department and you don't even know it.

**Russ:** [00:21:46] Do you think that's a typical trait of social media, maybe?

**Greg:** [00:21:48] Yeah, look, it's hard in 140 characters or whatever the different media have got. But I think, if you spent time on social media, you can choose to have careful conversations with people. Right. We don't all have to join the anti-humanity bit of Twitter. We can actually use it to have good conversations. And many, many people did, by the way. I think it's interesting as well that, in LinkedIn, there were gazillions of very positive comments and quite a lot from people with HR backgrounds, actually, and the medium lent itself to a different kind of conversation.

**Russ:** [00:22:18] Yeah, I agree with you on that.

**Greg:** [00:22:20] But on Twitter, where I think and particularly it depends on who kicks off a Twitter storm. There was a lot more of those kinds of very short negative ones. But actually, once you've gone and washed through the immediate emotional stuff and I can understand by the way some people feeling that this was an attack on them, definitely not an attack on them either their function or them as individuals. But, you know, Twitter doesn't necessarily create the most grown-up conversations, one of the reasons why I thought, you know, having a chat with you, Russell, and Jacob, gave us a chance to have a more a deeper conversation about topics raised.

**Russ:** [00:22:50] Well, here's another one. So, this is from Julia Fitzsimmons. She is a partner at the law firm FBC Manby Bowdler. Now she's written on HRdirector.com. and I'm quoting this. “Business owners can't be the player, the linesmen and the referee all at the same time, otherwise someone is going to drop the ball. Employers are currently trying to juggle unprecedented workplace challenges, and the collective health and safety of staff has never been as important as it is today”. And then she goes on to write, “It shouldn't be a source of pride to not have expert help and advice on hand when you're working with twelve hundred people during a pandemic”.

**Greg:** [00:23:27] Yeah, I mean, look, first of all, we went into the pandemic with about seven or eight hundred, the success of our business is actually growing that number of people at a time when other companies are sadly suffering. And I think there's an extent to which the outcome demonstrates some of this appears to work. Our Glassdoor rating last time, I looked I think was 4.7/5. That's not a KPI. It's just an indicator that something works. Our retention rate is extreme, I think in our tech functions example the CTO was telling me, I think we've lost one person in two years. There's a bunch of indicators there that something's working. Now, to that question, though, about, 'it's a source of pride to not have expert help' again, this is the nuance problem, right? Because we have tons of expert help. One of the great things about an enabled organisation is I and everyone else in the company can reach out to external help when we need it. It means we've got tremendous external help and we're not constrained by, for example, one HR department and its policies. You're actually able to say, hey, look, as a manager, I think I need a particular kind of help and you can go and get it. And we make use of that external help, again, it's not that we don't value, in fact, enormously value the expertise, it's we choose to access it in a different way.

**Jacob:** [00:24:42] So, a question and a thought. So, what the thought is, I actually encourage and even challenge Greg, every executive should be in HR, that should be part of your function, right? I mean, you're in finance/ HR, you're in product marketing/HR, every executive should in some capacity be in HR. And I think for executives and leaders around the world to say, oh, that's an HR thing, that's not my responsibility, is, dare I say a little bit ignorant and naive. If you are leading people, you are in some capacity in HR, because you are responsible for motivating them. You are responsible for understanding their needs, what they value, what they care about. Yeah, that's an HR thing, but that's a leader thing. So, for any leaders who are listening to this, I think it's important for them to understand that they are whatever their job title is/HR. But I did have a question for Greg because I also remember seeing on LinkedIn and I was just pulling it up on my phone, so, you do have people who are in roles like talent acquisition, for example, or recruiting per say, which a lot of people would associate with traditional HR functions, but it's not necessarily an HR team. So, can you talk a little bit about, is that a function? Is that just a person who's responsible? Again, people are going to see that and say, oh, that's an HR function, so there is an HR team. So maybe you can unpack that a little because I'm also quite curious.

**Greg:** [00:26:11] Yeah, that's a great question. First of all, on your point about everyone being in HR, I think on one of my responses on social media, maybe several of them, it was exactly the point, which is, people are so important that I don't want managers passing them off. And forgive me for using the word managers. But I don't want the leaders in our business outsourcing that, the people are more important than the problem in the business. Right. There's something I learnt at Procter and Gamble, from that brilliant, inspiring HR Director is when he talked about, you're not a leader if you're delivering business results, but you're not building a great organization. Right. And I think that really is important. But I think then in terms of the recruiters in our business, what originally happened was there was an outsourced recruitment company who did a great job of helping different functions in our business recruit. And the brilliant woman, that kind of mainly looked after us there, decided she wanted to jump over the fence and come and work for our company. And so, she now is a permanent employee. And we've got a team of, three recruiters, they're not part of a personnel function and other functions decide whether or not to use them. But it just happens to be lower cost and better quality than using a recruitment agency. But for example, our biggest function in operations uses an agency, and a couple of agencies, actually. And so, it's a choice for the functions. And it was mainly the opportunity to have a great talented person join us. And that's what she does full time.

**Jacob:** [00:27:45] So what about for stuff like, I don't know, interviewing, hiring, firing, things like diversity and inclusion and the employee experience stuff. is all of that distributed amongst the different leaders in the company? And do they, come together to work on this stuff? Or is it all just everyone does their own thing?

**Greg:** [00:28:02] No. So that's with the leaders in the company and then they form working groups from time to time. So, I have a working group on D&I, a working group on interviewing and those working groups can come together and then dissipate once they've shared thoughts and worked hard on it. As a senior leadership team, we'll talk about these things and we will make sure that we are comfortable with where the company is going. And if it's not, then we'll talk with the teams. But that's down to the functional leaders in terms of how they operate. And I think, again, part of it is, again, good Goodhart's law, take something really difficult, really challenging, like diversity and inclusion. Many companies are setting apparently appealing ways of doing this through targets and through having someone in charge of it, and then the opportunity to hit those targets without actually delivering a diverse organization starts to become the way in which they do stuff exactly as you were describing that kind of global functional lead earlier. And I think instead, if we distribute among the company, a set of values around the kind of company we want to be and then we are continually talking as a company about whether we're achieving that, it's a far deeper and more real delivery of what really matters than a box ticking exercise.

**Jacob:** [00:29:21] I don't know if it's an Octopus Energy question or if it's maybe like just a general how people perceive themselves question, because I was looking on LinkedIn while we were speaking, and I noticed that some employees at Octopus Energy referred to themselves as managers and others refer to them as leaders. And so, I was curious to hear from Greg if it's, are these people who you think are self-associating themselves with those titles or do you have both those titles at the company? So, for example, maybe somebody's official title is, team manager of operations, but publicly they refer to them as a team leader in operations. And so, I'm really curious to hear Greg's thoughts on it. If that's like their official title, or do you think people are deciding on what they want to associate themselves with?

**Greg:** [00:35:13] Yeah. So first, we don't have an organigram and we don't have any official job titles. There's not a level and a titling scheme. So, if people have got a job title it's typically because that's one that's arisen within their function or it's one that they themselves have chosen. And whoever is their leader or manager is kind of okay with. I think, for me, I sometimes I see ones I don't like, but I recognise I’m running a decentralized organization. That decision making is distributed. Things like that will happen. Now, what you then do and certainly the way we work is, I kind of keep an eye on it and with other members of the senior leadership team, we watch what's happening because there were signals in there, and you start to see what's working and what's not. And if you're finding something is really working or something is really not working, then you may start to have a wider conversation about it. But I think it's far better to watch what happens, learn from it, and then have informed conversations across the organization than it is to have a sort of top-down command and control twenty seven page PowerPoint that determines what we're going to do.

**Jacob:** [00:31:15] I also think it's important, I think, for people to realise that it requires probably a lot of discipline for what Greg is trying, because it's harder work. Right? I mean sometimes you do want to probably step in as the CEO and like you said, it's a decentralised company. So, you need to have that discipline and the awareness to not want to just jump in and shape things the way you want it. And as you have alluded to, it's very hard work to create this kind of an organization. It's not like you just let people run amok. I mean, it's very, very hard to give people the autonomy and the ownership and the responsibility and to keep it that way and to let people make their own decisions. And it's a lot of work, probably even more work to do something like that than to have a traditional HR department that you could just pass things off to.

**Greg:** [00:32:01] It's definitely harder work and I think it's harder work for leaders throughout the organisation. It's harder work for everyone in the organization. But it's more rewarding and fulfilling because you're making decisions. Have you ever seen those videos on YouTube of an animal that's been kept in captivity and then they take its cage out into a field and they start opening the cage and the animal tiptoes up to the cage, sniffs the air, and nine times out of ten it tiptoes into the field, looks around, then prances off, never to be seen again, to enjoy freedom. One time out of ten it looks around and decides, I'm going back in the cage and I think, freedom comes with that animal has now got to find its own food. It's got to find somewhere to sleep, it's not going to get veterinary treatment. But in return, it has freedom. And I think a lot of that here is about, our freedom comes with enormous responsibility. It only works if people choose to deliver and relentlessly deliver. It's not for everyone but in our experience, I think 95 people out of 100 after an emergent period really grasp this and do well with it. And for the few that don't, there are many organizations that are better places for them and that's cool, no judgment. And back on that bit about sort of the discipline, it is hard, but it's incredibly rewarding because half the time I see stuff happening that I would have been uncomfortable with. And it's worked really well and seeing leaders at every level flourishing in the organisation., I mean, it’s tremendous. And if you're going to scale a business quickly whilst delivering outstanding service whilst focused on a really big mission, I think this is a lot easier than having a rigid command and control structure where we'd have to continually be redefining it.

**Jacob:** [00:33:53] Totally agree.

**Russ:** [00:34:03] Greg, your PR team had a whole load of emails sent to them and questions from various publications around the world actually after that article was published. I've got a few that they've sent me ahead of the podcast that I want to fire at you. And it's regarding the productivity issue. And obviously, it's going to be great to get Jacob's views on these too. Before I do that, there's a recruitment company, ASL Recruitment, they're a UK based business. And they discussed your BBC interview back in February on their own weekly 'HR in 10' show that they stream live on YouTube. I'm keen to get your response to what they discussed, Greg. So, I got in touch with them. They've very kindly given me permission to play this little clip, which features their managing director, Jason Perry, and he is speaking to HR consultant, Kimberly Bradshaw.

**Jason:** [00:34:44] There was two departments he singled out, which I think were HR and IT. And he's decided they're not necessary to business success, so he hasn't got them.

**Kimberley:** [00:34:54] That says to me that he has never experienced good strategic HR. The way he was talking about it was very much beating with a stick type approach and very technical. So, I think if he'd experienced a good strategic HR specialist, he would have a completely different view because of the value that HR can bring to the business.

**Jason:** [00:35:19] Yes, I also suspect he's not yet had a serious employment crisis of some type when that value really, really is shown.

**Russ:** [00:35:28] Greg, thoughts on that little clip, there.

**Greg:** [00:35:30] Yeah, I think there are two things there weren't there, one was, whether or not this was a reaction to having not experienced good strategic HR. I experienced Dennis Shuler, the unbelievably strategic, brilliant HR Director, at Procter and Gamble, who taught me the value of people and the value of everyone in organisation. essentially being a people leader or focusing on people. And so actually, some of the ideas came from that experience of strategic HR and saying, to steal the phrase from Jacob, instead of making that a separate function, make it everyone's responsibility. I think the second question was about crises. I've been running businesses of various sizes since I think I was twenty-seven. I've dealt with everything from an alcoholic forklift driver in a factory. Believe me, that is difficult, through to having to close down offices, having to move three figures numbers of people from one office to another, buying and selling businesses, dealing with health and safety issues, dealing with very complex interpersonal things and plenty more redundancy programs, you name it. I've kind of been through it. And I think one of the things I learned from that was how as a manager, you can make sure that you're taking responsibility for what's happening there rather than kind of parking it off. You're thinking it through in a way that is right for all the people remembering sometimes there are people on both sides of these things and customers and shareholders and everyone else. Now, I think taking that very a bit like Jacob said earlier, it's hard. It's not easy to do it that way, and there are certainly times when you work with tremendous external experts in doing so, bringing consultants to help that process. So, I think the answer really is those crises are sometimes the best ways for a manager to learn. And by the way, once you've been through them, you know the things that cause them as well. So, to me, I think they're quite right that these are things that are important, but there are many ways of dealing with them. And an HR department isn't necessarily the only one.

**Russ:** [00:37:30] Ok, here's some more of those questions that we received. Do you think it's possible for an HR department to increase the productivity of employees? And if so, what steps should CEOs and HR leaders take to achieve this?

**Greg:** [00:37:42] Yeah, I mean, first of all, as we spoke earlier, productivity as an outcome is obviously incredibly important, but it's not necessarily the reason to do great stuff with people is not just for the productivity, it's because businesses are an incredibly important part of people's lives and if people can have fulfilling lives. Businesses have got to play their part in delivering that. It's a massive devotion that people have in terms of the amount of time they spend at work, let's respect that. In terms what HR departments can do, if a company was established and built around an HR department and for example, you may have a CEO who didn't grow up with the kind of inspiring leadership that I saw, as we talked earlier and the needs in HR department to kind of complement them in the space, then, I think the most important thing is recognising that, valuing people for themselves and building an organization where you're asking people to do what they're good at and what makes them happy and you give them the opportunity to deliver that is dramatically more important than box ticking or veneers or kind of rah rah or kind of broadcast command and control. It's a deep and meaningful thing. And I think helping CEOs understand that and then delivering it is critical.

**Russ:** [00:39:03] I'm going to put this one actually to Jacob next. I know obviously came into your team. But does the HR community generally lack influencing skills when it comes to being more strategic or are management leadership resistant to the idea of HR supporting the productivity agenda.

**Jacob:** [00:39:20] Yeh. I think HR is definitely lacking in this area because this is not what HR people are traditionally taught. So, for example, I interviewed the CEO of Unilever a little while ago. Her name is Leena Nair. And I asked her how does she spend her time? And she said she spends 20 percent of her time on traditional HR and 80 percent of her time on transformation. Whereas if you look at most HR organisations, they probably spend 90 percent of their time on traditional HR and maybe 10 percent of their time thinking about transformation. I think we need a little bit of a tough love approach to HR where HR needs a seat at the table. How many times have we talked to HR teams and they say, well, we want to get this through, we don't get support for it. Well, guess what? Your job is to get the support, build the business case, be the squeaky wheel, go back, convince people, understand why things aren't working, understand their objections. These are things that HR is not traditionally used to dealing with. HR is used to dealing with taking orders from other teams in other departments, in the companies and then doing what they're told. We need to hire somebody, create the job descriptions. We need to fire somebody, take care of this. We need to do a performance review, go handle it. HR needs to not view themselves like that. And I always say when I give my talks to organisations, that never before have we needed HR professionals to not think and act and be like HR and this is why I think there is just in general in the community, a lot of people are starting to question HR and some people don't take HR seriously. And some people say HR doesn't deserve a seat at the table. That's because HR thinks like HR - it's not about human resources anymore. It's about human transformation. And so, if view yourself if you're an HR professional listening to this and you just view yourself as somebody that's what you're responsible for, I think you're going to be in a lot of trouble. And there is definitely a new set of skills and new set of mindsets that HR professionals need. Things like selling, things like being able to have that tough love approach, things like negotiating. I mean, this is not stuff that HR usually deals with. So, I don't think it's a good excuse anymore for an HR professional to say, well, my company and my leaders told me no. So, this program isn't going to happen. Hey, you know what? I run a business. If I just ran away whenever somebody told me no, I wouldn't be in business. And as I'm sure Greg would as well, if every time somebody told Greg no about a project or an acquisition, he wouldn't be in business anymore either. So, HR definitely needs to evolve and change the way they think about their function and what they do. And the other thing that Greg mentioned that is important, which oftentimes reminds me of, whenever you have like a fitness regimen or whenever you put something up online, people always critique it. Right. And they say, oh, what do you mean you're a vegetarian. You need your protein. Or if you eat too much protein, people say, what are you, nuts? Protein is bad for the environment. Like just eat all vegetarian. But that misses the point. The point is that Greg found something that works for him and for his company. It's not about critiquing or pointing out why it's wrong or what the flaws are. There's something that you can learn regardless, right? I mean, you don't have to adopt a no HR policy or no HR team in your company. If you don't want to do what Greg's is doing, that's fine. But clearly, it's working for Greg. Clearly, it's working for his company and they're going to keep doing it. Your job, if you're listening or watching this isn't and I always say this, don't copy what another company is doing. Don't copy Google, don't copy Facebook, don't copy Octopus Energy. Learn what these other organizations are doing, see what might make sense for your company, what you can learn from, apply it. And if it works, keep using it. If not, try something else. And I think the assumption that people keep making, when they listen to these types of interviews or discussions, is that, oh, you know, we got to get rid of HR or Greg is saying we've got to get rid of HR and it's nuts, right? I mean, I think it's very, very easy to critique and nit-pick and to point out flaws in anything, in our personal lives or in outside of our organisations, and people who do that, I think are definitely missing the point. It's an interesting story. It's an interesting case study, whether you like it or not. It's there. It exists. It's working. So, I think that is an important thing for people to remember. It's not touting be like Octopus Energy, we have everything figured out. As Greg admitted, they're still learning a lot. They're figuring things out. It's hard work. It's a lot of discipline and it works for them. So, if it works for them, I think, why would you want to change?

**Russ:** [00:43:53] You made some brilliant points there. I've got another one here for you, Greg. This one directly lifted your quote about how HR teams infantilise, if I’ve said that right, their employees and drown creative people in process and bureaucracy. And so, they've asked, what steps would you advise those CEOs take who feel that HR teams do exactly that in order to transform their HR department?

**Greg:** [00:44:15] It's funny, isn't it, the infantilisation is if you're doing something for someone or if you're not like letting them take a risk, and so if there's an HR function in an organisation, one of the best things that can, and by the way, some of them do this right. And I'm not here to, exactly as Jacob said, people have got to draw their own lessons and build their own solutions. But, in that scenario, it's rather than doing something for a leader or a manager, it's letting them do it for themselves, perhaps giving them a couple of watch outs or pointing them at the right source of information. But let them do it and let them learn. And one of the other things I learned, earlier in my career is this phrase at Procter and Gamble, make yourself redundant. The more that you can make yourself redundant, it's not that you lose your job, it's that you move on to more interesting things. You can create and add more value. And so, I think that applies in this scenario as well. In terms of not turning people and process. It's not necessarily HR do that has so many functions do that to each other, especially service functions. And so, the bit where you can't hire someone because you've got to get sign off from 17 people and you see companies that do all these work arounds, they'll acquire a company just so that they can get around a hiring or whatever it will be. And I think that's the kind of thing that means people spend so much of their time trying to achieve stuff that the systems and processes won't let them do when the systems and processes really ought to be there to facilitate them doing it. And we've just got to be honest and open with ourselves when we create system processes and say is actually having that effect or have I just done something that's going the wrong way?

**Jacob:** [00:45:20] One more point to add to that. We should also be honest that HR isn't exactly silver bullet. I mean, HR has had lots of problems over the years. How many stories are there of HR teams who have failed when it comes to diversity and inclusion, when it fails to hiring new people, when they bring in people who are end up being the wrong fit? HR, is actually quite broken as it is today. And I hate to say it if you're in HR listening to this, but you know what, I think there's tremendous opportunity for HR to evolve. But let's not assume that HR is this magical silver bullet. HR very much needs to evolve and adapt. And unfortunately, I don't think HR is there yet. There's definitely a lot of work. Like I said, there's a lot of opportunity to be done. And look, there's some fantastic HR leaders out there, like the HR leader of Cisco, the HR leader of Accenture, of lots of organisations, Unilever, as I mentioned. But guess what? There's also a lot of who are not doing a good job, who are failing. And there are a lot of HR teams that are struggling because they're not able to adapt and evolve and think outside of their traditional HR box. So, I think that we just need to be realistic about it, that there's no one size fits all approach. And as much as we talk about the value of HR, I think there are also a lot of challenges in HR. But again, I'm optimistic. I think there's also tremendous opportunity. And I hope people can learn from one of the things, from what Greg has been able to accomplish in his organisation at Octopus Energy and maybe bring some of those insights into their organisation and not be so judgy!

**Russ:** [00:47:21] I've just got a few more questions. I want to fire at you, Greg, so because we're coming to the end of the podcast, but these are kind of, I guess, a little series of tough HR related questions. I'm not going to lie. I tapped up my brother here for these. Now, my brother Jerry, the reason why I went to him is he coordinates and chairs a whole load of sector specific HR director and HR management forums. And I did promise him a shout out, I'm going to take the opportunity as the host of this podcast so his company's Endeavor Search and Selection. But I promised him a name check in return for this, I think is pretty tough set of questions. So, I'm going to fire them at you. Let's go for some quick answers on these. So first up, how are you planning your people strategy for the next two, five and ten years?

**Greg:** [00:48:05] I mean, we don't have one. We look after our people we hire great people doing great work, we train leaders to lead.

**Russ:** [00:48:13] Ok, that's pretty simple. How do you know what your skills gaps are now and will be in the future? And how are you planning for them?

**Greg:** [00:48:20] We don't? I think in every function they know what their gaps are, and those functions have got different ways of filling them.

**Russ:** [00:48:24] What succession planning strategy do you have in place?

**Greg:** [00:48:27] So each function is responsible for making sure it can get its work done and so each function will manage succession planning in different ways. If you're talking about the top of the company, well, that is always a challenge.

**Russ:** [00:48:40] We'll leave that one for another podcast, I think.

**Greg:** [00:48:43] No, I tell you what Russell, in all seriousness, look, one of the things if you create a company of leaders, it's amazing how able you are to fill gaps when they appear, whether they appear because you're building a new initiative, entering a new market, or indeed if there's a need for succession planning because someone is moving on or you have to reallocate people. Build a company of leaders, and that problem is dramatically smaller than it is when you're in a command-and-control structure and in traditional organisations, half time the job of manager's trying to suppress people. Right. This is exactly the opposite.

**Russ:** [00:49:19] Ok, just a few more here. How do you ensure your reward strategy is competitive?

**Greg:** [00:49:23] Yeh, if a function can't hire people, then it needs to do something different, but look, it's not about rewards, it's about the entire employment experience and that's everything from what is the mission we're on, how enjoyable is the day-to-day process? I think they're the two most important things and then when it comes to the rewards program, it's actually we don't have very many, basically we pay people a salary. There's not that much non-financial reward because I think people can choose how to spend the money themselves, that's part of being a grown up. And then every member of the team is a shareholder, because at the end of the day, we're a growth business. We're building an innovative, disruptive business in one of the world's biggest and most important sectors. And if we're successful, everyone should do very well out of that.

**Russ:** [00:50:08] Brilliant. I'll be interested to get Jacob’s view on this one as well. With change being a constant these days, how do you ensure your organizational structure is effective and efficient?

**Jacob:** [00:50:18] Oh, man. So, one of the things that I talked about in the book is this idea of the mindset of the chef where, if you've ever been in one of those fancy kitchens, you know, that the chef is always in the kitchen constantly tasting the food, they always have the spoons. Right. So, they always know if the food is too salty, too sweet, whatever it is. And so, I think as a leader, that's the mentality that you need to have. You need to be in the kitchen with everybody else in your company, constantly tasting the food, constantly talking to people, constantly getting feedback, asking what you can do better, trying to improve. If you're simply sitting in your ivory tower or in the office just pointing things out and not really being involved, then I think you're going to have a very hard time there. So that's probably the most important lesson, is get in the arena, get in the kitchen with everybody else. The second thing that people need to realise is that things are never going to be as slow as they are now. One of the biggest questions I always ask CEOs when I interview them is how do you adapt and keep up with this rapid pace of change? And they always say the same thing. They say that this is the new normal. We embrace that this is how it is. And, when people ask, how do you ensure, how do you keep up? They assume that things are going quickly now and that they're going to slow down and then when they slow down, everybody's going to catch up and catch their breath and everything will be back to normal. But that's not going to happen. You are on a perpetually accelerating treadmill, and as hard as you're running now, the pace each year is going to get ticked up a little by little by little. And so, the way that you keep up, you get in better shape. You condition yourself, you eat healthy, so to speak. And from an organisational perspective, this means exactly that. You focus on your people; you create better experiences for them. You get to know your people as human beings. You're in the kitchen with everybody, right, tasting the food. It's part of creating that human organisation and I think in Greg's case, they found what works for them. Right? It's that decentralized structure. It's giving everybody that autonomy. It's making everybody feel like they're part of HR and every organization out there is going to need to come up with their own secret sauce with how they do it and how they approach it.

**Russ:** [00:52:27] Greg, final one for you in this little section, then, is how do you ensure your managers are correctly trained and informed, given the constant changes in HR Law?

**Greg:** [00:52:36] Yeah. So first of all, HR law should largely be reflecting the right thing to do. And I think now, of course, the most technical point, there are specifics, but the job of a legal framework is there to make sure that the right things are happening. So as a company, if we focus on making sure the right things happen, then it doesn't need every manager to know every detail of law. If they get into a difficult scenario, then they can reach out to peers who may have experienced that scenario before, and they can reach out to external advisors if required. It's like, I don't know every aspect of common law in the UK, but I can walk down the street without worrying too much that I'm infringing something, right? Because I'm not likely to do things that are that bad, that I have to worry about the law. And I think that's a really important concept. Right. So, I don't need to consult a lawyer before I go in a shop. And I think the same way, if we have largely an approach that is people centric, those topics don't come up too often and when they do, you should know, now is broadly the time to go and seek advice.

**Russ:** [00:53:45] Good stuff. I mentioned at the top of the show that we'd chat about Jacob's new book and we haven't really touched on it and we've almost finished. So, Jacob, I did promise you that we'd give you a chance to share a little bit with our listeners. So, yeah. Tell us what we can expect from it.

**Jacob:** [00:54:01] Oh, you're very kind. So, the new book is called ‘The Future Leader’, and it was based on interviews that I did with one hundred and forty CEOs at companies around the world and a survey done of nearly fourteen thousand employees, which was done in partnership with LinkedIn. And really the goal of the book explores the four most essential mindsets and the five most crucial skills that aspiring and future leaders need to possess if they want to succeed and thrive in this new world of work that we're all a part of. So, of course, I would love people to check it out. I think it's a very, very important topic. I think leaders have never been under more pressure. It's never been harder to be a leader inside of an organization right now. And that's one of the reasons why I wanted to write and put this book together, is to really guide aspiring and current and future leaders so they know what they should be doing. And I always found that the challenge with a lot of leadership content out there is that there is not a lot that's really based on data across a larger sample size of CEOs. There are some great leadership books out there and there's some wonderful content out there, but it's usually based on observational data, maybe a handful of stories. I really wanted to create the definitive guide that brings in one hundred and forty CEOs from big brands. And I hope people will get value from what I was able to create.

**Russ:** [00:55:24] Tremendous. Greg, any last word from you on the topic before we wrap up?

**Greg:** [00:55:28] First, I can't wait to get hold of a copy of your book, so thank you for joining us. I really appreciate that. And there are so many things you said that resonate. One, just towards the end there, as one of our teams that we're quite busy at the moment. And the observation was we'll never be less busy than we are today. And I think it's getting your head round that isn't it? I think we haven't talked here, because we haven’t had time, about a couple things. One is we tend to populate our organisation with what we should call T-shaped individuals. That's people who've got a deep expertise in one thing and then a reasonable breadth across a number of things so that then they can kind of work very well across the organization. I think that lends itself to this management style. I think, for example, we've got lots of very narrow individuals. Then you may need different ways of gluing them together. Another thing was very briefly, I think honest conversations are incredibly important. And what that means is this isn't a world in which everyone I say it's all sweetness and light every day having tough conversations when things are not working, having open conversations when we need to do stuff better is a critically important part of working in this way and it's part of the non-infantilisation, managers can't choose just to have nice conversations with people and then park the nasty ones to someone else or the more difficult ones. And I guess, the last bit for me was, actually, I don’t want to end on a negative, so I’ll come up with something after this, but one thing that did surprise me, I think was a real signal here about an opportunity to change the world for the better, which was certainly on LinkedIn, I counted the number of comments that came in that were saying, hey, I really agree with this. And the number of comments that came in saying, you know, you're wrong and whatever that format might be. But I love being wrong which we should talk about sometime because that's how you learn stuff. But I think the sad thing was I think 97 percent of the comments that came in were supportive of the idea. And there were lots of stories about where HR departments have gone wrong for people. And I think the understandable reaction of feeling attacked by HR people kind of in a way maybe reflects that, which is they feel they're doing a really valuable job and they're not being appreciated. And so right back to that question you asked earlier about what can HR people do better to be listened to in the organization or to influence it, I think there was a signal there that says, look, this isn't an attack on a downtrodden function at all but it can feel like that. And I think a lot of the ideas Jacob was espousing actually speak to whether your company with a big HR function, a small one, or none, about how to make sure that you're adding value to the organization and the people within it rather than, for example. I think when you talked about Unilever, there's the idea of spending she said spent 90 percent of the time on transformational stuff and 10 percent on BAU and that's kind of I think all the functions in organisations are able to do that are the ones that are driving the organisations forward. And it's exciting to think about that as a kind of thing we might observe or learn from some of these conversations.

**Russ:** [00:58:38] Greg Jackson, as always, thank you for being so honest in all of your responses and Jacob Morgan, thank you so much for giving up your time and joining us. And I know we've overrun by quite a bit, so I really do appreciate that. Just a quick reminder that Jacob's own podcast is called The Future of Work. And so I'm sure that's available on whatever app you are listening to this one on or wherever you get your podcasts from, and also you can get his latest book, The Future Leader, from, well I'm sure it's on all good book sites, Amazon, etc.

**Jacob:** [00:59:07] Anywhere you can find it

**Russ:** [00: 59:08] Yeah, but I know the website address for your own organisation. and I know there's a link to the book there is TheFutureOrganisation.com. So, Jacob, thanks again for, honestly, it's been a real, real great and very different episode this time. So really pleased that you were able to join us. That is actually it for, this episode of Inside Octopus. As always, if you do have any comments on anything that we've discussed today, please do get in touch via the website at Octopus.Energy or via the usual social channels. But for now, from me, Russell Goldsmith, thanks for listening and goodbye.