Firm Led by Google Insiders Uses Computers To Spy On Workers And Prevent Them From Thinking Too Independently

MOUNTAIN VIEW, Calif. — Technology companies like to promote artificial intelligence's potential for solving some of the world's toughest problems, like reducing automobile deaths and helping doctors diagnose diseases. A company started by three former Google employees is pitching A.I. as the answer to a more common problem: being happier at work.

The start-up, Humu, is based in Google's hometown, and it builds on some of the so-called people-analytics programs pioneered by the internet giant, which has studied things like the traits that define great managers and <u>how to foster better</u> <u>teamwork</u>.

Humu wants to bring similar data-driven insights to other companies. It digs through employee surveys using artificial intelligence to identify one or two behavioral changes that are likely to make the biggest impact on elevating a work force's happiness. Then it uses emails and text messages to "nudge" individual employees into small actions that advance the larger goal.

At a company where workers feel that the way decisions are made is opaque, Humu might nudge a manager before a meeting to ask the members of her team for input and to be prepared to change her mind. Humu might ask a different employee to come up with questions involving her team that she would like to have answered.

At the heart of Humu's efforts is the company's "nudge engine" (yes, it's trademarked). It is based on the economist Richard Thaler's <u>Nobel Prize-winning research</u> into how people often make decisions because of what is easier rather than what is in their best interest, and how a well-timed nudge can prompt them to make better choices.

Image

Laszlo Bock, Humu's chief executive, led people operations, or human resources, at Google. "We want to be the person we hope we can be," he said, referring to an idea at the heart of Humu's business. "But we need to be reminded.CreditHumu

Google has used this approach to coax employees into the corporate equivalent of eating their vegetables, prodding them to save more for retirement, waste less food at the cafeteria and <u>opt for healthier snacks</u>.

Using machine learning, Humu will tailor the timing, content and techniques of the messages it delivers based on how employees respond.

"Often we want to be better people," said Laszlo Bock, Humu's chief executive and Google's former leader of what the company calls people operations, or human resources. "We want to be the person we hope we can be. But we need to be reminded. A nudge can have a powerful impact if correctly deployed on how people behave and on human performance."

In Mr. Bock's decade-plus tenure at Google, the company's work force grew more than eightfold. Google struggled at times with how to manage its rapid expansion, and some employees accused the company of creating a workplace that was hostile to women.

In November, 20,000 employees — prompted by <u>an article in The</u> <u>New York Times</u> that detailed how Google had paid millions of dollars in exit packages to male executives accused of misconduct — walked off the job to protest the company's handling of sexual harassment.

The episode underscored Google's unique and seemingly incongruous internal culture. Employees feel empowered to agitate for change, and the company takes innovative approaches to managing its work force. But deep-rooted problems fester as they would anywhere else.

While Mr. Bock was at Google, he led many of its humanresources analytics efforts and became well known in the field, <u>writing a 2015 book</u> that laid out the company's data-driven approach to personnel management.

He started Humu in 2017 shortly after leaving Google with two former colleagues: Jessie Wisdom, who has a doctorate in behavioral decision research and worked with Mr. Bock in people analytics, and Wayne Crosby, a former director of engineering at Google. Humu has raised \$40 million and has 15 customers, companies that range in size from 150 to 65,000 employees.

One major challenge for the company is handling data and artificial intelligence in the sensitive area of human resources. Humu said its software was built with employee privacy in mind, allowing workers to delete personal data, including anonymous comments made in company surveys. Humu said it complied with Europe's stringent data privacy rules.

But will workers consider the nudges useful or manipulative?

Todd Haugh, an assistant professor of business law and ethics at Indiana University's Kelley School of Business, said nudges could push workers into behaving in ways that benefited their employers' interests over their own.

"The companies are the only ones who know what the purpose of the nudge is," Professor Haugh said. "The individual who is designing the nudge is the one whose interests are going to be put in the forefront."

Dr. Wisdom, who ran much of Google's nudge research, said it was hard to argue with the most of the messages the company delivered because they encouraged behavior most people would welcome.

"Anybody can do whatever they want," she said. "It's just about designing the context in which people are making the decision in ways that is going to help the most people. We're never trying to get people to do things that they don't actually want to do." Sanjiv Razdan, the chief operating officer at Sweetgreen, a salad chain and one of Humu's customers, said that if nudges did not have a track record at Google, he would probably consider the concept a bunch of "hocus-pocus happiness nonsense."

But after receiving nudges for a few months himself in emails from Mr. Crosby, whose email address is used to send the messages, Mr. Razdan said the bite-size reminders made it easy to take action right away. In one instance, he said, he was prompted to ask members of his team for their opinions on decisions he was facing.

"The team doesn't know I was nudged," he said. "But I'm not ashamed to tell everyone that I heard from Wayne today."

Jonathan Neman, Sweetgreen's chief executive, said Humu had pinpointed the issue Sweetgreen cares about most: employee retention.

Like most restaurant chains, Sweetgreen, which has 90 stores in the United States, depends on hourly employees. Retaining workers and keeping them happy is critical. Recruiting and training employees is costly, and experienced workers are more productive. Happier employees tend to treat customers better. And customers like seeing familiar faces.

In August, when Humu analyzed a survey of sentiment among 1,800 store employees that Sweetgreen had conducted the previous month, it found that 43 percent of the respondents had occasionally considered applying for jobs outside Sweetgreen.

If Sweetgreen wanted to improve its retention rate, Humu's algorithms determined, there was one statement from the

survey that the chain needed more employees to agree with: "I believe there are good development opportunities for me at Sweetgreen."

Of the survey's respondents, 81 percent had reacted positively to the statement. That was a strong score for the fast-food industry, but it was still below the overall 88 percent happiness index Humu had given Sweetgreen overall. The suggestion was that although the company's employees were generally happy, some felt they lacked opportunities to advance their careers.

Humu recommended that store managers — known as head coaches at Sweetgreen — hold one-on-one meetings with staff members to discuss development goals.

About a month later, in early September, Elena Jimenez, the head coach at Sweetgreen's Mountain View store, got a nudge. So far, Sweetgreen is nudging only managers.

"Consider what skills each team member needs to be successful, both in their current role and longer term in their career," the email read. "Take notes. Preparing this list of skills will help you spot opportunities for your team as they arise — so it's worth putting the work in now!"

Ms. Jimenez discussed career development at her next "sweet talk," a short meeting before her store opened one day. Then she spoke to her employees individually and learned that many of them wanted to learn different skills, whether handling online orders or chopping and dicing the vegetables that go into Sweetgreen salads. "It was a good reminder to keep everyone happy and motivated," she said. "I hope it helps me retain my staff. It's not easy around here."

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