

DesignIntelligence®
Quarterly



Connecting and Communicating
with a Distributed Workforce



ALAN LAMONICA

VP Human Resources,
HMC Architects

Caring for people in a post-Covid-19 future. An interview with HMC's Alan Lamonica.

DesignIntelligence (DI): Before joining HMC, most of your career was spent in the gaming industry. I'm curious to hear your perspective on how things differ from other industries to ours. The A/E/C industry needs outside perspectives.

Alan Lamonica (AL): The group has been welcoming of an outside perspective. It has helped us think differently and implement things we maybe wouldn't have otherwise. It challenged our thinking on certain things. Some things I've had to conform to and just understand, "Okay, that's the way that we do things in this industry."

It can be refreshing to say: "Let's challenge this assumption. Why did we do it this way in this industry and why can't we do it a different way?" Part of it is based on the monetization approach. Being a professional services organization is different than being a consumer product organization. The way you monetize, go to market, engage with clients, and where your revenue streams come from are very

different. That's been the biggest personal learning curve and where I've had questions and challenges in how I develop HR solutions.

Essentially, I worked for a consumer video game company, Activision Blizzard. They're the biggest in the business, with products like Call of Duty and World of Warcraft. They're large, 10,000 people, and it's very direct. You've got a product, you have certain channels you sell it in, and you monetize based on the volume. There's a certain predictable, understandable pattern.

That changes in a professional services firm. Understanding how we monetize through relationships and projects, getting revenue means getting project wins and understanding the capture ratio that defines success has been a learning curve for me. But it's also led to great conversation and my edification around, "Why do we do it this way?" It helped us challenge certain assumptions for Business Development and how we engage in things like that.

It's led to us thinking about how we train a differently and how we engage with our staff. I've had a learning curve, but the company has benefited to the degree that I'm bringing a perspective that isn't necessarily the same as the rest of the pack.

DI: For architects it's all about the work. Professional services, business, and clients are a distant second. AIA bylaws, canons and ethics told us: "We're not merchants, we're not in commerce." We would say, "People are our greatest asset," but we had few formal programs - or resources, because we weren't profitable enough - to train and develop them. It was the vestigial studio, guild mentality to work alongside the master to learn. In the transition from being consumer / business focused with more developed training, then coming into A/E/C, have you seen differences in people development?

AL: I agree with the perspective that design quality comes first. It's admirable. But this idea that business development, generating revenue, and people development come second needs attention. How people think about their craft and how that is paramount to everything else is fascinating. I don't disagree with it. But I think it's an "and", not an "or". If you look at it from a business standpoint, generating



additional revenue and profitability and viability only benefits employees. We're 100% ESOP, so the more we can generate revenue, the more we can care for and feed our people.

Profitability unlocks the ability to do those things. How you spend your capital has a direct relation to your values and how you think about your people. The more assertive we can be on business development and growing the pie, the more we can reinvest into our people. I've also noticed, it has been a "Come alongside me, shadow me, I'll show you how it's done" approach. We're starting to think more about programs we can put in place as formal training on the BD, professional development and technical sides. More organized around classes. We recently launched HMC University, which is a schedule of courses to traverse in the progression of your career. That's different than, "I'll just take you under my wing and I'll show you everything I know." We're trying to be more formulaic about it.

DI: Where are you on the "design vs. business-oriented practice" continuum? On the left would be a starchitect firm that's all about high design work. Frank Gehry, as an example. With your seven offices, my preconceived notion is you're somewhere right of center, a business-focused practice. You want to

do great work, but you're interested in being profitable. In some firms, profit is a bad word. Some architects scarcely talk about it. Where would you place yourself on that continuum?

AL: Probably in the middle, skewing towards the design side, but we have an eye towards becoming even more balanced to ensure future viability and growth. Our CEO, Brian Staton, is focused on growth and making sure that we grow for the right reasons. Not just because we want to make money, but because we think two things. One, we want to bring our design and what we do to other communities because we think we could benefit them. Second, and this is where I come in, and what I'm passionate about, is we can bring our employment experience, which we think is great, to more people. I'm interested in doing that. It depends who you ask, but if you poll our staff, most would probably say we're oriented more towards design, but I think our future sees us evolving.

DI: I love your comment about the employment experience. In architecture, it's all about the collaboration and the experience. The joke is we spend more time with people at work than our own families. You're bringing an outsider's focus, ramping up training with the goal of developing people. And then Covid-19 happens. I

just talked with another company who has a global supply chain, Kattera. They said, "We're so connected with our supply chain, we had a backup plan in place for everything we do." The rest of us may not have. We're not focused on these kinds of uncertainties. How has the pandemic affected you and what are you doing about it?

AL: Recessions usually have a little more lead time. What was so shocking about this one is that it seemed to happen overnight. Reacting to that, in the first couple weeks, without limited information, the immediate reaction was: Well, this is going to blow over in a few weeks. It's going to be fine. Sure, the market took a hit today, but it's going to bounce back as soon as we're back to work. It took some time for us to realize we were talking about a new normal. We're fortunate. California was on the front edge of the pandemic. We made the decision to work from home early on, even before there was a mandatory order across the state or nation. We had tools in place that prepared us for it. We didn't have a plan, but we learned very quickly that we needed to make decisions fast. We got the right leaders in the room and made the decisions without belaboring it. If we waited to develop a plan, it wouldn't have happened quickly enough. We would have missed the critical timing. We had technology in place that enabled

us to do this quicker than other companies that didn't have cloud-based solutions. It took some migrating, taking projects off servers and putting them into the cloud so people could be productive at home.

In the future we're going to be 100% cloud-based. We had some hurdles at first, like- laptop challenges. We were not outfitted perfectly to flip the switch immediately. We said: San Francisco is already getting these stay orders. We need to focus on them. Quickly after that came San Jose. Then it trickled into all our offices and we were able to adapt. At one point the CEO and leadership team said: We need to send everybody home because it's the right thing to do and that's where it's going.

We didn't know what we were in for to begin with. But looking back, and forward, we know this is going to be the new normal. We know we're going to get back to work. If you take the long game view, two, three, five years from now we will return to work, but it'll be different because we will have learned certain efficiencies and challenged the old way of thinking: You must be at your desk to do your job. We've learned things we want to implement. Not because we have a fear of another pandemic, but because it's more efficient.

DI: Your purpose is to attract, care, feed, nurture, and retain great employees. What has Covid taught you about that? There was a day when offering flex time or working from home was a novel idea. Now it's a requirement. Have you found any unintended consequences?

AL: There are differences and challenges between my former life in gaming and the A/E/C industry. My personal belief - and what I've seen to be effective - is I don't care where people do the work. I don't care when they do the work. With our salaried staff, we're employing people not on an hourly basis, but on the value of what they do. When and where they do it matters less.

Tell that to a die-hard designer who is very much interested in the collaboration process and getting around the table and looking at a set of drawings, and there can be controversy. There is history and incongruence in those two approaches. What this has done is show people you can have a distributed workforce with success. In the future, we assume we will have a more distributed workforce.

The tried and true, good hygiene things you should be doing are even more important today. Like being open and honest with people, straightforward communication, being genuine, having

“

I don't care where people do the work. I don't care when they do the work... What this has done is show people you can have a distributed workforce with success. In the future, we assume we will have a more distributed workforce.

“

In the future, employers will ... provide an experience not focused solely on getting the work done, but on how they can create a place where people want to be and spend discretionary time.

connection and compassion with your people still matter. All those things you ought to be doing as leaders are doubly important now because there's anxiety and questions. HMC is not exclusive in this, but our communication has tripled. Our CEO is doing a video every week. He's also doing an announcement every week. Two touch points. I'm sending out one or two weekly statements around how to connect better at work. We've shared things like, "If you've got kids, here's some research on how to manage kids and work at home. Here's how to set up your desk ergonomically." The information we're providing on coping is important.

It's not just tips and tricks on how to work from home. It's also updates on the state of things, and how we're addressing them. We've been fortunate thus far - we haven't had to do layoffs or furloughs. It goes to our value. We saw preservation of employment as being important for us and our 350 owners, but we'll see what the future brings. We are seeing softness like everyone else. You can maintain that for so long and then you have to address revenue changes if they come. We're doing everything we can and informing people. We've got to let people know what we're doing.

This is not the time for leadership to be on autopilot, because if we're not doing

those things, we're going to erode quickly. There's a lot of good advice out there. You need to look for it and stay connected with industry. They'll tell you: stay connected with your people, stay ahead of it. Nothing we're doing is novel. We just know engagement will decrease if we're not communicating. Simple things like I'll call my team and have a five-minute conversation about nothing. Those kinds of connections are important absent of being in the office together.

DI: It takes an external crisis chaos event like Covid-19 to force us to do what we knew we should've been doing all along anyway: connect more and reach out to people. You mentioned you're giving people advice on how to deal with their kids. You're talking about a richer set of benefits. Not just: you're hired, do the work, but blurring the line between personal life and office life. Do you see that trend continuing?

AL: I don't think we'll regress. It's becoming the new normal. Data are telling us people care more about a more holistic work experience because they recognize, to your point, they spend more time at work than they do at home. In the future, employers will understand that and provide an experience not focused solely on getting the work done, but on how they can create a place where people want to be and spend discretionary time.



What do I mean by engagement? I am referring to the degree to which employees are psychologically invested in the firm and motivated to contribute to its success, which results in discretionary effort towards attaining firm goals.

We have data that shows your relationships at work matter. People don't leave companies, they leave managers. That relationship extends beyond just you and your manager. It extends to the people around you. It has a profound effect on the stickiness of whether you choose to stay with the organization or choose to leave. If we, as an employer, can create an environment where people appreciate those they work with, and the cultures and values we set up, they're more likely to have higher engagement and retention.

I'll share an example of what I'm trying to get at. When I sat down with Brian, the CEO, before I got the job he said, "Look, I don't like hiring a**holes and I don't like working with a**holes." And I said, "You know what, Brian? I really appreciate your saying that because I don't like working with them either." We realized we were going to spend a lot of time together. Do we have a cultural fit together?

How we treat one another is important. To some extent, many companies look at

that as a platitude. But we've been successful through the Covid shutdown because of the genuine authentic care we give to one another. And because we avoid that a-hole factor. That way of thinking manifests itself in how we care for our people and in certain programs we've done.

DI: At one extreme you have the Googles of the world - profitable companies. Maybe it was more like this in the gaming industry where you've got ping pong tables, spas, massages, and every food and beverage available to workers. Such catering to retain people has not been the norm in the A/E/C industry. Are you giving that more attention?

AL: Ping pong tables, food for everybody all the time, catering, dry cleaning, and all those things Google has to do - we'll never have the resources to do that. At least not in the foreseeable future. But it's somewhat superficial. Those things may draw people to your company, but they won't keep them there. We know being genuine and caring about people will get us further than ping pong. Those programs can only go so far if they're not married with genuine caring leaders. For the record we do have a ping pong table in one of our offices.

We may choose to invest in different

things. We recently launched a student loan repayment assistance program. We're trying to solve a problem. Yes, it's a way to get people into the organization, but it's also a way to give back to our employee owners. I don't see that trend going away. HMC will do it smartly, not superficially. Like back massages on Thursdays. We may look at that, but we'll make investments where they have a profound impact, not just something that's flashy.

DI: That suits the architect's value set. What are your next initiatives around talent, workplace, and returning to "normal."

AL: Thoughts are percolating as we're formulating what the future workforce will look like. We know we'll have a more distributed workforce. It's taken something like this for us to look around and say, "Wow, we really haven't missed a beat." Sure, some projects are going on hold, but if you think of how we work and how productive we can be, we haven't missed much not being in the office. With Covid and being forced to be more distributed, is allowing designers who have thought differently in the past to say: you know, collaborating remotely can work!

If you extrapolate the idea of a distributed workforce, does our office footprint need to look the same? The answer is no. We've already started talking about introducing

a rotation program whereby John works Monday, Wednesday, Friday, and Mary works Tuesday and Thursday, and they share a common desk space. That reduces our footprint and lets us reinvest those costs in our people.

It's going to have a profound effect on how companies think about their footprint. We can't ignore the serendipitous moments where a designer sees another designer in the hallway and they come up with this brilliant idea. Whatever technology you're using—no matter how great it is—you do lose a little of that. If we become more distributed, does that also mean we have more opportunities to bring people together in collaboration events? Committees or meetings held on a routine basis? Leadership forums that meet once or twice a year, or monthly? Do we introduce more of those if we become more distributed?

Those are all things we're thinking about. The technology investments, making sure our technology decisions include thoughts around laptops and a distributed workforce. The cloud will play a bigger part in that.

We have a digital technology department alongside our architects. Even without Covid those things are going to come together. In the future it's not going to be

digital practice and regular practice. It's going to be a combined practice. What this has taught us is we're going to need to accelerate that. I believe it's Dave Gilmore that said, "If it's happening to you, it's disruption. If you're doing it, it's innovation." We want to be the latter.

DI: That's a logical projection. It's a challenge to crack that nut - the essence of design collaboration in a studio environment: side-by-side, the master with the pencil on the tracing paper and the colleague alongside. It has intimacy, immediacy, and interactivity. We've known for years technology is affecting design process and the kind of people we need - people who know digital tools. To hear you say you're making inroads into that old guard designer mindset and see those two things converging is reassuring. Final thoughts?

AL: We are trying to balance the short-term reaction of what we need to do to bring people back, and the myriad of things we need to do to keep people safe. We're thinking long term. We don't have all the answers.

Every time we think we have a plan, we find we have to shift that plan because there's a change in legislation, a new government order, or a change in how we're working with our clients. Planning is important but having a specific plan can be a recipe for disaster because we're on a week-by-week decision making model right now. Early on we thought, "Okay, we've got the plan. We'll be back in 30 days." And every time we think we have that figured out it changes. Planning is going to be something we need to revisit and talk about on a weekly basis.

If leadership teams aren't thinking and talking weekly already, they're going to be at a disadvantage. We're not going to have an ability to have a steady state and put it back onto "autopilot" for a long time. That's okay. In my job, I appreciate that we're talking about the impact on people weekly. I want to be talking more about how the workplace is impacting people. My parting thought is: We can't assume we've got it all figured out because it's going to continue to change.

For instance, we're talking right now about how we bring people back. We have ideas, but we're not going to make formal plans until we're ready. Because we know Gavin Newsom, Governor of California will say, "Here are some different things you're going to have to consider."

It's dynamic, but we'll be ready.

Alan Lamonica is Vice President of Human Resources for HMC Architects. For over fifteen years, he has solved complex problems through people initiatives and a focus on talent. Passionate about the employee experience and creating workplaces in which people are motivated and thrive, he uses data and analytics to provide insights that create relevant, authentic solutions and increase employee engagement. His core concentration areas are HR strategy, organizational effectiveness, recruitment, retention, and rewards. Alan has worked across multiple industries including professional services, technology, entertainment, and consumer goods.

