

- [Narrator] You're listening to "HR Mixtape," your podcast with the perfect mix of practical advice, thought provoking interviews, and stories that just hit different so that work doesn't have to feel, well, like work. Now your host, Shari Simpson.

- [Shari] Joining me today is Jeffrey Korzenik, chief economist at Fifth Third Commercial Bank, award-winning author of "Untapped Talent," and keynote speaker. Jeff is the chief investment strategist for one of the nation's largest banks where he's responsible for the investment strategy and the allocation of over \$40 billion in assets. In 2020, Jeff was elected to the Council on Criminal Justice for his work on the intersection of the criminal justice system and the labor markets. Jeff, thanks so much for jumping on the podcast with me.

- [Jeffrey] It's my pleasure. Thanks for having me.

- [Shari] It's so good to be able to chat with you again. I love your background. I love the work you're doing, especially your book, which emphasizes, you know, the business case for hiring individuals with criminal records. So I'd love if you could talk about some immediate benefits that companies are seeing when they're more inclusive in their hiring practices.

- [Jeffrey] Well, the bottom line benefit is that companies have a, are facing a labor shortage. And when you do this the right way, this is a great solution because it delivers highly motivated, engaged employees who tend to be very loyal, and that's a great recipe for profitability.

- [Shari] Have you seen some common misconceptions that HR departments have when they're thinking about hiring individuals with criminal backgrounds and, you know, how could those be addressed? 'Cause I think there's definitely still some concerns valid and not valid when it comes to this population.

- [Jeffrey] Yeah, I think you nailed it. It's, some are valid, some are not valid. What's not valid is painting this population with a broad brush. There are 19 million Americans with felony conviction, tens of millions more with misdemeanors or some other interaction with the law. They're not all the same. And as you can imagine with any population tens of millions large, you've got some great people and you've got some not so great people in terms of being a potential fit for your enterprise. So the broad brush is the biggest misconception. And I think the way to battle through that is in a couple of ways. One, start visiting employers that have done this effectively or listening to them. They're available on video and podcasts or onsite visits. Start the process of examining how, say, community-based organizations can help you select those people who would be great fits for your enterprise. So it's an education process. I think all of us in the business world know that nothing good, nothing worthwhile comes

easy. And like anything else, this is an investment in talent, but it's one of, it's an investment with one of the highest returns you can make because in this labor short world we're all living in, this is an overlooked, or to use the term in my book, untapped talent pool.

- [Shari] Yeah, I completely agree. And I'm consistently amazed at, you know, the kinds of requirements we put on background checks. You know, I know that that's changed a lot over the years, you know, and, but I'm still amazed. I'm still amazed at the knockers that knock people out of jobs when it's just not relevant to the work they're doing per se. How have you coached HR professionals maybe to think differently about that background check piece and really apply, you know, what is necessary for the role and, you know, what don't we care about?

- [Jeffrey] I actually co-authored an article with Sean Bushway, who's probably the country's leading expert on background checks and should be coming out or perhaps by the, will be out already by the time your listeners hear this in Harvard Business Review. And there are a number of just really fact-based approaches you can use. But I also do recommend that employers, beyond using fact-based background check techniques, also, I think it's worth going the extra step and creating partnerships with community-based organizations that can attest to the character. Because the concerns we all have when dealing with a population that has a criminal conviction is, is there something inherently wrong in their character? And this is where community-based organizations that build true relationships with this population can say, no, this person made a mistake, but is more than that mistake. And that's a really critical, doesn't come up, you know, you can improve the background checks, but ultimately the best approach is to get this kind of character attestation really works extremely well.

- [Shari] How do you go about then onboarding and integrating these employees to your organization? I mean, and I mean that in the way of, I mean obviously you're gonna follow the same process you have with your onboarding program, but is there specific things you need to think about, potential coaching that you need to have with this employee? You know, I haven't done a ton of hiring in this space just 'cause my role doesn't do that now. So I'm curious how HR professionals are tackling this.

- [Jeffrey] Yeah, for one, it's a question of having the right culture. If you have a truly inclusive culture, some of this takes care of itself. But one of the challenges in dealing with this population is that typical supervisory staff managers, executives, have no contact with the kind of life that a lot of people have grown up with with this background. And it's usually the challenges of onboarding have a lot less to do with the fact that someone had a criminal record than everything to do with the fact that a lot of people with records grew up in dire poverty with multi-generational

unemployment in their families, often not intact families, and don't know the basics or what we assume are the basics of how to be a good employee. What do you do if your car breaks down or you lose whatever transportation you had? Now we know to call in, but someone taught us that along the road, way. And we have cell phones to call in and if our car breaks down, we've got a credit card to pay for the repair and we can call an Uber or a Lyft. These are all things that are far less common in this population. And so it requires a certain amount of understanding and appreciation. So one of the things I've seen, for instance, there's a company in Michigan, Cascade Engineering, that offers their supervisors the opportunity to go through a poverty simulation and actually know what it's like to live a life in the day of someone who's living on the edge, paycheck to paycheck, because it is different and it makes you a more effective supervisor and manager. So those are the kind of issues some companies go as far as to invest in life coaches that perhaps were hired to work with this population, but benefit the whole employee base. And what these employers have all found is the kind of outreach and investment needed to support the success of people with records ends up supporting the success and giving access to whole other populations, whether, you know, asylum seekers, refugees, other people who may not have a record but are just grown up in poverty. So it really opens up the American workforce for these companies when they make the right investment.

- [Shari] Yeah, you know, it's interesting as you talk about just looking at different populations, you know, early in my career I was in a role where I was supporting a, like a manufacturing environment. And it was funny because one of the things I suggested is that we work really closely with the unemployment offices in our areas and we go and we spend time there and we get to know people and I remember my supervisor at the time being like, why would we do that? And I'm like, what do you mean, why would we do that? It's such a great place to get talent for people that are eager to work. So I appreciate that. You know, you talk a lot about this. You do podcasts. You do a lot of speaking engagements. I'm curious, what questions do you get asked on stage or afterwards from the HR community and how do you address them?

- [Jeffrey] I think one of the questions that comes up is how can I possibly take this risk? And I think that's a very legitimate question. One of the audiences that I'm adamant about trying to reach is the CEO audience and making sure that HR professionals are protected and given the career leeway to make, to pursue this and make good business decisions. Because otherwise it becomes this, you know, heads, eye, wind, tails, eye, you lose kind of scenario where people say an HR professional approves someone with a record and something goes wrong. Well, something goes wrong all the time with employees. This is just a fact of large numbers. But if that person had a record, I think there's additional career risk associated. So it's really important to engage senior management, executive C-suite management, ideally the CEO, but often the CHRO in this. And it has to be not just

a kind of a head nod towards this, but actually something that gets prioritized and where there's accountability, where people have actual opportunity to, for career success by doing this kind of outreach and working towards the success.

- [Shari] As you've given advice to organizations, is there any really amazing success stories that have stuck with you when somebody's been placed and you're just like, man, this one really gets to me or really highlights this work?

- [Jeffrey] You know, it's kind of interesting. I focus on the employer success, right? What to me is amazing and it's not that, you know, giving people the opportunity to rebuild their lives is this incredible thing, but for me it's all, will only work and be scalable if the employer succeeds. And so when I talk success stories, and this is something that makes me a little bit different in this field, I tend to talk about, look what this employer accomplished. And that in my book "Untapped Talent" has one chapter dedicated to a company in Ohio called JBM Packaging. And they went from zero to not 60, zero to a hundred miles per hour in terms of bringing this into their business. Second generation business, no one wanted to do this, and they only did it out of desperation. It has worked so well at something like more than a third of their workforce is now what they call fair chance, people with records. They built a paid training program inside an Ohio State prison because it was so successful and they, because they weren't constrained by labor shortage, they're building, business grew so fast, they had to open an additional facility. They chose to open it in inner city Cincinnati in a part of the city that typically was not a destination for investment. But if you understand that those cities in America are filled with talent, if you know how to tap it, it becomes a great logical choice. And so their business is thriving. They have not only become an opportunity for people with criminal records and particularly those coming right out of incarceration, but they have become a leading light in the country in advertising their success and sharing their success with other businesses because they know we will have a more successful economy if every business is doing this.

- [Shari] And what a great example of somebody that you could potentially reach out to if you're listening, like you said, like, hey, reach out to somebody who's doing it and has done it successfully. So I love that.

- [Jeffrey] Yes, they've been very generous also in sharing this.

- [Shari] So you have an academic background from Princeton. You're a chief economist and you have this really interesting dynamic, I think. How have those things, you know, shaped your view or integrated your view on criminal records in the workforce overall? I mean, I'm just, I guess I'm curious how you got here with your background.

- [Jeffrey] Yeah, to me it was just a logical extension. I've always been interested in being the kind of economist that has practical outcomes, a business economist. I don't want to create vast new theories. And the biggest challenge, and to me this was clearly coming because of demographics and birth rates 20 and 30 years ago, the biggest challenge for the American economy is how to have a workforce and grow the workforce fast enough to continue to prosper as a nation. And when I started looking in a decade ago about why the workforce growth was weaker than it should have been, I came down to the conclusion that it was social ills, long-term unemployment, the opioid epidemic, and the impact of a criminal record. And those are all closely intertwined factors as well. And so to me, this was just a natural outgrowth of economics. And then I fortunately stumbled into, at first by accident and then very intentionally, companies that had figured this out. And by the time I'd gotten through the first half dozen or dozen companies, I realized they all had the same model of success. They just didn't know they had the same model of success. And knowing that there was a workforce shortage coming as the baby boomers retired, then I better start sharing this and to help the companies that my bank partners with and to help hopefully help our American economy become more prosperous. And yes, it also is, I do believe very firmly this country has been the land of second chances for my family. My mother was a refugee. My grandparents, my father's parents were immigrants. Everyone should have the opportunity to build a new life and put their past behind them.

- [Shari] I couldn't agree more. You know, you talked about our baby boomers retiring, which means we have the influx of Gen Z and very soon Gen Alpha and we've seen obviously the changes in the last couple years with hybrid work and the gig economy and those kinds of things. So with your background, how do you see HR professionals adapting to this and how should we, how should we think about economics when it comes to our employees in this change in work?

- [Jeffrey] You know, first of all, I think the HR professional and talent acquisition professional role is going to become increasingly important over the next decade and also is going to be a different role. Often there was a very heavy compliance aspect to that role. We all understand that and why that was, but I think now it becomes a much more creative opportunity to build talent pools for within organizations. And this is a change that is already well underway. The, and while people with criminal records is I think the single best solution, if not the only solution. This means rethinking talent. Can we replace full-time roles with part-time roles? Because there are more people who want part-time roles, often working parents, often older workers. I had an op-ed I co-authored in the Wall Street Journal with a Japan economist Daisuki Nakajima. And he and I have been talking for years about, wow, Japan has this terrible demographic problem. And yet while their population, I mean think of this, their

population has shrunk every year for the last 12 years. That should have been a disaster for their workforce. Instead, they grew their workforce by over 4 million people because they learned to go where talent had been untapped. In the case of Japan, it was often women, but it was also older workers. And they even, despite very significant cultural barriers to immigration, have been able to dramatically increase their guest worker programs and are even starting to ease up a little bit on immigration. So all of this is the landscape ahead for the US and HR professionals are going to be on the vanguard of this movement.

- [Shari] I know I've said this before, but I think it's such an exciting time for HR right now. I think there is so many things coming for us.

- [Jeffrey] Yeah, there's never been anything like this. We have never been faced with a labor shortage like this. And it completely changes the priorities of executive management. The big challenge of CEOs going forward is going to be workforce. And that sits squarely in the realm of HR professionals.

- [Shari] Well Jeff, thank you so much for a few minutes of your day and as always a great conversation and we'll keep an eye out to make sure that we link to that article in Harper's Business Review that you mentioned. So really appreciate you Jeff.

- [Jeffrey] Thanks so much. Thanks to all your listeners.

- [Narrator] I hope you enjoy today's episode. You can find show notes and links at thehrmixtape.com. Come back often and please subscribe, rate, and review.