HIRING TO FIRING: Maverick - Kyle Smialek

Evan Gibbs:

Welcome to Hiring the Firing the podcast. I'm Evan Gibbs and with me as my co-host Tracy Diamond. We're both partners at Troutman Pepper and the firm's Labor and Employment Practice Group, and I think that together we've handled pretty much every employment issue under the sun, everything from hiring to firing. We're happy to welcome our guest, Kyle Smialek, who's senior vice president of Operations for Shiftsmart. Really exciting, fast-growing company. Thanks for joining us, Kyle. Take a second if you don't mind, and tell us a little bit about Shiftsmart and about your role there.

Kyle Smialek:

First of all, thank you guys for inviting me on. I do have to commend you guys on your taste of TV shows and movies in all the episodes that I've listened. I think I've watched pretty much all of them, but especially excited about the topic today too. It's a little bit near and dear to my heart, which we can get into.

Evan Gibbs:

Good.

Kyle Smialek:

Think of Shiftsmart is we're a two-sided labor marketplace. At our core, what we do is we connect hourly and shift based workers with the opportunity to work across any number of large scale employers at the times that they want, and the jobs that they want, and the frequency that they want. The core thesis of the business is really twofold and it kind of hits on both sides of the marketplace. From a worker perspective, we know that the modern worker craves flexibility, choice, and transparency into what are they getting paid and what jobs are they going to do.

And so what we've created is the ability for them to really through the so simplicity of a phone app, to manage their entire schedule and work across any number of jobs in any given week, and really build a schedule whether they need 10 hours a week of work, 40 hours of work, or 60 hours of work, and really put the control into their hands to pick and choose how they work and when they work.

And then on the employer side, we're really trying to help them solve, and largely this is large scale employers. You're talking about places that have thousands and thousands of workers, thousands and thousands of shifts across lots of different locations, and you'd be living under a rock if you didn't hear how hard it is to go find and retain really high quality workers. And we offer the ability to tap into our 2.5 million worker network and growing.

We also offer the ability to tell us what you need and when you need it, and we take care of the rest. We find the workers, screen the workers, train the workers. We ultimately schedule them and then we pay them. So for all intents and purposes, they're Shiftsmart workers if you ask them, working on behalf of our customers.

And then finally, we're offering the enterprise the ability to really variablize their labor costs. We know that the need for labor changes month to month, sometimes year to year, but in some cases it's even day to day or in the middle of a day.

Evan Gibbs:

How long have you been with the company?

Kyle Smialek:

I've been with the company since the end of 2019, so I guess going on four years now. If I think about all the other folks that you've had on this show, I feel like I'm the youngin' here in the fact that most of these businesses that are coming on here are a 100 plus years and really well established. And in reality, we're a fast-growing technology company. Ever since I've joined, we've been growing between 2 and 4X every single year. And so that creates a whole unique set of challenges that's a little bit different than maybe your typical enterprise.

And that kind is a nice segue into my role in that. On paper, I'm responsible for running our largest customers, launching them, helping make sure that they get what they need, making sure that our workers are showing up and doing a great job. But I'm also a part of helping build the core capability set that's going to allow us to continue the 2 to 4X growth every single year. I'm deeply passionate about building and creating, and I love starting things from scratch, and being at a company of our size, it is truly roll your sleeves up type of work in our business no matter what level you are.

Evan Gibbs:

Yeah. Well, it sounds like a really exciting role.

Tracey Diamond:

How many employees do you have now, and are you in all the states or what states are you concentrated in so far?

Kyle Smialek:

On a monthly basis, we operate in 26 different countries. I would say we're predominantly in the US, but we are about 80 soon to be 100 employees total. When I joined, we were a little bit under 20, so luckily our revenues outgrowing our employee growth. It's been really fascinating to be a part of learning what it means to go from a 20 person business, to a 40 person business, to a 60, to 80 is there are really truly different challenges that we have faced along the way. And if, I think pre-Shiftsmart I was a consultant for over 10 years working with large companies of whom are very similar to our customer base right now, but I never really got to see, hey, what does it mean to actually run and grow a small business? And it's been pretty fascinating, especially trying to keep up with the pace that our business is growing at.

Tracey Diamond:

Yeah, I know Evan, in our practice, 50 employees seems to be an inflection point and then 100 employees seems to be another big inflection point. So it is very interesting to see the various legal compliance issues that pop up as you grow.

Evan Gibbs:

And you said currently, you have around, I think 2 million or so in your total contract workforce any given day?

Kyle Smialek:

Just to put it in the sense of how we've grown over the past several years. When I joined, we were about a 100,000 workers on the platform, and now we're 2.5 million.

Evan Gibbs:

Wow.

Kyle Smialek:

As we start to think about labor, I actually think about it in kind of split ways. I obviously have the 80 employees in our business where we have to think about labor concerns, but then, hey, we've got a whole 1099 contract workforce, which is a whole nother set of considerations for us.

Evan Gibbs:

I'll tell you, listening to you. I think that you sort of fit into a little bit of maybe the mold of the topic of the conversation of today, which is managing high performers. I think you're definitely a high performer. The focus of the day is talking about the challenges and the potential legal risks that we deal with when we're managing some of those high performers in the workplace. To illustrate these concepts, we looked at some different clips, some different movies. We thought a really appropriate one was Top Gun Maverick, the most recent release in the, I guess franchise, if you want to call it that. So let's listen to our first clip, which will kick us off

Speaker 4:

Maverick, 30 plus years of service, combat medals, citations, only man to shoot down three enemy planes in the last 40 years. Yet you can't get a promotion, you won't retire, and despite your best efforts, you refuse to die.

Evan Gibbs:

This clip that we just listened to, that was a great jumping off point because we start off hearing about why Tom Cruise's title character has such a long track record of success, Kyle and Tracey, how do you define a high performer in the workplace? Are there certain traits that you've seen in these kind of folks?

Kyle Smialek:

For me, I really kind of break it down into, hey, I was a consultant for 10 years before this, so everything fits into a matrix. I really think about it in the two by two, and I think it's a skill and a will. For us, there's a base set of skills that make you really successful in our business. We are heavily operational. We are tech enabled operations too. So you have to be comfort around large data sets, large numbers. You have to be able to have familiarity with what are the latest things that are happening from a technology

standpoint. You have to understand how users interact with technology. Those are a set of base skills that are required.

But in a business like ours, which is so fast-growing, you really have to have the desire and the will to go through what does it mean to grow 2 to 4X every single year? And that means that frankly, we're sort of reinventing ourselves every 6 to 12 months. And what that means is that from a high performer perspective, the people who thrive, at least in our business is, are those who embrace the ambiguity, who embrace the hey every single day, sort of the clock resets, and I need to deliver a set of numbers, and somebody who's willing to go through that process on a month in month out basis.

For me, if I look at the people who really stand out on my team or broadly in our business, it's really more the will factor that actually sets the bar apart from the skill. We're in a lot different place than we were when I first started to try to grow our team in that we're really fortunate. There's some fantastic people that we're able to talk to interview, to consider for roles with pedigrees that are far above anything that I could put onto my resume. And we still go back to the, you could put the best people on paper side by side, and the differentiator is truly do you want to kind of win on a long-term basis?

Tracey Diamond:

I think you've hit on some really interesting personality traits in a high performer that you can extrapolate for any organization no matter what the size and no matter what the industry. There's a famous psychologist, an academic named Angela Duckworth who's given lots of talks about this concepts of grit and growth mindset, grit being that ability to have grit to buckle in and focus, and do what it takes to succeed. While growth mindset is that idea of flexibility and being open to change, and being open to pivot as the circumstances are needed to do that, and how both of those traits, those personality traits are really what makes a performer a high performer. And oftentimes those two traits are at tension with each other, where someone may have really great grit but are less flexible so they don't have a growth mindset. So they become somewhat stuck in their ways, and the way they do it is the only way to do it. They're not great collaborators. And then there may be others with a growth mindset that may not have the grit piece of it. So it's interesting that you really need to have both.

Evan Gibbs:

Yeah, that's been certainly my takeaway. I've worked in my career and people in my family and others have worked with people who come from, they look stellar on paper and you're like, "Oh my gosh, this person is so qualified. They've got to be so smart and capable." And you work with them. And they come across as kind of a dodo with not a lot of gumption, and they don't have that fire in their belly, so to speak. And then sometimes you'll get people on paper and you're like, "Oh, well, they're definitely a reacher. They're trying hard. They might not look that great on paper." But then you work with them and they just blow you away. I mean, you've got that grit factor.

So I think with that in mind, I mean, I think that's a great segue to another question, which gets more to the heart of the discussion, is what are some of the day-to-day challenges with managing these folks, right? Because somebody that's just smart, a good problem solver is one thing, but at least in my experience, there are certainly some very real challenges that come with managing folks who are these sort of high performers. I'm wondering what your experiences have been, either Tracy working with clients, Kyle, working with current company or in your past as a consultant, what challenges that you've seen folks dealing with?

Tracey Diamond:

I think that sometimes some of the traits that make someone individually a high performer may make them less collaborative, and they could be very difficult on the people that are managing up to them, the people that are on their team. And as the high performer's manager, think about what's it must be like to manage the Mavericks of the world. There's a bit of arrogance there. That overambitious person kind of comes off as someone who's not a team player, that is going to want to do what's best for that person at all costs no matter what the cost to the rest of the company or the rest of the team. And that focus on individuality can sometimes be really rough. Kyle, what has your experience been?

Kyle Smialek:

As I'm thinking about high performers, I also wonder what is the right role for the high performer too? You can have really high performers who thrive in being individual contributors, and then all of a sudden you put them in a bit more of a team environment, or you ask them to start managing, and actually it puts them into a place where they're not as successful because it's not as natural for them. And vice versa you can have people who maybe are not as successful individual contributors, but fantastic communicators, managers, etc. I go back to the, oftentimes when I've been managing high performers and all of a sudden it becomes challenging either to work with them or folks come to me and say, "It's really challenging to work with this person." It actually makes me question, do I actually have this high performer in the role that's going to make them successful and ultimately makes the broader team successful? I think as I think about Maverick in particular, he comes across as a guy that he's not actually, probably not that used to ever teaching or coaching anybody because he's got a ton of really good core skills that he's good at. So maybe he is the guy that you want to be the first plane going into the mountain, dropping the bomb, even if that's not what superiors think is right.

Evan Gibbs:

Yeah, no, that's exactly right. I think that's a really good point about the individual contributor versus maybe a more team oriented role. 'Cause I think that is a challenge for a lot of folks, at least in my experience. There are some folks who are real, whatever it is their job is, they're really good at it, and then there maybe aren't as good at being the team player. There are people who that is what they should do and just continue to do as being an individual contributor and they just can't be, for whatever reason, successful in those managerial roles. So I think that's a really, really great point.

Kyle Smialek:

Something that we do pretty systemically is we kind of do complete talent reviews. We're in a fortunate position where, as a company of 80 people, you can run through a list of 80 people and kind of do a pulse check on. Across a criteria set, and granted, we have different criteria sets depending if you're in operations, if you're in finance, if you're in accounting, etc. Taking stock of who's meeting, who's exceeding, who's not meeting, and why? We kind of want to be able to do that on a reoccurring basis, and we believe in pretty frequent feedback cadences versus the one-time annual just because that allows us to take stock on do we have the right person in the right role? Or is there something we need to be doing differently to support them? Realizing that there are going to be those people that you know you give a little bit more leeway because hey, they just always deliver for you.

Evan Gibbs:

Yeah, that's right. And that actually that's a great point, and one I wanted us to discuss is one thing that I have seen with high performers, I think this is fairly common, is sometimes you see high performers that they get, in essence some special treatment. An example of a situation that I've seen is where a particular high performer may get certain perks in their contracts or certain terms of their employment agreements, or maybe their non-compete provision or something like that. I've seen concessions made or perks given to certain folks who are high performers. I've seen extra bonuses, all kinds of stuff, and in my experience that can really create long-term problems for the company. I think there are several legal issues that can flow from that, but I'm curious if either of you have ever dealt with those types of situations and are there any risks that you can identify or have seen sort of come to fruition through this arrangement, I guess?

Tracey Diamond:

Well, if you have someone that you're bringing in that you're assuming is going to be a high performer, so you're giving them a better deal then other people that have substantially similar jobs that may be in protected categories where this new person is not, that certainly could create a legal compliance issue where you're treating employees with substantially similar jobs and you're compensating them in different ways. You have to really have a good legal justification for treating them differently.

Evan Gibbs:

I've seen, for example, we'll have contract disputes and you'll have this high performer, they got maybe a concession on something in their employment agreement, and then things go south or the person leaves on their own, go to a competitor or something like that, which are situations I deal with a lot. And then we come back and the client is surprised to learn that, hey, their contract is way different than the other for example, the salespeople in the organization, this one person, their contract is very different, and now we suddenly have problems with whether it's enforcing a non-compete, or something like that because they chose to give the person special concessions and then they end up really regretting it later on down the road. But like Tracey said, that's another big problem is the sort of possibly preferential treatment to somebody they could turn into a discrimination claim or something like that.

Tracey Diamond:

The other thing is, not so much the special perks at the beginning of employment, but maybe looking the other way at bad behavior because someone is a top performer. We see that all the time where there's somebody at the executive level who maybe harassed somebody else or treated an employee inappropriately, but the company really is reluctant to let them go, or even issue any kind of corrective action because that person is so valuable to the organization. Kyle, in your past, have you experienced anything like that and how has the company handled it?

Kyle Smialek:

I know you guys obviously will take the natural lens of legal, and for me, I actually think about cultural impact too. I think what we find is everybody talks, right? Everybody finds out what everybody's paid. Everybody finds out, "Hey, what are some special things that they've gotten?" And I think that can create a pretty uncomfortable workplace culture, frankly, where somebody gets to find out, "Hey, I'm not getting quite as good of perks." And that can create an uncomfortable conversation with either the direct manager and/or it actually just starts a lot of conversations across the junior teams such that, hey,

a little bit of dissent kind of grows. And I think culturally, it's something to be really conscious of is when you are creating, I guess, special clauses or special arrangements that are outside of the norm, realize that whatever you're doing better be pretty well justified, and you better be able to explain it because you should assume that people are going to talk, and you should assume that it won't take too long, especially if things go south with that employee that it'll come out.

Tracey Diamond:

Someone as a high performer until they're not a high performer, right?

Kyle Smialek:

Yeah. Or sometimes the flip side of giving somebody a concession or an advantage early on is, hey, that sets an expectation for going forward too. If all of a sudden they don't get that and you do a one-off spot bonus, or you do a one-off compensation increase and hey, it's 12 months down the road and I'm expecting that, and all of a sudden they don't get that, it's like the mindset is, "Hey, you've actually taken something away from me." As opposed to, "Hey, you actually gave me something extra upfront." So I think the messaging and how you're communicating it is really important because that mindset could actually shift a high performer to maybe a mediocre or a low performer because their mindset of what is fair and what are they getting, actually changes.

Evan Gibbs:

I think that's absolutely right. I think this is a good point to go ahead and play our next clip from our movie to bring us into another couple of discussion points here.

Speaker 5:

You've been called back to Top Gun.

His exploits, legend, and he's considered to be one of the finest pilots this program has ever produced. What he has to teach you can very well mean the difference between life and death. I give you Captain Pete Mitchell, call sign Maverick.

Evan Gibbs:

So playing off of that clip, have either of you dealt with, we're talking about high performers, maybe people that are objectively hitting these certain metrics that make them a high performer, and sometimes you'll have those, at least in my experience, you have those and they're really humble, really nice people, but then as frequently, maybe more frequently, they may have sort of an inflated ego. And so I'm curious what your experiences are dealing with folks with really big egos in the workplace who are also high performers, and what kind of challenges that creates?

Tracey Diamond:

I think a good leader figures out the best way to motivate their people. If it's somebody with a big ego, it may be necessary to massage that ego to keep them performing, but it sort of depends on the circumstances, because if someone with a high ego starts becoming insubordinate, like the Maverick example, stops following instructions, even though they're really good at what they do, if they're not following what the company's instructions are or policies, and they're difficult to keep in line, then that

high performer is may be not an asset to the company anymore, but a liability. So I think the trick is figuring out how to keep that high performer motivated, but also keep the high performer in check.

Evan Gibbs:

Yeah, that's right. I have a client of mine, he's in the financial services industry, and he deals with a lot of very big egos and high performers and things like that, and he always says, "I go to work every day with a whip and a chair. It's like a circus. The minute I walk in, I'm having to just whip these guys in the line all the time." So yeah, I think that's absolutely right, and figuring out how to keep those guardrails around folks I think can be quite a challenge from some of the situations I've been involved with.

Tracey Diamond:

Maybe it's a question of sort of redefining what it means to be a high performer if you have someone who's making their sales goals. So in that sense, they're a high performer, but they're not playing in the sandbox well with the rest of the team. I think it needs to be clarified what the expectations are, how we're defining high performer. You're not a high performer if you're not being collaborative with the rest of the team. No matter what sales metrics you're hitting, that message needs to be communicated from the top down and consequences need to attach to it.

Kyle Smialek:

Tracey, that's something that I was going to touch on is I think it's important. What is your company culture and what is your belief in having that type of personality in your company? It's actually something that we think about really consciously as we're bringing folks into the business and we're screening, and especially for the mid to senior level hires in particular too, because they ultimately generate what is the reality of the culture in a company a lot of times.

In our business, we are really focused on finding egoless high performers, which is sometimes hard to find, but we're willing to take a little bit of extra effort in that because in our business, there truly is no job too small, and so you can be fantastic at one thing, but if you're hell bent on, "Hey, I'm only going to do this one thing because I'm really good at it and I'm above picking up the phone to call a worker to see if they're going to show up." Then you're just not going to do well over time because everybody needs to chip in and be willing to do the job that needs to get done.

And different companies are different scales and different sizes, right? No job too small may not be applicable everywhere, but at least for us, as we think about being in a relatively small business in the grand scheme of things, in terms of our employee count, that tenant has to be true in the person that's coming in. It also helps us avoid down the road that we deal with somebody when we start asking them to go do a new project, or a new task, or a new role, they're not going to challenge the willingness to do it.

Tracey Diamond:

It's such an interesting point you raised Kyle, because what makes someone a high performer in one company may make them not a high performer in another. At a larger company, in your example, someone who is a good delegator might be highly valued for their ability to manage and delegate,

whereas, in a smaller company like yours, it would be a liability because they're not rolling up their sleeves and doing the work themselves.

Whereas, at the bigger company, maybe rolling up their sleeves and doing all the work themselves means they're not getting enough done because they really need to be delegating. Defining what a high performer is and understanding what type of skills you're looking for at the get-go with your recruitment process is so important. And I'm wondering, is there anything that you guys do to figure out when you have a stranger coming in for an interview, what you're looking for that you could figure out in that 20 or 30 minute interview whether that's going to be a good fit?

Kyle Smialek:

Again, it depends on the level, but typically we're running the ability like, "Hey, we want to test your skills." That's generally like the first filter, and the skills can be, hey, for somebody more junior going and doing a case study, we give you data, you go do an analysis, we come back and talk about it. "Hey, if you're more senior, talk us through a previous role that you had and what were you hired to do? What did you actually deliver? What would you do better? What would you change?" That's more of a skill assessment, but for us, we go really deep into, we want to find out about the person. We want to really understand, "Hey, what is truly the hardest thing that you've ever had to do? What is the biggest adversity that you ever faced?" And oftentimes we'll ask them for non-work related examples because we want to actually understand what is the core motivator that you have through the good times it's always easy. Everybody's always in a great mood, but when the going gets tough and you go through a rocky period, what do you default to in terms of how you operate?

We go through multiple rounds of interviews, but that last piece on, "Tell me an example in the past of where you've had to deal with some adversity. What's the hardest you've ever worked at something? Why did you care? Why did you keep pushing? What made you not quit? Basically, is kind of a really good indicator of, A, the example that somebody gives can be indicative of how hard have they pushed themselves in the past? And B, it can also be indicative of what are the lengths that they're willing to go or the job that they're willing to do in order to deliver an objective that they've been tasked with.

Tracey Diamond:

Those are hard interview questions. I don't know. Evan, what do you think?

Evan Gibbs:

I was thinking the exact same thing. Those are, I think they're great interview questions. I think it is really interesting to focus on sometimes the personal answers to those types of questions. What's a non-work thing that has been really difficult and how did you handle it? I mean, I think those are really good questions and they can suss out some of those personal traits and personal values. I think people expect a lot of interview questions around tough situations at work, but when you talk more about things outside of work, I think you get a really good sense maybe of who somebody is and what their values are, which really, of course, we don't work in a vacuum. It ultimately indicates what kind of fit they're going to be with the organization, I think.

Tracey Diamond:

So be prepared when you're applying.

Kyle Smialek:

I think the personal side also helps you draw a connection with the person who's maybe remotely across the table or maybe physically across the table. And you also suss out so much about hiring somebody or bringing somebody into the business is will you personally be able to work with this person? And I think that you actually find out commonalities in terms of, hey, similar life experiences or some tangential experiences that allow you to connect the dots. And we actually view interviewing not only as just interviewing the person, we're also trying to help them understand who we are as Shiftsmart, and we also want to help them understand what they're getting into. So there is a little bit of a sales exercise in the sense that we want them to come to us. We don't have the luxury of a hundred-year-old brand name. A lot of times people are coming into our business and especially people with really high-powered backgrounds and fantastic resumes, and we're asking them to come join what is essentially a fast-growing company with a great track record, but still a pretty young business. You got to balance the really hard hitting personal questions with, Hey, we don't want to scare them away.

Evan Gibbs:

No, that's right. One thing we didn't talk about that I think is also important when we're talking about setting expectations on both sides of the employee relationship, are whether the company considers itself a high performing company? Does the company consider itself a high performer? I mean, Shiftsmart certainly is, but some companies, it's a much more laid back culture. It's a much more relaxed atmosphere, and there's not as much focus on growing the business rapidly or things like that. So I think it's also important to your point, we're talking about the candidate interview cycle to convey that I think expectation or that type of culture to the candidates as well. If the company's like, "Well, we want to grow some, but let's not get out of hand, we're not trying to blow the doors off of anything." There are certainly some clients, and companies, and friends I know that work at companies like that where it's a much more relaxed approach, and I think setting those expectations up front can really avoid a misalignment of priorities on both sides.

Tracey Diamond:

Thinking about it with Maverick in mind, right? Maverick would probably fit in really great in some organizations and a really not at all in other organizations. So either you're hiring to look for the Mavericks or you're hiring to suss out the Mavericks, put them in a discard pile, but it's important to know what you're getting yourself into with regard to the candidate as well as the candidate, what they're getting themselves into.

Kyle Smialek:

Yeah. I mean, I bring Maverick into Shiftsmart probably to run and launch a deal because it's such an individual exercise to work across a multifaceted exercise where you're really good at each of those things. But I probably wouldn't put him in charge of running a large scale customer because that means that he has to manage probably a bigger team and also engage with senior customers, and that might be a little bit challenging.

Tracey Diamond:

And follow instructions, right?

Kyle Smialek:

Yeah. And follow instructions or follow a playbook, follow a set of standards. When you're launching things, sometimes you just have to go a little bit off script because you're dealt a card that you didn't expect.

Evan Gibbs:

Well, this has been a really great discussion, both of you. Thanks so much for joining us today, Kyle. We've really enjoyed it and really appreciate your time.

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Tracey Diamond:

Thank you.