

## Masters of Scale: Rapid Response Transcript – Noreena Hertz

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**NOREENA HERTZ:** This is the loneliest century that we have known so far. There is a thinking error that this is the new normal. That this way that we've been forced to reconfigure how we interact, moving from face-to-face in-person contact to virtual contact is not only a function of the times, but is the way that things will be. I actually don't believe that to be the case.

We are creatures of togetherness. We are hardwired to connect. Business leaders should be mindful of their response. Lonely workers are less motivated, less efficient and less productive than workers who are not. They're more likely to quit the company that they're working from. The challenge moving forward for business leaders, but also the opportunity, is how do we really create a sense of togetherness amongst our workforce?

Everything's at stake, and everything's to play for. We can create a better world moving forward, a world in which capitalism is reconnected with care and compassion and community, a world in which we do recognize that there are times that we have to suborn our own self-interest to the collective good. We can use this moment as an opportunity, not just to rebuild, but to build better. As long as the will is there individually and collectively. Ultimately the future is in all of our hands.

**BOB SAIFNA:** That's Noreena Hertz, professor at the Institute for Global Prosperity at University College London. As an economist, Noreena has spent years deeply researching what drives behavior, and how the marketplace interacts with larger culture. This year, of course, that interaction has been particularly acute.

I'm Bob Safian, former editor of Fast Company, founder of the The Flux Group, and host of Masters of Scale: Rapid Response. I wanted to talk with Noreena because her new book, titled *The Lonely Century*, delves into one of the most relevant, complex, and potentially lasting implications of the modern age.

Even before the pandemic struck, Noreena argues, loneliness was snaking its way through our lives, affecting everything from how we vote to how we work.

With lockdowns and social distancing, it's been accelerated, exacting a high cost both societally and financially.

But Noreena says we have the tools to stem the tide, to as her book's subtitle puts it, restore human connection in a world that's pulling apart.

**[THEME MUSIC]**

**SAFIAN:** I'm Bob Safian, and I'm here with Noreena Hertz, economist, professor, and author of many books including the new book, *The Lonely Century*, named one of the top five books of the year in the UK. It's coming out in the States in February, so you can get your pre-orders and Noreena's coming to us from London as I ask my questions from my home in New York. Noreena, thanks for joining us.

**HERTZ:** Thank you, Bob for having me on.

**SAFIAN:** So in 2020, we've had a new word enter the lexicon, lockdown. We've gotten used to talking about quarantine and social distancing and sheltering in place. And for many people, this has been a lonely year. You began thinking about loneliness well before Covid-19 struck. What sparked your interest in loneliness?

**HERTZ:** So, it was really a few things happening pretty much at once. First, I was teaching at university, and I was really struck by the fact that more and more students were coming to my office in office hours and confiding in me in how lonely and isolated they felt. And this was a new thing – I've been teaching for many years, and I haven't had this in this way. And then, the other thing I observed was when I was setting group assignments for my students, increasing numbers of them seem to be finding it pretty hard to interact effectively in-person, face to face.

And I actually raised it with a colleague, the head of one of America's most prestigious Ivy League universities. And he said to me, "We're seeing exactly the same thing. In fact, it's so bad here that we are running how to read a face in real-life classes for our incoming students." So, there was a firsthand observation that something was going on with my students. But there was two other things that made me think loneliness is, in many ways, the defining trait of our times.

First was the research I was undertaking. I was looking at the rise of right-wing populism across the globe from Trump voters in the U.S., to Le Pen voters in France, to Salvini voters in Italy, to Alternative for Deutschland voters in Germany. And one thing that came out time and time again as I was hearing from these voters was how lonely they felt, how disconnected they felt from their fellow citizens, and how they were finding community in right-wing populists. And that was something that I then went to dig into at much more depth.

And then I guess, my own increasing attachment to my Alexa, because I realized that actually I could become pretty attached to an inanimate virtual assistant who, as time went on, I came to consider in some ways, one of the family. And as I looked into the rise of sales of virtual assistants and social robots, what I came to realize was that we were also witnessing the birth and the growth of what I have called, "the loneliness economy." The market realizing that there's an increasing demand out there for companionship, connection, and community.

So, it was those things together – rise of loneliness amongst my young students, a market speaking, and loneliness impact in the rise of right-wing populism – that made me realize that this is the loneliest century that we have known so far.

**SAFIAN:** Is technology what's driving this loneliness across these groups that otherwise might be disparate – or are there other factors?

**HERTZ:** So, technology clearly is part of the problem, part of the reason that we're seeing an increase in loneliness, with social media playing a significant role here. I started my research quite agnostic as to whether social media was a factor, but having spent three years really drilling into the data and studies, what I've realized is that social media is playing an integral role.

There was a study done for example by Stanford, a real gold standard of a study, where students were put into two groups, one group used Facebook as usual, the other group were told to stop using Facebook for a number of months. The group that stopped using Facebook not only did more in-person with their friends and family, spent less time overall on the internet, but also was markedly happier and markedly less lonely.

And when it comes to right-wing populism, social media inevitably playing a role there. Allowing people to find solidarity and community with people who have views only similar to their own and really accelerating that. But technology isn't by any means the only driver. Mass migration to cities – cities are particularly lonely places, places where many of us don't even know our neighbors' names. In fact, fascinating research shows that the richer a city, the faster its citizens walk; and the denser a city, the less civil its inhabitants are. So, many of us are living in densely populated, rich cities in which people just go, go, go and don't look at passersby in the eye, let alone say hello.

There's also the fact that we do less together than we did in the past. We are less likely to be members of trade unions, we are less likely to go to church. So, group spaces of togetherness are being underpopulated, and we've seen that trend in recent years.

And there's another thing that's part of the problem, and that's what we might think of as the neoliberal capitalist mindset. Now, I'm not anti-capitalist, I want to be upfront clear here, and I think that capitalism is an amazing source and trigger for innovation. But there is a particular form of capitalism that really gained dominance across the globe from the 1980s onwards, that really was a particularly self-interested and selfish form of capitalism. And it's presided over an era in which the gap between the haves and the have-nots has markedly increased.

And if you are economically marginalized, well, you are going to feel disconnected from your fellow citizens, for sure, and you are going to feel forsaken and forgotten. Of course, this is exactly the sweet spot where right-wing populists tend to have done particularly well in recent years, speaking to a constituency of people who feel forgotten.

**SAFIAN:** This past year obviously has put all of this stuff in even higher relief as we've gone through this pandemic. I'm curious when I asked you about technology, you talked about social media, but for a lot of people in lockdown, technology has been a great boon for connecting. How do you think about that sort of other side of technology?

**HERTZ:** Technology has been for many of us, our salvation in recent months, for sure. And it is wonderful that I'm sitting across the ocean and seeing you as we record this podcast. And even historically, of course, there were certain groups for whom social media did provide a community that they couldn't physically find elsewhere. But I think one thing most of us have realized more than ever in recent months is that technological virtual interactions, whilst better than nothing, are not nearly as good as face-to-face interactions.

I mean, they just can't be. In order to feel empathetic towards others, what happens is that at a very physiological level, our brainwaves mimic the person in front of us. When you are looking sad, my brain will register it, and my brainwaves will actually mimic yours, and I will also feel sad. But when we're doing this virtually on a screen, we're not able to. Our brains don't pick up the subtleties in the way they would face to face.

**SAFIAN:** Many of our listeners are business people and they are discussing, struggling with, thinking about, as lockdown ends, how much remote work do you keep as part of your office routine, your work routine? Are you worried that continuing to work remotely will continue loneliness, will deepen loneliness, or is this a good antidote to what has historically been described as dehumanizing, cubicle farms at offices?

**HERTZ:** Well, firstly, I think that there is a thinking error that's quite prevalent at the moment, that this is the new normal. That this way that we've been forced to reconfigure how we interact, moving from face-to-face in-person contact to virtual contact is not only a function of the times, but is the way that things will be. I actually don't believe that to be the case. We are creatures of togetherness. We are hardwired to connect. And in the same way that when after periods of protracted fasting, people become even more hungry, I believe that after this period of protracted enforced isolation, people's craving for togetherness is only going to increase. I think the other thing that business leaders should be mindful of – and I'm aware of the temptation to think only in terms of cutting costs and lowering overheads and thinking that this is actually a real boon.

I think leaders should be wary of making this their response. Because one thing we know from years of research is that lonely workers are less motivated, less efficient, and less productive than workers who are not. And we also know that they're more likely to quit the company that they're working from. Now, even before the pandemic struck, the workplace was for many people lonely. In the United States, one in five workers said that they didn't have a single friend at work. So we shouldn't romanticize the workplace of old. And you talked about office design. Yes, office design really was a factor there.

Although surprisingly, it's the open plan office that gets the worst rap or that the research shows should get the worst rap.

**SAFIAN:** So, an open office is worse than cubicles?

**HERTZ:** Yeah, it's really counter-intuitive, but there were studies that were done, for example, at Harvard, where they tracked how employees communicated with each other and how they felt when they moved from an office, which was cubicles, to an open plan office. And what they found was that employees actually spoke to each other considerably less face-to-face when they moved to an open plan office and considerably more by email and by messaging, and they felt more disconnected from their employees. And it kind of makes sense because I've worked in an open plan office, and I know that I used to walk in with my noise canceling headphones on, and it's not really an environment in which you want to have a very authentic personal conversation, because everyone else can listen in. And this makes people more performative, more reserved.

So I think the challenge moving forward for business leaders, but also the opportunity, is how do we really create a sense of togetherness amongst our workforce? Employers should be first of all, measuring the loneliness of their employees. But also, I think employees can learn from workspaces where employers have done something to move the needle. One thing that's proved really effective is employees eating together.

And there was an experiment, what they found was that when employees took breaks together at the same time, they were significantly more productive. So thinking about ways to design social time into the work day can prove to be really effective, not only for morale, but also for productivity and the bottom line.

Another reason employees feel so lonely is because of how qualities like care and kindness have really been absent or absent from being explicitly valued in many workplaces. And again, companies that have bucked the trend here are seeing a real return on investment. Cisco, for example, they have a scheme in which employees up or down the company can nominate anyone else in the company, who's done something particularly kind or helpful or supportive.

And that person gets given, what's called, a token of appreciation, and they get a cash reward up to \$10,000 for it. And not only is employee satisfaction especially high at Cisco, but Cisco was voted by its employees as the best company in the world to work for last year. So valuing care in the workplace, doing things to ensure that your employees are less lonely, I think is really effective as a business strategy. And remote work, the evidence so far, shows that remote workers as a whole do feel lonelier, do feel less connected from their companies.

**SAFIAN:** And if right now, even though you'd like to be together, you can't be. You can't be having meals together. Are there things that even though we are remote, good practices for us to assess or counteract the impacts of the loneliness?

**HERTZ:** There are a number of things that companies are doing. Some companies, you are having lunch with your colleagues, except you're doing it on Zoom. So, bring your doggy bag to lunch. Is that the American expression? Doggy bag to lunch? You bring your doggy back to lunch and eat it together with a colleague. I think also, we are in danger of defaulting to virtual meetings, even in cases when we might be able to physically, in a safe way, meet up with a colleague or a client. So if you can still meet up with someone, maybe go for a walk with them, maybe sit somewhere outside with them, do.

I think also there's another initiative that one company I spoke to is doing, a big law firm, which I liked. In order to get different people across the company to interact with each other is, it's created a scheme where you can post an image of something that you're interested in. So it might be your football team or your baseball team, or it might be the picture of a pop group who you like, or a book that you've read that you like, and then others can match with you who have similar interests. So it's a way of actually bringing people across the company together – and this is a huge global law firm – bringing people together who have shared interests and creating communities around that, and I think that's actually a really cool idea. So these are just a few really practical ideas of what companies have been doing that I like.

#### **[AD BREAK]**

**SAFIAN:** You mentioned the impact of cities. A lot of businesses are focused in cities. Is that a bad idea?

**HERTZ:** No, a huge opportunity on the other hand. With the rise of the loneliness economy is a rise in a desire for businesses that can deliver upon community and connection. Once the pandemic ends, I think we're going to see a much greater demand even than we saw before. Before the pandemic, we'd seen the rise of companies like SoulCycle in cities and CraftJams and escape rooms and things like that gaining in popularity. I think we're going to see a real explosion in these types of face-to-face spaces where people can have shared experiences. But businesses, I think, that also authentically deliver on the promise of community, I think we'll see a benefit in the months and years to come.

I think one thing that many of us have realized over the past few months, how important our local neighborhoods are, our local stores, our local shops, that local cafe where the server asks how we are and may be the only person we've chatted to for days. I think companies and B2C businesses that really authentically deliver on a community promise will see an increase in demand for their services. But I'm not talking about “we” washing

here, not just stamping “we” on a product and that being enough. This is about really companies that can authentically nurture relationships.

**SAFIAN:** Mental health has become much more discussed, more challenged, more pressure. Any advice for how we should be adapting or caring differently as business leaders, as business people?

**HERTZ:** This is the time to have truthful conversations, being willing to expose one's own vulnerability, willing to share that it has probably been tough for you the last few months, too. In the United Kingdom, we've had some really meaningful leaders. For example, the head of one of our biggest banks last year came out publicly about the stress he had been experiencing and anxiety. That made a huge difference in the world of finance where emotions were not something that was really talked about before, made a huge difference to his staff and actually to the sector as a whole, the leader expressing his own vulnerability.

I think another thing company leaders can and should do is really think about, moving forward, valuing care and kindness much more explicitly, not only through schemes like the Cisco scheme, but just on a day-to-day basis, really encouraging a climate within their company, in which colleagues and coworkers value these kind of skills in others. The market historically has been very bad at doing that. Also, something else that enlightened employers could do, moving forward: give employees more time off to care, not only for children.

The United States lags behind much of the world when it comes to paid maternity leave, let alone paid paternity leave for fathers. But I'm talking even more, enabling people to have time off to care for an elderly parent, to care for a relative, to care for a friend who's in trouble, too. In the United States, a quarter of employees have been fired or threatened with being fired for asking for time off to care for others, and that's really unacceptable moving forward. This isn't just about a moral imperative – although the moral case is a really strong one – but there also is a clear business case for doing all of this, too.

**SAFIAN:** You identify these troubling areas, yet you seem to have optimism about them at the same time. You talked about loneliness undercutting democracy and the rise of right wing populism. Are you optimistic about where that's going to go also?

**HERTZ:** Well, we know that Joe Biden won the election, but we also know that over 70 million Americans still voted for Donald Trump, and many of those I would argue were people who have and have over recent times felt lonely, disconnected, and marginalized. I think the Biden administration has a real challenge here in reuniting the country and helping people come together. This will take economic policies that seek to achieve that, but also real thoughtfulness in how you bring a society that is so polarized back together.

America's not the only country that is facing this fractured polarized constituency. We've got it in Europe, too. We've seen it, of course, in Africa as well. I do feel optimistic because there's so much that we ourselves can do as long as the will is there. We can put down our phones more and be more present with each other. We can value kindness more, whether it's in our partners, our children, our friends, or our colleagues. We can support our local communities more, whether it's buying more in our local stores, whether it's showing up at community events, whether it's initiating an event in our own neighborhoods. Finally, right now, each of us can reach out to someone in our own network who we think might be lonely, pick up the phone to them, if we can, meet up with them in-person in a safe, physically distanced way. Just showing someone that we care can make a huge difference to someone's life.

**SAFIAN:** You have written other books, and I've been reflecting on your book, *Eyes Wide Open*, about how to make smart decisions in a confusing world. This world has been very confusing this year. Have the events of this year made you hark back to any specific things in that book?

**HERTZ:** Great question. I think of the thinking errors that I wrote about. It's almost like the immediacy of the current situation crowds out in our brains anything that came before, including what we know historically. For example, just three years after the Spanish flu of 1918, bars, cafes, clubs were packed across the globe, full of people who wanted to be together.

I would argue that in times as complex and confusing as these are, actively carving out time to think is something that can be really constructive for business leaders. And really actually do this in a meaningful way. Perhaps do what I do, which is once a week I take a digital Sabbath. I don't check my emails, I don't check my social media, and it's amazing how much more creative and how much more innovative and recharged I am as a result.

**SAFIAN:** Yeah. It sometimes feels like things are happening so fast now that I can't step away, that if I step away, I'm going to miss something, I'm going to miss this opportunity and I need to be there and be on all the time. And what you're saying is I may be giving up more than I realize in making that choice.

**HERTZ:** Yes. Because it's not sustainable, we just don't think as well. Just on a pragmatic level, we don't think as clearly, unless we have taken that time out to recharge. Another of the challenges many of us are facing at the moment is that the boundary between our work lives and our private lives has become even more blurred than it was before. And I think really trying to preserve time where we're not doing, time where we can think and time that we can recharge can be incredibly effective when it comes to our ability to perform.

**SAFIAN:** So what's different about the way your book release has been in COVID times?

**HERTZ:** Usually as an author, your book comes out, and then the fun bit starts because that's when you're going to events and you're meeting your readers and you're taking questions from audiences and really engaging face to face. And actually after spending two and a half years self-isolating before we were all told to self-isolate writing a book, I was really looking forward to that part. Of course none of that's been possible so far. So now this has been really a host of Zoom and virtual events and interactions, which I'm so grateful to have had the opportunity to do. And yet I so miss being in a room with the people who are showing up to my events. So I, for one, cannot wait until we are all face to face in a room together again.

**SAFIAN:** Although some of it must be more efficient, right? You can do a lot more readings in a short period of time without spending so much time traveling.

**HERTZ:** Oh, but that is interesting that you say that because in a way that's the nub of much of this, which is that we have been trading off convenience for community, convenience for connection. And yes, it is easier to buy a book on Amazon than walk to our local bookstore and actually have to speak to the bookseller and maybe even pay a bit more. Yes, it's easier to order our food on Grubhub rather than go and walk to the local cafe or diner. Sure, it's more convenient, but when it comes to feeling connected, when it comes to feeling part of a community, we haven't been able to replicate that virtually in no shape or form.

**SAFIAN:**

Are you lonely? What do you do when you're lonely?

**HERTZ:** Well, I am very fortunate in that I have a really good support system that I nurture, because you have to nurture your support system. So in my husband, in my family and in my friends, and I also have a weekly improv group that I'm part of that I try and protect however busy my life. And yes, it has migrated to Zoom through the last few months, which is better than nothing, but I can't wait until we're reunited. But of course I've been lonely at times. I worked in Russia and the Middle East for much of my late twenties and thirties, and I was often in incredibly remote places where I didn't know anyone at all, where I had no support system, where you couldn't even pick up a phone and reach people back at home. And yes, I did feel lonely at those times.

And those are the times when you have to be your most resilient. I think I've been feeling lonely in another way in recent months and maybe this is something that listeners across the ocean will relate to too. It's been a very lonely feeling, the powerlessness of witnessing my government make a whole host of terrible decisions when it's come to handling this pandemic at the cost of so many people's lives. That sense of disempowerment, that sense of fundamental disconnection from the choices my government has been making has made me feel in recent months lonely in a much more existential sense.

**SAFIAN:** What's at stake in this moment for all of us?

**HERTZ:** Everything's at stake, and everything's to play for. We can create a better world moving forward, a world in which capitalism is reconnected with care and compassion and community, a world in which we do recognize that there are times that we have to suborn our own self-interest to the collective good. We can use this moment as an opportunity, not just to rebuild, but to build better. As long as the will is there individually and collectively, ultimately the future is in all of our hands.

**SAFIAN:** Thank you, Noreena.