

Restoring Dignity with Open Hiring: Greyston Bakery and The Recognition of Value

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Abstract

In contrast to the notion of value creation as the focus for social innovation, we present a dignity-based approach to management that illuminates the potential inherent in value recognition and value restoration. We describe Greyston's open hiring practices as a leading example of dignity-based organizing designed to lower the barrier to employment to enable the recognition and restoration of value of individuals who may otherwise be deemed as unemployable. We outline the conditions that enable the successful cost-effective implementation of open hiring, the possibilities inherent in its scaling as well as potential challenges for its diffusion. COVID-19 has laid bare the discriminatory practices of the traditional approach to human capital management. Now more than ever, we need a more innovative approach to hiring that creates an inclusive economy and a more supportive workplace. Open Hiring could be part of that solution by inspiring innovative practices for dignity-based organizing.

The Body Shop will start hiring the first person who applies for any retail job

No interviews, no background checks, no drug tests. When there is a job available, just answer three yes-or-no questions and the job is yours. It's a new philosophy called "open hiring"—and it works.

Fast Company, Feb 12, 2020.¹

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Open hiring is a practice that defies convention. People get a job if they want to, not when they are selected. Sounds weird and is even weirder. Open Hiring was developed by Bernie Glassman, the founder of Greyston Bakery in Yonkers, NY. It emerged from a quest to heal a struggling community. Glassman, a Buddhist monk, lived with his Zen community and did not believe in a monastic existence- far away from society. He wanted to explore how his community could apply Buddhist principles directly to help society.

He understood that struggling communities lack opportunity due to extensive barriers to employment, especially for people typically screened out by the traditional hiring process. This can include stay-at-home mothers, youth without formal education, ex-convicts² or immigrants. In the community of Yonkers, NY, there was a dearth of legitimate jobs that would be open to the above groups, causing many people resorted to petty crime, drug dealing and dangerous and illegal means of earning an income.

Contrary to most people, Glassman saw that some of these people were fully capable and willing to take on a job given the opportunity. He opened a bakery as a tool to hire marginalized people and used novel hiring processes to remove barriers to employment. As Greyston states in its Benefit Corporation Report of 2013: “We don’t hire people to bake brownies; we bake brownies to hire people.”

Transcending the Notion of Value Creation

The literature on social innovation in general as well as the literature on corporate social innovation is tied to the notion of shareholder value creation, growth, and increased competitiveness.^{3,4,5,6} The dominant thinking ties social innovation implicitly and explicitly to notions of value creation, whether it is traditional value creation for customers and shareholders or shared value creation for several stakeholders simultaneously.^{7,8,9,10,11,12} Michael Porter, in particular, is credited with the terminology of shared value creation, and in much management research, value creation represents a “holy grail.” In addition to the business sector, the concept of value creation has entered the conversations of social sector organizations. Social innovation is gaining currency as a concept that focuses on value creation for wider communities, beyond shareholders.^{13,14,15,16,17,18}

We agree that both concepts – social innovation and corporate social innovation – are useful particularly because they can fit with the prevailing economic narrative of management. Value can be created with social innovation. Yet, we argue that there is another dimension to the potential of social innovation which transcends value creation. We label those concepts *value recognition* and *value restoration*.

As the history of Greyston Bakery demonstrates, Glassman *recognized* existing value in a neglected population. Value did not need to be created, it needed to be recognized and then restored. This is not only a semantic exercise but a deep shift in perspective on how we look at management and the potential of social innovation - a perspective that can arguably inform even more transformative innovation.

Dignity: The Source of Value Recognition and Value Restoration

We argue that at the root of value *recognition* and value *restoration* lies the notion of dignity. Dignity is considered inherent and cannot be created.¹⁹ It may be enhanced, yet much of the conceptual thinking distinguishes dignity as inherent and priceless. Social innovations are often practices that recognize dignity and work to restore and protect it (poverty reduction, educational efforts etc.)²⁰

Greyston Bakery has, for more than 30 years, offered a job to people who typically get screened out of the standard hiring process. Whether they be immigrants, people without relevant working experience (such as homemakers), disabled people or former convicts—all such groups have an opportunity to gain meaningful employment.

We argue that Greyston does so because it recognized the inherent value of people that had no commercial value in the traditional market system. Such people were neglected because they were not fitting “human resources” or lacked “human capital.” As such a dignity focus did reorient practices of social innovation, such as the reinvention of the (traditional) hiring process as an open hiring process. Such a dignity focus can help recognize value and restore it - meaning there is less need to create it.

Account of Dignity Recognition and Restoration - The Case of Dion Drew

To further highlight the process of value recognition and restoration, we will share one of the more prominent personal success stories of Greyston—the case of Dion Drew. Dion had heard about Greyston from other community members and put down his name on the hiring list in 2009. He had returned to Yonkers, his hometown, with no money after serving time in a federal prison with three felonies charges of drug trafficking. He had looked for a job for about eight months. He had only received rejections, and was about to return to selling drugs. Then, his life changed when he received a call and job offer from Greyston Bakery. For the first time in a long time, he felt positive and hopeful. A respected company trusted him, gave him a training position and recognized his potential contribution. The company asked no questions about his past and he felt he was given a unique chance.

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All of a sudden, he felt recognized as a human being that can contribute to society in a positive way. He says that the call from Greyston turned his life around. 10 years and several promotions later, he works as a bakery supervisor and trains new employees. Recently, he bought a car and moved into a three-bedroom home with his fiancée and their children.

"I accomplished all the goals I set out for myself," says Drew, who is sometimes overcome with emotion telling his story. "I feel like I took a lot out of my community by selling drugs, like I was bringing the community down," he says, "I want to be a positive influence now. I want to see Yonkers and my community grow." Dion Drew reconnected with his inherent value as a human being and feels dignified. This dignity was always there; it was not created but restored through the socially innovative practice of open hiring. Importantly, this social practice not only enables the recognition and restoration of employees' dignity, but also sets the stage for wider impact. Joe Kenner, Greyston incoming CEO and president sheds light on the positive ripple effect seeded by Open hiring. He shared: "When you give a person an opportunity, you are supporting a family that is embedded in the community and a broader society all of which are positively impacted by the opportunities enabled by Open hiring."

Table 1. Comparison of Traditional and Open Hiring Practices

| | Traditional hiring practices | Open hiring |
|-------------------|--|--|
| Goals | Select talented individuals from job seeker pool | Acknowledge the potential embedded in every job seeker |
| Mechanisms | Screen applicants, interview, select, offer position | Offer position, train, support employees and path making |
| Approach | Reproduce or enhance barriers for employment | Remove barriers for employment |
| Direct outcome | Dignity protection of the privileged | Dignity restoration of underprivileged |
| Indirect outcomes | Employment as an isolated opportunity for selected few | Employment as a seed for community impact |

Yet, the practice of open hiring - despite its powerful positive impact - is largely unknown. According to Greyston's former CEO, Mike Brady, employers spend roughly \$3 billion annually keeping people like Drew out of the workforce through traditional hiring practices such as background

checks, reference checks, credit checks and interviews. "If we can move even a basis point of that into investing in people and moving them into the workforce," he says, "we would have a successful model."²¹ It is important to note that this model, while protecting and restoring dignity, is not a charitable model. It is cost-effective. Brady estimates that it costs about \$1,900 to train a new employee. (That figure includes their pay for only the first month of the apprenticeship. After that they are considered productive workers.) And Greyston does no recruiting or vetting processes that cost other businesses some additional \$1,400 per worker. Brady said Greyston's turnover is the same as the industry average.²² A comparison of traditional and open hiring practices can be seen in Table 1.

Origin: The Dignity-Based Imprinting of Greyston Bakery

In 1980, Bernie Glassman founded a Zen Community in Riverdale, New York and, in 1982, he founded Greyston Bakery. He blended his aeronautical engineering background with his Buddhist philosophy to provide his Zen students with a path towards employment. He then began hiring anyone who needed a job, including those struggling with addiction or homelessness.

As he understood the needs of those people better, he moved the bakery into a former pasta factory in nearby Yonkers. Only there did he formalize the concept of open hiring, because he felt the need from the community. He recognized the inherent value of people akin to Dion Drew and innovated around people's needs. He recognized dignity and started to restore it.

When employees had challenges that prevented them from coming to work, Glassman and his team looked into the reasons why. They then created novel solutions to equip employees to deal with life's challenges, such as addiction, child care, access to health services or other social services. As such, dignity that was recognized could be restored. It is important to note that such wrap-around services are critical to the success of open hiring and dignity restoration attempts. They are highly innovative, contextual and supportive to the success of the approach.

To highlight, this constant social innovation to restore dignity requires a requisite organizational architecture. One interesting role that has been developed is a special coordinator of services to support employees- a dignity doctor. The role is funded by Westchester Jewish Community Services and allows Greyston to coordinate social services, parole meetings, child care and health care in a way that allows the employees to focus on their work at the bakery.

At times, the employees' problems are overwhelming. "When you live in poverty, it's traumatizing, and every day it's a fight to stay afloat," Greyston's dignity doctor, Elena says, "Rent's two months late, they're in a custody

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battle, they need to leave work early for a court date, and they have a husband who is stepping out on them. Things just boil to the surface.” She says that, sometimes, an employee will come to her office for 20 minutes and unload, then return to work. “Part of my job is to de-escalate things so they can go back to work and finish their work day.”

Michael Brady, then CEO explains, he wants to help his employees find solutions: “My mindset is, ‘I need to get brownies out the door every day.’ There’s a mutual interest in me helping them be successful.”²³

This is a win-win situation for not only the employee and the employer but for the community at large. Wilson Kimball, Yonkers’ planning and development commissioner, says that by hiring hard-to-place workers, Greyston is a stabilizing influence in a city where most of the schoolchildren are eligible for free and reduced lunch programs, and where, in some neighborhoods, 39 percent of the population lives below the poverty line.²⁴

“It means a man or woman who previously felt left behind now has employment and can contribute to their family,” she says.²⁵ This is the result of a dignity restoring process- the outcome of social innovation focused on value recognition and restoration.

Value Recognition and Restoration at Scale

The imprinting of Greyston to recognize and restore dignity of people received attention from similarly minded business people. In 1989, Ben and Jerry’s Ice Cream signed a contract with Greyston to develop an ice cream that used the brownies baked by Greyston Bakery. The backstory to this contract is telling. As Sunitha Malieckal shares:

[...] the very start of our partnership is after Ben Cohen had met Bernie Glassman and they decided they wanted to work together. Ben asked Bernie and the Greyston team to ship up 10,000 pounds of what were supposed to be chocolate cookie wafers. Bernie and the team here at Greyston invested in all kinds of new equipment. It made significant changes to the production line. We really believe, okay, this is the future of where we’re going. We need to put our eggs in this basket and make this order a reality. And when they ship that initial 10,000 pounds, by the time it arrived in Vermont, it had all melted together into a clump of chocolate[...] Now Ben and Jerry’s really fought for that partnership right from the Get-go. They said no, we are going to continue working with Greyston and that was part of the deal.²⁶

The imprinting of Greyston and its focused social mission to restore human dignity through work was so important to the partners at Ben & Jerry's that they overcame these initial obstacles. The result was a bestselling ice cream containing chocolate brownies. Since then, Greyston has become an effective and profitable bakery producing 6.5 million pounds of brownie bakes annually for clients such as Whole Foods and Delta Airlines.

Ben and Jerry's was famously acquired by Unilever in 2000 and, contrary to expectations, the mission-focused business practice of Greyston and Ben & Jerry's survived. Arguably, that acquisition allowed Unilever to pivot towards becoming a B-corp and develop its sustainable living plan.

As Unilever is building its brands, Ben & Jerry's Ice Cream grew from a local US brand to an international brand increasingly sold abroad. The demand increased so much that Unilever opted to build another factory in the Netherlands. A foundation was recruited to help implement open hiring practices in the Dutch context. That expansion globally and interest from other companies led Greyston to found the center for open hiring as a consulting arm to help scale its model.

During the Center for Open Hiring's first year, Greyston facilitated workshops with more than 50 employers. Greyston showcased its model processes and asked the employers to imagine how they could use an open hiring model. The employers met new hires (who work as paid apprentices before they graduate to full-benefit employees) and learned that open hiring is most successful when individuals have access to mental health services, workforce development and other community programs.²⁷

For years, Ty Hookway, founder and President of CleanCraft, a janitorial company based in Rochester, NY, practiced what he calls, "open hiring lite" – hiring workers who face barriers to employment and setting up programs to ensure their success. Of Hookway's 400 employees, about 20 come through open hiring – a strategy that's particularly advantageous when unemployment is low. He acknowledges that open hiring isn't for everyone. Some of his customers require full background checks on people cleaning their buildings; others, he said, get what he's trying to do and are enthusiastic about supporting his mission.

The most recent addition in the open hiring mix is the Body Shop, which started open hiring at its North Carolina distribution center at the end of 2019.

"We're not asking for your background check," says Andrea Blieden, the general manager of the Body Shop for the U.S. "We're not asking for you to be drug screened. And there's only three questions to get a job. It's, 'Are you authorized to work in the U.S.? Can you stand for up to eight hours? And can

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you lift over 50 pounds? If those three questions are answered, then we will give you a chance to come work in our distribution center.”²⁸

The results were striking: monthly turnover in the distribution center dropped by 60%. In 2018, the Body Shop’s distribution center saw turnover rates of 38% in November and 43% in December. In 2019, after they began using open hiring, that decreased to 14% in November and 16% in December. The company only had to work with one temp agency instead of three.

Supervisors told Blieden that seasonal staff were approaching them to share their stories. “They said things like, ‘I’ve been struggling to find a job. This is one of the only places that would hire me, and I’m not going to mess this up,’” she says. “When you give people access to something that they’re struggling to find, they’re very committed to working hard and keeping it.”²⁹

The Body Shop plans to expand the practice to all of its retail stores this summer, where it employs around 800 people, and as many as 1,000 during the holidays. It’s not a pilot, but rather a permanent shift in how it handles hiring. “I think for us, it was, if you believe in it, just go ahead and do it,” says Blieden.

“Be willing to take a bite out of the apple,” then CEO of Greyston, Mike Brady, says, “That one job will change one person’s life. When you’re comfortable, take another bite.”³⁰

Challenges of the Model and Its Potential for Scale

While open hiring practices are scalable beyond a bakery setting, there are clear limitations to applying the model to other industries.

It is important to note that Greyston is offering a number of additional support services to make the open hiring approach work. There is a liaison for social work, there is support to find housing, and addiction and health service provision so that employees get holistic care. These wrap-around services may not be necessary for every employer to this degree, yet it seems clear that those services were critical to making it work for Greyston. It will be interesting to see how many support services The Body Shop will need to reap the benefits of open hiring.

In addition, not every job is ready for open hiring. It seems that entry-level physical jobs may be the most accessible jobs for open hiring. And even such jobs prevent a specific group of people with difficulties in the traditional job market to be hired, esp. those with physical disabilities. If open hiring presents itself as a solution to inclusive hiring, there may be a need for other jobs to practice/use open hiring. How could a job that require professional education and licensing be converted to open hiring? There are questions that require innovative answers.

Some of the increased interest in open hiring could stem from the tight labor market prior to the Covid-19 crisis. It may be that given higher unemployment rates, fewer companies will now invest in open hiring practices either because their standard model is functional or hiring is not a priority anymore. For those companies interested in corporate social innovation, this current time of crisis can serve as an accelerator of innovative practices. While open hiring is a bundle of connected practices, there may be novel combinations and solutions emerging. One particular aspect may relate to the use of technology that can help companies deal with biases. There may be companies that wish to hire people most strongly affected by the current economic downturn to support their community, so open hiring for local populations will be more critical.

According to Joseph Kenner, Greyston incoming CEO and President “Companies are now taking a more holistic view of how they manage human capital. COVID-19 has laid bare what we already knew existed and that is we have ready, willing and able-to-work talent sitting on the sidelines because the current approach to human capital management is limiting opportunity, instead of extending it. Now more than ever we need a more innovative approach to hiring that creates an inclusive economy and a more supportive workplace. Open Hiring should be part of that solution.”

Dignity Based Value Recognition as Key to Success- Value Restoration as Social Innovation

Open hiring is one innovative approach that was developed because of the need to restore dignity. There may be many other practices that can help as well and corporate social innovation can help with the creation of shared value.

It seems surprising at first, but then it seems logical. When you are able to recognize existing value you can restore it - just like you can refurbish a computer, a house or a car. In traditional business, we often think we need to create something novel and fancy. Open hiring does the opposite. It recognizes universal human dignity and restores it, through meaningful work. It restores what exists.

For many business leaders, this is a very different approach to innovation. Open hiring is certainly not for every company and every position - and it is not that easy either. It requires a very intentional support structure that will require resources and investments before it can save money in the long run.

Open hiring is just one example of how value can be recognized and restored. Yet, in the broader context, Greyston’s social innovation practices can guide our current thinking towards uncharted perspectives of value

creation and include value recognition and value restoration practices as key to successful innovation.

Concluding Thoughts

Corporate social innovation can be initiated and motivated by the need to restore dignity, especially in times of crisis. The COVID-19 crisis is highlighting a number of societal problems that can benefit from social innovation. At the core of many social problems are dignity violations. Whether people have differential access to health care or are discriminated against because of race, the root is a denial of a shared and common humanity. Corporate social innovation can support the process of dignity restoration by providing the social minimums required for a humane life. A starting point is a different perspective which complements value creation with value recognition and restoration - removing discriminatory practices and substituting them with dignity restoring practices.

Authors

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Reut is passionate about cultivating engaged scholarships that can create a new vision of organizations as life-giving sites focusing on human dignity, compassion and a sense of community.

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Endnotes

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