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## MANAGEMENT & CAREERS

# Netflix's Reed Hastings Deems Remote Work 'a Pure Negative'

Co-CEO of streaming giant discusses company's culture of candor and how working from home is harder



Reed Hastings has a new book out, "No Rules Rules: Netflix and the Culture of Reinvention."

PHOTO: AUSTIN HARGRAVE/NETFLIX

By [Joe Flint](#)

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As a founder and co-chief executive of [Netflix Inc.](#), [NFLX 0.01% ▲](#) Reed Hastings has reshaped both the way people watch television and how the entertainment industry operates.

Launching Netflix in 1997 as a DVD-by-mail movie-rental service with Marc Randolph, Mr. Hastings grasped early that the internet was the future of distribution. First with old movies and TV shows that Hollywood studios and networks were more than happy to sell, then with original programming such as "House of Cards" and "Stranger Things," the streaming giant has built a global subscriber base approaching 200 million households world-wide.

Along the way, Mr. Hastings has built a distinctive—and, to some, cutthroat—corporate culture. The Netflix way encourages staff to take big risks, typically without the need of approval from a chain of bosses, and to communicate with blunt candor. Leaders often practice what is called the “keeper test,” in which they ask themselves: If a staffer were offered a job elsewhere, would you fight to keep that employee? If the answer is no, the person is let go.

In his new book “No Rules Rules: Netflix and the Culture of Reinvention,” Mr. Hastings likens being employed at the streaming giant to being part of a sports team: Getting cut is disappointing but carries no shame. “Unlike many companies, we practice: Adequate performance gets a generous severance package,” reads one of Netflix’s mottos.

Mr. Hastings spoke with The Wall Street Journal by video from his son’s bedroom in the family home in Santa Cruz, Calif. Here are edited excerpts.

**WSJ:** What elements of the Netflix culture are tougher to maintain now that so many employees are working from home?

**Mr. Hastings:** Debating ideas is harder now.

**WSJ:** Have you seen benefits from people working at home?

**Mr. Hastings:** No. I don’t see any positives. Not being able to get together in person, particularly internationally, is a pure negative. I’ve been super impressed at people’s sacrifices.

**WSJ:** It’s been anticipated that many companies will shift to a work-from-home approach for many employees even after the Covid-19 crisis. What do you think?

**Mr. Hastings:** If I had to guess, the five-day workweek will become four days in the office while one day is virtual from home. I’d bet that’s where a lot of companies end up.

**WSJ:** Do you have a date in mind for when your workforce returns to the office?

**Mr. Hastings:** Twelve hours after a vaccine is approved.

**WSJ:** I like that.

**Mr. Hastings:** It’s probably six months after a vaccine. Once we can get a majority of people vaccinated, then it’s probably back in the office.

**WSJ:** In the book you say, “It’s impossible to know where a business like ours will be in five years.” What kind of prognosticating do you do?

**Mr. Hastings:** We keep trying experiments. The business model will be pretty similar in five years. Can we figure out animation? Can we catch Disney in family animation?

**WSJ:** You’ve said you want Netflix to be able to pounce on unanticipated opportunities. What’s an example of one you didn’t see coming?

**Mr. Hastings:** Nonfiction programming is a pretty good one. We started as superpremium TV, and the expansion into nonfiction has been a huge success. The whole sharing of content around the world has been a huge success. Prior to that, people thought Americans won’t watch content that’s produced outside the U.S.

**WSJ:** Netflix is about radical candor. Just how candid can people be with each other from a personnel-management standpoint?

**Mr. Hastings:** We want people to be very constructive. We don’t want people to go around like a drunken fool, saying terrible things to people. We want people to be engaged with positive intent, to create an environment where people thrive from getting feedback.

Like when you do push-ups or when you run—it hurts, but you know you’re getting stronger. You have to think about it in terms of giving feedback: It’s producing enough discomfort for learning, but not so much discomfort that you’re attacking the person or it feels like that.

**WSJ:** You write, “Only a CEO who is not busy is really doing their job.” I’m sure a lot of CEOs and their families would beg to differ. Can you elaborate?

**Mr. Hastings:** You don’t want to be, as CEO, consumed by the tactics. For me, making casting decisions or product feature decisions—there are too many to make. You get too busy so that, even if you are good at it, you’re not thinking about the long-term health and evolution of the business. You want to really know what’s going on in all kinds of places, but not making decisions.

**WSJ:** You recently chose to share the CEO title with Chief Content Officer Ted Sarandos. The corporate world is littered with examples of co-CEO structures that haven’t worked out well.

**Mr. Hastings:** It's littered with examples of single CEOs not working out also. Co-CEOs are an unusual thing, for sure. It only works well when two people really work well together. Ted and I have been working together for more than 20 years. He's been a virtual co-CEO for a couple of years, and we just decided to make it official.

**WSJ:** Netflix is known for paying top-of-the-market salaries. Are you concerned that has driven up costs for you and others in Hollywood?

**Mr. Hastings:** When you're looking at great sports teams, they're often the teams that can pay high for the best players. We want to have the absolute best players and compensation is one part of that. We'd rather have three outstanding people than four OK people.

**WSJ:** You wrote that value or creative worth shouldn't be measured by time and that you've never paid attention to the hours people are working. Yet many people at Netflix describe it as a 24/7 lifestyle. Does the lack of work-life balance or potential for burnout concern you?

**Mr. Hastings:** Coming back to the athletics, think about a coach's view: It's not how many hours you spend in the gym, but how well you play. But if you're going to play at an elite level, you're probably in the gym quite a bit. It's just not the goal state. The goal state is the effectiveness.

**WSJ:** Who is the audience for your book?

**Mr. Hastings:** The book is for smaller organizations and newer organizations that are trying to be very creative. For big companies like WarnerMedia or Disney, they'll read it and kind of roll their eyes, and that's fine. Hopefully it will help smaller companies that are still trying to figure out what they're trying to be.

**WSJ:** How would the Netflix culture work in politics?

**Mr. Hastings:** Politics is tough because in many ways people elect people who lie a lot. In business, we really try to avoid that. The skills to succeed in politics are really quite different than in business.

**WSJ:** How is the return to production since the pandemic shutdowns going?

**Mr. Hastings:** We're up and running in much of Europe and much of Asia, and we've got a few things going on already in [Los Angeles]. The hope is that, through September and

October, we can really get—with proper testing—a lot more running.

**WSJ:** You're not running out of original programming anytime soon?

**Mr. Hastings:** We expect to have more original titles next year than this year. That's pretty incredible.

**WSJ:** If Netflix options your book, who should play you?

**Mr. Hastings:** There's always Brad Pitt.

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