



J. RANDALL (RANDY) MACDONALD

Senior Vice President of Human Resources
IBM Corporation

Excerpts from Work Life Legacy Award Interview
April 7, 2005 – Armonk, NY

Ellen Galinsky (EG):

I actually first met you at GTE on the issue of Work Life. Why did you care about [this issue], and how did you get involved?

Randy MacDonald (RM):

I have two thoughts that come to mind quickly. One [is a real life story] I'd like to share that involves both child care and elder care.

My wife's dad was quite ill, and she was taking care of him up in Albany, and I was taking care of our six-year-old daughter. So, one day I woke her up to go to school. [For some reason, she protested,] and said, "But, Dad." And I said, "Please don't 'but' me. Get out of bed, get dressed, and meet me downstairs." I had her breakfast [ready and asked her to hurry up so we wouldn't be late. She protested again. I asked her to stop and made her lunch. Then I asked her to get in the car so I could drive her to school.] And she said, "Dad, today's Columbus Day. I don't have any school."

I had to fly to Boston that day. So, I got her on the shuttle with me, [flew] to Boston, took her into a meeting—which, by the way, was all males—sat her down, and I said to all the males, "If you even use one bad word, you're in trouble." I began to understand, right then and there, what it must be like for people to try to create some level of balance and integrate the family into all of that.

[The second reason] was the discipline of Human Resources—just the fact that HR was chartered to do something like that. A company like IBM is a good example. It was an icon in its delivery of these thoughts. And people like Ted Childs [IBM's Vice President for Global

Workforce Diversity] and IBM moved it forward, and many of us began to follow IBM's [leadership.]

EG: When you came to IBM, what did you see that they were doing in this whole area that was particularly impressive to you?

RM: Many US corporations tend to think [about Work Life] with US-centric ideas. What I was most impressed with [was that IBM] had global reach and that we were looking into countries that heretofore may even be emerging or embryonic in their thought process on these issues. [IBM, on the other hand], was talking about best practices and experiences and trying to be culturally astute on a global basis.

EG: Why should IBM care about these issues?

RM: This is all about getting the best talent, motivating the best talent, and retaining the best talent. And to the extent that we can drive that support mechanism, whether it be child care, elder care, or Work Life [balance], the quality of Work Life, the Diversity issue that surrounds this—this is a [indeed a] business issue. [By] acknowledging the talent that we attract here will ultimately help the shareholder, we think this is a most significant investment [and we're proud of that record].

EG: Why does helping people with child care or elder care or flexibility get people there, keep them there? I think that so many people see it as, "family is a distraction; family is taking away from work or personal life." Why would this be something that you see as a straight business issue?

RM: It's inappropriate for business to try to separate the concept of work and family. In fact, I think it's a bit naïve, because the reality of it is our society and our day-to-day [lives are] built around [the integration of] work and family. We're allowing our employees to fundamentally enjoy a balance of life by smelling the roses. I would argue that the person who doesn't take

[the] time to smell the roses is a person who ultimately will not be [the most productive]. [At IBM], we think it's important to step back periodically and make sure there are other things in your life that give you balance and then make you want to come back to work.

Work in its simplest form is giving me the food on the table—it's that basic. Correspondingly, if I feel that IBM understands what I'm going through personally, and I have a management system or a manager that acknowledges that I might have to leave in the middle of the day to go see the child in a play, or I might have to go up and visit my 80-year-old mother because she just came back from the doctor. That makes me feel good that my management team understands and supports that. [In turn], when they ask me to work that Saturday morning or that late conference call at 11 o'clock at night, I'm willing to do that, because they're willing to do something for me.

EG: With work getting so much more global and more demanding—you talked about the conference call at night, the Saturday work—how do you encourage people to smell the roses?

RM: [There's no question we are working longer days and longer weeks.] But I think there is a point in which people have to be responsible for themselves. They have to step back and say, "Enough is enough." They have to be able to have a relationship with a manager [so they can say], "I'm willing to help you here, but I can't do it right now," or "I can't do it on Saturday morning. Could you make it Saturday afternoon?"

I happened to work for a Chairman [where I could say], "Look, I'm a coach of a Little League softball team for girls, and I have a baseball game at 10 o'clock in the morning. I can't disappoint these kids." Interestingly enough, he had four girls, too. They were all grown, but he understood it. [Some] people were not willing to confront him, and I think people have to confront the issue to force balance in their own lives. I can't promulgate, as the Senior VP of HR, that everybody must have balance in [his or her] life. But I can set a tone, I can set a climate, [and] I can build a management system around that. But you, as the individual, have to own that.

EG: How do you help individuals own that? In setting the tone and setting the climate and setting an example, how do you help individuals take the responsibility? And then I would say also, how do you help the supervisor who might say, “You could never be productive if you’re going to coach Little League.” How do you, in your job, make that happen?

RM: First of all, [our IBM managers] take extensive courses, [all of which have] a Diversity component—[and] not just about gender issues or race issues, but issues like this: the work and family balance. [We] make it very clear to our managers [that] we expect them to acknowledge, [and manage this issue with their employees].

Second, our Intranet website allows people to look in to see what we offer, and [helps set] our expectation [for managers].

Third, our senior management also sets that expectation when we’re out doing town hall meetings [at IBM locations]. The single biggest issue that [I’m asked by employees] on a global basis [at these town hall meetings is], “How do I balance work and family?” People are tired, and the society has driven it to new heights; and I carry the message of personal responsibility built through our management system.

EG: When you go to these town hall meetings and people tell you they’re tired and that they’ve been carried to new heights, what do you say back to them?

RM: I say to them, “I can relate to you” very quickly. And I do think that works. Of course, some people say, “At a senior level, that should be you.” Well, sorry, I have personal needs, too. I have family. I need some balance. I need some relaxation. And so, I think one is that, I don’t want to use the expression, “I feel your pain.” I feel my *own* pain, okay? And so, by expressing that, it’s an acknowledgement that it’s happening to all of us.

Secondly, we do have policies, and we do, in effect, set an expectation, a philosophy around that. [For example], we have three values, two of which, in their simplest form[s], are dedication to client success [and] and innovation for not only the company, but also for our society.

The third one is trust and personal responsibility. I speak a lot about the ability for employees to trust the management system, and, for [employees] to take personal responsibility for their own actions. And that represents both for [their] family and for the work environment.

EG: What happens to the employee if he does take personal responsibility, but [his/her] manager says, “Forget it. It couldn’t possibly work in this work environment where it’s so competitive, so demanding?”

RM: We have built a system [at IBM] where eventually that employee could go to his HR partner to say that, “I understand what you espouse, but my manager is not buying in.” I think it’s incumbent, in my case, with the HR team to go work with that manager to see if there are alternatives.

EG: Since you’ve been here, what have you accomplished in this area that you’re the most proud of?

RM: I think the Diversity team in and of itself has set a tremendous, worldwide global strategy. They’ve executed against that. We have made inroads into countries that some people would not even believe that we’ve made inroads into—[from] China, India, as an example, to some of the Eastern European countries. The fact that we are global in reach and continue to move society closer to these values on a global basis is what I’m most proud of as a team—that’s an HR statement. I’d also say that senior management particularly espouses these beliefs, is sensitive to them; and it doesn’t take me to go out and talk to that manager. Senior management understands its role, and I think we’ve instilled in them a responsibility to go out and make sure it’s happening in their units or their functions.

EG: So, it sounds like there’s a big role for listening to what the experiences are and what the needs are of employees, and I know Mark [Loughridge] talked a lot about that when we talked to him earlier, about how important it is for senior management to know what the issues are for employees.

RM: Yes, we do several things. For instance, [we conduct] a [Global] Work Life survey [for employees]. And the demographics that we create are pretty significant. We do a lot of the analytics that are appropriate, and that drives a lot of that.

Secondly, we have a mechanism here called “World Jam” [on the Internet] in which people talk about the environment in which they work within IBM [and how we can make it better]. We just did one a couple of months ago [and 30 of] the ideas generated were focused on HR type things, and a few of them in the work and family [area]. [Another channel we use to listen to employees is] our global [pulse] survey, which we [conduct] every two months to give us a periodic read about what people are thinking. We [also post] a lot of information on our Intranet, and periodically ask for feedback on that information. These feedback loops not only allow us to see how we’re doing, but also assess the needs [of our employees].

EG: What are the obstacles to doing this kind of work?

RM: Unequivocally, there’s always the prioritization of business and what’s most important. How do I get that server out the door? How do I get three people deployed to a client that’s in the middle of nowhere on a holiday weekend? I think that in any given day within the management system, it’s probably almost impossible to meet the needs of the shareholder, the employee, the client, and fundamentally, the internal constituency that you have. It takes a good leader; it takes a good manager to balance that.

EG: [What was] your prioritization in the beginning?

RM: I was brought up in this Irish-Catholic family with tremendous values, and let’s just be polite and say it was of modest means. But what my mom and dad told me and taught me over time was that it’s all about the family. And even with some personal experiences I’ve just had in the last couple of months, I realize that what ultimately got me through all of that was friends and family. I got through that because I worked at those friends and family. And, by the way, the vast majority of those friends were business friends.

EG: So [with] this notion of work on one side and family on the other, there are friends whom you work on both sides of that, and that's all one system?

RM: Yes, my life is a system; and it's 24 hours a day, perhaps some of it dedicated to sleep, which, I'm pleased to say that I do a reasonable amount of, but not probably enough. But to me, it's just one big blend, and I make no bones about it. Yesterday, I started my day at 7:15, and I walked in the house last night at 20 minutes of 11:00. It was nonstop, meeting after meeting after meeting, speech after speech, whatever it may be. I don't feel bad about that, but I make no bones about it that perhaps Friday afternoon I might leave here at three o'clock and go play golf. Or I might just go home and sit around the house and talk to my wife, or if my daughter's coming home, talk to her. I think that's okay. That's taking control. Now, if there was something of an emergency here, I'm prepared to change. But I think it's the ability to kind of control your life and take personal responsibility for it.

EG: You've been working in this area of Work Life and Diversity for a while. Where do you see things going? What is your picture of the future with this?

RM: I actually respect the younger generation because I think they have a better focus on the quality of life and a better focus on the balance of life. So, I think the implications are for business, "Will I be able to attract the very best?" and "Will I be able to attract leaders to my company, to stay with my company?" because a lot of this new generation is not interested in leadership. I'm finding that they don't want the managerial jobs. They don't necessarily want to aspire to the top. It's more about a balance.

We may have to step back as a company, and as a group of companies in an industrialized society, and talk about what are the implications for leadership going forward? And it may not necessarily be what we're working on right now, which is trying to get employees to create balance in their life. We may actually have to figure out how to get them interested in work, because that may be the balance that we're perhaps having to push forward going forward. This generation, which is the generation that you and I helped create, perhaps

watched our success and felt relatively good about it, because they enjoyed the fruits of those labors, but perhaps they resented it, too.

I worry a little bit about the implications for leadership in general, making it a U.S. statement initially—because I still am an American, no matter how I cut it—but even on a global basis what the implications are. Are people willing to move? Are people willing to take international assignments and the balance that comes with that, and the dual career spouse issues? These are big issues that I think business in general—and I'll say American business right now—will have to wrestle with, not 15 years from now. I would argue that we're beginning to wrestle with them right now and will have to focus on them in the next five years.

EG: We found, in a study we just did on generation and gender, a huge drop in the number of men (16 percent [among] college educated [men]), and a 21 percent drop among women who wanted to advance. That is paralleling what you said. Do you think that work will stay the same? I can see the emphasis on getting people interested in work and leadership. But do you think that it's work, as we know it now, or leadership as we know it no it? Or do you think that that's going to change with this generational push? Are the young people going to change? Is the way we do business going to change, or both? How do you see it?

RM: We do see the world of work changing. In many ways, what we see is an on-demand workplace. In IBM on any given day, 42 percent of our workforce is not where they are based. They may be at home; they may be at a client meeting, wherever, but they're not at their base of operations. I would argue that that's going to change over time, and I think that you'll see more and more people working away from the workplace.

The implications for that are how do you create a connection? How do you create a level of commitment for the person? Yes, I may be able to allow you to have technology to work at home in a very effective way and create virtual offices around the world 24/7. And I might argue that the concept of Monday through Friday doesn't even apply, that perhaps the enlightened corporation will acknowledge that it's whatever day you choose to work. It might be Thursday through Sunday; it might be all seven days, but it might be only six hours of those seven days.

What we will be doing is trying to figure out how this generation connects to a sense of commitment, a sense of loyalty, to a value system, to a company. I think technology is going to be an enabler in an on-demand environment. And this generation, by the way, was brought up with the use of that technology; it's commonplace to them. So that's the easy part. The real issue is how do we connect and create some level of loyalty and commitment?

EG: You said that the on-demand workplace is going to be the workplace of tomorrow. You also said another issue that we need to struggle with is the system of advancement and leadership. Is that going to be redefined, do you think?

RM: I think it is being redefined already. A new set of competencies will probably have to be defined around leadership, because if the work environment changes, and the people who are in that environment have different needs and different views, then leadership is ultimately going to have to change. The person who leads will have to be comfortable with a teaming environment, will have to be comfortable with creating horizontal looks of the organization, as opposed to vertical looks of the organization. [That person] is going to have to have collaborative influence skills and some sense of risk-taking, because they might not be able to have the face-to-face. I think, ultimately, they're going to have to sit back and say, "I will lead perhaps through tone, through climate, not necessarily directive." Or, "I may have to lead through a virtual basis of how comfortable can I be *on screen*?" because the screen in this case may be the PC.

EG: And advancement? Can people move laterally, [or] is advancement always up? How do you see that?

RM: This is one case where I believe there is no cookie-cutter approach. I think advancement has to be in the eyes of the beholder. Our generation and perhaps past generations, perhaps this generation that's coming about, will define it as upward. I don't necessarily always believe that advancement is upward. I believe advancement is a degree of challenge, degree of opportunity. And so if you give me something that turns me on, even though I went laterally to get it, that charges me, that energizes me, that motivates me. Just kind of moving up and getting the next

title is not necessarily what we ought to be thinking about as good leadership. We ought to be thinking about, “How do we get the hearts and minds of people engaged in something that they are really interested in?”

EG: Is that the legacy that is most important to you to build on?

RM: The legacy that’s most important to me is to make sure that leadership and management understand their roles, and they execute against that. And, whatever the principles, whatever the policies, whatever the practices for that now or that future that you just referenced, making sure that managers get it, and drive that culture, and have managers understand and accept that responsibility.