The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob: Hello, everyone. Welcome to another episode of The Future of Work Podcast. My guest today is Michael Fraccaro, the Chief Human Resource Officer at MasterCard. Michael, thanks for joining me.

Michael: Thank you. Glad to be here.

Jacob: Oh, man, I have so many questions for, but to get started, why don't you give people a little bit of background information about you?

Michael: Okay, yes. What would you like to know?

Jacob: Well, for me, I'm personally, curious how did you become chief human resource officer of MasterCard? I mean, did you always study human resources? How did you get to the position you're at now?

Michael: Okay. So, let me give a bit of the context. So, I grew up in Sydney, Australia. I came from a working-class family, my parents moved from Italy to Sydney, Australia. Part of an adventure for them and I think that's part of my story as well, and I will get into that a little bit later.

            But really what struck me when I left school was I really found being with people was a really important part and I really enjoyed that. So, I actually did my undergraduate degree in education and I was a high school teacher for three years. And then a mentor said to me, "Hey, Michael, I think you could do something else," another calling.

            And I wasn't sure whether that was a compliment or whether she was giving me some message, but at the time in Australia, there was a new legislation that went in where companies needed to invest at least 1% of their payroll in training, and all of sudden, a lot of companies were for people with a teaching background, and that's how I got to human resources to start off with.

            So I worked with a company that basically developed banking software, and my role was to travel around Australia and to train banking stuff on these banking applications. So that was the start. And that really piqued my interest in talent development, in management development, and I did a number of post-graduate degrees and moved more into the mainstream of human resources. So that was sort of the start.

Jacob: Very cool. And not to freak you out, my parents met in Italy and then moved to Australia, which is where I was born. So it's like a area similarity here. Well, first, I have to ask, where do you like it better, in Australia or the States?

Michael: Well, it's a hard one to compete, but I love both. I love both. I love both because in Australia, I still have my family. It's where my origin is at, but my wife and I, we love living in New York, in the US. It's a good experience.

Jacob: Not a bad place to live.

Michael: Yeah.

Jacob: So, today, what is a typical day like for you as the chief human resource officer of MasterCard?

Michael: So I wake up early, super early. At 5:15 in the morning, it's when the alarm goes off. And typically, I start my day with exercise. We have a gym at work, and so I go there and do an hour workout, and then get into the office and start work, and it's a range of meetings that go into, or it's getting involved in meetings with some of our offices around the world. We've got offices in 74 counties around the world. So, there is no one day that's the same as the other. And one of the great joys that I have in my job is just getting just out to the office like I've come out here to San Francisco to meet with our team here.

Jacob: Very cool. So as a chief human resource officer, how do you define your role? What does a CHRO do?

Michael: Yeah. So, for me, it's a couple of things. One is around thinking about the business, what is our business strategy? And for us, we've got a very clear business strategy. It's growing up our core business. It's diversifying in new markets and new customer segments, and it's building new businesses. So it's grow, diversify, build.

Underneath the strategy, it's empowered by four key elements: it's our technology, our brand, our data, and of course, our people. And my role and the role of my team is to really think about a business strategy and saying, "How do we ensure we've got the right people with the right skills, we've got the right leadership in place, and the right culture to really ensure that we're successful and that we win in each of the markets that we operate in?" So that's a big part of the job that I have.

Jacob: And so you're responsible for all of ... I guess, every aspect of people, right? So anything from recruiting, to retention, to ... Like, what are the different areas, I guess, that you oversee as CHRO?

Michael: So I look after leadership development, talent management across the whole business, succession planning is a major part of the job. It's also the recruitment of new people, graduate recruitment, mid-career hires, senior executive recruitment, employee

relations is a big part, thinking about the culture and looking it our pulse surveys, and engagement, and monitoring that.

But a big part of the job, as well, is actually thinking about the future. What are some of the big trends that are happening around the world that will influence the kind of people strategy that we will need to ensure that we're refining to make sure that we are remaining competitive in the market place? That's a big part of the job as well.

Jacob: I love that because I think a lot of people always associate HR with payroll, and hiring, and firing, but a lot of it about spending time thinking about the future. I always reference this, but I had Leena Nair, who is the CHRO of Unilever on the podcast, and she said 20% of her time is spend on HR stuff, and 80% of her time is spend on transformation, thinking about the future, all these different types of things. That really, really resonated with me. So, about MasterCard, for the three people listening to the podcast that have never heard of it, maybe what does MasterCard do and how many employees do you guys have?

Michael: So we have nearly 14,000 people around the world, based in 74 countries. And really our mission is A World Beyond Cash. That's our vision.

Jacob: I like it.

Michael: That's what we're looking for. A World Beyond Cash, and what we focus on really is that still around the world, 85% of transactions are still done by cash.

Jacob: Which is just shocking.

Michael: And it's shocking. Now, there are some markets like Sweden where it's almost the other way, it's about 95% is digital payments and cash is almost being displaced. So we see a huge opportunity in the business that we do. It's not just what people would commonly think as a credit card business. It's not a credit card business, actually it's technology business in the payment space.

Our role is to work with our partners, which typically are the banks, the merchants, and governments and really connecting that part of the ecosystem with consumers. So it's almost a broker and a facilitator in between. As we think about what's happening around the world, things like cryptocurrency and digital currency, is that a threat or is that an opportunity? And they're sort of the questions that we're working through.

The advent of digital currency and digital payments, there is issues around fraud and cybersecurity, how are we working through that? The use of data, how are we thinking about data? And given all the global regulations and security vendetta, how do we think about that? How do we think about leveraging data through artificial intelligence and automating that to provide really great insights to our customers that we have? That's sort of a thin wedge of what we do at MasterCard.

Jacob: Very cool. I forgot to mention, you have an innovation in New York.

Michael: Yes.

Jacob: So I had a chance to tour that one a little while ago and actually totally blanked on this, but actually presented at one of your conferences. This must have been like four or five years ago, I think it was like a leadership summit, something that ... There were a couple of hundred people in there. So I actually presented to the MasterCard team. I totally forgot about that. So, you mentioned trends and part of your job is paying attention to trends in the future. So what are some of the trends that you're paying attention to?

Michael: Yes. So a couple of them. One is around a operating models, so how are organizations designed? And MasterCard is a just over 50-year-old company and we've established our organization based on the fundamental elements of organization design and we've got technology, we've got operations, we've got product, and we've got the functional areas, we've got sales and so forth. But as we think about going to market, we're thinking about some of the disruptions that are happening in the payment space and technology.

              The fact that everything is needed to go at a breakneck speed, those traditional operating models are being questioned and challenged. So moving towards more of this agile assembling teams and workforce around a particular customers or looking at co-locating our product teams, and technology teams, and sales teams together. So that's a big area of focus that we have at the moment. That's sort of one.

              The second big area is obviously looking at a geopolitical and social issues as well. So if we think about it from a business perspective, issues like nationalism where government's essentially saying, "We need to process transactions on soil," or, "We can't have data leaving our shores, it needs to be done here." That has a profound effect in the way that we think about our resourcing and where we put resources as well.

              From a people and HR perspective as well, we're thinking about immigration and some of the issues that are coming around with things like nationalism is the ability to get visas in some markets is beginning to get restricted in terms of the qualities, we're seeing that here also in the US. So if we think about our business, 60% of our revenues are coming from outside of the US. So we're reflecting our workforce of where the revenues are as well. So 60% of our workforce is outside of the US.

              If we think about graduate recruitment, predominantly, a lot of our graduate recruitment was here in the US, we're now looking at spreading that in the other core markets we've got around the world. So there are a couple of the big trends that we see that, obviously, we need to pay particular attention to.

Jacob: And how do you stay on top of these trends? I talked to CIOs and CTOs in the past from global companies, and they used to tell me that they would get like daily future world reports from a team, [00:11:30] like they would be briefed on what's happening in the world. And of course these were people in security in IT, so they were constantly staying on top of hacking and what's going on where, and I was really surprised to hear that. You, personally, how do you stay on top of all the trends and what's going on?

Michael: Yeah, two primary ways. One is obviously I'm just reading, being on top of reading various journals and magazines, being part of a number of large networking and [00:12:00] associations. So that's another way. So that's sort of the professional side. But then internally, we have a corporate strategy team as well that I work very closely with.

And in fact, last year when I was developing the people strategy, one of the key parts of our development of the people strategy was working with our corporate strategy team and our data and insights team from our marketing team as well [00:12:30] that we're also looking at some of the big consumer trends or business trends and how they were thinking of what implications that would have for the business as well. So they're the main ways that I keep in touch with the trends.

Jacob: So I had a Mala Singh on the podcast a little while ago and she's the chief human resource officer of Electronic Arts also here in the Bay Area, maybe a little bit smaller than you guys. I think they're are around 10,000 and we were talking a lot about this idea of attracting and retaining talent in the Bay Area, which [00:13:00] I think is its own, like whole fascinating thing the to talk about.

So I'm curious to hear your perspective and a couple of people on LinkedIn also wanted to hear your perspectives on this because, obviously, we're in the Bay Area, so you're competing against the Googles, the Facebooks, the LinkedIns, the Airbnbs, and the Twitters, which are just around the corner here. So how are you finding competing against these organizations? These so many around the world think are like the best places to work.

Michael: [00:13:30] Yeah. So it's a really good question. I mean, our presence here is relatively small. If we think about us relative to some of the big technical and digital giants that are out here. So how do we differentiate ourselves? And really, it's a couple of things. I'll start with a story first.

When I first joined MasterCard back at the end of 2012 and we were emerging our graduate recruitment program and going out to the college [00:14:00] campuses, one interesting insight that we had when we went out to the universities and put out our banner and our table and we were handing out job applications, we had a number of candidates that basic said, "Sorry, I've already got a MasterCard," or, "I've already got another type of a payment card." And we said, "No, we're actually here to recruit." So one of the challenges-

Jacob: Oh, they thought you were trying to [crosstalk 00:14:26].

Michael: You know, how you go to the airport and you see American Express there?

Jacob: Yeah. That's funny.

Michael: [00:14:30] Yeah. So, one of the issues was around brand, what did we really stand for? And so we've spent quite a bit of time thinking about our consumer brand and as you

know, we've got this great consumer brand where we talk about priceless. Priceless is sort of lets you see it on TV and what we do, and that brand has been around for about 20 years. So we said, "How do we turn a consumer brand into an employer brand?" And we came up with this notion around connecting people to priceless possibilities.

And we thought about what are the things that employees are looking for from a company? And for us, there were couple of things that came out, but the most profound ones were around a human-centered technology company, that was sort of number one. The second one was around this purpose. This purpose driven organization was sort of the second, and the third was really a global company.

And so now when we talk to candidates, when we go out and talk about at conferences and so forth, really elevating the kind of message that we have, not in terms of the products or what we do, but more in terms of what we stand for as a company. So if I think about here in the Bay Area, as a particular example, there have been a number of things that we've got. We've acquired a couple of companies around here. So Brighterion is one, they're here.

Jacob: And they're pretty big, aren't they?

Michael: Yeah. So they've got excellent tools in terms of artificial intelligence, help us really with our cybersecurity.

Jacob: I see their posters, their banners going along the highway.

Michael: Yeah. So acquiring companies as well that have got both a platform but also the kind of talent that we need. The second thing is really around what are the kinds of ... What is it that people are looking for in an organization? And quite often, they're looking for a company with purpose. What is our purpose beyond what we do? And we have told [00:16:30] our story over and over again. We actually talk about doing well by doing good.

And so the values of the company as well is one way of actually bringing people in, attracting people into an organization that has this higher vision and mission and what we do. And it's not just something that we talk about, it's something that we actually practice and we've got a number of initiatives such as we have five days of volunteer leave for every employee in the organization right around the world. I mean, that's incredible.

And our employees can enroll in any initiative, whether it's spending time at a local community center, it may be at their school, but anything that's really focused on them and their community. Those kinds of thing really make a difference for our employees, helps us both in attracting but also retaining. And so there are a couple of things that we'll do. And then obviously there's the rewards and benefits and making sure that they're competitive, but those things are really important.

Jacob: So I'm finding that a lot of these things are starting to become more mainstream and a lot of them are becoming almost like standard. So a lot of executives that I interview, they always talk a lot about purpose and they talk about a lot of these volunteer things and these perks and the benefits. Do you ever feel like eventually, it gets to a point where it's hard to differentiate because every company says they want to be purpose led and values driven? That's like a very common quote that I keep hearing.

                So if everyone is saying that and if everyone is kind of focusing on that, how do you even stand above from that? Is it just making sure that you have people that are aligned to your specific purpose and the values specifically to MasterCard?

Michael: Yeah. This two ways I would answer that. Certainly, there has to be an alignment between an individual and their own personal values and what the company stands for. I think that's really important. I have this saying that you want people that are good enough to leave [00:18:30] but happy enough to stay. All right?

Jacob: I like that.

Michael: So, you want that. But interestingly, as I think about a global company where I've got responsibility for employees in 74 other countries as well, there are at different stages of maturity. So here in the US, it's really advanced in terms of this focus on purpose and mission, vision and values.

                But I was just recently, last week, in our offices in Santiago, Chile and in Bogota, [00:19:00] Columbia, and I did a similar interview with someone there from one of the newspapers. And I was talking about what we do at MasterCard and how we look at moving talent around the organization and some of the benefits we have. And it's interesting in some of these countries, these are still new and nascent values and nascent principled. And so part of our role is actually how do we raise the bar right [00:19:30] across and develop a level of consistency there as well?

                But this notion about moral leadership and purpose, I see it's becoming even more important and yes, people can talk about it. The reality is what happens day to day and what really ... Because I think there's a big difference. I think people can talk about it, but if you go and talk to people deeper in the organization, ask them what they really feel and what they really see because I think there may be two different things. One [00:20:00] might be an aspiration then that's how you translate that aspiration into a reality.

Jacob: What's your general perception of like a just talent in the Bay Area? Because living here, sometimes it feels like we get a little out of control with the perks and the benefits and just ... I dunno, it starts to feel a little bit like Pinocchio's Island. And people that have been listening to this podcast for a while know that I used that phrase a lot.

                And sometimes you just see some of the things that these companies are doing and you're like, "It's not [00:20:30] even a job anymore. It's not even work." It's like, "I'm just waiting for a company to buy an island, turn it into a resort and just everyone goes lives

on the resort like a club med and it's like, "Don't even work just hanging out here." Do you ever get the feeling that we're going a little bit ... I don't know, getting carried away with some of this stuff?

Michael: Yeah. Look, it's always fascinating for me and I think there's a real difference between what I see happening on the east coast of the US and obviously, coming here. I think there's been a lot of [00:21:00] a positive disruption of what organizations are doing here and how they're thinking about work. No question about that and I think it has pushed forward a lot of ideas around how employees can connect with organizations differently and better. So I certainly think there's that.

              But at what point do you then come back and say what's real? What really makes the difference? And I think in some of my observations, particularly in some of the youngest startups as [00:21:30] well, sometimes there's a loss of the focus on what we're really here to do.

Jacob: So you've seen that firsthand?

Michael: Yeah.

Jacob: So you've seen some crazy things ...

Michael: You see some crazy things, right? You see some crazy things. So even things like ... And this is not a criticism at all, but if I think about the notion of unlimited leave, right? It's interesting. It's a great selling point. You know, if you say to someone, "You've got unlimited leave," the reality is there [00:22:00] are some caveats around that, but they may not be explicit and the caveats are, you still have to deliver. You still have to turn up when you need to, but there is a psychological connection as well that, "Hey, there's a bit of freedom here."

              I haven't done a study yet and I'm not sure whether anyone has yet, but does that really translate into an additional 5 days of leave, or 10, or is actually reduced in terms of what leave has actually done in addition? I don't know.

Jacob: From what [00:22:30] I remember, and maybe somebody listening to this can correct me, but from what I remember seeing is that companies that have unlimited leave, employees, I think, actually take a less time, from what I recall. I remember seeing something but somebody would have to double check that.

              And I think it makes sense because unlimited is sort of like ... It puts you in a tough spot as an employee to think about that because you're kind of like, "What is too much? Maybe I'll just do a couple of weeks because that's the standard. [00:23:00] They don't really expect me to go away for three months, do they?" So I think you're right, it may be more of a selling point of a cool branding thing, but I think the practicality of some of these things are pretty different when they actually have to be executed on. So, you guys don't have unlimited as a policy, though?

Michael:	We don't. We don't.
Jacob:	You mentioned the east coast versus west coast. Do you see differences when comparing New York [00:23:30] to California, or east coast versus West Coast?
Michael:	Yeah. I mean, the obvious difference is that here it is more freewheeling. The appetite for risk and trying different things is certainly much more here. On the east coast, it is a little bit more traditional and again, it's not a bad thing. It's just there are some elements of change that are taking longer to get traction on the east [00:24:00] side. It's certainly an observation.
Jacob:	Yeah. So how do you balance the differences? Because this is just east coast and west coast, but like you said, you're in 74 countries. Some countries are much farther ahead with certain concepts, others are not. They speak different languages, different cultures, meanwhile, everybody needs to embrace the MasterCard values and you kind of have the brand that you're trying to build. So how do you make sure that that scale is across [00:24:30] the different parts of the world? Because I would assume that that's probably a big challenge for a lot of companies.
Michael:	It is. So it really comes down to a principles. What are the principles that we really focus on because obviously, you can look at an organization globally through the lens of some common principles that you want to apply and then also respect that there are going to be natural differences because you are operating in 74 different countries [00:25:00] as well as we've acquired a number of companies as well. Like I mentioned, Brighterion is one, and we have to respect the success of those companies of why we bought them was because they had something unique as well.
	So you have to be careful around not disrupting too much, but also having a common framework because, otherwise, you start to lose that. So, for example, if I think about some of the common principles we have around leadership, we talk about thoughtful risk-taking as an example. And what do [00:25:30] we mean by that? What does that really mean, thoughtful risk taking? And what we mean by that is that in the space that we're in, in technology and payments, thoughtful risk-taking means that, quite often, the information that you have, you know that you're not going to get perfect information, but you have enough information to be able to make a thoughtful decision on.
	That's what we encourage and that's what we develop and train [00:26:00] in our leadership programs, as an example. We talk about a sense of urgency and if we think about what's happening in the payment space as well, there is a lot of disruptive forces that are happening in the payment space that there's sense of urgent. If you're too complacent, even though we're very successful as a company, you will miss an opportunity.
	And then the third one is really around the sense of ownership that we want every employee to feel a part [00:26:30] of the organization and to be feeling accountable for what they do in their job. And there are three common principles from a leadership and

a people perspective, we've now gone one step further where we talk about when we hire someone into MasterCard, there are a couple of things that we focus on.

One is can they do the job? Do they have the technical competence to be able to do the job? And typically, people would say, "Okay, that's sort of the IQ." We then look [00:27:00] at how do people relate to one another? The how, the EQ is sort of an important dimension. And we go one step further, within that we have something called the DQ, which is the decency quotient, and this is a real fundamental part of the culture of the organization, and we talk about the decency of how people interact with one another, either a co-worker, or peer to manager, or a leader to [00:27:30] their team members.

And what we mean by decency is that we want people to feel that MasterCard, yes, it's a nice place, but nice necessarily isn't decent. If there is something that you see that you feel is not working well, the decent thing to do is to give that person feedback in a constructive way and we spent quite a bit of time actually talking about the decency quotient as a real core part of our organization.

So, again, if I think about the whole macro [00:28:00] piece and coming back here to San Francisco, yep, there's a lot of cosmetic aspects that can be replicated relatively quickly, but at the end of the day, the things that are hard to replicate is the core foundations of these principles and the insights.

Jacob: What is it like working in MasterCard? And so, maybe you can give us kind of, I don't know, an auditory tour. We're sitting here in San Francisco, which you guys have a beautiful office here. So, you walk in, it's [00:28:30] a open space, different floor plans. You have like a colorful walls, wood trimming. I mean, it looks like a Bay Area. Anything that you would expect to see at a Facebook, or LinkedIn, or Google. So I don't know if it's like that at every MasterCard office around the world, but as an employee, if somebody were to start working at MasterCard tomorrow, I mean, what would they expect? What is it like to work there?

Michael: Yeah. The first thing people say is, "It's a nice place." All right? Nice in terms of the people are nice, [00:29:00] it's sort of the first thing. And again, when I tour around their various offices, that's one of the questions that I ask is, "Why did you join MasterCard?" And many people, going back to the point about branding, didn't really know who we were even in some of these markets, but once they get an understanding, they go onto Google, they look at some of the videos on YouTube, they get a sense of, "Wow! this is a pretty strong company."

So when they come in, it's always a challenge around, "Does the [00:29:30] expectations match the reality?" And so the first thing people say relationships, nice culture, smart people, innovative, very technology focused. They're sort of the real positive aspects of MasterCard. So these are some of the things that people would say, and if you were to walk around the office and the floor, I'm sure you'll get a fairly consistent message around that.

The pieces where we're still working through, because obviously not every organization is [00:30:00] 100% perfect. So what is it that we're working through? We're working through around skills. Do we have enough of the skills that are really going to drive us forward? One of the other aspects that we've focused on is around a development. How effective are we in developing the employees that we have today and how consistent is that in our organization as well?

So yesterday I was part of the all employee webcasts that we do every quarter. And certainly, [00:30:30] my chief financial officer, she talked about the financials. We had the strategy guy talking about where we are and our strategy and some of the big market trends, and then I was the field, good guy at the end to talk about what we've been doing since the last pulse survey.

One of the areas that our employees told us that we're doing okay but need to do more is around this notion of feedback and we dug a little bit deeper to understand what does this really mean? And what [00:31:00] our employees are saying is they want more frequent feedback, and this notion of feedback of having performance feedback very separate to development feedback.

Jacob: Oh, two separate things.

Michael: Two separate things. Yeah. Not to get them not to get them mixed up because performance is very much related to reward, very much focused on objectives. The development conversation is really meant to be around, "What am I good at? What are my strengths? what are my development [00:31:30] areas? What are the one or two things that I need to do differently or better? And then what are the two development actions that are going to help me fix these areas." So for example, if I'm nervous in public speaking, for example, confidence in public speaking, what is the one development action that I can do to address that? So it's very structured.

              And then the final piece is around career aspirations, which is what a lot of our employees say, "I want to [00:32:00] just have a real conversation about what I'm expecting and how I see my career," not necessarily about a specific job, but the kinds of things that I'd be interested in doing and who's responsible for helping that person achieve that goal.

              So yesterday, I mapped out what we're committing to do for next year in terms of every one of our 14,000 employees around the world. We'll have this one single career development card that will have their background, their profile, and all performance rating [00:32:30] data.

Jacob: So it's like a digital card, kind of like a ... I don't know, like a LinkedIn profile on [inaudible 00:32:36]?

Michael: Like a profile, yeah. Just a single page and with these strengths, these development areas, development actions-

Jacob:	Interesting.
Michael:	... very, very cool and people love that. People really say, "Wow, now all of a sudden, our 2,500 people managers have got a tool to facilitate this conversation." But one of the questions I did get yesterday was around, "Who leads this? Who leads the conversation?" [00:33:00] And really, for me, the answer is simple, it's both. The manager can lead it. But there's this other piece of research that we've been doing on feedback and obviously through David Rock and the whole neuro leadership area that he's been focused on is this notion around feedback. As soon as I tell you that I'm going to give you feedback, you automatically have this reaction.
Jacob:	The walls go up.
Michael:	Yeah, the walls go up and whatever comes out of my mouth next, you're probably only going to hear [00:33:30] a fraction of what I'm really telling you. So the other way of thinking about it is, as an employee going to you or going to my manager and saying, "Hey, I'd like to have a conversation with you next week. Can we have a talk about some feedback around how am I doing with my job," or "I really want to talk about two areas of where I think I'm struggling and I'd really like to get your feedback," and that way, the employee feels empowered and all of a sudden because they're asking for the feedback, they're [00:34:00] willing and open to receive. That's a real fundamental shift as well.
Jacob:	Do you ever hear story, and I've heard this a bit, where sometimes what happens is ... It's kind of like a mentor, mentee relationship a little bit, right? Giving feedback, how can I be more successful? Do you ever get situations where managers maybe scared to make the employee more successful than they are? So they'll give feedback to a point, but they don't want to boost that person [00:34:30] too high up because that person is then going to take their job.
	And I hear lots of stories inside of companies where mentorship typically works to a point up until the mentee becomes as successful as the mentor. And at that point, the manager tries to keep them there for all eternity. All of a sudden, they turned cold, they stopped providing that feedback and mentorship, and they just try to lock that employee there. I don't know if you've experienced this or have heard stories about this, but how do you [00:35:00] get past that so that your managers and leaders truly do want the other employees to grow even beyond themselves?
Michael:	Yeah. It's a great question because I do see it in pockets and I've seen it in other organizations as well, that there is the manager that information is power and they will only share what they think is useful or they'll take the work of their employee and sell it back up the hierarchy [00:35:30] and saying, "This was my work." In fact, not giving recognition to their team. My view is that, those kinds of leaders don't have a place at MasterCard and shouldn't have a place in many other organizations. I also think that they get found out over time.
Jacob:	Through the reputation.

Michael: The reputation, either employees themselves will just vote with their feet and they will leave. They'll go and try and find a transfer to work for somebody else or they'll leave the organization altogether. [00:36:00] And I think HR has a role to look at trends in organizations when it comes to those kinds of things to say, "Is that what we really want? Does that really support our values as a company?" And if not, there has to be some action and feedback with that leader to say, "That's not accepted here in this place. I think it's a really important part."

Jacob: So I loved that you talked about this card that you guys are building out. I'd love to hear any other stories or examples that you're able [00:36:30] to share around what you guys are doing internally. Any programs that you have because I think those details and those stories give a lot of inspiration to people listening to this and maybe some people are thinking, "Maybe we should have some sort of a card like that." So is there anything else that you guys are doing that you're able to share or maybe even go into more depth around how that card would work?

Michael: So let me tell you a little bit about some of the programs we have a for our people. So this year [00:37:00] as, as we all know here in the US in particular with the change of the corporate tax, all right? One of the things that we did ... One of the things, there were a couple of things, but one of them was around, "What do we do with this?" And many companies either increased hourly pay, others looked at using the additional funds for infrastructure. We've done a couple of things.

             We have set aside money, significant money for our [00:37:30] center for inclusive growth. So we've already got a lot of work that we do with foundations and helping communities and how do we embed ourselves with our products and helping poorer or communities in what they need to do.

             So, for example, we've set up a lab in Kenya with the Gates Foundation to develop tools and technologies to help micro-entrepreneurs or farmers there with a payment platform because [00:38:00] cash actually has some risk either loss, theft, bribery, a whole range of different things. So they're the sorts of things we've done.

             Here, what we've done as well as this part of this tax benefit, we basically believe that one of the things that we can do for our employees, which is a multi-generational workforce, is how do we help them think about their future, their retirement? Which is a long way off. We've got a program that we launched which is investing in you and what [00:38:30] we have set up is a minimum core matching from MasterCard to every employee around the world of 10%, 10% core matching in their pension plan across all 74 countries. So an employee puts in 6%, MasterCard puts in 10%. That's significant and it's a huge, huge benefit of how we give back to our employees. So that's sort of one.

             The other thing that we're focused on is diversity and inclusion, [00:39:00] and we also know that one of the big things that we see with women that if they take time off to raise family or to spend time with elderly parents, it's tough.

Jacob: Yeah, their careers oftentimes suffer.

Michael:	Yeah, it does. And so we've launched, globally now, a program called Relaunch Your Career and what the concept around Relaunch your Career is essentially almost like a short-term apprenticeship where [00:39:30] we send out this opportunity for individuals to say, "I've been out of the workforce for five years, I'd like to have an opportunity to come back," but they find it really hard because their skills may no longer be relevant.
	We want to give people an opportunity, a shot. So we say, "Okay, let us know if you're interested, apply for a role, we'll give you this 12, 16 week period. You come in, we'll provide you with a coach, a mentor, we'll give you a real work. And after that 16 week [00:40:00] period, we will assess you, but you'll also assess us, and if you're successful and you want to work here, there are open positions you can apply for them." And so that's a huge benefit. And the number of people that we've seen applying for this and actually converting from this mini apprenticeship, its been about 75%.
Jacob:	Wow! that's huge.
Michael:	It's great. It's great.
Jacob:	It's huge.
Michael:	Now, we started in the UK, we rolled it out in Dubai [00:40:30] in, and now we're doing it here in the US and about six or seven other markets this year, and then next year we'll expand it even further beyond that. So a number of things that we're doing initiatives around our people.
Jacob:	Do you guys do anything around, and this might sound like a weird question, for older workers? So I had a podcast just earlier today, Chip Conley who wrote a book that's coming out called Wisdom at Work: The Making of a Modern Elder. And it's essentially this idea [00:41:00] that a lot of older worker ... Well, not even older, you know, 40, 50, 60, instead of retiring, there's a lot of value that these employees can bring to your organization as coaches, as mentors, using their experience internally.
	Have you guys thought about some of the older workers at MasterCard and the role that they might play internally instead of maybe just forcing them to retire like so many companies do?
Michael:	Yes. So it's a great question because right now we're working through an initiative on this. So let me take a step back, [00:41:30] so we have a relatively clear and robust career development and we focused on generalists. So we basically say, "If you want to be a general manager, we would expect you to rotate between the product organization, the sales organization." Now, we're extending that to also include marketing and technology because they're essential elements of being a general manager as well as having an experience outside of your [00:42:00] home country. So basically being based in another market outside your home of. So that's sort of very, very clear.

What hasn't been clear has been around this specialist track and, typically, what we find in terms of our career paths and remuneration, you can start in a technical track but at some point, to get promoted and to get the reward, typically, you need to start managing people and that becomes a bit of an issue because some people [00:42:30] are just great technically, but they may not be people managers. A bit like your earlier question.

So how we're thinking about, and we've actually looked at a couple of other companies, IBM has got a really great program called the Fellows Program, which is basically celebrating individuals that come in through a technical specialist track and they tend to be thought leaders. They may present papers at conferences. They may be sought after for their subject matter expertise, [00:43:00] but from a career development perspective, how do they keep growing and how do they get celebrated? And IBM actually has a real great way of doing that.

We're looking at that as well because we think in, apart from the generalist kind of skills and general managers we need in the organization, there is a growing need for a real deep subject matter expertise in things like cyber, or artificial intelligence, or new payment flows that we have. And so we're looking right now [00:43:30] of developing that kind of a career track.

And quite often when you get to that senior level as a fellow, you may be in your mid-40s, or 50s, or even 60s, but we want to keep them. We want to keep them hungry. We want to keep them engaged and energized, and they also want to be rewarded as well, lucratively.

Jacob: So then force them to retire and force them to leave.

Michael: So, yeah, that's what we're working through at the moment.

Jacob: Very cool.

Michael: And it's very cool.

Jacob: I know one of the other things that you [00:44:00] guys are interested in or that you're interested in is a kind of STEM education for girls. So I'd love to hear, what are you guys doing around that?

Michael: So we've got a flagship program called Girls4Tech, and I'm essentially Girls4Tech is something that we initiated probably three, four, five years ago, and the notion was around the knowledge that when we look at graduates from universities for STEM subjects typically is male. [00:44:30] So we said, "What can we do?"

So we linked that objective of getting girls excited about the kinds of things that could be exposed to at a high school level and mapping it with our volunteer program. So we have 2000 volunteers from around the globe, from MasterCard, going out and teaching

a basic skills that will get these young girls excited to actually think about potentially a career [00:45:00] in technology.

Jacob: And these are volunteers?

Michael: These are volunteers from us. We'll go out to schools and we'll basically help teach them about cryptography, data, but do it in a fun way that gets them really interested and excited. So that's sort of one piece that we've been doing. It's a really exciting program.

The other thing that we've been doing as well, in New York, is working with a couple of schools. So thinking about, how do we help schools [00:45:30] also think about the kind of curriculum that they should be developing in schools to get people focused on the kinds of jobs that will be in the future? So, for example, we've got one school, the Bronx Academy of Science and Engineering where we're helping develop curriculum with the teachers specifically focused on cybersecurity is another thing that we're doing. And there's a whole range of other initiatives around the world as well on this particular piece.

Jacob: [00:46:00] You know, this notion of skills for the future is always a big one and there's a lot of concern and talk about automation, and how do employees stay relevant, and how do we upscale employees? Do you guys have any programs or initiatives to help kind of upgrade employees, teach them new skills, keep them staying relevant, or how does that work as an employee at MasterCard?

Michael: Yeah. So we have online programs. We use Degreed learning platforms-

Jacob: Okay, yeah. I know a couple of people who use them here.

Michael: So we've got that. [00:46:30] In some of that business, so in our operations and technology function, we've actually got it as part of the change that we're doing. There is a minimum of two hours of training per week, per employee of self-education.

Jacob: You said mandatory?

Michael: Yeah. We want our employees to really up-skill themselves as well and we provide them with the training and the tools as well. So that's one. The other thing that we've done, we've just done a partnership with Washington University [00:47:00] in St. Louis to really focus on coming into our MasterCard campus in St. Louis to train our technology people on cybersecurity, and the training that we provide them will also count two credits as well. So that's sort of part of the work that we're doing.

So this notion, and you're absolutely right, how do we develop our entire workforce in coming up to speed with some of these future skills that are required? [00:47:30] It's a core part of what my learning function is really tasked and challenged with, but it's finding what are the specific skills that we really want our employees to be focused on. So it's not just the technical skills, it's also the other softer skills as well, like problem-solving, or presentations, or communication, or just the notion that learning has to be ...

We call it the learning is the new currency for the worker. It really is. I mean, if you think that you've [00:48:00] learned everything now, even today in my job, I'm always learning, learning something new and you have to. You have to keep yourself ... It's like going to the gym every day. I think my mind has to be like another muscle that I just have to keep exercising and it can be through going out, talking to people like yourself, reading, watching programs, going out to ... That's an important part of what we're encouraging our employees to do.

Jacob: How do you keep up with all the changes that are going on? Even [00:48:30] when it comes to physical space, I hear companies that are wanting to create new spaces and then they say, "We don't even know what kind of a space to build because it's going to take us five years to build it, and in five years, we're going to have different workers, different technologies are there." I mean, so how do you, as the CHRO of such a global company, keep up with trends in workspace design, technology, culture, or leadership style? How do you make sure that whatever you're doing is current and [00:49:00] not constantly playing catch up?

Michael: Yeah. It's a great question. I mean, that really is the biggest part of the job of a CHRO today, is really thinking about what is it the board is looking from a company and the CEO? And the biggest question is how do you remain relevant? And just playing catch up all the time is not enough. That sort of keeps you out of trouble, but the real differentiator is [00:49:30] looking around the corner or looking over the horizon.

           And so how I keep up to date is around thinking about working with our strategy team. What is it that they looking at in terms of the third horizon in the payment space or technology? What are our competitors doing? What are some of the blogs? What are we seeing that is happening? How are they emerging? What are the implications for us? Are there changes in government [00:50:00] and regulatory environments that we need to think about?

           So, basically, you're almost having to have your finger on the pulse of a number of areas and collaborating with your teams internally. So I spend a lot of time with my GC, my general counsel, because he focus on public policy and regulatory environment. I spend a lot of time with my chief financial officer, and then with the head of strategy is a really important part [00:50:30] as well.

Jacob: I think that's probably kind of an evolution of HR because I think most people would say that HR ... Traditionally, if you think of hr maybe like a decade or two ago, probably didn't do that much, right? It was just very focused kind of on its own little area, but now you're talking to strategy people, finance people. You're out there spending almost as much time within the HR function as you are outside of the HR function.

Michael: Absolutely. I mean, when I got to our countries, as I mentioned last [00:51:00] week in Latin America, it's also spending with people on the ground and learning about their market challenges. So always spending time with the business and saying, "Okay, tell me what are your business challenges? What are you doing in this market?" You learn a lot. Just through those conversations.

In fact, in some of the markets that I go out to, I'm also asked to go out on customer visits. So actually spending time with some of the banks that we have as customers and actually listening to our customers and what they're saying [00:51:30] about why did they come to MasterCard versus another competitor brand, you learn a lot.

And then the third thing is actually in those markets, spending time with some of the partner firms that we use, whether it's a recruitment firm and say, "Give me a market assessment of what's happening here." So in Columbia, we did that. In Chile, we did that. And what they do is bring intel around the talent landscape in that particular market. [00:52:00] What are some of the trends? Who are we up against in terms of competition? What's the market perception of MasterCard? How do people see us? What are our strengths? What are our development?

That kind of intelligence, you have to go out and find it. It's not going to come to you, you have to basically go out there. So they're the sorts of things that, that I do.

Jacob: So we have just a couple minutes left. So to wrap up, I thought it would be really interesting to maybe end on this theme of leadership and the role that leadership plays in all this. [00:52:30] Starting from your CEO, who I know is a big advocate in a lot of the things that we talked about us, so maybe you can talk about the role that the CEO plays in this, specifically your CEO and maybe how you make sure that you have these right leaders in place? So anything that you can share about your specific leadership training programs? How do they work? What you look for and how do you make sure that you have these types of leaders in place? I think any stories like that would be fantastic.

Michael: So, the leadership piece is critical [00:53:00] and I link the leadership to culture and it's a really fundamental part of who we are, what we stand for as a company. So couple of things that we've been doing since about 2010, we've had a program called the Executive Leadership Program, ELP is the acronym. And essentially, the executive leadership program is to think about, not necessarily the skills of a manager, but [00:53:30] more around the role that a manager can play in driving personal change and organizational change.

So there's this real clear connection with culture. This year we've just launched a revised version of the ELP where we've actually taken our top 24 leaders at a time to a different location. Most of our leadership programs were based in New York, global, people [00:54:00] from different parts of our business, now we've taken it out into the markets. The first one was in Dubai. The next one we're doing in September is going to be in India.

Why are we doing that? We're doing that because we want our leaders also to think, not just of their particular role or their geolocation, but to think much more broadly to think more globally. And we put them into a location where not only are they learning about themselves, but we take [00:54:30] them out to visit customers in that particular market. So when we were in Dubai, we had four customer visits and each of the groups, four groups of six, went out and visited a different customer that we have in that market and they brought some of the learnings from their leadership program, but also are able to engage with their customers.

And I really think that leadership is around having this macro view of the environment. Thinking about the customers, but then think about how do you [00:55:00] bring that change into your own team and your workforce and building these bridges with other leaders within the organization? If I go back to one of the earlier points around MasterCard's real relationship organization, which most are as well, the power of bringing people together, leaders, to then be able to walk away from a shared experience after five days, and being able to pick up the phone to a person they've never met before and actually having an engaging conversation about a problem they're working [00:55:30] through or a customer issue, that's hugely powerful. I would say it's priceless.

Jacob: I love it. Throwing in some of the MasterCard learning in there. Well before we wrap up, I want to ask you just kind of a few fun rapid-fire questions, is there anything else that you want people to know about MasterCard or anything else that you want to share about any of your programs, your ideas, your approaches to things? Anything at all that you think people can learn from and apply inside of their companies?

Michael: We've covered most [00:56:00] of the things. I mean, there's a ton. We could go on for an hour or so. I think the key thing for me in terms of final wrap up is really the essence of authenticity. You know, we hear it a lot being thrown around about being authentic and so forth, but it has to drive everything that you do. You have to start from a level of, what are the principles? What do you stand for? And then how you show up as a lead that because any employee that's looking [00:56:30] for a company they want to build their career will jump at the first sign of a breach of that authenticity or what you basically put on a banner or a PowerPoint slide. If they come in and their experience is very different to what you ...

Jacob: The bait and switch.

Michael: You actually lose a lot of credibility, and with the advent of social media and Glassdoor, you're going to get ripped pretty quick, you getting found out. And so I always come back to, don't be [00:57:00] overly ambitious but be true to what you're standing for and deliver on it. The key thing is just delivering on what you promise.

Jacob: Yeah. I always say the kind of funny story that I use is I think a lot of companies are stuck with the online dating syndrome, which is this idea that on a dating profile, everyone wants to be perfect, and beautiful, and gorgeous, and successful. Oftentimes you show up to the first date with that person and you're like, "Who the hell is this?" They look totally different. They sound totally different.

             [00:57:30] And I think a lot of companies are starting to go through that realization where it's kind of like, if you painted an amazing picture of your company, you need to be that amazing company. Otherwise, like you said, people will find out quickly and you'll get that bad reputation. Okay. A couple of fun rapid-fire questions before we end, first one for you is, what's the most embarrassing moment you've had at work?

Michael: Being lost for words.

Jacob:	So that that's the ... You were lost [00:58:00] for words during like a presentation or something?
Michael:	Yeah. I mean, it happens. Once I remember just blanking out, that's embarrassing. And then you, then you recover.
Jacob:	Okay. I like that one. Was this at MasterCard or before?
Michael:	Before.
Jacob:	Before?
Michael:	Yeah.
Jacob:	Okay. If you were trapped on an island and could only one food for the rest of your life, what would that food be?
Michael:	A Mango.
Jacob:	Mango?
Michael:	Yeah.
Jacob:	All right. If you could have dinner with anybody in the world, who would it be?
Michael:	It would be Al Pacino.
Jacob:	[00:58:30] I don't think anybody's ever said Al Pacino before.
Michael:	I think he's very cool. He's very charming.
Jacob:	Yeah, he's a cool guy.
Michael:	He's a cool guy.
Jacob:	If you had a book to recommend, it could be a business book or non-business book, which one would you recommend people read?
Michael:	The one that had a profound impact on me from a management leadership was Good to Great.
Jacob:	I've heard that one come up a few times.
Michael:	Yeah.
Jacob:	Good to Great. Okay. [00:59:00] Next one for you is if you could get rid of one workplace practice tomorrow at MasterCard, what would you get rid of?

Michael: It would be some of the ways that we look at process administration. It wouldn't be one particular thing, but if I could change one thing, it would be this whole notion of speeding up things for [00:59:30] our employees, just workplace productivity tools. And we're working on that but there's more to do.

For example, yesterday we announced that one of the IEP procurement tools that we have, and I'm not going to mention which tool is, but it's pretty cumbersome. And one of the pulse surveys we had, my employee comments just lit up, all of people just complaining about this tool. So we're changing it. I mean, if I can find ways of breaking down bureaucracy and those tasks [01:00:00] that just don't make any sense and we can ... that would be a huge breakthrough.

Jacob: I love that you guys ... You know, a lot of companies do surveys, but very few companies do anything with the information that they get. They take the survey, they see their scores, then it's kind of like, "Let's move on." But I love that you are seeing this stuff and then you commit to it, and you actually make change because I think that is what a lot of companies, hopefully listening to this can learn from. If you were doing a different career, what do you think you would've ended up doing?

Michael: [01:00:30] The other area, I was very far, actually it was police work.

Jacob: Really?

Michael: Yeah. Maybe it was all those 1980s Starsky & Hutch shows.

Jacob: Yeah, that's a noble cause.

Michael: And last question for you, if you could implement one workplace practice in MasterCard tomorrow, what would you make standard inside of the company?

Jacob: Standard would be just getting on and continue with this learning. This learning [01:01:00] as the new currency of the world. That's something that I'd love to see everyone just embracing and going ahead with it.

Michael: Well, very cool. Thank you so much for taking the time to speak with me. Where can people go to learn more about either you or MasterCard? Sounds like a great place to work. So maybe your careers page? Anything you want to mention, feel free.

Jacob: Yeah, mastercard.com, my LinkedIn. Yeah, people can go there and have a look of what we're doing.

Michael: Very cool. Thanks, again, [01:01:30] I really appreciate it.

Jacob: Thank you.

Michael: And thanks, everyone, for tuning in. My guest, again, has been Michael Fraccaro, the chief human resource officer at MasterCard. I'll see all of you next week.