

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. Today's guest is DeLisa Alexander, the Chief People Officer at Red Hat. DeLisa thank you for joining me.

DeLisa: Thanks for having me.

Jacob: All right. So I have tons of questions about all the wonderful things that you guys are doing at Red Hat. But before we jump into any of that, I'd love to learn a little bit more about you and how you got into this space because from what I understand, you were originally in the legal field.

DeLisa: Yeah, that's right.

Jacob: So how did you become a head of HR?

DeLisa: It's a journey. So, I joined Red Hat, as a second lawyer, technology lawyer doing deals and spent five years doing deals and then continuing to do additional things. When you start working in the company that's really small, you end up having a broader scope over time. So taking on additional areas of our legal practice that we're not connected to deals. So as the things progress, I began working really closely with our head of HR. Supporting her from a legal perspective on things like executive compensation and equity compensation and working with our board of directors very closely.

At the same time I was involved in our accelerated leadership development program and this program, a lot of times companies will put cross functional teams together and put them on projects that are not related at all to their typical work. So I was fortunate enough to be involved in one of those. And my team was working on creating a culture of recognition at Red Hat because we were hearing that associates, one of the things that wasn't great about Red Hat is that they didn't feel like we had a great way of recognizing people.

That project took me into the world of the HR team is called Human Capital at the time. And I started understanding more and more about, what motivates people and what doesn't. Over time I became a manager, began to work closely with the HR team as the token manager on a lot of our training development work. So unbeknownst to me, when our head of HR decided to retire, I was on her succession plan. So our CEO came

and talked to me and said, "You know, I'd like you to really think about raising your hand for this." Of course, I thought I am not capable of doing this. I don't know anything about this.

But I really loved Red Hats and I loved everything we were doing and I was big ... I had drank the Kool-Aid. Huge fan of the culture and he said to me, the thing that I'm most worried about with this role is the culture and you having been here and been through leadership development now seeing you learn all these different areas, I think you can learn how to be a great leader and HR as well. So I took the leap of faith and that was 11 years ago.

Jacob: Wow, so you had no idea that you were on that succession plan to replace your CHRO you were just totally surprised by it?

DeLisa: Yeah, just doing my job.

Jacob: Wow. Very cool. Then today as the chief people officer at Red Hat, what are you responsible for? What does a typical day look like for you?

DeLisa: Well, it really has progressed over the years. At this point, I spend a lot of my time focused on the future, which is awesome and at the same time had a balance that and be focused on delivering great core surfaces today with improvements all the time. So with regard to the current services, we didn't give it in terms of acquiring talent, developing talent, and then rewarding talent. And we have constant need to deliver more services at a higher level because our organization's growing and maturing. So there's constantly the need to assess what's the next thing. We needed to do to be able to support the business, including creating better consulting capabilities within the people team and just adding in new services for the core.

Then at the same time we're looking at our SWOT analysis and looking at what our business leaders are saying they're going to need in the future to be able to drive our business. So a lot of that is really connected to talent and to our talent strategy. Some of the strategies we're focused on for the future include, thinking about the associate experience and have the full life cycle experience view. Thinking about diversity and inclusion and a more in depth and impactful way and thinking about how we support scaling or culture and just probably the one that's most near and dear to my heart. And that's not only what people do, but also the tools that we have to support our culture.

So, taking care of business today and also thinking about what we're going to need for the future and balancing the two is how I spend my time.

Jacob: I get different perspectives on this from HR folks. I'm curious to hear what you think, but how much of your time would you say you spent on traditional HR stuff versus stuff that's more, like you said, focused on the future transformation, like non typical HR stuff that people associate, hiring payroll, stuff like that.

DeLisa: Right. I'm very fortunate at Red Hat that what we do is different than other companies. And so I get to spend a great deal of my time in the zone of creativity, and really cultivating and fostering that creativity with all of our Red Hat team. I do feel really lucky things like, whatever I identify a need that the organization has, right? I see an opportunity where we could do something more for people or for our customers. I have the ability to do that. I don't, we are such a freedom in our culture to see a problem and to see an opportunity and take advantage of that. So for example, in the last couple of years, and this relates a lot to our culture, we've been noticing that our customers are experiencing a lot of change and the environment's very volatile and they're getting disrupted and they're needing to become technology companies, every one of them.

So, they're looking to Red Hat, not only to help them with their digital transformations, they're also looking to us to help them think through the way that their cultures are working to support that digital transformation. I started seeing that we were getting these types of questions a lot from our customers and our sales folks certainly were calling me a lot to say, "Hey, can you come talk to my customer?" So, I put together a group, because I knew that wasn't the only one that is getting answers, questions. I'm like "Let's talk about how do we support our sales organization as they are talking to our customers about our culture." Now a year later we're going to be having a whole enablement strategy. So there our sales organization is enabled to have culture compensations with our customers and then bringing in experts to help support the conversation at a deeper level if that customer needs that. We're calling it sharing our open organization.

Jacob: Very cool. And you realize that I forgot to ask you for people that are not familiar with Red Hat, can you give us a little background information about the company? What do you guys do? How many employees do you have?

DeLisa: Sure. Red Hat is a software company. What's really different is that we are an open source software company. And I'll explain more about what that means. We have grown to about 13,000 associates at this point and we've been growing really rapidly and had over the last over 60 quarters positive revenue growth. So we've really found that open source software and our business model, which is influenced by our software development model is something that customers really find different and value added. So it's really fueled our growth. So we're growing open source, publicly traded technology company.

Jacob: Very cool. And 13,000? It's even bigger than I thought. I thought you guys were around 10,000 so you guys are growing very quickly.

DeLisa: It's rapid. It's really rapid.

Jacob: Yeah, that's crazy. Well, congratulations.

DeLisa: Thank you.

Jacob: So what are some of the big trends that you're paying attention to either in the world of work or in the world of business? Because obviously you're responsible for people and talent and making sure that the organization is able to adapt. So what are the big things that you are looking at are focusing on?

DeLisa: With regard to what Red Hat is focused on, it's about evolving our product strategy and doing it in a way that's really customer [centric]. And I think that all of our customers are finding that their worlds are getting disrupted or they're a disruptor. So the pace of technology change is really driving the working environment to change, and it's changing more and more and more rapidly this year than it even was last year. I think that we're just at the tipping point now where people are starting to really realize that, things are going to have to change. The way that people were led in the past. The way that people are going to be motivated in the future are quite different. I'm seeing this as a big trend.

In the past people talked about millennials being a big driver of changes in the way the workplace is, and I think that that is certainly one of the components. But what we're finding is it's not just millennials that are driving this needs to change. It's really how business needs to evolve in a more rapid, iterative fashion that's driving us. And so it's really a business imperative that we think about how we lead our organizations differently.

Jacob: It's interesting that you bring up a millennials and different generations, because as I'm sure you've heard, there's been a lot of conversations around millennials and this topic seems to come up a lot. Do you think millennials are lazy and entitled and are just causing all chaos and problems in companies?

DeLisa: Well, other than my children, no.

Jacob: Just the lazy kids. [inaudible] everybody is good.

DeLisa: No, it's interesting because one thing about the open source software world is that people who work and there is a software, they work really differently than people that are in the more traditional hierarchal organizations. Maybe I'll share a little bit more about our development model and how that influences our culture because there's a real parallel between what millennials expect from the work environment and what people who are very connected to open source development and open source communities that they expect. There's a lot of similarities there. If that's okay, I'll go ahead and explain a little bit. [crosstalk].

Jacob: Yeah please, please.

DeLisa: So open source software is software that we make the source code available to anyone to be able to modify, improve, find bugs and it was the first social movement where software is being developed by people over the Internet. If people were not necessarily co located, people from any company or no company can participate in communities and contribute not based upon what their title was or where they sit in the organization,

but rather just completely based upon the value of their contributions and their aristocracy. Hyper transparency is part of what happens in open source communities. The software developers documents everything. They make that documentation available to anyone who wants to look at it and so anyone can again understand what's in the code and then also make improvements.

This way of developing software is actually something that is quite unique and also results in people having values that are quite different than you'd see in a traditional hierarchal organization. Red Hat being a huge participant and contributor to and hiring from lots of the open source communities. We found that our population was expecting Red Hat management to act more like community managers, versus acting like a typical type of a manager. They're looking for, to be able to add value immediately not have to pay dues, right. Be able to contribute regardless of title, regardless of how the tenure that you've been able to achieve. Being able to understand every decision that's being made by the company. Because why wouldn't you just share all of that process and make sure that if there are bugs in the thought process, those bugs can be found.

Our population we found over the years really is looking to leaders and to management to behave in a way that really cultivates that community versus, top down decision making. I find a lot of parallels between the way that millennials like to be led and like to participate and expect to be able to participate. And what I found the last 25 years at Red Hat that our population is really looking for in terms of their corporate home. And so yes, for me. In the beginning coming from a law firm where the hierarchy is completely in stone, you have very strong pecking order according to what your role is in a law firm. Coming to Red Hat where I expected that my law credentials would give me a certain status and people actually listen to me.

What I found is that, it's a meritocracy if your ideas and have a great value, people understand how you got to that conclusion. If you aren't able to, don't explain and articulate and get feedback, your view will probably not be considered to be airtight because we helped you find the bugs. Right? So coming from that environment, it was a huge shift for me. Initially I really had a struggle, why are they listening to me? If I were in a law firm they be paying me billable, hourly money and they'd be listening to me, but in house, they expected it to be a dialogue. So I learned really rapidly that what I experienced in the past in the law firm well, I experience at the open source later were quite different.

But then I started noticing the parallels between open source developers and millennials and their expectation to be able to participate right away, not to be able to lean on your title or your tenure and to be able to have opportunities, regardless of those things as well. It's exactly what millennials and open source developers expect. So there's a lot of parallels there and I began to completely appreciate it. So no, I don't believe that millennials are lazy. I believe that they expect to work differently and I think there's a lot of value to that.

Jacob: That's actually a good transition to talk a little bit more about your culture and how you guys work, I know that you practice something known as open leadership, so maybe you can walk us through what is open leadership and how would it be different than let's say

the type of leadership or management structure you might find in a typicality stereotypical company.

DeLisa: Sure. Is this something we've been studying? Because we're writing a book, we are not handed a book on how to practice open leadership. What we find is that we draw from understanding traditional leadership, let's just characterize with command and control, top down decision making hierarchal and that that type of leadership can work really well according to what the environment is that you're working in. Let's say more stable environments, led themselves to that type of leadership style. So, we've noticed then that at Red Hat, that type of behavior doesn't work. And instead the people that are most successful, demonstrate different behaviors. So we've been studying over the years, what is it that makes someone a great leader at Red Hat and how do we identify that? Then how do we help others to be able to be successful in this environment when this isn't where they grew up.

It's hard. A lot people have grown up in a very traditional environment where they were rewarded for making quick decisions, top down and then rolling change management out over time. Whereas, here it's quite different. So people don't necessarily come into organization and know how to leave in another way. So we really had to focus on this so we can help develop open leaders. It's more specifically what people do when they are practicing open leadership.

By the way, we believe everyone can be a leader. This is not anything to do with your title. It has to do with your ability to influence. But first of all, they'll be leaders tend to have a certain mindset the way they think about things. They tend to have a growth mindset where they think everyone has something special to contribute. Everyone has something unique they can offer. And that a leader's role, whether it's a manager or a team lead or a technical lead their role is to act in an inclusive way. And a way that really brings out that individual's strengths and help them to contribute their unique talents.

Open leaders also tend to believe that everyone has untapped potential. So everyone's capable of learning and growing. And that a leader's role is to establish the conditions and give the context so that people can stretch themselves and lean into that potential. As I mentioned here, everyone's got that responsibility to lead. Everyone can lead the way if they just take the time to cultivate that capability. Another mindset that we see with open leaders is that they really believe in the organization or the community and they put organization in the community first. They believe that everyone wins when we do that versus being in a silo and doing, really individual goals alone.

Those are the mindsets that we've seen have been really helpful to leaders in our organization and that we think that really helps each individual to be able to contribute, which is part of the success. I think at Red Hat our culture is part of our strategic advantage.

Jacob: I actually came across something, it was an article and there was a quote, which actually goes along with what you just said and the quotes said "At Red Hat, we have a saying, not everyone needs to be a people manager, but everyone is expected to be a leader."

DeLisa: Exactly.

Jacob: So can you explain what that means for people, because most people always associate being a leader with being somebody in a position of power. You're responsible for others. But you guys have clearly separated a people manager versus being a leader. So how can you be one and not the other?

DeLisa: Well, we do think that every manager definitely needs to be a leader, no doubt about that. But we don't think that every leader needs to be a manager by any stretch of the imagination. We, particularly value in our organization, those people who don't take on people management responsibility, which really puts the person behind the scenes because you're trying to lead through others as a people manager. There are those people who are leaders, they're thought leaders, they are technical leaders, they are project leaders, and they're able to demonstrate leadership behaviors and make a huge impact on their organization by the way that they behave as a role model by helping to develop others from a technical perspective. Or by even just providing feedback to others in a way that helps them to be more effective in the environment.

Those are the types of people that, we really value in addition to your traditional people managers.

Jacob: Yeah, that makes sense. Earlier you mentioned that you actually studied this at Red Hat. So, when you first joined Red Hat, was it like, a different corporate culture and it was very hierarchical and commanding control and you guys switched it or how did you observe these changes to know what's working and what isn't?

DeLisa: That's a great question. We didn't do any switching. When I joined Red Hat. We just were really small, we had just gone public. We didn't have this smile. We definitely had development model but we didn't have a business model. We didn't have a talent management model, nothing. Right? And we were just trying to figure out how we take this incredible development model and turn it into something of value. I would say that no, we didn't change. What we did is we just discovered, we spent a lot of time facilitating conversation about what's working well and what's not.

I'll give you an example. When we got to the point where we thought, okay, it's time for us to really articulate better, what it looks like to be a leader from a competency model perspective. So traditional competency model. We did a world tour, we did workshops with people and we asked these questions, "What is it that you see leaders at Red Hat do when they're very successful that is very similar to other companies? And then what is it that you see them doing that is quite different than any other company?" So we gathered these stories from across the globe until we started hearing the same things over and over and over. Interestingly our [inaudible] model encompasses what any good leader would look like at any company. So having a strategic capability, being able to execute, being able to lead talent, whether it's themselves or others, and being able to influence. Those things are pretty typical in any leadership competency model.

But we also discovered a set of behaviors that are very, very different than other companies. And we call that the Red Hat multiplier. Because when people use these special cultural competency, they're able to multiply their impact within Red Hat. So those dimensions include being able to have strong connections with people. Being able to extend trust and respect regardless of whether or not that trust and respect has been already presented to them. Being able to drive an inclusive meritocracy, being transparent. These are the things that leaders at Red Hat we're doing that we're very different than in other companies. And so we actually documented these behaviors and then we talked about ... Well, what does that look like when you're behaving in these ways and you're right on target and what does it look like when you're overusing or underusing some of these behaviors?

Because sometimes we would find people, using transparency, for example as an excuse for being rude. That's overuse of transparency. So we put up these guardrails and we documented. This is what it looks like on your best day when you're in your sweet spot and you're being a great leader. I read how you're using all these great normal skills in addition to that, you're doing it in a really, really open way.

We discovered that multiplier, we didn't legislate it. What I would say to you is all along the way, we've just been noticing what works and what doesn't work. And when we find something that works, then we share it. First of all, we discover it together and then we share it. The most fascinating thing is you don't have to do change management. There's no change. What you're doing is you're articulating what people already know and you're doing it in a way that people can get aligned, and be able to know what good looks like. Then we use that to help people that are new to the organization, to be able to come affective and the organization and to thrive in our culture more rapidly.

Jacob: I love this concept of the multiplier, because essentially it's sort of means that leadership is one of those interesting things. I mentioned before we started the podcast that I'm working on this new book on the future of leadership and I've been interviewing, I think it's around 120 CEOs. All the CEOs when I asked them to define leadership, they all give me different definitions.

DeLisa: Yeah.

Jacob: I suppose part of that means that leadership ... It depends on the company. Every company, I think it needs to define leadership in their own way. Like what it means to be a leader there. But part of me also wonders, because from a lot of these interviews that I've heard, I mean some of the definitions of leadership are like three paragraphs long and they say leaders need to always do the right thing and they need to drive results. They have all these qualities and characteristics that make them sound like Unicorns. Like the perfect human being, is humble, inspires others and I'm curious, do you think, or at least inside of Red Hat, is it possible to have like that perfect leader that's always doing the right thing always engaging, always driving business results? How do you create the ... I mean, do those types of people exist?

DeLisa: Well, all we found over the years is that leaders tend to be spiky. They tend to have these moments of brilliance or something, a strength that really makes them value

added and unique. But, because there's something that spike, there's usually something that's also a gap, that you'd say, "Well, is it getting in your way so much that the spike is being less brilliant? Or is it just getting in your way such that you can surround yourself with someone who's different than you are and be able to close that gap." So we accept and acknowledge and the truth is nobody is perfect and that most people have a spike and most people have a gap. That's how people are.

Jacob: I like it. For people listening, you don't need to be the perfect leader. You can make mistakes. You don't have to be the Unicorn.

DeLisa: Yeah.

Jacob: That's good to know. How does this concept of open leadership manifest itself inside of Red Hat? So I'm trying to think of a practical example, maybe during a meeting or when you guys are working on a product or if an employee has feedback, how does open leadership actually manifest itself in a real life situation or scenario?

DeLisa: Sure. I know a lot of these, I'll give you maybe two. One would be like any day of the week. No big project just an opportunity for someone to give feedback because maybe a benefit changed, right? Maybe the benefits team change the benefit and they didn't think about something that impacted somebody. So we having a list, an email list called [minilist]. Every person in the company is described to that list when they join. On that list, anyone can say anything to anyone and people expect response. We've actually have a circumstance where we put into place a benefit that didn't take into account one of our populations and whether or not the benefit would actually be helpful to that population.

So question was asked on the list, basically the bug was identified and we were able to put on our roadmap a correction, so that everyone can take advantage of that benefit. That's a real gift because we wouldn't want one part of our population to feel like they were left out of a benefit.

Another example would be something really, really simple about what is our flavor of liquid water that we're putting in a fridges? People get really passionate.

Jacob: Yeah.

DeLisa: Is it tangerine or is it [Kayline]?

Jacob: I know.

DeLisa: That definitely is an example and they expect to be a little weigh in. But then we've got other huge. I would say any of our really, really important decisions that we make about who we are as a company. Those are the types of decisions that you have to make sure you have cultivated participation in. An example of that is when we discovered how to articulate Red Hats, purpose or our why. We embarked on this project just a couple of years ago. It's fascinatingly enough since we're a mission driven company and we had a

mission, we had a vision, we have values, we had our multiplier where you get all these artifacts and processes to really support our culture. But one thing we didn't have is one way where we would articulate, why Red Hat is here and what would be missing in the world if Red Hat weren't here.

Because we're getting so large and so many years away from our founders being part of our daily environment, we started feeling like people have different purposes and maybe might be one person's purpose was ... I'm here just to make sure we make our numbers. Whereas another person's purpose was, I'm here to make sure that the code stays open. And those are very, very different purposes and you could have conflicts because both those purposes are very valid. But we didn't have a common purpose to look up to and to be able to say, "Okay, this can guide us on how we make decisions." We decided to embark upon a process to discover our purpose versus going into a room with three or four people and deciding it and then coming out and trying to do "Change management."

We kicked off the process during one of our company meetings and we actually brought in assignments and I can ask Sam to introduce this concept to the whole population. Then we asked every Red Hatter to share a story about a time when they were really proud of being a Red Hatter with details and dialogue and drama so we could really understand what was happening.

Jacob: And this is to put thousands of people that were sharing their stories with you?

DeLisa: Yeah, so we got 2,400 stories submitted. From our population at the time we had around, I think around 11,000 people in the company. So really good participation because they didn't just, write one line. They wrote stories. We took all those stories. We had to actually develop a programming language to be able to take all this data and put it into themes for us. We used open source software to do that because there was so much data. Then after some human intervention was required it started getting called down. But we came up with themes and study those themes and found that certain functions had more affinity towards certain themes.

We gave each of those functions the things that were most relevant to their particular function and said, "Hey, can you think about what a why statement or statement of purpose would be for your function?" So each function had an opportunity to do that and they shared those back. And along with these stories and the functional wise, then we started thinking, well, is there a way to bubble this up into a why statement for the whole company? There were a lot of people who said "There's no way this is ever going to happen, or why are we doing this?" [inaudible] to be about the value and whether it would be possible to get it done. I just thought to myself, when you give Red Hatters a problem to solve, their brilliance will come out and something wonderful will come from this.

But if it doesn't, then we'll have learned something too. Right? So let's go do it. It took us a full year and it took us tons of engagement. But in the end as our CTO who came up with these statements and we've never looked back. And that statement is we believe, and we're here because we believe open unlocks the world's potential. It's a drop the

mike moment. People loved it so much that before we could even put it in writing, that this was it. All of our sales organizations across the globe, we were getting ready to have our sales kickoff events. They all need that, their theme. And we were like, "Leave it, it's not a slogan, it's a why statement." But they loved it so much. They just wanted to use it and they're using it again this year, which is fascinating.

But they slugged it. If you think about it, you open the lots of worlds, potential to be able to help your customers unlock their own potential. Help each Red Hatter to be able to live into their potential. Help our communities to be able to live in to their potential. So such an inspiring statement and that's what bubbled up from 2,400 wide stories.

Jacob: Wow. I love that example because I think most organizations never bother to do that. Especially not to the level that you guys did of involving employees having, like you said, it's usually just a bunch of people that get together in a room and then they try to figure out the why and then they announce it to everybody else. It's some sort of an all hands meeting, but you guys actually took the time to bring in all those employees to get their feedback, which is fantastic. Clearly you guys are doing a lot of really interesting things at Red Hat. So what is it like to be an employee there? I don't know, let's say it was my first day on the job or maybe I was there for a couple of months at Red Hat. Can you talk a little bit about, just some of the basics do you guys have an open floor plan or is it closed? Is it like free food and unlimited perks? What's just the general environment of being a Red Hat employee?

DeLisa: We definitely have space that is on brand. Our brand team and our facilities team work really closely together so that the environment that we're in and our offices really reflects who we are. So yes, there's tons of open space. Of course we have offices all over the globe so there's constantly some construction because we're growing. For example, my floor that I'm on in our headquarters building, we're undergoing total renovation starting in about two weeks. So we'll be opening up even more. Every office doesn't look exactly the same because we're all under constant evolution. But yes, we definitely have standards the way that we want the environment to be for Red Hatters that are in offices.

We also have a lot of Red Hatters that work remotely, about 25% of our population doesn't come into the office. And it's been that way ever since we started the company.

Jacob: Are these full time remote workers or are they sometimes-

DeLisa: Yeah.

Jacob: Coming into the office? Sometimes not?

DeLisa: For the most part, they're full time remote workers. What we have discovered is that some people work best in a remote way and they can still contribute at their best. And that's how they work fast. We've always had the philosophy where possible you take the talent where they are. And since a lot of software developers are developing and steering their code over the Internet, they don't need to be in the office. Now

sometimes you do need to collaborate and there's many, many times where that is the best approach. But our legacy is that we do have a very large population that doesn't come into the office.

What you find is that there's a lot of people that are working with extended teams across the globe, and not necessarily working with people, that are just in their office. That gives our people this huge opportunity to be ... We always say you're getting a Global MBA just working at Red Hat because of the cross functional projects, the time zones, the cultures you're getting exposed to. And we try always to make sure that we are thinking very globally and locally when we're doing our solutions.

Jacob: Quick question for you on the remote work because there's a lot ... As I'm sure you know a lot of debate on this and some of the executives that I talk to are not believers in remote work because they say that employees need to be in the same space for collaboration, for communication, that when you remote you don't get that same level of feeling a part of a team and you can't look somebody in the eye and see their body language. What do you say to a lot of the people out there who are maybe either skeptical or a little bit worried about remote work? Why is it something that they should be considering and has it hurt your collaboration or communication or innovation in any way?

DeLisa: I think that you got to find the right balance and certainly if there's a project that requires a workshop of people being together, putting sticky notes on the board to be able to move things forward. The ideal thing is to be all together for that workshop. It doesn't mean that every day they need to be in the same space. I think about my own team. I've got people all over the globe and we're always on blue jeans. We're always trying to figure out how to be inclusive of everyone regardless of their location and also thinking about the time zone they're in. So we have people that are working, all times day and night because they want to participate in a project and they're looking for example, in India or Singapore or Australia or China, right? So it's impossible to always have everyone together if you're a global company.

So you have to learn how to be inclusive regardless of where the person's located. Doesn't mean you don't want people together sometimes. Absolutely you do. But finding that balance is the critical component.

Jacob: Yeah. Fair enough. Great. As far as what it's like to be an employee there, I think you were in the middle of explaining some of the you were talking about the floor plan, but what about the perks, the benefits, all that other sort of stuff.

DeLisa: I'd say we're typical technology company, we have snacks, we have drinks and coffee. We like to eat for sure. But we don't ... I don't think that we are selling ourselves based upon perks based upon benefits. Although, we certainly tried to be very competitive with what we offer. And it's really about the people, the people that you're interacting with on a daily basis, whether it's in person or by blue jeans or by email or by some collaborations tool. It's about the people. People come to Red Hat because of our brands and they stay because of the people and the people. What they'll experience in the culture is passion and people passionately debating something. People passionately

contributing. They'll also experience a sense of community and the ability to be part of the community. And a lot of really, really smart people. And that's what gives everyone energy.

Jacob: Yeah. I think the people is ... I hear that a lot from employees who really love companies that they're a part of. It always does come down to the people. Do you think Red Hat has any unique workplace practices that maybe other companies out there don't have and if so, what might some of those things be?

DeLisa: I've identified a couple of them. So one is having and other than mailing list, that anyone can send anybody a question or make a comment or give feedback. I think that's something that, any company that they want to take a step towards being more open could do.

Jacob: So how does that work really quick? So is everybody automatically on this list or do you opt into this list? How does that actually work?

DeLisa: Yeah. The day you start, you are subscribed to this email list and people can choose then to either stay on the list or not be on the list according to how much time they want to spend, looking through what's on the list. You definitely have certain people that are more heavily contributing to that list than others. Some people prefer to contribute in different ways. So we actually have a new project that we're undertaking to make [inaudible] list even more scalable because what we're finding is, with 12,000 associates and an email list, it's not always the best tool to be able to have everyone share their views-

Jacob: I was just going to ask you that because if you send an email and it goes out to 12,000 people and then somebody else responds and I would imagine it's just a little chaotic.

DeLisa: Yeah. It can be, but definitely it can be very valuable as well. Much rather have people sharing their feedback internally and us being able to respond if it's my team that the questions too then to have the lay unaddressed. Right? But, what we're going to be piloting really soon, and we just announced this this week, is a program called plus one and two cents because that's a typical memo list response. If someone says something on the list that others agree with, they'll say "Plus one." And if they think that they have something else to add, they might say, well, "Here's my 2 cents." We're starting a project that will use a tool for these conversations that will help us do a better job of understanding, all of the views and being able to use that to be able to influence and drive our roadmaps for our different projects that we're going to be implementing. So we're really, really excited about that.

Jacob: Interesting.

DeLisa: I do believe that one of the best things about Red Hat is our passionate people and the way that they're passionate and they're engaged, is by how many people participate. And you need a tool sometimes that will allow people to participate in a way that's comfortable for them.

Jacob: Of course.

DeLisa: So it may be that they just want to say "Plus one." And they don't want to have to write a lot, they don't have time. But maybe they want to write a lot. And so having different avenues for people to be able to participate is important and the participation tells me that people are engaged. When we had 400 people get stories about why they were proud to be a Red Hatter, that tells me that they're engaged. When we have over 86% of people respond to our associate survey or annual associate survey, that tells me that people are engaged.

Jacob: Yeah sounds like it.

DeLisa: So, those are the things I really look for.

Jacob: Okay. So really quick with just the email lists and a new tool that you're piloting. Let's say I'm an employee at Red Hat and I want to bring up something around the benefits or workspace. Right now I would just send an email to everybody and just say, "Hey, does anybody know, what's going on with the future office space at Red Hat or something like that?" And then people would just respond to that? Is that the idea of how it works now?

DeLisa: It can work that way and there's also usually a site on our mojo space or internal on Internet. And a lot of times people would say, check out this space here, the answer is here. So people help each other to navigate and find the information that they need for if it's a quick answer let us answer. This is [inaudible] benefits, it could be on technology. A lot of the questions are about, our technology question as well.

Jacob: Got it. Okay. Makes sense. So that's, I definitely think are quite unique. And you said they were a couple, is there anything else that you think though you guys are doing that's unique?

DeLisa: Well, we're using our technology to create tools that support our culture. I think that is, where are you have a differentiated culture or some part of your culture that's unique that needs to be supported. I think that thinking about creating your own tools, is something to consider. I know that enterprise companies, you've got to have something that's affordable, et cetera. But one thing we recently did is we created a software tool to support our associate referral program. So at Red Hat, about 50% of our hires come from referrals. So it's a huge-

Jacob: Wow.

DeLisa: Component for us. It's a huge strategic advantage for us. We were trying to manage the referral program on spreadsheets and it's very popular program. People love referring their friends and colleagues to Red Hat. Our service started really slipping because we just couldn't keep up with the spreadsheets. You think about the thousands and thousands of people we've hired over the years? You can understand the challenge with spreadsheets.

Jacob: 50% is a huge number for-

DeLisa: It's huge.

Jacob: Referrals and that's crazy.

DeLisa: Yes, it's huge. We actually used Red Hat technology and the Red Hat workshops, leaders programs, and came up with working with our population of people who like to participate and give a program and creating a tool that's very on Red Hat so that it looks like you'd expect technology select if you're a Red Hatter and it's providing transparency and visibility that we never had available before. Since that's been implemented our referrals have actually gone up. So I'm really [inaudible] at technology.

Jacob: Wow yeah.

DeLisa: I think that's something that other companies might consider us. If there's something that is a strategic advantage in your culture for you being able to scale that is something that you don't take that lightly. We could have just implemented another company's referral technology. It didn't reflect our culture. And so we looked and looked so we decided to do this ourselves and I think it's something others might consider.

Jacob: Yeah. Makes Sense. Anything else that you want to specifically highlight about the Red Hat and what you do that is unique?

DeLisa: I think that is probably good.

Jacob: Okay. I also read that you guys have something called crucial conversations and influence your training.

DeLisa: Yes.

Jacob: I was pretty interested in both of those because as far as I know, I mean I haven't heard of any other companies that have this that's new. Can you talk about what these two things are and why you offer this to your employees?

DeLisa: Sure. First crucial conversations it is available to any company. So I totally recommend it if this resonates with you. So in our culture, we have open feedback. It's just part of who we are and transparency. It's part of what drives the passion, right? But not everyone knows how to have a conversation that is perhaps emotional or high stakes in a way that is productive. People can, if not using good practices can actually take what it could be a positive and it can be turned into a negative. People might shut down and not participate, not accept feedback, et Cetera, because the way that it's delivered. To be able to support our open culture in a responsible way, we want people to know how to have a high stakes conversation in a way that saves the relationship and also helps to drive results.

And so crucial conversations is a big part of the capability building that we do. Then Influencer is also by the same group. What that does is it helps you think about how to influence change when it's really, really hard. Sometimes, typical change management there's lots of different approaches for change management. A lot of times people think, well you just train people, you tell them and then you train them, right? And that's change management. Well that's not always how you can actually get people to have their hearts and minds and want to support a change. And so Influencer helps you think about the different approaches and different motivators that people have that if you are able to identify and support your request with, the people will be more likely to have their hearts and minds shift. So that not only are they able to make the change, but they're willing. So it's really hitting on that willingness side of change management.

Jacob: Love that you guys have that training because, like you said, a lot of companies want to do change management, but a lot of times these efforts don't go over well. And part of the problem is just because how things are communicated and how these conversations are taking place. So you guys offer training on how to basically make sure that the change, goes over well, which is [crosstalk].

DeLisa: Which is in the hearts, right?

Jacob: Yeah.

DeLisa: Can keep people motivated to want to do the change.

Jacob: Yeah. Yeah. Now that makes sense. I'm also really curious about how you guys do either performance reviews or feedback. Do you still do annual performance reviews, annual feedback, or do you guys have a different process for that?

DeLisa: We do have performance management here and it's fascinating to me because many, many years ago, I think at least 11 years ago, we did a workshop around the globe where we decided that we were no longer going to have rankings. And no longer going to have staff rankings and numbers for an overall review, to be able to take out from that process all the angst. Because those are the things that people hated. That's why people didn't want to do their performance reviews because, I got to give someone a number or a letter. And that's just going to be the focus instead of focusing on developing someone or on achieving goals.

Now you see most companies are dropping, the letter ratings or the number rankings and the stack ranking system has completely gone out the window. So we stopped that years ago. We still tried to continue to use an enterprise software product to support the conversation and that did not work very well. So we just discontinued it completely. We created a web tool so that people can have a tool to be able to document their conversations and people tend to like that. It's very, very simple and we have much better uptick on using the tool then we ever did use in the enterprise software product. At any event, what we stress is that it's about the conversation and it's about people and their development as much as it's about people hitting their goals. So it's equally balanced between performance and developments.

Red Hat has executed really, really well over many, many quarters. What we find is that we don't really have an execution problem, but we do have this huge opportunity because our market is changing, our products are changing, our customers are changing our opportunities there. So what we need from every Red Hatter is that they are looking at how they can grow their capabilities, grow their careers at Red Hat. What we want to do is have managers that, yes, we need to hold people accountable for doing what they're supposed to do, but more importantly, helping people to develop into that next phase of themselves. So that they can grow with the company and help support our increased opportunities all the time.

Jacob: How do you hold your managers or your leaders accountable? Because it sounds to be an open leader, to do all these different types of things in an unconventional way, you need to make sure you have the right leaders in place. So how do you bring in those right people? What do you do with maybe leaders or managers who are not comfortable with open leadership? How do you deal with that?

DeLisa: It's funny. What I tell people a lot is that, the people will hold me accountable for doing things the way I'm supposed to do this. I have responsibility as a manager and as a leader of a function to make certain decisions that's deliver certain experiences, right? People don't question that, but what they will hold me accountable for more than anything is the way in which I make my decisions. So the whole population they're looking to me to behave in a way that they expect me to behave as a leader of our people team. So they expect that if I'm going to be making a decision, which is part of my responsibilities, that I'm going to do that in a way, that I get their feedback, that the bugs can be found, that we can iterate and make changes so that the best outcome is what's implemented versus the easiest outcome or they'll ... But they'll be logical to meet outcome.

Our population holds me accountable. Versus my boss telling me, "You did that wrong." Although if I do get people telling me on [mental] list, I did something wrong, he will agree. It's very much a system, and our culture is just a system and it's self reinforcing. What we tried to do to make sure that people are successful is we were trying to be one, incredibly transparent during the interview process. We have what we call the employer value proposition. It's posted on our job site. It helps people to actually size up is Red Hat, right for you? So we explain what it's like in Red Hats culture where people may find that to be positive, where if they might find it to be challenging. And we tell people, look at this and then determine does your personality or your motivations make you a fit for this?

Because if not, that's fine. If you're opt, we want you to opt in with guts of understanding what's really unique about Red Hat and how that can be challenging. So for example you're very passionate population. If you have a thin skin, it's probably not the best place for you. We'd much rather say that right up front versus having people come join and be surprised. So step one, be really transparent during the interview process.

Step two recognize that not everyone we hire has been practicing in open source software communities and so they're going to need to be able to be supported in a

transition from probably a more traditional organization to Red Hat. So we have the tool called the Red Hat Multiplier. It's part of our competency model. We have manager training that helps people who are in people management roles to understand what it's like to manage and what we expect from Red Hat managers.

We also have accelerated leadership development programs, which are very intense programs that help people take their leadership from one level of mastery to a much higher level and really focuses on open leadership. And right now we are in the middle of a fascinating process of discovering how we articulate what it means to be an open manager. So we've never done this before. We've done a lot around open leadership, but we've never taken lens of, okay, what does this look like if you're a people manager? How is it different to be a people manager at Red Hat? Than to be a people manager any other place?

We are actually right now in the middle of a company wide conversation where we're going to be articulating us. Then we're going to be building enablement plans, will understand where our gaps in our current enablement and then we'll be sending those expectations that people behave as if the managers because of how important it is to our culture and our peoples engagement.

Jacob: Well, it sounds like you're working on quite a few things there and I love that you have this culture of testing and trying things out and experimenting using data. You're not just making decisions just for the sake of making them, but she actually incorporating employees into the process, which I think is great. What advice do you have for people listening to this who are maybe thinking about applying some of the concepts that you guys have at Red Hat? Whether it's open leadership or just changing the way that employees work and think about work. Any places that you recommend people can start from just to have these conversations?

DeLisa: Absolutely. First of all, it's not a one size fits all. Open, is a continuum. So if you start from where you are and think about where you'd like to move, what I recommend always is understand the strengths of your organization, understand your organization's purpose, and really lean into the areas that are strengths for you that can help you to support that purpose more effectively by making some shifts. I always find that when you're trying to close a gap, it's much more difficult than leading into something that's your strength already. And if on a continuum, your organization is very participative then lean into that and figure out how you can have more participation, more transparency. Also, starting small. Starting with a small team and trying and failing and learning, that's always a great way to see, how to make it work best in your organization and then to let it blossom further after doing it in a smaller environment.

Jacob: Well, I think that's great advice. I know that you also write a lot about these things on the Red Hat blog and on LinkedIn. For people that want to learn more and to see some of the things that you guys are sharing, where can they go to connect with you to learn more about some of these practices. Anything that you want to mention for people to check out or to [inaudible] on?

DeLisa: Absolutely. So opensource.com is a site that's sponsored by Red Hat. A lot of open practices and articles are there. We just published the open organizations leaders manual and you can download that and there's lots of great articles there. We also have, a site called The Open Organization and we have lots of materials there as well. And finally, get hub. Anything that we do on the people team that is a methodology like our Red Hat Multiplier we publish that on get hub so people, can take what we've learned and then make it their own.

Jacob: Very cool. I actually didn't know you published that on there, so I'm going to have to check that out as well. Well, thank you so much for taking time out of your day to speak with me and to share some of the cool things that you guys are doing at Red Hat.

DeLisa: Well, thank you for your time.

Jacob: My pleasure, and thanks everyone for tuning in. My guest again has been Delisa Alexander, the Chief People Officer at Red Hat, and I will see all of you next week.