

Jacob Morgan 00:00

It's worked for you. It's perfect. Okay, cool. All right. So as far as I think you were asking me kind of what what's a good? You know what the mission is? I think it's, you know, similar to what we did last time. I mean, obviously, I have different questions. So I'm not going to repurpose, you know, the same stuff that we talked about. But I think the last time we talked, your book wasn't out yet, we didn't have a pandemic. We weren't seeing kind of like all the crazy stuff that's going on in the world. So I think it would be really good to get some of your, your thoughts on where we are talking about the book and the four principles that you have on there. And then see where the conversation goes. Okay, perfect. All right, let me push chord here and I'll do a much longer intro later. But for now, we'll interview introduce you as he Berger Lee, former CEO of Best Buy, Best Selling Author of the heart of business senior lecturer at the Harvard Business School. That work is perfect. Okay. Hey, everyone. Welcome to another episode of leading the future of work. My guest today, Hugh bears Oh, Lee, He is the former CEO of Best Buy a best selling author. His book is called the heart of business. He's also a senior lecturer at the Harvard Business School. And he is a repeat guest here. Thank you for joining me,

Hubert 01:14

Jacob, so much. Looking forward to our conversation. Thank you for having me.

Jacob Morgan 01:17

Yeah, it's been. It's been a while since you were on the show. I'm trying to remember when when we had you on I think it's been a few years now. But I remember when we share the content from the interview, everybody loved it and the graphics that we made. So you the content really resonated with a lot of people. So I'm excited to speak with you again. Why don't we start with just on your thoughts on work today, because last time we talked, there was no pandemic. We weren't going through these crazy layoffs. We weren't talking about inflation. Everything seems to be for the most part. Pretty good. So when you look at what's going on in the world today, as far as business, what are your general thoughts?

Hubert 02:00

Well, I think that's Jacob, even though I'm an eternal optimist, during this pandemic, and continuous set of questions, I've had to say out loud, the world that we live in is not working. Right, we have a health crisis, of course, an economic crisis, big societal issues around the world, and environmental Time Bomb, geopolitical tensions, for sure. It's not working, we just have to say it out loud. And pick up what's the definition of magnets, right, do the same thing and hope for a different outcome. And so I think what is called for today is really a revolution. In a reef foundation of work in business, around purpose, business being a force for good and people, stakeholders, in a sort of a declaration of interdependence reading business cannot be successful, we cannot be successful in isolation, and certainly a revolution of leadership, right? And I'm sure we'll talk about it, but at a high level, the model of the leader and let's call this 20/20 century leadership of the leader, as the superhero who knows everything and tells other people what to do. And it's over. Because when we're confronted with these multiple crisis, no one has the answer. So we have to figure out together and that calls for a very, very different model of leadership, for sure.

Jacob Morgan 03:31

Yeah. But well, one of the things that I'm really curious about is, you know, you keep hearing about all the layoffs that are going on, I think Ford just announced 3000 layoffs as they're moving away from gas cars to electric cars, and you hear lots of stories of companies who are laying off 1000s of people. But at the same time, these organizations are hiring in other areas. I know one of the things that you were a big proponent of when you were CEO of Best Buy, is not firing people and rehiring new people but trying to transition the employees from one part of the business to the other. And part of me wonders if organizations today are just not doing a good job of that. Are you seeing companies just missing a big opportunity there?

Hubert 04:12

Well, it's, you know, part of the revolution we've seen and it was just listening to an economics professor recently, we've seen labor as we call it, as an input factor, next to capital. So we've seen the workforce as a means to an end. I think that this is very dangerous and poisonous and not effective. You know, when I became CEO of Best Buy, a lot of people were telling me cut cut culture, but that's going to be a recipe for the turnaround. You have to close doors fire a lot of people as if people were the problem, I thought people will be part of the solution. And often time, you know, when things are not going well, you hear these headlines about, you know, Company X or company y is reducing headcount is firing people like if this was an accomplishment? For me headcount reduction. Number one, it is a last resort thing to do. Once you've exhausted everything you could do to grow revenue and cut non salary expenses, which is all of the non people related expenses. And then yes, you know, redeploying is because otherwise, you assume that there's something technically flawed, fundamentally flawed with the individuals, you're letting go. And somehow there's a new shiny object. And we do, we do need to recruit new talents. But, you know, if we can invest at a macro level, and then at a micro level, in the talent that we have, and help them become, you know, use their unique genius, to become the best, most beautiful version of themselves, then that's a, that's a neat thing. And it's also a way to avoid, you know, some of the tensions we have in society where, you know, very much you have the haves and the have nots, and so forth. So, you know, carrying is part of what we did in leadership. It's not to the point of naivete, but I think that, you know, there's, there's a there there, for sure.

Jacob Morgan 06:12

You mentioned very emphatically that leadership is changing. Can you talk a little bit about how, and I'd be really curious to hear, you know, maybe you have a story or an example of early on in your career, what was leadership like? And what is it like, now, what, what's the big difference?

Hubert 06:28

I think the biggest I grew up, because, you know, in the heart of business, I talked about it, it's my personal transformation, for me, hard charging McKinsey consultants, who thought that it was all about being smart, too. In fact, the smartest person in the room, right? To, you know, to know somebody who believes in human magic, and Jacob, if not smoked, anything illegal along the way. So, when I grew up, you know, as a young executive, or even at a business school, you know, the, when a big compliment for a CEO. Oh, he's brilliant. Usually, he, he's brilliant, right? And IQ was very much emphasized, we all thought that this was an in somebody would figure out the answer. And that's how I tended to lead I was using my brain. And in a sense, when I joined BestBuy, Jacob, I had a huge advantage, right? And you nothing about retail. So I had to ask the people around me, you know, for their views, and their

thoughts, and so forth. And here's the thing, a few observations, one, if you take COVID, or back to the office, or the war in Ukraine inflation, you know, there's no manual for these things. So I remember hearing recently, the CEO of a major global company, he was saying, Look, my most of my supplies is coming from Russia and China. And the components I'm getting my supply chain is a mess of inflation through the roof. There is a recession coming. I don't know what to do. And he shared that with his team. And of course, his team said, of course, you don't know how could you. And so we are confronted with a world with a series of unprecedented crisis. And the notion that leaders can be the smartest person that doesn't work. And so the right approach now is mine is to say out loud, my name is you bear in a need help, to learn to become vulnerable, to know that leadership is not about perfection. But it's to work with others to figure things out, and then importantly, to create an environment where others can be the best versions of themselves. So I'll finish with the story to make it very concrete. In March of 2020, when COVID hit, and was the Executive Chairman of Best Buy, at the time, in curry barre, my successor was the CEO. Remember that we were all afraid and there was decisions to be made every day, but which stores to open whether to open the stores. And of course, there's by many ways had to be considered as an essential retailer. But there was different regulations at the state level at the county level at the municipality level. And things could fluctuate. There was no way that our very smart quarry could make that decision every day. And so which instead, she laid out to remind everybody about our purpose, which was to help customers, she worked with our team on key principles. Right? We're going to put the emphasis on the safety of our employees and our customers. You're going to delay layoffs for as long as humanly possible, and at least until the federal programs kick in, and we're going to come out of this stronger note that there was nothing about and we're gonna hit our quarterly earnings. Right. So she built these principles. And then she told them in the head of stores and his team, you guys figure it out every day in every County and municipality, I'm going to have you made these decisions. And so, you know, the super hero as the CEO was gone, it was what are creating the context in emphasizing purpose principles, and then doing your best.

Jacob Morgan 10:16

Yeah, I love that you mentioned vulnerability. I don't think I've shared this with you, my next book is going to be on leadership and vulnerability. I'm so excited about this. It's coming out the middle or the end of next year in Korea is one of the CEOs I'm talking to your team right now trying to interview her. But I've already interviewed 100, fortune 500, CEOs and surveyed a lot of employees. So I love that you mentioned vulnerabilities. I have a lot of questions for you on that. So first, you mentioned your your days in McKinsey, when you were in business school. Do you remember a time you mentioned leadership was very much being the smartest person in the room. And it reminded me of a story I interviewed the CEO of a company called Old mutual, and I think they're in South Africa. And he told me that early on in his career, kind of the same thing. It was all about sharing what you know. And he said, In today's world, everybody wants to know how he feels, and how he feels is more important than what he knows. And so when you think back earlier on in your career, was that the culture for leadership, like no weakness? Don't ask for help. Was that just viewed negatively? If you did that?

Hubert 11:23

Yeah, yeah. And I remember growing up before I was here, when I was a teenager, there was some friends of my parents visiting. And I didn't know I was asked a question, I don't know. And he said, Oh, young man, never say, I don't know, this is going to be a sign of weakness. He told me that, and I

thought that was stupid. Because if I don't know, I don't know. And there's nothing wrong with that. I need to do something about it. But you know that it's actually a good starting point. And that was a case, it was a severe case of focus on perfection. And being you know, the best way, it was confusing for a long time, perfection and performance. And again, I think Marshall Goldsmith was my coach for many years, in his book, you know, What Got You Here Won't Get You There a list of 20 quirks of successful leaders. I had 13 Out of the 20 quirks when I started to work with him, and one of the quirks is adding too much value. And so to see to share how severe the disease was, for me, when I was the CEO of Carlson, dragonfly traveled 20 years ago, my head of HR Design, an org chart of the company that had my picture, in every box, it was a nice message, saying I was trying to I was trying to prove to the head of HR, the head of marketing, that I knew more about their field. And, of course, whole areas. Yes. Later on. In 2016, when we had completed a turnaround of Best Buy, and we were moving to a growth phase. During the turnaround, I was making a lot of the decisions right when the ship is sinking, the captain needs to make a lot of decisions, but then you become a bottleneck. And so there was a shift, when we shifted to the growth phase, I shifted my emphasis with the help of my coach, how do I create an environment that can unleash human magic. And so we're not going to be limited by how smart I am or not. But we're going to unleash the human magic within the organization. My job was much more to be a gardener creating a fertile soil ground where the seeds were the human beings right and their ideas could actually flourish. And that was a complete mind shift for me where frankly, I learned a lot from my team on how to do this.

Jacob Morgan 13:46

Where do you think that stereotype came from? So I mean, for you, it was early on you had your parents friends come over, and they said, never admit to a mistake. Inside of the corporations, you were part of like McKinsey, it seemed like it was always encouraged. have all the answers don't show weakness. But it's funny because now when I talk to a lot of CEOs, they all say the same thing. They're like, yeah, that's how we grew up. That's what was accepted. And it's wrong. And I'm thinking like, well, if leaders today know that it's wrong, and CEOs save it, it's wrong. Why is it still everywhere? So where did this stereotype come? Like, how did this become the way to lead?

Hubert 14:20

I think it's, there's a lot of research around this. The Christian Ferguson in Australia has a book coming out on the theme of, you know, the head and the heart and she goes over the history. It's a book that's coming out next year. Is the it comes from how we learn history. We learn about history through heroes. So whether it was Churchill in World War Two, Napoleon, if you grew up in France, Julius Caesar, Alexander the Great it was all of these male models were incredibly powerful and brilliant, and through their own genius. We changed horse of the world. And then in the corporate world, you know, the 80s. And the 90s. very much influenced by the thinking of Milton Friedman was all about performance optimization, you know, shareholder value maximization. It was also influenced by Bob McNamara, I think Bob McNamara, the former Secretary of Defense, of course, in Ford executive was the role model for scientific top down management. You know, and we're all familiar with the theory, X and theory, y, and, and so forth. And of course, in the last few decades, we've realized that, in a world where the nature of work has changed, when work was very mechanical, you could focus on the engineering of work, price performance, when work is much more creative. And in your trade. You know, it's not about being efficient. So I mean, a little bit, but it's much more about your unique genius. And it's same is true.

In most industries, whether it's retail, services, technology, the word can be prescribed. And so of course, what we've learned is that, as human beings, we don't like to be told what to do. So the Uptown, you know, management method simply doesn't work. Motivation is intrinsic. So it needs to come from within. And so the leadership model today has a lot to do with allowing everybody in the organization to have their unique genius come to life in support of the purpose of the company. So that's, that's my view. So in a sense, it comes from history, it was also a different time. And we've we've all learned that sometimes something works well in a given context. Context changes, then, of course, you need to change.

Jacob Morgan 16:52

So did this approach to leadership work? Well, in the 70s 80s 90s? I mean, was this the right way to lead?

Hubert 17:00

Well, you know, 100 years ago with Taylor and Ford, you know, on the production line, that innovation was the production line. And it was, Ford said it didn't ask his workers to bring their brain, just their raw power. So that was the context. The context has changed fundamentally, in most of the economy today is in services in tech. And so it's not about brute force. It's about ingenuity, curiosity, empathy. I think a great stick an example of this, I think we can highlight a great leader of the 21st century. Satya Nadella, right, who's leading is emphasizing empathy. And you talked about vulnerability, I think empathy is another great leadership attribute today. And his strategy is to help everyone on the planet individual organization, that's their purpose, right, achieve more. That comes from identifying and addressing unmet unarticulated customer needs. In order to do this, you need to have empathy. So, as a result, he had to build within Microsoft and he did a culture of empathy. Alright, and we're everyone can use their genius to identify unmet unarticulated customer needs and find creative ways to address them completely different contexts 500 years ago,

Jacob Morgan 18:30

yeah, different world. So was there kind of a pivotal moment or situation where you realized you needed to change how you lead? So how did you go from working at a company where the head of HR created an org chart where your picture was in all of the different little boxes, which I find is hilarious, hopefully, hopefully, she still stayed at the company and you didn't get a job. That's an awesome prank deploying a CEO. So what was the pivotal moment where you're like, Oh, my God, like I have to change command and control doesn't work. I have to put people first the heart of business what what happened?

Hubert 19:07

It's been a journey for me. And I think that all of us are in a leadership journey. So there was several milestones and are mentioned, maybe three or four one was better years ago, actually. I was still at McKinsey. And I was asked by a couple of friends who are monks, to work with them on an article about the philosophy and theology of work. Wow, why do we work? Is work a punishment because some dudes sinned in Paradise is work, something we do so that we can do something else that's more fun. Always work part of our fulfillment as human beings in part of our quest to do something good in the world, and of course, that's the choice. But that was, you know, I know my choice here. Then there

was a second moment. So 20 years ago. To quote David rocks, in many ways, was at the top of my first mountain. Right, I had been a partner at McKinsey at a young age, I was on the executive team of a big, multinational multi media and telecom, company Vivendi, universal. So I'd been successful, except I felt that there was no joy and taste at the top of that mountain. And probably, this was because they had been too driven by the, by the power of fame, money or glory. And I know that for me, it's not these are not good drivers. I don't think they are for anybody. But for me, I know they are not. And so that led me to step back in my life. And I tell this story, because it will lead to the punch line. That led me to step back and revisit my life, in trying to discern, again, my calling in life. So I did the Spiritual Exercises of Ignatius of Loyola, the founder of the churches, which, of course, and they've had a profound impact, leading me to decide that no, my purpose in life is to do something good to other people, right, which I think is in the heart of everyone. In then, you know, there was a third moment, which is in 2009, it was the CEO of counseling companies at the time. And is this my story? My head of HR, walked into my office when they said, Would you like to work with a coach? I said, Elizabeth, I've done something wrong is as somebody complained, you know, because at the time coaching had this image of being remedial, yeah. And she said, No, no, I have this coach Marshall Goldsmith, he specializes in helping successful leaders get better. And Marshall had a big impact on me, because he helped me embrace feedback in the form of feed forward, up until then it was struggling with feedback. And so, you know, we did a 360, a lot of got a lot of feedback from my co workers, again, adding too much value, smartest person in the room, doesn't know how to delegate. There was some good stuff as well. But and then Marshall helped me to work on that. And so as for help to get better and worse things. And then the last milestone was, again, during the best part turnarounds, after we had finished the first phase, when it came time to unleash that human potential, we knew that, you know, I couldn't do it just to my brain, that we had to do it by creating the right environment. And so it's not about purpose. You know, the importance of putting a noble purpose as the North Star of an organization, making business a force for good. And then placing people at the center, in creating an environment at least a unique genius, as opposed to throw your smart strength to performance, is that's not the way it actually works. So this has been a journey, you could say, You bear God, you've been slow. But there you have it.

Jacob Morgan 22:59

Yeah, that's interesting. Okay, so you mentioned vulnerability. So a couple of questions on that. One is, can you share a story when you had to be vulnerable with your team? And what makes you feel most vulnerable in a work setting? What situation experience circumstance makes you feel really, really vulnerable?

Hubert 23:22

So experience where I had to be vulnerable with our team. I mean, I there's been so many, you know, effect, it's, it's a constant. So when I studied at BestBuy, I knew nothing about retail. So you've noticed that I have two ears and just one mouth. So I spend my first week on the job working in a store? And asking the associates in the stores of blue shirts, three questions, you know, what's working? What's not working? What do you need? And they had all of the answers. So my job was easy. And so you know, lists as these questions, listen, take notes, and then do as I was told to, is this idea that as a, as a leader, I can say, My name is Hugh bear, and I'm going to need help. So that was one instance. The other instance, you know, the was in January of 2014. You know, we have had a few good quarters in

the context of turnaround. But during the November, December holiday season of 2013, our performance was below our expectations and below the market's expectation. So in January, we announced we're going to announce our results for November, December, and they were not they were not good. So the day before a gather that group of officers and said, Look, tomorrow we have a choice. Choice number one is we say all of the naysayers were right. We gonna die. That's the end of the story. Choice number two, we're going to say, look, we've made mistakes. We're going to look at them, we're going to correct them and get back on the saddle. And I asked you, I'm a movie buff. So I asked him, I talked about why do we fall bruise, right? To pick ourselves up, and said, everyone is going to write a memo to ourselves, self included about the mistakes we've made, and what we've learned from it. Of course, the vote was unanimous in favor of option two. And then the third example was when I joined, you know, the faculty at Harvard Business School. I had been successful in business, but the Dean didn't know Yeah, told me where we, we can debate whether or not you've been successful in business, there is no debate. You don't know how to teach, you're going to have to learn. And so I asked you asking everyone around me, do you have any advice for? I need your help. And so this could be examples of admitting we don't know. The other thing for me is admitting we don't know and asking for help. And showing the areas where, yeah, we need somebody else's help. That's how I think about vulnerabilities.

Jacob Morgan 26:19

And what makes you feel most vulnerable, what situation or experience or circumstance makes you feel really, really vulnerable.

Hubert 26:30

There's so many, usually, in my life experience, it's been about you know, human relationships. When there is some days of tension, and there's a misunderstanding, there's frustration. People get agitated, angry, disappointed. And usually, that leads me to freak out would be strong a word, but it's, you know, at a loss when that happens. And so I know that when this happens, that's a bit of a trigger for me, right? We have some triggers. So when that happens, I know I need to ask for help. Because I'm usually not gonna be able to resolve this on my own.

Jacob Morgan 27:24

Okay. What does vulnerability feel like? So when you feel vulnerable, and I've been asking this question to a lot of different people, what what does it feel like to you like in your body in your head? How do you know that you are vulnerable?

Hubert 27:40

So there's, you know, we have a, we have a head we have, I think as leaders are things I've learned in the last two years is that we need to lead with all of our body parts so you can feel vulnerable in different body parts. So why is the brain that's an easy one? I don't know. So I'm going to look for help. That's not a difficult one. Yeah. The heart is a is different, right? So I'm gonna feel vulnerable if I don't feel respected. If I don't feel loved, if I don't feel existing by compatriots, Rene Descartes said, I think therefore I am. Yeah, he was wrong. I think it's I am seen, therefore I am so if I'm not feeling that I'm seeing, I'm going to feel vulnerable, I'm going to feel lost. I'm going to be very vulnerable. That's even deeper in my soul, right? If the vulnerability is in my soul, yeah. Because it touches my very existence.

Right in so the feeling associated with relativity is gonna be different depending on whether it's in the brain, the heart and the soul. It's the feeling is gonna be deeper in that progression

Jacob Morgan 28:48

in the you so as far as like what happens in your body do you do you feel nervous? Does your heart start beating faster? Do you feel fluster? Like, when you know, you're being vulnerable? What What reaction do you do you notice?

Hubert 29:03

Yeah, all of the above, you lose, you lose your confidence. You You know your drains, in universities that you know, I'm afraid of heights. So if you place me in a place where I need to confront this, I'm also going to feel vulnerable and me shiver right so maybe it's physical. It may be in my guts that I feel terrible. This essentially feel I feel drained. I feel despair, and feel a sense of loss. And again, it's deeper if it's just the brain and it's easier. But if it's the if it's the heart or the soul, or if it's physical, so if it touches my very being, the essence of my being, then it's, it's much deeper.

Jacob Morgan 29:52

I love that way to think about it. So maybe we can expand on those a little bit. So physical vulnerability, I think makes sense, right? You're up high somewhere, or you're in a position where you can be physically hurt. Mental vulnerability, I think a lot of people can also relate to, I don't know how to do something, I make a mistake. I think the two really interesting ones are the heart and the soul. So what would be kind of like a heart vulnerability and a soul vulnerability,

Hubert 30:21

or high availability is that I feel nobody loves me. And I don't exist. Right? Because people don't see me. In fact, when we we've talked a lot in the last two years for sure about systemic racism. And we've all had certainly I've had many, many conversations with black African American friends, colleagues, co workers. And is this point, right? It's the this book, right? The Invisible Man. I don't feel that I'm seeing. And I don't exist. It's my, it's the core of my existence. That's, that's challenged. In darkness, where the heart and the soul that close. And when there's no hope, you know, every door seems to be closed, that we everything seems to be negative, and I don't see a way out. That's how people take their life. Right. That's the extreme form of liberty and I think this is when it touches our existence. And that's why even St. Augustine talks about self defense, right? We, we have a right. Because if it touches our existence, then you know, things really change fundamentally.

Jacob Morgan 31:42

Yeah, yeah. Okay, so that's the heart vulnerability which I get what soul deep? What's it like deep vulnerability?

Hubert 31:53

Well, the soles are livability. You know, the sermon, Christian. You know, Christ on the cross. You know, one of his words his father, Father, why have you abandoned? And it's not just a friend who's abandoned me if that's our Creator, right? And so it's a soul is the is the most sacred part of who we are. And so that's the image I have right is Christ on the cross? Now the is his fellow human beings

killed him, when he feels that his father has abandoned him. So there's no, it's complete. It's complete despair. Yeah,

Jacob Morgan 32:45

the way that I saw I have a similar framework in the book. But for me, the kind of a soul vulnerability, at least for leaders, is something that makes you question who you are as a person and who you are as a leader. Because I've through that a lot of the interviews that I've done with the CEOs, there are a lot of times where you know, they, they question a decision, maybe they question an action, maybe they question how they're feeling or how they're doing. But every now and then something happens, where they're like, wow, like, what kind of a person am I? What kind of a leader Am I should I write? And that to me is like a deep like?

Hubert 33:20

Yeah, and that's why it's so that's the fundamental point you're making. That's why in this time of uncertainty, is the question is, how do we how do leaders lead through these times of uncertainty? Yeah. And I was having a conversation with a with a group of CEOs at HBS, where were working together, we were working together on their key leadership challenges in this context of complete uncertainty. The the consensus of this group was to say, when this when this happens, you go back to number one purpose, what's, what's our purpose? Why are we here? Two is principles or values, because the world changes. But what are our values, our core values and principles. And then the third one is with humility. It's about doing our best not you don't control the outcome. So the only thing you control is, is doing our best. And I think that's a great exercise. And we do this exercise in the new CEO workshop at HBS. Is to, you know, for the new CEOs, we ask them to write down their retirement speech. How do they want to be remembered? My wife, the amazing autostick naughty, who is an executive leadership coach, she goes one step further, she asked her clients to write down their eulogy. Right, how do you want to be remembered on that day that you know you're here to do this? And so when we were last in, we're desperate ourselves and with our team, we can go back to this purpose and principles and values and if we If we fail in the pursuit of our purpose, but being in line with our values, you know, che happens. But we know, then identity is not question we've not compromised our soul.

Jacob Morgan 35:14

Yeah, it's interesting how we've seen this big pivot in the business world to talk about a lot of these concepts like vulnerability, because I would imagine early on in your career, this wasn't nobody's talking about this, right? Yeah,

Hubert 35:26

there's five words that I think go together with leadership today, which we would never have used. One is vulnerability, humility, humanity, empathy, and of course, authenticity being true to who we are. Yeah, we didn't use to use these terms, right.

Jacob Morgan 35:47

So one of the things I like to do kind of the last 1520 minutes of every podcast is to look specifically at some action items for leaders. So I thought there might be a couple action items that we can provide to

some of our listeners and viewers. And one of them is going through some of the themes of your book, one of them is this idea of pursuing a noble purpose. So what does that mean? And how do you actually pursue a noble purpose? Like if people were taking notes thinking, Okay, I want to do that? What's the action for them on what to do?

Hubert 36:18

Well, there's two levels around the demo purpose, what is the individual level? And two is the corporate level. And I think that's its purpose has become very trendy these days. at the corporate level, it really starts with the individual level, and then doing the work as a leader, as an individual, all of us are leaders, right, at least of our lives. For discerning what is our calling in life? You know, why? What is our reason for being? How do we want to be remembered. And remember, it's a very practical acts and ethics I did this by was doing one of our outsides was to ask every one of our executive team members to come to the site to come up with a picture of themselves when they were little, two years old, and we got some really cool, cute pictures. And then we spent the evening over dinner, sharing with each other our life story, and our purpose in life. Right. And, of course, we discovered that all of us were human beings, not just executives, and that we share the same kind of purpose in life, which is, at the height of every human being, is that this desire to do something good to somebody else, you know? And then we step back into the art. We're the leadership team of BestBuy. Why don't we use this platform, we have to create an organization that everybody's going to love our employees, our customers, or vendors, community, shareholders. And that's what we did. So the foundation was personal purpose, corporate purpose, and think it's real work, I think you find a corporate purpose at the intersection between four circles. What is what are the needs you're trying to address in the world, not defining your business around the products you sell, but around the human needs you're trying to address in the world? That's the first circle. The second circle is, what are we uniquely good at as an organization? The third circle is what are we passionate about? Because we have a cart? In the fourth circle? Of course, he's how can we make money? Right, and it's the intersection of these four circles that where you find your, your corporate noble purpose, at Best Buy these levers from, to evolve from being a retailer to being a company that's there to enrich lives through technology, then, of course, many companies now these days have defined a noble purpose. The work is about how do you make it come to life? And that's a lot of what I do an HBs and executive education program, we're in the MBA program with my coaching work. It's two angles, I think, what is make that purpose, the cornerstone of the strategy, so reflecting the purpose in all of the activities of the company, as the strategy root. And then there's the cultural roots, which is how do we create an environment where everyone at the company can write themselves into that story in can prove their behaviors? You know, effect? How are we pursuing our purpose? And that's a ton of work, but it's it's, it's fun, whacked?

Jacob Morgan 39:28

Yeah, I can imagine. The second big pillar of your book is put people at the center of the business. So what's the action item there for leaders? How do you actually put people at the center of the business because it sounds nice. Not so easy to do.

Hubert 39:42

Every company on the planet says that people is the most important thing they have for this. So the question is, what does it mean in practice? It really means thinking about pretty much everything you do

by thinking first about people. Let's take a few examples. And that's it. This was something I learned from the client a long time ago when it was at McKinsey said, you bet when you do your monthly, let's say, performance review meetings with your team, start with people, then go to business, then go to financial performance. Right? He was saying in business, there's feedback that you need to have the people in front of you to have the right team properly equipped. The business imperative, you need to have clients and products and so forth in any other function better, you need to make money. And it's, of course, you said, the excellence on the people and guarantee that leads to excellence in the business imperative that leads to excellence and financial impact. But then the concrete application goes on, to run a meeting is it okay, if you start with financial performance, financial results, I know you, you're going to spend the entire meeting on financial results, and you're going to dissect these numbers, until the as if there was no tomorrow. If you start with people and organization, and then go to business, I know your CFO will make sure there's enough time on the financial results, but at least you will have understood the drivers of that. So it's been my tradition, whether it's a management meeting, or board meeting people, business, and finance. When you start a new venture, spend enough time making sure you have the right team, if you're trying to turn around a business, my first week on the job was spent working in a store listening to the front liners, and then working in parallel on making sure we will have the right team to, to do these things. And it's about placing people at the center. It's about creating an environment where everyone can be their best. So in the in the height of business, I talked about the ingredients to create human magic, there's five of them that we talked about in the book, one is reading, making sure everybody at the company can connect what drives them with their work. So for example, I had a store General Manager in Boston, you can we ask everyone in the store? Every employee every assumptions about what is your dream? at Best Buy, Best Buy, what is your dream? Okay, write it down in the break room. And he said, My job is to help you achieve your dream. Right? So it's not communicating the corporate purpose top down and asking Jacob are you excited about our new purpose? No, starting from your purpose, and then connecting it with your work. It's about human connections, making sure everybody feels seen and that they can be themselves. It's about autonomy, creating freedom within a framework. You know, as human beings, we can be our best critical learning environments where we can grow. Integrating a growth mindset, where it's not about cut, cut, cut, it's not about zero sum games, but it's about creating new things and creating a future that does not exist yet. But that is worth creating. So in all of this, it goes back to finish with this goes back with a singular idea, which is a company, at the end of the day is a human organization, made up of individuals working together in pursuit of a goal. All the rest is made up so that you see that the company like you that then of course, you put people at the center.

Jacob Morgan 43:28

The last two from what I remember from the book are creating an environment where every employee can blossom, and treat profit as an outcome, not the goal. So let's talk about creating an environment where every employee can blossom. What can leaders out there do to make that a reality? Yeah,

Hubert 43:45

so that's the five ingredients I just mentioned. But let's double click on that. So for example, creating a learning environment. Right, many companies do smash training. Yes. Here's the thing. You know, all of us as individuals have different needs. You know, for example, let's imagine for a second, it's not true. But let's imagine for a second that Roger Federer and I have the same coach in tennis, right? It's

not true. But let's imagine I can guarantee you that our coach would give us would help us work on different things. So why think we did that space, we give it up individualized coaching for 100,000 people, wow, one employee at a time and recognizes the idea of recognizing the unique genius of every individual. Similarly, how we do performance reviews. In the old days, and I'm sure many of us have had this experience, right, your boss would tell you three things you're doing well, greetings that you need to work on. How draining is this? So I completely changed how we did performance reviews with my direct reports. Instead of metering. Then you know whether we're good athletes when they need to work on and we'd ask them, What are you most proud of? What are the areas where you think that you you'd like to get better? What are the the areas where you're going to be focusing on? And what are you going to do about it? And my job in these performance reviews was pretty simple. One was on the first part, which is things they're proud of, to women to remind them of other things they've forgotten to mention, but that really, they are amazing at. And then on the fourth point, which is the action plan, how can it be helpful, right, but it's putting that development plan in their hands, as opposed to telling them what they should get better at. These are exactly the other one is autonomy, right? As human beings, we don't like to be told what to do. So we spend a lot of time at best by pushing down decision making as far down as possible, including a Drive team that could do their thing without the encumbrance of the senior team. Getting in there in their results. These are some examples. I think it's a revolution, Jacob, meaning that this revolution of meaning from a place of purpose in which humanity and with this focus on human magic, I had to personally unlearn so much of what I have learned at business school in my early years as an executive, and reinvent every management practice around these ideas of purpose and people.

Jacob Morgan 46:27

And every last one, which I think is also very important treat profit is an outcome, not the goal. I think it's very hard for a lot of leaders. But can you talk a little bit about what that means? And of course, you had a lot of real life examples with that with Best Buy, when you came in, turn the company around, right?

Hubert 46:44

Yeah, it's a, that's something I learned from that client. 30 years ago, when he was talking about the three imperatives that people business and finance, financial results, are exactly the result of which we have what our employees do for customers, and with vendors to create, you know, products and services that people want and deliver them in a very effective fashion. So they're, of course, very so performance, profits and imperative. We need to make money. But they're a result. And by the way, they're not the ultimate goals for two important notions. So they're not, they're just a result. That is, what's key is to manage the drivers of financial performance, as opposed to financial performance, per se. If you miss financial performance, per se, you're going to make mistakes, and you're going to cut class in a way that's counterproductive, you're not going to invest. If you're running a pharma company, believe me, it's easy to get r&d in half. And you're going to have a few good years, until Oh, there's no pipeline. And there's so many examples of failed companies, that I'm these days, it's a result, it's an imperative, it's a result. It's not the ultimate goal, I think the ultimate goal of business back to purpose is to do something good in the world. And to do that, for all stakeholders, one of the things we've learned in the last few years is that we need a declaration of interdependence. Business cannot be successful in isolation. If the planet is on fire, we're not going to have a business. If the community is on fire, we're

not going to have a business. Now. In that context, shareholders are very important stakeholder, right? They're taking care of our retirement. So we, we care about them. But it's not glass. And we have to serve, we have to make sure we serve all of our stakeholders in a congruent and aligned fashion that produces I think, Win Win Win outcomes, winning simultaneously. Our goal is to simultaneously serve all of our stakeholders in a way that's winning.

Jacob Morgan 48:51

Well, I know we are just about running out of time, and maybe one or two more questions for you. What advice do you have for all the current or aspiring leaders out there who are trying to figure out how to lead better in this crazy world of work that we're all a part of? Any tips or advice? Yeah, I

Hubert 49:12

think the advice that These are strong words, but I think the again, the world we live in is it's a bit daunting, right? There's many reasons to be concerned, to be pessimistic. There's a lot of things that are not going well. We can choose to despair. Where as leaders, we can choose to see this moment as a leadership moment, with a responsibility in the imperative to do our best to create a better world to create a better outcome. Not alone but with our teams. And I think this is a moment where, you know, during COVID When we couldn't go outside, we could go inside and spend time with ourselves. Right? How do I want to be with Members, What difference do I want to make in the world? How do I want to work with my team? What problems do I want to tackle in the world, and be very purposeful. So this is a time for purposeful leadership in support of creating a future that does not exist yet, but that certainly needs to be better than what we have. Now. The second piece of advice related to this is, we need to take care of yourself. This is hard. Yeah, the name of the word of resilience comes in a lot of discussions, right? It's easy to get exhausted. And so during this time of constant challenges, taking care of yourself physically, emotionally, spiritually. Now, whether you do this through meditation, through yoga, through prayer through your personal board of director, we need to find a way to where to take care of yourself. It's like I finished with that image when we were number Jacob long time ago when we're flying on airplanes. And the steward would tell us, when the stewardess, if the oxygen masks come down, put the mask on first before you help others.

Jacob Morgan 51:09

Yeah, yeah. Yep. I love that advice. I talk about that in my book, too. You got to take care of yourself. And you know, self care is not the same thing as selfish care, which is an important thing for people to remember. Well, you bear it's it's always amazing to speak with you. Where can people go to learn more about you to grab your book, anything that you want to mention for people to check out?

Hubert 51:34

Yeah, the written this book as a almost as a manual handbook for leaders who are keen to move in this direction. In though it's hard. And so the corner of wisdom around this, but I wanted to share everything I've learned. So you can find a book everywhere where books are sold on Amazon and every bookstore, and like web sites, as additional resources. And my website is up, actually, my first name and last name that work in LinkedIn survey, so a lot of good resources on LinkedIn as well.

Jacob Morgan 52:12

Very cool. Well, thank you again, for being a wonderful guest. And thank you everyone for joining me my guest again, cubera Zhu Li make sure to check out his book, he's pretty easy to find. He's sharing content all over the place. And I think you'll benefit from it and become a better leader if you check out some of his work. So if you bear thank you again for taking time out of your day. I really appreciate it.

Hubert 52:32

Pick up so good to see you. Thank you.

Jacob Morgan 52:34

Thanks. All right. Don't hang up yet. Let me push that record. All right, that was great. So stop recording