

Jacob Morgan 00:00

worry card, that would probably be a good idea. Just one second. All right, there we go. All right. Well, unless anything else, I'll jump right in. If that works for you. Go for it. All right. And so you know, I have lots of questions. But if there's something that you really want to talk about that I forget to ask, you just cut me off and say, Hey, Jacob, I really want to chat about this. And we'll jump into that topic. I will do. Okay. Hey, everyone. Welcome to another episode of leading the future of work. My guest today is Alan Murray, CEO of Fortune media, also the author of a brand new book called tomorrow's capitalist, my search for the soul of business. Alan, thank you for joining me.

Alan Murray 00:48

Great to be with you, Jacob. Thanks

Jacob Morgan 00:50

for having me. Of course, of course. Why don't we start with a little bit of background information about you? So how did you grow up? Where were you raised? How did you get involved with journalism and ultimately, ultimately becoming the CEO of Fortune media?

Alan Murray 01:05

Well, I've, I've been a journalist, literally my entire life. I started when I was, when I was nine years old. For some reason I had this compulsion to walk up and down the street and ask people about their missing pets or their visiting grandmother or, and I would take notes and my, my I have here on my desk, I'll show it to you. If you want the old typewriter, my mother used to type it up using special carbon paper. This is I'm aging myself here, Jacob. But this is before the days of Kinkos and easy access to Xerox machine. So I had a jelly sheet mimeograph machine that I could where I could run it off and print 30 copies, and I sold them for a nickel. So I've been doing this before I was old enough to think about it, which from time to time, kind of disturbed me, I would have liked to have made a choice. But I've been a journalist pretty much my entire life.

Jacob Morgan 01:59

Wow, that's crazy. And how did you get to become the CEO of Fortune media? So you transitioned, you know, from journalist from purely creating the content doing the story, it's now actually running, you know, this global media empire?

Alan Murray 02:12

Yeah, well, well, look, I mean, going back to when I was nine years old, I was a journalist, but I was also an entrepreneur, I was creating a little business then. And really, most of my career has been a cross of, at least, management and journalism. I mean, I ran my high school newspaper, I ran my college newspaper, I helped the the Chattanooga times my hometown newspaper, create their first business section, worked for the Wall Street Journal for a long time, that a lot of kind of intrapreneurial stuff for them. So it's not as big a leap as it might seem. It happened, a fortune, you probably know was one of 24 magazines, owned by Time Inc. Time Inc, five years ago, sold to a company called narrative, which then turned around and sold off four of its best known titles, fortune, time, Sports Illustrated, and money. And the buyer of Fortune asked me to come on as CEO.

Jacob Morgan 03:16

Hmm. I love the history of the company, because probably few people know, but what did the company start almost 100 years ago?

Alan Murray 03:24

That's right. That's right. Yeah, very good. Yeah. It was Henry Luce. Yep, created Time Magazine about 100 years ago, early 1920s. And then, as the 20s, roared on, you know, as a great air era for business. He went to his board of directors in 1929, and said, I think we should create a business magazine, and he took him up a prototype. Now, this was September of 1929, which was bright, you know, in the midst of the boom, the magazine didn't actually launch until February of 1930, which was at the beginning of the bust and the Great Depression. So our our early years, were covering the pain of the Great Depression. But yeah, that's that's the the history of the of the publication. It's interesting,

Jacob Morgan 04:13

because I know a lot of people oftentimes use fortune media as a case study, because they say, oh, you know, you can launch businesses in tough times. There's opportunity in tough times. And people frequently say, like, look at Fortune media, they, they really launched during the Great Depression, and, you know, look at what happened to them. You could do it, too.

Alan Murray 04:31

That's right. And the other thing I'd say about that history, Jacob that I think it's significant, it really gave us from the very beginning something of a social conscience. And we have in the last quarter century worked in various ways to develop that our most powerful women in business list is about 25 years old and and I think a number of the people who are in senior leadership positions, number of the women who are in senior leadership positions Since we'll say that we played a role in getting them there, we have another list called 100 Best Companies to Work For that we do in conjunction with a great place to work Institute. And I think that's also 25 years old, and I think has played a role in raising the level of the way companies treat their employees. And then in the last five or six years, we've we've doubled down yet again, we created something called the Change The World list, which focuses on companies that are explicitly trying to address social problems as part of their profit making strategy. And we created a community called the CEO initiative that is a couple of 100 CEOs who meet regularly to share best practices on how to improve their social impact. At the same time, they're building profitable businesses.

Jacob Morgan 05:55

So I do have some more serious questions for you. But before we jump into those the you guys are famous for the cover the cover of Fortune Magazine, every business leader wants to be on the cover. So I have to ask you, how do you get on the cover of Fortune Magazine? What's What's the requirement? What do you guys look for?

Alan Murray 06:14

Well, here's here's the most recent issue. Sam Backman fried. So one way you get on the cover is to create a business that makes billions and billions of dollars as he has done in in crypto. Winter, there are other examples. I'm just flipping flipping through here. This is Sara Blakely, the founder of Spanx,

which again, you know, turned into a multi billion dollar business. So I guess I would say the best way to do it is to create a very successful business,

Jacob Morgan 06:51

create a very successful business, then you can email Elon and see if you can get on the list.

Alan Murray 06:54

Yeah, say I would like to be on your cover. All right.

Jacob Morgan 06:58

So shifting to something a little a little more serious. I mean, you've been in this space for a long time, you've interviewed a lot of leaders over the years. How, how do you think maybe we can start with business, then we'll shift over to leadership. And when you look at how business itself has changed over the last 1015, even 20 years? What was business primarily about when you first started? And what is the big shift that you're seeing as far as business in 2022 2023? And beyond?

Alan Murray 07:27

It's it's really dramatic. Jacob? Look, I've been watching business, and particularly the intersection between business and society for four decades now. Yep. So different today than it was when I started four decades ago. So how is it different? I mean, that's the point of the book. And I could go on forever about that. But let me give you a single statistic that I think captures the difference in a pretty dramatic way. If you looked at the fortune 500 companies in the 1970s. And you asked the question, where is the value coming from in these companies, and you looked at their balance sheets to determine where the value was more than 80% of the value on the balance sheets of fortune 500 companies was in physical stuff. It was plants, it was equipment, it was oil in the ground inventory on the shelf. So if you had the stuff, you could create value. And that's why we developed a system that depended so heavily on returns to the providers of capital because you needed capital to accumulate the stuff and then the stuff gave you the value. If you do the same exercise today, look at the balance sheets of fortune 500. Companies say where's the value coming from more than 85% of the value comes from what are called intangibles can be intellectual property, it can be the brand connection with the consumer. But the point is that those are all things that are much less tied to physical stuff, and much more tied to people, to the people, either your employees who can walk out the you know, walk in and out the door every day, or to your special relationship with your customers. And so over the course of that 50 years, business has necessarily become much more human. Because people are where the

Jacob Morgan 09:24

value is. It's interesting, speaking of people, so I interview a lot of CEOs and authors such as yourself, and just really interesting people on the show. And I've kind of noticed two camps. I'm curious which one you might fall into. So it seems to me at least, that there's a little bit of a mis balance in the world as far as organizations and talent, you know, used to be 50 20 years ago that a lot of the organizations have the power and they dictated the pay the benefits when you work, all that sort of stuff. And now Oh, the pendulum has shifted into the hands of employees. But from what I'm hearing from a lot of executives is that some people believe it shifted too much. And that, you know, when I talk to a lot of CEOs, they say, Look, we're hiring people. And sometimes the people that we're hiring, they want a

ridiculous amount of equity in the company, they want to make more money than even their boss's boss makes. And on top of that, they never even want to come into work. And right, the perspective is kind of like, it's gotten so out of whack. So out of balance, I mean, can you even imagine a time like 1015 years ago, and somebody said, Hey, you know, I'd love to work at Fortune media. And he's like, great, great, you can have the job. Oh, by the way, I never want to come in. Like, you know,

Alan Murray 10:43

they're important. They're very important. I love your question. And I see both sides of it. You know, is it good? Is it bad? I mean, there, there's good stuff, and there's bad stuff. But there's no question that it's, it's different. I mean, I spent two years between the Wall Street Journal. And starting at Fortune, I spent two years running the Pew Research Center. And we did a lot of research on the millennial generation. And one of the things you realize, when you look at that research is, this is a group of people who are much slower to get married, much less likely to belong to an organized church, not big joiners, generally, so they don't belong to the Rotary Club or the moose club. And you realize that the employer is their most significant formal connection, in many cases, their only formal connection to society. So all their hopes and dreams and expectations and desire to do good get channeled towards that employer and, and that has some good effects and some bad effects and good effects. I mean, for the last decade, I kept have i fortunate in my position to spend a lot of time talking to CEOs who run large organizations, I mean, hundreds of them over the course of 10 years. And I noticed that they were talking very differently about their responsibility to society, about their feelings about towards the environment, rising inequality, all of these issues that used to be thought of as government issues, not business issues. So I always said to them, Why are you doing this? Why are you talking about this? Why is this a focus? Every time the first answer was there multiple reasons, but number one was my employees want me to. So companies or feet are definitely feeling that pressure. And I think in a good way, it's making them better. You know, there are certainly moments of frustration for every CEO, including me, where, what, where employees seem to be. I'll give you an example. Let me give you a fun example, from my own experience. We've been very flexible about return to Office at Fortune. So you know, we do free lunch on Wednesdays, a lot of people come in the rest of the week. There aren't a lot of people in the office. And in May, when you're heading towards summer, I got a couple of notes from people on the staff who said, are we going to do summer Fridays this year? At some point you're talking about? None of you have been in the office on a Friday in two years? Why would we do summer Fridays? So there is a sense of entitlement that I think for people in leadership positions can sometimes sort of knock them back. But for the most part, I guess I would say the new generation has had an extremely positive impact on the direction of business.

Jacob Morgan 13:43

Yeah. And so sorry, you cut out there for a couple of seconds when you were talking about some of the topics that a lot of CEOs are talking about. Now. It sounds like you said one of them was diversity and inclusion. What were some of the other ones that you keep hearing about the three big

Alan Murray 13:54

ones that we've found in our conversations? One is inequality and opportunity. Okay. You know, the JFK notion that a rising tide lifts all boats seems to have been challenged in recent years, we've had a rising tide, it has not lifted all boats. And so I think a lot of CEOs feel a lot of the best CEOs feel

responsible for, like, what can we do to restart that escalator of opportunity now to make sure that more people have the opportunity to access the good jobs that were created. So that's one, two, certainly diversity, equity and inclusion, which was on most CEOs radar screen before the George Floyd. Killing, but certainly jumped up dramatically in the months afterwards, it's it's a big issue for a lot of leaders. And then the third is climate. You know, if you again, look at the fortune 500 companies, there's been close to a three 100% increase in the number of fortune 500 companies that have made some sort of net zero commitment in the last three years, and it's now a majority of Fortune 500 companies have made some sort of net zero commitment. Now, you can have an argument about how many of those are sufficient or even real, or are they just public relations? But, but it's a big change, and a lot of them clearly are real.

Jacob Morgan 15:26

Yeah, no, it's not. I mean, I mean, that's great to hear as well. So it sounds like you're optimistic and positive. Because, you know, that's kind of the one camp that I hear from CEOs is that, you know, employees are kind of taking advantage. And the other side I hear is, Well, you guys deserve it. You know, you these are the types of organizations you created for years, you didn't treat employees? Well, you didn't change your workplace practices, you had leaders who were berating their people in front of their teams. And yeah, now employees have the power. And now it's their time. So it's kind of like this really interesting balance that's happening. But at least from what I'm seeing, and hearing, it seems like it almost swung too much. In the hands of employees, and it needs to get balanced a little bit, I think even you the example I've used on this show a lot is, you know, the CEO of Amazon, he raised the minimum wage. And now people were saying, Hey, can you raise it, I think it was at 17 or 18. And they're saying, raise it to 25 and 28. And he had to push back and say, at a certain point, this doesn't become a scalable and realistic thing for business. Like, it's just, you can do so much. But at a certain point, you just don't have the resources to give you that much equity or to give you that big of a salary. So do you think there's misbalance?

Alan Murray 16:49

No, I really firmly believe there is more good than bad? Look, it depends a lot on the company. Yeah, Amazon is not at the top of my list of companies that have traditionally treated its treated their employees? Well, I think there's a feeling from people who know the company well, that they've, they put a premium on technology, over a premium on people. Interestingly, they're their biggest competitor, you might argue Walmart has surprisingly done the opposite, much more focused on building a strong people culture. So, but I mean, to your point, they're clearly examples where employees overreach, some of this returned office stuff, I never want to come back to the office again. I think there's been a lot of done harm done by employees of tech companies saying we don't want you to work with the US government instead. Are you kidding me? I mean, every Chinese company is required by charter to work with the Chinese government, and you're gonna deny leading edge technologies to the US government. What kind of a world are you creating by doing that? So plenty of examples of overreach. But my sense is, on the whole, there's been more good than bad out of the employee activism.

Jacob Morgan 18:14

It's funny that you mentioned the government's some, my wife is a speaker as well, but she focuses on customer experience. And she was giving a talk for a large company. And one of the things that she

wanted to share it was a story about the military. You know, it was a pretty good story. And the company said, We don't want you to have the military story. We don't want you to talk about the military in this presentation. And, you know, my wife and I were both very, very surprised by that as well. It's like, you know, it's just interesting to see kind of the changes that we're starting to see. So, I agree with you. I mean, I think there's been a lot of positive change. You know, one of the other big questions that a lot of people keep asking her, do people even want to work anymore? You know, I think there was, right, we keep hearing about quiet quitting. We hear about the group resignation, I think there was a report that came out. What was it a couple of days ago that said, how much of COVID Relief how many billions, like 40 billion of it was fraud. We keep hearing stories of people getting ghosted. You know, I myself tried to hire somebody fairly recently. She went through training and then just disappeared, completely ghosted me. And so, at least a lot of the CEOs that I'm talking to are even questioning that, like, do people even want to work anymore? You know, they don't want to come into the office. Are they having side business? I mean, what do you think about all this? Do people still want

Alan Murray 19:35

to work? I think it's a little bit overblown. Look, there are obviously people there have always been and still are people who don't particularly want to work don't like their work and would like to do as little of it as possible. And the other interesting thing that happened during the pandemic was people who had a side gig. So I'll do I'll do the minimum I have to do at my main job, but then I'm creating this little business on the side. You know that I'm running through Etsy or something, it was a fair amount of that. So I you know, and and it's not surprising that that drives CEOs up a wall. But geez, the companies that I the great companies that I talked to on a regular basis, I don't have that problem at Fortune people are working very hard companies like Accenture and Salesforce and workday and you know, all have armies of people who are working very hard, I still think there. There are plenty of people who are willing to work hard. I mean, what, look what happened was going to work became dangerous, even existential. And so there was a group of people who said, who went home and discover they had big responsibilities, caring for their children or their parents or someone and decided I'm not going to go back. And so you do have a large group of Americans who have withdrawn from the labor force. But that's not a huge surprise, given the given the shock of the pandemic.

Jacob Morgan 21:08

So we talked a little bit about business. Now, I want to talk a little bit about leadership, specifically leaders. So it's interesting. So I have a new book, I'm working on exploring leadership and vulnerability which will come out in a year from now, which, yeah, it's a great time. I mean, I can't imagine having to write or even talk to CEOs, I don't think anybody would have been willing to speak with me about this 510 years ago. So I think it's been a big change. But you obviously talked to and interviewed a lot of leaders, how are you seeing leaders specifically as individuals changing? Yeah, it's

Alan Murray 21:42

a very big change. And look, let me put it, let me again, put it in some historical perspective, the big companies of the 20th century were kind of information hierarchies, you had all these people out in the field collecting information, they would send it up the chain until it got to the C suite. And then the people in the C suite would sit down and formulate a strategy. And then they would give everyone orders and the orders would go back down the chain. No company works like that today. I mean, first of

all, information doesn't travel uni directionally, it travels Omni directionally second, the world is just changing too fast for you to sit around and wait for somebody up in the C suite to tell you what to do. Strategies. You know, five years strategies that used to be commonplace have become many of them have been tanked. Because you can't see five years into the future and know what's coming. And so business has become much more about empowering people at the edge. And that changes the job of the leader vary dramatically, because it becomes much less about telling people what to do, and much more about inspiring them motivating them. And so when you get to the question of vulnerability, that means your job as CEO of one of these large companies, is not to convince people you have all the answers because you don't. And if you try and convince, convince them, you have all the answers, you'll end up failing. It's instead it's to create the glue, the engagement, the reason the motivation, and sometimes vulnerability helps. I'll tell you my favorite example. This is probably already on your radar screen, given the research you're doing but the late Arne Sorenson Oh, yeah, of course, CEO of Marriott. You know, when the pandemic first hit, and what happened to Marriott business, I mean, they dropped by 99%. I mean, it just dried up. And he had no choice but to furlough. Many, even most of his employees, and he taped a two minute Twitter message that is extraordinary in the annals of business history, I think. I mean, part of what makes it extraordinary what is that he was dying from cancer at the time, and it was showing, but he was also very moved by what he was going to have to do in order to, to weather the pandemic. I mean, I watched that, watch that thing. And he did it on Twitter, so everybody could see it. I watched that thing and was in tears. I wanted to go work for him. Yeah. And it was an amazing example of authenticity and vulnerability, helping you lead through a crisis in today's world.

Jacob Morgan 24:29

Yeah, I remember that. It's one of the examples. I love to share, too. It was a great read. And you're right. Yeah. I mean, a lot of people didn't even realize that he was going through cancer treatment. And he was, you know, I think the last last few months of life and still still did that. It was a fantastic example. So it seems like there are some great leaders out there, but why do you think so one of the things that puzzles me is that we've talked about the changing nature of leadership for years, we've written leadership books for years. You would think that by now collective Leave the business world would be filled with amazing leaders who put people first who care about them who do the right thing, who are vulnerable, who are empathetic. Yet most employees around the world, if you look at all the engagement numbers out there still say that they're not engaged in their jobs, they don't trust their leaders, they're unhappy, you know, the list goes on and on and on. Why is this? Issue? Why are we having such a hard time with this?

Alan Murray 25:25

Well, first of all, I don't think it's been that long, that we've understood this change nature of leadership, I don't think it's been really built into the curriculum of business schools, for example, in, in his powerful way, as it could, I mean, it's starting to but but I don't think it has been for a long time. Second, it's, this is hard. This is not easy to do. I mean, there's something very simple and clarifying about the Milton Friedman view of business, that your social responsibility is to make a profit period, it sort of boils it all down to a financial equation, where you look at your return to shareholders, and if it's heading in the right direction, your fine. Life is much more complicated when you realize your job isn't just about getting that right. It's about engaging with your employees and engaging with your customers and

engaging with their communities in a way that inspires them. You it's just a bigger, more complicated job. And, and I think, just to put it in a little bit bigger context, you know, we spent most of the 20th century trying to teach people to act like machines. And that's what scientific management was about, we're gonna have a giant production line, and you're a cog in the production line. So you're just part of this big machine that's spilling out cars. And what's becoming clear in the 21st century, is that we need people to be better people as human skills, and we just haven't our education systems, and our training systems haven't quite made that turn yet. That it's, it's the human skills. I mean, I I studied literature's and undergraduate, I think everybody should study literature, if you studied engineering, that's an important set of skills. But that's not going to help you with the inspirational challenge that you and I are talking about.

Jacob Morgan 27:28

Yep. No, I couldn't agree more. You know, one of the other really interesting things, and I don't know, if you've been hearing this, from a lot of the interviews that you've been doing, it seems like now is probably the hardest time to be a leader. You know, granted leaders, I think, have more impact now than they ever did before. But it's also really hard. And one of the big challenges I think a lot of leaders are faced with, from what they are sharing with me is that, on the one hand, we want them to be transparent and open. What do you stand for? What do you care about? What social causes Do you believe in? How are you going to fight for them. But on the flip side, if you say the wrong thing, people are very quick to come after you. And they're very quick to try to tear you down. And they're very quick to, you know, not give you a break and understand that you're a human being. So how do you think leaders need to balance that, right? I mean, on the one hand, we want vulnerability, we want that transparency, we want that authenticity, but on the flip side, there's this expectation that you're never going to screw up, that you're never going to say the wrong thing. And that you might have an opinion or belief or value that disagrees with mine. And, you know, we don't seem to have as much of that acceptance anymore. You've seen that at all from the conversations you're having,

Alan Murray 28:40

uh, but but and look, I mean, first of all, it is hard. It's much harder. You are going to screw up. I mean, just take that for granted. You live in a social media fishbowl? You know, the Great, the one of the great examples of recent years was when those security guards came on that United Airlines flight and Dr. David Tao, and somebody captured it on on on their smartphone. And within 24 hours, it was trending in China, on the other side of the globe, and people were canceling canceling flights on United Airlines because of it. And the CEO Oscar Munoz of United Airlines made a critical mistake. He was at the time worried about his employees who were you know, who were unhappy and there was a union push going on. And so he put out a statement aimed at his employees that said, I just want you to know that, that no one who worked for United had anything to do with taking Dr. David Dow off the plane. Well, that was comforting to the employees, but to the rest of the world that just seemed very hard. Hardison didn't really matter who did it. It's that it happened. And so we got further pummeled for that. So that's just indicative of how how difficult it is. And and I think what it means Disney in Florida is another great example. Right? Actually, can we take a take a minute on that? Yeah, of course, please. So what happened in Florida, Bob chapek, the CEO of Disney, when Florida passed this law restricting conversations in schools about sexual identity below a certain grade, Bob chapek said what every CEO would have said 10 years ago, I'm not going to get involved. It's controversial. I have a big, you know,

amusement park in Florida, I don't want to have anything to do with it, I'm going to keep my mouth shut. For two weeks, he didn't say anything. And by the end of those two weeks, he had a full fledged resort revolt on his hands of some of his most valuable employees, the creatives in California who make the man magic, what is Disney, Disney is these amazing films and the people who provided the amazing part of those films were in fullbrook revolt. And he met with them and discover that they felt very deeply about that middle school elementary school experience when sexual identity is first emerging, and just felt like he had to speak. And so two weeks late, he comes out and says something and then the state of Florida goes after. So we kind of got the worst of both worlds. His conclusion was, I had to speak out. But I think the failure was not having built those relationships with those employees earlier. So the complicated part is understanding as a CEO, your job is not just to come up with a strategy and manage the bottom line, your job is to understand all the stakeholders in your business who have a significant say, in what you do, and be in touch with them and understand what their concerns are so that you don't get caught off guard when a crisis happens.

Jacob Morgan 31:55

Yeah, so it sounds like relationships help mitigate risk. And you know, there, it seems like there's different types of CEOs or CEOs, who, they don't really have relationships with employees, but every now and then they'll do a video, they'll do an all hands and you're like, oh, great, that's the CEO who had never seen, or there are other leaders out there, who have more of that relationship with their teams. And you know, you see them, you know, maybe walking down the hall, you talk to them, you get to know them. And then when they make a statement, it's kind of like, well, I know that person, like, I know their intentions, I know what they care about, I know their values. And so there's less of that, you know, we're going to come after you and more of that, well, we're going to give this person a break. Because we know this person is a human being.

Alan Murray 32:37

Yeah, and it's what you and I were talking about just a minute ago, the classic CEO of the 20th century was an engineer. They build systems, they put things together, but but didn't necessarily have the strongest human skills to do the job today, you need those human skills, because that's what it's all about.

Jacob Morgan 32:57

Yeah, and I suppose that's a challenge for a lot of leaders, because that's not, you know, the assumption is the ivory tower, you kind of sit away from everybody, and you get to kind of do whatever you need to do. But I mean, for you as a CEO, how many employees do you guys have actually?

Alan Murray 33:11

Oh, well, we're, we're relatively small, we have around 200 employees.

Jacob Morgan 33:15

And so how do you deal with some of these things, right? Because I'm assuming even your employees, they want to know, like, what you think about social or different social causes or injustice is and your feedback, your stance on stuff. But I'm sure you sometimes probably also feel maybe a little bit uncomfortable to talk about something or unsure what to say, how do you navigate that?

Alan Murray 33:35

Well, first of all, I wouldn't begin to say that I'm an exemplar, or that I'm perfect at it. I mean, this is hard stuff. And I'm learning along with everyone else. But But I did come into the job with skills in communication. One of the things that I decided to do early on, even though I was running the company was to continue to write 300 words a day as part of a daily newsletter called The CEO daily, which, you know, gives me an opportunity to communicate with our audience, but it also gives me an opportunity to communicate with my employees. So they get to see what's on my mind and what I'm doing and what I'm thinking on a regular basis. I do open town halls, you know, invite everyone to ask questions. We have even experimented with using a tool called pigeonhole. So if people don't want to be identified, when they ask questions, they can still ask the question, try to be very, very transparent with people. I do regular meetings with new employees. I think it's just a lot of meeting communicating. I mean, one of the things that I started doing is when we have lunch on Wednesday, I just go to the to the common room where everybody's eating lunch and try and eat with a different group of people every day just so I'm closer in touch. I mean, it sounds almost political and I I hate to use the word political because politics has become so devalued and ineffective. But but there are a set of political skills and communication skills that you have to develop today to be an effective leader.

Jacob Morgan 35:17

What's wrong with the business approach of shareholders first, we need to make money first, why does that approach not make sense for businesses anymore?

Alan Murray 35:27

Well, it doesn't make sense if you do it in the short term. I mean, look. It in the short term, if you're, if you're I mean, I was in the C suite of timing during the final days of that company. So I saw and there was a, there was an activist in the stock, there's a big focus on what are our results going to be this quarter, if you're focused on the results, you're going to report to the market in this quarter, there is no end of bad things you can do to improve those results, right? You can, you can cut, you can crimp on training programs, you can cut on product improvements, safety programs, you name it, I mean, there are endless things you can do in the short term that will boost your profits in the short term, and hurt consumers, employees, communities, the environment, whatever. But But where that all goes away, is if you think about longer term, you know, you won't have a successful company. If the planet is on fire, you won't have a successful company, if society is in Civil War, all of these things, if as long as you're thinking about the long term, all of the social effects will, you won't have a workforce if we don't figure out how to improve the escalator of mobility. So all these things that help society in the long term are also going to help your business business in the long term. And so I think at the end of the day, an awful lot of it comes down to timeframe. It was interesting to me just last point that I wrote one of the first stories on the business roundtables decision to change its purpose of a corporation from the shareholder first approach that you just articulated to a stakeholder approach. And I was given four people to talk to about that decision. Mary Barra of General Motors, Ginni Rometty, the CEO of IBM, Alex Gorsky, the CEO of Johnson and Johnson, and Jamie Dimon, the CEO of JP Morgan. And they didn't say this. But what I realized was those four companies have all been around for more than 100 years. They are the exceptions, but they're exceptions that are focused on the long term. So I think if you just say I want to create something here that lasts for 100 years, or 200 years or 1000 years, that

you're going to deal with these social issues in a different way than you would if your concern is how do I get the maximum amount of cash on the table to please my shareholders at the end of the quarter?

Jacob Morgan 38:12

Yeah, it's a good way to think about that. Usually, the last 15 minutes of the show, I like to focus on specific action items that people can apply in their lives or companies. Before we get into that kind of two fun questions for you. One is, what's the worst interview you ever had? And you were Have you ever bombed an interview? Or was there one that was really awkward and just didn't go well, and a story you can share?

Alan Murray 38:38

There, there are so so many, but I'm gonna mention one that's maybe an example of the best and the worst. And, and it's on. It's on YouTube, if anyone wants to go see those. There's quite a number of years ago, I think it was seven years ago, Larry Page, alphabet, who hasn't done a lot of interviews. So it was a rare opportunity. I interviewed him in front of 100 CEOs at the Fortune Global Forum in San Francisco. And you know, the thing about interviewing CEOs is they tend to be have a lot of media training. So they tend to be very disciplined, and it's hard as an interviewer to get them to actually answer your question. And what was so both refreshing and mind blowing about Larry Page was, he didn't seem to have had any media training and actually thought about every question and answered it sincerely. So I said he had just created alphabet, right. From, you know, the holding company, the broader holding company for Google. And some people at the time, were saying alphabet was modeled after Warren Buffett's Berkshire Hathaway. It was important folio of companies. So I said to them, and again, we're talking to an audience of CEOs. I said, when you created alphabet, was there another company that you admired that you had in mind as a model? Huh, goes. Well, no. Oh, okay. I said, Well, is there another company out there that you do admire? When you're thinking about how to run your company goes well? No. They said, You know, people don't like companies very much. So it was it was a it was an amazing moment he was being 100%. Sincere. It's not what I was accustomed to from CEOs.

Jacob Morgan 40:35

Yeah. Yeah. That's interesting. And last kind of fun question for you from all the CEOs that you've interviewed. Who have you been inspired by the most or learn from the most or who had the greatest impression on you, from everybody that you've had the chance to speak with over the past few decades?

Alan Murray 40:53

Oh, geez, there's so many I hate to mention one. I mentioned a couple. I had a conversation like a couple of years ago with John Donahoe, who is now the CEO of Nike. At the time, he had been CEO of Bain, and then he became CEO of eBay. And then he took a year off and like wandered the world. He went to a Buddhist monastery for a while, and he basically he was sort of in his mid 50s. He said, What am I going to do for the rest of my life. And then when he returned, he, he came by my office, and we had this conversation, and he talked about how he had decided that being a CEO was, what he was meant to do, but that he was only going to do it for companies that were having a positive that he was convinced or having a positive impact on society. It was a very inspiring conversation. I got him to walk

through his whole process, what he did during his year sabbatical, how he got there was very moving. And it was the one conversation where he said, this isn't just about changes in society. This is a different generation of leaders. Another favorite is RJ Bonga, who was the CEO of MasterCard.

Jacob Morgan 42:05

Yeah, I had him in my last book as well.

Alan Murray 42:07

Well, so you know, I've just fascinating to talk to him and his background in India and how he thinks about about these issues. There are many others. Dan Schulman at PayPal, I was a fan of Indra Nooyi at Pepsi. There, there are generational changes going on that are impressive.

Jacob Morgan 42:31

Yep. Okay, so let's talk about some specific action items, maybe things that people can do inside their organizations and kind of action items. I wanted to focus on our advice for leaders. So leaders right now, I mean, we talked a lot about of about a few different issues that leaders are faced with the challenges and also the opportunities. What advice would you have for leaders out there who are trying to figure out how do I lead in this world that we're all a part of things are changing, things are uncertain? How do I stay effective? How do I engage my people? And you know, they come to you, Alan, what what should I do? What would you tell them?

Alan Murray 43:08

So, I mean, there's some things that are timeless, right? I believe that you have to lead with transparency and candor. And I believe that you have to lead with a bias towards action. Those things have been true for a long time. I think the thing that's different in this world where you have so many stakeholders that you have to pay attention to, it puts a premium on listening on empathy. Now, that's not entirely new. I was down in Bentonville, Arkansas a couple of weeks ago, and was looking at Miss Mr. Sam's the founders 10 rules of business leadership, and one of them was listen to your associates. So it's not entirely new. But I think with so much going on, and and so many people having a stake in your business, having a greater sense of humility and willing to listen to them before you come to your conclusions is super important, more important than it was 20 3040 years ago.

Jacob Morgan 44:09

Yeah. And you kind of alluded to like the human skills. Because it seems like those are the the technical stuff you can learn. But the human skills are things that are like you said, timeless. For you as the CEO of Fortune media, you guys have had to reinvent yourself several times, you have to come up with new opportunities several times. Can you talk a little bit about the approach that you take when thinking about opportunities? Like is there a framework that you go through a decision making process like how, how do you think about reinvention for the company and new opportunities for growth?

Alan Murray 44:43

Well, first of all, like many companies, it's what we think about every day. I mean, Fortune has been around for 92 years for 96 of those years. It was a print magazine, that's what it was. That's what it did. That's where most Have its money came from it. And we were slow to realize that's not going to take us

into the future print magazines have been going downhill for 15 years now and the revenue is getting smaller and smaller. So I meet with my executive team on a regular basis to say what you know, we have to create new lines of business, we have to create new sources of revenue. How do we do that? And I think just making sure you have the time, I mean, this is the human condition, right? But it's so easy to get caught up in the urgent things. And making sure you have the time to step back and say, Okay, that's those are the urgent things, but how do we create that path to long term success? And what are the what are the ways we're going to get there? is critically important. So do

Jacob Morgan 45:49

you actually block off that time to think about the future? Because, yeah, you know, a lot of company, you know, Blockbuster, for example, right? I mean, I'm sure they had a lot of very smart executives there who are like, Hey, let's think about some, you know, things that we should be doing, you know, Netflix came around, they're like, hey, now, that's not a good opportunity. And now Netflix, you know, taking over a blockbuster is Bye, bye. So, I mean, obviously, that time is important. But are there specific things that you look for? When trying to identify opportunities? And do you actually structure that time for yourself in your calendar?

Alan Murray 46:24

Yeah, so my role? Well, first of all, I mean, we do, we were just three weeks ago, I had my executive team 10 of us here at my house in Connecticut, we, you know, shut off our phones, cut off all connection to the daily business and said, and didn't get hung up in the so called coming recession, you know, How bad will it be, but said, our goal is, our goal is to make sure this company is around 100 years from now, let's talk about the things the things we have to put in place now, to get us on that path. So we do that at least once every six months in a structured way. I think about it, frequently, I do put time aside, but my real value to fortune comes from sort of external connections. I like having you know, I like meeting with you, Jacob. I like having conversations with CEOs. I like having conversations with other people who are struggling with these problems. And so my, the way I create value at the company is to have these conversations and bring them back and bring them back to the inside. So So yeah, I I, I kind of see that as my job as CEO is to try and spark because everybody else is really caught up in the daily operations as they should be. And so it's my job to say, hey, wait a minute, let's take a look at the longer term.

Jacob Morgan 47:47

How important do you think that is for leaders, both in terms of thinking at the longer term, but also focusing on those external relationships? Because I also feel like, you know, traditionally, competition and innovation, you know, you think in your bubble, don't talk to people outside the company, everything needs to be isolated, kept quiet, kept secret. But it seems like now in this world that we're all a part of, you're seeing competitors talk more with each other, create relationships with each other? Is that important for leaders to create those external relationships to give? I'm not

Alan Murray 48:20

I'm not sure there's a one size fits all answer to that question. What I think is important is this. And this is inherent in the idea of servant leadership, that those of us who are leaders need to ask ourselves on a regular basis, like when I say radio, I mean daily basis, to how am I contributing value to this

organization? What is it that I uniquely can do for this organization that no one else can and make sure we focus our time on those things. So we maximize our value, and it just happens to be for me, it's that those external relationships, the CEO, connections, the the, you know, the people I've gotten to know over my career that just happens to be for me, the best way for me to add to the value of fortune, I could be different for other people, there may be other people who have networks of externally focused people who can handle that part of it. And they need to spend their time more internally focused or more focused on ideas, or innovation. I think the the critical thing is that you have the discipline of constantly asking yourself, How do I add value to this organization?

Jacob Morgan 49:38

I love that question. And it's a simple one to ask, but also a very profound one is the CEO of fortune. Have you ever made a big mistake or a bad business decision and can you share what that was and

Alan Murray 49:53

or it made many,

Jacob Morgan 49:54

but what you learned from it? Yeah, I'll

Alan Murray 49:56

give you I'll give you one that I think is is So I started as editor of Fortune eight years ago, before I and then I spent a short time as Chief Content Officer for all the timing publications and then became CEO. But when I was editor of Fortune, we had just created our first website, all our web assets were part of CNN Money prior to that. And I realized I had to change the culture in order to make it friendly to web publishing, which is very different than publishing a magazine every few years. And so, you know, I struggled with this because we had people who were used to writing 5000 word stories, once a month or whatever, you got to write 300 word stories three times a day, I struggled with how to do it. And the our, our sister publication time, had gotten very good at it. So I said, You know what I'm going to do, I'm going to take four, four reporters, and just give them to the time newsdesk and say you have them write the business news. And we'll take that businesses and we'll take some of your general news, and you can take our business news, and it worked very well. But here's, here's where I was wrong. When the when the company went under was sold to Meredith and then they sold time and fortune off, we had to split, we had to part ways. And so that relationship ended. And what I realized at that moment was, I hadn't changed the culture of fortune, I had just outsourced my problem to time. And when the outsource opportunity disappeared, I realized I still had the culture problem. So if I could go back and do it over again, I would have spent the time in the effort to change the culture up front. How do you

Jacob Morgan 51:44

change the culture? I think that would probably be a great point to end on. Because culture is, you know, a big theme. Now we're talking about culture in terms of leadership style, remote work, flexible work, just culture in general. And what business even means is changing so much. But one of the big challenges, right? I mean, how do you move away from outdated practices, outdated ways of working outdated leadership into embracing something new, without alienating your company? So how do you make that change?

Alan Murray 52:15

So hard? And so important, right? I don't know, I can't remember who was who said, culture eats strategy for breakfast. But yeah, it's kind of true. I mean, strategy is, you know, disappears over time. And as humans become more important in the organization, creating the right culture for those humans is, is more important. And I just gave you a dramatic example of how I failed. So I'm not sure I'm the right person to provide lessons on this. But I think every CEO has to realize, boy, this is the big job. And it does require lots of conscious effort, lots of communication, over communication, over communication to the point where you feel silly for having said the same thing so many times, but it's just hard. I'll just tell you one other thing I've done. Over the last 10 years, I've done hundreds of CEO roundtables with like 20 CEOs in the room around particular topics, a lot of time, we're talking about technology, AI, this or that. And what I find invariably is, you may talk for the first 15 or 20 minutes about technology. But within 20 minutes, whatever the engineering or technical topic is, within 20 minutes, you're talking about culture, culture is culture is what determines success and failure of all of those things.

Jacob Morgan 53:36

Yeah, it comes back to people in fact, from the people I interviewed on the show, I always ask them what's the biggest mistake or failure you've ever made? And by far the most common response back I get from CEOs is always around people. either hire the wrong person left somebody in their role for too long knowing that they weren't a good fit, thinking that they were going to change always around people. So I think you're right, it always. Somehow it always does come back to two people. Well, last question.

Alan Murray 54:03

Let me just leave you with an encouragement. That means that there is a future for people Yes, AI will never replace that function that at the end of the day, getting people organized and inspired and focused and pointed in the same direction is a people skill that will always be in great need.

Jacob Morgan 54:22

No, I think that's yeah, I think now more than ever, we need to be focusing on that that kind of human that people stuff before we wrap up any last parting words of wisdom for all the listeners out there on how to be thinking about this crazy world that we're all a part of, and then I'll ask you where people go can go to find your your book and your newsletter, which I also subscribe to.

Alan Murray 54:43

Yeah, that was my word of wisdom, which is read my book. You can just you can just search tomorrow's capitalist, by Alan Murray. And, you know, buy it on whatever platform you prefer. The newsletter is also free. So it's a A fortune.com/newsletters Sign up for CEO daily. That's the newsletter, I would would would love to connect with your folks that way.

Jacob Morgan 55:12

Perfect. Well, Alan, thank you so much for taking time out of your day. I love the conversation. And do you have any other upcoming events where people might be able to see you live one of these days?

Alan Murray 55:22

Oh, gosh, I'm doing these things all the time. I don't I can't think of any particular thing. But. But if you read my newsletter, it's pretty easy to figure out where I am.

Jacob Morgan 55:31

Very cool. Well, thank you again for joining me. Thanks, everyone, again, for tuning in. Allen Murray, CEO of Fortune media, check out his newsletter. It's awesome. It's short, a lot of really great insights on there. And his book, tomorrow's capitalists my search for the soul of business. You can find it anywhere that you can find a book and I will see all of you next week. All right, we're all done.