

Argyle Conversations

by ARGYLE EXECUTIVE FORUMSM

featuring

Donna Morris

Senior Vice President of
Human Resources
Adobe Systems

&

Jessica Parisi

Partner
BTS USA Inc.

On April 7, 2011, Donna Morris, senior vice president of human resources for Adobe Systems, and Jessica Parisi, partner at BTS USA Inc., met at Argyle Executive Forum's Human Capital Leadership Forum to discuss talent management strategies that drive bottom-line growth.

Donna Morris

As senior vice president of human resources, Donna Morris leads Adobe's global human resources organization with responsibility for driving organizational development strategies that support the company's global growth, talent management and total rewards for more than 9,500 employees worldwide. A key priority for Donna is continuing to build upon a culture and set of values that are recognized for attracting and developing exceptional people, and are instrumental in Adobe being named as one of the best places to work by Fortune magazine and other publications.

During her career, Donna has led both generalist and specialist human resources functions in the high technology, communications and government fields. Prior to becoming senior vice president in March 2007, she held several other management positions within Adobe human resources, providing leadership to the company's global human resources activities. Before joining Adobe, Donna was vice president of human resources and learning at Accelio Corporation, a Canadian software company acquired by Adobe in 2002.

Donna has earned several industry honors, including Human Resources Professional of the Year in Ottawa, Canada, and the Silicon Valley YWCA's Tribute to Women award. She is currently on the board of directors for the Adobe Foundation and Second Harvest Food Bank of Santa Clara and San Mateo Counties in California. She has a Bachelor's degree from Carleton University, Ottawa, Canada, and holds the Senior HR Professional (SHRP) and Canadian Certified Human Resources Professional (CHRP) designations.

Jessica Parisi

Jessica Parisi is a BTS partner out of the BTS San Francisco office. Throughout her 12 year career at BTS, Jessica has pioneered the application of customized business simulations for leading Fortune 500 clients such as Toyota, VMware, Chevron, Juniper Networks, Weyerhaeuser, Boeing, Applied Materials and others. She has personally facilitated the training of over 6,000 executives and managers using business simulations. Jessica is also responsible for growing BTS talent and has P&L responsibility.

In addition to being a senior facilitator for executive level audiences, Jessica has innovated many business simulation applications:

- Strategic alignment and business acumen simulations for executive level audiences allowing executives to practice executing their company's strategy and future business model

- Using business simulations as a "behavioral laboratory" for executives to get feedback on their leadership and team effectiveness skills as well as business skills.

Jessica received her undergraduate degree from the University of Minnesota, did post-undergraduate emphasis in business at the Ecole des Affaires Europeenne and currently lives in Marin County.

JESSICA PARISI: Adobe just achieved a record year-over-year revenue growth, 29%, and an operating profit improvement of 44%. How does your talent management strategy help drive growth?

DONNA MORRIS: Last year's performance was reflective of a transformation that the company has been undergoing for a number of years. We've been focused on growth themes that align with larger trends in the overall industry. One theme is the explosion of content. People are consuming content faster than ever, on all kinds of devices. Since our products help create the mass quantity of content that people see, from a strategy perspective, we saw the opportunity to provide customers with the ability to understand how people are consuming content and how that content can be optimized. We also have an opportunity to apply our experience creating digitally rich applications to customer-experience management both inside and outside the firewall.

What all of this has meant from a talent perspective is that we've had to acquire and integrate talent with new skills. We've done this organically, through hiring and developing talent, and also through acquisitions. We've had three pivotal

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acquisitions in the past few years: Macromedia, Omniture, and Day Software. We carefully consider the cultural integration aspects when we are doing diligence on acquisitions, asking ourselves questions like: How can we provide growth opportunities to the people we bring into the company?

Many of the areas where the company is rapidly growing are leading us to an overall lower operating margin. As such, in 2009, we did a complete overhaul of all our reward programs. This required a lot of change leadership throughout the organization, as well as a lot of focus on making sure the right people stayed in the company and in the right roles. Since our primary asset is software and extended services, much of our strategy is embedded in how we structure the organization: How we align people to the key business requirements; the processes we create that underlay and enable that growth; and how we optimize the performance of each individual to drive revenue and overall profitability.

What tools or methods do you use for getting people to not only execute on your strategic objectives, but also to fully believe in them?

We seek to ensure employees know why Adobe is going to win, how we'll win, and what their role is in winning—individually as well as organizationally. We've invested heavily in educating our employees on our key strategic growth opportunities and on fundamental market trends.

On the individual level, we spend a lot of time developing our managers so they can clearly communicate with their employees about their objectives and plans to affect our stated growth areas. It doesn't matter where you work in the company, your activities should be linked somehow to our strategic areas of growth. If I work in HR, my contribution may be to attract top talent to help drive revenue, and new products, solutions and services. We encourage people to think about our strategic

objectives as a company and how they contribute as an individual.

How have Adobe's recent transformations affected what you're looking for in terms of employee capabilities?

We'll always be known as a company that's very focused on technology and innovation. However, now more than ever we are honing our focus on our customers. Historically, our sights had been set more inward. But over the last few years we are more closely focused on the markets and how we leverage our core capabilities to respond to customer needs. That whole switch from an inward focus to outward focus has been a continued transformation. There's also a lot more emphasis on our go-to-market capabilities—sales, marketing, product marketing, product management, customer support, and technical support. Bringing the voice of the customer inside has been very important. Finally, our business is highly diversified in terms of market opportunities as well as geographies. As such, there is an increased focus on building our employees a global mindset—educating them on distribution of global revenue, growth plans, and the need to innovate based on the needs of different markets.

Now, how do we build these capabilities?

We have three different programs that are focused around a deeper understanding of our strategy: Foundations of Leadership, Adobe Business Leadership, and Adobe Leadership Experience. Senior managers start with Foundations of Leadership, which combines virtual classroom learning with on-the-job assignments that are completed over an extended period. We emphasize building business acumen, the customer, and also expectations as a leader.

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The Adobe Business Leadership Program goes a step further on business acumen. It's targeted to individuals at the director level who are showing a lot of potential and aspirations for senior leadership. We recently held this program in India with the intent of immersing people in a fast-growing market. We brought in customers from that market and had employees come together from around the world. The business challenge that we provided was very much focused on the local business opportunity. Finally, Adobe Leadership Experience, geared for senior leadership, is a week long program that's focused on enriching these leaders' experiences—not only in terms of business, but also building cross-company relationships that they can utilize outside of the program. Each time we hold this program, we have an executive sponsor who presents a real-life challenge. Ideas generated during these programs often inform acquisition targets and help identify new market opportunities. They really inspire breakthrough thinking.

What's next in terms of building leadership at Adobe?

The next step for us would be to have more movement from the inside to the outside and even from the outside to the inside. What I mean by that is having individuals go from being more internally focused to getting out into the field and actually having the experience of directly influencing a customer. I think

there is a whole opportunity for us in this area. Another opportunity is in continuing to build leaders that have a global perspective. We have some great individuals in the field right now, people in different locations who are really making an impact. But I think we need to look at that as not just a one-off but an expectation for future leaders. If you're going to be a top leader in the company, you need to have spent time being responsible in a different geography and market.

Thinking longer term, we're focused on cultivating an environment where we continue to innovate and create new opportunities to build business. In fact, one of our company values is exceptional: "At Adobe, good enough is not good enough." We are always pushing the boundaries to move faster, be more agile, and make sure we're taking risks to build new businesses. We want to drive behavior within the organization whereby our growth doesn't come just through acquisition, but rather, from truly optimizing all the assets that we have within the company. Helping to build those capabilities is really important, and if we can't build them, we need to hire more of those capabilities into the company.

How are social networks changing talent strategies and leadership development?

I think social networks are one of the most exciting opportunities for HR today. Ultimately, the HR function has to be there to enable the company to be successful in delivering the right strategy—and people are a critical enabler of the strategy. Social network technologies present the opportunity to remove the barrier of the typical hierarchy of a company. Thoughts, opinions and feedback are now in real time, and coming from everywhere within the organization.

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There's an internal opportunity to not only provide opportunities for communication but also to harness energy within an organization.

Social networks are also fundamentally changing how you find and keep people. Whether it be through LinkedIn, Twitter, blogs or even Facebook, everybody's their own agent now. It used to be that senior people in organizations had an executive search company serve as their agent. But now, anyone can be their own agent, even very early in their career, by professing whatever it is that they're passionate about online. This is opening up a whole platform for people to advocate their strengths, passions and talents. Whether you're the type of person who's introverted or extroverted, social networks create an even playing field.

The more a company looks at its brand through all these different social mechanisms, it paints the face of who you are, where you're going as a company, and why you're going to win—not only to your current employees but also to potential employees, shareholders and customers. In HR, we think about how this affects people in terms of brand affinity. Everybody wants to work for a winner.

Companies, as part of their talent strategy, have to think about how they can use social inside the firewall, to

get ahead and be open about who they are as an employer. You want an environment where people have open access. If you don't provide it, somebody else will. Social technologies are also going to fundamentally change how we all think about managing our people. A lot of leaders don't want to put themselves out there; they don't want to Tweet or be on LinkedIn or join Facebook. The role of HR is to consult on change—and social technologies are a key organizational change. Social networking tools are important communication channels for a company, the current and potential workforce. Social networks also are affecting the whole compensation piece of talent development. People now have easy access to information that shapes their perception of how much they should be paid. This has created a need for greater openness and transparency around compensation decisions.

We recently saw social media at work in Japan, where employees used Facebook to stay connected to their officemates when everyone was forced to work from home following the catastrophic earthquake. Is Adobe using social media to help employees connect with their colleagues and company?

We have almost 300 employees in Japan, so we set up a private Facebook group after the earthquake. It's been phenomenal. The group allowed our employees to stay connected by posting how their family members

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were doing or to arrange a meet up. When our team returned to our offices in Tokyo, they continued using the group. It's become a regular way of interacting and feeling part of the community there. This becomes very powerful. It's important that people feel like they're making a difference and working with a group that acknowledges that difference. At the end of the day, all of us want to feel like we're making a contribution. When employees feel rewarded and that they're part of something bigger, that's really the key to driving employee engagement and ultimately company performance.

On the whole, are you seeing HR leaders embrace social technologies?

HR has to be willing to jump in and figure out how we can optimize social technologies to rally employees around the overall objectives of an organization. There have been a lot of companies that don't allow employees to access Facebook and other sites during work hours. I think we need to ask ourselves, what really is work-life balance these days? People are answering e-mails on weekends and evenings in the same way they do during regular workdays. So what's wrong with somebody checking Facebook or LinkedIn during the day? I believe that in the end, people will do the right thing. People actually are inclined to do wonderful things when they're empowered. ■