Dean's Executive Leadership Series - 2008-2009

Transcript of Interview with Priscilla Stewart-Jones, Senior Vice President of Human Resources for McKesson Corporation's U.S. Pharmaceutical Group

About DELS: The Dean's Executive Leadership Series at the Graziadio School of Business and Management features in-depth audio or video interviews with today's top business practitioners and thought leaders. Listen or subscribe to the podcast to hear their views and insight on the current challenges and opportunities facing the business community.

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Narrator: The Graziadio School of Business and Management at Pepperdine University, proudly presents the Dean's Executive Leadership series. This podcast invites top business practitioners and thought leaders to share their view on the real world of business.

Rick Gibson: Hello and welcome. My name is Rick Gibson and I'm the Associate Vice President for Public Affairs here at Pepperdine University and I'm joined once again today by Dr. Linda Livingstone who's the Dean of the Graziadio School of Business and Management. Welcome, Linda.

Linda Livingstone: Thanks Rick. It's a pleasure to be with you.

Rick Gibson: Well, we've listened to some fascinating guests over the last couple of months. Tell us who we can look forward to today.

Linda Livingstone: We're going to be hearing from Priscilla Stewart-Jones, who's the Senior Vice President of Human Resources for McKesson Corporations U.S. pharmaceutical group. This is an $80 billion business with operations in 31 states and Puerto Rico. So she has some really amazing responsibilities overseeing the development and implementation of human capital strategies for McKesson.
Rick Gibson: I'm sure that's right. Well, let me invite our listeners to sit back, and relax, and to enjoy this conversation with Priscilla Stewart-Jones, Sr. Vice President, Human Resources, for McKesson Corporation U.S. Pharmaceutical Group.

Linda Livingstone: Well today in our Dean's Executive Leadership series podcast, we have with us Priscilla Stewart-Jones. And Priscilla is the Sr. Vice President of Human Resources for McKesson Corporation. She's been with McKesson since 2001 and was promoted to her current position in 2006. And if you're not familiar with McKesson, it is one of the oldest and largest health care companies in the United States. Currently ranked eighteenth among the Fortune 500 and I believe it's the second or third largest company in California. Is that right, Priscilla?

Priscilla Stewart-Jones: That's correct.

Linda Livingstone: Wonderful. Well, welcome, we're glad to have you with us today.

Priscilla Stewart-Jones: I'm glad to be here, thanks for the invitation.

Linda Livingstone: You're welcome. Well, it's such an interesting time to be in health care and to be in human resources. But before we kind of get into get into that side of what you do, tell us just a little bit about kind of your career journey and how you got to the position you're in at McKesson.

Priscilla Stewart-Jones: I would be happy to share some insights. It's kind of been an interesting roller coaster ride for me. I started off thinking I would actually be a lawyer and then decided, instead of going into law school, what I really enjoyed doing was being in human resources. And I started in human resources even when I was in college at Memphis State University. And that was a great experience for me. And so from there I just continued to move within various organizations, always in human resources, but really finding my passion in 1 of 2 areas. Labor relations, so at one point I spent a lot of time as a chief spokesperson and also negotiated from a labor contract perspective, but always on the side of the employer; and then, just mergers and acquisitions, which also was a second passion of mine and did a lot of that and also did some of that for McKesson. And then, just a generalist in terms of really leading and engaging and developing employees and leaders within an organization, that's always been my passion. So from Memphis State I actually started in human resources at Union Planner's Bank. And from Union Planner's Bank I had hospitality, and from hospitality to consumer package goods, and from consumer
package goods into exactly where I am today, which is in health care for McKesson. So I won't say how many years I've been here...

**Linda Livingstone:** And I won't ask.

**Priscilla Stewart-Jones:** ...please. But let's just say I've seen a lot of changes going from personnel to human resources and all of the iterations therein. So it's been a great experience thus far.

**Linda Livingstone:** My academic background is actually in organizational behavior and human resource management. And I actually wanted to be an attorney when I first went to college too and ended up in the academic world. But clearly over the years, as you know, the role of, kind of, the personnel/human resources function has changed dramatically in companies and has become much more of a strategic role in the organization. Talk a little bit about that evolution and why you think that's happened and frankly, why you think it's so important.

**Priscilla Stewart-Jones:** Absolutely. Well, clearly back in the '70s and '80s-- and so I'm dating myself somewhat-- it was more of an administrative support role and that was the personnel, so the records administration and more of the compliance more than anything else. But certainly companies and the challenges from a business perspective that changed started really in the mid to late '80s. There were so many dynamics and organizations were really forced to look at talent differently and they needed individuals that could help them think about, not only the talent needs for today, but strategically the talent needs for the future and they didn't have those skill sets in house. So they started really looking to HR professionals and candidly the personnel individuals had to change their skill set in order to really become strategic human resource professionals, really focused initially more on the talent development, leadership development, competency development but even from there to organizational alignment and structure, restructuring the awards, and rewards, and benefits and cash incentive programs to align to meet business strategic objectives.

And so they saw that there was value in having someone that could focus on human capital assets but really aligning those from a business needs perspective and naturally from my perspective the evolution of HR. But it has taken at least a good 20 years, arguably, we are still evolving, we are not done. A lot of both the external pressures, both in terms of the volatility and the dynamics in the market place, the changes in terms of the demographics in the U.S., but not just the U.S. in the world, the fact that we are more global now than not, so there are needs from a different perspective in terms of, not only generational considerations but also the influence of technology and the influence of the cultural
dynamics and understanding how you manage and navigate with different cultures and to do so effectively in different environments. That just requires a different mindset and a mind shift, even for the HR professionals of today. So we are still evolving.

**Linda Livingstone:** I think you can see dramatic differences even in companies today about how strategic they make that human resources function. And, let's talk a little bit about what's going on today in the business community, let's talk sort of generally before we talk more particularly about McKesson and the health care arena. But with the economic climate as it is today, what particular challenges and opportunities does that give you as a human resources professional and trying to navigate that and do what's best for the organization? Companies are laying people off right and left and in mass quantities. What kind of challenges does that pose for organizations and how do you help a company get through a time like this and come out on the other side, sort of, better positioned with your people?

**Priscilla Stewart-Jones:** Well, I would say it's really 3-fold, first and foremost to your point around the challenges for today, so you have the economic realities and as such as a business leader and as well as a human resources professional you're looking at it both from the human capital standpoint but also from the business standpoint. And helping the company leverage the assets and organize and structure in a way so that they will identify the talent that is already there. Being clear that they actually still need to invest for the future so that they are not cutting to the extent that that will have an impact on their future needs and their future opportunities. Also, aligning with the senior leaders and focusing on leadership development, because it also means leading differently today than we have in the past. And that requires also thinking differently in a paradigm shift around what are the leadership skills necessary to be effective in the future.

So in the past we've always talked about having a seat at the table. I would argue that we actually have a very important pivotal seat at the table. So it's looking at what are the business strategies for the future and then what are the human capital needs in order to achieve those strategies. It might mean a different competency set, it might mean growing talent, it might mean acquiring talent-- even in today's environment there is still a need to look at the talent opportunities for the future. And getting the company to focus on that, especially if they are challenged in terms of revenue streams and/or other expense management considerations, can be very, very challenging. But it is something that an HR leader can do and can do very successfully if they're focused on the right business initiatives, they're using the right terminology, they have the right financial analytics and metrics that they are using to align with the business leaders. You can do it, it is not easy though, it is very, very challenging.
Linda Livingstone: Let's kind of drill down to a different level. Currently, there are certainly lots of people looking for jobs because there have been so many lay-offs. There are people who want to shift industries and it's a challenging time to do that. What advice would you give or do you give people in that kind of a situation when you're in a situation like this where the economy is so challenging and some industry segments are struggling so much. How does someone go about trying to work in that context and find new opportunities?

Priscilla Stewart-Jones: Well, 3 things, I would say first companies are still hiring, some companies. So do your research and identify those industries and the companies within those industries that are still doing well. And you can tell that by their balance sheet, you can tell that by their proxy statements, and you can tell that by the fact that they are actually hiring, so whether it's ads or whether it's job fairs. So that would be one way. Secondly, I suggest really taking stock in analyzing yourself in terms of what you want to do when you grow up. This actually could create an opportunity for you to go back and re-visit, well I really wanted to be a lawyer, so maybe now is the time for me to consider going back to school and I know that in and of itself can be somewhat frightening and scary. But 2 years ago, I went back to school and completed my Masters degree. And I know that's a little different when you're in the context of not having a job.

But that's also an opportunity where you can continue to build your skill set and also your tool kit so that you can make yourself much more marketable. Think of it as differentiation in the marketplace and you need to be able to do that, so that would be the second thing that I would say. The third, network, make sure you are leveraging the relationships that you have and you have a lot of them. If you really just sit down and have some uninterrupted time and make a list of all the individuals that you know, whether it's through work, through school, through church, through different organizations, that are still gainfully employed and then start leveraging that social network so that you can find opportunities. Because at times, the key opportunities aren't always going to be advertised and sometimes that networking opportunity will create even more than you would have gotten attending a job fair. So those are the 3 things that come to mind immediately.

Linda Livingstone: Yeah, great advice for folks. One of the things I hear from a lot of people, and you can certainly either agree or disagree with this, <laughs> is that health care generally tends to be a bit more recession proof than some other industries. I don't know if you're really seeing that this time around, I think everybody's feeling the pain of this downturn. But, talk a little bit about what's going on in the health care industry from a human resources perspective. And then, kind of related to that, if people are interested in transitioning to health care, and may not have that background, how do they go about doing that?
Priscilla Stewart-Jones: Well, it's interesting. I won't say that health care is recession proof. But I would agree that, while we've not been insulated, we are probably on the back end of being impacted because the reality is, for health care, people still get sick regardless of what's happening in the economy. They still need treatment; they still need their medications. But yet, we are now starting to see the impacts because with the hundreds of thousands of millions of people, really, that are being laid off, then they don't have necessarily insurance coverage, or I've talked to some people recently where they are not following their prescribed regimen and instead of taking their medication on a daily basis they're taking a pill every other day. So therefore, that has a ripple effect both up and down the continuum of health care. So we are starting to see impacts. We also had seen impacts even before this with the doctor shortages and the nurses and the shortages in the medical arena just in general. So not recession proof, but still one of the industries that probably has been, to this point, hit the least. But we are starting to see those challenges.

But nevertheless, I still think that there is probably less of an impact in health care than most of the other industries with maybe few other exceptions. Having said that, if someone's interested in health care there are a couple of options. One I go back to, going to school. If you're interested in being a clinician, or if you're interested in doing something that is actually going to be more of a provider, then that would require certifications that would require education beyond just doing an internship. But secondly, you could also volunteer and do an internship. You could do some work in organizations where you would be able to get exposure and some experience while you are deciding what you really want to do. I would also highlight that the health care industry, and all of the companies on that continuum, they also have all of the normal functions. They have accounting, and they have marketing, and they have human resources. So they do have functions, business development, sales positions. So they do have positions and I would say that the health care industry in general is also broadening their perspective on the skill set and the experience set that a person can transfer even into health care. So there are a lot of options for a person to pursue health care positions but what they need to do is to do their research first and to create their marketing plan. And then really decide how they are going to differentiate themselves from the thousands of resumes that are submitted, either directly or via email, to all of the health care organizations. So I would say do your research first and put together your marketing plan.

Linda Livingstone: So I don't know how much you look at resumes yourself versus you have staff that do it but, what kinds of things stand out for you? I mean what are the like big mistakes you see and then what are the things that really show you that this person gets it and is the kind of person we want to look at?
Priscilla Stewart-Jones: Being crystal clear in your resume in terms of your objective, being concise, being very specific about the experiences that you have, but more so from the standpoint of the results that you achieved. General prose and descriptors, while nice, aren't necessarily going to make you stand out. And most companies are looking for individuals that really have a proven track record of results. So if you can emphasize successes that you've had and give specific examples in a quantifiable way, such as, a certain percentage of increase, or a dollar amount of sales, or sales person of the year, President's recipient, or those sorts of achievements, you want to call those out because those are the individuals that we're looking for, individuals that have a proven track record.

Linda Livingstone: And really show that they can get the job done and have success.


Linda Livingstone: That makes a lot of sense. Let's step back a little bit and talk health care more generally from a bit of a policy perspective and I know you're not a policy person but I'm sure you have some opinions about this. I mean clearly health care and how we provide it nationally, or don't provide it nationally, is a huge topic of conversation particularly with the ethic presidential election, it's clearly a significant platform of President Obama. What do you see as some of the key opportunities there to help bring the right kind of reform to the health care system that could help meet some of the real challenges that are out there in terms of access and other things?

Priscilla Stewart-Jones: Well, I think we have a little bit of a start already because we do have an administration that is very focused on this and, as you know, there was a recent legislation that was passed regarding a stimulus package, or a portion thereof, that's dedicated to IT within the health care arena. That's a start. It is not going to be the final, but certainly, having greater connectivity between all of the players along the health care continuum, so the payers, the clinicians, the insurers, so having more connectivity. Also, anything that will drive innovation because, obviously, if you drive innovation that will increase efficiency, which should, at least in theory, reduce cost. So there are some things that we can do to better align and connect all of the players along the health care continuum. There is also a lack of alignment around incentives. Each component of health care, if you look at the players, they really do operate very independently and there aren't incentives to have them aligned. They don't have the same objectives and goals, frankly. They don't have the same reimbursement structures or payment structures. So there are a lot of things that we can do, or that the government can help us do, to really align very, very differently than we are aligned today.
And I think there are some things that could be done, without necessarily a wholesale change, in the structure that we have today. A lot of discussion about a single payer approach, which some countries have. But some of those countries, when you talk to the people that live there and experience those systems, they would say, "But I had to wait 2 years for the hip replacement." Or, "My tax base is about 50 percent of my salary." So it may not necessarily work in our environment. Then you have other examples in other countries, like Germany and Belgium, where they have a different structure. So at this point, I don't have, as you said I'm not a health care expert, but my opinion is, I think we will have a hybrid system that will work. But I think it will also start with better alignment of incentives, greater connectivity, more focus on IT and on innovation. I think if we can start in those 4 arenas, we will actually have more impact. So that's what comes to mind.

**Linda Livingstone:** In what role do business people have, from your perspective, in trying to influence that process? I mean, all companies are affected by what happens in the health care, it's not just people like McKesson. Companies like McKesson that are in that industry. Every company in the country is impacted by what's going on in the health care system, and should be paying attention to this discussion. Just from your viewpoint and kind of watching this sort of from the inside, what can companies do to have a voice in that process and to help move it forward in a productive way that meets needs but also is attentive to kind of the business views as well?

**Priscilla Stewart-Jones:** Well there are a couple of options. Most immediately if it's a company that has a public affairs department or function, hopefully they are already engaged in the debate as well as trying to provide some suggestions and input regarding policies working directly with the law makers, with Congress, in any form or fashion that's appropriate for their company. And I think that is happening probably more today than ever before, the rising cost as well as the challenges around quality and error reduction and those sorts of things really are putting this on the forefront for every business. Employers are paying 29 percent more today than they did 5 years ago so there are lots of incentives for employers for companies to really put this as a high priority for their initiatives. So one is through public affairs, or working directly if they don't have public affairs, they can still, through their relationships with their congressional representatives, they can still make their presence known, their concerns known, their recommendations known. They also should be looking at programs for their employees in terms of how do they educate their employees, how do they also look at other options for their employees that will give them a voice and give them insight into some of the challenges. Sometimes it's not just the company but it's all the constituents making their voices heard that can also help to influence both the debate, but more importantly the outcome regarding the solutions.
Linda Livingstone: I'm going to change tracts just a little bit as we have a few minutes left here in our discussion to talk a little bit more about your style as a leader and how you approach the work you do in a very large corporation. At Pepperdine we-- our mission in the business school is to develop value centered leaders and to advance responsible business practice so I always like to ask our Dean's Executive Leadership series speakers about the values that drive them as a leader and maybe a little bit about sort of where those values came from for you because it's always interesting to hear kind of the perspective of our speakers on that particular issue because it's so close to our heart as a school.

Priscilla Stewart-Jones: Well I have also a very, very personal thought around values and leaders and what that means. Especially in today's environment because as you read the newspaper there's so many examples that would indicate that we aren't having leaders utilizing values that really are representative of us as a country and frankly from lots of different perspectives. My father was a minister. So I grew up in an environment where values were important even from my earliest recollections it was always, do the right things, do unto others not only as you would have them do unto you but as they would want to be done unto them. Be respectful, follow through on what you say you're going to do, integrity, integrity, integrity. So that started with me very early on in life and continues to resonate with me today and I would say number 1 on my list is lead with integrity. And the integrity also means being transparent, it also means communicating.

It also means making sure that that is something that is fore front in everything you do. With McKesson we actually have, as part of our values, it is called I CARE and it stands for Integrity, it stands for customer centered, it stands for accountability, respect and excellence. That really resonated with me when I interviewed with the company because candidly it was very similar to what I had heard when I was growing up as a child. It also really does influence decisions that we make, not only with our employees, but also externally with our customers. And that resonates with me in terms of leadership. I mentioned earlier today, especially given today's environment, it's no longer leading as usual. So it's not business as usual so therefore it's no longer leading as usual. And it calls for us today, more than ever, to have an intestinal fortitude to really lead by example and also to make sure you are leading with integrity in everything that you do. So part of our particular mantra is I CARE is really built into, not only our decisions, but it's also built into our rewards, it's built into our evaluation process. So it is not just something that's on a plaque or that's posted on a board, but for me as an individual that's really important because that's also how you foster, I think, followership. That's how you foster trust and confidence and for a lot of people, especially in today's times of uncertainty and volatility, they want confidence, they want trust that their leaders know what's going on and also that their leaders are being truthful and that there is a trusting environment and that there is transparency. So as you can tell I've got some passion about this.
Linda Livingstone: Well certainly. And I'm sure your preacher father is proud of the way you've grown up and the way you speak about those values now.

Priscilla Stewart-Jones: <laughs> I think he is, as is my mother. But for me that's really important, again, there are just so many examples today where you see just the opposite. And I think you can also draw a direct correlation to the failings of those companies, not just of the leaders but also of the companies. So, I think there is a direct correlation and that's really critical.

Linda Livingstone: As business schools generally, certainly at Pepperdine, there's a lot of discussion around how you-- can you influence values? Can you influence character once people get to the age at which they go back to get MBA's and certainly at the age at which they would begin to work at a company like McKesson. You talked about incentive systems, you talked about embedding that in the culture of the company and the fabric of the company. What's your view on the role we can play, both as educational institutions and as companies in, sort of, influencing or bringing out in people the right kinds of values? It's a fairly controversial question once people get to, sort of, adulthood.

Priscilla Stewart-Jones: Exactly, in terms of whether you are hard-wired and therefore unable to change. But I really believe that you can influence how people think. And if nothing else, what I have found is once they are clear about the importance for them, how does that translate into their career? How does it translate into them being successful? How does it translate into them being viewed by leaders to potentially be on the fast track for a leadership role within the organization? As long as there is the environment that supports values and it is actually embedded in the culture and reflected and demonstrated in the actions of the leader and the environment, if you can show that connection I think you can influence their thinking.

So even if ultimately, and I'm not a psychologist obviously, but even if ultimately they are hard-wired and they can't make wholesale changes, they can make behavioral changes in terms of what they say and how they act. That they can do and I think both in schools as well as in organizations we have to show what's in it for them. Why is it important and how will it translate in terms of helping them be successful within the organization and also for them personally? And I think if we can show that direct connection and have many examples, again I go back to the newspaper and usually what we hear on the radio, TV, to read in the news, unfortunately are all the negatives. We need to spend just as much time highlighting the positive examples that show, here is really the benefit of actually demonstrating the values and walking the talk. And also again, what's in it for them? What's the personal benefit? I think if you can do
that, then that will help them think differently around their behaviors even if you don't necessarily completely do a wholesale change in the wiring.

**Linda Livingstone:** And I would argue that most people in most companies are trying to do the right things and live by the right values. It's just unfortunate that some don't and those are the ones that tend to get the headlines and make it appear that it's more broad based than it is.

**Priscilla Stewart-Jones:** Exactly, exactly.

**Dean Linda Livingstone:** We certainly have responsibility to continue to try to move people down a good path on those values and running businesses appropriately.

**Priscilla Stewart-Jones:** I agree with you. I would also say that they should be very, very selective about the organizations in which they choose to join or participate with. Because if they get inside the organization and find that the environment does not support their value structure or what they know to be right, then they should leave, then they should leave.

**Linda Livingstone:** A tough choice to make particularly in economies...

**Priscilla Stewart-Jones:** In today's market.

**Linda Livingstone:** But we see lots of examples of people that didn't make that choice that certainly regret it.

**Priscilla Stewart-Jones:** Exactly, exactly, exactly. Unless they're in a position of authority so that they can influence a cultural change. And if that's the case, then I would challenge them to take on that responsibility.

**Linda Livingstone:** Which takes a lot of courage, a value that's important to talk about in a situation like that. <laughs>

**Priscilla Stewart-Jones:** Intestinal fortitude, absolutely correct.
Linda Livingstone: I like that too. Well, as we wrap up our discussion today and finish our interview, just reflecting back on your experiences both personally and as a human resources professional, if you had two or three, kind of, words of advice or suggestions for our listeners many of whom are working professionals, some of whom are students, that would really help them to be successful in their career, given what you've seen through the years from a human resources perspective, what might those two or three kind of words of advice be?

Priscilla Stewart-Jones: The first one is, know the business and as someone explained to me it is follow the money trail, both from the inside in terms of the companies view, but also from the view of the competition and also from the view of the customer. So know the business. Secondly, find a good mentor and sponsor and I make the distinction. The mentor is the teacher and the coach, but the sponsor is also the advocate and also markets you at times when you may not be aware that they are marketing or sponsoring you. I would also say, make sure that you have values and that you live by and walk those values in the business environment. So for me, those would be the first three things that I would say for someone in order to be successful. The one though that really is our over arching and that is, you've got to deliver results. Because if you don't deliver results, you can have a mentor, you can have a sponsor, you probably won't have a sponsor if you're not delivering results.

Linda Livingstone: Not for long anyway.

Priscilla Stewart-Jones: Exactly, not for long. You can know the business, but if you really want to be successful you must have results because that's what gets you noticed and that's what gets you a seat at the table. Not from a human resources perspective, that's any perspective. Last, take risks. You've got to take risks. <inaudible> risk, but risks nonetheless. So those would be my words of advice.

Linda Livingstone: It's really putting the whole package together and making it all work. Well, it's been so good visiting with you Priscilla. We really appreciate your time and thank you so much for joining us.

Priscilla Stewart-Jones: Thank you.

Rick Gibson: Well, Linda, that was certainly an insightful interview.

Linda Livingstone: Well we certainly learned a lot about the pharmaceutical industry and really about managing people in a very complex industry that's changing rapidly today.
Rick Gibson: Certainly, yeah. Well, tell us who's next.

Linda Livingstone: On May 12, we will round out the Dean's Executive Leadership series for this year with Elizabeth Lowery. She's the Vice President of Environment, Energy and Safety Policy for General Motors.

Rick Gibson: Let me invite our listeners who are enjoying these pod casts to subscribe by going to bschool.pepperdine.edu/dels, that's D-E-L-S, or let me invite you to go to our YouTube channel or i-Tunes to find these web casts and pod casts. Until next time, thank you for listening.

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