

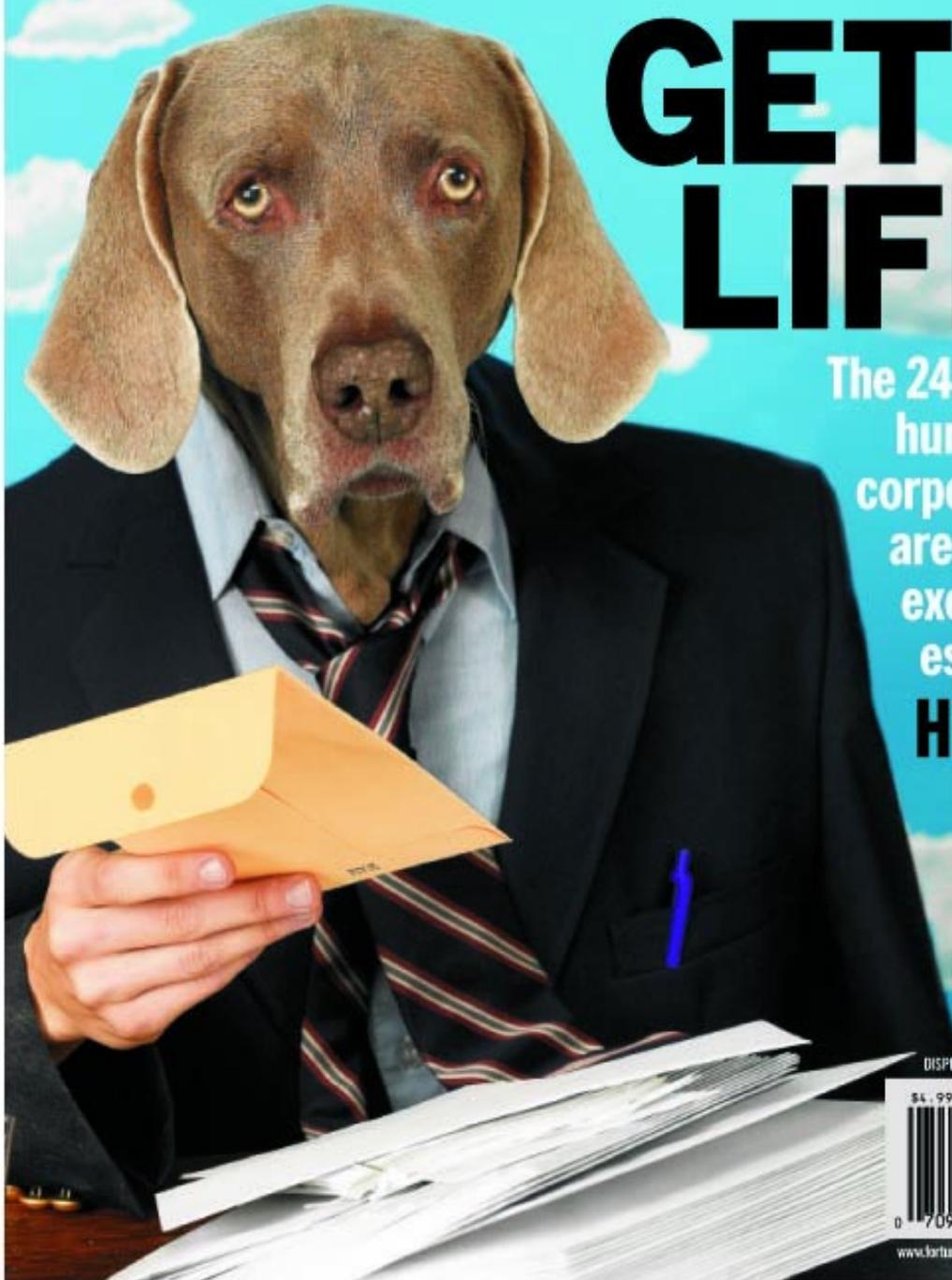
THE PROZAC BACKLASH ■ SPITZER'S NEXT CRUSADE

Fidelity  
Sets a New  
Course

# FORTUNE

## GET A LIFE!

The 24/7 grind  
hurts—but  
corporations  
are helping  
executives  
escape it.  
**HERE'S  
HOW.**

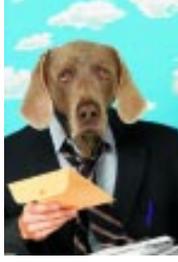


DISPLAY UNTIL DECEMBER 5, 2005



www.fortune.com (AOL Keyword: Fortune)





# GET A LIFE!

**Working 24/7 may seem good for companies, but it's often bad for the talent—and men finally agree. So businesses are hatching alternatives to the punishing, productivity-sapping norm. BY JODY MILLER AND MATT MILLER**

**Gregg Slager saw the clock** nearing midnight, sighed, and reached for the next file. All along the 25th floor of Ernst & Young's headquarters at 5 Times Square, lights were ablaze. It was another 80-hour week for the M&A department, where Slager, a senior partner, had been in the trenches for a decade. Slager doesn't do garden-variety accounting; his unit handles due diligence on major deals in which billions of dollars (and thousands of jobs) hang in the balance. On viselike deadlines, they plow through

**WHEN VACATIONS** became "just a change of work venue," Ernst & Young's Slager changed the way his department ran.

vast piles of financial and operational data to get a fix on a business and look for danger signs. With the boom in private-equity investing, the pace only seemed to be getting more intense.

Top partners like Slager can pull down seven-figure incomes for shepherding such high-pressure deals. Yet last year, at age 45, with 4- and 6-year-old boys at home, he often found himself wondering whether the sacrifices were worth it. Vacations, he recalls, had become merely “a change of work venue.” Some nights his wife, Sue, would bring the kids to his office in their pajamas so that they could spend some quality romping-around time with their dad. The young professionals Slager was trying to hold on to in his department said they wouldn’t put up with the pace year after year. Something had to give.

So this year Slager did something taboo for a top performer in a world-class firm: He declared this wasn’t the kind of life he and his team wanted and reached out to colleagues to change the way M&A due diligence works. Over six months, the unit rethought every job, reallocated tasks—and won better lives for the due-diligence teams while providing better service for clients. Including the boss. Not that M&A will ever be a breeze, but Slager’s vacations are now real. Weekend work is no longer the norm. And a manager who works for Slager says his family has stopped threatening to throw away his BlackBerry.

This isn’t another tale of a conflicted working mom—Slager is a hard-driving man at the peak of his profession waking up to what women have shouted about for decades. “Men are willing to talk about these things in ways that were inconceivable less than ten years ago,” says Howard Schultz, chairman of Starbucks (yes, he’s also the world’s top purveyor of corporate go-juice). The problem won’t be solved just by working smarter or tinkering at the margins to add flexibility. Instead, as the E&Y team discovered, delivering better business performance while improving their lives meant rethinking the way work gets done and how consuming senior jobs need to be.

It’s a lesson corporate America needs to learn before an entire generation of senior talent melts down or decides to stay home. The 60-hour weeks once thought to be the path to glory are now practically considered part-time. Spouses, kids, friends, prayer, sleep—time for things critical to human flourishing is being squeezed by longer hours at the top. Says Bill George, a self-described 60-hour man who ran medical-device leader Medtronic for a decade and who now serves on the boards of Goldman Sachs,

ExxonMobil, and Novartis: “It didn’t use to be this intense. It got much worse starting 15 years ago, when we went to this 80-hour week.” Top executives are increasingly strung out, he and others say. Service firms in consulting, law, and investment banking have built 80-hour weeks into their businesses. If it keeps up, the toll could make itself felt not only on companies but on the nation, eroding productivity growth in an era when global competition has never been more intense.

Not everyone thinks there is cause for concern—or room to maneuver. Costco CEO Jim Sinegal runs a fast-paced company with an enviably low turnover rate among senior employees. He says his top managers no longer work seven days a week the

way people did when he was young, which is progress enough. Retailing is too competitive to shrink senior time-on-task further, he adds (and wisecracks, “I would love to sell that concept to our competitors”).

But while some CEOs assert that every time a top job opens up, a phalanx of “24/7” people is waiting in line to take it, most companies cite a shortage of talented leaders as one of their biggest constraints. Rethinking senior jobs and careers can help solve that, says Jeanie

Duck of the Boston Consulting Group, who specializes in organizational change. “It’s a myth that companies are filled with highly capable people who are willing to work 24/7,” she says. “It’s not true. The companies that crack this will have their pick of talented people.”

Indeed, dozens of interviews with top executives, consultants, and researchers suggest that a revolt of talent is brewing, and that it’s time to reenergize the stale “work-life” debate by starting at the top.

What will it take to make headway on this agenda? Business leaders need to do four things. First, quit defining the desire for doable jobs as a “women’s issue.” Men want this too. Second, start viewing efforts to humanize senior jobs as a competitive advantage and business necessity, not as one-time accommodations for the CEOs’ pets. Third, realize that progress is actually possible; there are examples to show that work at the top can be retooled. Finally, make it safe within companies and firms to talk about these things. “Businesses need to be 24/7,” says Xerox CEO Anne Mulcahy. “Individuals don’t.”

## What Do Men Really Want?

It’s hardly news that accomplished women are desperate for a new deal at work. But anyone who understands America knows that unless men want

**“Men are willing to talk about these things in ways that were inconceivable less than ten years ago.”**

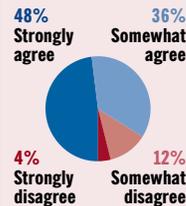
## FORTUNE POLL

### MEN WANT LIVES TOO

Male executives are just as concerned as female ones about balancing their lives—that’s how 62 of 100 men answered one of the questions in a survey of top-level FORTUNE 500 executives. The men, whose average age is just over 50, work on average 58 hours a week. Here’s a sampling of the responses.

—Chris Zappone

**I would like job options that let me realize my professional aspirations while having more time for family, community, religious activities, friends, and hobbies.**



**At this stage in my life I would choose**

**More time over money**  
**64%**  
**More time over career advancement**  
**71%**



something, too, not much will change. So what do men really want?

Our new survey of senior FORTUNE 500 male executives offers surprising answers. Fully 84% say they'd like job options that let them realize their professional aspirations while having more time for things outside work; 55% say they're willing to sacrifice income. Half say they wonder if the sacrifices they've made for their careers are worth it. In addition, 73% believe it's possible to restructure senior management jobs in ways that would both increase productivity and make more time available for life outside the office. And 87% believe that companies that enable such changes will have a competitive advantage in attracting talent. Other interviews suggest that the younger a male executive is, the more likely he is to say he cares about all of this.

**THE PRESIDENTS** of Fox TV, Gary Newman (left) and Dana Walden, can both have lives.

Of course there's a roadblock to reform: fear. FORTUNE's survey found that even though most senior-level men want better options, nearly half believe that for an executive to take up the matter with his boss will hurt his career.

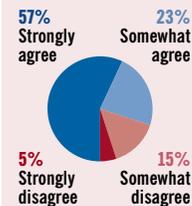
Still, two things seem clear. First, men and women are far more alike in their desires than the debate over these issues has assumed. Second, as talented men raise their voices with women who have been irate about this for decades, the 24/7 ethic is pretty clearly on borrowed time. Consider the provocative case made by Lowell Bryan, a top partner at McKinsey & Co., who maintains that many senior managers have undoable jobs. "We don't know how

**FORTUNE POLL**

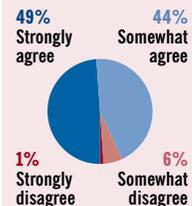
**THE DOOR IS OPEN**

The executives we surveyed overwhelmingly say that work-life balance is an open issue at their companies.

**I am comfortable talking with my boss about the issue of balancing work and the things outside work that are important to me.**



**I am comfortable talking to my peers about work-life balance issues.**



**98%** say they're sympathetic to requests from their own reports for a better work-life balance.

to work given the reality of the 21st century," he says. "We're in a world where the marginal cost of interaction [via e-mail and the like] is falling toward zero. The volume of interactions is headed toward infinity, and infinity's winning."

How did business get to this point? For starters, Bryan says, the scope and complexity of business have grown enormously. In 1970 the world's 50 biggest companies averaged \$29 billion in revenue (in 2003 dollars); now it's around \$100 billion. The number of consumer products introduced each year has increased 16-fold over the same period. Firms now compete across different industries and geographies. The overload is compounded by inefficiency: A 2003 study by Marakon Associates and the Economist Intelligence Unit, for example, found that up to 80% of top management time is devoted to issues that account for less than 20% of the company's long-term value. As a result, decisions take too long and end up botched.

And here's the clincher. When McKinsey asks top managers, "If you had twice as much time, would you really exhaust the things you should be doing?" the answer is invariably no. "We have created jobs that are literally impossible," Bryan says. "The human cost is profound, and the opportunity cost is also great in terms of organizational effectiveness."

## Tales From the Front

Peter Chernin didn't set out to pioneer the humanized job, but he's responsible for an accidental breakthrough at NewsCorp. Seven years ago, Chernin, the company's president and head of its Fox subsidiary, appointed Gary Newman and Dana Walden as presidents of 20th Century Fox Television. Not co-presidents—it is not a job share. Presidents. Both are responsible for the performance of the entire company.

In simpler times, Chernin says, Fox produced four to five television series a year (about 100 episodes) and sold them to three networks. Now it produces 25 series a year (about 600 episodes) and deals with six networks, 200 cable channels, syndication, DVDs, international, wireless, and broadband markets. "What I was really thinking was where to find the skill set to manage these businesses," Chernin says. "I came to believe that, because of the complexity, if I could find two people with complementary skills, it would probably be better."

It has turned out better, both for Fox and for Newman and Walden. "Because there are two of us, we're capable of getting involved in many more

things," says Newman. "There's more productivity here than at any other company like this where there's only one person in charge," Walden adds. Both say the arrangement has been fabulous for their family lives. "I have greater freedom to be a participant in life," says Newman. "There's no meeting that I can't cover or that Gary can't cover," Walden says. Example: When Walden's daughter broke her arm one weekend, Walden didn't come in on Monday. The business didn't skip a beat. A president of the company was there; all scheduled meetings took place.

Like any successful partnership, Walden's and Newman's took a while to sort out. They spent the first year doing too much together. Only when they

became trusting enough for each to let the other handle situations alone did the leverage for the company (and their lives) become powerful. Making the arrangement work requires ground rules. At the outset, they sometimes inadvertently contradicted each other in responding to e-mails. Today their rule is whoever gets to an e-mail first, answers it. "If one of us has to step up and make a decision," says Newman, "we do it and move on, and worry about straightening it out between us the next day."

Chernin doesn't find managing two presidents all that hard. If he talks to one he expects that person to pass on the word to the other. If he needs something he asks his office to "find Dana or Gary." "It doesn't really matter to me which one," Chernin says. "Both are up to speed on everything." Though he didn't create this arrangement to give them better lives outside work, it does that too. Newman and Walden compare their relationship to a marriage; Dana calls Gary her "day spouse." They recently renewed their "vows" by signing a long-term deal to keep working together.

Across town, at the *Los Angeles Times*, Dean Baquet has cloned a key position as well. Shortly after becoming editor, he announced that he was dividing into three jobs the managing editor position he had previously held. Now two managing editors and an associate editor oversee the 1,000-person newsroom. Why three? Like Chernin in the TV business, Baquet cites the growing complexity of major newspapers. He felt that as a solo managing editor there were things he hadn't been able to do well, despite putting in long hours. "If your job is gigantic, there are things you ignore," he says, citing the sports section in particular as getting short shrift. Baquet also felt so swept up by daily crises that he had little time to think strategically. "The job was just too big for one person," he says.

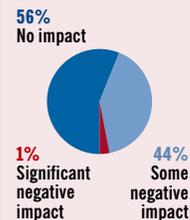
**"I like the idea of them getting home earlier. I like the idea of them having exposure to things other than [the office]."**

## FORTUNE POLL

### BUT CHANGE MAY STILL BE HARD

Though 98% say they'd be sympathetic to employee requests for better work-life balance, consider this:

**What impact, if any, would an effort for more of a work-life balance by your employees have on their career advancement?**



**What's more,**

**49%**  
of our surveyed execs are self-described workaholics.

**70%**  
say they already have enough time to do non-work things that are important to them.

For additional survey results please go to [Fortune.com](http://Fortune.com)

A saner division of labor is good for the *Times's* news coverage, he believes, since top editors are supposed to be in touch with the world. "I like the idea of them getting home earlier," he says of his senior team. "I like the idea of them having lives. I like the idea of them having exposure to things other than just the newsroom and the news in the moment." Dividing such jobs is also a way to broaden the company's talent base and nurture new leaders, he says, making it possible for people to spend time with their families and climb the ladder. And while adding top managers at high salaries may seem like a costly fix, both companies say that the gain in effectiveness far outweighs the incremental expense.

CEO David Neeleman of JetBlue is also experimenting with job designs for senior executives. Thomas Kelly, 53, is an executive VP whom Neele-

man calls JetBlue's "chief wisdom officer." Kelly worked with Neeleman at a previous airline; from the start he has run JetBlue's legal, government affairs, and treasury teams from Salt Lake City even though Neeleman based the company in New York. Not long ago, because of Kelly's responsibilities in the Mormon church, he requested a four-day week at reduced compensation. The boss, also a Mormon, said yes. Both men felt the strength of the three VPs under Kelly meant it could work.

Still, Neeleman—a father of nine who's home most nights for family Scripture readings at 8 P.M.—isn't sure about applying this kind of arrangement more broadly. Yet he says he's considering a similar four-day-week request from another crucial player, the airline's head of scheduling.

At Fleet Bank in Boston, Cynthia Cunningham and Shelley Murray shared the job of vice president for global markets foreign exchange for six years. Each worked three days a week on a trading desk. They didn't divide clients and tasks; whoever was present dealt with whatever came up. They had one set of goals and one performance review, and they operated so seamlessly—with the help of a weekly meeting and constant voicemails throughout the day—that out-of-town colleagues often didn't know there were two of them. In previous jobs each had worked 50 to 60 hours a week; in their shared role they dropped to 20 to 25 each. They also felt "totally on" at the office since work wasn't consuming their lives. The gratitude factor, too, was huge: having a rare senior job-share doubled their drive to deliver. "We didn't have time to waste," says Cunningham. "We had to succeed so that we could keep the arrangement we had."

When Bank of America acquired Fleet and eliminated their department, Cunningham and Murray looked for a new job together. Despite their track record, no company has yet been willing to give them another shot; it's outside most business's comfort zone. Top recruiters told them "we don't place part-timers," unable to fathom what they'd achieved.

## Things to Try at HQ

Thirty corporate big shots listened politely while the woman told them they were slaves. It was a meeting in London last February of a new entity called the Hidden Brain Drain Task Force, which counts 30 blue-chip firms among its members, from Alcoa to Unilever. The group focuses on breaking down barriers to advancement still faced by women and minorities. But one of its chief goals is to fix an equal-opportunity oppressor: "extreme" jobs. That project represents the first systematic effort by major companies to humanize senior work.

Madeleine Bunting, the British author of *Willing Slaves: How the Overwork Culture Is Ruling Our Lives*, had been invited that day to provoke debate. Is the



"WE DON'T place part-timers," the executive-search firm told ace job-sharing bankers Cunningham (left) and Murray.

prevalence of extreme jobs a product of forces like technology and globalization? Or is it rather something in which talented people are themselves complicit? Either way, Bunting said, old assumptions about how to work, how to show commitment, and how to advance are cruelly out of date. Decades after women rejoined the workforce and two-income couples have become the norm, business and society haven't adequately adjusted. "Everyone has individual coping mechanisms," says Carolyn Buck-Luce, a senior partner at Ernst & Young who is helping lead the extreme-jobs review. "But that's not an institutional solution."

Jon Katzenbach, who advises FORTUNE 500 managements on organizational issues, thinks it's possible to humanize top jobs—though no company has ever asked him to. Among the fixes he promotes is more effective use of teams. (That was a key aspect of Slager's reorganization at Ernst & Young, where each due-diligence team now may work on several deals for a given client, rather than being assigned to deals piecemeal.) Katzenbach also urges companies to offer alternative career paths in which executives choose the speed of their promotions. Instead of having to make vice president in five years, for example, you'll be able to choose to get there over ten, perhaps while the kids are young and you prefer to avoid intensive travel.

There is no one-size-fits-all solution. Higher earners may consider trading income for time. Two professional parents, for instance, may arrange for each to work full tilt for nine months and then take off three, or work five days 9 to 4, except when there's a crisis. Maybe they'll handle three clients instead of six. To make any of it work, says Katzenbach, employers have to give senior people the freedom to define what they mean by success in their lives—and then ask them to translate that into how much time they're prepared to devote to the job. That still leaves room for executives who love work so much they never want to leave, or who prefer the clarity of the office to the chaos of family life. As companies learn to accommodate a range of time commitments from top talent, organizations will look less like a pyramid and more like a puzzle.

If such transformations sound easier said than done, it's because of that roadblock, fear. A 2003 *Harvard Business Review* article, "Let's Hear It for B Players," illustrates the dilemma. It defines those who "place a high premium on work-life balance" as second-tier workers. The authors thought they were being generous to the Bs, pointing to them as underutilized assets overlooked in the rush to woo

the workaholic highfliers. But the message, echoed across the culture, is clear: Declaring your interest in a human-sized job is like announcing a disease. B-men may not often opt out of the workforce entirely, as do some women with high-earning husbands, but they scale back, switch to staff jobs, and turn down promotions. Or, like many women, they keep their B-ness a secret and suffer in silence.

FORTUNE encountered similar angst in a focus group of first-year students at the Wharton Business School. These future leaders were adamant about wanting full lives and cynical about feeling good pronouncements on such matters by CEOs. Yet they also felt they had "no leverage," and

that if they mentioned nonwork aspirations in job interviews they'd be seen as "slackers." They'd figure it out once they'd shown bosses they could do the work, they said.

The biggest challenge in humanizing work may be not how to get the work done but how to persuade corporate leaders to view the desire for a complete life as legitimate. It hasn't been a CEO priority, to put it mildly. Jack Welch, the iconic boss

of the 1990s, wrote in his book *Winning* that he always worked Saturdays as a rising star at GE, and found that his direct reports (surprise!) showed up to join him in the office. "I thought these weekend hours were a blast," Welch wrote. "The idea just didn't dawn on me that anyone would want to be anywhere but at work."

He was hardly alone. Other seventysomething empire builders—like Eli Broad of KB Homes and SunAmerica—describe themselves as "old school" in this regard. As Bob Knutson, 71, who built Education Management Corp., put it, being a child of the Depression grafted on to his native drive a "whatever it takes" work ethic that was hard to dial down even decades after he'd made it. That style has flowed to the current crop of bosses. Baby-boomer Jeffrey Immelt, Welch's successor at GE, boasts that he has worked 100 hours a week for 25 years. That's 7 A.M. to 9 P.M. seven days a week!

Schultz at Starbucks is among the minority of CEOs out to break the taboo against discussing 24/7 workloads. "You may not get what you want, but at least we're going to have this dialogue," he says. "And there'll never be a mark against you because you asked for something." At Xerox, Ann Mulcahy wants top performers to come forward and say, "Here's the approach I'd like to use to deliver the performance that I think is required." "It's got to be initiated by your best employees," she adds, to create a buzz around the company that innovative job design is a way to keep great people.

**"Everyone has individual coping mechanisms. But that's not an institutional solution."**

## TIME OFF

### SO WHAT ABOUT YOUR SCHEDULE?

On average, the businesspeople in this story told FORTUNE they work at least 50 hours a week and wish they worked ten fewer. Each leaves at least a week of vacation time unused each year. But no one is exactly average; some unusual responses:

#### How Long Is Your Workweek?

■ "I work 55 to 60, 65 to 70 around Christmas. It's my choice. I certainly don't feel abused by the company."

—JIM SINEGAL,  
CEO of Costco

■ "I average 35 hours of work each week, [which seems] just about right."

—THOMAS KELLY,  
EVP, JetBlue Airways  
(A devout Mormon, Kelly cut his workweek to provide time for increasing church responsibilities.)

## Lessons From Old Europe

If you've made it this far, it's obvious what you and Tom Friedman must be thinking. With people in India and China seemingly working 35 hours a day, how can anyone talk about working 35 hours a week? Isn't this precisely the wrong moment for Americans to be kicking back? What is this, France?

Consider some facts. While every red-blooded American knows that the U.S. has the most productive economy in the world, the truth is that in 2002 it was actually less productive per hour worked than countries that are supposed to be slackers: Belgium, France, Germany, Norway, and the Netherlands. True, the U.S. had more output per person, but that's only because a bigger share of Americans worked, and many Americans work longer hours.

This is not to suggest that America should emulate Europe's economic policies—for one thing, job growth there is abysmally slow. But the rough parity of Europe's productivity with America's own, despite the absence of a macho work culture, should give Americans pause. The moral: Americans don't have to work like the Indians and Chinese any more than they have to work like 19th-century factory hands, when hours were far longer than today. "There is probably not a productivity penalty to shortening hours in the U.S., and there may even be a benefit," says Martin Baily, who chaired President Clinton's Council of Economic Advisors.

Leslie Perlow of the Harvard Business School

makes an equally tempting microeconomic case. An ethnographer, she studied teams of software engineers in several countries. These teams had been identified as equally productive doing similar kinds of work by their joint venture partner, a large U.S. tech company. But Perlow found the teams had different ways of organizing their work, with vastly different impacts on workers' lives.

In India the engineers, mostly specialists, reached out directly to other team specialists when they had problems. Their sense of mutual commitment led to very long hours, since everyone felt they had to be available to their colleagues. In China the engineers never spoke to one another; all requests for help went through the project leader. That made everyone highly dependent on him and locked them to his hours. In Hungary, when one engineer had a problem, he'd go to whoever happened to be free. As a result, many people were able to help each other and it was less important for everyone to be at the office all the time. All three teams, says Perlow, were "convinced that there was no other way to do it" and that they were merely doing what the global marketplace required. Yet the Indian team's approach was a formula for burnout, and the Chinese team was at the whim of its boss; only the Hungarian team's approach allowed a life.

If you still can't visualize how jobs might be reor-

**THE NEW BOSS** at the *L.A. Times*, Dean Baquet quickly split his old post in three to boost productivity.

## TIME OFF

### If You Had Six Extra Hours Per Week, How Would You Use the Time?

■ "I'd spend afternoons with my kids, in particular my older daughter who just started elementary school. I'd love to discuss the things she's learning at school when they are fresh in her mind."

—DANA WALDEN,  
President, 20th  
Century Fox Television

■ "I'd split the extra time between hanging with my wife and kids and playing in a band."

—GREGG SLAGER,  
Senior Partner,  
Ernst & Young

■ "I'd hope to spend time with my 12-year-old son, but given how busy he is with after-school activities, I'd probably golf. It would do wonders for my handicap."

—GARY NEWMAN,  
President, 20th  
Century Fox Television





ganized, remember that humanizing top-level work isn't something really hard, like finding a cure for cancer. The idea seems farfetched only to those who don't recall history. People "knew" a century ago, for example, that a "weekend" or a "minimum wage" would spell the nation's ruin. In the not-too-distant future the idea that CEOs once thought it effective to work 24/7 will seem equally preposterous.

## Hollywood Ending

There's a scene in the classic 1956 film, *The Man in the Gray Flannel Suit*, when Fredric March's driven CEO is informed that his estranged daughter has eloped. The CEO's wife, far from seeking her husband's comfort at this distressing moment, instead announces that their chilly marriage is over. In a wave of bitterness and self-pity, the boss tells junior executive Gregory Peck that "big successful businesses aren't built by men like you—9 to 5 and home and family." They're built by workaholics like me, he explains. The personal toll is obvious. "My mistake," he adds sadly, addressing his glass of Scotch, "was in being one of those men."

We're still stuck between the extremes depicted in the movie. Either you're a maniacal workaholic

### THE REAL ACTION Slager and wife Sue in New York with their fast-moving boys Kyle and Justin.

who runs the world—or you're a Dilbert, punching a clock with little power and authority. Too many businesspeople think that's just the way of the world. "You can't have it all," they say. But let's be very clear on what "all" is. People want to work at the level they're capable of and still have time for things outside work that nourish them. They don't expect to be as rich or accomplished as Bill Gates or Jeff Immelt while also being the perfect parent. They're saying that most of us lucky enough to have the talent and ambition to tackle top jobs while being blessed with people or things that give us sustenance should be able to combine both.

To say this is "wanting it all" is like saying people should have to choose between food and water. They need both. As Dean Baquet of the *L.A. Times* argues, "The top shouldn't be reserved only for people who can work 18 hours a day." Obviously these are lucky problems to have. But why should America's professionals be the only elites in human history who don't set things up to get what they want? If they did, America would be the better for it. **E**

FEEDBACK [fortunemail\\_letters@fortunemail.com](mailto:fortunemail_letters@fortunemail.com)

JODY MILLER is founder of United Talent Group, which matches independent business professionals with project work, and a venture partner at Maveron, a VC firm in which Howard Schultz is a general partner. MATT MILLER is a senior fellow at the Center for American Progress and a senior advisor to McKinsey & Co.