



Art of Leading

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Marc Rosen, CEO of JCPenney

To Drive Large-Scale Transformation, You Need Focus, Precision and Speed



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Marc Rosen, CEO of JCPenney, shared his key leadership insights in my latest "Art of Leading" interview.

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Q. What is your core framework for leadership and driving change?

A. The first task is doing a really quick assessment of the situation. I've led at a lot of different organizations, and I love taking on challenges and transformations that people think are impossible, and proving that those things are possible. And I love building high performing teams.

When I'm starting on a transformation, I'll look at the

potential of the brand. I'll ask: "What does that look like, and what are the critical levers that are going to get this business going? How do we turn this quickly and get some fast wins? How do we engage the team and build the culture?"

Q. How do you make it clear to your direct reports that they have to operate like a true team?

A. It's about setting the tone, expectation, and ground rules. They should understand that we're going to work hard together. We're going to have intense debates. We're going to hear all points of view. But at the end of the day, we're going to make a call.

Most importantly, we're going to move forward, and we're going to win together as we go through this, not separately. Part of setting the tone is not tolerating behavior that doesn't fit that approach. As a leader, you have to set those boundaries.

Q. Give me an example of those boundaries.

A. If we make a decision in the room together as a team, then we have to be unified in how we execute that decision. We can – and we will – have healthy conflict. We'll have debate in the room and hear all points of view. But when we walk out to lead the team, we have to walk out as one team.

Because when you're leading a large-scale transformation, focus and precision and speed are critically important. Anything suggesting the leadership team is not aligned hinders any progress that drives the transformation.

Q. You've worked in a lot of big companies, including Walmart. What's your advice for people who have to navigate matrixed operating structures?

A. You have to build relationships and build trust, because they make a matrix work. You've got to invest the time to build relationships with peers. And people have to understand that you're operating from a position of trust. It requires a big investment of time up front.

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I would add that transparency is also important, because people can interpret things differently. So you have to be really transparent about what you're doing and why you're doing it so it's clear for others. That's how you can successfully bring people along as you move through it.

I've always been somebody who colors outside the box, because that's how you drive big change and get things done on a larger scale. I've learned that means you have to work collaboratively across functions, and you need trust and relationships with your peers to get it done.

Q. What were important early influences for you?

A. I grew up in Minneapolis, and my family was in retail. My grandfather had moved to this country from Russia with his parents, and they started out as traders in southern Minnesota and northern Iowa, and eventually opened a general merchandise store.

I spent a lot of time with them. Retail is a 24/7 kind of business. And although the store was open six days a week, my grandfather still worked on Sunday. If I wanted to spend time with him, I would go to the store and help him transfer merchandise from the "warehouse" at the larger store to the smaller store in Spirit Lake, Iowa. I saw firsthand how stores help to build community and why the first rule of business is to treat people with respect.

Q. What is your superpower?

A. I can assess a problem really quickly by understanding what's going on, what's wrong and what needs to change. I learned that partly from an early job in consulting, where you have to quickly diagnose what the issues are and understand the problems.

And I see all the problems. If my wife and I, say, are walking past our lawn, I'll notice the single blade of grass that's turning brown, and I'll wonder what we need to be doing about the grass. Meanwhile, my wife will say, doesn't the lawn look great today? There's beauty in both approaches, but I can't help but always see that brown piece of grass in the lawn. You've got to recognize there's goodness in that, but sometimes it can be a little exhausting, too.

Q. What about early leadership lessons?

A. Something I learned early on relates back to what I was saying about my ability to quickly see the problem and the solution. When I was consulting, I was working with a client, and I was already focusing on the answer while the client was still warming up to the fact that she had a problem.

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She called me out for that, which I appreciated. It made me realize the importance of bringing people along as you're driving change and making sure that the pace at which you're moving can be absorbed by the organization. You often have to slow down at first to get everyone aligned, but it's the only way to get to a long-lasting solution.

Q What is the hardest part of leadership?

A. It is driving large-scale organizational change. People are creatures of habit, and people get comfortable in the things that they do. But the world is changing, and if people and organizations don't change, they're not going to be able to continue succeeding. So you have to get people bought into the reasons why change is necessary and then make sure that the change really sticks.

When I joined JCPenney, I set a goal for the first year that I was going to meet with every one of our 30 district managers and visit our nine distribution centers. I did that because you have to engage with the people who are driving change throughout the organization. I had to build those relationships, because I needed them to be able to talk with me without boundaries or barriers. They needed to build trust and relationships with me so they could lead their part of the organization, too.

Q. How do you hire?

A. I'm hiring people who can lead through large-scale transformation, so a big thing I'm looking for is comfort with ambiguity and comfort with taking on a problem that nobody thought they can solve.

I also want to know how they build teams. Have they built followership? Why does that talent follow them? Another characteristic that is critical is whether the leaders themselves are capable of introspection. Do they understand how their team views them? Can they identify the one thing about their leadership style that their teams would like them to change?

In order to continue to grow and evolve as a leader, that introspection is really critical. If they can share honest and genuine answers in an interview, then they're showing vulnerability, too. Without vulnerability and introspection, people don't have growth.

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