



ARLETTE: Hi, I'm Arlette, your host, and welcome to "Give Me an H."

Together we'll explore the culture of The Home Depot through the eyes and experiences of our associates who live it every day.

Let's get started.

### Values-Based Culture - Tim Hourigan



ARLETTE: Tim Hourigan is the executive vice president of Human Resources.

He is responsible for creating a best-in-class work environment for the more than 400,000 orange-blooded associates who work at The Home Depot.

Previously, Tim led the human resources function for the company's U.S. stores and operations as well as overseeing the company's compensation, benefits and HR systems.

Tim, you're a CPA.

TIM: Scary, huh?

ARLETTE: That means you should be somewhere with your calculator, running spreadsheets, crunching numbers. But instead, you are the Head of HR for The Home Depot. How'd you end up here?

TIM: Well I started in Finance, worked in Public Accounting. I was working for a private company and doing some financial analytics regarding a divestiture.

I'll tell you, I did the financial analytics and was intrigued by the discussion around Human Resources, so I spent a lot of time trying to dig into that. Ultimately, I moved into the Human Resource Field.

ARLETTE: I think it was Bernie that said, "Hey. If you take care of our associates, they take care of the customers. The rest takes care of itself."

Have you found that to be the case since you've been here?

TIM: Oh, absolutely.

You know, sometimes we'll overcomplicate things. You think about how simple that message is, "Take care of the people. Do the right thing by the people. Live the values." You do those things, they're going to be motivated to take care of the customer, and literally everything else does take care of itself.

The financials will follow if the customers are happy, and the customers will be happy if they feel they're getting great service.

ARLETTE: Tim, you mentioned our values. How would you say The Home Depot and its values are different from any other place? I mean, every company says, "We're values based." Every company has values, but what's different here?

TIM: Well, great point. Every company purports to live those values, but just look at what we do when disasters occur. What we're doing right now in Florida or what we're doing in Texas. Not only to support the community, but to support our associates. Think of the Homer Fund.

ARLETTE: Yes, the Homer Fund. The Homer Fund is—?

TIM: Well, it's a program that associates contribute to. In fact, it was started by our founders. So, Bernie and Arthur and Ken Langone (who was one of the original founders as well) contributed money to start a program that enables us to help each other in times of need.

But today, we have 90-plus percent participation. What that means is our associates contribute to the Homer Fund so that in the event of a catastrophe, some disaster — either personal or even on a bigger scale like these Hurricanes — there's funding available to help people move into a better spot in life, and that is so cool to think about. We do that for each other.

One of the key values, "Taking care of each other, taking care of our people." Not only from a leadership standpoint, but also from an individual standpoint. That's a place where we live it every day.

ARLETTE: I love it. So, 15 years later?

TIM: 15 years.

ARLETTE: As the EVP of HR, you have the daunting task of being responsible for more than 400,000 associates. I mean, we talk about values-based leadership. We talk about, you know, how we give back and our culture.

How do you approach that big job?

TIM: That's scary. You just scared me [laughs]. I think I'm going to go

back upstairs. Why did you do that?

ARLETTE: [Laughs]

TIM: No. I'll tell you, it's a big job. It truly is, and I'm humbled and honored to have the opportunity.

We've had a lot of great HR leaders here, and I think we've had a lot of great business leaders here. The way I approach it, it's pretty simple. You mentioned Bernie previously, as far as—

ARLETTE: Our founder. One of our founders.

TIM: Exactly. When they talked about setting up this company on a pretty simple context, "We're going to have values, and we're going to live them. We're going to have a leadership model that's based on servant leadership," that's what makes this job easy, if you will. Because we do, we believe in the inverted pyramid.

ARLETTE: Can you tell our listeners what that means to The Home Depot?

TIM: Well, it's how we lead our people. It's epitomized in one word, "humility."

Our leaders exhibit humility, no matter where you are in the chain. If you're a store manager, if you're a district manager, if you're running the Distribution Center, if you're the CEO, humility is a key to be successful in a servant leadership environment, and I think we've got some of the best and most humble leaders in retail.

ARLETTE: Well, and what's cool about the inverted pyramid is the CEO is at the bottom.

TIM: Absolutely. Yes, he is.

ARLETTE: Our associates and customers are at the top, essentially saying, "They are the most important assets that we have."

TIM: I'll tell you a story.

I was in a store down in Mesquite, Texas. There was a young man named Jonathon standing on the front apron, and I walked up and introduced myself. I said, "Jonathon, how long have you been with us?" He said, "Eighteen months." I go, "Man, you're in a Lot associate role. It's hot. It's wet. It's cold. You get all the weather. What motivates you every day to come in and do your job?"

He looked and he said, "Well, Mr. Dale is teaching me the ropes." I go, "Mr. Dale?" He goes, "Yeah. Yeah, he's teaching me the ropes." I said, "Well, what's he teaching you?"

Now Jonathon, picture an 18-year-old/19-year-old young man, probably first

job. He's teaching him basic customer service. So Jonathon tells me, "He's teaching me that we've got to keep the area clean. He's teaching me to say, 'Thank you' when the customer is loading their car and I'm helping them out. He's teaching me that when I'm not with a customer or helping them load or unload, to pick up things in front of the store so it looks good."

So, I passed on inside the store. I'm walking along the frontend, and I meet this guy. You know, typical Home Depot. A big apron that says, "Dale." Kind of dirty, as you would expect. A grizzled veteran, if you will picture that.

I said, "So, are you Mr. Dale?" He said, "Well, why do you ask?" I said, "Well Jonathon, out in the lot—" He goes, "Oh, yeah. Jonathon, fine young man. I'm teaching him the ropes." [Laughter]. I said, "Isn't that cool." The coolest part of this was Dale wasn't Jonathon's supervisor. He was an associate in the Hardware Department.

ARLETTE: So, he took him under his wing?

TIM: Took him under his wing. That, to me, is the essence of The Home Depot. It's that people want to help each other.

When you come into The Home Depot as a customer, you're looking for help. As an associate, you've got team members that are more than willing to help you. No matter where you are in the building. No matter if you're in the store, DC, Call Center, or an SSC Facility, every time you look around, people want to help you.

ARLETTE: So, you think about Jonathon. Jonathon had to have had a first day at The Home Depot. How do you think about, you know, our incoming applicants and you think about advice to them with retail changing and this idea of service being so important to The Home Depot?

What would you say to those prospective applicants in terms of what it takes to be successful at The Home Depot and how you see the future, if you will, of employment and how they can be successful here?

TIM: Yeah. Well, I'll tell you, The Home Depot is probably the best place to come if you want to learn, and I've said this many times.

There's three basic things: Come in with a positive attitude. Come in wanting to help people. Come in and say, "What can I do to help others learn and help others grow?"

The second thing, try to grow yourself. Come in and ask questions. If you ask questions, as I said earlier, people will want to help you. If you do that as an associate, you'll learn, you'll grow, and you'll be able to fulfill your potential.

Then the last thing is pretty simple, fulfill your commitments. If you say you're going to do something, do it. As a new associate, that means showing up on time. Making sure you fulfill your shifts. Volunteer for

extra activities. Those things, if you show that determination, that commitment, and you fulfill those, you'll be successful and you'll grow at The Home Depot. It's pretty simple.

ARLETTE: You tell a great story about an early lesson on, "Flexibility and The Important of Family." I think about your sons, Shawn and Trevor, and you tell a story around how you learned early on how important it is to balance work and family.

Tell us a little bit about what you learned early on in terms of, hey. You've got to do work, you've got to work hard, but also it's important to keep the two in perspective so you have a great work and life balance or integration, if you will, in order to really do your best work?

TIM: Yeah. Great question. I mean, I hear that a lot. It's like, "How do you balance work and life?" You have to take ownership of that.

But, my son was four. It was Shawn, the younger son. I was leaving to go to work one day, and we'd been working pretty hard. He said, "Daddy, daddy, are you going to come to my T-Ball Game?"

I said, "Well, hon." He holds up that little four-year-old hand and he goes, "I know, daddy. I know you're going to try, but something might come up."

So I get in the car and I said, "No, hon. I will. I will, I'll be there tonight." He goes, "Great."

So, I get in the car and as I'm driving, I'm thinking, "He was just quoting what he had heard so many times before." So, I was determined to get to the game, and it was an early evening game. It was 5:30/6:00. I leave work early. I get there. I'm sitting in the stands. I'm the first one in the stands.

He pulls up with his mother. He sees me and he comes running, "Daddy, daddy, you came. You came." I picked him up and I hugged him. I said, "Yeah, hon. I told you I would." His mouth was next to my hair. He said, "Daddy, I didn't believe you."

You talk about making an impact. When a four-year-old, they're not trying to be hurtful, not trying to be smart-aleck. Just telling you what's in his heart.

ARLETTE: No. They tell it like it is, right?

TIM: Oh, absolutely. I said, "You know, from here forward, I've got to give myself permission to carve out time." Now, I still fulfill my commitments. I still do what I need to do, but carve out time for what's important.

Because the urgent will always get in the way. I'll tell you what, from that day forward, I made sure I made time to attend as many-if not all-of

those events at school when they got awards, whether it was sports or whether it was something else. I made sure I was there.

ARLETTE: Retail is an exciting place to be.

TIM: Oh, absolutely.

ARLETTE: I mean, you've had an amazing career in retail. Worked for a variety of retailers. You'd attest that retail has changed in the last three years and even in the upcoming years it will change more than it did in the previous 40 that we've been in business.

Give us a sense for what opportunities are in retail. You've talked a lot about the stores, which are our bread and butter. It is the foundation of who we are as a company, but what other opportunities do we have? How would you characterize what it means to work at The Home Depot more broadly?

TIM: That's a great question. I remember the first time I came to work for Home Depot. My boys were real small. They looked up and they said, "Now daddy, what register will you be working on?" Because when they were young, [Laughter], we used to go to what we called, "The big worker man's store." It was The Home Depot, but even before I was working here. A great store to go in and just shop and hang out on a Saturday morning while mom got a little bit of a break from raising two young boys. So I said, "Well, I won't be working on the register. [Laughter]. I'll be working in one of the Regional Offices."

You know, if you start thinking about retail today, it's changed so much. Data scientists, if I tell you, "We have data scientists," you'd scratch your head and say, "Well, you know, what register are they at?" "No. No. No." They're in a role, in a Support Center.

We've got the largest Supply Chain in retail. Then, you look over on Online. We've got people that are doing user experience and trying to figuring out, "How do you connect with the customer on a virtual basis?"

There are so many neat things that we have. You could start in the store. You could move to an Online role. You could go to Supply Chain. You could start in Supply Chain and move into IT. I couldn't begin to tell you how many different career paths you could have, and it's really driven back to those three basic things we talked about earlier: Do you fulfill your commitments? Do you have a positive attitude? Do you want to learn? Do you ask questions, and are you curious?

If you do those things, you could have five different careers at The Home Depot over the life of your working career.

ARLETTE: Tell us about your favorite day at The Home Depot. You've had lots of days at The Home Depot, I'm sure. Sometimes some more challenging than others.

TIM: Oh, absolutely.

ARLETTE: [Laughter]. But, your favorite day that comes to mind?

TIM: Oh, favorite day, without a doubt, it's in a store and it's talking to an associate and it's walking across the frontend. I was in Kitty Hawk, Carolina the other day. I'm walking across the frontend of the store and I see an associate who was walking with purpose. His name was Anthony. I said, "Hey, Anthony. I'm Tim Hourigan. Nice to meet you." He shakes his head, and he looks like, "Yeah, I've got something to do. Can we get on with this?" [Laughter].

ARLETTE: [Laughter]

TIM: I said, "Hey, how long have you been with us?" He said, "Two years." I said, "Well, why did you come to The Home Depot?" He said, "Because one day I'm going to own a house, and I came here to learn skills about how to fix that house up."

ARLETTE: Wow.

TIM: Now, this was a young man. He was probably early 20's—22 or 23, somewhere around there. I said, "Wow."

You talk about coming to The Home Depot and we talk about career opportunities. We talk about how to grow. We talk about having a feeling of being part of something bigger, part of an orange family, the servant leadership model, the values, all that great stuff, and then you hear it from somebody in the frontlines that tells you, "I'm coming here to grow, because I'm going to use the skills I learn at The Home Depot to be able to enrich my life outside this company." I said, "Man, that is a good day."

ARLETTE: Thank you, Tim.

And thank you for listening.

This is Arlette signing off.

I hope you'll join us next time for another episode of "Give Me an H."