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Happy, Motivated Employees Key to Successful Execution

by Jack Roseman, Contributing Columnist

I've talked before about the elusive issue of execution. Poor execution is said to be a common reason companies fail. But what do we mean by execution? And what can you do to ensure the best execution? The answer is hire the best people and motivate them by treating them like people and not plug-ins. That's one of the hardest jobs the CEO faces, but if it's done well it has a big payoff.

The CEO is also charged with managing communications, developing strategy, negotiating, planning, problem solving, and many other tasks that fall under these larger categories. But at least half of a CEO's time should be going into keeping the team pumped up and engaged. I give it such a high priority because if you have the right people and they're committed to you and the enterprise, they'll make up for a lot of your mistakes.

Last month, I talked about how monetary incentives

eventually turn out to be counter-productive in accomplishing that. I said objects and personal services create in the CEO a false sense of having fulfilled his obligations to his associates. Monetary incentives also reinforce an "us vs. them" frame of mind when what you want is to engage your employee in the enterprise as fully as possible. Give them ownership. Not just stock options, but ownership. Make everybody feel they're in the same rowboat.

It isn't complicated, but it isn't easy. It requires relating to people sincerely, often when you would rather be left alone. Sometimes you will be mad about something, or demoralized from getting kicked in the gut by a customer. You may be mad at a particular employee because you think they did something wrong. It doesn't matter. You can't hunker down, hole up or treat them with icy indifference. You

have to maintain a sincere relationship with your employees at all times if you want them to feel part of the company. It's a lot harder than doing a cash flow analysis.

So how do you maintain that relationship? The tools aren't complicated. You give them recognition, concern, respect, and you give of yourself.

At Online Systems, I used to walk around and say to employees, "If you were the president, give me one thing you would change." Their answers always fell into one of three categories. Either it was a damn good idea, and I said, "Thank you, we're going to do that." And we did. Or, "That's not a good idea because of these other issues, which you would have no way of knowing about. So we're not going to do it." Or, "I have to think about that because I've never thought about it in that way." And I would always get back to them.

This effort can't be half way; it has to be for real - genuine and sincere. I found it did two things. You create a lot of good will just by asking for people's opinions. They are amazed that you want to know what they think. Secondly, when you ask them to put themselves in the position of being the president, it surfaces a lot of their discontent; things that were eating away at them. But I was always careful to limit them to one.

That forced them to prioritize and bring out the most pressing one. And once it was out in the sunlight, it tended to dissipate. But if they had kept it in their guts, it would have just caused more and more discontent. Again, this is not celestial mechanics, but it's amazing how difficult it is for some CEOs. I am convinced that's why they buy them BMWs and massages and pet sitters - all easier to do than give of themselves.

The other benefit that comes from being open with your employees is that very often they can get you out of a jam. And yet when something negative happens, some CEOs try to hide it or spin it. These are bright people; you are paying them \$100,000 or \$200,000 a year. You aren't going to keep it from them for long; and when they discover that you've been less than forthright, your credibility will take a big hit. In any relationship, the most potent cement you have is your credibility - and this is doubly true for a CEO. The people in

your company must trust you, and for that to occur you have to be sincere and forthright.

Beyond that, these people have good ideas, a lot of creativity. Their skills are probably not limited to the narrow field you hired them for. Tap that resource. That's not only a sign of respect, but it's acknowledgment that you are all in the same rowboat.

I recently came across a quote from the senior director of human resources from BeFree here in Pittsburgh. He said, "You have to pay people competitively, but people don't leave a company because of salary. They leave because they don't like working for you. Because they don't enjoy the environment."

How do you remedy that? The recipe isn't complicated. Recognition and respect from someone they trust.

Jack Roseman is the Director of The Roseman Institute. He was the founder of two successful computer firms and was president of a third, On-Line Systems. Jack formerly was the associate director of the Donald H. Jones Center for Entrepreneurship at Carnegie Mellon University's Graduate School of Industrial Administration (GSIA). This column was written with Steven N. Czetli, former Executive Editor of T.E.Q.