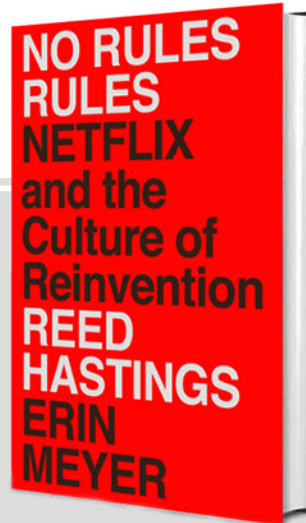




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NO RULES RULES

Many companies have nice sounding value statements displayed in the lobby, such as:

Integrity
Communication
Respect
Excellence

Enron, whose leaders went to jail, and which went bankrupt from fraud, had these values displayed in their lobby:

Integrity
Communication
Respect
Excellence



DILEMMA 1

Would you tell your employees now about a possible change that would impact them later?

- A** No - I would wait until I was sure. Why upset and risk losing your excellent employees before anything is decided.
- B** Yes - I would tell them now. It's important to be transparent with my staff in order to build their trust and sense of ownership on the team.

DILEMMA 1

Would you tell your employees now about a possible change that would impact them later?

← Transparency Team Stability →

DILEMMA 2

Would you let your employee invest in a project you think will fail?

- A** No - Why throw time and money into a project you don't even think will succeed?
- B** Yes - You want your employees to feel empowered to invest in projects they believe in.

DILEMMA 2

Would you let your employee invest in a project you think will fail?

← Innovation Error Prevention →

← Respect Disrespect →
← Integrity Corruption →
← Accountability Finger Pointing →

Three steps to employee freedom

- +** Increase Talent Density
- +** Increase Candor
- Remove Controls



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DILEMMA 3

Should you let go of a hard-working employee doing mediocre work?

- A** No - I'd keep him on the team.
- B** Yes - I'd let him go.

A Great Workplace is Stunning Colleagues

A great workplace is *not* espresso, lush benefits, sushi lunches, grand parties, or nice offices.

We do some of these things but only if they are efficient at attracting and retaining stunning colleagues.

“The best predictor of how a team performs is not how great the best performer is or what the average member is like. Most often it comes down to what the worst team member is like.”

Poor performance is especially contagious.

The Keeper Test Managers Use:

Which of my people, if they told me they were leaving for a similar job at a peer company, would I fight hard to keep?

Three steps to employee freedom

- +** Increase Talent Density
- +** Increase Candor
- Remove Controls

POLICY CONTROLS SUCH AS:

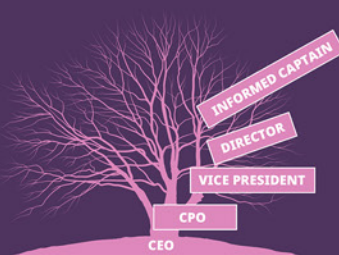
- Travel Policies
- Expense Policies
- Vacation Policies

DECISION CONTROLS SUCH AS:

- Decision Making Approvals
- Contract Sign-Offs
- Decision By Committee

OTHER PROCESS CONTROLS SUCH AS:

- Key Performance Indicators
- Management By Objective
- Performance Improvement Plans



“As we gave employees more control over their lives and jobs, it began to dawn on me... freedom is not the opposite of accountability, as I'd previously considered. Instead, it is a path towards it. If you treat employees like adults, they will act like adults. If you give employees control over big decisions, they will become increasingly responsible and conscientious. Give freedom to get responsibility.”

REED HASTINGS