

# How to Develop Employees with a “Business Owner” Mentality

Join me for a moment and think back to some of the names and faces of previous employees. You know, the good ... the bad ... the ugly. The ones that did (or did not) make a positive contribution to your organization. I did this the other day and was immediately reminded of two extremely contrasting individuals.

First, there was Sandy. Great at first and we were impressed. She initially went the extra mile, seemed to work hard, and turned in superb work.

But very soon she began to develop an attitude of entitlement and a hidden agenda. I'll never forget the day it all came to light. We found she had used the company credit card to purchase “samples” of expensive items – for her own personal use.

After we let her go, even more things came to light and we discovered the credit card incident was only the tip of the iceberg. For example, she had consistently booked events at a very expensive, high-priced hotel chain – and collected all the associated “frequent flyer points” to her own account. Through the points she accumulated, she was able to take several weekend get-aways as well as use her points to buy a new laptop. But the frosting on the cake was her web browser. It seems she had visited many questionable websites – for no apparent reason except to find and set up clandestine rendezvous scenarios with other singles.

But, second, there was Ally. We had the good fortune of hiring her in a small, start-up business. She, too, started out with a bang. But she kept right on performing – and then outperforming – her previous levels of work.

Ally also had incredible insights and emotional maturity. She seemed to instinctively know what needed to be done to get this new business off the ground. She empathized with the owner's struggles and worries. It was almost as if she could feel what it felt like to walk in his shoes.

As it turns out, she was absolutely invaluable to the success of that organization. The company ended up paying her like royalty ... and it was worth every penny!

Now think about whom you'd rather have working for you? Someone with an agenda for personal gain, or one who has the best interests of the organization in mind? The answer should be obvious – you'd want the employees that views life from an owner's perspective. You'd want Ally any day of the week!

The question is how can we identify and develop, more employees like Ally?

Based on my many years in human resources and management, here are three things you should do:

1. **Screen out the bad apples.** There's a saying that anyone can interview well or even perform well during the 3-month honeymoon period. True. But then the *real person* begins to show up. Our goal is to find out who that "real person" is before they ever come on the payroll! One of the best methods of weeding out the bad apples is to follow all the standard HR hiring practices (completed application, background check, drug and drivers check, etc.). In addition to that, however, we must check references. No, I'm not talking about the "can you confirm if Joe worked there from X to Y dates" type of reference check. I'm talking about the kind of reference where you talk to a previous manager or supervisor. Where you can get honest answers to questions like, "tell me about Joe's work ethic," or "can you give me an example of a project Joe did for you that really impressed you and your customers?" And of course, never fail to ask, "given the opportunity, would you enthusiastically rehire Joe?" Enthusiastically rehire is the key phrase there. See, we're looking for the kind of people that previous employers can't help but just rave about!

Now, I know HR tells these previous managers not to give out references. But if they don't, who really wins? The good guys or the bad guys? The bad guys do. When a supervisor is afraid to give a reference, the bad employees are allowed to slip through. So, if I call for a reference and I'm told, "I'm sorry I can't give a reference," you are likely to hear me say, "Oh, I'm sorry to hear that. I personally thought Joe would be a great member of our team. Unfortunately, if we can't get a rave review, we can't extend an offer." Then I'm quiet. Guess what? Many times, the person will respond (whispering), "Now, don't tell HR I told you this, but Joe was GREAT! I'd feel terrible if you didn't hire him just because I couldn't give you a reference. And by the way, yes, we would enthusiastically rehire Joe any day of the week. He made such a great contribution to our company when he was here." Now, that's the kind of reference you want! And if you can't get that kind of rave review ... don't hire the candidate, no matter how impressive they appear on paper.

2. **Engage and empower.** Once you have your great *business owner mentality* candidate on board, the ball is now in your court to develop that person. High achievers and top performers will not be motivated by a tight-fisted, micromangement style. They are creative. They are ambitious. They think outside the box. And they are always looking for better and faster ways of doing things. Don't stifle that creativity! Let them run. Ask them for their opinion. Give them opportunities to work on projects that let them shine. And be sure to always give them lots of credit! It's the only way to get them engaged in what they're doing for you.

When it comes to empowering, I've always liked "Sherman's 6 Degrees of Delegation" model, designed by M. Harvey Sherman, former president of the American Society of Public Administration. He recommends, and I agree, that power should be doled out a little at a time. It's not unlike teaching your teenager about responsibility and accountability when they want to borrow the car. For example, you initially set up your expectations (where they're going, how long they'll be gone, and when they'll be home). After the expectations are set, they get to borrow the car for an hour or two. If that goes well (i.e., they're home on time and there are no dents in the fenders), then you allow a little more freedom next time.

Remember, these superstars must be allowed to earn increasing levels of responsibility and opportunity. If they don't see an opportunity with you, they'll look for another job that offers them the chance to grow.

3. **Pay your performers generously.** Finally, the tough talk. I know, you have a budget. You can't pay more than x amount of salary. Well, I'm here to encourage you to make an exception to that rule. Why? Because you can't afford to lose a strong player over a few hundred dollars.

For the most part, the "think like a business owner" person doesn't take a job just for the money. They're looking for the opportunity to add the skills and experience to their personal toolbox. But taking advantage of this attitude would be a fatal mistake on the employer's part.

Here's what I'd recommend. Set up a "pay for performance" metric where you can pay that person over and above their base salary. For example, if they design a more efficient process, pay them a one-time bonus of \$1,000. If they complete a project ahead of schedule (and your company profits), pay them another bonus of \$500. You get the picture. Like my grandma used to say, "don't be penny-wise and pound-foolish." Here's a quick mental check for you: do you want them working for your competition? Probably not. So, set up a generous pay-for-performance program for them. Trust me; it will be worth every penny.

## SUMMARY

So, if you want more employees like Ally, spend more time up front screening and interviewing. Then, when you find the right person, get them engaged and empowered by getting out of their way and letting them perform. If you give them room, they'll outperform everyone else on your team. And finally, don't be stingy about paying your top performers. Pay them fairly. Pay them *more* than fairly. Make it such an enriching experience that they'll willingly and richly contribute to your bottom line.

Follow these three guidelines, then sit back and watch as your key players start to think like business owners who deliver unbelievable results to your organization!

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**Sherman's Six Degrees of Delegation**

1. **Take action** - no further contact with me is needed.
2. **Take action** - let me know what you did.
3. **Look into this problem** - let me know what you intend to do; do it unless I say not to.
4. **Look into this problem** - let me know what you intend to do; delay action until I give approval.
5. **Look into this problem** - let me know alternative actions available with pros/cons and recommend one for my approval.
6. **Look into this problem** - give me all the facts; I will decide what to do.

Quoted from Harvey Sherman, *It All Depends: A Pragmatic Approach to Organizations* (University, Ala.: University of Alabama Press, 1966), pp. 83-84.