

Greed is Good?

By Mike Stickler

I have really been struggling with this observation for quite a while.

Many of the managers in the companies that we visit seem to be more concerned about themselves, than the people they work with or the people that work for them. They don't seem to recognize the impact that poor decisions or lack of action has on their people or the community they live in. Traditionally, when things get tough, the people who have the least impact on how the company reacts...always seem to be the first to be laid off.

Let me give you an example, a company that we were working with late last year, went through their third layoff and then a fourth this past month. In the prior couple of years this company had some great results, huge levels of profitability, they retired well over one hundred million in debt. They would only have been able to do this with the help of the people that they were laying off. Now, financially this company is and has been in great shape, and please don't get me wrong, retiring debt is a good thing to do. But...how about retiring eighty or ninety million in debt and hanging on to the people that helped you when times were good? The interesting thing about this company is that business last year was down from the planned or budgeted level, but not very far off (less than 5%) from the prior year. Laying all of those people off was a reflection of pure GREED by the owner. Managing and then moving into ownership made the owner very wealthy...with the help of lots of people. The owner seems to have forgotten that. The impact of laying off people in this small community was dramatic.

I have had the opportunity to discuss this topic with several owners and leaders in a variety of businesses. One of the underlying issues that came out of those discussions was the "lack of loyalty" on the part of the employee... And when I talk to employees they raise the same issue on the part of the employer. As an owner, loyalty should start with you, PERIOD. When you offer a person a job you should expect them to do that job to the best of their ability (and even help them improve their abilities)...and they should expect that the decisions that you make and that the actions that you take will protect their jobs into the future.

When was the last time that you heard of a management team reducing their compensation packages when times went bad rather than laying off the workers? In some cases, these greedy people have let workers go and then given themselves bonuses for having improved the bottom line. What a bunch of *%\$#@*&!!!!

The leadership directs the business, sets the plans, makes the decisions and either acts or directs the actions of the people in the organization. I think that its time for them to step up and bite the bullet first.

Don't get me wrong, sometimes the only way to save the business is to reduce the workforce and cut expenses...but when it truly is necessary, it should start at the top not at the bottom.

GREED is not good!!