

# Using Optimal Thinking to Create a Best Place to Work – A Fortune 50 CEO Perspective

By Richard S. Guha

Being a “Best Place to Work” is not about being warm and fuzzy, but about providing a workplace where dedicated, capable employees contribute their best. As a profit and productivity driven former President of a Fortune 50 Company, and CEO and CMO at several others, I have often been faced with the challenge of ensuring companies perform optimally. This means encouraging ordinary people to perform in optimal ways, and attracting and retaining those who demonstrate consistent superior performance.

Becoming a “Best Place to Work” is not just a matter of remunerating employees with fat checks and bonuses. Maslow showed us that money is merely a ‘hygiene factor.’ Not paying enough makes employees unhappy, but paying too much doesn’t improve motivation.

Many people erroneously use the term “Best Place to Work”. Better than average places to work are not necessarily the best workplaces. I have learned that people and companies can take a quantum leap by becoming consistent [Optimal Thinkers](#). They can create their own “Best Place to Work.” While such an initiative requires leadership commitment and an initial investment of time and money, the returns are rapid with numerous unexpected marvelous outcomes. Reduction in employee turnover alone can save from \$50K for a single junior employee to \$200K for a senior executive.

Often, family owned companies have an advantage, as they can be so much more personal. During many years advising Perdue Farms, Inc. with Frank Perdue as my client, I saw how he built the culture and approached business based on stories about himself. Rule books and policy manuals were not as important as the living example he provided. At Procter & Gamble, I observed a strong culture based on the company’s history, which was widely shared internally .

Think about this. In the 1930s and 40s “Scientific Management” was in vogue, and employees were regarded as machines. Recently, with the explosion of technology, we have returned to mechanistic approaches, wherein people too often are treated as interchangeable parts. Yet both research and individual experience show us that companies perform far better financially when human factors are considered and revered. The evidence is clear.

While Peter Drucker believed, “the purpose of a business is to create a customer,” there is strong evidence that the loyalty of employees, particularly in service businesses, is directly correlated to the loyalty of the customer. Top performing service businesses, unlike their ordinary competitors, view their customer-facing employees as a valuable part of their marketing arsenal, rather than just an expense. It is not surprising that Costco experiences far less employee turnover, higher customer satisfaction and less employee theft than Wal-Mart. Employee empowerment works.

Thus a company can be a “Best Place to Work” whether it is democratic, such as W.L. Gore, or run as a benevolent dictatorship, such as Google. It can have fine food served at all hours in its cafeterias, as many Silicon Valley companies do, or expect everyone, at all levels, to sit in an open plan office, as Mars, Inc. does. These are the surface factors. Achieving such recognition, internally and externally, at such a company is based on deeply held beliefs from top to bottom. I have driven these kinds of changes in a number of companies, and have seen that there is a right way and a wrong way to meet objectives. I have seen the CEO of a Fortune 500 company make it clear that all were expected to

change, but excluded himself. . It was obvious to all around him. The company failed to change and, ultimately, did not succeed.

While I served as President of Reliant Retail, we encouraged front line employees to take the best possible actions in the event of an emergency. For example, we empowered them to provide gift certificates to customers who had experienced power loss. Our customers were happier of course, but critically, our employees were motivated and committed to performing optimally for several reasons:

- They were delighted that customers were appreciative rather than angry.
- They had a sense of individual responsibility.
- They had a sense of “ownership” in the company.
- They felt valued and important.

The people-driven approach has a significant impact on quality. When employees are given both the responsibility and authority to resolve quality problems, superior results are achieved at little or no cost. Most importantly, employees don't tend to look elsewhere when they can be their best in your workplace. Reducing employee turnover not only saves the cost of recruiting and training, but also improves profits. Seasoned happy employees are almost always more profitable than new hires.

While I have seen many companies provide good places to work and execute with good performance, I have noticed that few are the best that they can be. To become a “Best Place to Work” it is essential to address the underlying suboptimal thinking, rather than mere symptoms.

So, how do we achieve workplace optimization without a piece meal approach? I have learned that Optimal Thinking, when applied from top to bottom, leads to the superior performance top management seeks. Optimal Thinking enables employees to bring their best selves to the workplace, to consider the best options, apply optimal processes, and maximize opportunities.

When the CEO and top management are genuinely committed to optimizing individual and organizational thinking, they will be rewarded, not merely with accolades, but with dramatic value growth. Do you want to be a supremely innovative company? Become a “Best Place to Work”. Want to become an optimally productive company? Become a “Best Place to Work!”

## **About Richard Guha**

Richard Guha is the former President of Reliant Energy Retail, a Fortune 50 company. He started his career in Marketing at Procter & Gamble and Mars, following Bachelors and Masters degrees from Cambridge University in Chemical Engineering. Rising to General Management through several C-Level positions in Telecommunications and high-technology companies, he has also advised almost 100 Fortune 500 companies and served on the Boards of over nine successful high growth companies.

## **Appendix**

<http://www.optimalthinking.com/best-places-to-work.html>

<http://www.optimalthinking.com/WorkplacePerformanceCulture.html>

<http://www.optimalthinking.com/organizational-culture-change.html>

<http://www.optimalthinking.com/assess>