

Not All CEOs are Greedy

by

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CEOs of publicly traded companies make on average 370 times what the employees make. As the march of corporate leaders going to jail continues, there's no wonder that skepticism and distrust about leaders in business abound.

Standing apart from their peers, CEOs of privately held companies may be just the group that redeems what business leadership has fallen to – at worst crooks who swindle employees and shareholders and at best, people who are forced to focus on short term results and can't affect positive change. As Skilling received his sentence of 25 years for the Enron debacle, he continued to defend his innocence, to the loathing of former employees and colleagues. Watching his family in the background, you can see how the actions of driven spouses and parents can destroy lives. On the other hand, when you consider that CEOs of publicly traded companies stay in their roles on average 2 years, you realize why short term thinking is pervasive, even for CEOs who want to do the right thing.

In our book, *CEO Road Rules: Right Focus, Right People, Right Execution*, we interviewed over 50 CEOs of primarily privately companies. What we discovered was that for many, building a company together with a team of people was mentioned as one of the greatest fulfillments of being at the helm. These often unsung leaders who usually shun the limelight are the most quickly growing segment of the business landscape. Presidents of privately held enterprises reflect far more diversity than the usual white male CEO in corporate America. Women and minorities who want to express their entrepreneurial spirit continue to start companies in record numbers.

In our interviews, we asked these CEOs what they saw as their legacy. Over 60% stated that it was developing others along the way as they worked toward a joint vision. "I just loved working with so many talented people on what we thought was right," commented Jan Alpert, who was President of LandAmerica Financial Group, Inc. from 1993 through 2003. Jan began her career at a time when it was even more difficult for a woman to rise to an executive leadership role than it is today. Her company was at \$10 million in revenues and privately held when she started; it grew to \$3 billion in revenues through acquisition and by focusing on leadership development. Jan would often coach other women on how to succeed in business: "Apply for new roles, always develop your successor, and be persistent," she'd advise. Jan added, "I see my biggest contribution as coaching others to be their personal best."

The CEOs we interviewed often stated that the core values or guiding principles that the company stands for became the top priority in working together and with customers. Some of the values were basic like Michael Dougherty's at award winning Kindermusik, an early childhood education company. Dougherty has three core values that he emphasizes in his business, with his family, and in working on community projects: Be Open, Honest, and Direct—or OHD for short.

The success patterns we observed in our interviews and in our work with entrepreneurs and mid-size companies fall into three broad areas: Right Focus (having a clear and concise mission, vision and values along with knowing what you can be best at and defining your target customer); Right People (attracting and retaining talented and emotionally intelligent people and providing them coaching and rewards along the way); and Right Execution (defining key result areas and measures, implementing your plan and “living the values” while holding everyone, including the CEO, accountable for results).

Some of the CEOs we talked with didn't place the same importance on their personal lives as they did on their professional lives until later in their careers or until some catastrophic event happened like a divorce, illness, death or schism between them and a loved one. The most fulfilled CEOs learned to apply the Right Focus, Right People and Right Execution principles to their personal lives and found that their families responded well. By integrating best practices at work and at home, you can create a “significance plan” that provides a roadmap to success and fulfillment in all areas of your life. You can start this any time in your career – whether you are currently in a leadership role or aspire to be.

It's a shame for the families, employees and stakeholder that people like Fastow and Skilling of Enron, Ebers of Worldcom and Kozlowski of Tyco didn't place a higher value on what really counts in life. Guess they'll have lots of time to think about it over the years.