

What kind of boss are you?



By [Steven Strauss](#)

Question:

I run a very busy business and as a result, I really don't have the time, nor the interest frankly, to be all warm and fuzzy with my employees. I feel that I pay them a fair wage and as a result they should just do their job. They shouldn't need a bunch of "Atta Boys!" from me. Yes, I have heard grumblings, and I do have fairly high turnover, but that's the breaks of the game as I see it.

Answer:

Well, I am sure glad that I don't work for you (actually, I'm thrilled I don't work for anyone, but that's a different column).

It always amazes me that people who don't like managing people can somehow find a way to stay in business. And the thing is, being a good boss isn't really about being "warm and fuzzy" (though that's also good in my book), it's actually about the bottom line.

There are all sorts of ways to manage people and your business. You can be the softie or the jerk, the slave driver or Mr. Reasonable. It all depends upon your personality, values, business, and vision. Just know that the kind of boss you are makes a very real difference in the success or failure of your venture.

A few years ago, I heard about a fascinating study. A franchise association wanted to know why certain franchisees were more successful than other, similarly situated, franchisees. After all, the very essence of a franchise is that all franchisees are given access to the same tools and strategies, so they should, theoretically, all be somewhat similarly successful. Of course, they are not. Some succeed wildly and others go out of business. Why? Was it location, or experience, or what?

So the association commissioned a study to find out. After interviewing hundreds of franchisees, the answer became clear (and the results are relevant for all small businesses, not just franchised businesses):

The most salient factor to business success was . . . what sort of boss you are. The better boss you are, the higher the likelihood that you will be successful.

And if you think about it, that makes a lot of sense. Bosses that manage in an open, friendly, participatory way, who give people bonuses and recognition, who create a great culture, are of course going to have a much happier workplace than those bosses who don't do that. When you make your staff happy, they in turn treat each other better, and significantly, treat customers better.

Happy business owners = happy employees = happy customers = happy business owners. It's the circle of business, and maybe life.

But being a good guy or gal has other benefits to the bottom line too:

- It reduces turnover: As the reader above indicates, when you run a tough shop, you are going to have a higher turnover rate. That means you will be spending more time getting new people on board and up to speed. And time, after all, is money. When you keep

people around, you spend more time selling and less time hiring.

- It reduces training time and costs: Money is money too. The time it takes to train new people means that someone is not doing their regular job. Lost production is a real downside to this sort of management technique.
- It increases morale: When people like where they work, they tend to work harder than if they don't like their job. When people are unhappy at work, when they don't feel safe and secure, you give them a justifiable reason to not only goof off, but gripe behind your back.
- It increases sales: According to a study in the Harvard Business review, Sears found that a mere five percent increase in employee satisfaction created a .5 percent increase in sales, and a 1.3 percent increase in customer satisfaction.

So there you have it, being a good boss isn't just good for employees, its good business.

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