

Leadership Conversations...

Compassion in the ESOP Workplace

DR. VIRGINIA J. VANDERSLICE



This reunion of Class I included Victor Aspengren, former CEO, Ownership Revolution, Inc.; Alan Barstow, Faculty, University of Pennsylvania; Bill Carris, CEO, Carris Reels; John Donohoe, CEO, Moretrench American Corporation; Mike Foley, President and incoming CEO, Reflexite Corporation; Gerry Jones, CEO, Parametrics; Don McCandless, President and Head Coach, Restek Corporation; Cheryl Musselman-Brown, CEO, Employee Benefits Institute of America, Inc.; Paul O'Reilly, incoming CEO, Newport Harbor Corporation; Steve Sheppard, retired CEO, Foldcraft; and James Wood, President/CEO, DCS Corporation.

(This is an occasional column sharing discussions among CEOs and Presidents of ESOP companies who have been attending the leadership development program, Leading in an Ownership Setting, offered by the Center for Organizational Dynamics at the University of Pennsylvania through an educational partnership with The ESOP Association. For more information about the program, visit the meetings portfolio on our website at: www.esopassociation.org.)

Here's a question worth pondering: should an employee ownership structure change the way leaders react to employee problems?

During the last segment of their meeting, the topic of group conversation had been stimulated by the previous evening's faculty presentation about positive psychology and by exchanging their personal results of an associated self-assessment tool called Values in Action. The core of the morning's dialogue centered around the question of how to enact compassion in the workplace environment. An earlier survey of CEOs on the program's Advisory Board and of employee owners in some of their companies found genuine caring for employees to be one of the core characteristics of effective leaders in high performing ESOP companies. This group was grappling not with whether caring and compassion mattered but with how to implement it fairly in their companies.

The role of the CEO/President

The first part of the conversation addressed the extent to which it was appropriate for CEOs/ Presidents to engage in supportive dialogues with employees who were having problems. As one group member put it, "what's the line between showing compassion and getting too involved in trying to help solve an employee's problem. My natural inclination is to try to help the people who work for me. I've know a lot of them a long, long time—before I became the CEO. I can't just turn that feeling off. But on the other hand, I am aware that other employees who I don't know as well may see me as 'playing favorites.'"

A second member of the group pointed out that as a company grows, the fact and appearance of fairness become

Following the completion of the formal certificate program, the inaugural Class I of the leadership development program offered through a partnership between the ESOP Association and the University of Pennsylvania's Center for Organizational Dynamics, decided to reconvene at least on an annual basis to discuss the issues and challenges that they are facing as ESOP company leaders. The group recently spent two days together at Penn, mixing discussions of topics of their own choosing with occasional content input from Penn faculty members.

increasingly important because an ever-smaller proportion of employees know the company leader on a personal basis. “That’s why Employee Assistance programs were created,” added another. “That way, all employees have an opportunity to get help when they need it. Help doesn’t depend on how well you know the CEO.”

Yet another member posed a related question: “It seems that company growth necessarily leads to the creation of more systems and rules, if for no other reason than to maintain fairness. But, I wonder if growth really ought to lead to more judgment rather than to more rules? Isn’t thoughtfully addressing the issue of shifting boundaries part of the art of leadership and management? Another responded that he regards his company’s Policy Manual as a “book of suggestions” for the managers/supervisors of an ESOP company. Policies frequently need “discussion” more than “procedures.” The tension between compassion and fairness in a growing company always seems to move us toward putting in more controls so we can know what is going on. Maybe what we need to do is to be more mindful of how to express compassion appropriately.”

One of the group’s facilitators asked whether leaders were attentive to how their power as leaders affected their attempts to be helpful on a personal level to employees with problems: “Your efforts to give counsel to an employee may be complicated by the fact that, in the end, you’re the boss. On the one hand, how will the employee feel about not taking up your advice

or suggestions or, on the other hand, can you be sure that any given employee isn’t attempting to take advantage of your role as boss, by asking you to help them solve their personal problem?” A member of the group quickly responded that it is important not to let your concerns about power overrule your sense of empathy and caring. As he put it, if one of the employees I have known a long time comes to me for help, I’m not about to tell him, ‘here’s the phone number of our Employee Assistance Program.’” Across the group, there was a wide range of strategies with regard to the CEOs role in becoming directly involved in helping

employees with their personal problems. There were individual leaders who were very willing to respond to employees personally as well leaders who felt that it was fairer to minimize their direct involvement and direct employees to other resources for help. But the richness of the exchange came from the evident personal concerns that every member of this group had for the well-being of his/her employee owners. This was a group of CEOs discussing not quarterly profits, not the latest executive compensation perk, but rather the caring for their people.

continued on page 29



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from page 15

Developing Resources to Support Compassion

The conversation then moved to the kinds of resources leaders made available in their companies to help employee owners who were facing personal difficulties. Rather than just having rules and regulations with regard to behavioral expectations for employee owners regardless of their personal situations, many of these leaders had developed internal processes and resources to provide assistance to employee owners who had challenges in their personal lives.

One CEO reported that his company had a small “Angel Fund” for making loans to employee owners who had an unanticipated short-term financial need. There were, of course, guidelines for using the fund that were designed to be able to respond to individuals with a genuine need.

In another company, the leader indicated that compassion was one of their core values. Therefore, it was important to provide the opportunity for all employee owners to show compassion to their co-owners. One means of making compassion meaningful throughout their company was by means of a policy allowing individual employee owners to donate some of their own vacation time to another employee owner in need. Another reported having an employee-created “Catastrophic Leave Program” that works by having Human Resources (HR) put out e-mail requests (based on the merit of the catastrophic situation) to all employee owners soliciting hourly leave

donations. The strong sense of community caring among the employee owners in this company is reflected in the generosity of their responses to these requests.

Another approach to company-wide support for showing compassion was reported by a group member who indicated that they had allowed individual employee owners to use company email to solicit donations for various charitable causes. However, at one point solicitations became overwhelming. The leadership team’s response was to create an intranet site for fund-raisers to use in order to minimize the email distractions. While this initially seemed like a promising alternative, employees reported that no one went to the site to see what was there, thus significantly reducing fund-raising prospects. A more effective solution to this problem is still under discussion. The challenge is to support employee owners’ desires to contribute to their communities without creating frustration for others through excessive distraction. Whatever the mechanism, this group of CEOs integrated their caring with their penchant for systems approaches to problem-solving and created opportunities to make a difference in the work lives of their employees.

Conclusion

It seems unlikely that a concern with compassion would be a major topic of discussion in the average CEO roundtable. But, this group of ESOP company leaders had an intense interest in discussing the topic of compassion and the challenges they faced both personally and organizationally

in creating workplaces where employee owners felt cared about and where employee owners’ own desires to be compassionate are supported. Coming from a wide range of perspectives, each group member also learned something from the others, whether tactical or deeply personal. Follow up email exchanges have included requests for more details about various policies and practices that were discussed in the group. Beyond specific tactics, this discussion challenged some group members to reconsider their own approaches to compassion. As one leader put it toward the end of our discussion, “We have a lot of clear policies and rules, but there’s coldness to what we do. We’re systems and formula-driven. This is something I need to think more about.”

(Footnotes)¹ This reunion of Class I included Victor Aspengren, former CEO, Ownership Revolution, Inc.; Bill Carris, CEO, Carris Reels; John Donohoe, CEO, Moretrench American Corporation; Mike Foley, President and incoming CEO, Reflexite Corporation; Gerry Jones, CEO, Parametrics; Don McCandless, President and Head Coach, Restek Corporation; Cheryl Musselman-Brown, CEO, Employee Benefits Institute of America, Inc.; Paul O’Reilly, incoming CEO, Newport Harbor Corporation; Steve Sheppard, retired CEO, Foldcraft; and James Wood, President/CEO, DCS Corporation.

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