

Hire the Right People

Introduction

In 2010, Carlos Brito spoke to a group of students at the Stanford University Graduate School of Business. Mr. Brito is the CEO of Anheuser-Busch InBev, a Belgium based multi-national brewing company. Previously, Mr. Brito worked at the Shell Oil Company and Daimler Benz, and he became CEO of InBev in 2005. Additionally, he is a graduate of Stanford University with an MBA degree. During this presentation, Mr. Brito speaks about the importance of a *performance culture* in a corporate environment.

He opens his discussion with a reference to high school and college sports, citing the relationship between performance and reward. The pressure in school sports is very high; there is a great deal at stake. The reputation of the school is on the line; scholarships are given, team and division rankings are determined, and so on. Coaches take on the full responsibility for recruiting players, training them, and putting on the appropriate levels of pressure to ensure team success. This is a natural process, and student athletes fully accept this as the typical course of events. Additionally, players continually have ongoing and direct interaction with their coaches, who provide constant and direct feedback to the players. Those players who have good performance are rewarded, while players with poor performance are dealt with quickly. Players recognize that they will be treated differently than other team members based on their level of performance, and star players are recognized. Each member of the team is aware of this, and lower performing players seek to improve so they, too, can be at the top.

Mr. Brito points out that this process tends to break down in the corporate environment. Unlike coaches who recruit for their teams, corporate leaders may not have the time to recruit the best employees; this task generally gets delegated to the Human Resource Department. “Imagine what would happen,” says Mr. Brito, “if a team coach delegated the recruiting of players to someone else.” “What would happen,” he asks, “if professors gave their lectures to someone else, stating that they didn’t have time to teach?” (2012)

In this reading, we will explore Mr. Brito’s philosophy of the relationship between corporate performance and individual performance as well as why hiring and retaining the best people will result in a high performing company.

The Performance Culture

Often, a company will maintain the status quo when it comes to retaining employees. Unlike in the sports analogy stated above, companies tend to keep underperforming employees, using excuses such as “He/she has been here a long time,” “He/she may improve,” “He/She has a lot going on personally,” etc. to

justify retaining the employee. Mr. Brito explains that this very behavior leads to underperforming organizations.

There is also a typical perception within the corporate hierarchy of many organizations that whatever needs to be done will be done by the company. In fact, for a company to prosper, employees must accept the premise that the company is about *us* and that *we* have to do whatever is necessary for organizational success. A *we* mentality will enable the company to move forward. Otherwise, the company will be doomed for failure.

Three Factors for Creating a Top Performing Culture

In his presentation, Mr. Brito claimed that the Anheuser-Busch InBev corporation achieved excellence by adopting a philosophy consisting of a *dream*, *people*, and *culture*. We will now discuss each of these important elements.

Dream

Most people dream of doing well (i.e., getting a job, buying a car, etc.). This helps us to keep on going, to take the next step, and to be better than we are doing now. This is the natural order of things. For InBev, there are no visions or mission statements, only a dream. Mr. Brito's dream for Anheuser-Busch InBev is to be the best beer company in the world. However, he also recognizes that for dreams to be realized, a defined plan must be put into place. His plan for achieving InBev's dream includes a focus on responsible drinking, the environment, and the community. He further states that 80% of actions should be based on a plan, while the other 20% should be a result of what is learned along the way. Whether you dream big, or dream small, the energy output is the same, so people may as well dream big and set the bar high.

Many companies talk about having fun, but Mr. Brito does not believe that philosophy is strong enough. A dream is about passion and can only be accomplished by those who have the commitment to seeing it fulfilled. A dream is inspirational and is only good if people accept it and want to help bring it about. Furthermore, dreaming big attracts the best people, who will seek to deliver maximum performance as dreams are realized and the bar is set higher and higher.

People

For a company to be successful, it must attract, retain, develop, and promote talented and skilled people. Additionally, great people attract more great people, while the opposite is also true. A company of mediocre people will attract other mediocre people. The reason for this is that in a company of mediocre people, no one will challenge anyone else. By hiring mediocre people, there is no incentive for anyone to work harder. Everyone enables each other to do average work, and

there is no need for competition. On the other hand, talented people will seek to challenge one another and will strive to reach greater heights while constantly raising the bar on productivity and accomplishments.

Mr. Brito recommends that companies hire smart people who can benefit and learn from training. Great workers recognize that working with other high achievers will help everyone to get ahead more quickly and to get promoted. Even those with personal agendas of reaching higher levels will ultimately benefit themselves as well as the company through their desire to succeed. Additionally, Mr. Brito seeks to hire leaders with the ability to find, train, and develop workers, much like coaches do with sports teams. The full involvement of all people will result in a company's success as well as employees' success.

A successful corporate environment should include the elements of meritocracy, informality, and candor. *Meritocracy* relates to the idea that great workers will recognize what needs to be done and will not need to be told what to do. Leaders should dedicate time to people and provide them with constructive feedback, which will help them to accomplish their tasks and goals. Unfortunately, some workers will not achieve their goals, requiring leaders to have tough conversations with their workers. By rewarding great performing workers, mediocre workers may feel neglected and unhappy, ultimately leaving the company. Mr. Brito believes this is a good thing! If people are performing poorly, it is better for the company if they leave and find someone new to take their place. If mediocre workers do not leave on their own, it is best to let them go, not to waste their time, and allow them to find another position that is better suited to their needs and talents. While people may not like this turn of events, they will come to accept it.

Another component that enables people to perform well is to have an environment of *informality* so that they can feel free to express themselves. Workspaces should consist of open areas and not closed-off offices. Because everyone is out in the open and people cannot hide, more work gets done. Additionally, this format helps to facilitate easy conversation, enables quick meetings, and gives people the ability to easily connect with those around them. Mr. Brito's philosophy is that having impromptu 2- or 3-minute meetings are excellent ways to generate action.

Mr. Brito believes that talented workers like to know where they stand and appreciate *candor* about their position in a company. They want to know if they have a future with the organization so that they can evaluate their options. While talented people may be considered to be high maintenance, they have a strong desire to achieve, which is positive for all parties.

Mr. Brito believes that a company should apply a healthy dose of pressure to its workers. When people are not pressured, they will become stale and they won't be motivated to learn, because they are comfortable at their present level. By taking people slightly out of their comfort zones, they will seek to reach the next

level of achievement. If there is too much pressure, or if there is too little pressure, then a company will not attract or retain the best and brightest workers. Healthy pressure allows people to focus on a task and meet deadlines. This enables a company to get the best from its workers.

Culture

Mr. Brito believes that employees should not view themselves as professionals or executives but as owners of the company. Entrepreneurs exist purely for the success of their companies; company workers should also encompass this same attitude. Employees should view everything they do as their own, and the consequences of any decisions they make will be their own consequences. Mr. Brito gives the example of the ways in which people treat a rental car. “Don’t be gentle; it’s a rental.” If a driver of a rental car causes a problem because of the way that he or she drives, then he or she views it as the next driver’s problem, not his or her own problem. Mr. Brito encourages his workers to have an ownership mindset and to always try new things.

Additionally, the culture of an organization should include a focus on consumers and the way they view the company’s operations. Mr. Brito asks his employees to consider what consumers expect a company to do with the money they earn. Does the company put that money into activities that a consumer will appreciate such as new product development, sponsorships, and acts of social responsibility? Or does the company use that money for jets and fancy offices? He suggests that a company should be lean in its operations and to ensure that consumers will be proud of the way the company spends its money. By focusing on cost-efficiencies and top-line products and services, everyone will win. Mr. Brito believes that developing an organizational culture that is customer-focused exhibits fiscal responsibility, produces high quality products, and results in an environment where great employees will want to work.

Corporate culture should also focus on leadership and that actions speak louder than words. In Mr. Brito’s company, he considers a leader to be anyone who needs a team to accomplish goals. Leaders are not selfish and share responsibility and credit with others. He asks that leaders demand results from their teams on a consistent basis. Additionally, he wants his leaders to develop processes for work to be done the right way so that actions can be replicated in other parts of the company.

Mr. Brito expects his leaders to be able to take complex concepts, analyze them, and turn them into simple processes. He uses the example of the complexity of how a car operates. Most people do not have any understanding of the mechanics and electronics that enable a car to run. We do not need to know what is under the hood. All we need to know is that there are two pedals and a steering wheel. Mr. Brito calls the translation of this complex function into a simple one an act of genius. In this same way, he expects his leaders to

understand the world of the company's sales representatives and translate the company's needs into ways to make the reps' job simpler.

A final aspect of corporate culture is that there are no short cuts. Many companies will start out with good intentions but then seek to find ways around doing things that may take a long time. Mr. Brito believes a company should invest in their people, nurture them from the ground up, and recognize that it takes time to achieve greatness.

Conclusion

Mr. Brito believes his philosophy of dream, people, and culture, is his company's secret to success. Everyone in the organization should think about it and talk about it all the time, remembering not to take anything for granted. People within the organization should be humble and recognize that they have to earn their success every day. Let people think for themselves; do not micromanage. When people think of a company as their own, they will achieve higher levels of success.

Summary:

- Carlos Brito, CEO of Anheuser-Busch InBev, believes that a *performance culture* is essential to success in a corporate environment.
- A performance culture requires that workers look at a company as their own, to take ownership of their responsibilities, and to have a *we* mentality.
- InBev's philosophy includes the concepts of dream, people, and culture.
- Dream requires passion and employee commitment. People must accept this dream and want to help fulfill this dream.
- When a company has the right people who desire to be great, then the company will be successful.
- Office structure should be informal to facilitate easy conversation and discussion while keeping hard-working employees visible.
- Healthy pressure should be applied to workers to help them achieve. Good workers should be rewarded, while mediocre workers should be let go.
- Corporate culture should involve workers viewing themselves as owners.
- Strong leaders require teams to accomplish their tasks and should seek to translate complex activities into simple tasks for easy comprehension.
- A company should have lean operations with workers seeking to make consumers proud of the ways in which the company



operates. A company should also recognize that greatness requires time; companies should not take short-cuts.

Reference:

Brito, Carlos. 2010. "Hire the Right People." Stanford University Graduate School of Business.

