

1 Golden Rule Leadership

The Golden Rule teaches us to “Do unto others as we would have others do unto us.” The Bible tells us this in the Book of Matthew (7:12), and this message is just as meaningful today as ever. Of course, it was meant for everyone, but what a perfect rule of conduct for leadership!

Unfortunately many people today consider the Golden Rule a tiresome cliché, but it still is the best key to leadership. At Mary Kay Inc. we take it very seriously. Every leadership decision made is based on the Golden Rule.

Following the Golden Rule Can Bring Success

When I first sat down to write a book about the way I thought a company should work, I wanted to provide a guide for leaders that would serve as a model for working with *people*. Being a mother and grandmother, my maternal instinct made me want to do for my associates what every mother wants to do for her children—what’s best for them.

I had spent many years working for somebody else, so I knew firsthand what it was like to be accountable to another person.

Beginning my own business and being determined to implement a leadership style that would engender enthusiasm, I vowed that my company would never repeat the wrongs that I had witnessed in other companies for which I had worked. People would be treated fairly; I would always think, “If I were this person, how would I want to be treated?” To this day, when I am searching for a solution to a people problem, I ask myself that question. And when I do, even the most difficult problem soon becomes unraveled.

Many of the unpleasant experiences in my previous career taught me the rules for dealing with people. I can remember once spending ten days on a round-trip bus ride from Texas to Massachusetts with fifty-seven other salespeople on a home-office pilgrimage that was to be our reward for being sales leaders. It was a horrendous trip with several bus breakdowns, but we were willing to endure it for the pot of gold at the end of the rainbow: Meeting the president of the company as guests in his home.

But instead we were given a tour of the plant. Now, a manufacturing plant can be very interesting and a nice place to work—ours is. But I was there to meet the president. When we were finally invited to the president’s home, we were only allowed to walk through his rose garden, and we never even had an opportunity to meet with him personally. What a letdown! Needless to say, it was a very long and quiet bus trip back to Texas for all fifty-eight of us.

Another time, I was attending an all-day sales seminar and was anxious to shake hands with our sales manager, who had delivered an inspiring speech. After waiting in line for three hours, it was finally my turn to meet him. He never even looked at me. Instead he looked over my shoulder to see how much longer the line was. He wasn’t even aware that he was shaking my hand. And although I realized how tired he must have been, I, too, had been there for

three hours and was just as tired! I was hurt and offended because he had treated me as if I didn't even exist. Right on the spot I made a decision that if I ever became someone whom people waited in line to shake hands with, I'd give the person in front of me my undivided attention—no matter how tired I was!

I have been very fortunate. Mary Kay has become a large company, and many times, I've stood at the head of a long reception line for several hours to shake hands with hundreds of people. But no matter how tired I was, I have always made it a point to remember the rejection I felt waiting in that long line to shake hands with that indifferent sales manager. With that in mind, I always look each person squarely in the eyes, and whenever possible, try to say something personal. It might be only a comment such as "I love your hair" or "What a beautiful dress you're wearing," but I give each person my undivided attention, and I don't allow anything to distract me. Each person whose hand I shake is the most important person in the world to me at that moment.

Once every month, a group of Independent Sales Directors comes to Dallas to visit the Company for an educational program. Although as many as 400 women have attended these training sessions at one time, I always spend a portion of a day in class with them. And during their visit, I invite them all to come to my home for tea and cookies—which I personally bake. Time after time I hear, "Mary Kay, I've never eaten a cookie baked by a chairman of the board before." But you see, I never forgot the time when we weren't invited into the president's home, and so I make our people welcome in mine. Evidently it's important for them to see how I live, for they invariably say that the visit to my home was the highlight of the trip. I immensely enjoy their company, and I look forward to each visit. These women are very dear to me.

New Independent Sales Directors continue to come to our Dallas headquarters for a week of education and motivation. They enjoy getting to know women who are taking this important step at the same time, snapping commemorative photos with Company executives and taking turns posing for a photo in a replica of Mary Kay's pink bathtub—a longtime symbol of good luck stemming from the days when Sales Directors lined up to do that in Mary Kay's own home. Cookies made from Mary Kay's original recipes are served. Attendees receive special inspiration from top sales force achievers.

Leaders at the top of the corporate ladder sometimes forget the mistreatment they had to endure before they got there, or what is worse, they try to get even: “My boss never listened to my personal problems, so don’t bother me with yours,” or “My boss gave me ulcers; now it’s my turn to give them to someone else!” Such an attitude only perpetuates someone else’s wrongdoings.

There are many stories I could tell you about some of my past experiences. Yet, surprisingly, when I take time to review incident by incident, those managers were not as callous and thoughtless as they might first appear. For the most part they were decent, capable people who sincerely believed they were doing a good job. Their shortcomings were due to a lack of empathy for their associates. They failed to ask themselves that all-important question: *“What would I do if I were the other person?”*

In the Mary Kay independent sales force, an individual can expand and progress without moving “up” a traditional corporate ladder. Millions of Beauty Consultants operate independent retail businesses dealing directly with their customers. Each Independent Beauty Consultant defines her own goals, productivity, and rewards. One expression of this responsibility is the role of Independent Sales

Director. This individual builds a team, educates, and guides other Beauty Consultants.

The Adoptee Program

One of the first things I wanted my dream company to eliminate was assigned territories. I had worked for several direct-sales organizations in the past, and I knew how unfairly I had been treated when I had to move from Houston to St. Louis because of my husband's new job. I had been making \$1,000 a month in commissions from the Houston sales unit that I had built over a period of eight years, and I lost it all when I moved. I felt that it wasn't fair for someone else to inherit those Houston salespeople whom I had worked so hard to build and educate.

Because we don't have territories at Mary Kay, an Independent Sales Director who lives in Chicago can be vacationing in Florida or visiting a friend in Pittsburgh and gain a new team member while there. It doesn't matter where she lives in the United States; she will always draw a commission from the Company on the retail sales made by that Beauty Consultant. An Independent Sales Director in Pittsburgh will take the visiting Sales Director's new Beauty Consultant under her wing and educate her; the new Beauty Consultant will attend the Pittsburgh unit meetings and participate in local sales contests. Although the Pittsburgh Sales Director will devote a lot of time and effort to the new Beauty Consultant, the Chicago Sales Director will be paid the commissions. We call this our "adoptee" program.

Today we have thousands of Sales Directors, and most of them educate and motivate people in their units who live outside their home states. Some have Beauty Consultants in a dozen or more states. Outsiders look at our company and say, "Your adoptee program can't possibly work!" But it does work. Each Sales Director reaps the benefits from her unit members in other cities and helps other units' members in return.

“But why should anybody work to develop an adoptee—and never receive a commission on her sales?” people from other companies ask. “Why should *I* work to move *your* team member up the ladder of success, so *you* can get all the commissions? What’s in it for me?” they say. At Mary Kay, however, many Sales Directors who have as many as 100 adoptees don’t think that way. Instead they think, “I’m helping them, but someone else is helping *my* unit members in another city.” The system works, and as far as I know, no other company has one quite like ours. But it’s a system that a company must institute right from the beginning. I don’t think an adoptee program would work if a company attempted to install it years after it was founded.

When we began our adoptee program, it was generally felt that it wouldn’t work. But I *knew* it would. I knew it would work because it was based on the Golden Rule. At Mary Kay we sometimes call it the Go-Give[®] principle. It’s a philosophy based on *giving*, and it is applied in every aspect of our business.

Giving more than you expect to receive is what the Go-Give[®] spirit is all about. Each month, an independent sales force member who embodies this spirit is selected by her peers for a monthly Go-Give[®] Award. One of those monthly winners is later presented with the Annual Go-Give[®] Award. Because this achievement was held in the highest regard by Mary Kay herself, the Annual Go-Give[®] Award is considered the most honorable of all independent sales force recognitions and deeply cherished throughout the world by those who earn it.

While I know that our adoptee program is not applicable to every business, it does serve as a model for any leader wishing to

institute a “help others” philosophy. Good leaders should never have dollar signs in their eyes, regarding people merely in terms of profit. An attitude such as ours must permeate an entire organization from top management right on down to the consumer. When everybody is motivated to serve others, everybody benefits.

When it comes to our sales approach we do not like a Beauty Consultant to think, “How much can I sell these women?” Instead we stress, “What can I do to make these women leave here today feeling better about themselves? How can I help them have a better self-image?” Our thinking is that if a woman feels attractive on the outside, she becomes attractive on the inside too.

I know what it’s like to spend an entire day in the field and come home without a single order. And I understand the feelings a Sales Director has when she has spent weeks of love and care training a new unit member only to have that person quit before she even starts. Along the way, I’ve had my share of disappointments in the business. In fact, after having spent 45 years in direct sales, I’ve experienced most of the problems anyone can think of. While some managers try to forget problems they encountered early in their careers, I make a conscious effort to remember the difficulties I’ve had along the way. I think it’s vital for a leader to empathize with the other person’s problem, and the best way to have a clear understanding is to have been there yourself!

At Mary Kay, Beauty Consultants receive guidance and leadership from Sales Directors. Every woman enters our business as a Beauty Consultant, so by the time she becomes a Sales Director she is thoroughly familiar with the trials and tribulations that are encountered in the field. As part of our educational program we teach each Sales Director to ask herself, “If I were in her position and she were in mine, how would I solve the problem?” With this “double vision,” good leaders will deal far more successfully with problems than those who insist upon wearing only their supervisor’s hat.

Treat People Fairly

Solving management problems by applying the Golden Rule means treating people fairly and according to merit, not merely using them for self-serving purposes. To some this seems in conflict with a company's profit motive; I think, however, the two can be harmonious. For instance, a person may ask for an unreasonably high increase in salary, one that does not give the company a fair return for services rendered. "My wife lost her job, and we have two kids in college," an employee may plead. "I need a raise." A good leader will be sympathetic, but he can't always comply with even the most justifiable wants and needs of his employees. In order to balance responsibilities to the company, the employee, and all other employees, every leader must be able to say no.

I understand that this can be unpleasant. But instead of approaching the job as a task to be endured, I try to turn it into a positive situation. I want that employee to turn a "no" into the motivation for accomplishing more. And I do this with four simple steps.

1. It is imperative that each employee be confident that no decision will be arbitrary. And so the first thing I do is listen and then restate the question. This reassures the employee that I do indeed understand the scope of the problem.
2. I clearly list the logical reasons why his request cannot be granted.
3. I give a direct "no" statement. This is so important if you are to build trust and respect among people. It's not fair to expect someone else to surmise or guess your real intent.
4. And finally, I try to suggest how the employee's goal may be reached by some other path. For example, to this hypothetical employee I might say, "Bill, I am truly sorry about your wife's

misfortune. But you know, she may be on the threshold of a whole new career. This could be your opportunity to help her discover her real talents. God didn't have time to make a nobody; we all have the capacity for greatness. Why don't you sit down with her tonight and talk about what she would really like to accomplish next?"

A good leader will confront problems of this nature with sensitivity and seek the best solutions. But the solutions cannot compromise her responsibility to her company or to other people within the organization. Like a loving parent who listens to his child but does not always let him have his way, a leader will strive to treat everyone fairly and give rewards accordingly. Practicing the Golden Rule does not imply that a company is a part-time charitable institution. Nor should it be assumed that an employee can never be terminated or temporarily laid off. Sometimes a leader must perform unpleasant tasks that serve the best interest of the company, but that may disappoint or hurt a subordinate. In these incidences the leader should exercise the utmost gentleness and compassion—there's even a right way to discharge an employee by the Golden Rule.

I know what it means to exist in constant fear of being fired. I once worked with dozens of other women in a huge, open office. The space contained many rows of desks, each back-to-back and side-by-side. It was chaotic trying to work while someone on one side talked on the telephone and someone on the other side called across the room. A giant black and white clock hung above the manager's private office, and every day around 3:30 P.M., the hustle and bustle would come to an abrupt halt. Fear would enter the room. At precisely 4 P.M., "Mr. X" would regularly fire employees. We would all sit around for that last half hour waiting and dreading to see who would "get the ax." If someone was inadvertently called out of the room near the deadly hour, we would

hold our breath until she returned to resume her duties and gave us a sign of relief. Often an employee would return in tears and begin cleaning out her desk. Mr. X's method was to fire someone angrily (usually with much yelling), give her an hour to clean out her desk, and presume that she would never again darken his door.

Whenever I encounter an employee who is misplaced in his or her role, I follow a very different procedure. My first move is to counsel this person regarding specific ways he or she could improve. I give suggestions and set reasonable target dates so that he/she may experience an immediate success. But if these efforts fail, I must consider what would be best for both the employee and the company. It has been my experience that when an employee fails, he/she is the most uncomfortable with this fact.

If, for example, I had a public relations employee who simply could not speak before a large audience—a person who lacked the personal energy necessary to inspire others—I would approach the problem with the Golden Rule. How would I feel if I were this employee? I then might say, “Jane, you’ve been with us for two years, and each time I see you in a public presentation, I know that you are not comfortable. I’ve watched you suffer through the program as if it were an ordeal. I wish with all my heart that it weren’t true, but Jane, I don’t believe this is the spot for you. We care about you, and we want you to be successful; is there some other position you would like to try?” If there is no other challenge for her within our company, we will actively help her in obtaining a position with a firm that will more readily utilize her talents. I will not discard an employee as if she were yesterday’s newspaper. There are, of course, managers who disagree with this point. Like Mr. X, they maintain that once you discharge someone, he should “pack his bags and go.” But on the rare occasion where that situation may be taken advantage of, I would still rather err on the “people side” than err on the “hard-core business side” of this issue.

It must be remembered that not only the company's good health but also its very survival is dependent on its profitability. And while many companies are indeed very philanthropic, the support given to civic and charitable causes is directly contingent upon the ability to operate efficiently as a business.

We not only talk the Golden Rule; we expect everyone to practice it.

As a cornerstone of our culture, we continue to embrace the Golden Rule as a daily guide for business interactions with fellow employees and members of the independent sales force. Individual actions and decisions are based on this timeless philosophy. The Golden Rule has become the Company's mantra for the personalized customer service we routinely expect to provide, and it continues to define not only our culture but also our commitment to excellence in the highly competitive cosmetics industry.

Many years ago a motivational speaker told us of another company that also practiced a philosophy based upon the Golden Rule. He described marbles upon which the Golden Rule had been inscribed. We thought this was most intriguing, a physical representation of our credo. One of the Sales Directors went to the phone and made a call to inquire about the Golden Rule marbles. When she returned to the group, she was incredulous: "Mary Kay, you may not believe this, but the person who initiated the whole idea is a Mary Kay Beauty Consultant!"

Through the years, we have given out thousands of those marbles. When I do so, I say, "I cannot promise you a bed of roses without thorns. Every day problems will come to your door. And when you face those crucial moments, I want you to take this

Golden Rule marble, hold it in your hand, and ask yourself, ‘How could I solve this with the Golden Rule? What would Mary Kay do if she were here?’”

While many people think there’s no place for the Golden Rule in the business world, at Mary Kay it’s part of our business foundation. Furthermore, I don’t think effective leadership can be achieved in any other way.

*Independent National Sales Directors Talk about
Mary Kay Principles in Action Today*

“This Golden Rule and correct priorities are not usual in business society of the modern world. But, in my opinion these principles are essential to building a successful Mary Kay business,” says Kazakhstan’s **Nadezhda Silchenko**. “This is more than principles of ethical conduct; it is a process for spreading good will all around you.”

Angie Stoker has been No.1 in Canada for more than five years. “I’ve found when you apply the Golden Rule to your business associates, you cannot help but build them up. Isn’t that what you would expect if the world treated you the way you prefer? I love that I can build people and help them achieve their dreams. Their successes then inspire more people.”

Emily McLaughlin of the United States has always emphasized the strong learning culture of Mary Kay. “In today’s world of instant communication, it’s important to teach patience, understanding, and compassion for others.

That's really what the Golden Rule is all about. Operating this way creates a safe environment for growth. When a person has faith [that] she will always be treated with value, it builds trust within an organization."

"Learning the Golden Rule affected not only my leadership style, but all my lifestyle," says **Larisa Margishvili**, the first to achieve National Sales Director status in Ukraine. She also earned the use of the first pink Mercedes.

Maureen Ledda of the United States believes that the culture developed around Mary Kay's unique adoptee system is "one of the reasons we feel a bond of sisterhood across this nation."

