

DO IT YOURSELF



ALEXIS OHANIAN
SAYS THAT
BOSSES MUST
GIVE THEIR
PEOPLE MORE
AUTONOMY.

BY VADIM LIBERMAN

LF

THE PROBLEM

with asking for permission, as you know, is that you may not like the answer. So don't ask, instructs Alexis Ohanian. Indeed, in many bossless workplaces, employees do not have to before making decisions, launching projects, and spending corporate funds. Not so in most organizations, which are built on a hierarchy of authorization—and that's a problem, argues Ohanian, who insists that companies will not be able to recruit and retain talent in the coming years unless they grant their people more flexibility in how they do their work.

In *Without Their Permission* (Business Plus), Ohanian shares the many lessons he's learned in becoming a successful serial entrepreneur. Mainly, the 30-year-old co-founder of the social-news website reddit says that doing things the old-fashioned way—that is, having employees seek constant nods of approval—is bad for business. At the same time, Ohanian understands that managers don't want subordinates subverting them. So his recommendation is simple: Don't want people acting without permission? Create a culture in which they don't have to.

A resident of Brooklyn, Ohanian spoke by Skype from a hotel lobby about how corporations should manage the entrepreneurial spirit within their walls.



YOU SAY THAT YOU WROTE *WITHOUT THEIR PERMISSION* TO INSPIRE AS MUCH AS INFORM PEOPLE TO PURSUE THEIR IDEAS. DO EMPLOYEES REALLY LACK INSPIRATION OR INFORMATION TO SUCCEED—OR DO THEIR ORGANIZATIONS HOLD THEM BACK?

Probably a little of both. At companies that have a traditional structure, where there is a lot of hierarchy, as an employee, it's a lot easier to fall into the typical 9-to-5 thing. You're doing glorified paperwork, really basic tasks, which isn't going to motivate you to do much beyond what you need to do just not to get fired. But what's so exciting is when you encounter employees who really love the work they do, who love coming in and seeing co-workers. You get a much better-quality product or service and better output from them, but you have to be willing to give employees responsibilities and comforts.

Certainly, at a small company where everyone wears a lot of hats, you have no choice but to give people a lot of autonomy, and most of the time, they end up succeeding. Even if you're not a startup, though, you have to realize that giving more autonomy leads to more productive employees.

YOU'RE BIG ON ENCOURAGING ASPIRING ENTREPRENEURS, BUT SHOULD AN ESTABLISHED COMPANY WANT TO HIRE PEOPLE WHOSE GOAL MIGHT BE TO LEAVE AND BECOME THE COMPETITION?

I absolutely think so. I have hired on this basis. Entrepreneurial skills are so valuable for employers. Besides, statistically, if you show me one thousand employees who were awesome and potential entrepreneurs, and I literally told every one of them every day to go start a company, a fraction of them will actually do it. That's because there's life, a kid on the way; they don't want the uncertainty. These are entrepreneurial people who aren't comfortable with being entrepreneurs, with being unsure where their next paycheck is coming from. But if someone turns around and gets a job someplace else or takes the experience and starts a company, I wish them the best of luck. I will probably be the first investor. It is not a zero-sum game. You have to adopt this kind of perspective.

For example, an early hire at Airbnb, who managed all the security and fraud detection, went and started a company based on all the things he learned, called Sift Science. Who do you think his biggest cheerleaders were? The founders of Airbnb. I've told employees, "Just let me know when you're going to start a company so I can invest."



I WANT TO ASK YOU ABOUT THE TITLE OF YOUR BOOK. YOU MAY NOT HAVE ASKED FOR PERMISSION IN YOUR ENTREPRENEURIAL EFFORTS, BUT NOW THAT YOU RUN A COMPANY, DON'T YOU WANT YOUR PEOPLE COMING TO YOU?

I don't advocate a totally permissionless setup. There are still overarching corporate goals at a macro level, but folks don't need to ask me for permission working on many projects. As long as we know the overall goal and I trust them and they believe they are using their best judgment and will stand by their decisions, great!

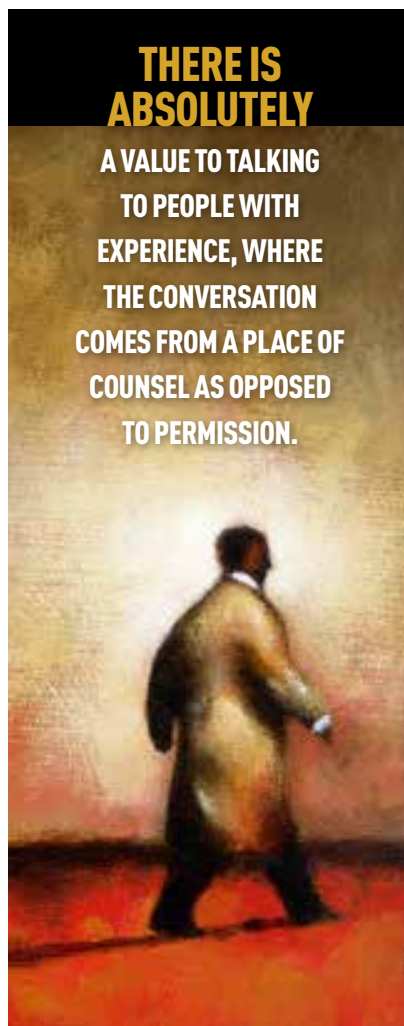
There's a certain amount of trust that we hand over to employees in exchange for autonomy. So far, it has been remarkable, in my own companies and those I've advised, how often this ends up succeeding. We see people develop and grow tremendously. It becomes really infectious and gets people really excited to be learning and trying new stuff.

BUT ISN'T THE POINT OF GETTING PERMISSION PARTLY THAT SOMEONE IN A POSITION OF AUTHORITY MAY KNOW SOMETHING BETTER THAN YOU DO?

There's an important distinction between seeking out advice and seeking out permission. It's not just semantics. There is absolutely a value to talking to people with experience, where the conversation comes from a place of counsel as opposed to permission.

MUCH OF THIS ASSUMES THAT PEOPLE HAVE GOOD IDEAS IN THE FIRST PLACE. DO THEY?

The ideas are not always good. Most of my ideas are pretty bad. And even when ideas are good, execution remains a challenge. The bigger problem is culture or mentality of avoiding failure at all costs that has been ingrained in us. Failure is the biggest fear for so many people. We are trained to worry about our GPAs and pass tests, and failure is not a part of the system. All we talk about are successes, but there's not a single success story that doesn't have tons of small failures along the way that no one really knows about. Whether due to a corporate culture that doesn't want to hear what an employee has to say or the chilling effects of an education system that doesn't encourage people to pursue ideas, a lot of



potentially great ideas never get shared or executed.

I worked as a cook at Pizza Hut, and there were days when I had ideas for how to better prepare and more efficiently assemble pizzas, but my goal was just to get through the job. I didn't care if the rest of the Pizza Hut empire learned how to more efficiently put pepperoni toppings on pizza.

WHY DO YOU THINK COMPANIES DON'T ENCOURAGE THEIR EMPLOYEES TO SHARE IDEAS MORE?

I don't think there has ever been an efficient system, from a technical standpoint. A suggestion box or having a meeting with your boss—they aren't the most efficient mechanisms. And you can't advertise that you're open to ideas and put that in newsletters and expect people to believe it. But now, it's a lot easier to solicit new ideas and do knowledge-sharing digitally. The companies that are best at soliciting ideas have built systems to do this, from having an internal wiki to having a Yammer account.

The fact of the matter is that every executive could read this article and my book, love everything I have to say, and

say, yes, yes, yes, this is what we need. And yet, what actually is going to make a difference is if they really, really do something about it. This is an age of ever-increasing transparency and candor. You have to walk the talk. You really have to trust your people.

There's a Boston company called HubSpot—full disclosure, I am an adviser. Their company culture is legendary; they put tools on the Internet that basically let anyone call out any executive for anything very publicly. They publish all of their internal financials for anyone in the company to see. There's also a financial-services company called Stripe. When I tell you that they publish every one of their internal emails online, it's kind of mind-blowing, right? A financial-services company that's so radically transparent? That's a culture of amazing trust. Companies that do things like this are going to be in a much better position in the decades to come. Meanwhile, you hear about transparency like this, and it's shocking! What does it say about our expectations when something like this is shocking? ■