

# Entrepreneur vs. employee – what's best for your business?

Recently, I have been involved in a number of businesses that are having trouble motivating their people. In times gone by, recruiters would rush back to their desks after having a short break raring to go for the next year. It seems that in our stressed out lives this is no longer the case. It got me to thinking what makes a motivated person? Last month in Recruitment extra, franchise operations were discussed – what traits make a successful business owner over an employee? I believe it has to do with how motivated an individual is.

I recently read a great book "Before you quit your job" by Robert T. Kiyosaki. He's the author of the huge hit "Rich Dad, Poor Dad". In this book, he discusses 10 real life lessons that every entrepreneur should know about building a business.

Firstly, let's consider the differences between an employee and an entrepreneur. Essentially an employee gets paid for their time – the more security you seek, the less freedom (in terms of time) you actually have. As an employee, you are paid to attend work from a start time to a finish time and essentially your activities are managed in some way. An entrepreneur operates without those constraints and can operate without the security of knowing where the next cheque is coming from. Indeed many entrepreneurs have spent many years operating without money for long periods of time. Having said that, most entrepreneurs desire great wealth. A further distinction lies in the way each group is managed. Because entrepreneurs work without the security of a regular pay cheque or indeed without knowing when the next cheque is coming in, they take responsibility for their actions as blame cannot be placed anywhere but squarely on the shoulders of the entrepreneur. Employees on the other hand operate under tighter control and therefore can easily lay blame when circumstances change. The biggest differences between an entrepreneur and employee is this desire for security. If you need the comfort of a regular pay cheque (or high base salary) then I would argue that you

are at your desk for the security it offers, not the freedom of being out on your own!

Entrepreneurs are harder to manage as employees. This is because entrepreneurs want to operate in their own way and hate being micro managed. Entrepreneurs push the boundaries, they don't like taking orders. They are often risk takers by nature and if you are an entrepreneur working as employee you will constantly be challenging the status quo and wanting to find better ways to do things.

Entrepreneurs are often very good at what they do. This is because they learn from their mistakes and refine the process until it works for them. Employees on the other hand will tend to blame others for their mistakes. It's either the fault of the economy, the client, the candidate or their colleague but never their own mistake. To many of us, security is far more important than opportunity so we play it safe wherever we can.

Do your people constantly learn? Are they reading or listening to motivation CD's to improve their knowledge? Entrepreneurs take responsibility for their own education. For example, professional athletes spend many years perfecting their skills. Once perfected, their skills are worth a great deal of money – there are very few "poor" professional athletes. Take Tiger Woods for example, it is well documented that Tiger spent many thousands of hours practicing on the golf course before earning any money on the professional golf circuit.

Employees expect their education to be paid for and in addition, expect to be paid whilst they learn it. That's why Tiger Woods isn't someone's employee – he's an entrepreneur.

I mentioned earlier that being able to sell was an essential skill required to be successful in our industry. That's why our industry attracts entrepreneurs. Entrepreneurs want to be measured in their ability to sell. If a sale falls through they will refine their process and learn from their mistakes.

I believe that to have a successful recruitment business, you need to attract and retain those entrepreneurs. They will inevitably make

far more money for your business than the "employees" who are more often than not seeking only the security of a high base salary. So how do we do this?

A good starting point is perhaps loosening the strings a little. That is allowing employees to work their own way, learn their own way, within the business. This certainly doesn't mean working outside your quality system, more allowing for independent learning, time management in activities that although in the short term won't aid company morale, will eventually lead to a team which has far more loyalty than simply wishing for security in an unstable industry.

Employees need micro management to ensure that activities are completed, entrepreneurs need to know the outcome required and to be left alone to get on with it. The mistake many recruitment business owners make is to confuse the two types of people. Entrepreneurs tend to run the business and because they hate to be micro managed, believe their employees will respond to "leave alone" management. The problem inevitably is that their organisation is full of employees. Decide what type of business you want and then learn how to manage the types of people that will make it successful. ■



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