"I decided to sell my kidney."

—Lisa Q. Fetterman, co-founder and CEO of Nomiku, upon coming up $20,000 short for her first sous vide cooker prototype

DISCUSS

Should You Let Employees Set Their Own Goals?

There is no one-size-fits-all solution when it comes to being a manager, but there are several schools of thought on just how hands-on you should be. *Inc.* talked about it with two CEOs—Clara Shih, who came up in Google's adult playground but believes employees crave structure, and Ksenia Yudina, who trained at JPMorgan but prefers a less buttoned-up approach. *—AS TOLD TO ZOË HENRY*

← CLARA SHIH
Co-founder and CEO of Hearsay Systems, a software company for insurance and financial services

KSENIA YUDINA →
Founder and CEO of U-Nest, an app that helps parents save for their children's education

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Q: Can setting goals for employees make them feel like you don't trust them?

SHIH: Without clearly defined goals, employees can feel they aren't getting enough support, especially junior ones. It's like telling someone who's never played tennis, "You can go pro." There are foundational skills; there is a right way to hold the racket. Training is not micromanaging.

YUDINA: Company culture becomes demoralizing when management is too hands-on. I've seen it time and time again. If you micromanage, it takes away from the big picture.

Q: How do you find employees who can be trusted with more autonomy?

SHIH: You often have to make a bet on people who are early in their careers. They're just as smart but have less experience. Making those bets—and setting the goals to guide them—can really work out. One of our first hires has since become VP of engineering. And our COO started as a customer support rep.

YUDINA: I hire people who are smarter than I am—who have experience in areas that I don't. I need to make sure that whoever I put on the team can work independently. That way, to Clara's point, I don't need to teach them how to hold the racket; they already know.

Q: How do your corporate experiences influence your approach to setting goals for your employees?

SHIH: Google and Salesforce, where I worked after college, both strike a balance between clear direction and the autonomy to experiment and make mistakes. I replicate that at Hearsay. The manager provides clarity on the "what" and the "why"—they set the goals—and then it's up to employees to figure out how to execute them.

YUDINA: At JPMorgan and Capital Group, management set individual employee goals and awarded cash bonuses if those goals were reached. But as a manager, I prefer to set high-level company milestones, and then let my employees figure out how to get us there. When people help us reach those milestones, I reward them with equity in the company.

Q: How do you strike a balance between autonomy and structure for workers?

SHIH: Just because you set alignments and give directions, it doesn't mean people can't disagree. Our employees disagree all the time. So we listen and adjust.

YUDINA: People have different skills and potential. Some work nonstop and others just want to have their work-life balance, to spend more time with their family. And that's OK. I'm in a position where I know every employee, what they value, and what incentives work.

ADVANTAGE → SHIH Giving employees freedom without a framework can cause major problems, as was the case for Alaska Airlines. Back in the early 2000s, the airline's Whatever It Takes campaign gave employees total autonomy in what they could do to keep customers happy. But *Harvard Business Review* found that after a crash, when the company increased its focus on safety, those same workers didn't have the structure in place to prioritize two things at once. Alaska lost considerable market share as delays increased and customer service lagged.