



Gleanings

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“Unlearning” Impedes

Beth Barrett was a French major in college. When she joined the Container Store, she had a little sales experience, but no formal HR training. Since the early eighties, Beth has run the HR function for the company with great accomplishment. She attributes her success, to some degree, to the fact that she didn't have any formal HR training and therefore didn't have to unlearn anything. (Source: Jennifer Koch Laabs, “Thinking Outside the Box at The Container Store—human resource management,” *Workforce Magazine*, March 2001.)

Contrary to most of corporate America, the Container Store is not money-driven, but values-driven. A corollary of this business philosophy is an HR approach built on the golden rule—do to others as you would have them do to you. The Container Store believes that well-treated employees deliver superior service to customers. As a result, the company works hard to find the right people for each job and trains them fanatically. The employees so enjoy the company that they refer 41 percent of the new employees. Morale and competency are so high that employees treat the company as if they own it. Management demonstrates trust for the workers by allowing them to make many decisions. The company constantly listens to its employees. And management works hard to compensate workers better than the industry norms. Typical retail stores spend 3 to 4 percent of sales on worker compensation, but the Container Store spends 10 percent.

The result of this highly people-oriented approach is a company with clear strategic direction. The Container Store provides organizational solutions to its customers; it sells both products and advice. The advice comes from highly skilled, trained, and motivated workers.

Does it work? The twenty-six-year-old company has thirty-one U.S. locations and annual sales of more than \$200 million. In a History Channel program aired in May 2004, cofounder Garrett Boone stated that the company would be international within five years.

HR director Barrett works very closely with the company founders to propagate the company philosophy and supporting HR culture. Clearly, the Container Store has experienced great success building a values-driven organization. Sadly, such organizations seem to be the exception rather than the rule. Perhaps Barrett's perspective about typical HR training is correct. Not having to unlearn anything helped her to embrace and propagate an outstanding and effective company culture.