

# SMART BUSINESS

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## Opening doors

HOW MALCOLM MORRIS  
LEADS WITH AN EMPLOYEE-FIRST  
PHILOSOPHY TO TAKE  
STEWART INFORMATION SERVICES  
TO THE NEXT LEVEL

**M**alcolm S. Morris has met every United States president since Dwight D. Eisenhower. An impressive list for sure, but it wasn't a commander in chief that most influenced the chairman and co-CEO of Stewart Information Services Corp. When Morris was a senior in high school, he was responsible for chauffeuring evangelist Billy Graham to the dedication of Houston Baptist University. The duo arrived late, but as they were walking toward the university, Graham wanted to take a detour. About 70 or 80 yards away, the workers were finishing the landscaping, and Graham knelt down and thanked them for building the university. "I said that is a humble person who recognizes the value of what somebody else is doing," Morris says. "He told them what they are doing would be attracting the students that would one day be leading America."

To Morris, that is still more impressive than any president he's met, and it's an attitude he tries to drive every day at the company, which provides title insurance and related services to the real estate and mortgage industries. He wants to be a trustworthy leader who puts the organization, which posted \$1.5 billion in 2008 revenue, ahead of him and lead a company where the customer and employees come first.

"That's the most important thing you can do," he says. "I've seen too many organizations where the organization was about serving the leader rather than the leader serving the organization."

An effective way he drives that point home is through the company's open-door policy. "What is interesting is to hear people talk about it in the field," he says. "I may get one call in three years from a person and that same person is saying to their customers, to their team members etc., 'You know, I have access and I can call the chairman of the board of the company and he knows me, and he'll pick up my call anytime I call him.'"

"But they don't abuse that. Yet, it is a sense of pride to them that they do have that openness."

Here's how Morris uses an open-door philosophy to lead Stewart Information Services Corp. to new heights.

### Set the example

Morris recalls visiting a company where the CEO was smoking cigars all the time. The CEO wasn't alone.

"Every layer of management of the people trying to get ahead in the organization had a cigar in their mouth," he says.

Morris isn't saying that's bad or good. The point is, your employees are watching you, and if you start doing something, it will spread throughout the organization. The same goes for something that you say you're going to do, and then you do the opposite.

"People learn from your examples," he says. "So, if you say one thing and do another, then you basically void your ability to earn that trust."

Because Morris says he has an open-door policy, he has to live that day in and day out. Otherwise, people will not buy in to it and they will see it as lip service, which will hurt the amount of trust employees have in him.

"The main thing is you've got to practice that," he says. "So, if somebody has got a major issue, you can't tell them you don't have time to deal with it. That has to become a priority. Deal with it the same

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day. Don't put it off a week."

Morris received a call from an employee a thousand miles away because her boss took another position and she was lost in the middle.

He took her call, spoke with the parties he needed to and got back to her in a couple of hours. He then followed it up with an e-mail with her and those taking care of it, thanking her for bringing it to his attention.

"It wasn't anything that was an issue, but if a person gets something in their mind that it's an issue, then it's an issue with them," he says.

That's important to remember. It might not be a big deal to you, but if someone is taking the time and courage to approach the CEO, it means something to that person.

If you aren't available when an employee contacts you, your assistant has to be the one to tell him or her that you are unavailable, but you have to realize it is an important matter.

Morris tries to leave some white space on the calendar between meetings so he can look into any issue brought to him while he was away. If it's something he needs to handle immediately, he can at least start dealing with it in that 15-minute window or prepare for the next meeting.

"If you don't have an emergency, you have time to write down your thoughts about the meeting you've just completed as well as review what you want to review before you are going into your next meeting," he says. "Then, if you do have an interruption, at least you've got some time where you can handle something."

If you are available and someone is angry or upset, take his or her call, but let that person calm down before speaking.

"You never establish anything while somebody is ranting and raving," he says. "It's like throwing rocks back, and you are giving them ammunition. Pretty soon, they'll run out of gas."

At that point, you can have a reasonable discussion.

"If they've got an issue that's upset them, let them finish, state what you heard and ask them what they would see as the solution," he says.

## “Remember, what’s important is the end result and not the road to get there.”

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### Don’t undermine managers

The employees at Stewart are given a very clear message when it comes to the company’s open-door policy.

“We encourage everybody to follow their report in management, but we also encourage our management to say to somebody under them, ‘If you disagree with my decision, I encourage you to appeal above me.’ So, that message gets out.”

Morris and his team obviously want people to come to them if they feel it necessary.

But, be careful. While that kind of an environment is effective and essential, it can create problems.

“That’s the kind of openness you have to have, yet you don’t want to manage around your leadership,” he says.

If an employee leapfrogs a manager and comes to you with an issue, get the manager involved, especially if something is going to be changed. You want to keep the manager in the loop so he or she isn’t blindsided.

“We (get) them involved,” he says. “If you are going to change some decision, then I think it’s important to go through the decision process with that manager and make sure you both are understanding the same facts.

“You go through how you analyze it, get the feedback of that manager on it, and you’re basically looking to get the buy-in of that manager as well as use it as a training opportunity. So if a situation came up again, perhaps that person has a little more insight into the decision process.”

Because the open-door policy is so strongly communicated to all employees, it keeps managers on their toes, which keeps the number of people coming to see Morris down.

“They don’t come in that often,” he says. “I think that is the magic of it in the organization.

If people know that is available, I think your management all the way down the line is saying, ‘I really don’t want that call coming, so I am going to do that job and I am really going to pay attention to what this person is saying.’

“It’s not that you aren’t getting any calls from an area. Getting some calls is good and it helps maybe to do things better in the company or plan some things better. But, if you are always getting bellyaches from an area, you know you’ve got a problem. You’re going to get those anyway. They are going to surface up through the organization.”

Just because you get a call from a disgruntled employee, don’t automatically assume the manager is wrong.

Part of forming a trusting and open-door environment is delegating and getting out of the way. Yes, you want employees to feel free to come to you if something isn’t right in their department. But, if you’ve delegated authority and responsibility to a manager, they may be doing something differently than you would, but that doesn’t mean it can’t be just as effective.

“Remember, what’s important is the end result and not the road to get there,” he says. “I can actually say Dallas is due north of Houston on a compass, but if I take a compass without reading the road signs, I’m going to wind up in a dead end somewhere in a cow pasture because I took the most northerly turn.”

Whether you use the scenic route or the interstate, you wind up in the same place, and that is what’s important.

If the manager is doing something wrong and not reaching the goal, you need to coach him or her instead of just taking the job back.

“If you sign the job out, don’t take it back,” he says. “If you’ve assigned the job out and you want the person to get to the goal, then let’s coach and mentor that person if they are having trouble getting there.

“Either you do that or you waste a lot of time and money and effort and potentially harm the reputation of that employee.”

Don’t just tell the manager what to do. Get him or her to participate in the process.

“In a time-constraint society, it’s a whole lot easier just to tell somebody, ‘Do this,’ especially if you’ve done it 50 times, and you know exactly what to tell them,” he says. “However, just like rearing your own children, if you tell them to do something they’re less likely to do it than if they learn why to do it.”

Those same managers will be able to learn faster if they feel more comfortable coming to you and asking for help, instead of never seeking advice.

It also makes a difference when you bring in new employees.

“We have had people who have come to our company from competitors and they say, ‘We never met the CEO of the company. We never were able to talk to them. They were very elusive. This is incredible.’ It takes very little time.” <<

### The Morris File

**Born:** Houston, Texas

**Education:** Bachelor of business administration from Southern Methodist University; master’s degree in business administration; doctor of jurisprudence from the University of Texas. Morris also attended Harvard Law School’s Program of Instruction for Lawyers.



#### What was your first job?

Other than painting the fences and mowing the lawn at the house, it was making on-time deliveries around the company around age 10.

#### What would you do if you couldn’t have your current job?

Probably a builder. I think it’s a very fun thing to take something from nothing and see it completed. When you are dealing with something physical like that, I think it’s nice. Somebody moves in, you put the key in the door, you start utilizing what you built and I think that’s a very fulfilling experience for people.

#### What song would be the theme for your company?

With the way the real estate segment of our economy is going right now with home-owners’ issues, etc., I’m going to take Little Orphan Annie and say ‘The Sun Will Come Out Tomorrow.’

I like Winston Churchill. He said it one way: Never, never, never, never, give up. I find that success comes through not stopping. I think it very important not to give up and to keep on keeping on.

The many, many people that stop short of the goal, they stop on the 10-yard line or the 5-yard line, and if they just kept pushing harder, they’d be in the end zone.