CHANGING MICHAEL DELL'S DNA

Dell Inc.is one of the world's largest PC manufacturers, with a marketing and manufacturing system that is repeatedly studied and copied. Of the Fortune 500 companies, Dell topped the list in 10-year total return to investors. However, despite Dell's success year after year, Dell's CEO and founder, Michael Dell, still manages with the urgency and determination he had when he started the company out of his college dorm some 20 years ago. "I still think of us as a challenger. I still think of us attacking,"says Dell. But not all is well in Camelot.A recent survey of Dell's employees revealed that half of them would leave if they got the chance. Internal interviews of the subordinates of Michael Dell and the firm's president, Kevin Rollins, revealed that they felt Dell was impersonal and emotionally detached, and Rollins, autocratic and antagonistic. Michael Dell believes that the status quo is never good enough. Once a problem is uncovered, it should be dealt with quickly and directly. "There's no' 'The dog ate my homework' here," says Dell. In the 1990s, when the company was rapidly growing, it recruited seasoned managers from IBM and Intel. Some quickly bailed out because they were not willing to work in Dell's demanding culture. An executive coach who has worked with Michael Dell since 1995 says, "They need to work a lot on appreciating people." Michael Dell, facing the results of the employee surveys, took a page out of his own book. Fearing an exodus of talent and a tearing apart of the company by antagonized employees, Dell went before his management team and offered an honest self-critique. He acknowledged that he was extremely shy and that made him appear removed and not caring. He promised to build a tighter relationship with his team. Within days, a videotape of the meeting was being shown to every manager in the company.

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