

## When the dream is bigger than the team...

Business owners get lots of advice from people about how to find and keep good staff. I've given several seminars on just that topic.

But sometimes I think people like me miss the mark. Yes, business owners struggle to find good staff because of the tight labour market. The real challenge for many business owners is what to do with their existing staff, especially those who don't perform. And the advisers and pundits are surprisingly quiet on this, except for the employment lawyers who will tell you how to avoid costly personal grievances.

This article is about the dark side of managing people: what to do with those who don't/won't measure up. We even have a euphemism for the process – we call it decruitment. I often ask in my seminars for those who don't have a troublesome staff member to raise their hands. I might get 10% raising their hands. I then ask them to lower their hands if they're self-employed – and I'm usually left with one or two happy people. What worried me was the self-employed person who volunteered that he too had troublesome staff issues.

### Facing the reality of poor performance

I've worked with hundreds of business owners over the past few years. I've lost count of how many times our conversations come down to the fact that an individual simply has to go. That suggests to me that many business owners don't want to face the uncomfortable truth: when the dream is bigger than the team, drop the dream or change the team. In other words, if you're not willing to get the right people on board, forget about your aspirations for the business. Or, if you're really attached to your dream, be prepared to change the team by replacing or retraining existing staff.

We all know the catchphrase from Jim Collins' great book "From Good to Great", quoted endlessly by people like me: get the wrong people off the bus and the right people on the bus. Note the order here: you've got to get the wrong people off the bus before you can get the right ones on.

Why is this so hard for so many owners? It almost seems that business owners regard it as politically incorrect to talk about it, but get them in a group and staff problems come up first time, every time. Typically the first thing they'll conclude after swapping horror stories is that the law is so heavily weighted against employers that it's practically illegal to fire people, and they then feel a little better for doing nothing – until the next time the issue comes up again. But it's more than that. There are some simple reasons owners don't want to face the reality about an individual's performance:

- They don't want to confront poor performers because it's unpleasant and stressful
- They don't want to be responsible for ruining someone's life by "decruiting" them
- They believe it will be impossible to replace them given the state of the labour market, and better the devil you know
- The individual is actually quite good at the technical aspects of their job. It would not only be hard to replace them, but it could incur a real cost in terms of results



This last condition is one of the hardest to deal with. I call it the “toxic star” syndrome, where the difficult individual is one of the better performers, even though they poison the office with their attitude and behaviour.

How do we know whether our dream is going to be compromised by the quality of staff? Try these two tests:

- Imagine yourself 5-10 years from now, when you’ve achieved your dream. Look around you. Are your current staff still there? If not, they aren’t going to get you to your dream
- Rewind and replay. Go back to the moment you hired them. If you had a second chance, would you make the same decision? If not, they aren’t going to help you achieve your goals. You’ve then only got three options: train, transfer or terminate

### Can’t or won’t?

Now we need to separate out the two fundamental causes of poor performance, because there are different strategies for each. There are those who “can’t” deliver on their role, given their limitations or their lack of fit with the role you’ve given them. The solutions here obviously include training, but you might need to take it further and find out what their strengths are and where they could use those talents better.

Sometimes that road is just a dead end. When I’ve been in those situations where there isn’t a fit, I’ve found the best approach is to be honest but respectful: “you’re really good at this and this, but this job requires that and that. I think you would be happier in a role that suited your talents better – let me help you find a more suitable job for you with another company over the next couple of months”.

Then there are those who could but “won’t” deliver in the way that you want. The toxic stars fit into this category, as do those people who simply can’t be bothered. I’m not going to detail how you move these people on. Typically you will need legal advice. What I want to do is encourage you to take the first step of making the decision that they are holding you back.

Quite honestly, I have never known an instance where an employer regretted moving a toxic star out of the organisation. What they invariably find is:

- Morale improves overnight, as does staff turnover. Very often, other staff regard your failure to deal with a toxic star as weakness and a sign of lack of commitment to quality
- As morale increases, so does productivity. In many cases, the improved results achieved by the rest of the team more than fills the hole left by the toxic star. By the way, you will often find that toxic star’s results actually weren’t that great – they usually leave a lot of damage in their wake
- The replacement might not be as effective immediately, but in the longer term they’ve worked out better: the toxic star proves that great results are possible, so you recruit to that standard. Their replacement proves that those great results can be achieved without poisoning the office

Your fundamental role as a business owner is essentially that of a talent manager. In an SME, results are absolutely a team effort – there is no room for passengers or prima donnas. Be



prepared to realise that the person who produces the “best” results on paper may in fact be the weakest link when you count the hidden costs of discontent. And with that insight comes a responsibility to act.

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