

Mosquitoes in your midst

...the rest of the story

By

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This document presents “the rest of the story” promised in our column titled “Mosquitoes in your midst can suck your business dry”. First a few disclaimers:

- A. BEFORE YOU IMPLEMENT ANY OF OUR SUGGESTIONS YOU NEED TO DISCUSS YOUR SPECIFIC SITUATION AND CURRENT LAWS WITH YOUR LABOR ATTORNEY.
- B. ALL DECISIONS TO DO ANYTHING ARE YOURS.
- C. Mosquitoes come in both genders. We will use “he” and “him” instead of “he/she” or “him/her” but we could be talking about either.
- D. We use the term mosquito as a catchy way to describe a poor performer in your company. We do not and you must not forget that we are discussing people. Regardless of a person’s performance, he must be treated fairly and with respect.

In this document we discuss two objectives:

- 1. Getting existing mosquitoes out of your tent.
- 2. Preventing more mosquitoes from getting into your tent.

Our WHOLESALER column probably excited you about swatting the alleged or suspected mosquitoes in your tent and so we will cover that first. There is no magic mosquito swatter, if you want our best advice, the first step is to take a calm, considered look at your suspected “mosquitoes” to see if they really must go or they are still salvageable.

Why try to salvage? You have made an investment in these people and if you can help them become productive “honey bees” you won’t have to go through the time and expense of A) replacing and B) training a new person. We want to emphasize that any salvage process must be driven by the person to be salvaged not by you unless, of course, their problems are created by management. Another reason to consider salvage is that all of your people watch how you handle these situations and even if they know someone is a flaming mosquito they want to know that the process is fair and that the individual is handled with respect.





Getting existing mosquitoes out of your tent

The first step is to determine why you suspect he is a mosquito? What should be different? Fewer mistakes? More work output? Less loafing? Less absenteeism? No more misuse of business resources for non-business purposes, for example Internet or phone usage? We think you should create a list that serves two purposes, to guide your discussion with the person as well as to document your concerns and your discussions. (Your lawyer will really appreciate the notes in the file but may have suggestions as to what is said and how it is said.)

Your goals are to be candid and fair with the individual and to minimize future problems. There is a business management simulation designed to teach supervisors how to deal with problem employees. At one point, regardless of how well or poorly the situation was handled, you toss a coin to determine whether there will be a lawsuit and if there is a lawsuit, dice are rolled to determine how the company will fare in the lawsuit...according to the rules, six and below the company loses big, 8 and below the company loses a little and 9 and above the company doesn't lose. (Notice the lesson: no matter what you do, you may find yourself in court and if you do, you never win; your best hope is to not lose.) The odds may be wrong but the point is strong. In all your actions, assume you will end up in court so document your actions and act in a way that you will be perceived fair and reasonable.

The next step is to talk to the individual (possible mosquito). We like a straightforward approach where you spell out your concerns and explain that the situation must change. Finish by asking what the individual will do to address your concerns and how you will know that he is changing. In other words, put the ball in his court. Ask for an action plan. Ask when it will happen. Ask what help he needs in achieving his commitments but never (unless he is right) take the focus off his need to address your concerns. The worst mosquitoes will try to blame you, the company, fellow employees, the weather, etc... for his problems and while you must not ignore his issues, the plan must focus on him and what he will do. Use short-term goals. Don't let him create a plan that takes months. Talk in terms of days and weeks with checkpoints along the way. Document his commitments for change and his schedule. Put them in your file.

If it works, great! Tell him you see the improvement and emphasize that he must not backslide or you will be having another more serious conversation.

If he backslides, then you talk to him again and remind him of your first conversation a week ago. You may be thinking a week is not enough time...Of course some things will take more than a week but we think you should see progress immediately, and if not you initiate the second conversation. Use your notes from the first meeting. After reminding him of your conversation and his promises, explain he is not honoring his obligations or you are not seeing the anticipated progress. Reiterate how important the committed changes are to his future at your company and ask how you will know he is doing what he promised. Document this conversation after the meeting and ask the employee to sign the notes as an indication that they reflect the essence of the meeting. No exceptions to this step. There are different opinions as to how many strikes he gets but we think three is enough. The third conversation is the termination meeting, which should not be a surprise to the individual since your discussions and documentation have unambiguously predicted this outcome.

The process we have described clearly identifies the problems and allows the individual an opportunity to reform. It also gives the company a formal procedure for making what is a very difficult and unpleasant decision. Frankly, as we consult with companies we find that there is great reluctance to identify mosquitoes and remove them from the tent so this process provides a framework for evaluating performance and acting when there are concerns about a person's contribution.

We want to go on record that if you know someone is stealing from you, he is a mosquito. We assume you have an enforceable policy against stealing. We think that proven theft requires immediate termination and prosecution. Sound harsh? If someone broke into your warehouse and stole something you would prosecute. We think a thief is a thief and creating a distinction between a thief who doesn't work for you and one who does is a mistake that reflects an unacceptable, misguided, permissive attitude.

We had a company president tell us, "We know he's a crook but he's our best salesman." Overlooking an employee's dishonesty by rationalizing that it is good for the organization can only backfire. Our response was, "Maybe he's stealing material from the company and giving it to customers or friends. Maybe other employees get the impression this is behavior approved and will join in the fun." There's an old story about a pit viper snake. A



man adopted a baby pit viper and loved and fed it and treated it well. When the snake grew up it bit the man. As the man lay dying he asked the snake, "Why did you bite me? I've raised you kindly and treated you well. Why?" The snake replied, "Because I'm a pit viper and that's what pit vipers do." Always remember a thief is a thief and that's what they do.

A second area involved in many employee problems is substance abuse. We think you should have a stated policy describing how the company deals with substance abuse situations. We think you must, within the law, work aggressively to eliminate substance abuse problems. You don't want your people driving company vehicles in the community or fork lifts in your warehouse while they are under the influence. You don't want employees supporting expensive habits by stealing and selling your highly negotiable inventory. Many companies have employee assistance programs (EAPs) to help employees and their families deal with the root problem and its associated issues. We always favor programs that impose performance goals where the person with the problem takes responsibility for ending the dependency. Stated bluntly, you must make sure that the company doesn't care more about resolving the substance problem than the individual does.

Finally, whether you like or dislike someone has little to do with their mosquito status. There may be mosquitoes who you like and maybe even like a lot. That's how they have stayed in your tent so long. They have brown-nosed, wagged their tails and made you feel so good that you confused them with the worker-bees. They may have done personal favors for you or your family. They may be family friends or even family. (The subject of family mosquitoes is a complex one and there are too many facets to cover in this document.). For this process to be fair and to work you must clear out the favored mosquitoes too.

The converse is also true, there are people who have been blunt and candid with you about the problems of the company. You probably don't like them since they have made you feel uneasy or guilty. That does not make an individual a mosquito. Your company will be badly served if you "swat" someone for leveling with you on several fronts: 1) You will lose a valuable source of information and 2) You may be eliminating a "folk hero" who the other employees see as someone who will "tell it like it is." Your reputation will become, "If I want your opinion, I'll tell you what to say," and that will hurt you in the long run. Be careful that you are not killing the messenger.

Preventing more mosquitoes from getting into your tent

Having removed or reformed your existing mosquitoes on to the next objective: Finding and hiring the right people. A quality recruiting process is not easy but it's the best way to keep new mosquitoes from getting into your tent.

As we consult, the most common characteristic of mosquitoes is their lack of "horsepower". The person just cannot do the job. This lack of horsepower can surface in behavior problems because life is stressful and unhappy for someone outgunned by his daily responsibilities. Every day is a monumental challenge. Incompetent people develop many ways of coping with the situation:

1. Hostility - "Leave me alone so I can get my job done."
2. Change aversion - Every change is another opportunity to be discovered as inadequate.
3. Over-organization - Every detail must be planned and checked to the Nth-degree to keep from making mistakes. Delaying projects. Adding staff. Killing time.
4. Detail negativism - "We can't do this because it will cause problems in all these areas."
5. Emotional outbursts - "I'm overloaded, how can you expect me to do more. I make all these mistakes because there is too much to do."
6. Blame - "Its not my fault, they (or it) made me fail."
7. Negativity - "It may be wrong but its not my fault."
8. Absenteeism - Outgunned people can become emotionally and physically sick.

In many traditional management texts there are two styles of management, X and Y. Taking a lot of license, they boil down to the carrot and stick approach to motivating people. The carrot approach says by hanging a carrot out in front of the horse he will try to get the carrot and will run. Many managers think, "If we can just hang a big enough carrot in front of someone, he will shine." They also think, that bigger carrots mean better performance.

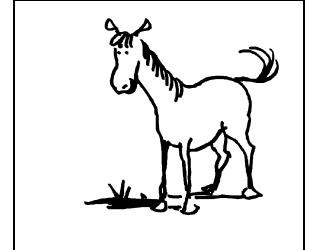


The stick approach says that you motivate horses by hitting them or threatening them with a stick. Again, there is the misconception that bigger sticks (when more is at stake) provide a greater enhancement in performance.

Here's the flaw in both approaches, if you start with a plow horse, you cannot feed him enough carrots or hit him with a stick hard enough or often enough to make him win the Kentucky Derby. And it's



not that the horse isn't motivated and trying. The raw material (the chosen horse) is simply insufficient for the task. With race horses the measure is easy...it's a stop watch. Sure you look at the lineage (education, experience, etc.) but the true test is whether the horse can run. If he can run then you invest in training and grooming to make him better.



The problem in hiring people has always been measuring their raw horsepower. We have used the Wonderlic

Personnel Test (800-323-3742, ask for Bobbie) for many years and have found it a great help in making the initial evaluation. In case you are not familiar with the test, it is given in 12 minutes, you grade it yourself, the last time we purchased a box they were under \$5.00 per test and they provide valuable information about a candidate. While we are not testing experts, we think that at the end of the testing you know a lot about the candidate. Whether he can: Read, Perform simple and complex mathematical calculations, Solve logic problems, Understand vocabulary in the language of the test (there are tests in several languages), Read and follow directions, Look at diagrams and understand them. The material from Wonderlic also helps you to understand the kinds of tasks that you can expect the candidate to perform for you. At lower horsepower levels, you cannot even expect the candidate to understand and follow simple directions, and at high levels you can expect the person to create direction for your company and drive the process. Is any test perfect? Absolutely not, but our experience is that properly administered testing gives you another measure to use in making your decision and this information provides significantly more insight than most companies now have.

Let's talk a little about the candidate's resume. We always like people with experience. There is no better predictor of a person's ability to do a job in the future than having done it successfully in the past. There is a caution though, having the title "race horse" does not indicate success as a race horse. Was he a winning race horse or a losing race horse? Can he run the kinds of races you need him to run? Did he race in the Derby or at county fairs? You need to make sure there is comparable experience for the best fit.

Don't confuse efforts with results, don't confuse "BS"ing skills with intelligence or ability and don't confuse years of experience with level of expertise. There are people who have ten years of experience and people who have one year of experience ten times. One applicant has grown and the other has not. Another cause of the "lack of horsepower" is that when originally hired, no thought was given to promoting the person. Many companies take the attitude, "We're hiring a warehouse grunt. Just about any strong back can fill that job." So they hire a dolt then hope that when a warehouse supervisor is needed that this person will be magically transformed from a plow horse to a Man-O-War. It doesn't work that way. When you start with a nag no amount of training, coaching or desire will create the desired quarter horse. You are looking for the uncut diamonds who will, when cut properly, become a treasured gem. If you have a "hire from within" policy loading the bottom of your organization with "plow horses" causes you to promote less desirable people or requires that you go outside whenever there is an promotion opportunity. Its always better to fill your promotion pipeline with good people.

You also need to look for people with drive and a good attitude. There are tests that claim to help you with this but we haven't found one that we recommend. Serious reference checks are, many times, the best way to understand how a person really conducts himself. Unfortunately, with all of the legal issues, many companies have a policy of only acknowledging that a person worked for them and nothing more. There are still employers and associates who will give you help. When we do a reference check, we first outline the job and the type of person we are seeking. We explain that our desire is to find a "fit", that a "mis-hire" is bad for the company and for the individual so we need help in determining whether there is a fit. We ask what makes the candidate great and what his weaknesses are. We ask for examples of how he has performed in the kinds of situations he will encounter in his new job. In many cases we get information that helps to avoid hiring mistakes.



Hire local people when you can. Don't try to transplant full grown trees: meaning use people who are local when you can. Locals are established in the community and will hit their stride faster because there are no moving or family separation distractions. Also, locals are more likely to stay than transplants. We wouldn't accept a lackluster candidate because he is a local but all things being equal a local is the better bet.

Some final comments on hiring, the president must establish and monitor the controls on the hiring process...personally. In small companies the president will hire all people himself to insure that the small number of openings are filled with the best and brightest.

In all cases, there must be an established, documented process that is administered, by someone the president trusts. There are no exceptions to the process unless approved by the president. Why so strict? Because, many of your managers and HR people think in terms of horses when the company needs race horses. Further, many managers are insecure about their own abilities and may decide that they look more like a race horse when surrounded by plow horses. The result is a team that cannot win the most crucial races...those against your competition.

Make sure when you hire race horses that you let them run. Leadership and direction are critical factors in allowing the race horses you hire to become winners. We have seen race horses harnessed to plows or put in a team harness with a plow horse and the results are quite predictable...less than expected performance or high turnover. Plus the current generation of people entering the workplace have enough employment choices that they have little patience for being held back by the plow horses you may now employ.

If you read our columns you know we believe in fast-tracking the HI-POs (High Potentials) in your company whether new-hires or current employees. We talked to a company recently about their "fast-track" for wholesaling. It involved several months in the warehouse to "learn the operation". Think about it. If the person takes months in the warehouse to learn the operation he is a plow horse. We think you take HI-POs, describe what you want them to learn, and how they can demonstrate that they have learned it as opposed to "it takes a normal dullard about two month's to learn this" and force him into a time schedule that doesn't relate to or stimulate his progress.

The last part of the process is to have supervisors actively involved in the ongoing evaluation process. This is not a once-a-year task that is done to check-off an HR requirement. This is what a good coach does at every practice and every game. It involves the evaluation of what the person is doing, encouraging the good things and suggesting changes for the lesser things. Good supervision requires involvement. It requires feedback. If you have a supervisor uncomfortable with giving feedback, change is required. Either the supervisor must change or you must change the supervisor. If you have uncoachable employees who cannot learn or stiff-arm any attempt to give them advice they are suspect as mosquitoes.

Your supervisors should also be trained to evaluate new-hires more aggressively during your standard probation period. Remind them that a 90 day probation is NOT a commitment to keep someone for 90 days. In some cases you can see that the new-hire is not a fit in the first day. The record to our knowledge is a guy who was hired and fired in less than ½ hour. He was hired, he filled out the paperwork and then found the coffee machine and sat down to take a break before starting work. The supervisor walked in and said, "It's obvious that this is not a fit". They paid for the hour and avoided a problem later.

When someone is not working out, for whatever reason, it is better to deal with the situation sooner not later. A phrase we hear all too often is, "Tom is a good guy but he hasn't found a home within the company." We translate that into, "Tom probably is a nice guy. He has been moved around within the company and he hasn't been able to perform acceptably in any of the jobs. The problem is that nobody has the heart to suggest he work for another company." And then 20 years pass and Tom is still in the company not contributing as he should. Everyone knows the score...even Tom; but he would be foolish to quit because he is smart enough to know that he probably can't get as great a deal anywhere else.

We think if your company has a poor performer who has been with you for 20 years, you have an obligation to him. We won't define that obligation but you must; and we have found that the cost is normally less if you deal with the situation now and not let it continue.



In closing, we want to make a couple of points:

1. Getting the mosquitoes out of your business is a difficult activity since people's lives are involved. Frankly, in most instances the mosquitoes that you have are the company's fault.
 - a. The company mis-hired many of them in the first place. They were clearly "plow horses" from the start.
 - b. The company didn't coach them actively with goals, commitments and performance measures so that you could separate the poor-performers from the good ones.
 - c. The company didn't deal with them promptly as soon as you knew there were problems. You moved them around instead of demanding improved performance or moving them out of your company.
2. Wholesaling is a people business and for all the talk about technology, processes, best practices and systems, we have found time and time again that a good, smart, motivated team will win.

As Damon Runyon put it, "The race isn't always to the swift and strong...but that's the way to bet."

So your best business bet is to assemble a team of the best and brightest. This is especially important since you really are betting the long-term success of your business on them.

