



Ohio and Indiana Risk Management Initiative

Dealing with Problem Employees

Dr. Bernie Erven
Erven HR Services, LLC &
Professor Emeritus
Ohio State University
erven.1@osu.edu

M·A·H·S
Mid American Ag and Hort Services, Inc.





Introduction

- No business succeeds while its people are failing
- Mediocre is a no-win reputation
- Problem employees frustrate both supervisors and workers



Introduction

- Dealing with problem employees is an unpleasant responsibility!
- Ineffective handling of problem employees discourages best employees and reduces motivation



Dealing effectively with problem employees:

1. Improves motivation
2. Reduces frustration
3. Improves morale
4. Makes firing rare
5. Reduces legal action



Outline

- Making discipline a human resource management strength
- Dealing with under-performers
- Handling the special case of a buddy or a buddy-want-to-be



Effective discipline

1. Take preventive action
2. Use effective discipline techniques

Important point → Can never eliminate need for discipline.



Taking preventive action

- Goal → Create an environment where disciplinary action is rarely needed
- How?
 - Hire and develop self-disciplined employees
 - Apply preventive steps
 - Be low-key about few problem employees



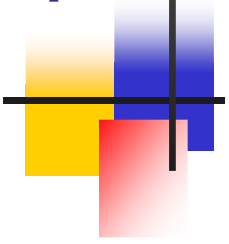
Eight steps in preventive action

1. Accept the challenge of disciplining well
2. Discipline behavior not the person
3. Develop a positive attitude
4. Know the law

Eight steps in preventive

action (Continued)

5. Put rules in place
6. Train supervisors
7. Hire the “right” people
8. Include rules in orientation



Using good disciplinary techniques

1. Hot stove rule
2. Progressive discipline
3. Firing



Hot stove rule

- Warning
- Consistent
- Immediate
- Impersonal



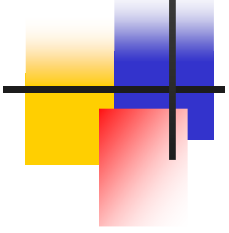
Progressive discipline

Four steps – each more severe than the previous step:

1. Verbal warning
2. Written reprimand
3. Suspension
4. Discharge

Fundamentals of progressive discipline

- Designed to change what an employee is or is not doing
- Akin to changing a bad habit – so think “Change requires action *Again and again and again*”
- Communication is the key
- Emotions will enter in
- Steps and timing need to fit each employer’s situation



An example of progressive discipline

An employer's rule:

- Employees are to call in before unexpected absence
- Not calling in 4 times in 24 months leads to automatic discharge
- One year probation after suspension during which employee will be discharged if fails to call in
- Each employee is allowed one freebee every 24 months
- First offense after freebee triggers discipline



Step 1 of progressive discipline – *Verbal Warning*

- ▶ Terry, an employee, was absent without calling in
- ▶ Had already used his freebee
- ▶ Bob, his supervisor, talked with Terry, explained the rule and confirmed that Terry understood
- ▶ Bob wrote a summary for file



Step 2 of progressive discipline – *Written warning*

- 7 months later, Terry again failed to call in
- Bob gave him written reprimand the following day
- Repeated discussion of rule and gave Terry chance to ask questions
- Bob asked Terry to sign statement that he had received written warning



Step 3 of progressive discipline – *Suspension*

- 14 months later, Terry again failed to call in
- Bob gave him letter explaining that he was suspended from work without pay the following day
- Letter made explicit that Terry was on probation for next 12 months – once more and automatically discharged
- Bob repeated explanation of rule and gave Terry chance to ask questions
- Bob asked Terry to sign statement that he had received suspension letter



Step 4 of progressive discipline – *Discharge*

- Terry went 12 months after suspension with no repeat of the problem
- Bob purged Terry's file of verbal warning, written warning and suspension
- If Terry had failed to call in during 12 month suspension, would have been automatically discharged



Gross misconduct

- Certain offenses so serious that they cause immediate discharge with no 2nd or 3rd chance
- Examples:
 - Intoxication at work
 - Sexual harassment
 - Drinking on job
 - Theft from employer
 - Fighting
 - False information on application form
 - Unexcused absence for four consecutive days



Discharge

- There are no winners in a firing!!
- When a firing is best, attention turns to:
 - How do to do it fairly
 - How to minimize negative impacts on other employees' morale
 - Minimizing chances of a wrongful discharge



Critical legal questions in a discharge?

1. Was the employment at-will?
2. Was it a wrongful discharge?
3. Was there just cause?
4. Was there due process?
5. Was there constructive discharge even though the employee resigned?



Legal and defensible firing

- Builds on actions taken before the firing
- Is documented with a paper trail
- Incorporates careful answers to 7 key questions



Seven key questions

1. Solid case?
2. Who will fire?
3. Where?
4. When?
5. Who will attend termination meeting?
6. Termination meeting content?
7. Immediately afterwards?



Concluding comments about discipline

Discipline **can** become a human resource management strength.

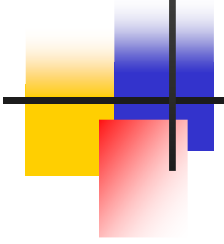
The better it is done, the less it will be noticed.



Dealing with under-performers

1. Importance of understanding the causes of under-performance
2. Fourteen most likely causes
3. Avoiding “too-good-to-be-true” solutions
4. A practical approach to the problem

Definition of Under-Performers



- Those people who chronically neither thrive in their work nor perform badly enough to be terminated
- Chronic means there is a history of years not months
- **Actions that have failed:** patience, impatience, self-correction, anger, threats



Importance of understanding

- Problem solution requires accurate problem identification
- Blaming someone else is a simple and make-believe solution
- Blame ignores reality
- Understanding helps get to the real problem



Causes before cures

- **Basic challenge** – Understanding the causes of under-performance
- **The reality** – Under-performers typically do not know or reveal causes of their problem
- **Fourteen causes** for managers, supervisors and workers to consider

1. Unclear needs in filling the



job

- Positions considered unimportant and people in them generally receive little attention.
- What needs did business intend to meet by filling the position?
- Are all positions and all employees treated as important?



2. Poor job design

- **Job design** – Design of a job that incorporates essential tasks and is challenging, satisfying, filled with opportunity for advancement and fun
- Is the job boring, unchallenging, repetitive and void of opportunity?



3. Wrong hire

- An applicant or family member may not fit a job
- Hiring a person for a position he or she does not fit leads to motivation and performance problems
- Superb labor management can not overcome a wrong hire



4. Ineffective orientation and training

- Few people like doing what they can not do well
- Effective orientation and training require **planning, specific orientation & training goals, benchmarks for progress, plenty of time, and well-trained and enthusiastic trainers**



5. Problem work environment

- Tools, equipment, supplies, quality of work place and work place safety are important
- Some work places have inherent aggravations
- Has the employer been reasonable and attentive to physical surroundings?



6. Unsuitable organizational culture

- Aim is to have values and norms of behavior that are consistent with:
 - Strategic goals and strategy
 - The supervisor's human resource practices
 - Values of workers
- Organizational culture is a choice made by top managers so it can be changed



7. Ineffective communication

- Barriers to open and two-way communication complicate relationship building
- Have barriers to communication been removed?
- Are communication aids being used?



8. Irritating social environment

- Gossiping, lazy, bossy and/or nasty co-workers and supervisors can spoil a work place
- Other things spoiling a work place: teasing; social isolation; sexual and physical harassment; religious, political, racial, age and gender undercurrents
- Managers can ask themselves if they have allowed a negative social environment to cause underperformance
- Employees can be asked to rate the social environment



9. Lack of discipline

- High performing workplace requires:
 - Employee self-discipline
 - Informal discipline
 - Formal progressive discipline
- Self-discipline is most powerful
- Lack of discipline allows under-performers to continue avoiding and changing rules
- Lack of discipline frustrates the best employees

10. Lack of motivating rewards



- Examples of motivating rewards: compliments, training, more responsibility and trust
- Absence of motivating rewards leaves a worker feeling unappreciated, unimportant, ignored and taken for granted
- Not good for employees to believe that rewards are unrelated to performance



11. Unfairness

- Unfairness results from misunderstood rules and inconsistency in enforcing them
- Fairness requires rules that are understood & consistently enforced



12. Insufficient performance feedback

- Two questions employees want answered:
 1. How well am I doing my job?
 2. How could I do my job better?
- No feedback about poor work leads to poorer and poorer performance



13. Souring of high-performers

- This year's top-performer may become a chronic under-performer
- Getting to root causes of good performer gone sour is rarely easy
- Helping souring high performers requires aggressive supervisor action



14. Complicating non-work life

- Employer has little direct control over causes or solutions
- Examples of non-work causes of under-performance include problems with: **marriage, loneliness, social life, chronic criticism, illness and personal finances**
- May be little supervisor or co-workers can do to help



The failure of simple solutions

Spontaneous, intuitive, easy and expected solutions that rarely work:

1. Patience
2. Anger
3. Threats
4. Pep talks
5. Money



Moving toward a practical solution for under-performers

Five Guidelines

1. Approach the under-performance problem worker by worker
 - Avoid generalizations about employees
 - Look for highly specific causes of the problem
2. Accept that some employees need to change jobs or employers

Moving toward a practical

solution (Continued)

3. Focus on figuring out causes of under-performance
 - Use list of 14 possible causes
 - Consider all possible causes and weight each from 0-100 with weights totaling 100 across the 14
 - Work from largest to smallest weights to figure out what needs to be changed to help under-performers improve

Moving toward a practical

solution (Continued)

4. Look for deficiencies in both supervisor and worker
 - Avoid putting entire blame on employee
 - Discourage employee from putting entire blame on others
5. Put in place a performance evaluation and feedback system
 - Encourage employee to use self-analysis as supplement to supervisor's feedback



Concluding thought about under-performers

- Take home message:

Do something!

- Refuse to allow the problem of an under-performer to fester
- Stop the negative effects on the business, the worker's happiness and the worker's livelihood



Handling the special case of a buddy or a buddy-want-to-be

- “Do I want to be my employees’ buddy or boss?”
- Employers have the choice
- Employees do not
- The challenge is clear; the decision is not
- Indecision, waffling and “it depends” confuses employees



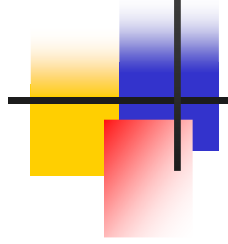
A disclaimer

- Buddy/boss is a highly personal issue
- What works well in one business may not work well in another
- Difficult but possible to change the relationship with employees



Context of the buddy/boss choice in the green industry

1. Small business
2. Informal
3. Most everyone well known to everyone else
4. No union contract controlling relationships
5. Both family and non family



Given the context:

- The tendency is to be buddy not boss
- Seems easier to be buddy
- Employees assumed to prefer the buddy choice
- Buddy seems to fit family employees better



The guideline for most businesses

Be friendly with all employees;
be buddies with no employees.



Expectations make the case for the guideline

- What does an employee expect of an employer?
- What does an employer expect of an employee?
- What do friends expect of each other



Employer expectations of employees

1. Self-motivation
2. Search for a job and work environment that fits them
3. Willingness to learn
4. Commitment to the employer's mission, core values and goals
5. Communication of their needs, concerns and ideas to the leader
6. Listening to the leader's point of view



Employee expectations

1. Challenging work
2. Access to information
3. Increasing responsibility
4. Involvement in decision making
5. Feelings of personal accomplishment
6. Recognition for good ideas, hard work and caring about the family
7. Sense of importance to the business



Expectations of friends

- Help
- Understanding
- Forgiveness
- Honesty (but only to a limited extent)
- Forgiveness
- Time
- Informality



Using “friendly but not buddies” guideline with family members

1. Business headquarters separate from residences
2. Separate business and family relations
3. Build close family relations outside the business
4. Separate business and family communication
5. Be fair and consistent in dealing with “cousin” generation



Overcoming the informality of small businesses

1. Conduct formal staff meetings
2. Provide feedback at least annually to each employee
3. Be consistent in policies, procedures, and family relations across all employees



Dealing with personal problems in friendly business

1. Avoid getting involved in personal problems
2. Be prepared to deal with real employee crises



A final guideline

Work hard at building friendships outside
the business

Avoid resorting to the business for friends

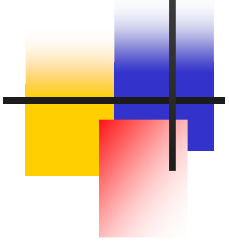


Conclusion

Expect supervisors to be friendly with all employees

Expect supervisors to be best friends with no employee

Contacting Bernie Erven



Erven HR Services, LLC

erven.1@osu.edu

614-888-9953

5987 Rocky Rill Road
Columbus, Ohio 43235