

I Have an Employment Problem

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I have an employment problem, and I'm not sure what to do. Over the past several months, I've had 2 unusual encounters with the same employee. I think they add up to trouble. What do you think?

Here are the issues. Situation 1: This employee came into my office, asking for a personal loan, to pay off obligations. It was clear this employee didn't have a plan for paying off the requested loan. Situation 2: We discovered the employee had "borrowed" materials from the office, without permission. In fact, I didn't really care that the employee had borrowed stuff, I just wanted the employee to let me know ahead of time. But then things went from bad to worse. When asked about the issue, the employee denied it had happened. Once it was clear there was no way around the situation, the employee fessed up, followed by a lame personal excuse. In terms of work contribution, this employee does a good, reliable job with assignments, and is in a position that is important to the success of the company – and we might have trouble finding someone with similar skills. What should I do?

If it makes you feel any better, these examples are fairly common. Probably one third, or more, of my clients have ended up lending employees money at one time or another – with varying results. Our companies are small, we work closely with

most of our employees, and over time we become friends. Most of us juggle family commitments, careers and personal challenges, and we know a fair amount about the challenges our employees are dealing with, as well.

Let's talk about the reality of the situation posed above. Let's take a look at what might really be going on here. And then we'll talk about choices that have to be made, in dealing with this employee.

Many of us, as owners, have had an employee come to us, at one time or another, making a request to borrow, or asking for some kind of extra, personal help. In some cases, helping an employee out of a hole can be all that an employee needs to get on his or her feet. The good will generated by the act of support may result in a long term, loyal employee. In some cases, the wheels really come off the wagon, as the employee gets into deeper and deeper problems. Some employees eventually blame the company, in a perverse way, for lending them money that resulted in them getting into deeper trouble.

It's easy to blur the line between business and personal – after all, the statistics say that we now spend more time at work than we do at home. When deadlines loom we take work home, along with supplies and files, so that we can catch up on things after

hours. There are many examples of employees thinking of business things as personal extensions, or as things they can borrow and return at will, without permission. That doesn't make it right, or excusable. But there's a fine line between what's right and what's wrong. And often, as owners, we are not clear enough about where that line gets crossed, until a situation like the one above pops up. We tend to put it in the, "we'll know it when we see it" category, which means that our interpretation of a situation may be different from how our employees see it.

And then there's the issue of the employee doing a good job, with skills that could be hard to replace. Making sure the company is safe, is a multi-dimensional issue. Having employees who can perform is one dimension. Having employees who respect the boundaries between company and personal is another. And a third dimension is having employees with the maturity and integrity to represent the company with the highest possible standards.

Here's what concerns me most about the examples given above. In the first situation, the employee did not have a game plan for paying back the money. In the second instance the employee was not straightforward about what was going on, and had to be trapped in order to get at the

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truth. Finally, the employee made excuses, rather than simply saying, "I was wrong".

My concern is that, at best, these are examples of poor judgment, and they all border on unethical or immature behavior. An employee who thinks that money can be borrowed without consequences, without a plan of repayment, in my book shows a big lack of maturity. Asking to borrow, without having a repayment plan may also be an indication that the employee is in a desperate situation, and is looking to be rescued – and it is not the employer's job to rescue anyone. Finally, an employee who believes that it is better to lie, evade, or cover up, rather than simply state the truth and deal with the consequences, is demonstrating a lack of professionalism, and, again, a lack of maturity.

The fact that this employee is up to two strikes is very serious. In my experience, poor behavior is a slippery slope. One strike, okay. Two strikes, and I'm getting a feel for what the employee considers acceptable – and I'm not liking what I see. The question now is whether to wait for strike three.

While this owner is thinking over what to do, I would suggest that they begin a search for a replacement, just to be safe. For every position, it's best if you know that there are other candidates out there, who could

come in and do a good job. And I assure you, there are very few positions out there that are so unique, so specialized, that they can't be done by someone else.

Find alternative candidates, and you take out one variable in a complex decision. Now it's down to evaluating the employee's actions. You can decide whether or not you want that employee around, or not, knowing you have other employee options.

Finally, there's the issue of the employee doing a good job. That may be technically correct – in terms of work output. But it may not be correct, when you evaluate the employee as a responsible, mature member of your team. Employees are evaluated on more than technical merits. Lies, evasions, overstepping boundaries, mishandling financial transactions, misusing company resources – whether intended or not – can all be considered improper or unacceptable behavior.

So what do you do next? At the very least, write up the incidents. Make it clear what is considered unacceptable about these incidents. Make it clear that the employee's job is at risk. Say that you are considering your options before handing down a final decision about whether the employee keeps the job for now, or not.

If you have other evidence that leads you to believe that these behaviors are only the tip of the iceberg, it's probably time to take action and let the employee go. If you think you want to hang in there for now, and keep the employee on board, make sure the employee knows they are on a very short leash, and any further infractions will probably result in termination. Explain to the employee your concerns center around how each situation was handled, and state your standards for behavior for your company.

It may be a good time to sit down and write up a code of conduct, that you publish for the entire company. Take out as much guess work as possible for all your employees. Going forward, help to insure that no one misunderstands what is acceptable and unacceptable.

Keep a very close eye on this employee. And listen to your instincts. If you are at all uncomfortable, take the time to figure out why. If it circles back to behaviors on the part of this employee, don't hesitate to act. Remember, your company is only as strong as its' weakest link. Tolerating a standard below what you consider acceptable, lowers the standard for everyone.

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