



Tender Hearted or Hard Nosed: Both have a Place in Business

By Bruce Dingman

Termination or transition...which is better when change is needed? Letting someone go can be hard but doing nothing can turn out to be worse. When an employee's strengths do not align with the employee's position, change needs to be made. This can be done by a realignment of people or duties or hiring a new person for the position. Handled with thoughtful consideration of the people and circumstances, this change can be beneficial to all concerned.

The following are some examples where The Dingman Company has been hired to help with a needed change.

Looked good but results didn't happen: One organization had a vice president of sales and marketing who loved winning and dining customers but failed in closing the deal. Not only were the sales objectives not being met, but despite good relationships with customers, he created disharmony with internal staff by his arrogance. A new vice president had to be hired.

The "Peter Principle": In another case, a controller was really good with numbers but lacked the big picture perspective needed to be helpful to the CEO, was deficient in consulting with department managers, and was unsatisfactory in training them to more effectively manage the financial aspects of their responsibilities. An effective new controller was hired and within six months the job was expanded and the position enlarged to chief financial officer.

Complement the existing leader: A medium-sized, family-owned company had seen a decline in sales and a loss of profitability. The board (all family members) came to recognize that their allegiance to their family by practicing an "only promote from within" policy had left the company without the professionalism and leadership needed to stay competitive. The president lacked the ability to take the company where it needed to go. The Dingman Company located a chief operating officer who complimented the president's strengths and had the needed expertise to turn the company around.

Lack of strategic thinking: Another client had a president who was terrific in operations but lacked strength in strategic planning. So, not wanting to lose the president's strengths, they hired The Dingman Company to find a board chairman who could provide strategic power, give direction and guidance for the board and work with the existing president.

Glad they got fired: How a termination is handled can make all the difference. I once had a supervisor working for me who needed to fire someone he had recently hired who could not handle the multi-tasking requirements of the job. I encouraged the supervisor to highlight the employee's strengths while clarifying the different needs of this particular job. We wanted to leave self-worth in tact, if possible. The next week she called back and thanked him because she had found a new job that was much more suitable and she would be happier in her work. Valuing the person is always worth pursuing.



When is a change needed?

To know if a change is necessitated, first conduct an objective analysis of what the organization needs.

Unrealistic goals in difficult market conditions may mean no one could be successful. Conduct a market study, perhaps through a specialized consultant, to highlight the organization in comparison to its peer group. If business is down 10% but the industry is down 15% then the results may be good despite appearances.

If the management team is not unified, motivated or professional, a management team audit, team building or strategic planning consultant may be called for to achieve the needed results.

On the other hand, sometimes an executive just doesn't have people skills, visionary abilities or salesmanship to be successful. When an objective analysis shows what changes are needed, the person can then be given the right support to become successful. Success will rest on how three questions are answered: Does the individual acknowledge the need for change? Will he react positively to effecting such change? Can she make the change happen? Affirmative answers are essential.

Unfortunately a leader may lack the desire to keep learning and changing. For example, if an executive has resisted using computers, which may warn that the person will not grasp other changes. Is the person resistant to constructive criticism? Such an attitude may hint at an underlying problem of personal insecurity or rigidity. Whatever problems the person needs to overcome, there is a possible solution.

Perhaps a "wakeup call" will be what's needed to motivate an employee. If the superior says, "in order for us to reach our objectives, you need to personally do such and such," maybe the person will begin to follow through. It might require strict accountability (weekly reports on what you are doing in this area.) The superior should ask the person to commit to the new strategy and to maintain a positive attitude. Failing that response, a separation should be discussed.

Termination can be a very distasteful thing to contemplate. But the reality is that the stakeholders (including staff and customers) deserve a leader who can provide the leadership needed for the organization to reach its objectives. To avoid or delay changing a non-performing executive when one is needed is a dereliction of the supervisor's fiduciary responsibility. So...if it has to be done how can it be best handled?

If you would value some guidance on how to best handle such a situation, a useful resource might be an executive recruiter, a human resource consultant or an attorney with significant experience in such matters. Feel free to ask how The Dingman Company can advise or assist.

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