

The Insomnia Factor

What keeps CEOs
AWAKE AT NIGHT
— and what to do about it.

The Monthly Newsletter
of CEO TO CEO

Number 9 in a Series

High Maintenance Employees

Few things can trigger a reaction in me as quickly as high-maintenance employees. My allergy to this behavior developed the way all allergies develop—through repeated exposure. After 20 years of leading organizations I swore the

oath: No more babysitting. (I know, I can be a slow learner). This issue's topic, **High Maintenance Employees**, the ninth in the series, will take you through some common issues and techniques related to this common distraction.

The Dirty Dozen

I'm finding that there are a dozen distractions I encounter most often. I'm calling them "The Dirty Dozen." For each, I'll present how I've seen the distraction present itself, how it's caused the greatest damage, and what the key strategy is to mitigate the distraction. I say mitigate the distraction because in truth, they'll never be fully defeated. The distraction at hand may be defeated, but tomorrow will bring a new one, a variant perhaps. Distractions will always be there, always decreasing our performance. But if we are aware of them and actively employ effective strategies to keep us on our path, we'll find our prize sooner.

All twelve distractions are controllable to a large degree. The first three are strategic in nature. The next four relate to planning. The last five are about people. But the order in which I will discuss them is no reflection on importance. Each organization is afflicted with a different mix of distractions, and you will find one or more that will immediately resonate with your personal experience.

To read the first parts in this series, click [here](#) and start with the June 2010 issue.

A few examples of what I call high-maintenance employees:

Ms. Over Her Head:

She graduated top of her class, so I put her in a position that would stretch her. I decided to mentor her and she appeared to appreciate it. But she would get upset often, sometimes crying, claiming that she couldn't do her job well. At times

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Robert Sher

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Static. It sounds bad on the radio—irritating, obscuring the real message. So too, in business. For example, customers who are high-maintenance, problem products that have high support loads or high return rates, and employees who come with lots of static. Static, wherever it occurs is costly, and absorbs your and your team's time and energy. Whenever I see it, I ask myself (or my client): "Are you certain that dealing with all the static is worth it in this case? Aren't there other areas where you could turn your attention for better results?"

Static is usually a sign that things aren't fitting so well. Maybe it's the product, maybe it's the targeted customers, maybe it's you or your team. Sorting it out yields big benefits.

CEO **TO** CEO

Assisting business leaders as they
navigate critical passages

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Innovation Strategy

After a research project which included interviewing 20 CEOs, I've developed a thesis around the key components of innovation and planning an innovation strategy to tie into the annual planning process. I'm beginning a series of private deep discussions with management teams on just this topic.

If you're interested, or you know of a CEO or management team that's looking to be more innovative, please [contact me](#).

The Dirty Dozen

- 1) *Strategy Tinkering & Obsession*
- 2) *M&A and partnering mistakes*
- 3) *Running out of money*
- 4) *The data and analysis obsession*
- 5) *Debates without decisions*
- 6) *Functional areas not synchronized*
- 7) *The wheels coming off the bus*
- 8) *Misplaced loyalty*
- 9) *High-maintenance employees*
- 10) *Too much one-way communication*
- 11) *Compulsive micro-management*
- 12) *The unpredictable boss/leader*

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frustration would precipitate a meltdown, but I'd calm it all down for her. She wanted the challenge and authority, and the next day would be eager to tackle new things. I spent much time teaching her and reviewing her work. I talked her out of leaving several times until after 18 months she quit with no notice and no explanation. Why didn't I accept her resignation the first time? I would have been better off.

Mr. Angry He was 6'3", a black belt, had good technical skills and knew how to be charming. He also had anger management issues, got in a snarl often and exploded once a month. I became a pro at calming people down, counseling him about his behavior, and at accepting his promises to "be better." His passive aggressive behavior was not doled out equally, and he endeared himself to certain people. He did advance his department from a technology standpoint, but keeping all the people around him on the rails sucked quite a bit of my time and adversely affected the culture. What a sigh of relief from the team when he moved on.

Mr. Arrogant This CTO had fully convinced himself that he was better than everybody around him, including his CEO. He demanded weekly meetings with the CEO, only to insist that all the other departments urgently needed to change (to his way of thinking). He maintained that their lack of understanding and unwillingness to immediately change was grounds for dismissal for most of them. The CEO kept talking him down, explaining that patience was required. But this just made the CTO angry. Terse comments and a tense face were frequent in meetings. He was quite successful in getting the whole management team into quite a twist until he left to launch his own startup (and to do it the right way—his way).

Mr. Drama He came in with great credentials, and in fact had some great ideas. But calm, cool and collected he was not, and on any given point at any given moment he'd jump to the extreme, make inflammatory comments, and start a firestorm. Everything he said was full of drama. His schedule was erratic, he missed lots of time. Despite all his flaws, things did improve in his department and he had a number of loyal followers. Running a meeting with him present was nearly impossible. It would go off track, get into vitriolic fights, and somebody would walk out. He blew himself out of the organization in a spectacular fashion.

Ms. Hero To listen to her, the company would self-destruct without her. She worked nights and weekends to save the day, over and over again. She volunteered to "help" her peers since they couldn't keep up. She sacrificed her personal life for her work, but was under appreciated, of course. She was in the CEO's office all the time, pleading her case for more responsibility, demanding that her slacker peers change their ways, talking about

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Presentations

March 17th, 2011 5:30 pm to 7:00 pm, Panel Moderator for Financial Executives International (FEI) San Francisco chapter. **Optimizing the CEO/CFO Pairing**, at Le Meridian Hotel, San Francisco. I've assembled a panel of CEOs who will engage in a discussion with senior financial professionals to delve into getting the most out of the CEO-CFO partnership. Open to all senior finance professionals and possibly others. If you're interested in attending (and not an FEI member) please **let me know** and I'll connect you with FEI leadership.

✿ Referral Hall of Fame ✿

Thank you to those that have referred me to an executive or a speaking opportunity! Referrals are how I grow my practice.

Bill Gochner, CFO with **Robert Half CFO Services** referred me to a COO.

Charles Wilson, Principal of **Risk Smart Solutions** referred me to a CEO.

Nelson Cicchitto, CEO of **Avatier** referred me to a CEO.

Talia Cohen, VP with **Bank Leumi** referred me to a CEO.

Chip Doyle, Principal of **Sandler Sales Institute** referred me to two CEOs.

Jim Horan, President of the **One Page Business Plan Company** referred me to a CEO.

Bill Maimone referred a CEO.

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the enormous pressures she was working under, explaining how she was succeeding because of her incredible work ethic and big contributions.

Enough! It's making me nauseous just thinking about these examples. I could keep going, but I won't. What they all have in common is that each person did have his or her merits, yet each person required lots of time and attention from their boss—babysitting. The boss should be a catalyst, a guide, a coach, a mentor, but *not* a support system or a control mechanism. Most executives have a team so they can get more done, focus on more strategic or complex tasks. Babysitting eats up time that should be devoted to building the organization. CEOs and top executives are paid to put their time to the best possible use, not to babysit.

High maintenance employees who don't contribute much typically get fired fairly quickly, and aren't much of a distraction. It's the employees that have some great attributes and are contributors (or at least are trying really hard) that stick around. We convince ourselves that they are worth the trouble, since they make such contributions in other areas. First we try to fix them (and we should). When fixing them fails, we try to work around their flaws, by insulating them, or isolating them, or just by being a buffer. The truth is that when fixing them fails (after a well-defined, short period of time) we need to cut our losses and fire them. Take all the time and energy that would have gone into babysitting them and devote it to hiring a replacement that is high output AND low maintenance. They do exist, for every position.

For example, I just experienced a team of very low-maintenance executives. Despite the fact that their CEO had been in Japan meeting with a possible strategic partner, they had done their homework and were prepared for the planning meeting. They did not whine. They focused on the critical issues where there was not unanimity. They were open about the problems and challenges, even when it was their own department's shortcomings. The discussion was orderly, decisions were made and responsibilities assigned and accepted. Those few new concerns I was able to raise (as the outside consultant) were carefully but quickly thought through and adjustments were made in short order. The meeting ended in less than half the time allocated. I was in heaven. So was the CEO. Any executive would be if he or she had a team like this.

“*The boss should be a catalyst, a guide, a coach, a mentor, but not a support system or a control mechanism.*”

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I repeat, *they do exist*. Always. For every position in the world. Even for that very special pain-in-the-@#! on your team. I can't remember firing a high maintenance employee where I didn't find a better replacement. I have no clients that have fired such a high maintenance employee and regretted doing so. Surely there is some pain around the departed knowledge, but teams can navigate around it. Teams step up to fill in the gaps. Without the high-maintenance person in the mix, everyone feels better and can focus on what the business really needs to get to the next level. In fact, co-workers generally spot these problem people very quickly and resent the special attention these people get from the boss.

These employees are also team destroyers. When they all too often turn to their boss, it generally means that they are not able to resolve issues with their peers, and are often either blaming them or otherwise acting in a dysfunctional manner. In nearly every case I've come across, the rest of the team cheered with vigor when the high maintenance employee left the firm.

All of the examples above are based on managers and executives. While high maintenance employees are a problem at any level, they cause the most damage when they are part of the organization's leadership.

The executive's duty is to lead the team to success. If success is important to you, be sure to select and retain great team members. Don't settle for coaching a "recreational league" level team when you can cut those players that are high-maintenance and coach the great ones to success. ■

Next month's issue of *The Insomnia Factor* will focus on Distraction #10, "Too Much One-Way Communication."

Robert Sher is principal of CEO to CEO, specializing in assisting CEOs and business leaders as they navigate critical passages. He is the author of *The Feel of the Deal; How I Built a Business through Acquisitions*. He may be reached at Robert@ceotoceo.biz.



I help my clients in many different ways. The best way to understand what I do is to read these examples of recent client work.

Strategic Plan This business unit leader needs to turn in a concise strategic plan to the top brass at his corporation to get the proper resources allocated to growth. I'm facilitating a discussion to cut to the heart of the matter quickly and am "playing" the role of CEO, pushing back in areas that just won't fly from an overall corporate perspective.

Under Fire This fast growing firm requires help prioritizing needed deliverables over the next three months. I'm blending outsourcing with hiring and prioritizing to arrive at a doable "short list" of projects to tackle first.

Meet the Team This GM I've been working with one-on-one has me meeting and interviewing her team, so my feedback and input will be based on my personal "take" on each of them. This will kick off an annual planning process as well.

Key Hire This client of mine is making a key hire. I'm meeting with the candidate before the decision is made.

Leadership Offsite This client is holding a leadership offsite. I'm participating, presenting some content, but perhaps more importantly watching the interactions to better understand my client's reality.

CEO **2** CEO

21001 San Ramon Valley Blvd, Suite A4101 San Ramon, CA 94583
e: Robert@ceotoceo.biz Cell (best): 925-788-1141 Office/Fax: 925-829-8190

www.ceotoceo.biz