



JAMES SCHRAMKO

# The Dangers of Keeping Staff Too Long

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When it's clear a team member isn't delivering, or isn't a good fit, how should you handle it? VirtualDOO's Lloyd Thompson shares a case study.



**James Schramko and Lloyd Thompson**

**James:** James Schramko here. Welcome back to the JamesSchramko podcast. This is episode 955. Today, we're talking about the dangers of keeping staff too long. I've brought along [Lloyd Thompson from VirtualDOO.com](https://VirtualDOO.com). Hello, Lloyd.

**Lloyd:** Hi, James, thanks for having me back.

**James:** Always a pleasure. You're there doing virtual Director of Operations, you're helping a lot of my clients, actually. You're very good with people and systems. You and I, I feel like we're cut from the same cloth in many ways because whenever we talk about team and staff and hiring, training, recruiting, challenges, we have actually a really similar values basis.

But also, I think we've both learned a lot of the similar things in our corporate careers that have parlayed across into the online world. And I always value our conversations, because a lot of online entrepreneurs are starting out small. They might be just themselves, it could be a single sort of solo expert, they could be a solopreneur, as they call it.

And they can be very resistant to start building team and systems. And it's not natural, and you have to work at it. And of course, you and I, we've read all the books, we've done a lot of hiring, a lot of training, a lot of recruiting, but it's not easy for everyone else.

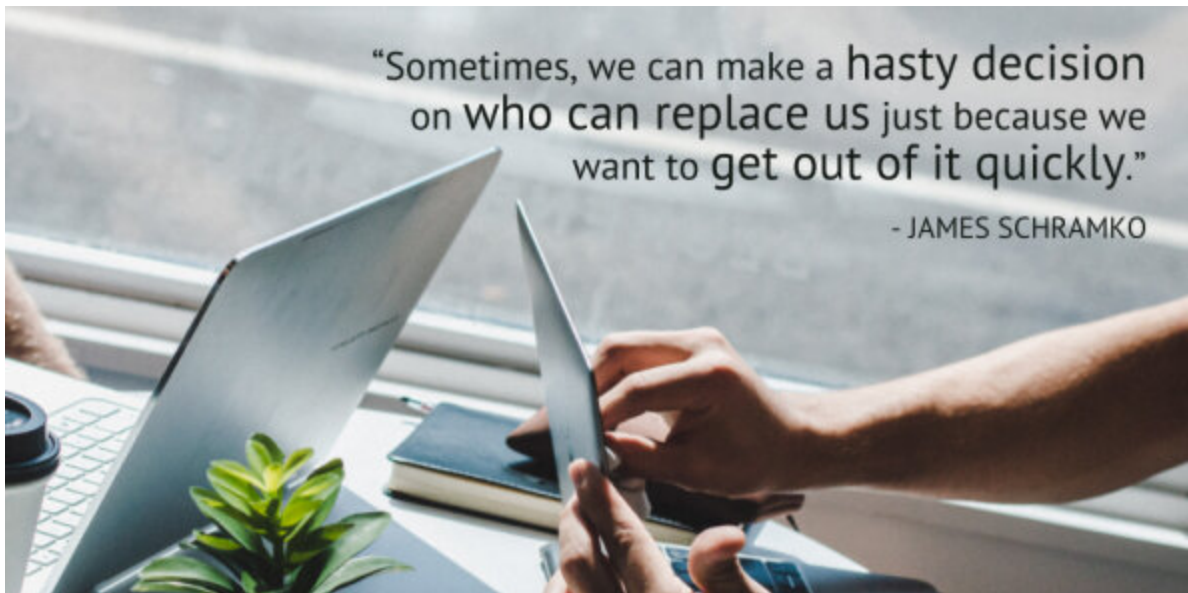
Something that we've encountered, we're talking about in this episode, is that sometimes we've already got a team. But it's a little bit hard to know if the team is the right team, or they're in the right place, if you haven't had a lot of experience with this. So that's why we wanted to have this particular episode.

And you were mentioning to me a scenario that happened to you recently, and I wanted to see if you'd share a little bit about that, about a situation you had where you were brought in to talk to a business owner. And maybe we can just start at that point in that journey.

### **When a founder has to step back in**

**Lloyd:** Yeah, sure. So our team was hired to replace a chief of operations for our customer. And the customer's chief of operations, let's call her Flame due to her fiery nature, had been asked to leave. And that meant that the founder had to step back in. And that very quickly meant that the founder was overwhelmed.

And she went back to driving and running her business. And it's very hard to do that and continue to do strategy and be the face of the business. It's just very hard to do both. So yeah, that was how our conversation started.



**James:** And when you came into the business, I mean, obviously, it's a setback, when the founder has to step back into the seat. I mean, it sucks. It means you don't have much depth in the business. And sometimes, we can make a hasty decision on who can replace us just because we want to get out of it quickly. Sometimes that role doesn't stick, either. What sort of challenges was the founder having at this point in the business?

**Lloyd:** I mean, a part of it was just seeing something and not really knowing if it was the right thing to do. I mean, she saw good results from this person that's called her flame. She did have a direct manner; she did seem to be getting stuff done. But she lacked empathy. She was a bit of a dictator. And it just didn't match up.

So it was a real conflict, because the founder on one hand is seeing, oh stuff is moving. But then she's just getting this irking feeling that something's not quite right. Like, is she really a match for our team? And the culture of her team was particularly strong on empathy, relationships, soft skills. But the more this went on, the founder could just see that the tone of Flame was not quite right. But she could also see that stuff was moving.

And so she was just, Oh, what do I do? I mean, what are my options here? This person is so ingrained in our business. It really got to push came to shove, when some of her team members started to resign. Her hand was forced, and so that meant she lacked trust to bring in someone else.

And so then suddenly, here she was again, she knew no other option, but to let Flame go, get back into the business herself, which is the last thing that she'd want to do. But there was just simply no one else she can trust. And it means, yeah, stepping back in and running it herself.

**James:** Yeah, that sucks. So it was a culture mismatch. And it's really bad when you bring in a new person, or you've got someone in the team, and they're causing conflict with others. Sometimes they won't even tell you, they'll just leave. Of course, people don't necessarily want to leave but sometimes they feel like they don't have a choice, and especially if they felt that the person who's got the bad culture is heavily supported by the founder.

So the founder has this difficult scenario, do you support the person? Or do you not support the person? But that can mean that the person has to go, that can create a huge amount of resistance to having to do something that's difficult, uncomfortable, and even these days, potentially laden with legal liabilities, if you're not careful.

**Lloyd:** It's a very uncomfortable feeling. I mean, she doesn't want to have to let someone go who she was seeing getting those results. But if she gets back into it, suddenly she's overloaded. But it's just a very difficult decision. And she had very limited bandwidth. But then it's, you know, she feels, do I trust someone else? That fear is there.

Her team are also concerned, are we going to have another person like that? Is this what a Chief of Operations looks like? So that's what she did. And I understand it, but she just had a fear of bringing someone else in. It already cost her some team members. But then, how long can she keep up something like that?

Like, how long can she keep running her business, driving the strategy, being the face of the business and running the operations? How are you going to scale if you're having to do both? So eventually, she needed to do something, she needed to get to that point where she needed to trust in someone again.



## Taking steps to fix things

**James:** So what did you do, Lloyd? You've come in, and you've offered your help. What were your steps?

**Lloyd:** So firstly, she came to us because she had been referred to us. So that was proxy trust, I guess, that she had to have that in order to just go, Right, I'm going to have to take a risk to trust someone again. So there was some kind of trust level there. We knew the biggest problem here was getting the right match.



And I think hiring a director of operations, in fact, let's say this with any member of staff, it's a little bit like dating. So one DOO might work great with one founder, but could work terribly with another founder, they really have to line up. And so that Flame character I was talking about earlier, I can actually think of a client who she'd probably be great with, because they would not listen, unless she were just ruthlessly blunt with people, that was just the character of that company.

But in this company, they were very softly feely, the whole culture was very relationship-focused. So here we very much focus on finding that strong empathy match, and a real people person. Skills are very important. And I think in the hiring process, that is absolutely a strong lens you need to look at. But sometimes people overlook the character side, the people side, like, what is the kind of character we need to take in here?

And so that's what we did, we spent our time to hire, to find a match. And I think this is a Jim Collins one, hire slow, fire quick. And we know that if you don't do something like this, then you're ultimately going to pay for it in more management down the track, and deal with unhappy people or deal with the consequences of what's happened here.

**James:** I had a guest actually offer a contrarian perspective on that, and said hire fast. He said the really good candidates don't wait around while you make them dance through 17 layers of hiring process. And that made me chuckle because I can relate to that. The good talent won't wait.

So you've put an emphasis on the EQ. I imagine somewhere along this path is company values, because that would help you understand the company that is recruiting. And it would also give you a set of filters to use in the recruitment process.

## **Finding the right skills and the right person**

**Lloyd:** Yeah, so going back to what I was saying, skills is one aspect. So that's, right people, right seats. So right seats is about the skills, has this person got the right skills, do they get it and want it and have the capacity to do it? That's all about the skills and capacity. But then on the other side, it's right person.

And the right person is, do they fit the core values of the business? And in this business, their values are very much aligned around people and relationships. They're absolutely about that. And so, in this case, it was a win. We have a match here. We focus on those values. And if the founder didn't hire another DOO, they would have just still remained overwhelmed.

And now that they've taken that leap, now they know they have to fill this position. They can't keep doing this themselves, or they'll not scale. But now she has filled it with a DOO. She has a sellable business, because it can run without her.

**James:** Is this something you're doing as part of your integration with businesses, is like, helping them identify gaps or helping them identify overage, you know, like - I remember actually, there was one you and I chatted about before, I don't think this was the first time this has happened for you.

There was definitely a scenario in the past where there was someone in the business who should not have been in the business and stayed too long and caused carnage and damage. Sometimes you feel like, well, gosh, these people have just, they must have compromising pictures of the founder or something to be tolerated or to still have a job, and like, the founder seems blind to it. Why do you think that is?

**Lloyd:** You know, I think some of the reason that we get hired is the founder has an inkling about, this is not right. And part of the reason they bring in someone like us is because they just want - it's like validation.

**James:** Impartiality.

**Lloyd:** Yeah, they want to know, what have you seen?

**James:** He's the bad guy. Lloyd's the bad guy. [laughs]

**Lloyd:** [laughs] Yeah. And I mean, that is part of what we do. Absolutely.

## **The difficulty of letting someone go**

**James:** It's so true, though. Like, it's people's destiny you're responsible for, and this comes up a lot. When someone has to let a team member go, they feel terrible about it, like, they don't sleep at night, they get stressed out.



And I say to them this, You know, what? Providing you've hired appropriately, and providing you've offered training and ongoing reviews and counsel and support, if someone doesn't perform in a role, or they have bad habits or whatever, they're bringing that to the role, they're bringing that behavior, they are responsible for it, and they need to own that.

So when you're forced to make a decision to let someone go, it's because they placed themselves in that situation via their behavior. And to continue to support that, to soak it up and not call it out, I believe, is denying that person an opportunity for true growth. You're not being open with them about their behavior, and you're not giving them the opportunity to course-correct.

And the longer you compensate for them and enable them, the harder it will be for them down the track. That's my thought on it. That's why I don't feel too bad if it comes to it, because I'm not the one that put them in that position. I've done my side of the bargain. But sometimes, the team member hasn't done their side of the bargain.

**Lloyd:** It reminds me of the One Minute Manager, like if you're open and transparent, and you see something, and it doesn't seem right, and you comment on that behavior, like just a very short feedback, you're not trying to overkill the situation and make them feel awful, you just need to give them their feedback.

And if you keep playing out the same feedbacks, and there's no change, then you can say, Hey, look, this is what I'm seeing, you know, we've had all of these occasions where this has happened. What would you do if you were me, given this? And they understand. They're like, you know, put yourself in my shoes. I'm your manager. And I'm seeing all of this, what would you do? Right? Sometimes that makes them go, Oh, hang on a minute, I know there's a problem here.

**James:** I've had that conversation with children before. [laughs] Like, if you were me, and this happened to you, what would you do as a result of that? Like, it's trying to encourage them to see it from the other perspective, when it's sometimes, it's doesn't feel like it's in their interest to take that position.

**Lloyd:** There were a few lessons here in this case.

## What the right support can do for the founder

**James:** I'm curious about that. And I'm also curious to know, as part of this, how the founder dealt with having some intervention, having some support, having some assistance to hire and taking the risk, you know, did it pay off for them?

**Lloyd:** Absolutely. I mean, a surprising thing about our service, or for me anyway, I've discovered, is finding how much of what we do ends up being support for the founder, as in, they saw something and they're able to confidently tell us what they're feeling, you know, they're on their own sometimes.

**James:** Often. Entrepreneurs, it's a lonely sport. It's a huge part of what I do, Lloyd. I have my clients and partners come to me with all sorts of things, sometimes even a trivial or spur of the moment, anxieties or whatever, and I'm just, I just let them know, I reassure them that, you know, I might point out the real scope of things or whether they should be worried or not.

And that's important. If you shouldn't be worried about something, and there's no reason to be, and you can dismiss it quickly, that's a tremendous peace of mind. So in your case, it sounds like they had a buddy there to really help them out when they needed it.

**Lloyd:** And sometimes it's also holding them accountable. So they can say, Are you seeing this? And you go - or you can validate it, you can go in independently, and you can see something, this is what you saw. And then you can say, Right, well, this is what needs to happen. And you're holding that founder accountable. Hey, we have to let that person go. Like you've seen the impact of this. However many people have left your business now, this has to happen.

I mean, we'd fortunately come in when that person left, we were just trusted to make sure that we weren't bringing in another person, you know? We had to rescue, bring the culture back, you know, make sure they trusted us again, make sure the person matched the core values, but being there to support the founder, hold them accountable, be a soundboard for ideas and support them is very much a part of it.

**James:** So what were the lessons?

## Lessons learned from getting the wrong person

**Lloyd:** So I think for this one, it was one we mentioned earlier about quite often people focus too much on the skill. So in this case, they had hired someone who might have been a great delegator, task manager, making sure stuff happens. But are they great with the people, are they a character match? And if you get that wrong, then you can really pay for that.

And so there are things you can do about their character assessments. The most simple thing you can do when you interview someone, just to get a flavor of someone, just before you go down the road of character assessments is say, Describe yourself in three words. Like, you really get a flavor of that person in just a short punchy sentence. I'm not saying do your whole assessment based on that. But it's amazing how much that will give you.

**James:** How long do they get to formulate an answer for that question?

**Lloyd:** Ideally not very long. It's just off the cuff. I don't want to hear a scripted response that's been baked. I just want to hear, you know, straight out in your mind, and some of them, I heard, like, quirky the other day, and I was like, quirky. That's great. I love it.

**James:** I'd love to know Lloyd's three words. How would you describe yourself in three words, Lloyd?

**Lloyd:** No. No. [laughs]

**James:** [laughs]

**Lloyd:** We're not having that here. [laughs]

**James:** But it'd be so much fun. Like, I already started thinking of labels. And it's funny, if you see yourself the same way other people see you.

**Lloyd:** Yeah, yeah.

**James:** That's funny. Well, we'll see if the audience would like Lloyd to identify three words to describe himself.

**Lloyd:** Send them in the notes.

**James:** Yeah, like, comment where you see this post, episode 955, if you want Lloyd to describe himself in three words in a future episode. What other lessons?

**Lloyd:** I'll give you my baked answer. [laughs]

**James:** [laughs] You can cheat. You got time.



**Lloyd:** Yeah. Okay. So the first one, I was talking about character being as equally as important as skills, and often overlooked, right people, right seats. So get the right people. Second one is, it's not just about hiring people. If you hire well, that's great. You've set yourself up. That's one of the key attributes to success.

### **Be aware of what you already have**

But also, you've got to be careful with what you already have. So if you're hanging on to someone who's toxic in your culture, that's just going to spread. That's going to generate disharmony in the team, and it will cost you.

And then finally, if you do hire badly, if you don't take note of these, then it's going to cost you in more management, it's going to cost you more time anyway. You hired someone to save you time, it's going to cost you more time. And it could destroy your culture, and hopefully not your business with it. So those were the lessons that I would say about that.

**James:** I love it. It's so true about it. If you've got a toxic person waiting there to destroy every new person you hire, that's like, you have the world's finest organic peanut butter and it doesn't matter how much you spread on a piece of toast, if there's already a piece of po\*p in the corner, you're never going to eat the toast. Right? It just ruins the whole thing. So you've got to remove.

And I'll share this story. I just completed my first sales manager's role. I was hired from salesperson to sales manager. I blitzed it. I did so well that Mercedes-Benz were very encouraged by that result, and they wanted me to go to another dealership and fix up the sales team there. And they told this other dealership, you know, can you get this guy on board? He's going to come and sort it out.

And so I went and had a little look around this other dealership. And this dealership, it had, I think there were seven, a team of seven, they were significantly underperforming. I think they'd sold 27 cars for the whole month. And their target was over 100. And Mercedes were very unhappy about this. And they said, You need to hire this guy, he's going to come and sort you out. And so the owner of this business, he said, Alright.

So we arranged for me to go there. There's a whole story around that. That was crazy. But I took the job. And when I went to the guy, he said, Listen, I don't care what you need to do. I don't mind if you sack every single person here and start fresh. You do what you need to do, and you've got my full support.

And he recognized that it might be very hard for me to create a winning team with a bunch of losers sitting there. And it turns out that we churned through just about everyone that was in the team. And I ended up - it took years to turn this place around. By four years later, we had 21 salespeople. And we beat the biggest dealership in Australia for sales volume for the month. It was years in the making. But I basically had to start from scratch.

## **The real takeaway from this ep**

So the big takeaway and the thing I really want to emphasize from this episode 955 is, before you go building your dream team, just have a look at who you've got in your current team and figure out if there's anyone who's creating a huge danger that no matter who you bring in, they're going to be dragged down, or sabotaged, or politically undermined, or you know, lots of bad things happen.

I've seen the whole spectrum. But it's bad. So maybe, like a bad cancer, maybe you've got to cut it out first. And then do the healing.

**Lloyd:** Fortunately for our founder, she acted before any more damage was done.

**James:** You know, once staff are leaving, and you can identify that's the reason, that sort of level of toxicity is a death spiral for a business. There are companies - I'm going to say there's a popular Australian airline at the moment who has a bit of a toxic culture going on. A lot of whistleblowing, a lot of backlash, a lot of hatred against the CEO.

Their results are appalling, in practice, in terms of what they're delivering to the market. They've had to apologize and incentivize customers. But unless they fix that, they're screwed, because in their case, it's a slightly different scenario, they let way too many people go. Then they replaced full-timers with outsourced people, and they're not doing the job properly.





And the people who have been there are asked to carry extra loads and stuff, and that's turning them all into negative people. So the fish does rot from the head. I'd say that everything we've talked about today is the responsibility of the founder/CEO or whoever's in charge of recruitment. You have to take responsibility if you've got bad team members in your team, and you've got to sort it out quickly.

**Lloyd:** Completely agree. And it's just when you have those right people in the right seats, you can be back off to the races and the results that can be achieved are phenomenal. And obviously, if the reverse is true, then it's going to be a very rough ride.

**James:** It is a rough ride. Lloyd, I love it. This is Lloyd here, Episode 955. [Lloyd Thompson](#) from [VirtualDOO.com](#). If you're struggling with your people or your systems, that's what Lloyd can come and help with. Get in touch with him. How do we get in touch with you, Lloyd?

**Lloyd:** Just email me at [Lloyd@VirtualDOO.com](mailto:Lloyd@VirtualDOO.com)

**James:** That's L-L-O-Y-D @virtualdoo.com. Ask him to have a chat. And he'll come and check out your team, your systems. He'll tell you if you've got the wrong people there, or you don't have the right people, or you need some more people, or your system's broken.

The ideal scenario is you tell him what you want your business to be able to deliver, and then he'll see what's missing and help you get it going, whether it's on a monthly retainer, whether he does an audit or whatever. I'll leave that up to him.

Lloyd, I really appreciate it. You've got some other stories to share with us in the future, I'm hoping.

**Lloyd:** Yeah, I've got a couple brewing, if you have me back.

**James:** [laughs] I'll have you back. It's great. If you enjoyed this episode, let us know. Leave a review on Apple, and until next time. See ya.

**Lloyd:** Thanks, James.

A person is working at a desk with a laptop, a coffee cup, and a small potted plant. The scene is overlaid with a semi-transparent green filter. The person's hands are visible, typing on the laptop. The coffee cup is on the left, and the potted plant is in the center. The laptop is open and the person is looking at the screen. The background is a window with a view of a building.

JAMES SCHRAMKO

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