



PROFIT MATTERS

HOW DO YOUR NUMBERS LINE UP? | BY CHRIS "CHUBBY" FREDERICK

Toxic Employees

Over the past four decades, my passion has been helping shop owners grow. I believe profit matters, and trying to make 20 percent to 30 percent cash profit is a necessity not a luxury. Most shop owners get in trouble when three problems appear at the same time. Most of us do not get in trouble with one problem, but with a combination of multiple problems. A toxic employee is defined as one that pollutes the entire business and creates multiple problems in the blink of an eye. These problems can be very expensive to correct, and without a fat savings account you may not be even capable of proving your innocence.

One way I try to stay personally connected with our industry is through my own group of 20 of the very best shop owners in North America. We hand pick them from literally thousands of our weekly coaching clients. At our last meeting, one of our most passionate shop owners, Eddie Cleveland, shared one recent experience that could have been a disaster to his business if not handled correctly.

He said that after 26 years in the auto business, if there is one thing he has learned, it's that there are times when nothing seems wrong, but sometimes that's the problem. All may seem well, and that very well may be — temporarily. But you never know what may be lurking in the future. Now I'm not saying that you should always be looking for trouble,



but don't fool yourself.

Toxic employees are out there, and they come in all types. The worst kinds are the perfectly good employees gone terribly wrong because they've already worked their way into your business, payroll and daily routine.

So what can you do to protect yourself? You need to learn how to spot them, how to arm yourself against them and what to do when you've failed with the first two steps and you are in over your head.

Look for Unhappy Employees

Toxic employees can eat away at you fast. They ruin job performance and morale for everyone and before long, your business will start to suffer. There are some warning signs to look for to help prepare you.

You should look for employees who seem to be increasingly unhappy with their situation, whether it's at work or at home. Are they beginning to come in late and leave early? Do they chat with colleagues about problems with their spouse or complain about their job? Are they making excessive phone calls? Do they seem depressed or distracted? These are the signs of a good employee gone sour. They may move beyond their problems, but be aware of the situation, as their bad attitude can quickly make for a hostile work environment.

When you have an employee like this,

QUESTION OF THE MONTH

QUESTION:

Who can you talk to about problem employees who understand all the different state laws?

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*Do you have a question for Chubby?
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you may want to take some time to talk with them. What is bothering them? If it is something work related, can the problem easily be solved? If not, what can you do to make the situation better, if anything?

If the problem isn't work related, there isn't much to do if your employee is carrying stress and depression from a home issue around with them. Let them know that you are there to talk, but that

you expect them to carry out their duties at work without having a bad attitude or negatively affecting the work of others.

If the problem is work related, do what you can to resolve the problem or reach an agreement, but let your employee know the boundaries and what you will not tolerate.



Diagnosis and Act

Despite your best efforts, some toxic employees are too far gone to save. If you don't handle the situation, your business will soon be under attack. Some toxic

employees are rather smart. They know the law, or think they do, and they'll use everything they can against you. This is why you've got to get smart. I had to learn the hard way.

For one year, I had what I thought was a good office manager. This person was fast, efficient and organized. When hired, this particular employee let me know that she did not need or want health or dental insurance. She asked that I pay her more and omit these benefits. I thought the idea over and it seemed fine to me. After all, I could pay

When faced with a toxic employee, you need to make sure you have researched your state labor laws.

her several dollars more and come out better considering the cost of insurance is so high.

Everything worked out fine until one day a year later, when this employee came to me and told me she needed insurance. I reminded her of our prior arrangement and she immediately whipped out the word "legal" and started throwing it at me. She pointed her finger at me and said, "You legally have to." I told her that we didn't want to start tossing around that word. I explained that we should think about it over the weekend and discuss it the next Monday.

She must have done some thinking alright. That Monday, I received a call from the Equal Employment Opportunity Commission (EEOC), and received a letter from them within one week. I immediately realized my mistake: I hadn't gotten anything in writing. I took this employee aside and told her

that I would give her insurance, but that she was going to have to take a pay cut.

Seek Legal Advice

Punishment, she said. I was punishing her for asking for what she legally deserved. Again, the word “legal” reared its ugly head. I knew I was going to have to be very careful about how I responded to this person. When she decided to report me for sexual discrimination, without any reason, I decided I needed a lawyer, and a good one, one who knew my state’s laws.

Once you’re in too deep, and the situation has gotten out of hand, what can you do? When faced with this type of employee, you need to make sure you’ve researched your state labor laws. Are you doing everything you can to make your business safe legally? Do you have cameras where they need to be? If it comes down to it, have you hired the proper



lawyer? At this point, you don’t want to be cheap. Your future and business depend on your course of action.

Once I hired a lawyer, I realized that I didn’t even have enough employees to be legally penalized for this false accusation of sexual discrimination in my state. Educating yourself is the first step to protection

against toxic employees.


This is also true of the laws that govern the way your business should be run. My second experience was with a toxic employee who also left on a bad note because she wasn’t doing her job properly. Just to get revenge, she called the EPA and made false accusations against me for improper handling of waste oil, antifreeze and tire disposal.

Again, I came out in the clear, and nothing she accused me of had any truth behind it. But her phone call caused me a lot of headaches and wasted time and money. Waste Water Management,

the EPA and the tire disposal authorities were knocking down my door all because of this toxic employee. But because I knew the law and I was taking care of my business properly, her accusations fell short.

Educate Yourself

I can’t say it enough. Educate yourself. Be aware of what is going on within your business’ walls and do your best to resolve problems, but know when to say enough is enough.

Take care of things before they get out of hand and rest assured that you have followed the law, protected your business and become that much better at handling it for next time. Most likely, there will be a next time. 

Chris “Chubby” Frederick is CEO and president of the Automotive Training Institute. Readers of this article are entitled to a 100 percent rebated ATI seminar anywhere in North America. Frederick is thankful for assistance from George Zeeks and Brian Canning in preparing this monthly column. Contact him at cfrederick@autotraining.net.