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[Rana Florida](#)

CEO, The Creative Class Group

Your Start-Up Life: When Is it Time to Fire Someone?

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Thursdays at the Huffington Post, Rana Florida, CEO of [The Creative Class Group](#), shares her conversations with successful entrepreneurs and thought leaders about how they manage their businesses, their relationships, their careers, and more. She also answers readers' questions about how they can optimize their lives. Send your questions about work, life, or relationships to rana@creativeclass.com

Hi Rana,

I have two key employees who have been with me for three years, both performing at a C+. The business is gaining momentum and I am busier than ever. I've been giving them raises and bonuses and more responsibility, but they want additional raises. I am conflicted as I have to micromanage all their work, check everything over, and even the simplest of client emails and proposals are laden with unacceptable mistakes and typos.

Moreover, every time I give them an assignment that's outside their normal duties, there is tremendous push-back and hand-holding. I've given them feedback about what I need them to do and they both agree that they could be doing better and change for a brief period, but then they quickly resort back to their old lazy ways. I'd love to replace them, but they are both crucial positions and I just don't have the time to search for and train replacements. Should I fire them and suffer trying to find someone better or do I keep jogging along at a C average? I also feel personally bad for their families and livelihoods.

*Alana
Washington, DC*



Photo credit: Flickr user valleyhq

Hi Alana,

A long time ago, I asked the same question to a respected businessperson: "When do you fire someone?" Their answer was, "When you first think of it." The point is that an employee has either got it or they don't. Some people are go-getters who will always go the extra mile. Others will just skate by. It's in a person's DNA.

Firings are almost always warranted in cases of theft or drug and alcohol abuse, but lack of production can be a legitimate cause for termination too. It's plain and simple: not meeting your work obligations poses a serious threat to your job. It's very stressful to let someone go, but you hired your team because you saw promise in them. If they are not completing their work, or if they are sucking up your time while you babysit them, they are useless to you.

I once asked another successful entrepreneur that same question, and their answer was the opposite: "first, you need players on the field." Meaning, don't leave yourself exposed to the competition without a team in place. Whenever you meet great talent, start grooming them to join the company in any capacity. Players can then be shifted and traded.

As for these two, you said you've given them feedback time and again but see no improvements in their performance. I think it's important to let them know that they are getting one last chance. Sit down with each of them and tell them what they are doing right -- positive reinforcement is crucial to motivate a team. Then be specific about what you need improved.

Let them know that if their performance dramatically improves in six months, you will give them a raise. But if it stays the same or gets worse, you will have to replace them. Make it clear that your preference would be to keep them, and you will do what you can to help them succeed.

If you see some improvement but not enough at the end of the six months, sit down with them again and extend the review period by three months. If nothing has changed, it is time for them to go.

While most companies will offer one to two weeks of severance pay per year served, or one month per year in some cases for senior level positions, I would advise you to relieve your conscience by sending them on their way with a three to six month severance package.

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