

On Being Fired or Demoted . . .

The president of our firm has a favorite saying: "If an executive hasn't been demoted or fired at least once in his career, he probably hasn't been working up to his full potential." There's a lot of truth to this.

It doesn't mean that we're encouraging people to make mistakes or to do anything harmful or reckless. It just recognizes that really energetic and effective people, especially when they're working at the edge of innovation, will create really big results - mostly good, but occasionally there may be a mistake. In a results oriented environment, this may mean a career setback. But if you have the right stuff, this setback will be temporary. It will be a great learning experience and you will soon be back on track.

If/when this happens to you, your most important decision will be whether or not to leave your current company and go somewhere else. This requires a thorough analysis. Be careful of your emotions. One of the key questions you must answer is if the key decision makers and culture of your company will allow you to recover and be successful after a serious problem. If your answer is no; then leave. Leave only for opportunity. Stay only for opportunity. Don't leave because you're mad or disappointed.

There are times when a change is best for both the executive and the company. Don't allow yourself to be affected by the traditional negative stigma that's associated with being fired or demoted. Learn from it, don't repeat it and have the confidence to move beyond it.

The best companies will have a long term focus and will try hard to keep excellent employees, even after a mistake. They recognize that both the executive and company will be better off if the executive can stay and apply a new understanding from past experience to make the company better. Do you work for one of these "best" companies? Following are some of the characteristics these innovative companies have. If your company doesn't measure up, these are also the items you should focus on to create one of these "best" companies.

The first and most important is to have a culture of accountability where everyone is intensely focused on attaining outstanding business results. This gives employees the feeling of confidence that they will be measured and rewarded based on objective, controllable criteria instead of subjective opinions or interoffice politics. It's difficult to overcome a serious mistake or problem without this culture of objectivity.

Companies that have this culture usually have the following infrastructure and characteristics:

- An organization structure with clear, defined accountabilities.
- Integrated core business success measures at every level in the organization.
- Clear, measurable standards and expectations of results for each area.
- A management process that openly measures results for each area at least monthly.
- Free access to all business information so any employee can see what is happening in any area.
- A reward and recognition program that motivates everyone to attain above average results.
- A management group with high ideals, standards and consistent performance.

There are other characteristics or practices that foster an excellent environment for executive development and retention. They include:

- A formal process where the company's top executives identify key employees with high potential, review their strengths and weaknesses, determine developmental plans and discuss potential timetables for their development. This exercise tends to be more formal in larger companies. It also usually includes an exercise where similar employees are ranked according to potential for various opportunities.

You have to be a little careful with this last exercise because many times future jobs aren't fully understood until soon before they are staffed. Also, new jobs frequently change to take advantage of the skills and talents of a particular candidate.

- Mentoring programs, formal or informal, where high potential employees can work with and learn from successful executives. This can be important in developing employees from two different perspectives. First, it can be a great learning experience for the employee where insights can be gained in areas that would otherwise be unavailable. Secondly, it can be a very effective way for an employee to prove their worth to a key executive and gain a sponsor.
- An acceptance throughout the company that learning is a critical part of success and that some learning experiences will involve failures. This "learning environment" must be balanced against an environment where results and accountability are also critical. These two, sometimes opposing goals, are most effective when they work effectively together.

As you can see, this is a description of a "high intensity organization." This is a company or division where every employee strives to excel and understands that their team's successes and failures will be communicated, evaluated, studied and the results they attain rewarded. There's no stigma to failing in this environment, provided you do it the right way. Failing in the right way usually contains the following characteristics:

1. The potential reward was properly evaluated and was seen as worth the risk of failure.
2. The plan and execution were well done.
3. Failure was caused primarily by a new or not fully understood situation or condition.
4. Knowledge from the failure was significant and worthwhile for the future.
5. And the company was not grievously damaged.

This last point is obviously important. Many failures that result in demotions or termination are because the negative result was beyond the tolerance level of the organization.

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