

HOW TO MANAGE PROBLEM EMPLOYEES

A Step-by-Step Guide for
Turning Difficult Employees into
High Performers

GLENN SHEPARD



John Wiley & Sons, Inc.

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Table of Contents

[Title Page](#)

[Copyright Page](#)

[Preface](#)

[CHAPTER 1 - What Happened to the American Work Ethic?](#)

[A Country of Couch Potatoes](#)

[Too Many Castles, Too Few Kings](#)

[Litigation Nation](#)

[Today's Generation](#)

[A Pill-Popping Nation](#)

[Blue Handicapped Parking Placards](#)

[Scooter Envy](#)

[Grunge Music and Gangster Rap](#)

[Television Began Ridiculing Authority Figures](#)

[People Are Looking for a Free Ride](#)

[The Death of Laissez-Faire](#)

[The Assault on Employment-at-Will](#)

[Conclusion](#)

[CHAPTER 2 - Becoming the Manager You Need to Be](#)

[Is This Job Right for You?](#)

[Brandish Your Weapon and Hope You Never Have to Use](#)

[It](#)

[America Is Desperate for Strong Leaders](#)

[Why You Must Liberate Your Organization of](#)

[Dysfunctional Employees](#)

[You Must Lead by Example](#)

[Choose Your Battles Carefully](#)

Be Specific
Baby Steps
Understand the Difference between Control and Authority
Understand the Difference between Leadership, Supervision, and Management
Avoid Battered Manager Syndrome
Conclusion

CHAPTER 3 - Creating a Healthy Work Environment

Define Clear Boundaries
Is Rebellion Always Bad?
Set the Tone for Your Company
We're People Bound by a Paycheck
Use Mentors to Instill Good Work Habits in New Employees
Use a Camcorder to Re-create the Hawthorne Effect
The Importance of Dress Code
Conclusion

CHAPTER 4 - How Do I Avoid Hiring Problem Employees?

Don't Hire People You Intend to Fix
What Are the Choices?
Decide What You're Looking for in an Employee
How Many Employees Should I Hire?
Where Do I Find Good People to Hire?
Always Be Recruiting
Screening before the Interview
Screening during the Interview
Screening after the Interview
Conclusion

CHAPTER 5 - Taming the Compensation Monster

[Entitlements versus Incentives](#)
[The Problem with Raises](#)
[Seniority, Salary Creep, and Coasting](#)
[When Employees Ask for a Raise](#)
[The Tennessee Titans Face a Tough Management Decision](#)
[The Ideal Compensation Plan](#)
[Will Bonuses Cause Friction between Employees?](#)
[Conclusion](#)

[CHAPTER 6 - How to Avoid Legal Pitfalls](#)

[Consider Having Employees Agree to Binding Arbitration](#)
[Consult with a Good Attorney before Problems Occur](#)
[Have Employees Confirm Employment-at-Will Status](#)
[Reiterate Your Right to Change Terms of Employment at Any Time](#)
[Using Misrepresentations and Omissions to Your Advantage](#)
[Get Permission and Release of Liability to Run Background Checks](#)
[Employment Practices Liability Insurance](#)
[Hire on Probation](#)
[Limit Conversations at Termination](#)
[Secure a Release of Claims When Terminating an Employee](#)
[Don't Provide References on Former Employees](#)
[Protect Yourself from False Claims of Racism and Sexism](#)
[How Bad Is Sexual Harassment?](#)
[Playing the Race Card](#)
[Conclusion](#)

[CHAPTER 7 - Why People Do the Things They Do](#)

[If You Loved Me, You Would Buy This for Me](#)
[The Pain of Being Bad Must Outweigh the Pleasure](#)
[Understanding How Anger Works](#)
[Forcing Angry People to De-Escalate](#)
[The Passive-Aggressive Individual](#)
[The Assertive Individual](#)
[Conclusion](#)

[CHAPTER 8 - How to Get Employees to Come to Work and Be on Time](#)

[Professionalism and Absenteeism](#)
[What Is reasonable?](#)
[What Doesn't Work](#)
[Rewarding Punctuality](#)
[Rewarding Good Attendance](#)
[Punishing Excessive Absenteeism and Attendance](#)
[Conclusion](#)

[CHAPTER 9 - The Art of Discipline](#)

[How Many Chances Should an Employee Get?](#)
[Calculate Your Return on Investment](#)
[Progressive Discipline](#)
[Breaking Up Is Hard to Do](#)
[Spontaneous Termination](#)
[Conclusion](#)

[CHAPTER 10 - Fighting Abuse of Unemployment Benefits](#)

[Why Unemployment Benefits Are a Sham](#)
[How to Win Claims for Unemployment Benefits](#)
[Conclusion](#)

CHAPTER 11 - How to Handle Daily Challenges Problem Employees Create

Bad Attitudes

Bad Bosses

Blaming Others

Breaking the Chain of Command

Bringing Personal Problems to Work

Camping Out in the Restroom

Carelessness

Cell Phones

Character and Integrity

Cheating on Time Sheets

Chronic Arguing

Chronic Complaining and Whining

Company Charge Card Abuse

Company Vehicle Misuse

Conflicts between Coworkers

Crying

Cyber Loafing

Dropping the Ball

English as a Second Language

Eating at One's Desk

Employee Theft

Excessive Personal Phone Calls

Extramarital Affairs between Employees

Falsifying Expense Reports or Mileage Logs

Foul Language

Friends

Gossiping

Group Gripe Sessions

Guns in the Workplace

High-Maintenance Employees

Hypochondriacs

Indecisiveness

[Insubordination](#)
[Irresponsibility](#)
[Know-It-Alls](#)
[Lame Ducks](#)
[Laziness](#)
[Loaning Money to Employees](#)
[Looking for Another Job on Company Time](#)
[Lying](#)
[Managing Off-Site Employees](#)
[Motivating Slackers](#)
[Perfectionism](#)
[Political Correctness](#)
[“Poor Pitiful Me” Syndrome](#)
[Resistance to Change](#)
[Slow Pokes](#)
[Substance Abuse](#)
[Task Avoidance](#)
[Tattletales](#)
[That’s Not in My Job Description](#)
[The Meddling Spouse](#)
[The Peter Principle](#)
[Toxic Personalities](#)
[Ungratefulness](#)
[Video Monitoring of Employees](#)
[Workaholism](#)
[Working on Holidays](#)
[Your Own Family Members](#)
[Conclusion](#)

[Notes](#)

[Index](#)

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Preface

Throughout our country's history, pastors and politicians have proclaimed they were living in precarious times. Each generation believed it lived in a critical period of American history. As we look back with the clarity of hindsight, it becomes obvious that some generations witnessed history in the making, while others lived through relatively benign times. Many events that seemed monumental have faded into the annals of history as nothing more than slight blips on the radar screen, while others changed our country forever.

The sinking of the Titanic was the greatest news story of its time, but has little historical significance today. America's failed attempt to change over to the decimal system in the 1970s had little lasting significance, even though I remember one pastor who predicted it was the end of the world. Then came the biggest much ado about nothing the world has ever seen with Y2K. I laugh when I think about how many people stockpiled food and water in preparation for social anarchy on January 1, 2000. Today I look at all the people talking on cell phones and wonder what happened to the reports that cell phones cause brain cancer. Either those reports were wrong or the world will need many more oncologists in the future.

Other events that have occurred in our lifetime have left indelible marks on us all. No one will ever forget the terrorist attacks of September 11, 2001. While many Americans don't know the name Richard Reid, we remove our shoes thanks to him as we go through security screening at an airport. Many of the significant events of our lifetime that have gone nearly unnoticed have resulted in major societal

changes. As kids, my generation got into trouble for using certain words. Today, cartoon characters use words that would make a crow blush. In 2003, the U.S. Department of Labor reported 631 workplace homicides (National Census of Fatal Occupational Injuries, 2003). Metal detectors have now become a necessity in schools and government buildings. We have to protect ourselves against identity theft and computer viruses. We have to monitor our children's use of the Internet to keep them safe from child molesters.

Society has changed quietly in the past few decades. Make no mistake, however, the change has been drastic. It is not possible for society to change the way it dresses, acts, talks, and lives without changing the way it works. These changes have had a drastic impact on the workplace and have necessitated a change in the way we manage employees. Too many managers make the mistake of attempting to manage the same way they did 20 years ago. It comes as no surprise that their management style is no longer working. The American work ethic has declined, people don't respect authority figures, they expect success to be handed to them on a silver platter, they don't stay at jobs long enough to get good at them, and it's hard to find good people to hire. Times have changed, and so must your management style.

Managers are fighting a battle today: We are fighting a battle to save America's work ethic, which is slowly slipping away. If we don't get control of this downward spiral, we face the clear and present danger of losing our greatness. We have a problem and someone needs to fix it. I'm not arrogant enough to think I can save my country single-handedly, but I do believe one voice can make a difference. I live in Nashville, Tennessee, near the home of Andrew Jackson. I visit his estate, the Hermitage, whenever I need inspiration. I stand by his grave and imagine what it would

have been like to hear him speak the three legendary statements that send shivers down my spine every time I hear them:

One man with courage makes a majority.

The brave man inattentive to his duty is worth little more to his country than the coward who deserts in the hour of danger.

Every good citizen makes his country's honor his own and cherishes it not only as precious but as sacred. He is willing to risk his life in its defense and is conscious that he gains protection while he gives it.

All managers get discouraged and ask why they put themselves through the abuse. If you're trying to answer this question, I have an answer for you. Our country needs strong leaders, and this includes strong managers. Help fight the war to keep our country strong and prosperous—one tiny battle at a time. Don't let us slip into mediocrity. Your grandchildren and their grandchildren need you to leave this country a stronger place than you found it.

In the following pages, I show you how to manage today's problem employee, run a tight ship people want to be a part of, be the best manager you can be, and reduce your stress level at the same time. If you want real solutions for the real problems in today's workplace, this is your book. This is not about empowering employees; this is about empowering managers. We'll reward good behavior and punish bad behavior. In this tough-love approach to management, we'll break some old rules and write some new ones. If you're ready to do something about your problem employees, let's get busy. Remember, you can make a difference. Our future depends on it. America needs you!

Acknowledgments

I always swore that if I ever won an Oscar Award, I wouldn't stand on stage and bore the world while thanking everyone and their brother. Now I understand why award winners do this. We all owe a debt of gratitude we can never fully repay to people who have helped us along the way. I am seizing this opportunity to thank some of the people who have helped me. Some made modest contributions while others had immeasurable impact on this book and my life. Some have been there stretching out their hands every step of the way. Others I've never even met, but their life's work has impacted mine so directly that I felt like they were guiding me through my career. Still others helped get my career started, even though I haven't seen them in decades. Thanks to all for helping me get to where I am today.

Thanks to Bill Bryson of Kmart, who convinced me to give my first blue-light special and overcome my fear of public speaking. I don't know why he had so much confidence in a gawky 16-year-old who trembled when he held the microphone, but that one day kindled my love affair with a microphone, which has lasted 25 years and launched a career I never dreamed of having.

Thanks to Bill Mallory of Cintas, my first boss after college, who took me under his wing and taught me grassroots management; to Billy Graham for being the positive role model I and so many others long for; to Bob Scarlatta, who brokered the purchase of my first business and gave the best financial advice for a small business owner, "Don't spend a single penny you don't have to spend during your first year in business." To Carrie Herr at the University of Toledo for giving me my big break at the ripe old age of 27; to my dedicated staff, who remain nameless at their own request—you are the best employees a manager could ever

hope to have; to Dave Ramsey for his daily affirmation that there's a great place to go when people are broke, and it's called "Work"; to Dennis McKenzie for his patience in managing a young problem employee named Glenn Shepard so many years ago; to Debbie O'Brien at SUNY for convincing me to create the Excellence in Management Award; to Don Smith, my scoutmaster, who pulled me aside 30 years ago and said, "I think you have leadership potential."

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Thanks to Paul Harvey, who gave me the best advice a young speaker could ever get, “First have something worth speaking about. The rest will fall in place.” I didn’t like it at the time, but he was right. To Rader Walker of the Nashville Rescue Mission for his time and information; to Rae Wagoner for her management wisdom, quick quips, validation, and encouragement; to Raymond Myers, for his legal prowess, professionalism, and reassurance; to Richard Williams for giving me the book that changed my life, *The Purpose-Driven Life*; to Rick Heiden at Wycliffe Bible Translators for saving me from embarrassment; to Rick Warren for writing *The Purpose-Driven Life*; to Robert P. Campbell, retired FBI agent and polygraph examiner, for his help with employee theft and the truth about lying; to Simone Blum for the book that confirmed my belief in capitalism and free enterprise, *Atlas Shrugged*; to Steve Underwood of the Tennessee Titans for the payroll information; to Tom Howard, my first business partner and venture capitalist, who gave the best management advice for a small business owner, “You have to run your own business”; to Tom Stanley and William Danko for revealing the truth about working hard and becoming successful in *The Millionaire Next Door*; to Tracie Aicogbi for watching out for my best interests; and to my friend and golf pro Wade Conway, for “A Letter to Garcia.”

Finally, I must thank the thousands of managers who have attended my seminars and shared their incredible stories. You bring honor to the profession of management and it is an honor for me to serve you.

CHAPTER 1

What Happened to the American Work Ethic?

This book is a hands-on tool for solving everyday problems with employees. I'm not a professor living in an ivory tower droning on and on about management theories that have little direct benefit for the frontline supervisor. I have owned my own business since 1988, and I practice what I preach. Before we can solve the problems we'll solve together in this book, we need to look at how we got to where we are. Understanding what happened and when it happened will aid in seeing that there are solutions.

I meet thousands of managers in my seminars every year. Each has a set of circumstances he or she thinks is unique. Out of the thousands of questions I'm asked, the one I hear most often is, "What ever happened to the American work ethic?" From Boston, Massachusetts, to Baton Rouge, Louisiana, it frustrates managers to no end. Debbie in New York summed it up best when she asked, "What happened while we weren't looking?" Things changed and the American work ethic took a nosedive. The problem slipped up on us and most of us didn't see it coming until it was too late. The gradual shifting of cultural, social, and economic climates in the 1990s left a legacy of a declining work ethic such as we've never seen. Let's look at what happened.

A Country of Couch Potatoes

It's obvious that today's generations are lazier than those of the past. Perhaps this is because so many modern conveniences allow us to be lazy. For example, America has become a drive-through nation. Without ever leaving the comfort of your car, you can:

- Apply for a loan.
- Buy beer and cigarettes, groceries, or lottery tickets.
- Do your banking.
- Donate to charity.
- Drop off and pick up your dry cleaning.
- Eat.
- Get flu shots.
- Get married.
- Get photographs developed.
- Have your car washed.
- Have your oil changed.
- Have your prescriptions filled.
- Mail a letter.
- Pawn your extra stuff.
- Pay your respects to the recently departed at the drive-through viewing window of a funeral home.
- Place a bet in a casino.
- View art at a drive-through art gallery.
- Watch a movie at a drive-in theatre.

For those who find getting in the car and leaving the house too much work, we have the Internet. Without leaving the comfort of your home you can:

- Apply for a job, a car loan, a credit card, or a home mortgage
- Adopt a child (at least partially).
- Balance your checking account.
- Book an airline ticket, a cruise, or a hotel room.
- Buy CDs or DVDs, a cellular telephone, groceries, guns, movie tickets, or tickets to concerts or

ballgames.

- Buy or sell stocks or shares in mutual funds.
- Buy other people's extra stuff.
- Chat online with friends, business associates, and family members (who are in the next room).
- Commit crimes.
- Consult with a doctor, a financial advisor, a lawyer, a pastor, or a psychiatrist.
- Custom configure a computer, have it built and delivered the same week.
- Do all your Christmas shopping and have presents delivered to your doorstep prewrapped.
- Do research for business or homework.
- Donate to charity.
- Hire a groomer to come to your house and groom your dog.
- Hire a dog sitter to feed and walk your dog.
- Hire a trainer to train your dog.
- Hire someone to clean your house.
- Arrange for a massage or yoga lesson.
- Hire someone to wash your car or change the oil.
- Hire someone to mow your lawn or spray for weeds.
- Hire someone to clean your chimney or air conditioning ducts.
- Get a college degree.
- Get divorced.
- Get photographs developed or prescriptions filled.
- Open a checking account or an IRA.
- Order clothes and exchange those that don't fit.
- Order flowers, pizza, wine, or groceries and have them delivered.
- Pay for and print postage labels for a package the mail carrier will pick up at your door.
- Pay your bills or taxes.
- Place a bet in a casino.
- Read a book or newspaper.

- Rent a DVD and have it delivered.
- Sell your old car or other stuff.
- Shop for and buy a new car or a house.
- Start a business.
- View art galleries.
- Watch movies.
- Take a virtual tour through a museum.
- Watch your kids in day care.

You can't buy lotto tickets online yet, but the Virginia Lottery allows state residents to purchase them by mail. If getting up off the sofa and walking to the computer requires too much effort, there's wireless Internet access (WiFi). You can surf the Web on your laptop computer using WiFi and never leave the sofa. I feel like such a dinosaur now explaining to kids how we didn't have remote controls for television sets in the old days. I knew not to go near the television when Dad was watching because I'd have to stand there and change channels. We thought the remote control was the greatest invention since air conditioning. Then doctors became concerned that remote controls made it too easy for people to watch television and never leave the sofa. Little could they have predicted where the Internet would take us. Now people can buy a new television set without leaving the sofa.

A seminar attendee in Kansas City, Missouri, had a conversation that revealed how lazy technology has allowed us to become. Her 12-year-old son didn't want to make the trip to Sedona, Arizona, to visit his grandmother. He argued, "Why do we have to go visit? We have free long distance and can talk to her any time we want." He had a good point. Just a few years ago, long distance service cost 35 cents a minute. Talking to Grandma out of state was a big deal. Now we can talk free on nights and weekends to friends or loved ones anywhere in the country. When the woman explained she wanted to see Grandma instead of just talk to her, he

suggested buying a web-cam for his computer and one for Grandma. In the 1995 movie *Copycat*, Sigourney Weaver portrayed a forensic psychologist who became agoraphobic and never left her home. It seemed freakish and bizarre at the time; now it almost seems normal.

Why would anyone ever need to leave home today? The answer is to go to work. With all these modern conveniences, work is inconvenient. It's no wonder that so many Americans find it an imposition to drag out of bed and commute to work every day. If the tough get going when the going gets tough, what happens when the going gets too easy? As managers know, people can grow fat and lazy. Living in the land of milk and honey doesn't require much effort. It does, however, require self-discipline, or the milk and honey will start to show around our waistlines. We don't need to look far to see this is exactly what's happening in the United States today—both figuratively and literally.

Too Many Castles, Too Few Kings

In 1985, I was a senior studying industrial management at Georgia Tech in Atlanta. An economics professor said, "I don't know how your generation will ever afford to buy a home with interest rates so high." I graduated and bought my first home in Nashville, Tennessee, the next year. I paid \$37,000 for a two-bedroom condominium and financed it at 11 percent. The monthly payment was the same as rent on my old apartment, and I couldn't understand his gripe. The mortgage rates fell below 5 percent 20 years later. I now live in a four-bedroom house I bought later that same year. It's modest, but meets my needs just fine. Yet, I sometimes find myself doing the math to see how much more I could have purchased if the interest rate was 5 percent back then. I'm grateful the interest rates were so high. Had they been

as low as they are today, I might have been tempted to take on more debt than I should have. The Federal Housing Finance Board reported that the national average one-family-house purchase price in November 2004 was over \$264,000.¹ Today's 40-year-low interest rates have allowed people to buy houses their parents would never have dreamed of buying. Some of these homes are very luxurious; they're like castles with granite countertops, marble floors, bidets, jacuzzi bathtubs, crown molding, and vaulted ceilings. Add two \$40,000 SUVs in a heated and air-conditioned garage and today's average Joe is living like yesterday's Joe Millionaire.

So what's the problem with living in a castle? Kings and queens live in castles. When the average Joe lives in a castle, it's easy for him to develop a false sense of accomplishment. Why would anyone want to drag out of bed and leave a warm castle for a cold factory? Every woman wants to be a queen, and every man wants to be a king. We are neither when we go to work; we are servants for hire. Contrast this to the guy who lives in a roach-infested apartment that is cold and dank in the winter. There's no air-conditioning and it's sweltering in the summer. He looks forward to going to work because it's nicer than where he lives. As our standard of living has improved and housing has become so elaborate, work just doesn't fit into the picture.

Litigation Nation

Some blame Stella Liebeck for the litigation frenzy in this country. Stella was the 79-year-old woman a New Mexico jury awarded \$2.9 million after spilling hot McDonald's coffee in her lap in 1992. She became an icon for an out-of-

control tort system, but she was not the cause. The problem began 15 years earlier.

American lawyers couldn't advertise for over 200 years. That changed with a five to four U.S. Supreme Court decision in 1977.² Justice Lewis Powell wrote in his dissenting opinion, "Some lawyers may gain; others will suffer by the deceit of less scrupulous lawyers. Some members of the public may benefit . . . but the risk is that many others will be victimized." Justice Powell predicted the future with spine-tingling accuracy. It's too bad the other five justices didn't listen. I wonder if he ever looked back and said, "I told you this was going to happen." Lawyers spent over \$311 million on television commercials in 2002. This was a 75 percent increase from 1999. If you look in any Yellow Pages you'll see a law firm that paid as much as \$60,000 to buy a full-page ad. Now the big trend is advertising on the Internet. Type "class-action lawsuit" into your search engine and you'll find thousands of law firms soliciting plaintiffs.

The problem is bad enough with ambulance chasers who might lack morals but at least stay within the law. Then there's the problem with those who break the law in order to practice law by paying runners to solicit accident victims. At least they're only chasing plaintiffs who were involved in legitimate accidents. Even worse are the lawyers who create the accidents. One scam is called *swoop and squat*, in which a driver with a car full of plaintiffs-to-be pulls in front of the unknowing victim and, slams on the brakes, forcing a rear-end collision. The lawyer then sues the insurance company for whiplash on behalf of the victims.

So how does this affect you? America's out-of-control tort system raises two worrisome issues for employers. The first issue is how it affects the work ethic. The basic premise of tort law is avoiding personal accountability by assigning

blame to others. We've gone from "McDonald's coffee burned me" to "McDonald's made me fat and I was an innocent victim." The second issue is that employers are the newest targets for litigation. The victim mentality is now "I lost my job through no fault of my own. I couldn't help it that I couldn't get to work on time." Listen for the following advertisement:

Have you been wrongfully terminated? Call my office today and let us get you the money you're entitled to. Justice is your right, and we demand it because you deserve it!

Your company has a bull's-eye painted on it. The bigger your company, the more likely a lawyer will have you in his crosshairs.

Today's Generation

Many members of today's generation are undisciplined, have no desire to grow up and accept responsibility, and have been spoiled by overindulgent parents. Each of these affects employees' behavior and consequently your actions as a supervisor.

Back When Kids Wanted to Be like Grown-Ups

When I was a kid, we couldn't wait to grow up. Little boys had toy razors and used their dad's shaving cream to pretend to shave. I was reprimanded on numerous occasions for using my father's or grandfather's pen in my coloring books. Fancy pens were for grown-ups, and that's what I wanted to be. The first time I heard my father being excited to go Christmas shopping was on my twenty-fourth