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Let me start off by apologising about the rather rude title but it is not easy to find a replacement word in English that conveys the same sentiment.

A number of reputable businesses and professional sporting clubs have implemented a “no dickheads” policy. Just a few random examples are the Sydney Swans (Australian Rules Football), New Zealand’s All Blacks (New Zealand’s National Rugby team), Warren Buffet’s Berkshire Hathaway, and Barclay Capital. I suspect that most of these enterprises did give serious thought to finding a more politically correct way of naming this policy without watering down the very clear meaning behind it. However, most kept the nomenclature with the exception of Barclay Capital, which called it the “No Jerks” policy and Berkshire Hathaway, which refers to the “no assholes” policy.

So, what is this policy exactly and why it is so important?

The policy concept is simple and easy to comprehend; employees are given particular behavioural boundaries; violate those boundaries just once, and you are exited out the back door.

The intent is to create an optimum working environment with a cohesive group of individuals who commit to a clear set of shared behavioural values thereby optimising the chances of commercial/sporting success. Accordingly, there are no exceptions made for the “rain makers” in a business or the “star athletes” in a sporting club. Everyone is expected to meet the same standards and everyone is accountable to the same degree.

Ultimately, setting clear boundaries determines the success or failure of the policy. If the boundaries are vague or not well understood the policy is likely to fail. Given it is all about boundaries – what are these boundaries and how are they defined?

As I see it, there are two different categories of behavioural boundaries. One category is based on predetermined rules (as set by the club or company); the other category is based on personality traits.

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Rule Based (*Behavioural Boundaries*)

The rule based behavioural boundaries are easily definable and measurable. These are also pretty simple to implement and police. Some examples of rule based behavioural boundaries are:

- don't get arrested for public drunkenness,
- don't commit a felony,
- don't test positive for drugs
- be on time for training sessions and/or meetings

You must watch out for “grey area” guidelines to creep in. Grey area guidelines are guidelines that do not prescribe or prohibit any particular conduct. For example “do not do anything to bring the name of the club or business in disrepute”. These grey area rules are a “catch all” provision just in case we missed something when we made the rules. These “catch all” provisions will open the door to arguments and disputes and are usually the result of laziness when developing the policy. Spend sufficient the time to clearly define what behaviour is (and is not) acceptable. If you find the list needs amending over time because you missed something, just amend the list. Be specific.

Trickier are the personality trait behavioural boundaries

Personality Trait (*Behavioural Boundaries*)

So, what are the personality traits we are talking about here? To me it's somewhat similar to US Supreme Court Justice Potter Stewart lamenting in the case of *Jacobellis v. Ohio* (1964) that hard core pornography was hard to define, but “I know it when I see it”. Similarly, I may not be able to define exactly what personality trait exemplifies a dickhead, but I know one when I see one.

However, to ensure transparency in rule application, we do need to come up with clear black and white guidelines whenever possible. So, here are three basic personality traits I believe you should never tolerate in your organisation:

- *Lack integrity or dishonesty*

Any co-worker whose integrity or honesty you question is wasting your time. Whether they misappropriate the petty cash, lie to customers about the product functionality, are condescending to female colleagues or take someone's lunch from the fridge; it is all symptomatic of a mind set that you do not want to have around your place of business. You do not accept it at home; so don't accept it at work.

- *“Mini-Machiavelli's” / bullies*

Anyone who is completely Machiavellian in their day-to-day dealings with the single-minded objective to secure their own promotion at the expense of everything and

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everyone else (including the overall success of the business) should be moved on. There is nothing wrong with a desire to advance or succeed but if it becomes a singular goal that is pursued at the expense of everyone and everything else, your business suffers. Bullies clearly fall in the same category and are destructive to your business and the working environment. You do not need these people in your business. Move them on.

- *Laziness / lack of motivation*

Anyone who is lazy or unmotivated is a drain on your business and you need to get rid off him or her. And, most likely, if they are unmotivated and/or lazy, you are actually doing them a favour, as they are clearly not in the right job anyway. Lazy and unmotivated people are a drag on the business and poison the office atmosphere.

If any employees display any of the above personality traits, they qualify under the policy and for your sake and that of the business, cull them from your business as fast as you can.

One final word of warning (from somebody who has learned this the hard way); we sometimes tolerate “dickheads” in the business either because we think their economic value to the business outweighs their negative trades or we tolerate it because we believe we can “rehabilitate” the offender along the way (which is less confrontational than firing them). The economic argument never works because these people ultimately cost you 10 times more compared to the initial value they bring. Any plan to “rehabilitate” them is just plain arrogant – why would the other party be receptive to change if this is their *modus operandi*? And even in the unlikely event they are receptive to change, is this really the most productive use of your business time? If you want to do good, there are plenty of charities you can donate your time/money to; don’t use your valuable business time and efforts to experiment.

I made the mistake in one of my past jobs of hanging on way too long to “manage” the various dishonest, non-transparent, egocentric personalities and did so to my own detriment. Aside from the fact that I could have spend my time much better doing fun stuff, trying to manage these people also came at the expense of the company itself (because managing these people became a full time occupation as I had to constantly question their motives, double check validity of their assumptions, repair damage done by their white anting and ultimately I found myself micro managing every little aspect of the business; it becomes an exhaustive battle that takes away your focus from creating a better business).

In my current businesses, we work with people we completely trust (I am happy to hand my cheque book and my first born to my business partners without losing a second of sleep over it). Our goals are aligned and we refuse to do business with anyone we believe does not meet our standards. Have we let short term

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opportunities let us slip by because of this? Perhaps. Does it concern us? Absolutely not. Do we enjoy every day doing what we do? Abso-freaking-lutely!

Try the “No Dickheads” policy and I will bet you anything it will have a bigger positive impact on your life than your recent paleo diet, your improved exercise regime, or that brand new sports car you just purchased.

Happy investing!

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