B U I L D L O G I Q

A private local circle for owner-led contractors

Builder Intelligence Series

B I L e a d e r s h i p 0 3

Your Best People Are Watching What You Tolerate

The High Performer You Keep Explaining Away Is Costing You Everyone Else

Enforcement Is the Standard. Everything Else Is Theater.

Published by BuildLogIQ Group, Inc.

Orange County, California
buildlogiq.ai

THE TRAP

Every owner-led shop has one.

The superintendent who runs jobs hard and finishes strong, but crushes the crew on the way through. The project manager who books the work and manages the numbers, but blows up every relationship in the office. The estimator whose bids are sharp and whose behavior is a slow poison.

Everyone knows.

The foreman won't sit in a meeting with them. The office avoids them by 10 a.m. A good project manager quietly asked to be transferred off their next job. Two customers have complained the same way, in different words, in the last year.

You know too.

But this isn't the right quarter to address it. The bid pipeline is thin. That superintendent is running your biggest job. This project manager knows the client relationship better than anyone. The estimator won the last three you needed to win.

So you postpone. Another quarter. Another project. Another season.

The company keeps paying a bill you can't see on any report.

THE HIDDEN COST

The cost of accommodation.

The employee you can't afford to lose is expensive in ways the P&L doesn't show.

Someone repairs the relationships they break. A foreman rebuilds trust with a crew every Monday. A PM apologizes to a client after every meeting. The office manager fields the vendor call the employee didn't return.

Someone rechecks their work. Not because they can't produce, but because their production is uneven, or their documentation is thin, or the work they hand off arrives incomplete. The team quietly builds a shadow process to catch what they miss.

Someone absorbs the emotional damage. Every outburst, every dismissive comment, every meeting that turned personal costs the person who took it. They come to work carrying more than they should.

Someone corrects the documentation. Change orders written in shorthand. Daily reports missing key facts. Time entries that don't match the field. Someone in the office cleans it up so the company can invoice and defend.

Someone covers the missed commitments. The subcontractor who was promised a meeting never gets the call back. The customer who was promised an update is ignored. The team learns which of the employee's promises they need to backstop.

Someone avoids the honest conversation. The peer who noticed the problem but doesn't want to raise it. The direct report who stopped speaking up. The customer who takes their next project elsewhere without explaining why.

None of that shows in production numbers. All of it consumes real capacity, real morale, and real reputation.

> *The math the owner keeps calculating, "we can't afford to lose them," leaves out the part the company is actually paying.*

THE REAL STANDARD

The team sees what you allow.

Employees judge leadership by enforcement, not by speeches.

They read the room, not the handbook. They notice which behaviors bring a consequence and which ones don't. They notice which people get held to the standard and which get an exception.

If the consequence depends on production, tenure, friendship, or how hard the person would be to replace, the standard isn't a standard. It's a preference the owner enforces when convenient.

> *The standard is not what the owner says. The standard is what the owner allows to continue.*

The company will read the accommodation correctly.

The other superintendent will notice that the standard for showing up on time doesn't apply to the difficult one. The team will notice that the demand for accurate documentation doesn't apply to the estimator who books the work. The office will notice that the expectation of professional behavior applies to everyone except the person the owner is protecting.

> *The written standard becomes theater.*

The best people don't complain about the theater. They stop investing in it. They stop volunteering. They stop staying late. They stop bringing up small problems because they've learned that consistency isn't required of everyone. Eventually the strongest one leaves.

The owner is often shocked when a good employee resigns citing a decision the owner never made explicitly. It was never one decision. It was a hundred small accommodations that added up to a standard the strong employee couldn't respect.

REAL PERFORMANCE

Performance has to include the effect on others.

An owner who evaluates performance only by production will keep protecting the wrong people.

Real performance is bigger than results. It includes five dimensions:

- **Results produced.** What the person delivered against expectations.
- **Standards maintained.** Whether they held the line on quality, safety, honesty, and process.
- **People strengthened.** Whether their presence made others more capable, more confident, more willing to bring bad news.
- **Reliability of handoffs.** Whether their work creates cleanup, rechecking, apologies, or unplanned support for others.
- **Trust gained or lost.** Whether the crew, the office, the subs, the clients, and the peers trust them more or less because of the last year of work.

The most valuable employees score well across all five. The most damaging employees score high on the first and cost the company on the rest.

An estimator who wins the bid but poisons the working relationship isn't a top performer. A superintendent who hits the schedule but drives good foremen away isn't a top performer. A project manager who protects the margin but destroys client trust isn't a top performer.

They're producing on one axis while charging the company on four.

FAIRNESS

Fairness is not endless patience.

Owners sometimes confuse fairness with patience. They aren't the same.

Fairness requires that the employee has:

- A clear understanding of the standard
- Specific evidence of where they've missed it
- Support and coaching to help them close the gap
- Adequate time to demonstrate change
- Knowledge that a specific consequence will follow if change doesn't happen

Fairness gives the person a real chance.

It doesn't require the company to keep giving that chance indefinitely. It doesn't require the owner to keep absorbing the cost. It doesn't require everyone around the person to keep paying for the accommodation.

An owner who keeps accommodating the same failure past the point of good-faith coaching isn't being fair. He's being avoidant.

> *Patience without a defined standard, support, timeline, and consequence eventually stops being coaching. It becomes accommodation by default, and everyone around the employee pays for it.*

THE TOOL

The Tolerance Audit.

Use this when you catch yourself explaining, again, why now isn't the right time to address someone.

STEP 1 · NAME THE SITUATION SPECIFICALLY

- Who is the employee?
- What specific behaviors or shortfalls are you accommodating?
- How long has the pattern been in place?
- Who has already raised the concern to you, formally or informally?
- What's the story you've been telling yourself about why this isn't the right time?

STEP 2 · SCORE AGAINST THE FIVE PERFORMANCE DIMENSIONS

For each of the five, rate the employee on a three-point scale: Strengthens the company / Neutral / Costs the company.

- Results produced
- Standards maintained
- People strengthened
- Reliability of handoffs
- Trust gained or lost

Every "Costs the company" rating requires evidence and action. Multiple cost ratings suggest the problem is no longer isolated. It's affecting the employee's overall value to the company.

STEP 3 · NAME WHAT OTHERS ARE CARRYING

Who's doing the repair, the recheck, the emotional absorption, the documentation cleanup, the covered commitments, or the avoided conversation?

Name each person. Estimate what it's costing them in hours, in energy, in willingness to keep contributing at their current level.

STEP 4 · PICK THE PATH

Every real situation resolves into one of four decisions. Pick the one the evidence supports, not the one the reluctance prefers.

Coach.

The gap is skill or context, not character. The person has shown willingness. There's a clear next step, a defined timeline, and a specific outcome you'll evaluate against. Use this when the answer to the audit is genuinely "we haven't given them a real chance yet."

Redesign the role.

The person is strong in some parts of the job and unsuited to others. Move responsibilities to match. Use this when the failure is at the edges of what you've asked, not at the center. Only appropriate if the person will accept the redesigned role in good faith.

Issue a final expectation.

The standard is clear, the evidence is documented, and the consequence is spelled out. Give the person a defined window to demonstrate specific change. Confirm in writing what happens if they don't. Use this when coaching has been attempted and the pattern has continued.

Separate.

The accommodation is greater than the value. Further patience punishes the people meeting the standard. Move the person out with respect, but without delay. Use this when the audit already tells you the answer and you've been avoiding it.

A RESPONSIBLE-USE NOTE

The Tolerance Audit supports management judgment. It doesn't replace a consistent disciplinary process. Before issuing a final action or separating an employee, review the facts, documentation, company policies, prior treatment of similar situations, and any applicable accommodation, leave, retaliation, employment-agreement, or union considerations with qualified HR or employment counsel.

THE ONE THAT MATTERS

If the strong employee who's been carrying the standard walked into my office today and asked why I haven't addressed this yet, could I give them an answer I'd want to hear?

If not, delay is already a decision, and your best people are paying for it.

THE CLOSE

Protect the people protecting the company.

Decisive accountability isn't mainly about punishing the difficult employee.

It's about honoring everyone who has continued meeting the standard.

The foreman who's been running the crew properly for eight years. The project manager who's been protecting the client relationship without being asked. The office coordinator who's been quietly cleaning up documentation for six months. The estimator whose bids have been accurate and whose behavior has been professional.

Every accommodation you make for the high performer is a message to those people that their consistency is optional. Every time you fail to enforce the standard, you tell them the effort was theirs alone.

Your best people are watching what you tolerate.

They're watching to see if the standard is real. They're watching to see if their consistency matters. They're watching to see if the company they've been building is still the company they want to keep building.

The foreman establishes the standard close to the work.

The owner proves whether the standard is real.

Enforcement is the standard. Everything else is theater.

NEXT

Bring this to the room.

This is the decision most owner-led shops delay past the point where it costs less.

In the Circuit, members can compare specific accommodations they're carrying, and hear from other owners at different stages of the same decision. At the right table, one owner may recognize the cost of waiting while another can explain what happened after finally making the call.

Bring the employee you're avoiding. Bring the explanation you've been giving yourself. Bring the audit and the four paths. The room will help you separate what the company actually needs from what your reluctance is telling you it needs.

ABOUT BUILDLOGIQ

BuildLogIQ is a private local circle for owner-led contractors doing $2M to $10M. Members meet monthly to solve operating problems, make better decisions, and build companies that depend less on them.

The room begins over dinner at the Builder's Table, runs monthly in the Circuit, and goes deeper in the 3-Deep. Align, our back-office service, runs alongside members whose books need the same operating discipline.

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Vol. 08 · ***Your Best People Are Watching What You Tolerate*** *(this paper)*

Built on trust. Run on precision. Elevated by intelligence.

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