

## Abrasive Management Styles can Backfire Badly

By Holly Culhane, Contributing Columnist



By now, most of us probably have heard about the Iowa business owner, whose behavior was described as “egregious and deplorable” by an administrative law judge who sided with his former employee.

“The employer’s actions have clearly created a hostile work environment by suggesting its employees turn on each other for a minimal monetary prize,” the judge concluded in awarding unemployment benefits to an employee who “voluntarily” quit. “This was an intolerable and detrimental work environment.”

While the recent Iowa case is “extreme,” it has striking similarities to other reports involving allegedly abusive supervisors, including some I have encountered as a human resources consultant.

In a nutshell, here’s what the Iowa employer did to warrant the judge’s harsh words and negative publicity for his behavior.

The owner of a chain of convenience stores, the 57-year-old businessman had a well-deserved reputation for being abrasive and demanding. But some of his employees claimed a “motivational” contest he devised was “the last straw” and they quit.

The business owner called his contest: “Guess the Next Cashier Who will be Fired.” To win, employees were instructed to write the name of the next person to be fired on a piece of paper; put it in an envelope; give the envelope to their manager; and have it forwarded to the business owner. The employee who submitted the correct answer would win \$10.

The memo announcing the contest concluded with: “No fair picking Mike Miller. ... He was fired at around 11:30 a.m. today for wearing a hat and talking on his cell phone. Good luck!!!!!!”

The business owner also reminded workers that he had hired “secret shoppers” to visit his stores. They were looking for cashiers wearing hats, talking on cell phones, not wearing a store uniform T-shirt, having someone hanging around or behind the counter, having a personal car parked at the gas pumps after 7 p.m., and violating other store policies.

Some employees complained about the contest when they received the memo. Several others quit, including one who filed for unemployment benefits. The business owner objected, contending that because the employee voluntarily quit, she was not entitled to benefits.

The employee testified at a hearing on her claim that she and her colleagues quit due to a hostile work environment. “My entire store was up in arms over it and that’s why we all left.”

So what did this business owner get from his bizarre motivational scheme? The cost of paying unemployment benefits; the cost of replacing an entire store’s workforce; and a public relations black eye for his company.

The existence of abusive bosses is nothing new. Numerous books have been written advising workers how to cope with them. And despite their behavior, many of these bosses have gone on to become business “successes.”

For example, sprinkled within the recent eulogies for Apple's Steven Jobs have been numerous stories about how difficult and volatile he was as a boss. Many of the industrial titans in the early 1900s, such as Henry Ford, who reportedly spied on his workers' homes, were ruthless and demanding. Yankee owner George Steinbrenner reportedly delighted in firing people. General Electric's Jack Welch was nicknamed "Neutron Jack." And New York hotel empress Leona Helmsley was dubbed the "Queen of Mean."

Abusive bosses probably existed in the cave man days. Picture a bunch of guys sitting around the fire. Likely the caveman who picked up a stick and whacked the others over the head became the leader. [Confession: I got that idea from Stanley Bing's book, "Crazy Bosses: Spotting Them, Serving Them, Surviving Them."]

So just because abusive bosses have been around since the beginning of man, should that behavior be rewarded, or even condoned today? Obviously not. The risks may be too great. Here are some risks to consider:

- **Hostile work environment.** The judge in the case involving the convenience store owner concluded employees were being subjected to a hostile work environment. There is a line between reasonable discipline and harassment. Besides paying unemployment benefits, business owners and supervisors who "cross the line" face paying fines, legal costs and damages to workers who complain under a variety of worker rights laws.
- **Indication of deeper management problems.** A 2009 joint study by researchers at the University of California and the University of Southern California found a direct link between a supervisor's abusive management style and his or her self-perception of incompetence. In other words, the abusive behavior may say more about a supervisor's deficiencies than the subordinate who is the target of the supervisor's wrath.
- **Public relations black eye and loss of business.** There is no way of telling (and likely the convenience store owner isn't talking) how much business his Iowa stores have already lost and how much they will lose in the future as a result of reports about the owner's "motivational contest." People often believe businesses that treat employees badly also will treat customers equally as badly.
- **Recruitment and retention.** A 2010 survey by staffing consultant Robert Half International found that 45 percent of employees planned to leave their present positions when the economy improves. Businesses seeking to recruit and retain talented workers – the key to success – must cultivate a reputation for having a good, supportive and rewarding workplace, rather than an abusive one.

A well-run, successful business that focuses on its "bottom line" knows the value of recruiting and retaining good workers, and treating them "right." The best way to do that is to train supervisors to be good workplace leaders, who can positively influence their employees to be motivated.

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