

Causes and Cures for Employee Turnover

Learning Objectives

- Demonstrate an understanding of the impact of high employee turnover on organizational productivity.
- Demonstrate an understanding of the links between conflict management and employee satisfaction.
- List and describe the causes of high employee turnover and low morale.
- Demonstrate an understanding of the techniques used to diagnose the causes of employee turnover and low morale.
- Describe techniques for reducing employee turnover and raising morale.
- Explain techniques for dealing proactively with difficult employees.
- Identify workplace bullying and appropriate methods for addressing bullying behaviors.
- Identify and explain the characteristics of a great boss or a great manager.

ELISE AT MAIN STREET BAKERIES

In Chapter Two Elise had sent Ben, her director of HR, to store number seventy-five to learn more about the relatively high rate of employee turnover experienced at the store. In general, turnover in Main Street Bakeries is low, approximately 15 percent per year for frontline, hourly paid employees and 6 percent for salaried employees (i.e., managers and assistant managers). Ben and Elise are concerned because store number

seventy-five has lost four assistant managers in less than two years. Hourly employees are turning over at a rate of 37 percent per year. This is an indication that something is not going well. It also means this store is less profitable than the others in the chain. Elise's system for tracking costs charges each store for the costs of hiring and training new employees. These costs come off the store's bottom line so that managers have incentives to try to keep their employees whenever possible. Oddly enough, absenteeism is relatively low at the store, which is surprising given the level of turnover and low customer satisfaction.

The root causes of the high turnover are negatively affecting the store's ability to deliver high-quality service to its customers: unhappy employees lead to unhappy customers. Ben needs to analyze the situation, interview former employees, and come up with an intervention plan.

Dissatisfied employees are a sign of a dysfunctional workplace. Whether the root cause is a counterproductive workplace culture, one or more bullies at work, or other systemic factors, it is clear that employee satisfaction is closely tied to profitability and achievement of the organizational mission. Even in a period of high unemployment figures when applicants are plentiful, the process of hiring and training new employees is extremely expensive. Research studies repeatedly show a clear link between employee satisfaction and customer satisfaction (Engaging employees through social responsibility, 2007). Perhaps most important, as a manager you want to go to work every day at a place that feels warm, supportive, and thriving. Life is too short to remain in a dysfunctional workplace. This chapter will help you understand the root causes, costs, and cures for low employee morale and high turnover. The good news is that there are many things you can do to change the dynamics in your organization or unit and make it become the kind of workplace where employees want to stay.

How satisfied or dissatisfied are employees in general? Recent studies show that male employees are more satisfied than female employees and that white collar employees are more satisfied than blue collar employees, even though they are under more stress because of longer work hours and greater responsibilities. For all categories of workers, employee satisfaction and loyalty have declined as downsizing and efficiency efforts have resulted in heavier workloads and stagnant

pay (Duxbury & Higgins, 2003). Workers are putting in longer hours than in the past, and these longer hours are resulting in greater stresses on health and family life:

Comparisons done using the 1991 and 2001 samples suggest that time in work has increased over the decade. Whereas one in ten respondents in 1991 worked 50 or more hours per week, one in four does so now; during this same time period, the proportion of employees working between 35 and 39 hours per week declined from 48% of the sample to 27%. This increase in time in work was observed for all job groups and all sectors. (Duxbury & Higgins, 2003)

If employers are asking more from employees and stress has increased, you can bet that workplace conflict has increased as well.

Overall, employee satisfaction is influenced by how employees are treated on the job. “The data also indicate that employees in the private sector feel more positively about their employer and their jobs than their counterparts in the public and NFP sectors” (Duxbury & Higgins, 2003). More research needs to be done as to why this is the case but anecdotal evidence indicates that some public sector and not-for profit (nonprofit) employees are dissatisfied with their pay and working conditions yet they remain with their organizations out of a commitment to the organization’s mission or a preference to avoid the higher risks of layoffs or termination that historically come with private sector employment.

THE COSTS OF EMPLOYEE TURNOVER AND LOW MORALE

The costs of poor employee morale are seen in a variety of ways: absenteeism, “presenteeism,” reduced productivity, sabotage, litigation, and the costs of hiring and training new employees. **Employee turnover** refers to the rate at which employees leave the organization and should be broken down by rank and location to better isolate the potential root causes. Average rates of employee turnover vary by industry and within organizations.

Although technical abilities or knowledge may help get managers into their positions, it is their ability to manage people that separates mediocre managers from successful ones. “Employees who rate their managers as sensitive miss an estimated 3.7 days of work per year, whereas employees whose managers are rated as non-sensitive miss approximately 6.2 days of work” (MacBriade-King & Bachmann, 1999, p. 3). Absenteeism is costly to organizations, especially when it occurs in positions demanding significant training, because it is nearly impossible

to have someone seamlessly step into that employee's shoes during his or her absence. "Employees who report the following sources of stress are more likely than others to be absent for six or more days . . . interpersonal relations; job control; and management practices" (Health Canada, 1998, p. 3).

In some ways, absenteeism may be preferable to **presenteeism**, which occurs when an employee wishes to leave the organization but hasn't done so yet. Although remaining in the job, the employee is less committed to the organization, its customers, and its other employees. "Many such employees 'retire on the job' (i.e., do not do their share of the work), which causes workload problems for others in their area" (Duxbury & Higgins, 2003). Rates for presenteeism are estimated to be approximately three times higher than for absenteeism, especially in a sluggish economy when employees feel unable to find work elsewhere (WarrenShepel, 2005). Approximately 52 percent of employees claim to have lost work time being preoccupied about how they were being treated, and 22 percent claimed to have slowed down their work in response to "rude or insensitive" behaviors of their supervisors (Gault, 2011). These employees also report higher levels of work-related stress, greater use of alcohol and drugs, have higher medical costs, and more frequently seek the services of mental health counselors or use employee assistance programs. They are more likely to file a claim for disability or worker's compensation. In a weak labor market, when changing jobs is relatively harder, disgruntled employees may remain with their employer longer, all the while sowing seeds of discontent among other employees and operating at reduced levels of productivity. The key to avoid presenteeism is to address signs of employee alienation rather than ignore them by using the techniques discussed in this chapter.

The Society for Human Resource Management (SHRM) recently reported that HR managers claim "employee engagement" as a higher concern than employee turnover (SHRM, 2011), and 71 percent of companies with five hundred or more employees stated they track that engagement through the use of employment exit interviews or surveys. An **exit interview (exit survey)** is used to gather information about the reasons why employees are leaving the organization, their perspectives about how the organization could improve as an employer and in the accomplishment of its mission, and various other points of information deemed vital to constant improvement. Employees who have made the choice to leave the organization may be in a position to be more honest about their observations than ongoing employees who may fear reprisals or retribution for speaking out.

“The starting point of this was that our best managers have teams that perform better, are retained better, are happier — they do everything better” (Bryant, 2011, p. 3). “Providing first-class service often depends on employees who are willing to go the extra mile. And that often depends on how they’re treated” (Tierney, 2011).

Employees who feel unappreciated, overworked, and mistreated are more likely to engage in sabotage, embezzlement, and theft at work. “Studies reveal a direct correlation between prevalence of employee conflict and the amount of damage, theft of inventory and equipment. And, covert sabotage of work processes and of management’s efforts usually occurs when employees are angry at their employer” (Dana, 2001). It takes an average of eighteen months of ongoing theft before a thieving employee is caught—usually by a tip from another employee. For small businesses and nonprofits, one employee’s embezzlement or theft can be enough to bankrupt the organization because the median loss for small business embezzlement is \$100,000 (Association of Certified Fraud Examiners, 2004). Experts in the field often refer to **the 10–80–10 percent rule**. This means that 10 percent of employees won’t steal under any circumstances. Another 10 percent are dishonest and nothing can be done to change their desire to steal, so good accounting measures and other measures need to be in place to catch them. The other 80 percent will be influenced by the workplace climate and the thoughts of their peers on the matter. If the workplace culture indicates it is alright to bring home office supplies or small items, but not large ones, then that is what will be the norm. In some workplaces, the norm is “just don’t get caught,” but everyone steals at least a little. So the key to avoiding theft, embezzlement, and sabotage is to create a positive workplace climate and a culture in which employees and managers agree that these behaviors are truly unacceptable and uncalled for.

Employee turnover refers to the rate at which employees leave the organization and should be broken down by rank and location to better isolate the potential root causes. Average rates of employee turnover vary by industry and within organizations. High employee turnover, by definition, means increased litigation costs. Some percentage of employees will claim they felt forced to quit or were terminated due to discrimination or other inappropriate actions on the part of the company and its managers. If yours is a unionized environment, most terminated employees will file a grievance and use that process to seek reinstatement, possibly with back pay. Employment lawsuits can easily take two to four years to resolve through either the EEOC process or through court litigation, with legal fees easily climbing to more than \$100,000. In addition to the rising costs of litigation,

the number of employment suits has drastically increased since about 2000. “The number of employees seeking help for harassment has almost tripled from 1999 to 2001” (WarrenShepel, 2005). The good news is that organizations that proactively manage conflict have less litigation and less turnover. “Corporations that have developed collaborative conflict management systems report significant litigation cost savings: Brown and Root reported an 80% reduction in outside litigation costs, Motorola reported a 75% reduction over a period of six years, NCR reported a 50% reduction and a drop of pending lawsuits from 263 in 1984 to 28 in 1993” (Ford, 2000).

Let’s do the math for a disgruntled employee earning \$75,000 per year:

Fourteen sick days: \$4,200

Six months working below full capacity: \$12,499

Managerial time spent listening to disgruntled employee and others: \$10,000

Hiring and replacement costs: \$75,000 to \$150,00

Lost productivity while the position is unfilled: \$23,000

Total cost: \$124,699 to \$199,699

Hiring and retraining new employees is costly, with costs rising with the level of education and specialized training needed by the employee. Studies routinely estimate the cost of hiring and training an employee to be approximately 75 to 150 percent of the employee’s annual salary (Phillips, 1990). Even in a down economy, the costs involved in hiring and training new employees vastly outweighs the cost of additional training, professional development, and support for the employees you already have. Proactive conflict management and interventions to stop inappropriate workplace behaviors have benefits beyond reducing turnover, as we have seen.

WHY EMPLOYEES LEAVE OR STAY

Mike Pitcher, CEO of LeasePlan USA, says, “Everything we do has contributed to our very low turnover rate last year, which was about 8 percent. We have a firm belief that if employees are happy, they will stay with the company and continue to help ensure happy clients. And that belief is a reality for us. In our most recent client satisfaction survey, our client loyalty rating increased significantly and was much higher than the company’s global average. In addition, the percentage of ‘delighted’ clients increased” (Tierney, 2011).

“We are fortunate to enjoy almost a negative turnover in our professional staff, which significantly reduces our training time and tremendously helps our advisers do a better job for their clients” says Bob Mathis of Peachtree Planning Corporation (Tierney, 2011).

According to Adam Bryant (2011), employees leave a company for three main reasons. First, bad bosses drive people away faster than any other variable. Therefore, it is crucial for organizations to regularly measure employee satisfaction with their supervisors or managers and to take corrective action to help managers improve (or leave, if necessary). Second, people need to feel a sense of belonging and camaraderie with their coworkers. Eight or more hours per day is too much time to spend with people you do not like or who do not like you. Great managers foster social interaction among employees and structure incentives in ways that build teams rather than set individuals against one another.

Let’s pause here to note that the first two drivers of employee turnover are closely related to relationship building and conflict management, which we have previously discussed. Bryant (2011) goes on to state that the third largest driver of high turnover occurs when employees don’t feel a connection to the organization’s mission or feel their work is unimportant. Rohlander (1999) finds the best solution to this problem is to clarify a mission, goals, and objectives to help connect daily work to that mission. Remind the team members often about the ways in which their work contributes to the organizational mission as well as the importance of that mission. People want to see the results of their labors and know their efforts are important to the organization and, more broadly, to the world. According to a study in *Leader to Leader* (Engaging employees through social responsibility, 2007), when employees view their organization as socially responsible (attentive to issues of pollution reduction, charitable work within the community, committed to diversity, and so on), they tend to have higher morale and job satisfaction. People want to know their work makes a difference in the world. Employment exit interviews or surveys can be crucial in learning more about why employees leave. Although many managers assume that employees leave for better-paying positions, this is not accurate for the majority of employees.

Bob Mathis, CEO of Peachtree Planning, notes, “We remind everyone in our firm of the importance of the work we do. We make a difference in the financial lives of our clients” (Tierney, 2011). A sense of purpose can be cultivated in every type of workplace, from fast-food delivery to hospice care. Remind employees that the work they do helps others and is important.

HIRING GREAT EMPLOYEES

Maintaining low employee turnover rates and high morale starts with having an effective hiring process. If there is disconnect between an employee's work style or personality and the culture of the organization or the work team, then there are likely to be problems down the road (Lencioni, 2002). According to Mike Pitcher, "The most important thing for us is whether or not they possess the behaviors that exhibit our core values and whether or not they will be a good fit with our culture. We are fortunate to find quality candidates through two main methods—internal candidates transitioning to new roles and our employee referral program" (Tierney, 2011).

Studies show that managers tend to want to hire employees who are the most like themselves (Bryant, 2011). This tendency can lead to an organization lacking many types of diversity: intellectual, educational, experiential, personality style, racial or ethnic, gender, and so on. To overcome this, consider implementing a committee process for hiring decisions in which all have an equal vote. Screen candidates not only for technical capabilities but also for their collaborative style, preferred work schedule, ability to work in teams and independently, and so on. Think analytically about the personal and professional characteristics of the workplace culture you are creating and screen based on those goals (see Chapter Six for more on team building and retention).

DEALING WITH DIFFICULT EMPLOYEES

Let's face it, although employee turnover is expensive, occasionally there are employees you are willing or even happy to see go. The most difficult employee is someone with poor communication or people skills, a negative attitude, a shirker, a bully, or one who cannot control his or her emotional states very well. An employee who struggles to meet performance goals but is open to feedback and coaching is likely to grow and eventually succeed as an employee. Although it may not be easy to admit, not all employees fit in with the organizational culture, work well with others, or help the organization achieve its mission. Private companies generally have an easier time firing or laying off an employee for poor performance than do public sector employers or corporations with heavily unionized workforces. For these and other reasons, it may be advisable to see what can be done to help this employee improve his or her performance before making any final decision about termination.

The first step in addressing problem employees is to make sure you are doing all you can to hire, train, and acculturate employees to succeed in your organization as just discussed. Once you check to ensure that is happening, there are a number of additional factors that will help turn around an underperforming employee. Rafenstein (2000) offers some ideas to help reduce problems with employees, including strategies such as trying to understand the employee's perspective, helping the employee develop the skills necessary to give and receive feedback constructively, and making sure expectations are clearly understood by all parties as part of the annual review as well as ongoing communications. Many problems with underperforming employees can be attributed to a lack of agreement between the employee and manager with regard to goals, prioritizing resources including employee time, and difficulty in making corrections or changes when problems arise.

Everyone has had the experience of working with an "Eeyore," meaning someone who sees only clouds but never silver linings. They may be suspicious of others, whether due to an underlying problem with depression, past negative experiences, or because inadequate attempts have been made to build trust and rapport with them. Godt (2005) suggests using an educational leadership role to deal with these employees. She explains that skeptics and cynics can be used to reexamine current plans and find possible holes that were previously overlooked. This natural tendency is their strength. Although it is important for these employees to feel heard and have their opinions valued, it may be a good idea for the manager to decide how much time should be allotted, for this should happen in meetings with the whole team versus in private meetings with the manager. Preston (2005) states that difficult people are often "detail oriented" (p. 368). Use this quality to your advantage when assigning work duties. By getting to know difficult employees well, and by gaining their trust, you may be able to turn their annoying habits into strengths for the team. You may also be better at understanding what type of work best suits them. By getting to know and understand the employee it is more likely the manager will be able to communicate effectively and understand the employee's needs. It will increase the chances she will listen to managerial feedback and make needed changes. Westwood (2010) notes that rather than labeling employees as difficult, even if only in your head, managers should instead make notes of those behaviors that are helpful or unhelpful in the work environment (see Table 5.1). When providing feedback to employees, ask them to work on minimizing the unhelpful behaviors and maximizing the helpful ones. Managers should lead by example and reward

Table 5.1
Helpful and Unhelpful Behaviors in the Work Environment

Helpful Behaviors	Description
Listens actively	Eye contact, use of questions, summarizes what has been heard, refrains from interrupting
Supports	Encourages others' suggestions, recognizes others for ideas and attempts at problem solving, refrains from shooting down others' ideas prematurely
Clarifies	Asks clarifying questions to clear up confusion
Offers ideas	Shares suggestions, ideas, solutions, and proposals; does not make complaints without offering solutions
Includes others	Asks quiet members for their opinions, making sure no one is left out
Harmonizes	Reconciles opposing points of view, links together similar ideas, points out similarities
Manages conflict	Listens to the views of all, clarifies issues and key points made by opponents, seeks solutions together, nonadversarial attitude
Unhelpful Behaviors	Description
"Yeah, but . . ."	Discredits the ideas of others
Blocks	Insists on getting one's way, doesn't compromise, stands in the way of the team's progress
Grandstands	Draws attention to one's personal skills, boasts
Goes off topic	Draws attention to other topics, poor time management
Dominates	Tries to run the group through dictating, bullying
Withdraws	Doesn't participate or offer help or support to others
Plays devil's advocate	Takes pride in being contrary
Uses personal slurs	Hurls insults at others and is disrespectful
Dictates	Tries to control the agenda, negates others' priorities and concerns

Source: Based on an earlier version of a chart found in Bens (2005), p. 80.

positive behaviors and improvements. These behavioral changes can be included as categories in reviews, with incentives for improvements.

In addition to getting to know these employees well, playing to their strengths, and clarifying expectations, O'Donovan (2007) suggests various communication strategies for dealing with difficult people: listen, understand their perspective, find common ground whenever possible, problem solve, and follow through with solutions. Pelusi (2006) lists five pieces of advice for dealing effectively with difficult people: (1) uncover their interests, (2) attempt to correct overgeneralizations or perceptual distortions, (3) acknowledge a mistake but do not accept personal labels—that is, separate the people from the problem, (4) summarize what you have heard them say, and (5) use questions instead of statements to get to the bottom of what they want. Tiffan (2009) points out that many managers procrastinate in dealing with difficult employees out of fear of “escalating the situation,” uncertainty about how to handle the problem, and “discomfort with conflict” (p. 86). As a result, the problem grows and becomes more unmanageable.

This advice sounds much like that given to negotiators in Chapter Three, and with good reason. Even though managers are in charge, dealing with employees is always a negotiation on some level. The employees' alternatives to an agreement with the manager include leaving the company, filing a complaint, saying negative things about the boss behind her back, calling in sick when not sick, and shirking. The goal is to avoid behaviors that indicate employee alienation by addressing difficult employees proactively.

Be aware that fellow employees may grow weary of “one-note Charlies” who seem consistently disgruntled or negative. Managerial intervention may be needed to limit the negative impact of one employee's behavior on other employees' productivity. In healthy organizational cultures, the vast majority of employees will be happy. The group norms will not allow significantly disruptive or antisocial behaviors before the Eeyore will be confronted by those who find the behaviors unacceptable. Faced with a clear consensus that labels these behaviors unacceptable, the Eeyore will usually either leave on his or her own or change the unacceptable behaviors. If that person seems willing or unable to change, then it is the task of management to make difficult decisions regarding firing, demotion, or finding a task that requires minimal interaction between the difficult employee and others. In the most dysfunctional workplaces, where terminating an employee is difficult to accomplish, managers sometimes suggest their most

difficult employees for promotion elsewhere in the organization, thereby solving their own problem and passing it off to someone else.

One last thought on dealing with problem employees bears mentioning. Large and conflict avoidant workplaces tend to react to inappropriate employee behavior through the use of what I like to call, *elementary school disciplinary action* (also referenced in Chapter Two). By that I mean that when one or two people break the rules and act badly, the leadership decides to create new rules that end up punishing the entire group due to the poor behavior of these few people. Don't allow the bad behavior of one employee to lead to the promulgation of rules or policies designed to help avoid the very rare occasions when someone will break an obvious rule or norm. Instead, be proactive in addressing the transgression with that specific employee. Clearly identify the behaviors that were inappropriate, set boundaries, identify sanctions that will be invoked, and then support him or her in the effort to choose more appropriate behaviors in the future. If that doesn't work, don't be afraid to dismiss an employee for inappropriate behavior. Workplace morale will surge rather than decline as long as you have followed the steps outlined in this section.

IDENTIFYING AND ERADICATING WORKPLACE BULLYING AND VIOLENCE

“**Bullying** can be considered as a form of coercive interpersonal influence. It involves deliberately inflicting injury or discomfort on another person repeatedly through physical contact, verbal abuse, exclusion, or other negative actions” (Forsyth, 2006, p. 206). The key to this definition is that the behavior must be intentional, repeated over time, and have a negative impact on the target. Some definitions focus on the negative health effects experienced by victims. Bullying behaviors include verbal abuse; offensive conduct and behaviors that can be verbal or nonverbal; attempts to threaten, intimidate, or humiliate; and attempts to prevent the victim from accomplishing required tasks at work with the goal of negatively affecting the victim's career (Lutgen-Sandvik, Tracy, & Alberts, 2007). Bullies wear down their victims, also known as targets, usually for more than a year in workplace settings (Einarsen & Skogstad, 1996). If actions are not taken to stop these negative behaviors they generally escalate until a crisis is reached, commonly resulting in the target quitting his or her job, the bully getting fired, or violent action of an offensive or defensive nature by one or both parties.

It should be noted here that some forms of bullying constitute harassment or discrimination and others simply constitute rude, inappropriate, or intimidating behaviors. If a victim was singled out for worse treatment due in part to his or her status as a member of a protected class under US (or another country's) civil rights laws, then the bullying may result in a greater legal liability for the organization. For example, if the bully includes name-calling or disrespectful treatment based on race, national origin, sex, religion, age, or other protected status then the employee may have stronger grounds for a lawsuit or to file a complaint with the EEOC.

Although estimates of the prevalence of workplace bullying vary, some of the best research indicates that about 13 percent of employees are bullied in an average year, with 30 percent having experienced bullying at some point in their careers (Lutgen-Sandvik, Tracy, & Alberts, 2007). Corporate bullying in federal businesses cost \$180 million in lost time and productivity (Farrell, 2002). "Bullied employees take, on average, seven days per year more sick leave than others" (Knight, 2004). In addition to missed work days, bullies and their victims are more likely to be involved in episodes of workplace violence. Victims of workplace bullying frequently display symptoms of posttraumatic stress disorder (Knight, 2004), leaving them with long-term health and psychological challenges. The most difficult employees will bully others, verbally and physically. Predictably, researchers found that "employees subjected to workplace aggression are less satisfied with work, experience symptoms of burnout, and their general health is poorer" (Merecz, Drabek, & Mościcka, 2009, p. 254). Even the witnesses to workplace bullying report negative psychological and health effects (Knight, 2004). Bullying in the workplace leads to increased absenteeism, stress-related illness, filing of formal workplace complaints, turnover, and an infectious negativity that can reduce the organization's ability to accomplish its mission.

Various studies indicate between 3 and 6 percent of employees fit the definition of "bullies" (Einarsen, Hoel, Zapf, & Cooper, 2003; Matthiesen & Einarsen, 2007). Studies show that about 12 percent of employees have quit a job due to rude treatment and 75 percent of those who claim to have been bullied report quitting their job or transferring to get away from the bully (Namie & Namie, 2003). Rarely do victims file complaints — they are more likely to quit. This choice makes sense because being attacked triggers the fight or flight response. Once they are gone the bully will find a new target. Chronic, unresolved bullying or repeated mistreatment of an employee is cited as a factor in at least 50 percent of exit surveys as a reason employees leave their jobs (Namie & Namie, 2003).

Who are the targets of bullying at work? Men and women are equally likely to fall prey to bullies, and the lower one is on the organizational hierarchy the greater the chance of being bullied (Lutgen-Sandvik, Tracy, & Alberts, 2007). Some research has found that meek individuals with poor social skills are more likely to be targets and other researchers have found that particularly talented employees who stand out from the crowd are also likely targets. The inconsistencies of the findings of bullying research studies lead to the conclusion that nearly anyone can become a target, with those in low-power positions being the most common targets.

Most research, but not all, indicates bullies are more likely to be male and in supervisory or managerial roles, due in part to the need for bullies to be in positions of power in order to successfully intimidate their victims (Zapf & Einarsen, 2003). When bullies are female, they tend to use psychological warfare tactics such as spreading false rumors, excluding victims from important meetings and information networks, and ostracism (Crothers, 2009). Perpetrators of bullying tend to exhibit higher than average levels of aggression, whereas victims tend to exhibit low levels of self-esteem. Victims *and* perpetrators have weak social skills. "Social competency is closely linked with empathy, the capacity to share the emotional state of another, and is also associated with altruistic behavior . . . Deficits in social competency, specifically those aspects relevant to close relationships, are clearly linked to engaging in offending or humiliating behavior against others" (Matthiesen & Einarsen, 2007, p. 740). Bullies tend to seek external validation, meaning their ego needs the approval of others to thrive. Bullies who turn to violence at work tend to exhibit an inability to empathize, lack of self-control, type A personalities (on a Myers-Briggs personality assessment), unrealistically high self-esteem, and a history of depression (Lutgen-Sandvik, Tracy, & Alberts, 2007).

For the targets of bullies, low levels of social skills make it difficult for them to identify the behavior as bullying and make it difficult for them to reach out to powerful individuals who might help them. Their most common reaction to bullying is withdrawal. Ironically, a subset of victims is also composed of bullies themselves, meaning those who have been bullied are somewhat more likely to be perpetrators in the future (Palmer & Thakordas, 2005).

Bullies and targets have another key factor in common: they both report elevated workplace stress due to conflicting or unclear demands and expectations related to their daily work (Matthiesen & Einarsen, 2007). Bullying behavior occurs more frequently in workplaces where lines of authority are

unclear and where there is internal rivalry or competitive workplace cultures (Neuberger, 1989).

The best prevention against workplace bullying is the creation and maintenance of a positive, collaborative workplace culture that fosters strong social ties among team members and creates clarity about expectations and roles. If bullying does occur in this type of organization, it is likely to be caught sooner and dealt with more swiftly. Highly competitive organizational cultures may have greater difficulty recognizing this behavior as unacceptable because their cultural norms may actually encourage “survival of the fittest” among employees. During the employment applicant-screening process, employers may wish to use scales that measure empathy and other measures of emotional intelligence so as to screen out those who will be more apt to bully or work poorly in teams.

In addition to creating an organizational culture that disallows bullying and promotes hiring employees with good social skills and emotional intelligence, occasionally a manager or employee will need to intervene to stop workplace bullying. Workplace policies need to define bullying as well as the potential consequences of such behaviors. Victims need to know where to go for help and that their concerns will be proactively addressed. Even if a manager feels the behaviors do not fully meet the definition of bullying, the fact that an employee has raised these concerns is a sign that some intervention in the relationship between accuser and accused is necessary. Remember, only a small percentage of victims will ever file a lawsuit over a formal complaint, about 3 percent, but they may quit or be unable to fully fulfill their job duties when the target of such behavior (Wiedmer, 2011).

The first step to a successful intervention is to recognize bullying behavior using the definition shared previously. Second, the manager should speak privately with the bully to let him or her know which specific behaviors constitute bullying and the consequences for continuing those behaviors. Because bullies often act out of sense of threat to self, it is important to clarify their roles, set appropriate boundaries, and work with them to develop better coping skills and behaviors, including asking them to engage in perspective taking, which is to empathize with the target and see how this might have a negative impact on the target and the broader organization. Consider having employees attend counseling through an employee assistance program or other venues to work on improving their social and empathy skills. In the end, it will be important to set clear expectations about the behaviors that must stop and any reparations or apologies due to the victim.

Written records of this meeting and any resulting expectations should be kept in case litigation from either party arises later. Managers should meet with the target to assure him or her that the problem will stop immediately and to clarify that such behaviors will not be tolerated. Although it is important not to blame the victim, there may be similar resources made available to the victim to help reduce the chances of future victimization by this or any other bully.

GIVING AND RECEIVING FEEDBACK

Throughout the year, as well as during performance reviews, the ability to give and receive constructive feedback is a crucial skill for career and organizational success. Often managers withhold constructive feedback out of a fear that employees will be offended or angered by observations that improvements to their performance are needed. Yet, without this feedback the chances of improvement are diminished. Giving and receiving feedback can be made easier with the reliance on some specific communication and conflict management tools.

When Giving Feedback

The first step to giving feedback is to do a self-check to determine the purposes behind your desire to offer feedback. Are you angry and wanting to lash out? Would it feel really good to give them a “piece of your mind”? If your gut instinct says, “yes!” then the best advice is to wait until your anger subsides and you are able to give feedback solely to help improve employee performance.

Once you have determined that your goal is to help, then follow the EPM (empathize, pinpoint problems, move forward) formula. Let’s use an example to illustrate how this works. Imagine you have an employee who consistently misses deadlines. Your first statement should show your empathy for their situation and establish a positive, collaborative tone for the discussion. For example, “I understand you are working under tight deadlines.” Your next statement should specifically pinpoint the problem, being careful to avoid framings that seem to imply fault or blame. “The report due on the fifteenth did not arrive until the twentieth.” Then suggest a way to move forward and invite the feedback recipient to help generate ideas to solve the problem. You might ask, “What can be done to ensure the reports arrive on time in the future?” As a supervisor or manager, you have veto power over any unacceptable suggestions but your willingness to seek out information and ideas from the employee will increase their buy-in to any solutions chosen.

Steps for Giving Feedback

1. Self-check: what is the purpose of the feedback?
2. Empathize
3. Pinpoint problems
4. Move forward

Source: Lebedun and Kantola (1996).

Framing refers to the ways in which facts or perceptions are defined, constructed, or labeled. “Framing is a process whereby communicators, consciously or unconsciously, act to construct a point of view that encourages the facts of a given situation to be interpreted by others in a particular manner. Frames operate in four key ways: they define problems, diagnose causes, make moral judgments, and suggest remedies. Frames are often found within a narrative account of an issue or event, and are generally the central organizing idea” (Kuypers, 2006, p. 7).

Framing can make all the difference in terms of having an engaging, problem-solving discussion versus inciting defensive, angry, conflict escalation. When people feel attacked, they tend to have a fight or flight response. On the conflict style inventory scale used in Chapter One, those who scored high on the accommodating or avoiding conflict styles would be likely to have a flight response to a statement that was framed in a hostile manner. Alternatively, if the score was high on the competitive style, then the response is likely to be fight. Either way, the chances of having a productive discussion or negotiation are strongly diminished by poor framings. When framing your comments to the other party, avoid statements that cast fault or blame as well as those that are too general to provide specific feedback. For example, “You’re always turning in reports late! You know that is unacceptable.” This framing is simply less effective at encouraging cooperation from the employee than the framing shown in the previous paragraph.

“I” statements can be used to constructively frame your feedback in ways that are less likely to trigger the fight or flight response. For example, when you feel an employee is shirking or not doing his or her share of the work, a destructive framing might be to say, “You aren’t carrying your weight around here. It’s time for you to do your share of the work.” Alternatively, you could say the same

thing using “I” statements, such as, “I feel stressed out because the workload is not being equally distributed.” This formula follows the format of “I feel _____ because of _____.” Using the EPM formula, the feedback may look something like, “I understand you have been very busy lately [E]. I feel frustrated because I have more work to do than I can handle and I believe the workload could be more evenly distributed [P]. What ideas do you have for ensuring that each team member is called on to complete an equal amount of work [M]?”

When Receiving Feedback

Feedback only works if the person on the receiving end is open to hearing it. The first step is knowing that everyone’s performance can improve, even high performers, and one’s performance improves with the feedback of others. The best managers refrain from becoming defensive when feedback (also known as *criticism*) is offered. In fact, they invite feedback frequently. The next step is to listen to understand rather than listening to respond, as covered in Chapter Four. By truly listening to the person providing feedback, we can hear not only what he or she says, but also listen deeply enough to understand the meaning that lies behind the words or what is unsaid. Be sure to summarize back what you’ve heard so as to ensure your filters have not interfered with your ability to fully listen and understand. Occasionally, people offer general rather than specific feedback, such as “I don’t like the way you talk to me.” For the feedback to be helpful we need to get as specific as possible. Ask for specifics and examples. Make it clear that you are not being argumentative and that your real objective is to fully understand the criticism. Finally, we take what we have heard and analyze it. What can we take from it to improve our performance or our relationship with the other party? Sometimes we can learn from others’ feedback, even when it is not stated in particularly constructive terms.

Steps for Receiving Feedback

1. Keep an open mind: anticipate feedback opportunities.
2. Listen to understand, not to respond.
3. Ask questions to get specific feedback.
4. Analyze the feedback for useful information.

Fight the need to respond right away. Take some time to think through their comments. Have you received similar feedback from others? What are you willing to do to address their concern or observation? In the end, you may decide no changes are needed but you will have at least listened thoroughly and understood their concerns before reaching this decision.

PERFORMANCE REVIEWS AND EMPLOYEE RECOGNITION

Ask any organizational ombudsman or human resource manager: more complaints are filed after performance reviews than at any other time of the year. Rather than dreading giving and receiving performance reviews, these can be times to look forward to. Performance reviews provide an opportunity to sit down with employees one-on-one in order to get to know them better. You get to check in with them to see how things are going from their perspective. You can ask about their future plans for advancement in the organization, if any. It is a time when individualized plans for professional development can be discussed and developed. Managers can gain feedback from employees about their own performance during this time as well. If all participants think of this as an opportunity to share information, make improvements, and recognize accomplishments over the past year, then it will become a positive rather than dreaded experience.

For performance reviews to be fair and objective all employees and teams need to have clear goals and performance indicators against which their performance can be judged. Second, the organization needs to gather data related to individual and group performance. For example, you may ask customers and clients to complete feedback surveys related to their experiences. In manufacturing settings you can look at output or other readily quantifiable measures. All employees can be rated on their punctuality, adherence to schedules and deadlines, and so on. Be sure to include indicators of employees' collegiality and problem-solving and workplace behaviors.

Ideally, performance reviews should have a 360-degree-feedback mechanism whenever possible. A 360-degree review takes in feedback from all people you work with: peers, subordinates, supervisors, and managers to provide anonymous feedback. This system works best in large organizations but can be done in small organizations, though with less anonymity. Over 65 percent of poor performance problems can be traced to strained interpersonal relationships and communications at work (Dana, 2001), so do not forget to include measurements of collaboration, communication, and conflict management in your feedback

and performance measurement tools. Employees should rate their satisfaction with their supervisors' and managers' abilities to resolve problems efficiently and collaboratively. Ask employees at all levels whether they would recommend your organization to others in their fields who are looking for work. This helps you learn more about organization or departmentwide problems that may exist with the organizational culture. In the same survey, be sure to gather their ideas about how to improve workplace morale, efficiency, and mission fulfillment.

Annual performance reviews are fairly standard in corporations and government agencies but are done haphazardly in many small organizations. Even in a two-person operation, performance reviews provide helpful opportunities to check on each employee's professional goals, skill-set development, and productivity. These can be opportunities to build and enhance relationships up and down the chain of command, and whenever possible, the employee being reviewed should also be allowed to provide feedback on the performance of his or her direct supervisor to ensure a two-way exchange takes place. Rather than limiting feedback opportunities to an annual review, consider scheduling these reviews more frequently. More frequent reviews allow increased opportunity to track growth and change, to provide specific suggestions and advice, and to address changing circumstances within the workplace. If an employee or manager is asked to work on one to two specific skills or goals, then a check-in should be scheduled in no more than one month. If the employee's efforts for improvement are offtrack, he or she should not need to wait a whole year to learn about it.

During performance reviews, some organizations create something akin to a work plan or contract that lays out the primary tasks, timelines, and expectations of the employee during the forthcoming review period. By meeting periodically throughout the year, these can be amended as circumstances change, thereby ensuring that the expectations on both sides are clear and the document remains up to date.

Performance reviews are often tied to bonuses, raises, or other rewards or sanctions. In collectivist cultures, such as Japan and China, rewards tend to be solely done on the group level, but the opposite is true in the individualistic cultures of the United States and other Western countries. Pearsall, Christian, and Ellis (2010) examined the relative benefits of rewarding individual versus group performance in US work teams. Their study found that organizations seeking to encourage team work and group projects were more likely to have group-based rewards. Yet, with group-based rewards, there can be squabbling and dissension

related to the division of labor—someone tends to be the work horse and another is the shirker, or “social-loafer” (p. 188). The researchers therefore recommended that rewards or sanctions come from a combination of individual and group efforts and achievements.

A 2011 survey by SHRM found that 80 percent of companies with five hundred or more employees have an employee recognition program in place. Of those, 58 percent recognized employees for their years of service, 48 percent recognized employees who went above and beyond their regular work duties or surpassed expectations, and 37 percent recognized employees whose exemplary behavior was closely aligned with the organization’s values (SHRM, 2011). Interestingly, 11 percent of the companies stated they tracked employee social media activity to view positive and negative employee comments about the organization as indicators of employee engagement.

What if you have an employee who is a poor performer? The key is to correctly diagnose the source of the poor performance. Remember, many poor-performing employees feel alienated or disgruntled, believe they lack clear communication about goals and expectations from their supervisors, or otherwise trace the root of the poor performance to poor conflict management within the workplace. If this is not a matter of poor communication or conflict management, there are a few pertinent questions to address:

Do the employee’s assignments match up well with his skill sets and training?

If not, is it possible to provide additional training or support to better align the employee’s tasks and skills?

Is the employee supportive of the organization’s mission and how her work ties into that mission?

In a friendly way, quiz employees to determine whether they understand the mission and their role in it.

Are the performance goals and objectives clear, objectively measured, and set at reasonable levels?

Gather data on these points together and make any needed revisions.

What ideas does the employee have about the sources of poor performance and ideas for improvement?

By gaining input from employees and allowing them to have a voice in this process (remember the concepts of procedural justice), they will be more likely

to support the outcome of the evaluation and any subsequent employment decisions.

Before we leave the topic of performance reviews we should note large employers require their managers to follow a specific format for providing feedback during performance reviews. These formats generally include a host of behaviors and competencies used to judge the employee's performance. However, managers will benefit from attention to the framing of suggestions, and from making this a two-way conversation in order to learn more about the employee's goals and concerns and to negotiate action plans that receive buy-in from the employee.

WHAT MAKES A "GREAT MANAGER"?

Luckily this is not merely a philosophical question, as it may seem at first glance. Thousands of studies have been conducted that help us identify effective managers and ineffective managers. A brief examination of the findings of these studies will help us as we strive to identify the characteristics and behaviors of great managers and strive to continually improve our own managerial skills.

F. Stuart Gulley, president of Woodward Academy, says the difference between a leader and a manager is that "a leader helps create a shared vision and inspires others to live in that preferred future, while a manager tends to tactical details to get the job done. Actually, a good leader does both" (Tierney, 2011). Mr. Gulley's organization was listed as one of the best places to work in Atlanta for 2011. When asked what makes him an effective company leader, he said, "I would say that it relates to my commitment to be open, transparent and accessible. I listen. I try to affirm and encourage others on the team while directing our efforts toward our mission and vision" (Tierney, 2011). On the same question, Bob Mathis from Peachtree Planning says, "I am the keeper of the culture and, based on our retention of both advisers and professional support staff, I believe that my partners and I have been effective leaders in keeping our culture and mission alive and vibrant" (Tierney, 2011).

All relationships involve some level of give-and-take or reciprocity in order to be mutually beneficial. Managers can't accomplish anything without their subordinates who do the bulk of the frontline work of any organization. Employees expect their managers to help them solve problems, communicate clearly, and remove obstacles to their ability to get their work done. This reciprocal relationship is transactional in nature, meaning there is an inherent transaction taking place

between the manager and employee—each exchanging something the other needs. This makes the relationship mutually beneficial. Transformational leaders go beyond mere transactions to inspire employees to reach new heights, develop new skills, and break previously unquestioned barriers to their performance. Like parents or coaches, transformational leaders see the intrinsic value in each employee and seek to help employees maximize their performance, not mainly because it helps the manager but because it is good for the individual employee and for the organization as a whole (Bass & Avolio, 1994). The best managers focus on transforming their employees and workplaces rather than merely on improving the transactional nature of their relationships.

Organizational leaders set the tone for the organization. They create and re-create their organizational cultures by building effective teams, communicating their vision, and getting all team members on board with that vision. As we will see in Chapter Six, effective organizational leadership is central to laying the foundation for managers and employees to succeed. Once that foundation is in place and consistently communicated, organizational leaders keep the channels of communication open, clear obstacles from the paths of others, and empower those working under them to succeed. So how can mid-level managers and supervisors become great?

You can rely on your own experiences to help you identify those characteristics of good bosses. Which bosses empowered, inspired, and supported you? Which bosses made you want to call in sick every Monday? Abbasi, Hollman, and Hayes (2008) note that good managers demonstrate a high level of integrity, remove fear from the workplace, fight for employees, and help employees save face and overcome a lack of trust. A study by Bass and Bass (2009) examined multiple leadership studies for similarities and found these qualities as being key to leadership success: adaptability, adjustment, assertiveness, emotional balance and control, enthusiasm, nonconformity, originality, creativity, ethical conduct, self-confidence, resourcefulness, and tolerance of stress.

In early 2009 Google began “Project Oxygen,” an internal study aimed at identifying the characteristics of the company’s most successful managers. Luckily, what they found applies not only to Google managers, but also to management generally. They mined performance reviews, employee feedback surveys, and nominations for top-manager awards to find out what makes the best managers (Bryant, 2011). The Project Oxygen team asked employees to rank the qualities that made for the best managers. The research team predicted that

technical expertise would be high on the list of attributes found among the best managers — after all, when employees get stumped on a technical matter they are supposed to turn to their managers for assistance. Yet technical abilities ranked last out of eight attributes of great managers. “What employees valued the most were even-keeled bosses who made time for one-on-one meetings, who helped people puzzle through problems by asking questions, not dictating answers, and who took an interest in employees’ lives and careers” (Bryant, 2011, p. 2). Making a connection to employees and being accessible were key qualities of great managers. A study by Watson and Hoffman (1996) found that the most successful and powerful managers engaged in cooperative behaviors with their colleagues and employees whereas lower-power managers attempted to make gains by resorting to authoritarian and competitive practices.

More specifically, see Table 5.2 for a description of the characteristics of effective managers found during the Google study. When reading this table, you may wonder how these habits relate to conflict management. These habits are closely tied to organizational conflict management for a few reasons. Clearly, effective managers enact these habits and ineffective managers neglect them.

Inadequate managers communicate poorly or infrequently (the opposite of habit five for effective managers). Deficient managers are not open to giving or receiving feedback from their employees when it relates to the vision or goals for the work unit or for the continued improvement and growth of the manager’s own skill set. Poor managers are so focused on the end goals of productivity, service delivery, or profit that they fail to recognize the means by which those ends are likely to be accomplished, for example, building positive relationships and good communication within their teams.

A body of management theory known as **leader-member exchange theory** has become popular since the 1980s. This research examines the types of relationships that form between leaders and organizational members as well as the benefits that accrue to leaders and members as a result of these relationships. This approach posits that the best managers develop positive relationships with organizational members based on “trust, respect, loyalty, liking, intimacy, support, openness and honesty” (Wilson, Sin, & Conlon, 2010, p. 358). Leaders provide members with goods such as access to information, assignment to interesting projects, and recommendations to higher managers, whereas members supply commitment, engagement, and loyalty. Both accrue benefits from the nurturing of close, effective relationships that include recognition of their interdependence.

Table 5.2
Eight Habits of Effective Managers

Habit	Description
1. Be a good coach.	Provide specific, constructive feedback with regular one-on-one meetings.
2. Empower your team. Don't micromanage.	Balance employee freedom and give advice. Allow employees to grow skills with new challenges.
3. Express interest in employee success and well-being.	Get to know employees as people outside of work. Ease transitions for new employees with warm welcomes.
4. Be productive and results oriented.	Help prioritize work. Remove roadblocks. Focus on goal setting.
5. Be a good communicator; listen to your team.	Two-way communication is key: listen and share, encourage open dialogue, hold regular meetings for all team members.
6. Help employees with career development.	Learn about employees' career goals and ways you can empower them to achieve those goals.
7. Have a clear vision and strategy for the team.	Involve the team in drafting and updating its vision and goals.
8. Have key technical skills.	Work beside employees when needed. Understand the specific challenges of each team member's job.

Source: Adapted from Blodget (2011).

In addition to yielding these eight habits of successful managers, the Google study also found three pitfalls common to their worst managers (see Table 5.3). The first pitfall is that great workers do not always make great managers. A hard-working frontline employee may or may not have the knowledge and skills necessary to successfully transition into the management role. Organizations can ameliorate these deficits through training programs designed to help employees transition successfully to managerial roles or through tests of these skills as part of the promotion process. When organizations choose to hire managers from outside rather than promoting from within, it is crucial that new hires

Table 5.3
Pitfalls of Poor Managers

Pitfall	Description
1. Trouble transitioning to team leader	A great individual performer; lacks knowledge and preparation for management role or is an outside hire who doesn't understand organization's culture or processes
2. Lacks consistent approach to performance management and career development	Not proactive—waits for employees to come to him or her; does not coach employees for their development; fails to communicate what the organization needs or wants to employees
3. Spends too little time managing and communicating	Doesn't hold regular group and one-on-one meetings; doesn't listen well or invite feedback or ideas

Source: Adapted from Blodget (2011).

take the time to learn the organization's processes, policies, and culture during their transition phase. The second and third pitfalls deal with managers who do not communicate consistently, proactively, and effectively. Ineffective managers hold meetings only when a crisis emerges. They don't follow up to ensure their employees' career development needs are being met, and they don't listen well.

Do the characteristics of good managers vary from the private sector to that of the nonprofit or public sectors? The ability to surface rather than suppress differences is seen as an act of leadership aimed at moving the organization forward yet it is a recurrent theme most prevalent in the literature on public sector leadership. Bryson and Crosby (2006) recommend that manager leaders use conflicts to purposefully structure a political environment that highlights constructive dissonance, thereby allowing for more informed decision making. Jeffery Luke offers a framework for leaders who manage public issues in a collaborative manner in his 1998 book entitled *Catalytic Leadership*. In it, Luke defines a person of integrity as “someone who acts in accord with her or his principles or commitments when facing pressure or enticement of various sorts

to do otherwise” (p. 229). In some ways public managers are under more scrutiny and are expected to exhibit higher degrees of integrity. Rightly or wrongly, they are expected to behave with integrity because they are entrusted with public resources and the protection of vulnerable populations. It is important for public managers to display ethical leadership without seeming haughty or self-righteous. Humility is more often expected from an agency director than from a CEO, even though their qualifications and leadership methods may be similar in other respects.

BECOMING A GREAT MANAGER

If you read every book about golf you can find, will you become a great golfer? Although reading about managing provides the foundation of knowledge necessary to improve your managerial techniques, the key is to set specific goals related to your skill development, measure progress toward those goals, and practice new skills and behaviors frequently. Your habits took a long time to develop and they won't change overnight. When you find yourself sliding back into old habits, spend your energy refocusing your efforts rather than beating yourself up. Be explicit with your employee team about these efforts; tell them you are working on growing and developing as a manager and that you will be trying new techniques to see what works and what doesn't. Invite their feedback in this process. They will most likely appreciate your openness and desire to make positive changes. You will be modeling the behaviors you expect from them. Even the best managers strive for continual improvement and professional development.

The good news is that your managerial skills are only partly a function of your natural endowments, meaning your personality or temperament. In Google's study, they were able to see measureable improvements in 75 percent of their worst managers (Bryant, 2011). In addition to measuring managerial quality and providing performance reviews on a quarterly basis, Google provides one-on-one coaching to help improve managerial performance. Consider using the services of an executive coach in your organization or for your own development. You may also wish to seek out a mentor within your organization—someone whose management skills and style you would like to learn from. If your organization does not have a mentoring program, ask the HR department to help get one started. Setting clear goals and seeking specific feedback will help as you grow in your career and continually improve.

But remember, sometimes managers are called on to make difficult decisions. Although you cannot please all the people all of the time, creating a fair process for decision making, gathering input, listening before acting, fostering positive organizational culture, and acting swiftly to address problems will help garner support when difficult decisions need to be made.

CONCLUSION

Satisfied customers and successful organizations are built on the foundation of satisfied employees, who are treated and compensated fairly. High employee turnover results in preventable costs that limit the ability of organizations to achieve their missions and remain competitive in the marketplace. Productive workplaces require thoughtful hiring, training, coaching, feedback, and incentives that align individual incentives with group goals. When problems arise, such as bullying, collaborative managers intervene to create and maintain a positive workplace culture in which all team members can thrive. Whether you manage two employees or two thousand, reducing employee turnover will be crucial to the success of your unit and your organization.

HIGH EMPLOYEE TURNOVER AT MAIN STREET BAKERIES

Using the company's employment records, Ben contacted the last three assistant managers and three former frontline employees. He met personally with some of these individuals and over the phone with others. He explained that his goal is to help store number seventy-five improve the workplace climate and make it a place where employees feel valued, satisfied, and empowered to do their jobs well. All were pleased to talk to him—in fact, they talked his ear off! He got a consistent story from everyone: the current manager of store number seventy-five, Jane, is a bully. She pressures hourly employees to work off the clock if they are unable to complete their tasks during their regular eight-hour shifts. She accuses staff of being “lazy,” “stupid,” or not being willing to “take one for the team.” If employees ask for time off for a doctor's appointment or a family commitment, they are punished by being taken off the schedule for a week without pay. She turns employees against one another

and promotes only her pet employees who act like sycophants. She rarely holds staff meetings and then gets angry when employees fail to correctly implement new policies or procedures. She works seventy-five hours per week and cannot understand why others are not willing to show similar levels of commitment.

So, what did Ben do? Ben sat down with the manager and had a very frank discussion. He told her that her own pay and bonuses would now be tied to employee workplace climate surveys, customer satisfaction surveys, and linked to a reduction in employee turnover. Every employee that leaves store number seventy-five during the next six months will take part in an exit interview by phone with Ben so he can get more feedback about how to improve the store and its management. He arranged for an executive coach to work with Jane on her people skills and told her she was required to meet with this coach for at least two hours per week for the next six weeks, and then at least one hour per month for twelve months. He made it clear that his goal was to help her reach her potential as a manager. He explained that her own job will be easier once she feels confident in her abilities to delegate to her assistant managers—her own stress level will go down, and her job satisfaction will increase.

The manager signed a ninety-day probationary contract agreeing to abide by these conditions. She met twice with her coach and then abruptly resigned. In her exit interview she said she did not feel she was a good match for the Main Street Bakeries' approach to management. She said she wanted to be fully in charge and hire and fire as she saw fit.

Ben contacted MaryAnn, one of the previous assistant managers he had interviewed on his trip. He asked MaryAnn to sign the same ninety-day probationary contract with all the same provisions he had required of Jane. Exit interviews, executive coaching, and employee and customer satisfaction surveys would still be used and incentives for reducing turnover were tied to MaryAnn's pay. Within three months, turnover was significantly reduced, customer satisfaction was up, and MaryAnn called Ben to thank him personally for supplying the executive coach—whom she came to deeply appreciate and value as a resource for ongoing professional development. Ben and Elise can now turn their attention to other matters because store number seventy-five is clearly back on track.

KEY TERMS

Bullying	Leader-member exchange theory
Employee turnover	Presenteeism
Exit interview (exit survey)	The 10–80–10 percent rule

SUGGESTED SUPPLEMENTAL READING

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DISCUSSION QUESTIONS

1. Think back to the best boss or manager you have had. List the behaviors, attitudes, or characteristics that led this person to be successful. How does he or she match up against the material covered in this chapter? How has this person's example shaped your own management style? Analyze and discuss.
2. What does your organization do to minimize employee turnover? What improvements could be made at a reasonable cost?
3. In a recessionary period, when the labor market is saturated with job seekers, why should organizations still pay attention to employee turnover?

EXERCISES

1. Are great managers born or made? What can you do to become a great manager, starting this week? Make a list of experimental changes you will try

this week. Come back one week from now and evaluate the success of those efforts through a discussion with your classmates or in your work team.

2. Imagine you are about to hire a new worker or workers for your organization. Based on the information in this chapter, what screening questions would you include on a preemployment questionnaire? What questions would you ask during the reference-check phase of the hiring process?
3. Create a survey that will be used to gain feedback on workplace morale within individual work units at your organization. What questions would you include? How would you integrate this survey into the annual bonus or merit raise structure of your organization?
4. Think of some common feedback scenarios within the workplace. Come up with some feedback framings that use the EPM formula as well as “I” statements.

GOAL SETTING

Look at Tables 5.1 and 5.2. Rate yourself (or your manager) on each of these habits and pitfalls on a scale of one to five, where one equals “never does this” and five equals “does this consistently.” Select one or more of these habits for improvement during the next week. What specific behaviors will you change in order to see improvement? Check back one week from now and see if the scores have changed.