

Chapter 1

Introduction

“My supervisor is a cruel bully, pure and simple. He acts unprofessionally, gossips, plays politics, you name it.”

“I have a much heavier workload and have been here three years longer than a colleague who makes much more money than me.”

“I was told by the division manager that I would be given a promotion, and informed the following week that the position would be posted instead.”

“A subordinate was harassing several employees in the organization including me, but I was asked to endure her behavior until they figured out what to do about her.”

All of these are examples of workplace mistreatment, as reported by real employees at one organization. Mistreatment in the workplace is when an employee believes that he or she has not been treated fairly in the course of performing his or her job. Note that the focus is on whether an individual *believes* he or she has been mistreated as opposed to some “objective” assessment of whether mistreatment occurred. This approach recognizes that an individual’s reactions are largely driven by their *perceptions of mistreatment*.

There are a number of ways in which employees may feel mistreated at work, such as believing that they:

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- Are not receiving a deserved
 - performance evaluation
 - raise
 - promotion
- Are being bullied by their manager
- Are being treated rudely by clients
- Are being harassed by another employee
- Are being socially excluded by other employees

Similarly, there are also a number of potential *sources* of the perceived mistreatment including one's peers, subordinates, supervisors and managers, clients and customers, and upper administration.

Just how prevalent are perceptions of mistreatment at work? The popular media is replete with examples of employees being harassed by customers, bullied by managers, and retaliated against for speaking up about unethical behavior. Empirical studies have shown that a substantial percentage of workers in the US and abroad feel they have been mistreated at work in the past year. For example, a 2000 study by Loreleigh Keashly and Karen Jagatic¹ found that 27% of employees experienced workplace mistreatment. Studies focused on psychological abuse specifically (e.g., workplace incivility, bullying, verbal abuse, hostility) indicate that as many as half of all employees report being a target, some of these subjected to such treatment weekly.² A report out of the National Institute for Occupational Safety and Health indicates incidents of such behavior in nine out of ten US workplaces.³ The Equal Employment Opportunity Commission reported there were 82,792 charges of employment discrimination brought to them in 2007.⁴ Note that some of these charges represent hundreds, if not thousands, of employees.

Costs of Mistreatment

One of the biggest problems for organizations is that perceived mistreatment in the workplace is very expensive. Research clearly indicates that mistreatment in the workplace takes a toll on the well-being of the individual who feels mistreated, other employees directly or indirectly involved, and the organization's bottom-line. For example, at the extreme end, recent years have witnessed litigation resulting in multi-million settlements for claims of discrimination and harass-

ment. The costs certainly vary depending on the nature and source of the mistreatment, as well as whether and how the mistreatment is addressed. However, there are some typical costs associated with perceptions of mistreatment.⁵

Good to Know: Costs of Workplace Mistreatment	
<i>Employee Outcomes</i>	<i>Organizational Outcomes</i>
<ul style="list-style-type: none"> • Lost time and productivity • Lower organizational commitment and loyalty • Job withdrawal • Acts of revenge • Union organizing • Higher turnover • Retaliation • Aggressive reactions (including workplace violence) • Higher stress and burnout • Higher health-related problems 	<ul style="list-style-type: none"> • Decrease in production • Lower employee morale and difficulty in recruiting • Damage and loss of property • Risk of unionization • Costs of turnover • Litigation • Lack of information flow • Time spent investigating and addressing • Higher benefits (e.g., medical premiums)

Lower commitment, loyalty and morale

Research has found that employees who experience mistreatment at work are likely to have subsequently lower organizational commitment. That is, they will experience lower emotional attachment and identification with the organization. Also, mistreated employees tend to have subsequently lower loyalty to the organization, meaning, for example, they will be less willing to say positive things about the company to others. These changes in commitment and loyalty do not take place in a vacuum; as noted earlier, employees who feel mistreated will often talk with others. This talk could then shape how employees and those that they talk with view or interpret events that occur in the workplace. Our experience has shown us that chronic mistreatment of employees, in particular, has direct implications for

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employee morale in the workplace and organizations have a more difficult time, and likely incur more expenses, recruiting and retaining the best people.

Withdrawal and revenge

Research indicates employees change their behaviors at work after experiencing mistreatment. Some “pull back” or withdraw from work in some way. For example, they may call in sick, arrive late or leave early, or take unusually long breaks or slow down production. Again, this behavior has direct implications for an organization’s bottom-line. Some employees may react by engaging in acts of revenge against the organization such as sabotage or theft. This translates into repair and replacement costs of supplies and equipment for the organization.

Job search and turnover

Research also demonstrates that employees who feel mistreated are more likely to search for other jobs and/or quit their jobs. The substantial organizational costs of organizational turnover, including separation costs (e.g., severance pay) and costs incurred by recruiting and training new employees are well documented. For example, it is estimated that employee turnover costs 50–100% of an employee’s salary, dependent on the nature of the individual’s job (e.g., entry level, professional level).⁶ Others have suggested the cost can run as high as 200% of an employee’s salary.⁷ Yet, engaging in a search for alternative employment, regardless of whether it leads to turnover, is costly because the time and energy an individual spends searching could be put to other task-related uses. The process of searching for new employment may also create detachment from the current organization, further reducing commitment and fostering withdrawal behavior (e.g., tardiness).

Lost time

The experience of feeling unfairly treated at work and deciding what, if anything, to do about it, is far more time-consuming than we typically think. When individuals experience a potentially unfair scenario, they will often spend time evaluating that situation. Did my manager mean to say that? Am I over-reacting? They will also often spend time discussing or rehashing with others what happened in an

attempt to understand if they have been mistreated. If they do determine they have been mistreated, they will spend more time contemplating what they should do about it (if anything at all). For the individuals, this preoccupation is likely to extend to their personal lives, taking time and emotional energy from personal or family time. For the organization, typically this process takes place during the time that would normally be devoted to completing job tasks – for the individuals who feel mistreated as well as for others with whom they discuss it. Thus, regardless of if, or how, the perceived mistreatment is resolved, it would likely, at least temporarily, result in decreased production for the organization.



Case Scenario: Lost Time From Mistreatment

Nicholas had over 30 years working in the insurance industry when he took a new position as a project manager for one of the largest insurance companies in the west coast. At first his relationship with his supervisor, Anna, was good. Anna was quick to praise Nicholas and introduce him around the office as a key hire. However, a few months after he began working there, Anna's behavior seemed to change. She made promises on Nicholas's behalf without consulting him – promises that, were he to honor, would mean Nicholas would have to violate internal company policy. Anna also insisted that she be present at any and all meetings which Nicholas held. She sent emails to his contacts that seemed to undermine what he was hired to do. Nicholas became increasingly uncomfortable with the situation. But he wasn't sure how to interpret it. He thought about the situation a great deal and spent a good deal of time talking with coworkers, friends, and his wife about whether Anna was not treating him appropriately and how he should or could address it. Finally, Nicholas arranged to meet with Anna to discuss his concerns. Unfortunately Anna responded to his concerns with anger. She yelled so loudly that others could hear her in the hallway. After the meeting Anna responded by pulling the reins in even tighter. As a result Nicholas spent more time discussing Anna's reaction with his peers at the company as well as his wife and his former coworkers. He also found himself going to great lengths to avoid Anna, which cost him additional productive time.

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Aggressive reactions

Research on workplace violence shows that aggressive reactions (psychological or physical) from employees often stem from initial feelings of being mistreated. M. Sandy Herscovis and Julian Barling note “employees often give repeated warnings that they will commit a violent act; they often voice their concerns or feelings of perceived unfairness before they engage in such acts.”⁸

Union-organizing

There is a considerable amount of evidence that some employees respond to perceived mistreatment by initiating or supporting a union-organizing campaign. Organizations are particularly vulnerable to this if there is pervasive mistreatment in the workplace. From an organization’s perspective, responding to a unionization effort is costly, as is making a transition to a unionized workforce.

Retaliation

Employees who state that they have been mistreated at work often experience retaliation (i.e., are “punished”) for doing so. Research demonstrates that individuals can experience negative outcomes including lower performance evaluations and lower promotion rates after they have voiced mistreatment. However, the existence and extent of retaliation seems to depend on the nature of mistreatment, the characteristics of the employee voicing it, and the way in which the employee voices it. For example, employees are more likely to be “punished” (in terms of lower performance evaluations, for example) when they reveal personal mistreatment by their supervisor than when they complain about a general work policy. Retaliation for revealing mistreatment has negative implications for the organization as well. That is, if employees are punished for speaking about unfair treatment, the organization will also suffer. Such a situation is likely to result in higher and costly employee turnover, higher litigation costs, and lower likelihood that the organization will find out about organizational problems directly from employees.

Physiological costs

There is mounting evidence from both psychological and medical research that mistreatment in the workplace results in health costs as well. Experiencing mistreatment at work has been linked with higher

stress and psychological strain. Employees are also likely to experience physiological symptoms of strain. Medical researchers report that mistreated employees are more likely to develop heart disease and experience chest pains, have a higher risk of heart attacks and produce lower self-reports of physical and mental health.⁹ In addition to the detriment to an employee's well-being, an organization is likely to experience increased benefits costs in terms of higher health-care expenses, employee absenteeism, and workers' compensation claims.



Case Scenario: Costs of Mistreatment

A top sales representative for a multinational organization, Alexis, experienced mistreatment after she reported illegal activities that had been condoned by her manager. Although she initially discussed her concerns with her manager, the concerns were ignored and she eventually reported it to a compliance staff member and an HR manager. After the investigation, the manager and other sales representatives were told to stop the actions immediately.

After this occurred Alexis experienced retaliation. Despite her outstanding sales levels, she had subsequently lower performance ratings and a lower promotion rate. Then she experienced further retaliation in the form of discrimination after she became pregnant. Her supervisors made derogatory comments about the expenses of maternity leave to the organization and she was denied critical training opportunities. By this point, Alexis was experiencing several stress-related health problems as a result of the discrimination. Alexis again reported the problem to HR. Unfortunately this was not resolved, the retaliatory pregnancy discrimination continued, and Alexis was forced to resign. Alexis eventually decided to pursue litigation against the organization and incurred further health and social costs when her marriage suffered in the process.

After the case was over, Alexis had suffered financially, emotionally, and physically. The organization lost a top sales performer, experienced several more related lawsuits, and suffered in terms of economic costs (litigation and court awards) and negative publicity.

Is Prevalent, Costly Mistreatment Inevitable?

Given that perceived mistreatment is both prevalent and costly to organizations, a logical question to ask is, does it have to be? The short answer is *no*. Prevalent, costly mistreatment is not inevitable. Certainly some amount of conflict is to be expected when individuals are working together in organizations. Indeed, a company devoid of all conflict would be robbed of the positive benefits conflict can bring, such as new ideas and creative solutions. However, the prevalence and costs of *mistreatment* in organizations is something that can, and should, be carefully managed to enhance organizational well-being and effectiveness.

Like several other management areas, the prevention and resolution of workplace mistreatment is vulnerable to fads and anecdotal testimonials. However, adoption of these approaches may actually serve to increase mistreatment costs and even heighten threats of successful litigation. Yet there is a considerable amount of research and evidence-based practice that can be applied in organizations to minimize pervasive mistreatment and mitigate costs to the individual and organization.

The purpose of this book is to provide a blueprint for how you can design, implement, and administer a process for minimizing the incidence and costs of mistreatment in your organization and fully address mistreatment when it does occur. It is important to note that the blueprint described in this book is based on research and evidence-based practice consistent with enhancing organizational effectiveness. There are several subpurposes of the book:

- To help you understand the process by which people conclude they have been mistreated, allowing you to better anticipate and address individuals' perceptions of mistreatment.
- To show you how to create the best evidence-based practices in stand-alone and comprehensive mistreatment resolution procedures
- To show you how these practices can be modified for different types of organizations
- To show you how to use information from the resolution procedures to further enhance organizational well-being and prevent further mistreatment

- To provide a roadmap for how you can modify HR functions and Management functions to minimize the prevalence of workplace mistreatment in your organization and/or identify mistreatment early on.

Good to Know:

Key Points

- Mistreatment in the workplace is when an employee believes that he or she has not been treated fairly in the course of performing his or her job.
- Mistreatment is costly in numerous ways to the both the individual who feels mistreated and the organization.
- You can take steps to minimize pervasive mistreatment and mitigate costs to the individual and your organization.



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