

Handling Volatile Workplace Situations

In December 2000, Michael McDermott killed seven people at a Massachusetts Internet consulting firm allegedly after the company began cooperating with the Internal Revenue Service to garnish back taxes from his paycheck. Unfortunately, stories like this are all too common.



By Stephen F. McCarthy, CPA
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Unpredictable and violent employee behavior is a toxic mix that has the potential for explosive conditions in the workplace. CPAs as business owners, executives or advisors have a role and responsibility to protect human capital and assets. President Bush even designated April "Workplace Conflict Awareness Month." No doubt, press coverage amplifies the magnitude of conflict. Nevertheless, the attention highlights the risks of workplace volatility to both organizations and employees. These risks must be proactively managed.

People who are unstable, unpredictable or insecure in combination with specific triggering events normally cause workplace volatility. These situations pose different kinds of volatility risks that:

- Cause bodily harm.
- Bring a lawsuit against the organization.
- Jeopardize the future of an organization.

Bodily Harm

According to the U.S. Department of Labor, violence in the workplace is the fourth leading cause of fatal occupational injury in the U.S. Dr. Alan Cavaiola, Associate Professor, Department of Psychological Counseling at Monmouth University and author of *Toxic Coworkers*, believes there are three predictors of workplace violence: (1) personality factors; (2) toxic workplace factors; and (3) instigating factors (i.e., wrong person, wrong place, wrong time).

One of the challenges is to identify potential problem individuals early and take preemptive action — especially if the employee is "signaling" a potential reaction and has a prior history of violent or abusive behavior. History is the best predictor of violence.

Preventative action by the employer starts with due diligence at the hiring stage, including thorough reference checks, background checks and interviews with multiple managers. Many employee background checks now look at behavioral history. Because unpredictability can lead to violence, past behavior is important. Even with individuals who may not be prone to workplace violence, there are exceptions. Thus, co-workers and supervisors must also trust their

instincts and feel free to report potential problem employees.

If violence occurs, Dr. Cavaola believes management should provide ample information to other employees to keep them informed, maintain order and restore post-crisis equilibrium. He believes communication prevents the rumor mill from spreading misinformation that may actually become more damaging to the company or the employees. The Occupational Safety & Health Administration offers a clearinghouse of information on workplace violence at www.osha.gov.

Litigation

Volatile situations and poor communication can easily bring about volatile workplace situations. People who are angry file lawsuits. While harassment generally involves inappropriate *individual* behavior, it is nevertheless up to the *organization* to resolve it.

Christopher E. Hartmann, an employment litigation attorney with Morristown's Wacks and Hartmann, cautions, "Companies must first designate a qualified point person (other than an immediate supervisor) to receive complaints and reinforce to employees that these complaints will be investigated in a confidential manner and there will be no reprisals against the accuser." This point person then must have the knowledge, training and tools to handle and take appropriate action once the complaint is examined. "If the complaint regarding possible physical harm is deemed serious, the victim must be separated from the perpetrator and law enforcement authorities quickly contacted," adds Hartmann.

Discrimination and sexual harassment are still major causes of employee lawsuits, despite extensive employee training. When an employee files a complaint, it is important to involve legal counsel as early as possible, maintain confidentiality and withhold punishment until the investigation is complete. Document everything from

the start of the complaint, have good procedures for dealing with it and don't hesitate to terminate problem employees.

Organizational Upheaval


Whether it is of seismic proportions or something small that snowballs out of control, one event can cripple an organization. We're all familiar with the once-great Arthur Andersen. This tragedy showed that an individual or small group could bring a large company down. While this is the doomsday scenario, others can create enormous headaches in companies. A disgruntled employee may cause irreparable harm to company data by either intentionally corrupting or misusing it. We've all read of confidential information that is stolen or disseminated improperly. Just recently, three people were convicted of stealing trade secrets from Coca-Cola and trying to sell them to PepsiCo Inc.

A demoralizing announcement or protracted stress may cause employees to take improper action. The employee may feel misunderstood and want to get back at the organization. First, you must have an ongoing plan to safeguard critical assets, including both people and tangible/intangible assets. Second, you must immediately deal with disgruntled employees who can have a compound negative effect on co-workers. Third, proper training is necessary to identify and resolve these workplace conflicts. Lastly, clear company policies and rules need to be communicated to employees, and the employees must sign off on these policies.

The key in each of the aforementioned volatile situations is good communication and preventive management. Hartmann advises "leadership by example." When management clearly demonstrates that they will not tolerate inappropriate behavior, many potential problems resolve themselves early. Another solution mentioned by Dr. Cavaola is the availability of mental health care or an employee assistance professional. These programs provide immediate



crisis intervention, information and referral. Again, designate someone who is knowledgeable, empowered and available to respond to disputes.

When conflicts arise, employees must feel they are being heard. Hold face-to-face meetings. Avoid communicating bad news by an impersonal memo or email. Have a written employee communication plan that includes an emergency number and a contingency plan that deals with unexpected events. Be clear in articulating the event and management's response. Indicate why an action is important, as it may not be clear or important to everyone. Because not all situations are the same, actions should be tempered with flexibility and common sense. 

Stephen F. McCarthy, CPA, M.B.A., is the franchise owner of Today's Staffing in New Jersey. He is the chair of the Edison Chamber of Commerce and an adjunct professor at Middlesex County College. McCarthy can be reached at smccarthy@today.com or 732-512-1300.