

Workplace Bullying: A Management Primer

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The term “bully” used to conjure up images of schoolyard jerks like Eddie Haskell of “Leave It to Beaver” fame or the bossy Lucy of the comic strip “Peanuts.” But business has produced enough tyrants of its own — from Sunbeam’s former CEO “Chainsaw” Al Dunlap to Mattel’s hot-tempered former chief Jill Barad — that the issue of workplace bullying has grown up alongside those playground tormentors and is now recognized as a pervasive — and expensive — employment problem.

Current research bears out the notion that bullying is widespread, cuts across age and gender lines, and affects virtually every sector of the economy. **The Workplace Bullying Institute (WBI)** estimates that 54 million U.S. workers have been directly affected by a bully or have seen one in action. In a survey of 400 government and private sector employees taken in August 2008, the WBI found that 95 percent of the respondents were self-described targets of bullying, either currently or in the past.

Bullies are most likely to be bosses — 81 percent by the WBI’s measure. But some 14 percent of the tormentors are co-workers of a victim, and 5 percent of reported bullies actually badger their higher ups. Co-workers who witness bullying (and the WBI found that 97 percent are aware of bullying when it happens) shy away from helping. In 46 percent of the **cases studied by the WBI last September**, colleagues abandoned the bullied co-worker, while 15 percent actually joined the bully to torment the victim.

What Constitutes Bullying?

Common wisdom used to be that a workplace bully was an overly strict boss who barked out an order or lost his or her temper. It was often assumed — and still is by most courts — that bullying is the result of an office “personality conflict.”

But workplace experts now identify bullying as a pattern of behavior that takes many forms and includes a host of offensive behaviors, from screaming insults to ignoring employees’ contributions. A **2003 survey conducted by the WBI** named among the most prevalent bullying tactics blaming others for one’s errors, inconsistent enforcement of arbitrary rules, and socially excluding an employee. Bullying can mean a boss denying promotions or publicly and unfairly criticizing an employee’s work. It may take the form of spreading salacious gossip or of excessively monitoring an employee’s workday. It can involve fits of rage, public humiliation, or intimidating behavior such as finger-pointing, shoving, or blocking a door or passageway.

The behavior can range from subtle — constantly invading an employee’s cubicle, say — to overt, as in repeatedly pressuring an employee to quit or retire. Bullies rarely become truly violent, studies

have shown, but the WBI reports that bullying can be a prolonged pattern of behavior toward a victim — lasting, on average, 16.5 months.

What Are the Costs to Business?

All this bad behavior comes at a price. It can lead to absenteeism, increased health-care costs, and greater turnover. “The exact price of the cost of a bully is elusive because the effects are global within an organization,” says Dr. Gary Namie, founder of WBI and a frequent speaker on bullying. “You have to factor in so many indirect costs: lost productivity, disability, absenteeism, turnover, higher insurance premiums, litigation.”

In general, a business saddled with a bully will spend more on sick leave (on average, seven days more per year for bullied employees than for nonbullied workers), greater absenteeism, an increase in on-the-job accidents, and lost productivity (employees who are bullied say they spend between 10 percent and 52 percent of their day fending off harassment instead of working). According to the Level Playing Field Institute, a loss of just 2 percent in productivity at an average *Fortune 500* company due to “unfair treatment,” which includes bullying, runs in the neighborhood of \$8 million a year.

Perhaps the biggest hidden cost is that of turnover. Namie’s studies have found that 82 percent of bullied workers eventually leave their jobs. The Level Playing Field estimates that the replacement costs for employees leaving a *Fortune 500* company because of “unfair treatment” are more than \$16 million annually.

In addition, the bully who earns a six-figure income is often an overachiever, says Mark Goulston, a workplace coach based in Los Angeles. “So when you let him go and hire new people, it’s going to cost at least twice his salary to replace him. Plus, the company suffers a lag in productivity and spends money associated with training new workers.”

What Are the Psychological Costs?

Health costs are another hidden factor. According to WBI’s Namie, a psychotherapist, employees find bullying “psychological torture” and often suffer from a form of post-traumatic stress disorder. His surveys have found that 41 percent of bullying victims become depressed, 76 percent report suffering from “severe anxiety,” 84 percent experience sleep disruption, and that 40 percent of victims who leave their jobs do so because of health-related issues.

The psychological effects of being bullied can’t be overstated, as Robert Rice, a former supply chain manager at Boeing in St. Louis, Mo., can attest. After 24 years at Boeing — which credited him with saving \$2.3 billion by increasing supply efficiencies — a new supervisor began a campaign that belittled Rice and included not-so-veiled threats of dismissal. Eventually he ordered Rice to search for his own replacement. When Rice, his livelihood in jeopardy, learned that the new hire would not only receive a far fatter salary but also a company car, he cracked. He purchased a \$52,000 BMW on eBay with a company credit card. “I was slowly going postal in a financial way,” he says.

The bullying also led him to get into scrapes with co-workers, including calling a colleague a “bitch” in one incident. He was dismissed because of such conduct in 2005. When the BMW and other

unauthorized purchases came to light, the company investigated and Rice pleaded guilty to misusing corporate credit cards, repaying the company \$299,000. He spent more than 10 months in prison.

Rice is now out of jail, but Boeing confiscated stock worth about \$650,000 and voided his pension. The IRS alleges that the money Rice took is subject to tax, even though he already repaid it. "I don't know if I'm going to be able to hold on to my house," he says. "I don't know how I'll pay my kids' tuition. I smile as much as I can despite the mess I got myself into."

What Are the Legal Challenges?

It is a federal crime to harass someone in a "protected class," which includes discriminating against someone on the basis of race, religion, national origin, gender, or physical disability. In some places — Washington, D.C., for example — it's even illegal to discriminate against someone based on physical appearance. But there's no law governing workplace bullies, especially those who harass everyone equally. "The equal-opportunity jerk is protected by law," says Nicholas Woodfield, a principal with The Employment Law Group, PC, in Washington, D.C.

Bullying cases are a tough sell: Judges are typically hostile to claims of intentional infliction of emotional distress in the workplace. "The judges hear these claims all the time," Woodfield says. "They get a bit jaded and calloused because everyone has had hard times at work, and courts are reluctant to intervene over a personality conflict. They don't want to be seen as a super HR department."

Plaintiff's lawyer Steve Hirschfeld, a partner in San Francisco-based Curiale, Dellaverson, Hirschfeld & Kraemer, believes that bullying will become illegal and that the issue has already become a front-burner issue for many managers. "Most sophisticated employers now understand [that] if they don't handle bullying, they are looking for trouble," he says. He used to give training in how to rid the workplace of sexual harassment. "Now I give training in all kinds of workplace behavior as companies realize they have to move beyond the law," he says. He thinks that bullying will follow the path of sexual harassment, which required legislation to get the issue before the courts.

Hirschfeld is no doubt encouraged by David Yamada, founder of the New Workplace Institute and a tenured law professor at Suffolk Law School in Boston. He has drafted the Healthy Workplace Bill, which seeks to close what Yamada sees as a loophole in existing employment law that enables bullies to continue bullying as long as they bully "equally." Yamada's bill would make it unlawful to subject workers to an "abusive workplace" that causes "physical or psychological harm" to an employee. Significantly for business, it would make employers liable for the actions of bullies within their organization.

So far, legislators in 13 states have proposed bills based on Yamada's draft; among the states considering such a law are California, Connecticut, Kansas, Massachusetts, New York, Oregon, Vermont, and Washington. No state has yet passed such a law, and most states considering a bill find the legislation tough to push through. In Washington, for example, the original proposal barred bullying behavior in the public and private sectors, but it was subsequently amended to cover only state employees. The bill is currently sitting in the House Appropriations Committee.

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