



Bullying "occupational hazard" for managers

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One morning late last summer, New Star manager Patrick Evershed hit 'send' on a formal complaint to human resources about executive bullying. He was suspended from his job before the day was done.

Workplace bullying is a fact of life for many in asset management, some experts and an unscientific poll suggest, although the industry is by no means the worst offender.

Mr Evershed, who left New Star Asset Management last September after six years at the firm, filed a complaint claiming constructive dismissal and a pattern of bullying by founder John Duffield. On July 15, he won an appeal against a decision that his claim had been filed incorrectly.

"We do not comment on ongoing legal proceedings," says Laura Cook, a spokeswoman for Henderson Global Investors, which acquired New Star earlier this year in a €124m deal. She notes that Henderson disagrees with the latest decision and will be appealing.

If those allegations of abusive conduct prove true, Mr Evershed would not be alone. In a recent *Ignites Europe* reader poll, 68 per cent of respondents say bullying from senior management is rife and getting worse.

Overall, UK organisations could be losing £13.75bn (€15.9bn) a year as a result of bullying and stress in the workplace, according to data released last autumn by the newly launched Centre for Research on Workplace Behaviours at Glamorgan Business School.

In 2007, UK organisations lost 33.5 million days due to bullying-related absenteeism, and nearly 200,000 workers left organisations because of bullying, the Centre says.

Bullying is no less rampant in the asset management business, says Charles O'Neill, principal at Boston-based executive recruiting firm Diversified Management Resources.

"People who work in senior positions in asset management are by and large very smart, over-the-top competitive, and driven to the point of obsession by the prospect of exceptional financial reward," he explains. "In that kind of environment, stress levels run high and unfortunately bad behaviour becomes commonplace."

Top performers and top producers tend to be the biggest culprits, as they are given more leeway, Mr O'Neill adds. But the corporate culture starts in the corner office.

"People treat their subordinates the way they themselves are treated," he says. "Show me a toxic company and I'll show you a toxic CEO."

Nevertheless, the two industries most prone to workplace bullying are education and healthcare, according to Gary Namie, director of the Workplace Bullying Institute.

"As for the financial industry, it's as if bullying is an occupational hazard, expected and wildly manifested," he says. "In a way, when someone does complain about being bullied, he or she will be mocked by co-workers for not being tough enough by industry standards."

Industries prone to bullying tend to have working environments characterised by worker-on-worker competition, with a de-emphasis on developing strong interpersonal relationships, according to the Institute. Hiring criteria in bullying-prone industries typically call for ambitious and successful people as leaders and do-gooders as staffers.

When bullying is reported, employers in such industries generally side with the aggressors.

Dr Namie recalls a major investment firm that once called the organisation about consulting help, only to have the CEO quash the idea at the proposal stage. "It's too macho an industry and too rich to think it needs help," he says.

On the other hand, asset management is not necessarily as susceptible to bullying as the financial services sector at large.

"It's probably less in this industry than elsewhere in the financial services industry," says Strategic Insight global consulting head Daniel Enskat. "That boils down to the incentives and remuneration packages that you generally have, which tend to be less performance-fee based and outrageous in terms of the ultimate numbers."

Bullying is likely more common at small boutique firms, which are often aligned around a single star manager, he notes. Large global organisations tend to have policies in place to discourage such behavior.

As for Mr Evershed, his claim of constructive dismissal at New Star is set to be heard in the London Central Employment Tribunal. Rupert Lescher, a partner at the law firm Laytons who acts for Mr Evershed, says he does not know when that will take place but adds that long delays are likely.

If Mr Evershed can prove the reason for his dismissal was a protected matter under whistleblower laws, the Employment Tribunal will have no limit on the amount of compensation it may award him, Mr Lescher explains. Otherwise, Mr Evershed must prove the dismissal was unfair, which would put a cap of about £66,000 on his potential award.

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