

Please, don't let Jim get away with the excuse that he was "only joking" when he was perceived to be patronizing and rude. Again, perception is most important in this regard. If he feels that other people in the company lack a sense of humor because they take offense at some of his remarks, that's *his* problem — and the problem of the firm in which he has an equity stake.

Now, on to the issue of Marsha Fixby. You need to fully accept that, given the quality of her work and her popularity with clients, you most certainly will lose her if you don't make her a partner soon. At its worst, her departure could have legal ramifications; failing that, it will surely result in lost business. And just as surely, it will create an atmosphere in which other women employees — whether fairly or not — begin to perceive your firm as an unsympathetic place for women to work. They will view it as a company in which the glass ceiling is impenetrable despite the talent and dedication that a woman might bring to her work.

These are terrible alternatives, so I strongly urge you to look at ways in which you might be able to promote Marsha to partner. Doing so will be a boon to your company in the long run, and should further serve to keep the Jim Morgans of the world in line. Bullies are at their worst when they perceive other people as lacking power.

Finally, you need to take a serious look at how your firm might restructure so that you don't have to deal with problems like this on a crisis basis. It's painfully obvious that the company needs channels for more open communication, so people don't have to resort to backbiting and gossiping in the rest room. You need to put people with real authority in place who can report to you on disputes as they arise, so you won't have to hear about them — after the fact — from your secretary.

Since you also need to create an area of common interest between Jim Morgan and Marsha Fixby, consider appointing the two of them to co-chair a small committee that will make recommendations on how fairness issues are affecting the staff. Being co-chairs will give them the opportunity they need to work openly together and to forge the kind of relationship they must develop if they are both to function as partners. Give them a chance to work the issue out together. If they disagree about something, ask them to decide how to handle it among themselves, and then to get back to you with their decision. The other side of exercising proper authority is knowing when to give other people responsibility for handling their problems.

As partners, both Marsha and Jim will have a long-term commitment to the firm. Unless Jim Morgan is absolutely out of control (in which case, you should review his contract), he will probably prove valuable once he recognizes that you are determined to put strong standards in place and that you are serious about maintaining high morale. You've had a leadership problem in the firm, partly because you've been ambivalent about your role there. That's a problem only you can solve, Dick. Good luck!

Sincerely,

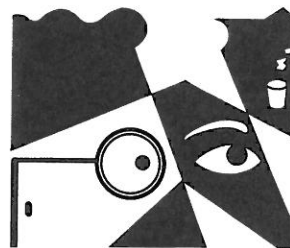
Sally Helgesen

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What should I do with my problem employee? Small Business Forum Spring 1993

Respect, Respect, Respect

Mary Rowe, Ph.D.



Dr. Rowe teaches Negotiation and Conflict Management at the MIT Sloan School of Management, where she is also an ombudsperson for the MIT community.

BY EXPRESS — CONFIDENTIAL AND PERSONAL — FOR MR. RICHARD SHEW ONLY

Dear Richard:

I am honored that you ask my advice. I think of your firm as one of the best in the business. But I am not surprised by your question — nearly everyone who runs a small business has this kind of problem sooner or later. You ask what you should do. Well, I think we should begin by asking these questions:

- Is this an emergency?
- What do I really know? What will I need to know?
- Whose interests are at stake? What are their interests?
- Whose rights are at stake? How?
- How powerful is each major actor? In what ways?

Is this an emergency?

Helen certainly thinks it is pretty urgent. I think so too, which is why I am sending this answer back to you by express. (I hope you will feel free to telephone me. And by the way, do

Nearly everyone who runs a small business has this kind of problem sooner or later.

I believe that humiliation is the parent of destructive behavior.

you have a private fax line?) I am worried about evidence of petty sabotage, intimidation and possible sex discrimination on the part of Jim Morgan. Most of all, I am concerned that Morgan may be acting as if he feels deeply humiliated. I believe that humiliation is the parent of destructive behavior, so to me this makes your question quite urgent. Morgan needs to be approached immediately — with respect — in order to prevent still more serious damage. He needs a chance to talk through his point of view for as long as he wishes.

I am very concerned about Marsha Fixby. Might she be working too hard? Is the firm recognizing her fairly? I wonder what *she* thinks is going on and how she feels about it. I think you are right to be worried about losing another “rising star.” I also think this is not your only possible risk.

What do I really know? What will I need to know?

I know you have every confidence in Helen. She has always sounded to me like a gem. Moreover, as I read your letter, it was easy to believe what she told you. Nevertheless, let me back off just a little, and please bear with me if I ask you to check things out a bit more than you have.

You have always done superlative technical work. I know that you keep up scrupulously with changes in accounting law. (I loved the article you wrote last year on possible 1993 tax changes — and I want you to know that I did indeed move some flexible business expenses into 1993, after I read your piece in the *Forum*.) However — as you say yourself — you have not been able to keep up in this same thoughtful way with your staff and their interests. I am going to suggest to you — after we note your own accounting skills — that your *colleagues* are your most important resources, and that you must get to know more about them. Talking once with Helen is not a substitute for sitting down regularly with Jim and Marsha — and with a number of others, including your clients. **Whose interests are at stake? What are their interests?**

You will, of course, want to make your own list of those whose interests are at stake in this situation. I hope you will begin the list with yourself, and, for that matter, include the interests of your wife and family if you think this is appropriate. I have added Jim and Marsha and Helen, the other staff and the secretaries that you mentioned. I would also add the other partners and your bank. And I am quite concerned about your clients. Am I missing someone

else who matters? For example, are the interests of Hammerly and Jensen — or any other competitor — at stake, and could competitors possibly be playing a role in this difficult situation?

When you get this note, Richard, please make your own thoughtful list of all the possible stakeholders in this situation and what their interests are.

For example, begin with your own short- and long-run interests. Do you want to learn how to deal better with personnel matters on your own? You are only 55. You need to know whether you really are tired and are thinking about exploring a different career, or, whether you want to stay with your firm, but delegate personnel management. In either of these cases, consider having another partner — or possibly Helen, after a promotion to Executive Officer — deal now and later with these kinds of problems. Or, do you now want to learn to practice human resource management and quality management skills — in the same way you have learned and excelled in other areas?

What do the other partners think? *Is there anyone else who could and would take on personnel oversight, now and in the future?* What are the other partners' interests in this situation? Are the other partners also upset about Morgan? Does anyone know about the technical quality of his current work or his relationships with other clients?

My next question is about Helen. Your letter suggests that she has been handling responsibilities that you might well have thought your own. She has been listening carefully to client concern and “facilitated” two clients going over to Fixby. Is her interest simply taking care of the firm? In this case you are probably very lucky and I wonder if Helen is being recognized appropriately. But — are you sure that there is no hidden agenda? The data you give me are consistent with appropriate — or inappropriate — lobbying by women for more recognition of women, and perhaps with some other laudable or problematic motivations, as well. What are her real interests?

The information you gave me about Jim could mean anything. Perhaps he is drinking too much or having some other serious health problem, or is afraid of and resentful toward women, or is over his head, or is being set up by someone and maligned. You need more information immediately. If you could quickly and quietly review any technical work he has done recently, you might get a handle on his situation. But some partner or you need to talk with him soon.

Someone needs to sit down with him to listen carefully and draw him out. Please listen before you raise to him the concerns you have heard. Under all circumstances, give him an adequate chance to defend himself when the various concerns do come up.

By the same token, someone needs to pay a lot of attention right away to Marsha and draw her out in a supportive way. Did she want the last two clients? Does she feel she is doing okay? How does she feel about working with the *other* staff? I recommend doing a little homework before holding these conversations. Be prepared to discuss with her the classic performance evaluation questions: What assignments has she had? What has she gotten done? Where has she been doing well? Is there any way you could help her improve? How does she see her own interests in the next year or two? Listen carefully to see if by any chance she suggests that you talk with anyone else — a secretary, a client, a colleague. If so, follow up.

The interests of the rest of the staff may be very much at stake. You may want to talk with a number of people and ask them quite explicitly how they feel about their work environment and how it could be improved. I remember a time when a colleague from another business had a serious breakdown; I was surprised, but the cleaning person wasn't. She had known for months that something was very wrong, because the colleague had begun to treat her very disrespectfully.

Consider checking in with some or all of your relevant clients. I am thinking about the two that have been moved over to Marsha, but also of others. This is a very competitive economy and I think you or a partner or Executive Officer need to establish relationships that will provide feedback. At the very least, your clients have an interest in being treated professionally. Of course, you will want to ask about work quality and the timeliness of your firm's service to them.

Finally — did you include someone on your list that I do not know about? Please go over your list several times. All the major mistakes that I have made in life (those I know about, at least!) come from failures to think through whose interests were at stake and what those interests actually were.

Whose rights are at stake? How?

Next to each person's name on your list, include a column about "rights" and fill it in. Here are some examples: Do you and the other partners have a right in the Partnership Agreement to ask for a certain level of work? How is this right specified?

Jim would probably think he has a right to

know if his relationships are thought to be unprofessional and so poor that clients are "facilitated" away from him. And of course he has a right not to be slandered (in case the story you have been told is not true).

The staff has a right to a work environment that is free of intimidation and harassment. Marsha had a right to be treated equally, and to have an environment that is free of demeaning comments about her clothes. The clients also have a right to service that is not sexist.

How powerful is each major actor? In what ways?

Each person has different kinds of power to use, whether responsibly or irresponsibly. So, make a third column of what each actor has the power to do and then think about whether they would use that power. The most important groups seem to be you, the other partners, Jim, Marsha, Helen and your clients. You may very well need an hour or two with your attorney, but first try this yourself on the list in front of you.

Do you have the formal power to remove or constrain Jim? To make Marsha a partner? Do you have enough *informal* influence, alone or together with your other partners to change or stop Jim's behavior? Is there any other partner who has a close relationship with Jim? What would you need to know, for example, about Jim's work performance in order to have more power in this situation?

Jim may have some formal powers of his own, in your Partnership Agreement and in law. He might be able to sue for defamation or interference with his business relationships. Marsha (and Helen and the secretaries) might be able to sue for sexual harassment or other forms of sex discrimination, depending on what facts you uncover.

I am also concerned about the informal power of each actor. Jim could mess up the data in your computers, or cause trouble for a client. He might even assault someone in the firm — a secretary, Helen, Marsha — if he is really falling apart and sees no way out. Marsha might leave with vital private information about the firm and take a number of clients with her. Clients might hear of trouble and leave your firm. Helen already appears to have had enough informal power to facilitate client moves in the firm. You may want to consider this point carefully. Should Helen be promoted? Or was she overstepping in an inappropriate way? What might she do next?

Obviously, you have not yet had a chance to think this through and to collect information. Also, I do not mean to unduly discourage you.

The staff has a right to a work environment that is free of intimidation and harassment.

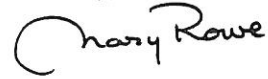
*Respect, respect,
respect.*

(Remember that I am always looking for ways to minimize the worst possible losses as well as to maximize the best possible gains!) Would you want to call as soon as you have had a chance to think this through a bit, so we can work out long-term and short-term strategies that make sense? You may want to do a bit more nosing around before you make any decisions, or you might need to ask someone else to gather more information.

In the meantime, old friend, please remember: respect, respect, respect. Everyone in your firm

matters to you. And all may be doing the best they can. So — begin by listening *a lot*, before you make the next decision

Sincerely,

A handwritten signature in cursive script that reads "Mary Rowe". The signature is written in black ink and is positioned above the printed name.

Mary Rowe