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An Organizational Dilemma

by Isabel Rimanoczy

It was another one of those rainy days that seemed to typify the summer Ellen was sitting with her back to the door, looking out of the window trying to clarify her thoughts about the challenges of her job, and how they centered on the complexities of human behavior. She loved her work as VP of HR largely because it **did** involve interaction with humans in all their potential and frailty, but sometimes she was a little envious of those in the corporation whose job seemed only about task fulfillment, about equipment, quality measurements, and timelines. These people were surprised when difficult situations arose that were linked to human behavior, and, when they called her for help, she knew that it was her job to deal with sensitivity to understand the behaviors that precipitated the problem. This is what kept her busy 99.9% of the time!

This latest dilemma was incredibly complicated A few days ago, Carol Henkins, Project Leader of the NHS division, wanted to have lunch with her. On the way to the cafeteria Ellen noticed that Carol was looking really sad.

"Something wrong, Carol?" she asked

"Yeah Ellen, you can tell I'm not doing well... I just feel horrible and need to share something confidential with you, if you promise me not to say a word to anyone about this. Promise?"

"Count on me!" Ellen replied.

Carol took her tray and walked to the corner table way across the room, trying to find the most private place to sit down.

"It's about a member of our project team, Nick. I have been observing him for a long time now, and I think he is getting a kick back from the main vendor... and he is supported by our VP! They are in this together!"

"Wait a moment Carol. Are you serious? How did you discover that Nick is doing that, and that Jack is involved? That is a serious matter!"

"I know. I have been observing his behaviors, his attitudes, and everything points in that direction; and he HAS to be supported by Jack, otherwise he could never have succeeded in making the deals, there's no doubt!"

"So what did you do?"

"Ellen, I did all I can, I went to talk to my boss, and he was shocked like you. He asked me to find out if the Purchasing Department had some restrictions that we could use, such as getting a quote from three vendors when the purchase exceeds a certain value. I went and they said there is no such rule. So I agreed with my boss that there's nothing we can do, because if we talked about this with any other VP, the word would quickly get back to Jack and we'd both risk losing our jobs! Jack is a very powerful member of the executive team. You know we cannot put our jobs at risk, not even for ethical reasons. I'm sorry. I have a daughter to support."

Ellen's stomach churned, but she asked calmly,

"How can I help you?"

"I have to live with this, but if you happen to know of a position in another area, let me know. I'm ready to switch departments."

Ellen promised she would let her know if a possibility came up.

That was a few days ago, and then today, Jack called Ellen into his office. He said he called her because he needed her prompt intervention in a delicate matter. One of the brightest members of the NHS Project Team, Nick Walte, had confided in him that he was looking for another job. He had decided to quit the company because he could no longer stand the treatment of him by Carol Henkins, the Project Leader. Nick complained that it seemed to be something personal, that he couldn't figure out, but Carol had been treating him in a very distrustful, sometimes rude manner; she seemed to always find something to criticize in him, didn't pay attention to his ideas and requests, and constantly gave him the "cold shoulder". This had been happening over a year, and it was now more than he could stand, and he was leaving now.

Ellen tried to control her expression and swallowed in silence, as Jack continued:

"Ellen, this is not the first complaint I have heard about Carol Henkins. I have had ongoing problems with her since she was recruited, and I thought that training would help, but I gave up on that hope. The possibility now of losing such a valuable high potential as Nick Walte is pushing me towards making a decision that I have been postponing. I want you to help me with this situation, and see how can we keep Nick. I don't mean to dismiss Carol, but..."

Carol was unable to articulate a quick answer. She thanked Jack for sharing his concern, and promised to get back to him with some options. She needed to reflect.

How should Carol solve this dilemma?

Three commentators offer expert advice...

BRUCE GANT:

Several factors are important in creating a high performance organization such as a strong vision and set of values, clear objectives, defined processes, motivated employees and good performance

management processes. However, when investigating performance or employee conduct issues, focusing on behavior is the paramount concern.

Bruce Gant

Bruce Gant is former Senior VP of HR at Sensormatic Electronics Corp. and currently President of Sharp HR Associates.

When Carol asked Ellen "not to talk to anyone", Ellen's response of "count on me" could create future problems. A better response would be "Carol, I will do everything possible to protect your confidentiality but you should know that I have an obligation to investigate issues that may have legal implications."

Assurances of confidentiality should be sincere but acknowledge the possibility that a legal investigation may require Carol's involvement and her identity disclosed to others on a "need to know" basis. Carol should be informed that company policies prevent reprisals to those who report misconduct. Ellen should make sure she is familiar with the regulations on privacy and the legal safeguards for those who report legal or ethical misconduct. Employers in the U.S. should make sure they are up to date on the whistleblower provisions of the recently passed Sarbanes Oxley Act. After dealing with Carol's frustration and anxiety, Ellen should tell her that she'll review this situation and take appropriate action. Ellen will need to find out from Carol exactly what evidence exists to support her perceptions. A transfer may not be needed but Ellen should assure Carol that she will work with her on this.

Ellen should respond to Jack's request by saying she will look at Carol's performance record and come back with a suggested response. Next, Ellen should work with her Chief Financial Officer and Legal Counsel to apprise them of the issue and develop a plan of action. Carol's name should not be released to anyone if at all possible. In the end, Carol's perceptions may be validated and Nick would likely be terminated. If not, Carol may need to be counseled about teamwork issues or the investigation may lead to other unpredictable outcomes. In any case, justice must be balanced with compassion and professional objectivity is critical in handling this situation.

CONCEPCION HERNANDEZ:

Ellen's dilemma is one frequently faced by an HR Manager, where we are put in a position to judge a situation and make a decision that will affect other people's lives and careers based on partial or conflicting information.

Concepcion Hernandez

Concepcion Hernandez is former Global Head of HR for Patagon.com and currently President of Fortia Human Capital Experts.

The first piece of advice that I would give Ellen and that I believe is key in cases such as this one, is to try to validate both versions and gather more information to get a better insight on what is really going on, before proceeding any further. She's heard Carol's and Jack's perspectives, but if she doesn't know them well enough I would try to get the perception of other people that know them better and could possibly shed some light on the situation. In my experience, most of the time someone brings forward a sensitive issue like this one, he or she tends to be a courageous individual with integrity. However, sometimes you can be facing a troublemaker or a jealous person who wants to harm or get out of the way someone they don't like, who makes them feel threatened or insecure. This could be the case if Jack is telling the truth and Nick is a valuable high potential. If it is confirmed that as Jack says, Carol is a trouble maker and there are other complaints about her, then the real issue to deal with is Carol.

If on the other hand there is additional information that confirms or reinforces the possibility that

both Jack and Nick are involved in some unethical practices, then Ellen will know that it is an issue she must elevate to higher management.

TONY PEARSON:

I will address this dilemma from the perspective of an **Executive Coach**. If I were coaching Ellen, there are several strategic approaches that I would ask her to explore.

She must first look at assumptions she may be making:

Tony Pearson

Tony Pearson is a Senior Coach and a founding Partner at LIM

- Do you consider that Carol's assessment is, in itself, sufficient evidence that Nick is guilty of receiving kick-backs, and that Jack the VP is also involved?
- Can Carol provide indication of unusual patterns of purchases from the vendor?
- Have you approached the Purchasing Department?
- Do they indicate that Nick has pressured them to give work to this vendor?

I would invite her to consider additional perspectives in the relationship between Carol and Nick. Ellen must clarify their past history, and ensure that no ulterior motive is in operation.

- What do you know about the past relationship between Carol and Nick?
- Is it conceivable that there is an underlying issue between the two team members?
- Could Carol be using the allegation as a weapon to punish Nick for an unrelated issue?

Next, I'd attempt to get her to consider her options. She, as VP, could propose that the company must have a policy for awarding contracts. With purchasing's help, and by researching the policies of the industry and those of Fortune 100 companies, she could reinforce her argument. She, with the Head of Purchasing as an ally, could get the President's buy-in, and then the Executive Committee's approval.

- What formation of a company policy support you in this case?
- How can you engage the executive team so that they handle, and are seen to handle the issue?

I also would ask questions to help her explore the implications and consequences

- What might be the impact of your offer to Carol to look for a position in another department?
- If her allegations are true, won't you still be facing the issue of impropriety?
- If the allegations are not true, but rumors get out, what might be the consequence of her moving with your help?

Finally, I would explore how she could handle Jack:

- Do you believe his previous interventions with Carol were sufficient to expect a behavioral change?
- What exactly did he do?
- Is it possible that Jack has, unwittingly, given you the opportunity to address Carol's and Nick's relationship, and perhaps begin to unravel the knot?

This ethical dilemma is shared by both Ellen and Carol who will have to act according to their own value system. Carol has already made her decision, and Ellen will have to accept that, regrettably, in the United States, "whistle blowers" are sometimes not valued by senior management.



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E-mail: Newsletter@LIMglobal.net - www.LIMglobal.net