Disengaging a Workplace: A Case Study

by

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How it Started

It happened so suddenly. No one expected it or even had a clue it was going to happen! Although many of the employees had seen the housing market dip, few understood how it would impact the company and their work life. Why should they? They worked hard and went the extra mile to make sure the Division was successful. The Division Executive Vice President was vivacious in interactions, encouraged employee autonomy, deliberately recognized and rewarded employees frequently. He was well-liked and amicable to all. To be sure, employee hierarchical needs were being met.

Unknown to the employees was the disconnect between the company CEO and Division Vice President. The falling out had begun twelve months earlier. Seems the CEO and Vice President had strong indifferences to the future of the company. The CEO chose a path with high tech implications with a clear vision of the workplace of the future. On the other hand the Executive Vice President along with numerous senior managers was resistant to the CEO. They believed the vision would increasingly reduce customer interface along with a negative impact on financial growth. The vision was broad and encompassing throughout the company. One of the initial visionary actions was an attempt made by the CEO to launch a service center centrally located in the state. The center would interface with customers and in turn lead to removal of third party and staffing needs. The launch was a major investment in a physical plant to house the center, investment in technology and the onboarding and training of staff.

The resistance grew at a rapid rate. As much as those who desired the center, there was a greater force resisting. The creation of the center, according to the proponents of resistance, was a rigorous display of …*building the bridge as you walk on it* instead of building support coalition(s) upfront. It was the classical example of resistance to change. In this case the resistance had armored itself with open defiance. The indifference between the CEO and Executive Vice President grew stronger and more pronounced.

After nearly one year into the launch, it was decided that the center was not producing the anticipated results and was alienating the customer. After pondering financial reports and customer feedback the Executive Vice President announced that the center would downsize with responsibilities returning to the field. Little did he realize that the decision set the stage for forthcoming actions by the CEO. Or, as an observer said later, it was the clash of rapidly expanding egos and only one person won.

Disengaging Employees

It was not long after the center downsized that actions started taking place. The CEO confronted the Executive Vice President and announced his immediate “retirement.” The Executive Vice President was out. The Vice President for Operations was promoted to the position. Rather than utilize the Division office, the new Executive Vice President chose to remain in his current location. However he unofficially assigned the Chief Financial Officer to be responsible for the Division Office. There was no formal communication for the assignment nor clarity of role and responsibility. Employees could only assume the CFO was in charge.

The CFO immediately went to work. He challenged each office area to justify positions, placed parameters on spending, and took over decision-making responsibilities from top down. The pain was excruciating for all employees. Decision making was taken from them, idea generation faded and the entire office was under close scrutiny by the CFO. Work became motions rather than actions. Fear and intimidation were replacing happiness. It was walking above the eggshells. The CFO was relentless in his effort to control. What was once an engaging workplace became a select few surrounding the CFO. The remaining employees were frustrated with the leadership behavior of the CFO and his carelessness in communicating information. As one employee commented, *He has taken individual self-esteem to a new low*.

The CFO requested that all problems/inquiries be directed to him for decision-making purposes. The overload began to consume the CFO. Meetings were scheduled and re-scheduled by the CFO due to a massive “pile up” of employees seeking decisions. Employees scheduling meetings with the CFO were constantly showing up only to be told that the meeting was cancelled again. Productive opportunities were dissolved due to ongoing meeting cancellations. Communications from the top down were infrequent and work effort irregular with lingering frustrations among the employees. Interestingly enough, the CFO bypassed employees responsible for work tasks and delegated to other employees having little knowledge or expertise of the task at hand. He had little knowledge of individual role and responsibilities. Employee skill mastery was insignificant to the CFO. He just wanted employees to carry out his directives. Thinking remained secondary to employee work efforts. The CFO had intentionally immobilized an engaged workplace with disengaging actions. Employee purpose, skill mastery and autonomy were insignificant to the CFO.

Engaging employees is the opposite to the approach taken by the CFO where decision-making power and taking action is in the hands of few. Studies and practical applications overwhelming support the belief that the best managed and most successful companies are engaging their employees in ways that reflect a conscious commitment to the notion that all employees can make a significant contribution when engaged. Understanding how to engage employees at all levels can often be the difference between average performance and high performance.

The challenge facing the CFO is that his control needs and feelings bubbled up to the surface. This made it difficult for him to genuinely trust others to manage work. It also impacts performance in negative ways. Employees no longer care or want to contribute to the success of the company.

The chief responsibility of an effective leader is one who manages themselves thoughtfully rather than emotionally in order to lead others in ways that get best results. The CFO chose to ignore the basic principles of leadership effectiveness. Unfortunately the consequence has overwhelmingly removed a once thriving workplace to a culture of employee disengagement. It is now a workplace of survivors and disinterest.