

# Executive Support Service

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# The Paul Smith Case

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Paul Smith is a director of sales at a large publishing company. The company divides its activities into five divisions, each concentrating on a specific market. The publishing world is facing challenges from the internet age and needs to respond to changes in the needs of the market that is favouring on line communication and electronic books.

Paul S has been with the company for 8 years. He has gradually developed an award winning sales team that has contributed significantly to the profits of the company. His sales team out - performed other sales teams, and Paul has benefitted from this in his performance reviews and salary and bonuses. His sales team has also benefitted from their success in similar ways.

About two years ago Paul's deputy, Alison Jones, went on maternity leave, and after a few weeks, resigned from her position. This exposed Paul as his deputy had effectively been the driving force behind the team, and her absence was clearly felt by everyone. Alison was charismatic at work, engaged with everyone in the team and encouraged them towards high performance.

It didn't take long, after Alison's departure, for the team to disintegrate. Paul's leadership abilities were exposed as confrontational, with a short fuse, in marked contrast with Alison's behaviour. It became obvious that Alison was able to shield her team from the behaviour of their boss. In fighting began to break out with the members of the team adopting a highly competitive approach to each other, resulting in various sharp practices, and the emergence of negativity amongst the team. Performance plummeted as the team failed to see what was happening to their market, being focused on internal fighting and taking their individual and collective eyes off the ball. Paul seemed completely unable to deal with this deterioration and became progressively more volatile, culminating in a grievance being taken out against him by a member of the administrative team who had been on the receiving end of some abusive and unnecessary aggression from Paul over a relatively minor administrative matter.

The grievance accentuated an already deteriorating situation which the MD for the division, Gareth Ainsley-Rogerson, could not ignore. One day Gareth, along with Cynthia Perks his HR Advisor, went to see Paul in his office, unannounced. Reports of this meeting differ; on one hand Gareth reports that it was an amiable exchange of views about the current situation, whilst Paul reports that he was humiliated and bullied. The outcome was a referral to Occupational Health, on the pretext that Paul needed to be 'checked out' before the grievance hearing could take place, as it was felt by the MD that Paul was acting 'out of character'. Instead of attending his appointment with an Occupational Health Physician, Paul went to his GP, who had no option but to sign him off sick for 6 weeks with stress.

Cynthia Perks has no idea what to do next. The MD has no idea how to take charge of the disintegrated sales team, although he was minded to put someone else in charge as an interim measure until the mess was sorted out; but he failed to find anyone willing to take on the job.

# Organisation Psychological Issues

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The overall aim of psychological interventions in business and services is to create and sustain a psychologically healthy workplace that produces staff engagement, contribution and performance. The characteristics of psychologically healthy organisations are:

- *a clear, unambiguous **purpose**, expressed as a simple 'big idea', an idea which all the staff relate to closely, and are proud to discuss with friends and colleagues.*
- *an atmosphere of **confidence**, where all the staff are interested in each other, support each other, and project this confidence towards clients and customers.*
- *staff who behave **respectfully** towards each other, value each other's views and opinions, work in teams which are places of mutual support, where anything is debated **without a hint of humiliation**, where the critique of individual and team work is welcomed, discussed and where lessons are learnt and implemented.*
- *staff who '**go the extra mile**' by providing unsolicited ideas, thoughts, stimulus to each other, and where their interest in their customers offers something more than is expected, beyond courtesy, and beyond service, offering attentiveness and personal interest.*
- ***challenges** for their staff, that provide opportunities for personal development through new experiences, and which treat everyone with fairness and understanding.*
- *staff who are **personally driven** towards organisation and personal success - intellectually, financially, socially and emotionally.*

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## 1. Purpose

The publishing industry is facing a challenging future, with the, now obvious, trend away from the printed word to the electronic transmission of words. Everyone in the industry knows this, and the impact on the leadership and workforce will be concern for their future employment, and for the leadership the uncertainty of how to maintain and increase profits before, during and after the transition to a new business with a new purpose, whatever that might be.

### Key psychological points:

Clarity of purpose is the starting point on the road to embedding commitment and trust between the workforce and their employing organisation. Commitment and trust, where it exists and is strong, reduces psychological distress and the enormous costs of the 'iceberg effect' – the general negativity that lies below the surface; sickness, absence and staff turnover, and contributes significantly to high performance, growth, expansion and high standards of service

## 2. Structure

The company has five divisions. It appears that each division has a managing director, and it can be assumed, a range of supporting services including HR. Occupational health services are mentioned. The structure may not be the most appropriate to ensure that all employees are fully engaged in the development of the business. Once Alison Jones left, Paul was exposed. This suggests that Paul was able to be camouflaged by the structure and the people populating it, and only when someone leaves is he, the leader, exposed.

### Key psychological points:

In order to create and sustain commitment, trust and staff engagement in the business the organisational structure needs to be as flat as possible and designed to achieve the prime purpose of the business or service. A flat structure requires individuals to be more closely linked to decision making for the organisation as a whole. This enables everyone's contribution to be showcased to others in the business. A flat structure would not have allowed Paul Smith to hide. He would have been more closely engaged in the divisional business as a whole, and this would have exposed his personality and style more easily.

The number of divisions enables individuals to gain a wider experience through a career development programme. This contributes to creating and sustaining commitment, trust and engagement, as individuals are more likely to feel valued by the company and less likely to leave for experiences elsewhere.

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## 3. Rules

Invoking the grievance procedure should be considered as a symptom of failure in the interaction between parties. All 'grievances' should be resolved prior to a formal procedure being invoked. Once a procedure is invoked there is no telling where the events will take the parties. The costs involved are significant, and could include any costs of a Tribunal Hearing and its result.

### Key psychological points

Grievances, if unresolved, create a 'ripple effect' amongst the workforce leading to an atmosphere of negativity. This, in turn, diverts the concentration of people away from their work towards the causes and ripples of the grievance. Grievances can pre-occupy the working day.

It is natural that people working together will express different opinions and views; it is, generally, unacceptable for people to 'fall out' because of differences of opinion. If a situation develops where a 'falling out' occurs, then simple mediation between the interested parties should be introduced immediately. The manager should undertake mediation. If the manager is involved then the manager's manager should undertake the mediation.

Grievances taken out because of the behaviour of managers and workers are different. The behaviour of Paul Smith is the opposite of that required to create and sustain commitment and trust. Paul Smith needs training in emotional intelligence, and in man management. He needs to show attentiveness towards his team, and his team will show attentiveness towards him as a

natural psychological response. He needs to demonstrate empathy with the challenges his team faces, and he needs to engage his team in helping to resolve the challenges brought about by Alison's departure. If Paul Smith had adopted these behaviours there would be no requirement to invoke the grievance procedure.

Paul Smith needs to behave in the following ways to ensure his team trust him and is committed to the organisation. This will avoid any grievance lasting longer than a few minutes.

Paul needs to be someone who:

- Is attentive to others
  - Addresses individual needs
  - Is able to offer direction with committed ambition
  - Is able to attract psychological 'status' – someone who others believe is wise and sensible
  - Has intelligence and humour
  - Creates stress and pressure and has the ability to deflate it
  - Is assertive
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## 4. How to play the game

### Key Psychological points

#### Change

Change of any kind is a trigger for psychological distress. Psychological distress is, therefore, foreseeable. Significant change (ie the change to the purpose and process of the business), unless managed effectively, may have a massive impact in terms of the 'ripple effect' of distress, eventually causing the work force to lose interest, look for work elsewhere, and become unmanageable. The management of change is an essential managerial tool. The essential elements of change management that are effective in minimising psychological distress are:

- Honesty
- Effective interactive communications between everyone
- Team working and opportunities for discussion
- Clarity of issues
- Clarity of purpose
- Leadership showing clear direction in uncertain circumstances

#### Appraisal

Paul Smith was not appraised sufficiently deeply to identify his incapacity to manage people. Staff appraisals need to be comprehensive – high performance is not the only end that justifies the means. Sustained high performance requires a rigorous appraisal process of individuals and their teams. The use of 360° assessment processes is helpful in finding out how a manager manages his or her staff by seeking the anonymous opinion of co-workers about the managerial abilities of the manager. The same approach should be applied to all team members.

## Career development

Career development is a key feature in creating and sustaining commitment and trust. Paul Smith had been in the company for 8 years and had gradually developed his career. However, he was in the same position for 8 years, and this should have registered with his manager. His development requirements may not have been identified nor met. He should have acquired a broader experience in the 8 years than appears from the case. Had Paul Smith acquired a more broad based experience he may have been exposed to a wider range of role models from whom he might have acquired man management skills.

## Succession planning

Succession planning provides both a career opportunity for individuals and resilience for teams. By openly demonstrating that succession planning exists staff feel they are valued by the organisation and are, therefore, likely to have greater commitment and trust in their organisation. Succession planning adds to the topics for personal appraisal, and provides individuals with personal ambitions that are recognised by their employing organisation.

## Emerging leader

All leaders need to be awake to the influence of the 'emerging leader'. The emerging leader tends to be someone who thinks they know how to lead better than the 'legitimate' leader. The aim of the emerging leader is to take over the leadership spot without taking on the leadership responsibilities that the legitimate leader holds. Emerging leaders, therefore, destabilize a team. In this case Alison Jones became the de facto leader, but without the overall responsibilities. Once she decided to leave the team, the legitimate leader was exposed. An approach to dealing with the emerging leader is for the legitimate leader to ensure he or she acts under the close direction of the legitimate leader, so that the leader can maintain his or her leadership role effectively. In this case the legitimate leader lacked the training in leadership to recognise this phenomenon, and was powerless in dealing with Alison, preferring to receive the accolades that came with her success – until it all collapsed.

## Teams

Teams that consistently out achieve others and receive awards are in danger of suffering from 'groupthink' – the phenomenon where a team fails to pick up information from outside the team, and, therefore, fails to respond to changes that take place in their company or market. The isolation of a team such as this will make it very difficult for outsiders to break through the barriers that the team creates. Hence, in this case, once the key influence in the team left (Alison) no one was willing to take on the job of interim leader when John Smith left. Equally, the team becomes a law unto itself, which can become very disruptive. In this situation, Paul Smith benefitted financially from creating and sustaining an unhealthy team. It is a situation of short term gain for long term grief.

Team working is the most effective method of achieving success in any organisation. However, creating and sustaining effective teams requires substantial psychological understanding. We have seen that this team suffered 'group think' – a pernicious phenomenon that can produce real dangers.

There are some key factors in team working. Teams need to be comprised of members that complement each other rather than being clones of an individual. Teams need to adopt the approaches required to create and sustain commitment and trust in the team as a whole as well as the employing organisation. Team leadership can adopt a range of approaches from leader as agent for the team, as facilitator, as team developer, but most of all as the person that instils the idea of the whole being greater than the sum of the parts. Effective teams cement psychological and physical health and wellbeing by being the 'places' where team members can act together without any fear of humiliation; can contribute whacky ideas without being laughed at, and can co-ordinate together without individual harmful competitiveness.

Teams can, also, be the vehicles for change, if they are well integrated into the wider organisation, as they can act as learning sets where each member contributes their skills, knowledge and experience in bringing about effective change. As a sales team this team will have a massive impact on how effective the company can change its direction from print to electronic media.

### **Leadership behaviour**

Leadership behaviour is central to success. Paul Smith exhibits behaviour that guarantees failure. He adopts behaviour that is the opposite of the behaviours required to create and sustain commitment, trust, engagement, contribution and performance. Instead of adopting the negative behaviours, Paul should have been trained in the skills needed to manage people. The skills of 'managerial seduction' are critical in team leadership – a critical behaviour being attentiveness to individual need – the individual being a team member as well as a client or customer. Had Paul Smith adopted appropriate behaviours the negativity that surrounded the team would not exist, and the in-fighting would not have happened.

### **Spotting a possible grievance – flawed recruitment – Duty of Care**

The causes behind a grievance process should have been spotted by Paul's MD well before the process was invoked. This shows a lack in the 'Duty of Care' by the MD towards the workforce as a whole. His lack of awareness of behaviours in others indicates his lack of emotional intelligence. This, in turn, shows that the recruitment process for both the MD and for Paul was flawed. Recruitment involves at least two people – the person offering a job and the person wanting to take the job. The two people involved have entirely different expectations, and these need to be merged.

Various psychological approaches to recruitment are available; they include psychometric assessments of personality combined with skills assessment, and testing of individual ability to manage people. Assessment and Development Centres are easily established to help ensure that the appropriate candidate is appointed to the job. Development Centres are easily established to re-assess individual ability at regular times during careers. Failure in this critical process can produce massive costs to the business or organisation in repairing the damage caused by flawed recruitment and a failure to regularly re-assess ability.

## Counselling and coaching approaches

Instead of 'invading' Paul Smith's office, the MD and his HR advisor should have considered a neutral approach to establishing what was happening to Paul Smith. The sight of the MD and HR advisor together would place Paul on immediate alert to something being wrong.

Under these circumstances the MD might have realised that Paul was vulnerable, and probably incapable of undertaking the leadership role he was in. A less dramatic approach is indicated. Even if the MD had in mind that he would have to remove Paul, the intimidating approach set off a series of events that rendered the MD incapable of dealing with the situation.

It would be perfectly reasonable for Paul to be invited to the MD's office for a routine discussion about the events and the situation with Paul's team. A counselling or coaching approach by the MD towards Paul would indicate that the MD is interested in helping Paul, and provide the opportunity for the MD to find out some facts. He should not have included the HR advisor.

An empathetic MD would achieve far more than an aggressive MD; he would have kept Paul at work, and could have worked out a joint strategy for addressing the team's issues. The MD and Paul working together would reinforce the position Paul holds as leader, and provide Paul with the confidence to reveal his abilities in dealing with the challenges he faces with his team.

Adopting this approach, the MD would then be in a better position to make decisions concerning Paul's future; as the events unfolded the MD referred Paul to a third party (Occupational Health), and Paul took fright. The costs involved are massive in terms of lost leadership, a dysfunctional team and poor prognosis for a successful outcome.

## Confused roles

Cynthia Perks should have refused to attend the meeting between the MD and Paul Smith. This situation was a people problem that is a problem for the MD. His lack of training as a leader left him with little choice but to make the situation more difficult to resolve by referring Paul to Occupational Health – a possible misuse of the Occupational Health role. Cynthia Perks is not a direct line manager and couldn't deal with Paul; neither could the MD; nor Occupational Health. GPs have little choice but respond to the story of the patient, so, inevitably, prescribed a period off work – a decision that is hugely expensive for the company.

The MD, Gareth Ainsley-Rogerson, is in need of personal development as a leader. He needs the skills to create and sustain trust and commitment, as Paul clearly didn't trust him. The MD requires the same skills of leadership that Paul requires.

### **Resolution of the immediate problem of Paul Smith and his sales team.**

Given the circumstances of inadequate management and conflict, the MD is faced with a situation that can be resolved by third party investigation and resolution. By inviting a third party to investigate the situation, with a remit to advise the Grievance Panel, the whole situation can be examined with recommendations on how to move forward. This can be completed within three days, with recommendations taking longer to implement. An experienced investigator should be enabled to review the whole context of the Paul Smith case, including previous correspondence and personnel records. The recommendations should address the immediate conflict and propose solutions to enable the business to return to high performance as fast as possible without creating further disruptive activities.

### **Longer term solution for the organisation**

At the same time as resolving the immediate problem of Paul and his sales team, the business needs to overhaul its approach to effective performance. The impact of preventing psychological distress at work is to have a workforce that is engaged with the business; that contributes without effort to the growth of the business, and produces even greater results than before.

The approach is to create and sustain commitment and trust between the employee and their employer by establishing clarity of purpose, creating a structure that promotes involvement, and training for all in the behaviours that encourage, provide opportunities to showcase personal talent and skills and produces the customer services that customers find irresistible.