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Why do good employees stay in bad organizations?

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KEYWORDS

Abusive organization relationships; Unhealthy work environment; Workplace abuse; Corporate culture; Employee-abusive organization Abstract Family and work are two of society's most important institutions. It is understandable, then, that some similarities would exist between the two. One unfortunate aspect of such relationships is that families and organizations may be abusive to members. When this occurs in familial relationships, research has identified dynamics that keep people in the abusive situation. We consider here how those same dynamics can occur in abusive organizations to identify factors that keep employees in unhealthy work environments. We then examine intervention techniques and concepts that can be used to enable people to recognize an abusive organization, the long-term damage such organizations can inflict on employees, and ways to assist individuals in exiting an abusive organization setting. Our intention is to create awareness of the harm that can be caused by abusive organizations and provide a framework that will enable people caught in a pattern of organizational abuse to understand their choices and behaviors.

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1. Good organizations, bad organizations

Conventional wisdom tells us, as managers, that the most effective way to run an organization is to be friendly and approachable in the eyes of our subordinates. We are encouraged to develop a climate of trust and loyalty based on mutual respect and concern for employees. Companies like Southwest Airlines (an organization based on love, not fear)

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and Google are touted as paragons of employee-centered organizations. Annual lists of the best companies to work for from Fortune or Forbes stress compensation and benefits, employee attitudes, leadership, and work-life balance as hallmarks of great workplaces. Everyone, it seems, wants to work for a 'good' or 'great' organization.

Yet we all have heard of companies that achieved success using a different approach to management. In these organizations we see a leadership-by-fear mentality, workplace bullying, constant pressure to perform, and autocratic governance techniques. These working conditions can lead to negative effects for employees, both professionally and personally, and can even cause serious health

A.A. Buchko et al.

issues. For instance, a recent article in *The New York Times* described the high-pressure organizational environment at Amazon (Kantor & Streitfield, 2015):

Workers are encouraged to tear apart one another's ideas in meetings, toil long and late (emails arrive past midnight, followed by text messages asking why they were not answered), and held to standards that the company boasts are 'unreasonably high.'

Although this received national news, Amazon is hardly the first company to cultivate a harsh workplace environment. In 1913, turnover at Ford Motor Company was so high due to the harsh working conditions that the company had to hire 5,300 people a year to keep 14,000 jobs filled—nearly a 400% turnover rate (The Henry Ford, 2013). This type of workplace environment is not limited to physical, blue-collar work, either. Microsoft Corporation spent the first decade of the 21st century watching the value of the company decrease due in part to the firm's internal culture. An article for Vanity Fair (Eichenwald, 2012, p. 111) noted that "staffers were rewarded not just for doing well but for making sure their colleagues failed. As a result, the company was consumed by an endless series of internal knife fights."

Business history is replete with examples of companies run by tyrant-like CEOs and managers—people more focused on their own interests than working for the good of the company or their employees. This mentality can grow and eventually take over the entire culture of an organization. Employees are pushed to their limits physically and mentally, causing negative effects in their personal and professional lives. The most obvious solution for these employees would be to quit their jobs and find employment in another organization that is more suited to them, one that demonstrates the qualities of a positive workplace. Yet many employees choose to stay in an abusive organizational relationship—why?

In this article, we consider the psychological research involving abusive relationships and how that psychology translates into the business and organization environment. As managers, understanding the psychological reasoning behind employee behavior can help us better anticipate how employees will react in various situations and how they affect individual and organizational performance. This also provides a framework with which we can view our own situations and ensure that we are not in an unhealthy workplace situation or position. Fundamentally, we are asking a seemingly simple question: Why do employees stay in abusive organizations?

2. Abusive organizations

The abusive organization has been defined as one that "operates with callous disregard for its employees, not even displaying what might be considered a minimum amount of concern for their human needs" (Powell, 1998, p. 95). Also known as employee-abusive organizations (EAOs), these are organizations "in which employees experience persistent harassment and fear at work because of the offensive, intimidating, or oppressive atmosphere" (Lutgen-Sandvik & McDermott, 2008, p. 305). These are organizations that care little for the needs, attitudes, or feelings of employees. People are viewed almost as non-human entities. This dehumanization of employees is manifested in numerous ways, including requiring employees to work long hours off the clock and endure substandard working conditions, high levels of stress, and unreasonable performance demands.

For purposes of our discussion, we distinguish abusive organizations from abusive supervisors. There is a well-developed literature and body of research on abusive supervisors (e.g., Mackey, Frieder, Brees, & Martinko, 2015; Tepper, 2007) that has identified (1) causes of abusive supervision, such as supervisors' perceptions of mistreatment, perceived injustice, and perceptions of subordinates as weak, vulnerable, or hard to get along with; and (2) the results of such behaviors, such as negative attitudes of subordinates toward the job and organization, deviant work behavior, lower performance contributions, and diminished psychological well-being. While abusive supervision is certainly unacceptable, we view abusive supervision as distinct from an abusive organization. Supervisors engage in abusive behaviors either because they view these acts as acceptable or they are encouraged to do so by the organization for which they work. Abusive organizations, on the other hand, have climates or cultures in which abusive behavior is seen as the norm and abuse is manifested in the policies, practices, and institutional characteristics of these organizations apart from individual supervisors' behaviors.

This distinction is not insignificant. There are certainly abusive supervisors in non-abusive organizations. If one were to look hard enough, it might be possible to find abusive supervisors in organizations on the great-places-to-work lists. The presence of abusive supervisors does not necessarily make an abusive organization. Likewise, there are undoubtedly some very competent, employee-centric supervisors in abusive organizations—supervisors who do not buy into the organization climate of abuse and who treat employees in a fair, just, and equitable

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