The Case of the Temperamental Talent

by Lawrence R. Rothstein

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What happens when a company’s most valuable employee is also its most destructive?

The Case of the Temperamental Talent

by Lawrence R. Rothstein

As Bob Salinger, CEO of Tidewater Corporation, a manufacturer of luxury power boats, surveyed the damage, the words of Morris Redstone, Tidewater’s reorganization leader, rang in his head: "You better come down here immediately, Bob. Ken Vaughn’s gone nuts. He’s broken a computer and trashed his office. It looks like a wild bull just stormed through."

Morris was right. Ken had thrown a chair at his CAD/CAM monitor, overturned his desk, and swept everything off his office bookshelves. "Something really must have set him off this time," Bob sighed. All Morris had said on the phone was that he and Ken were meeting on the reorganization plans. Those meetings had become a weekly ritual and, from all reports, an increasingly stormy one. But this time Ken had gone way too far.

Bob picked up the broken model of Ken’s latest boat design and carried it to his car. He eased his Lexus through the company parking lot and drove the short distance to the highway, where the usual rush-hour traffic awaited him. As he slowly made his way home, he reflected on Ken’s career at Tidewater. Ken was one of the best and the brightest, and everyone recognized his value to the company. Bob had personally recruited him to head their design department. Tough, aggressive, smart. That was Ken. He had a unique ability to handle complex design problems and create innovative solutions. Bob liked Ken a lot. They had spent many Saturday afternoons together playing golf and planning Tidewater’s future.

But Bob had heard growing complaints about Ken’s dark side. Ken was becoming more and more uncooperative with the other departments. He refused to discuss his latest projects with anyone but Bob and had convinced his staff to do the same. It was no secret he had a temper. At the recent annual picnic, he got drunk and insulted several people from the sales staff. Also, his personal life was shaky. Ken’s wife had called Bob recently to see if he knew what was causing Ken’s severe mood swings. That’s when Bob reminded Ken see Harold Bass, the head of the human resources department, who had been anxious to get Ken into Tidewater’s employee assistance program.

Lately, Ken’s behavior at work had worsened. He had missed a number of important meetings. He had fallen way behind schedule on his new design, which Morris, who would become Ken’s new boss, thought was a deliberate attempt to disrupt the reorganization. Except for some sudden bursts of anger, Ken had become quiet and withdrawn. He rarely talked to anyone and spent most of his time at his computer.

Most bizarre of all, a few weeks ago, around the time Tidewater started implementing its reorganization plans, Ken began riding to work on a Harley-Davidson motorcycle. And he replaced his sportcoat and tie with a leather jacket and t-shirt, like a latter-day Marlton Brando in The Wild One.

Bob knew Ken was too valuable to lose, but his behavior was impossible to ignore. Morris claimed Ken was jeopardizing the whole reorganization— a move that Tidewater was staking its survival on. Intense competition from the Dutch and Italians and a declining market share compelled Tidewater to change radically. The task was daunting. Bob had to take a company created around traditional notions of boat building— which had always produced excellence — and move it into the twenty-first century. Tidewater had to con-
Morris shook his head. "You've said it yourself, Bob: the reorganization is our only chance of being here five years from now. Ken is either on the bus or off the bus. From where I sit, he's not only off the bus, he's slashing our damn tires." Then Morris added emphatically, "Fire him, Bob."

"Bob looked over at Harold Bass. "What do you think, Harold?"

"This has to be confidential. I wouldn't usually talk about such personal matters, but there's a lot at stake here — for Ken as well as the company." He turned to Morris. "Bob sent Ken down to see me three months ago after he disappeared for a couple of days in the middle of the week without telling anyone where he was going — even his wife. Ken and I had a very unpleasant meeting. Ken wouldn't hear about the employee assistance program, so I recommended he see a therapist. Well, Ken felt humiliated. The only reason he went is because he believed he was under pressure from Bob to do something. The therapist is outstanding and works with people like Ken all the time. But Ken attended only two sessions before he insulted the man and left, for good."

"I think he's dangerous," Morris interjected.

Harold ignored Morris's remark and continued. "Ken's case is a little complicated because of personal problems he has right now. You know, it's not uncommon for middle-aged executives like Ken to engage in aberrant behavior when they're under intense pressure. For Ken, it means wearing a motorcycle outfit and roaring around on a Harley. He's going back to a time when he was younger and felt he was more in control of his life."

"But the real problem is not Ken. Nor is it the reorganization plan itself. It's the human factor. Change is inherently stressful. Ken wants to do a good job, and he sees the reorganization making it difficult for him to do the quality work he values — the kind of work that's made him a star."

DRAWINGS BY CHUCK MORRIS
On top of his personal problems, it's not surprising that he blew up. “So some people have a problem dealing with change,” Morris said. “The fact is, they have to adjust. That's reality. I don't mean to be cold, but the survival of the company is more important than avoiding Ken Vaughn's hot buttons.”

“I understand that we’re here to talk about Ken Vaughn,” Harold said, “but I have to tell you that Ken's not the only one buckling under the pressure of the reorganization. I've had a steady stream of people for the last month complaining about the stress around here. Some have become physically ill. Several have talked about leaving. How many people can we afford to lose? We can fire Ken — he's done some stupid things — but there are other Kens working at Tidewater. In fact, it people see that we can dismiss somebody whose contributions to the company have been as visible as Ken's, they'll feel even more insecure in their jobs.

“Bob,” Harold continued, “I think the only one that Ken will listen to is you. You're going to have to work something out with him, and you're going to have to do it right away.”

“I know,” Bob answered, “but I'm no longer sure how to get through to him. Look, he just needs to get his mind off his personal problems and focus on the challenges ahead.” Bob turned to Morris. “Morris, I think you can deal with Ken. Harold will give you some advice on how to handle him. Think of it as a golden opportunity to flex your management skills. Turning Ken around could really do a lot for your reputation around here.”

Morris shook his head. “I've always prided myself on my ability to motivate people, but there's no way I can manage Ken. I'm not dealing with a rational person. The only thing that will satisfy Ken is for him to be independent again. Actually, I don't even know if that would make him happy. Besides, I have other people to think about. I can't coddle to one guy just because he's got some problems he can't handle.”

Harold looked over to his boss and said, “Bob, Ken won't listen to us, and particularly to Morris, who he sees as the enemy. You have a personal relationship with him. You like him and care about him. You're going to have to take charge.”

“I agree. You have to take charge,” Morris said. “Get rid of him before he does any more harm.”

Bob sat silently for a moment, thinking about what Morris and Harold had said. They had convinced him that something had to give. “I'm going to need a little time to think this through,” Bob said as he saw his guests to the door. “I'll try to have a decision by tomorrow.”

Alone in his office, Bob picked up Ken's broken boat model and turned it over in his hands. “A little glue here and there and it'll be as good as new.”

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Is Ken Vaughn too valuable to fire or too volatile to keep?

Four experts consider Salinger's options.

If a company expects an artist to flourish, it must manage successfully what appear to be unmanageable traits.

The delay between the first signs of trouble with Ken Vaughn and the formal decision to address the problem has left Tidewater in a crisis. Because of the wasted time, emotions have been raised to a dangerous level, making Vaughn's outburst even more difficult to resolve.

Vaughn is undoubtedly a star, and the company needs people like him. But people like Vaughn are prima donnas, extremely touchy, and, in the context of a tightly run corporation, an unstable factor. These characteristics are part of an "artist's" psychological makeup. If the company needs an artist to flourish, it must learn to manage successfully what appear to be unmanageable traits. People like Vaughn are at their best creatively when they feel that they are special and necessary and can retain their independence and freedom. Tidewater's management seems to miss this point.

By having Vaughn report to Morris Redstone under Tidewater's reorganization plan, Bob Salinger has shut off Vaughn's creative juices and destroyed his willingness to work. Redstone lacks the understanding, diplomacy, and tactfulness necessary to handle such a sensitive matter. The reorganization takes away responsibilities Vaughn enjoys and has strained his relationship with his colleagues. Salinger made a major mistake sending Vaughn to a psychotherapist, an action like that can only cause resentment.

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Given the poor management at Tidewater, firing Vaughn may seem like the simplest solution—but it's not the best. The corporation can't afford to lose such a high flyer right now. Nor can it send the signal to other employees that top management doesn't care about individuals. Besides, firing Vaughn merely sidesteps the real problem: something is wrong with the way the company is handling its reorganization plans.

There is a strong possibility that Vaughn is behaving the way he is because he doesn't understand why change is required and so perceives it as a personal threat. Other employees might feel the same. And the proposed structure will not work if most employees are against it.

The solution is for Salinger to get involved personally. He should first defuse the situation and gain control of the emotions involved. Vaughn needs reassurance, and Salinger must move quickly to show him that he is indeed valuable, unique, and necessary to Tidewater's future. Salinger should give Vaughn a chance to calm down and put things into perspective. Then he should involve Vaughn in a review of the overall reorganization situation—its raison d'etre in relation to the vision and strategy of the company.

Salinger has to get Vaughn excited about work again for the sake of the company. Clearly, Vaughn doesn't want to be part of the product development team. Perhaps Salinger could give Vaughn a special new design assignment that he could work on alone, giving him an opportunity to refocus and rettool.

In this decade, as companies reorganize and take risks to remain competitive, managers will have to deal with people like Vaughn more and more often. Because behavioral problems seldom go away on their own, managers must learn to act at the first sign of trouble. In many cases, a situation like Vaughn's is indicative of a larger problem within the company. Dealt with correctly, behavior like Vaughn's can be a learning opportunity for the entire organization, strengthening it for the long term.

STEVE NIVEN is vice president of human resources at Central Atlantic Toyota Distributors, Inc. in Glen Burnie, Maryland.

Vaughn should be terminated immediately with a very generous severance package.

There is a laudable tendency on the part of many in management today to look at a situation such as Tidewater's and apply "rational" methods to get everyone to calm down and accept the inevitability of change. In this particular case, such an approach may be a waste of time. Circumstances have already reached critical mass.

Bob Salinger has allowed things at Tidewater to get out of control, perhaps because of a grudging sympathy for Ken Vaughn. After all, Vaughn was personally recruited by Salinger and undoubtedly helped him build the business. Consequently, both feel highly vested in the company's past and would be particularly resistant to change. In Vaughn's case, the resistance to the reorganization is unusually dramatic, and as a result may be easy to deal with. Salinger, however, whose resistance is far more insidious, presents a more difficult problem.

Taking Vaughn first, he has refused the company's offer to provide counseling through its employee assistance program and his behavior has become steadily more obtrusive and destructive. The effect on his employees, peers, and others at the company can only be imagined. However, it is safe to say the atmosphere of fear and apprehension usually pervasive during a reorganization such as Tidewater's has been exacerbated by his histrionics.

Vaughn should be terminated immediately and given a very generous severance package. The severance offering should be put in the form of a written agreement that would protect company confidential designs and information Vaughn was privy to, while at the same time affording Vaughn the protection of having the terms of his dismissal kept confidential.

At first glance, the decision to terminate may seem precipitous, especially in view of Vaughn's purported indispensability to the company and his attractiveness to competitors. But weighed against the damage Vaughn has inflicted at Tidewater and his intense separation behavior, the decision to terminate seems preordained. Any other action would merely defer the problem.

Of course, the risk of losing talented employees should be minimized whenever possible. But a company should never be held hostage to that concept when behavior like Vaughn's threatens the organization's drive to survive.

Tidewater's reorganization is vital to the company's future. Salinger needs to take a hard look at his role in the Vaughn situation and what that might mean relative to his support for the reorganization. Perhaps an open and frank discussion with Morris Redstone and Harold Bass might yield some interesting feedback as to just how committed the CEO really is to Redstone's reorganization plans—and to Tidewater's future. Certainly, Salinger's benign passivity cannot be the right leadership approach needed for a company undergoing the kind of painful change occurring at Tidewater.

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A fired Ken Vaughn is Tidewater's worst R&D nightmare.

I can identify with Ken Vaughn. As a newspaper reporter employed by a company undergoing rapid growth, I was forced by management to give coveted story assignments to a newcomer with no journalism experience but lots of connections. It seemed that everyone at this company had a say in what my new role would be. Everyone but me. Unwilling to put up with this situation, I left the newspaper and ultimately the business. I resent my editor for treating me so shabbily, especially when he knew I was facing difficult problems in other areas of my life.

At Tidewater, Vaughn has been similarly brushed aside. Bob Salinger claims to be Vaughn’s friend, but he hasn’t taken the time to really talk with Vaughn about what is going wrong. Salinger assumes Vaughn is upset with his work and his situation at home, but he has not delved deep enough to discover whether Vaughn is facing additional problems, perhaps financial or health related. Vaughn may feel betrayed that Salinger shuttled him off to Harold Bass in human resources just as he would any “average” employee. If Salinger believes Vaughn is really that valuable to Tidewater, he should be handling the situation by himself.

For years, Vaughn has worked alongside Salinger and has been made to feel special—the talented one, the shining star of the organization. Now Morris Redstone will be taking over as Vaughn’s boss, creating a chasm between Vaughn and Salinger. Vaughn feels Redstone has snatched his department, his status with coworkers, and his friendship with Salinger all in one fell swoop.

Redstone doesn’t understand how people like Vaughn fear change. They may have little control over other aspects of their lives, so it becomes very important to control their lives at work. If change is to happen, employees like Vaughn want to be the ones who inspire it and see it through.

Vaughn is too proud to quit but too miserable to stay at Tidewater under the current conditions. As I did, Vaughn wants the problem to be resolved for him, the experience to be behind him. But in his current state of mind, he is unable to take the necessary steps to meet this goal. I knew leaving the newspaper was the only solution, but a great deal of denial on my part kept me working there longer than was healthy. My anger affected the quality of my work and my life. And anger can be a far more powerful motivator than ambition. It remains long after unhappy employees are fired or leave of their own design.

A fired Vaughn is Tidewater’s worst R&D nightmare. Even the most loyal employees will share company secrets if they feel they have been betrayed. If Vaughn’s talent is as reputed, overseas competitors will offer lucrative salary, terms, and freedoms to draw him and others from Tidewater. These competitors could design a package equivalent to the days when Vaughn was happy at Tidewater, creating a refuge for Vaughn and other disgruntled employees. While employees like Vaughn may not want to quit or be fired, they can justify leaving if they perceive another company is luring them away because of their talents. I would have jumped at a chance to work at a competing newspaper.

Salinger must decide if Vaughn is more valuable to Tidewater or to its competitors. It must be Vaughn’s decision to stay at Tidewater, and he will decide to stay only if he is made to feel indispensable. It is unlikely that he’ll agree to stay under Redstone’s directive. Perhaps a short-term compromise is to have Vaughn stay on as a full-time, salaried consultant to Tidewater, independent of Redstone but with an office and support staff provided within Tidewater facilities. This would return to Vaughn some of the control he craves and keep him working at Tidewater. Salinger’s smartest move would be to let Vaughn think this was his idea.

LYLE MILLER is director of the Biobehavioral Institute in Brookline, Massachusetts and coauthor of The Stress Solution.

Rehabilitating Ken Vaughn is easier than trying to replace him.

Ken Vaughn’s behavior is an extreme symptom of a reorganization scheme that has failed to consider the human factor. Reorganization involves a lot more than just reshuf-
CASE STUDY

be trying to get fired to ease the stress he feels at Tidewater.

In my work, I frequently see burned-out executives like Vaughn
who resist any kind of "psychobable." Some actually seem to enjoy
the concept of being stressed out
from overwork - they see it almost
as a badge of honor. These execu-
tives respond well to a systematic
program of relaxation, self-regula-
tion, and problem-oriented stress
management. Many of them come
back from burnout stronger and bet-
ter equipped to deal with stress than
ever before.

Vaughn's behavior cannot be toler-
ated. In the end, he has to either
straighten himself out or leave. Re-
placing Vaughn could prove very ex-
ensive. It may be far cheaper for
Tidewater to try to rehabilitate him.
Vaughn can come back, but he has to
get himself under control. Profes-
sionals can help, and Tidewater can
foot the bill, but it's critical to have
Vaughn's cooperation. If he doesn't
make the effort to control himself,
Salinger will have to let Vaughn go
regardless of the consequences to
Tidewater's competitive position.

Salinger and Vaughn must discuss
how to alleviate the stress that
brought on the present situation. To
bring him back into the fold,
Salinger should emphasize to
Vaughn how valuable he is to Tid-
water and how vital the reorganiza-
tion is to Tidewater's survival. He
should solicit Vaughn's input on the
reorganization and consider it seri-
ously. Vaughn may have some cre-
ative ideas that neither Salinger nor
Redstone have thought of.

But such a scenario is unlikely to
occur because Salinger himself is
resisting change. He insists on han-
dling problems the same way he al-
ways has - by delegating them, this
time to Harold Bass and Redstone.
Why should he be surprised that em-
ployees are resisting the changes
that Tidewater's reorganization is
bringing into their lives?

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