



**Jump Business Solutions Limited**  
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## **If we told you that your workplace bully is costing you \$100,000, would you do something about it?**

Around 70% of employees who are bullied in the workplace leave their jobs as a result. Studies reflect that when you include absenteeism, poor decision-making, and sick leave, bullying costs (on average) between \$3,500 and \$4,000 per employee in the workplace. If the matter requires outside assistance in terms of investigations, legal advice, and professional counselling then companies can expect costs to soar to over \$100,000- and that's before OSH becomes involved!

These costs include replacing employees, education and training, investigations, legal costs, performance discussions, lost time, damage to workplace equipment/customer relationships, harm to the reputation of your business and the emotional harm experienced by the victims.

At Jump we know just how much time, effort and expense is invested in supporting the bully to behave differently. And too often we know that victims are left unsupported and exposed to further risk.

Over 15 years, we have provided independent investigation services to employers seeking an objective view of events occurring in their workplace.

Historically, most of our investigations have involved allegations of either **HARASSMENT** (more often sexual) or **DISCRIMINATION**. Investigation is generally initiated in response to the employer receiving a complaint from an employee.

Bullying is not a virus that has suddenly found its way into our workplaces. Every workplace has been infected with a bully or two. Bullying is often made up of cleverly calculated repeated actions, which separately, may be relatively minor, but which can cumulatively come to constitute serious forms of abuse.

Victims often leave, and the real loser is the company. But things are changing:

1. Employees are becoming more aware of their legal rights to safe and healthy work– they expect protection from bullies and the harm they can cause.
2. Employers are becoming increasingly aware of their legal responsibilities to safeguard their people against harm –including the mental harm caused by work-related stress.
3. Employers now face increased risks of prosecution and penalties for failure to act reasonably and responsibly to prevent harm from occurring.

In the past, many workplaces sanctioned or ignored bullying behaviour. But the HSE Act in 2003, made bullying notifiable as a workplace hazard – something that can harm people and make them ill. Employers suddenly began taking complaints seriously and acting upon them.



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It may seem sad that it takes the threat of prosecution to enable people to enjoy a place of work; one where work colleagues are afforded dignity and respect, and harm isn't caused. There is no debate about the health-effects bullying inflicts; yet generally many still avoid confronting a bully, or standing up for the victim. No one wants to get involved. People fear the bully – and they fear becoming a target.

Today, employers have to deal with it or risk the wrath of the law.

At Jump, our investigations into alleged bullying on behalf of employers, have revealed some concerning consistencies:

- Workplace disciplinary procedures, policies and codes almost always covered situations involving employee behaviour that damaged equipment, sales, customers, company reputation, etc. Rarely did they include damage or harm to co-workers (other than sexual harassment and violence).
- The employer already knew for some considerable time of the bully's behaviour towards both the target and former targets.
- The employer had received numerous prior complaints from employees yet failed to put a stop to it.
- Despite continuing complaints the employer had never disciplined the bully. In fact bullies had been promoted or rewarded.
- All interventions taken by the employer were aimed at supporting the bully to behave more appropriately, and generally included lengthy coaching, counseling and training.
- The employer did not provide support or protection to the target (most avoided the complainant), and failed to monitor the effectiveness of interventions.
- Over time the bullying continued, and harm to the target increased in seriousness.
- Often, the bullying involved costly sabotage and damage to workplace equipment, product, commitments, and customer relationships.

In almost every case, had the employer acted firmly and appropriately at the outset, harm could have been averted and the bullying stopped. Initially, most employers concluded that complainants were 'overly sensitive'. They did not diagnose the seriousness of the situation until symptoms got much worse.

In the event of illness, injury, physical or mental harm caused by work-related stress occurring, the case histories suggest that employers would struggle to defend themselves against prosecution.

When OSH does become involved, they will ask the same kinds of questions that apply to any other occurrence of harm:

- Did the employer have effective systems in place to manage health and safety?
- Was the employer in a position to foresee, or ought reasonably to have known that the situation could cause serious harm to employees?
- Did the employer make reasonable endeavours to assess and address what harm might occur?
- Did the employer take all practicable steps to ensure the safety of the employee?
- Did the employer ensure that no action or inaction caused harm?

Prosecutions have involved employers who clearly knew that their employees were in strife, yet failed to practicably or reasonably manage the situation.



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## What does your bully cost your company?

According to Jump a workplace bully can easily cost the employer in excess of \$100,000.

- Upon average, approximately 10 days of coaching, counselling and training (often involving the time of senior personnel) is invested in attempts to change the workplace bully's behaviour. *\$5,000 +*
- Time to investigate and report on a bullying complaint can be considerable, particularly since substance is generally based upon repeated behaviours over time, which would not singularly satisfy a finding. *\$15,000 +*
- Most employers engage legal counsel to assist with disciplinary proceedings, since bullying can be difficult to prove. *\$3,000 +*

What dollar value do you put on:

- Replacing employees who have left because they can no longer take the bullying, and/or replacing the bully? *Up to 150% of each person's salary*
- Performance disruption and lost time of all parties involved (including co-workers who rarely stand up for the target, but often go to considerable lengths to provide emotional support, and to help the target avoid the bully)?
- Damage to workplace equipment, product, commitments, customer relationships?
- Harm to business or workplace reputation?
- Emotional harm experienced by victims and affected others (family, co-workers, ...)?

And these costs exclude any action taken by OSH or via personal grievance.

Earlier this year a district court judge delivered judgment against an employer for failing to take all practicable steps to prevent one of its employees suffering from workplace stress. This is the first criminal prosecution under the Health and Safety in Employment Act for workplace stress. A confidential settlement between the parties had already been reached and the Judge took this into account when imposing a fine of \$8, 000 plus reparation.

However, Australian courts and tribunals have signalled a clear intention of getting tough with workplace bullies. In a recent decision, the New South Wales' Supreme Court awarded an employee exemplary damages of \$150,000 for the bullying he was subjected to in his workplace.

## Prevention is Better than Cure

Over the past 15 years Jump has helped numerous organizations identify, isolate and deal with workplace bullying and harassment. We help identify issues before they become crises in the workplace. We manage programmes of restitution for victims and equally, we provide management programmes for bullies to ensure they become productive workplace leaders.



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Our Workplace Harassment Prevention Programme includes these defined steps:

- |                               |   |
|-------------------------------|---|
| <b>Development</b>            | Development of the foundation policies and systems to ensure a platform for success is created.                                 |
| <b>Consultation</b>           | Obtaining approval and buy-in of various key people and groups within the organisation.   |
| <b>Preparation</b>            | Obtaining sign-off and commitment from key people with your organisation.   |
| <b>Training and Awareness</b> | Ensuring people have the skills and knowledge required to ensure a workplace free from harassment, discrimination and bullying. |
| <b>Implementation</b>         | Involves putting the policies, procedures and support structures into practice.   |

A Jump Workplace programme helps employers diagnose and remedy workplace issues in the early stages - before they cause organisational breakdown and significant liability.