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Selling Executive Leadership on the Need for a Workplace Violence Prevention and Intervention Program

By James Sporleder



About James



With more than 25 years experience in security, James is nationally known for his expertise in specialized captivity survival. He's trained thousands of U.S. military personnel from some of the most elite units in the DoD and had the additional honor of bringing many of them home.

James has worked in the corporate arena for more than 17 years, focusing on the development and implementation of specialized training programs and helping more than 50 percent of the Fortune 100 prepare for and respond to emerging challenges related to workplace violence, intimate partner violence, and extreme violence such as active shooter.

Contents

Do You Speak "C-Suite"?

See Things through Their Eyes	03
Acknowledge Unfamiliarity and General Misperception around This Topic	03
Remember... They're human, too.	04
Offset the Underestimation of Risk	04

Explaining Why Extreme Situations Mean Extreme Risk

Calculating the Unimaginable	07
------------------------------	----

Measuring Disaster	08
--------------------	----

100x-200x Impact!	10
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All is Not Lost	11
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Selling Executive Leadership on the Need for a Workplace Violence Prevention and Intervention Program

In my 15+ years of experience working with organizations (including many Fortune 100 companies) on the issue of Workplace Violence, I've found the vast majority to have talented and motivated specialists who understand the issue and are working diligently to establish and grow an effective Workplace Violence (WPV) Prevention and Intervention Program.

Naturally, however, these initiatives often compete for time and resources with multiple other priorities, prompting action officers to often ask me, “how can I get my senior leadership to see the importance of (and subsequently fund and make time for) a proper program?”

The following are some observations and insights I can share in this area:



See Things through Their Eyes

In my interactions with top executives on the issue of workplace violence, common responses often sound like what I call “Push-back Themes.” These are very natural responses for leaders concerned with time and money obligations across a myriad of programs as they execute their strategic responsibility to keep the organization vibrant, profitable, healthy, AND safe. So, don't be discouraged if the initial response you get from the C-Suite about your program is a little less than enthusiastic.



Acknowledge Unfamiliarity and General Misperception around This Topic

Unless an organization has faced, or is dealing directly with, a crisis situation related to workplace violence, the issue can remain under the radar for many senior leaders. Combine that with a general misperception that workplace violence only relates to situations involving physical violence, and it's easy to see how an executive might think “that doesn't happen very often,” or “that won't happen here.”



Remember... They're human, too

Human behavior is dynamic and, as such, we are unable to specifically predict what others will do in response to stressful situations. For instance, if an employee has their work hours cut, we know generally that they'll experience anxiety. But what we don't know is how they will respond particularly as a result.

- Will they become despondent, go home, and sit in a room alone?
- Will they blame someone else and express anger and aggression toward that person... or others?
- Will they blame themselves and consider self-harm?

This is why there's no psychological profile of a workplace violence offender, because despite all that we might know about a person, we just can't predict who will or who won't decide to act out violently.

And it's this kind of uncertainty that can lead anyone to an overgeneralized impression that since violence can't really be “predicted,” there's nothing anyone can do to anticipate or prevent it. Executive leadership can often be subject to this misconception. Combined with the idea that an incident of extreme workplace violence is low probability, it's easy to see how leaders might take an “ad-hoc” (“we'll deal with it if and when it happens”) approach.



Offset the Underestimation of Risk

By adopting the perspective that workplace violence is a low-probability/ low consequence scenario that only merits an ad-hoc approach, senior leaders can significantly underestimate the inherent risk to their organization. The facts surrounding the prevalence and overall cost of workplace violence demand a more formalized organizational response.

Even at a pragmatic level of “cost avoidance,” the issue of workplace violence calls for focused and advised organizational attention. To cite just one example, retribution settlements for “actual violence” at work (read “physical violence”) average **\$500,000** for out-of-court settlements and **\$3,000,000** for jury awards.¹

Note: In making the case for WPV prevention to executive leadership, it's important to remember that figures are relative. While costs in the hundreds of thousands (or even millions) are, to many of us, significant sums of money, placed against the total revenue of a multi-billion dollar company, they might seem like “just the cost of doing business,” in the larger perspective. Be sure to consider and present WPV's organizational impact from all angles, as is done in this eBook.

Explaining Why Extreme Situations Mean Extreme Risk

In a worst-case scenario, workplace violence demands that senior leaders pay closer attention since an extreme event could be catastrophic.

We're speaking here of those rare but tragic workplace violence situations where there's a loss of life resulting from an active shooter, or some other form of life-threatening interpersonal violence.

Clearly, the loss of life represents incalculable loss to the loved ones and family members of the victim(s), and even a single casualty in this regard is one too many. But, there are other, pragmatic aspects to consider and that has to do primarily with what happens in the aftermath of such a tragedy. As one emergency planner once told me, *"[in the case of an active shooter] the emergency might be over in a matter of minutes, but the crisis has just begun."*

"That singular shooting happened more than 26 years ago, but its impact still reaches to us today. It was life-changing."

- James Sporleder,

- Reflecting on the Fairchild Air Force Base Event, June 1994



First-hand Experience

I've personally had the experience of what it was like to live in and near the aftermath of an active shooter event that took place on Fairchild Air Force Base in June of 1994. An ex-Air Force member entered the base hospital, shot and killed four people, and wounded 22 others. I remember the immediate terror that swept through the base as we tried to figure out what was happening and whether or not there was a continued threat to others.

I watched as the base and its population were broadcast on national TV and I wept with my friends who were in the shooting but, thankfully, uninjured. I watched the base and command leadership work through an exhaustive and arduous investigation of what might have been done to avert the incident, as well as rapidly plan and execute comprehensive improvements to base security, not to mention a complete and utter remodel of the building interiors where the shooting took place.

Many on the medical staff were relocated, by request, to get away from the area. And many, many people required critical incident debriefings and follow-on mental health care to deal with the trauma of the incident. I met a nurse some 15 years after the incident who was on-scene at the time of the shooting, and he still couldn't talk about it without extreme emotional difficulty. That singular shooting happened more than 26 years ago, but its impact still reaches to us today. It was life-changing.

Calculating the Unimaginable

So how do you measure the impact of an extreme workplace violence event? And what do you measure?

The best answer I can give is by example and, again, it's through a desperately unfortunate tragedy, namely, the Virginia Tech shooting. As is commonly known, in April 2007, an undergraduate student shot and killed 32 people and wounded 17 others. What is not so commonly known, though, is the total, measurable cost of the shooting.

Cost of the Virginia Tech Shooting - Numbers as of 2012

Safety & Security Upgrades	\$11.4M
Facilities & Equipment	\$6.39M
Communications	\$2.52M
Legal Costs	\$4.79M
Archiving	\$324,258
Family Services Supporting Survivors & Families	\$2.75M
Campus Health & Wellness	\$7.43M
Other Operational Impacts	\$3.17M
Health Care Costs	\$590,042
Federal Government Expenses	\$3.66M
Local Government Expenses	\$3,581
State of Virginia Expenses	\$8.87M
TOTAL	\$48,233,643

The Center for American Progress released a report in April of 2012 detailing the cost of the shooting at \$48,233,643.² However, during a presentation I attended at the Association for Threat Assessment Professionals (ATAP) in 2017, we were informed at that time that the total cost of the Virginia Tech shooting had continued to climb and costs were then estimated at nearly

\$65 Million.

² Auditing the Cost of the Virginia Tech Massacre, How Much We Pay When Killers Kill, Anthony Green and Donna Cooper, April 2012

100x-200x Impact!

The potential impact of a company crisis on indirect aspects of the organization such as brand and reputation has been calculated by some reports to be as high as 100x-200x the measurable costs of the crisis.⁵ (See sidebar →)

A 100x-200x measurable costs formula applied to the case of the 2007 Virginia Tech shooting tragedy would place the total, long-term impact of the shooting tragedy somewhere between **\$650 Million to \$1.3 Billion**.

This type of impact has the potential to reach beyond insurable levels, which is to say that such an event has the potential to be utterly catastrophic to an organization. As stated in the PwC/OM report, "Reputation has become a strategic asset that is increasingly crucial to manage."

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RECALL

Another Case Study

In 1999, Coca Cola spent \$250 Million recalling Coke products produced in Belgium following a health scare. (Some children seemed to be getting sick following consumption of Coke products and it turned out later that the product did contain "defective" CO₂, which produced an "off taste.") Although the situation was in no way life threatening, the perception that the products were making people ill, especially children, resulted in a **\$50 Billion** loss in shareholder value in the trading year following the incident; that's 200x the cost of the recall.

Measuring Disaster

One way Enterprise Risk Managers have been attempting to calculate the potential damage to reputation and brand is by measuring the impact of a crisis on the shareholder value of publicly traded companies.

And while there currently isn't any direct research linking this data to a workplace violence incident such as an active shooter event, there are still some reasonable parallels to be drawn when attempting to quantify the full potential breadth and depth of the damage such an incident might have on an organization.

In a recent white paper published by Pricewater Cooper (PwC) and Oxford Metrica (OM),³ an analysis was done on shareholder impact of major reputational crises occurring since 1980 with a particular emphasis on high-profile corporate disasters since the 2008 financial crisis.

Three criteria provided the basis for inclusion into the study:

1

The disaster had to be of human origin

2

The company had to be publicly listed at the time of the event

3

The crisis had to have attracted significant public and media attention.

The research team gathered a wide range of data from airline, retail, financial, industrial, and technology industries from across North America, Europe, and Asia Pacific.

The results of the study are very sobering. Since 2008, the corporate crises as analyzed by the study cripple shareholder value by an average of five percent in the course of the trading year following the crisis. But the study goes further to say that IF the crisis event involves the loss of human life, there is an even greater detrimental impact, and the LOSS to shareholder value increases by a factor of nearly 3 **to an average loss of 13.5 percent.**



Specific Case – Milwaukee Brewery

Let’s try to put that into context with specific reference to a workplace shooting at the Milwaukee Brewery, which is a part of the Molson Coors Beverage Company, a publicly traded company with more than 17,000 employees and a market capitalization of roughly \$7.63 Billion as of this writing.

If the active shooter event that happened in February of 2020 has a similar impact as those examined in the PwC/OM study, the Molson Coors Beverage Company could face a potential loss of just over \$1 Billion in shareholder value in the course of this year! (**\$7.63 Billion x 13.5% = \$1,030,050,000**).

An article published in May of 2020 by Market Watch reports that the shooting “took a heavy toll on the business [as] first quarter results show.” The report goes on to say that the brewery was shut down for a week and took days to get back to full capacity when it reopened.

Gavin Hattersley, CEO, stated “While this may have been a passing tragedy for those outside the company, it impacted every employee in different ways. It changed the employee experience in our company forever.”⁴



Milwaukee Brewery Shooting

On February 26th, 2020 a mass shooting occurred at the Molson Coors Beverage Company in Milwaukee, WI. The perpetrator, an electrician with the company for more than 20 years, killed five employees before turning the gun on himself. While police have still not confirmed a motive for the shooting, there was a noose found on the shooter’s locker back in 2015 that might have played a role in his decision to act out violently.

The incident garnered national attention and formal condolences from two U.S. Senators, the Speaker of the House and the President of the United States.

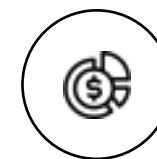
All is Not Lost

These statistics paint a pretty dismal picture and – given the extraordinary impact extreme events can have on an organization – might seem rather discouraging.

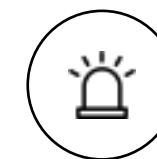


The purpose behind providing this information is to help those attempting to implement a robust Workplace Violence Prevention and Intervention program explore the topic in a way that would be meaningful to an Executive Leadership team. While it’s true that not all things rise and fall on monetary value, it is also true that companies and organizations must maintain fiscal solvency in order to remain viable.

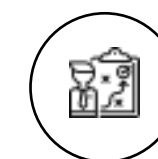
The good news is that there is also research showing that the efforts organizations make towards properly preparing for and responding to a crisis, make a positive impact on long-term viability. The PwC/OM report cites that **the companies they surveyed that self-identified as “emerging stronger from a crisis,” shared the following characteristics in common:**



Allocated budget to crisis management before the event



Had a tested crisis plan in place



Set a fact-based approach that included all key stakeholders



Performed a detailed post mortem and acted on the findings⁶

Being prepared for a crisis is vital, but so is taking every measure possible to prevent one in the first place. In the case of workplace violence, awareness and recognition must be combined with training on the action steps that can be taken organization-wide to prevent violence from occurring, and to minimize the impact of an extreme event, should it occur.

⁴ Molson Coors Results Were Not Only Hurt by Coronavirus, But The Aftermath of a Shooting at its Brewery, Tonya Garcia, May 2, 2020, [internet], <https://www.marketwatch.com/story/molson-coors-results-were-not-only-hurt-by-coronavirus-but-the-aftermath-of-a-shooting-at-its-brewery-2020-04-30> image src: <https://images.app.goo.gl/efp23GMx4LKf1SCF6>

⁶ ibid.