

When Good Employees Go Bad

LEARN HOW TO HANDLE STAFF WHO ACT UNETHICALLY AND HOW TO PROTECT YOUR BUSINESS FROM THEIR BAD BEHAVIOR.

By Debra Atkinson, MS

A health club employee is caught red-handed falsifying timecards and is guilty of embezzling \$5,000.

An accountant pockets nearly \$40,000 from membership sales, covering the trail by manipulating internal statements and membership records.

A massage therapist and a personal trainer are each accused of sexual harassment.

These situations don't tell the tale of

ethical business success built on the lofty vision of enhancing the quality of life. Unfortunately, the fitness industry is not immune to the lying and dishonesty that have become an all-too-accepted part of corporate business. The degree of trust and self-regulation that is characteristic of many fitness-related positions can be an open invitation to trouble. If too many ingredients fall into the pot under the "right" pressure, the result can be damaging both to the

employee and to your business.

As a fitness facility owner or manager, you can't police morality. You can, however, arm yourself with an awareness of the temptation and potential harm caused by greed and the desire for success, easy satisfaction and immediate gratification. You can put into place systematic safeguards to strengthen your defenses against these contagious ethical diseases. Finally, though real recourse may not be possible, you can take steps to ensure the disease doesn't spread within your own organization.

Unethical Situation #1: Embezzling Money

"Andy" is a personal trainer who began working for a health club as an intern. He became a personal trainer and eventually took on more responsibility as the fitness director. By the time the accounting department discovered an unusual pattern in his timecards, he had worked for the club for 3 years—and had embezzled close to \$5,000. When he was eventually caught lying, he confessed to the theft, admitting how he had taken the money.

Handling the Situation. Sending Andy to jail, garnishing his wages at his next job and making him work for free were all possibilities. After consulting with a lawyer and the police, the facility managers chose instead to sever ties with him and take the loss. Despite their bitterness, they did not want to ruin Andy's life. Instead, the managers and Andy signed an agreement, which was kept on file. It stated that if Andy ever "was on the property or in the building, made any derogatory comments toward the club or management, or attempted to recruit clients," the club would press charges.

Unethical Situation #2: Doctoring the Books

"Mary," an accountant for a large fitness club in the Midwest, was pocketing cash from membership sales. She was covering her trail so cleverly that this went on for 18 months before it was discovered. She meticulously made sure that the memberships were in place and that internal statements showed the cash, yet after 18 months the \$40,000 she stole existed only on paper.

Strengthening Your Immunity to Corporate Disease

Protect yourself from possible unethical behavior on the part of your staff by taking the following safeguards:

Check Applicants' Resumés and Personal Statements Closely for Misrepresentation.

Are the applicants really certified by the organizations they list? Call references to find out about past work behavior.

Include More Ethics Questions When Interviewing Potential Employees. For example, you can ask, "What actions should be taken if someone were to embezzle or steal?" or "In your role as an employee, who has your allegiance?"

Regularly Initiate Discussions on Ethical Behavior at Staff Meetings. Use a recent article in a magazine as a catalyst for increasing awareness. Perhaps discuss what can be construed as sexual harassment.

Listen to Your Own Gut Reactions and Instincts. Make sure you carefully consider which people you hire or promote to supervisory positions. Once staff members get into positions where they supervise others, that means you trust them and won't check on them. If you have to do safety checks on your managers, then they shouldn't be in management positions.

Communicate and Consistently Enforce a No-Tolerance Policy Toward Unethical

Behavior. For example, include a morals clause in your noncompetition agreement. Punish employees who act unethically, and use them as examples for their peers. Inviting key staff members to sit in during uncomfortable negotiations sends a loud-and-clear message that dishonesty will not be tolerated.

Become Bonded. A bond reimburses employers up to the limit of the bond for losses sustained because of dishonest acts by covered employees. Get insured against employees in key positions such as accounting, sales and management—people who handle or are responsible for large sums of money. You don't need to be bonded against staff who don't handle money.

Handling the Situation. In this particular case, management had no recourse, as Mary passed away suddenly. The problem wasn't discovered until someone else did the books. The owner of this facility learned the hard way that it's wise to have an external accounting firm do a second check over the books. He now pays for an external check and also carries insurance on employees in key positions who handle large sums of money.

Unethical Situation #3: Sexual Harassment

The closeness of the personal training relationship and the intimate physical nature of massage therapy sometimes attract applicants who have ill intentions from the start, according to "Bill," a manager and consultant to several health and fitness facilities.

Harassment by a Masseur

Unethical massage therapists who have a history of preying on young, vulnerable, usually female clients, have a pattern, notes Bill. They watch for clients who are new to massage therapy and don't know what to expect. They systematically make these clients feel increasingly comfortable and safe. As a client becomes more relaxed, the masseur convinces her that she is "extremely tight in the pectorals" or asks if she has lower-back trouble. By asking permission to work on these "problem areas" and counting on her not knowing what is appropriate, the therapist has achieved his goal. Most victims don't report the harassment; they just don't come back.

Handling the Situation. If managers find out that a massage client has been the victim of sexual harassment, they often try to convince the person that they will fire the masseur and save the client the embarrassment of pressing charges. Unfortunately, the malicious massage therapist is then free to repeat the offense elsewhere. If, as happens less frequently, the client does press charges,

insurance policies can offset the legal fees. At that point, however, a filed charge goes into the local newspaper, which is not good for business.

Harassment by a Trainer

The personal training director at a large health and racquet club hired a college acquaintance. This personal trainer had all the stereotypical physical attributes, and he was aggressive and not afraid to talk to people. The director, having known the trainer previously, neglected to verify his credentials. The trainer had falsified both his resumé and his certification. Management later discovered that the trainer had a history of preying on younger, vulnerable female clients and on women who were unhappily married.

The trainer used consistent flattery. He frequently took clients to a secluded

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part of the club, like a racquet court or an empty group fitness studio. He would first tell off-color jokes and take a laugh in response as an opening.

The victims of this type of sexual harassment often express their dissatisfaction to management and ask to switch trainers, notes Bill. They give "subtle comments, sending signals that you don't always get when you are busy," he says. Sadly, these signals—cries for help—aren't always read soon enough.

Handling the Situation. The best strategy for addressing this problem is to defend against it *before* it happens, according to Bill. When interviewing someone who may spend time alone with clients, do the following:

1. Listen to your gut instinct about the trustworthiness of the person.
2. Don't overlook the importance

of a credentials check. Busy times of the year, too many responsibilities or personal friendships are not excuses to forego a check.

3. Add a morals clause to your noncompetition agreement and have the potential employee sign it before he or she can be hired. The morals clause should send a direct message about your expectations and how you will enforce them.

Preventing Problems

What's the best way to ward off unethical behavior before it happens? The sad reality is that there is absolutely no way to guarantee such behavior will never occur. To *limit* the number of times it crops up, you can take security measures (see "Strengthening Your Immunity to Corporate Disease" on the previous page).

While you want to protect your organization, you don't want to go to the opposite extreme and suspect everyone. If you begin holding the reins too tight, like a dog with a shock collar, staff will never reach their full potential. You have to stay enthusiastic and passionate about your work and instill trust in others while keeping it in yourself. If you are truly to succeed as a manager, your desire to hire the right people and to have them achieve their dreams must be greater than the temptation to micromanage.

As a personal and business coach, writer and speaker Debra Atkinson, MS, specializes in helping personal trainers develop thriving businesses in unique niches that result in rewarding careers and balanced lives. A Coach U-certified graduate, she holds a master's degree in sports and exercise psychology from Iowa State University, where she is now a senior lecturer in health and human performance.

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