

# S5E2: CEO fires 900 employees on Zoom

## SPEAKERS

Peter Margaritis

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Welcome back, everybody. So, I like to ask this question a lot, like what is leadership? And, you know, sometimes we have a hard time maybe defining what good or great leadership is, but we also know bad leadership. Those who've been listening for a while understand that I believe in improv leadership, which is inclusive of everyone which is more about the team and less about me. And buried within that genre of that thought process, it still comes back to one thing. We're in the people business first and foremost, and without people we don't have a business, no matter what business that we are in. People are our most important asset, and we need to be in to treat them better, if we truly believe that they're our most important asset.

And the reason why I'm bringing this up is, there's an article in Inc. magazine, and today's date is December 15, when I'm recording it, and the title of the article is "The CEO who fired 900 employees on a Zoom call is out." It's a tragic example of how not to manage people. That's right. You heard me correctly. The CEO fired 900 employees on a Zoom call. According to the article, he had told 900 employees to join him on a Zoom meeting, and this is the CEO of Better.com. And the CEO's name is Vishal Garg. And told them that they no longer had jobs at the company. You see the company is going to go public, and it was apparent on his behalf to create a leaner, meaner, hungrier workforce. And this company is an online mortgage company. And after this firing of 900 employees, he told those employees that he did not fire that those employees left some of them were stealing from the company by only working two hours a day. Now, you can imagine that when this article went public, it's taking a lot of backlash. And actually, the CEO tried to apologize, kind of sort of, but several of his company's executives resigned. His head of communications and Head of Marketing said this is crazy. This is nuts. I'm out of here. This isn't leadership. That's authority. Because I have the authority to fire you does not make you a leader. Board of directors did put the CEO on, like they just said that he was taking time off effective immediately. They didn't say the board fired him. They said taking time off, and putting the CFO in charge of day to day operations. But they also mentioned in this article that the CEO has this type of behavior, because Forbes obtained an email from Garg to the employees that said, "You are too damn slow. You're a bunch of dumb dolphins, and dumb dolphins get caught in nets and eaten by sharks. So stop it. Stop it. Stop it. Right now. You are embarrassing me." Okay. And then he also documented, he threatened a former business partner. They even set this former business partner on fire, and engaged in hostile exchanges with investors calling one sewage and demanding that he divest from the company. Yeah, we all can recognize poor leadership.

But as this article goes on to state, it's the culture of the company that you have to work on first and foremost. Yes, they've got they've got an outside firm that'll come in and do an assessment to find ways to help improve the culture. But the bigger picture is this is privately held right now. Trying to go public.

The issue is the leader, the CEO. And you can try to improve the culture but the only way to do that in this case is to fire the CEO, and find somebody else to come in and revamp that culture. Because if you don't fire the CEO, you can hire him a coach. You could...It doesn't sound like he would ever change. And I'm making an assumption, I know, but he has a history. And that's just wasted a lot of time and money.

And it was interesting, because today I sat in a Zoom call with a group of people from the C-Suite Thought Leadership Group, and it was in a breakout room and we were talking about leadership. What makes a leader? Well, it came down to just the opposite of what this CEO is doing. A leader is there to inspire. Now, how to inspire 900 people? How do you inspire, you know, thousands of people. Because you can't interact with individually, but you can by tone. You can by attitude. And if you're in a toxic environment, if you question or make comments, and all you are is ridiculed, either you're going to keep your job and silence yourself or going to find another job. Intimidation is not a form of management. And for those of you who remember Theranos, the Elizabeth Holmes company, that was a sham. Her second in command, Sunny Balwani, had the same type of leadership style. Berating his employees. Shouting at them. I don't know about you, but if that happens to me, what tells me two things 1) I need to find another job or walk out immediately and 2) a lot of times when you have that CEOs who just have this anger, they're hiding something, and maybe that's what ultimately this is. There might be some internal fraud. There might... be who knows? But it's just not behavior that's tolerated these days. However, we continue to hear leaders demonstrated this behavior.

I will admit there is a side of me that wants to just, you know, send this guy a copy of my book and tell them to read it. You know, *Off Script: Mastering the Art of Business Improv*. I'm not going to waste the time, the money, the energy to do that because his ego is too overblown. He would just, he would probably call me or write a berating type of review on Amazon, which I don't care, but why give him that space? Why give them that that voice? We're in the people business first and foremost. Now, some of the 900 may have been, lack of a better term, deadweight. They may not be producing as they should be producing. Yes. Fire them with dignity and respect. If you want to be leaner, meaner, there's other ways of doing it. He could have contacted a recruiting company, headhunting agency, and say I need to obtain your services because I have to let's, say 500 people go. And I'm going to need help getting the job and the company's going to pay for them to get that help. At least have some empathy for those 900 people, and this recently happened. So, we're in the holiday season. This story of letting people go during this time of year. And it tends to ramp up even more as we get towards New Year. Almost an annual event. I don't know, you tell me, maybe I'm just naive. And that's fine. But I truly believe that this type of leadership needs to go away, and replaced with something of some type of leadership that has compassion. That looks at their people, those who are productive as a as an integral part of the organization and has...we can have heated conversations. That's fine, but shows respect for their employees. When you show respect to your employees, that puts you apart from a lot of other leaders out there who look at their employees as just a number something that is replaceable.

Oh, until the masses rise up through what we call now The Great Resignation, and using their feet. Saying, I don't want to come back into the office. We were productive for 18 to 24 months away from the office. If you want me to come back in the office full time, then I will leave and I'll find another employer who will have some type of hybrid or displace workforce that I am going to work for. Ego has

a lot to do with good and bad leadership. Those who have an ego, and we all do, if we're willing to say this is not right. I'm wrong. Let's look at another way. We'll be more successful than those leaders out there who still want to tell everybody what to do and how to do it and looked at them as a replaceable asset. I don't know. Times have changed, and I know this won't be the last article that is written about poor leadership. I just hope someday there won't be any at all, and it just goes and goes back to being human. And going back to thinking about a fellow person, and be tolerant and being supportive.