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Short-Case Series

Supporting SME Growth Through Inclusion: Leading a Young Female Professional During Divorce

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Case theme: DEI to support SME growth



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Case. Supporting SME Growth Through Inclusion: Leading a Young Female Professional During Divorce

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Abstract

This teaching case explores the managerial challenges faced by a young female professional going through a divorce while working at a growing small- to medium-sized enterprise (SME). Using divorce as an example of a significant personal life event, the case illustrates how external demands can spill over into employees' concentration, well-being, and work performance, often remaining largely unknown to colleagues and managers. Students are encouraged to explore how managers can respond to such situations through fair and inclusive people management, drawing primarily on organisational justice theory, without assuming employees' private lives or treating all employees experiencing divorce the same way. Additionally, the case emphasises the realities of growing SMEs, where people-management practices may be relatively informal, and substantial responsibility often falls on line managers.

Designed for undergraduate and graduate courses in human resource management, organisational behaviour, social sustainability and diversity management, the case is accompanied by teaching notes. It encourages students to consider whether supporting employees through significant life events should be viewed as an individual accommodation or as an investment in the organisation, its talent retention and sustainable SME growth.

Prior knowledge: No prior knowledge of specific theories is required. The Key Concepts section at the end of the case briefly explains the key concepts used in the discussion questions (the four dimensions of organisational justice, the motherhood penalty and fatherhood premium, and flexibility stigma).

Keywords: Small and Medium-sized Enterprises (SMEs), Young Professionals, Divorce and Work, Inclusive People Management, Organisational Justice, Psychological Safety, Talent Retention.

Sustainable Development Goals (SDGs): SDG 3 – Good Health and Well-being; SDG 5 – Gender Equality; SDG 8 – Decent Work and Economic Growth; and SDG 10 - Reduced Inequalities.

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1. Beyond a Design Error

Linz, Austria, Wednesday, 23rd of September 2026. 10:17 a.m.

The email arrived while Hanna was reviewing the final design package for BC-LinzTech's largest international order to date:

"Urgent. Please review the attached divorce property settlement before today's deadline."

Hanna glanced at her phone, locked the screen and returned to the technical drawings spread across her desk. The design package she was reviewing would become part of BC-LinzTech's largest international order to date. Missing the client's deadline was not an option.

Three weeks later, the Production department discovered an error in the drawings.

Some incorrect dimensions had been approved in the final design documentation. Although the error was identified before production started, correcting it delayed delivery by almost two weeks, increased production costs and forced BC-LinzTech to explain the delay to one of its most important international customers.

For Thomas, BC-LinzTech's Engineering Director, the incident was difficult to understand.

BC-LinzTech, an Austrian manufacturing SME employing 40 people, had grown steadily over the last five years. The company designed customised automation components for manufacturing clients in Germany and Finland while collaborating with subcontractors in Lithuania. Rapid international expansion had created new opportunities but additionally increased pressure to deliver innovative, high-quality products on time.

The company depended heavily on a small number of experienced specialists whose knowledge was difficult to replace. Hanna was one of them.

Hanna, a 32-year-old mechanical design engineer, had joined BC-LinzTech four years earlier after completing her master's degree in mechanical engineering and gaining initial industry experience. Known for her diligence, attention to detail and willingness to take on complex design challenges, she quickly established herself as one of the company's most promising young professionals. Recognising her potential, BC-LinzTech recently promoted her to Head of the Design Department. In this role, she led a design team that developed customised automation components for European manufacturing companies. Her work required technical expertise and project coordination, involving engineering judgment, close collaboration with production, and frequent communication with customers. Although still early in her managerial career, Hanna had become known for spotting design inconsistencies long before they reached production.

However, something had changed.

Eight months earlier, after seven years of marriage, Hanna's husband unexpectedly asked for a divorce. Within weeks, he had moved out of the family home. The children stayed with Hanna. The separation remained civil, but rebuilding two independent lives proved far more demanding than either of them had anticipated. Property division, child maintenance arrangements, financial settlements and legal negotiations required constant attention. Many of Hanna's meetings with lawyers, banks and mediators were scheduled during working hours. Court

deadlines could not be postponed. Every legal consultation generated another invoice, adding financial pressure to an already uncertain future.

At home, Hanna was trying to provide stability for her two children, aged six and eight. They struggled to understand why their parents no longer lived together, asking difficult questions she often could not answer herself. Most evenings were devoted to helping with homework, preparing meals and, once the children were asleep, responding to emails from lawyers and reviewing legal documents.

Hanna's situation was not unique. Her experience was personal, but divorce is not uncommon among working-age adults. In Austria alone, 14,963 divorces were recorded in 2024, corresponding to a total divorce rate of 36.5%. This indicator suggests that, if the divorce patterns noted in 2024 remained constant, slightly more than one-third of marriages would eventually end in divorce (Statistik Austria, 2025a).

Austria is not an exception. In 2024, the EU recorded an estimated 0.7 million divorces, equivalent to a crude divorce rate of 1.6 divorces per 1,000 inhabitants, the same rate as in Austria. The crude divorce rate, which measures divorces per 1,000 inhabitants in a given year, enables comparisons across countries regardless of population size. Rates vary across the EU, from 2.5 in Lithuania, one of the highest, to 0.9 in Malta, the lowest (Eurostat, 2026a).

Although divorce can affect anyone, its consequences may be gendered, particularly when children are involved, as in Hanna's case. Single-parent statistics suggest that, after separation, children more often live mainly with their mothers, shaping the time, resources, and responsibilities available to each parent. In Austria, there are about 252,000 single mothers compared with roughly 50,000 single fathers (Statistik Austria, 2024). Across the EU, women headed 81.6% of one-adult households with children in 2025 (Eurostat, 2026b). Although these figures are not specific to divorced households, they indicate that women are substantially overrepresented among parents raising children without another adult in the household.

Beyond their immediate financial impact, divorce and subsequent career interruptions may also have long-term economic consequences. Women more often reduce their working hours or interrupt their careers because of childcare and a heavier share of household and care work. In Austria, 49.8% of women and 14.0% of men in 2025 worked part-time in 2024, and care responsibilities for children or adults were the main reason for part-time work among 39.9% of women but only 8.5% of men (Statistik Austria, 2025b). These differences in earnings, working hours and employment continuity accumulate over the life course and result in lower retirement income. Child maintenance payments typically end once children become financially independent, whereas years of reduced working hours continue to affect lower pension entitlements (Haan et al., 2025). Austria is among the countries with the largest gender pension gaps in Europe, and across the European Union the average gender pension gap (24.5%) is more than twice the gender pay gap (11.1%) (Yanatma, 2026, July 6). Although Hanna's immediate concern is managing the financial consequences of her divorce, she also felt unsure about the financial consequences that extend well beyond the short term.

Like many professionals going through divorce, Hanna found that the cumulative demands of the divorce gradually began to affect her ability to concentrate on her work. Concerns about her financial future, the demands of legal proceedings and the responsibility of caring for her two children left her increasingly mentally exhausted. She remembered reading an article suggesting that employees going through divorce often experience reduced concentration, lower well-



being, poorer health, and declines in self-reported job performance. At the same time, the research emphasised that divorce experiences vary widely. While some employees struggled significantly, others reported little disruption or even positive changes in their work lives, and many recovered once the divorce process had run its course (Wanberg, Csillag, & Duffy, 2023). As Hanna thought about her own situation, she wondered what role the workplace might play in helping employees navigate such challenging transitions and regain their balance. Nevertheless, she rarely spoke about any of this at work.

Hanna believed professionalism meant keeping personal life separate from professional responsibilities. The divorce itself was private, she thought, and she was willing not to let it define how colleagues saw her. However, its consequences were increasingly affecting her working day. She worried that once people knew, they might see her through the lens of her personal circumstances rather than the competence she had spent years building. More than anything, she did not want to become someone colleagues felt they had to accommodate.

At BC-LinzTech, people rarely discussed personal matters. The culture valued reliability, independence and getting the job done. No one explicitly discouraged employees from discussing difficulties outside work, but people rarely did. Everyone seemed to manage their own problems.

Initially, Hanna believed she could do the same.

She continued to arrive early, attend every client meeting, and lead weekly design reviews. When legal emails appeared during working hours, she ignored them until lunch breaks or answered them between meetings. She scheduled telephone calls with her lawyer while driving between customer visits or during short breaks. To compensate for time lost during the day, she sometimes worked late into the evening after putting her children to bed.

The constant switching between engineering decisions, legal negotiations and parenting gradually became exhausting.

She reread technical drawings several times before approving them. Decisions that previously took minutes now require considerably more time. Occasionally, junior engineers identified inconsistencies that Hanna would normally have noticed herself. She became quieter during meetings and postponed conversations that previously would have been resolved immediately.

Her colleagues began quietly adapting.

Lately, several engineers reviewed design calculations more carefully before final approval. Others voluntarily stayed late to complete urgent client requests. No one complained openly, but some privately wondered how long the additional workload could continue. Without understanding what had changed, people began drawing their own conclusions. Some saw Hanna as unusually determined; others quietly questioned whether she was becoming less engaged. Few realised they were observing not a loss of commitment, but the possible workplace effects of a significant personal crisis.

2. The Invisible Crisis

Thomas, BC-LinzTech's Engineering Director and Hanna's direct manager, had noticed the changes for several weeks but hesitated to intervene.

Hanna had never mentioned any personal difficulties, and he was unsure where the boundary lay between respecting an employee's privacy and fulfilling his responsibility as a manager. He did not want to make assumptions or intrude into matters that did not concern him. At the same time, he could not ignore the changes he was seeing.

BC-LinzTech had no dedicated HR department or formal people-support practices. Like many SMEs, line managers handled most people-management responsibilities. Thomas believed employees deserved privacy, yet he also knew that BC-LinzTech's continued growth depended on retaining talented specialists while maintaining customer confidence. Recruiting another experienced design team leader would take months, perhaps longer.

Following the design error, Thomas invited Hanna to his office.

Instead of discussing technical details, he asked quietly,

"Is everything alright?"

Hanna remained silent for several moments before answering. For the first time in months, someone had asked about her rather than the project, the deadline or the mistake.

Finally, she explained that she was going through a divorce.

She described the endless legal documentation, meetings with lawyers, financial uncertainty and the challenge of raising two young children while trying to protect them from the conflict. She admitted that maintaining concentration had become increasingly difficult.

Then she added,

"I do not want special treatment. Everyone has problems. My team should not have to carry my responsibilities because my marriage ended. I just need to find a way to get through this without letting everyone down."

Until that moment, Thomas had viewed the design error as an isolated performance issue. Now he began to wonder whether it reflected something much larger. Hanna had managed to keep her divorce a secret at work, but its consequences had not remained hidden. The question was no longer how to respond to one employee's situation, but whether BC-LinzTech was prepared to support employees through significant life events without compromising fairness, performance or trust.

3. Managing Through Uncertainty

The meeting ended with more questions than answers.

Thomas could temporarily reduce Hanna's workload, giving her time to regain her focus and reducing the risk of further mistakes. However, someone else would have to absorb the work at a time when every engineer was already fully occupied. He could encourage her to take leave, but BC-LinzTech was preparing to bid for an even larger international contract, and replacing Hanna's expertise, even for a few weeks, would be extremely difficult. Another option was to

agree with Hanna on a structured, time-limited arrangement, such as flexibility for legal appointments, a second reviewer for final design approvals, and a fixed date to review how things were going. However, he was unsure how her colleagues would perceive the arrangement or whether it would be enough. Doing nothing, however, seemed equally risky. The design error had already exposed how quickly an invisible personal crisis could become a business problem.

The dilemma extended beyond Hanna.

Until now, Thomas perceived the situation as an individual employee's challenge. Now he began to question whether BC-LinzTech itself was prepared to support employees experiencing significant but invisible life events. As the company continued to grow, relying on informal judgement alone no longer seemed enough.

Should supporting an employee through a life crisis be viewed as an individual accommodation, or as an investment in the organisation, its talent retention and sustainable growth?

Could fair and inclusive people management become a competitive advantage for a growing SME? Or would greater flexibility create perceptions of unfairness and place additional burdens on colleagues already working at full capacity?

What should Thomas do next?

4. Discussion Questions

1. What are the key managerial challenges Thomas faces after learning about Hanna's situation, given that BC-LinzTech has no HR department?
2. Thomas is considering four options: (a) temporarily reducing Hanna's workload, (b) encouraging her to take leave, (c) doing nothing, or (d) agreeing on a structured, time-limited arrangement with her. Using the four dimensions of organisational justice (distributive, procedural, interpersonal and informational justice), evaluate each option. Which option is likely to be perceived as the fairest overall, and why?
3. Why did Hanna keep her divorce private at work? Consider the possible influence of national culture, BC-LinzTech's organisational culture and her personal values. How can Thomas respect her privacy while treating her colleagues, who are already absorbing extra work, fairly and giving them an honest explanation?
4. Imagine that the employee is Mathias, a divorcing father of two in the same role. Would his colleagues and Thomas perceive and treat him differently? Use the information in the case on caregiving, part-time work and single parenthood, as well as the Key Concepts section, to explain your answer.
5. Should supporting Hanna be seen as an individual accommodation or as an investment in the organisation? Consider her long-term value to BC-LinzTech, the cost of losing her, the effects of financial and personal strain on performance, and fairness towards her colleagues. Which concrete, time-limited practices could a growing SME without an HR department introduce so that similar situations are handled consistently in the future?

Key Concepts

Organisational justice refers to employees' perceptions of fairness at work. It is commonly divided into four dimensions (Colquitt, 2001): **distributive justice** (the fairness of outcomes, such as who carries extra work or who receives flexibility); **procedural justice** (the fairness of the process used to make decisions, such as consistency, transparency and the opportunity to have a say); **interpersonal justice** (whether people are treated with dignity and respect); and **informational justice** (whether people receive honest and adequate explanations).

Motherhood penalty and fatherhood premium describe research findings that mothers are often perceived as less committed to their work and may receive lower pay, whereas fathers are often perceived as more committed and may earn more (Correll, Benard, & Paik, 2007; Hodges & Budig, 2010).

Flexibility stigma describes the negative perceptions employees may face when they request flexible working arrangements for caregiving reasons. Caregiving fathers can be particularly affected because they depart from traditional gender expectations (Williams, Blair-Loy, & Berdahl, 2013).

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Case Disclaimer:

This teaching case was developed as part of the DEI4SME project solely for educational purposes to stimulate classroom discussion. The company, characters and events described in the case are fictional. While the narrative is informed by real-world challenges commonly experienced by growing SMEs, it is not intended to represent any particular person, organisation, or situation. Any resemblance to actual persons, organisations, or events is purely coincidental.