WORKPLACE INCIVILITY IS HURTING EVERYONE AND WHAT TO DO ABOUT IT

Executive Summary

Research shows Incivility has become a top pain point in the workplace. It is costing organizations in terms of productivity, employee engagement, and customer experience. The impact on the bottom line is very significant. The good news is, there are solutions to restore civility and to foster a productive and engaging climate which in turn attracts the customers and the bigger community as a whole.

Incivility definition: *Low-intensity deviant behavior with ambiguous intent to harm the target*[i]

Examples of uncivil behavior in organizations operating in the modern economies are:

Poor digital communication etiquette – Using rude words, hiding behind email when talking is more appropriate, answering the phone or checking email during a conversation.

Fostering negativity – Gossiping, spreading rumors, poorly managing one's disappointment/anger

Undermining others – Disrespectful gesture, insensitivity, deprecating humor towards others including but not limited to women, minorities and employees coming from diverse backgrounds.

Discourage or interrupt others sharing a different or diverse opinion

Research in this area offers these following conclusions and suggestions that are described in detail in the balance of this paper.

■ **Cost**[ii]

o In 2016, 62% people in the workplace experienced incivility. > 60% of those affected had lower productivity due to emotional stress.

o The management cost for damage control alone exceeded 200K/Year.

o Customers leave the businesses that fosters or tolerates incivility.[2]

■ **Cause** – Negative organizational climate fosters egoistic protective and competitive mindset. It surfaces as uncivil behavior.

■ **Cure** – 66% of Customers felt negative about the businesses that foster or tolerates incivility.

o Leaders' character correlates with financial return (as much as 5x)[iii].

o How leaders treat their employees dictates the sustainability and effectiveness of the organization[vii].

The Growth of Incivility

Uncivil behaviors are characteristically rude and discourteous, displaying a lack of regard for others.[iv] Incivility is the opposite of age old general courtesy in human interactions every society follows in some shape or form. Naturally, it varies from culture to culture and across generations.

Robert Sutton was one of the first leadership experts to draw attention to the prevalence of abusive bosses. According to him, in business and sports, it is assumed if you are a big winner, you can get away with being a jerk. Such bosses and cultures affect the bottom line through increased turnover, absenteeism, decreased commitment and performance. He says the time spent counseling or appeasing these people, consoling victimized employees, reorganizing departments or teams and arranging transfers produce significant hidden costs for the company. He warns organizations, "This behavior is contagious".[v]

Christine Porath, an associate professor at the McDonough School of Business at Georgetown University, has spent the past 18 years researching employee treatment and her findings very much echo that of Sutton's. She says workplace incivility is on the rise: While 49 percent of the workers she surveyed in 1998 reported they were treated rudely at least once a month that figure rose to 55 percent in 2011 and 62 percent in 2016[vi] (See Figure 1).
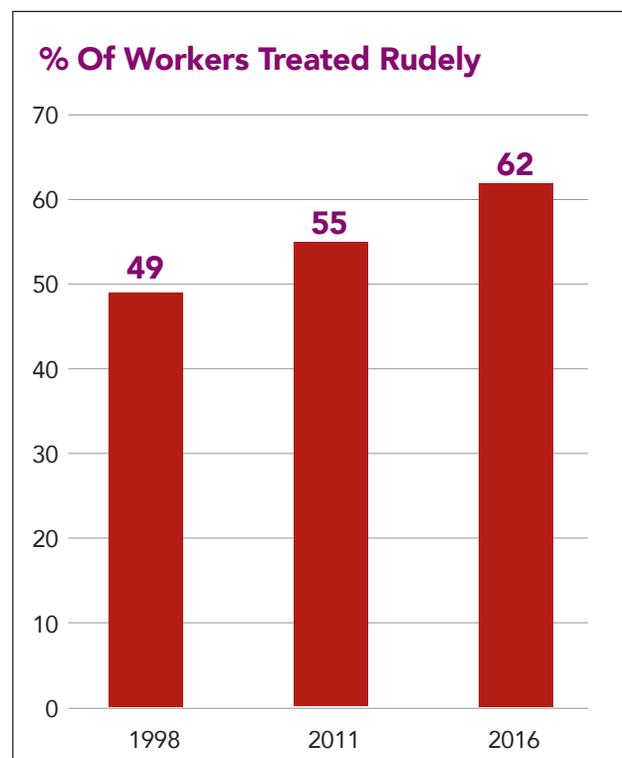
% Of Workers Treated Rudely

Year	%
1998	49
2011	55
2016	62

Figure 1. Increasing Trend in Incivility

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[1] Managers spend 13% time in damage control. If 10 execs are affected, with an average salary of 150k/year, the financial loss is (150 *10* 0.13)k/year.[iv]

[2] Two third of customers felt negatively about the organization after witnessing an uncivil incident.[iv]

The Cost of Incivility

Porath and Pearson in their Harvard Business Review (HBR) article, "The Price of Incivility" stated that the cost of incivility shows up in many ways and chips away the bottom line[ii]. They ran a poll among 800 managers and employees in 17 industries and revealed how incivility affects Employees, Leaders/Managers, and Customers (See Figure 2).
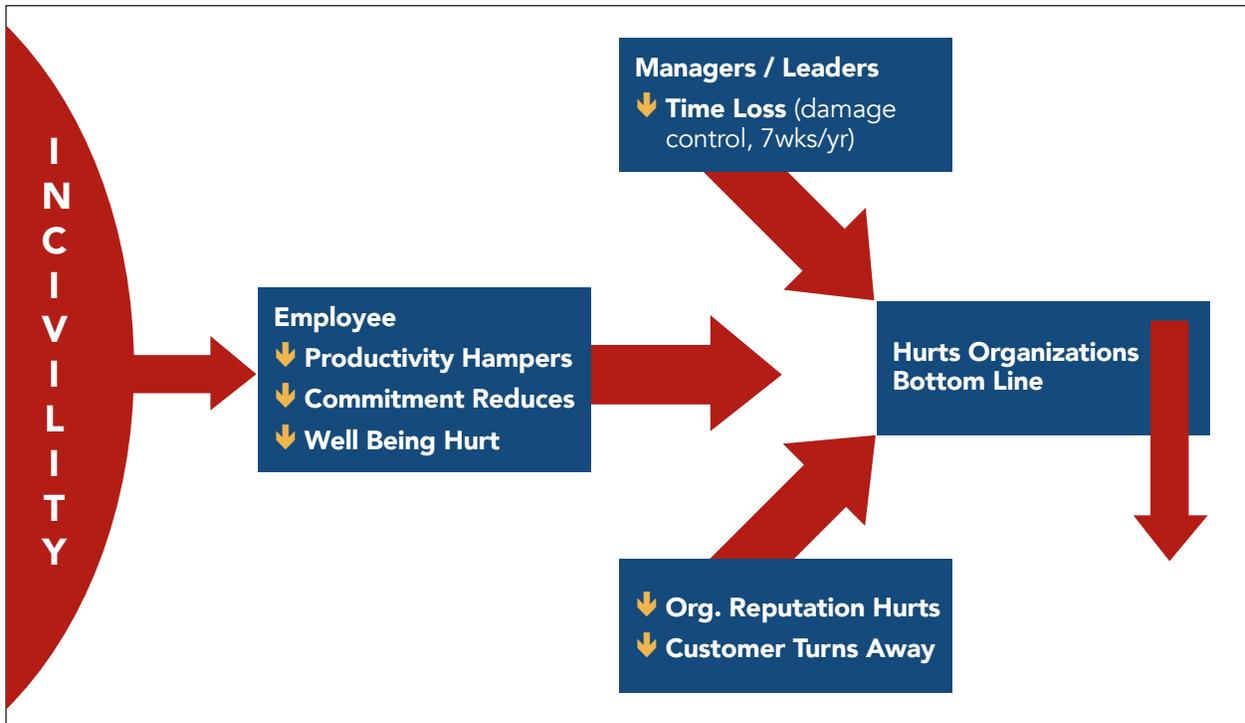

Figure 2. How Incivility Adversely Affects Everything

Their study showed in Fortune 1000 companies, managers spend an average of seven weeks in damage control due to each incident of incivility. In perspective, if an average manager makes 150K/year, this is costing the organization about 20K/year for each manager involved in the process (shown in figure 3 below). This estimate doesn't consider the invisible, emotional toll on the manager, which would make the cost even higher.

MANAGERS INVOLVED IN DAMAGE CONTROL	TOTAL COST ($) PER YEAR
10	200K
30	600K
50	1M

Figure 3. Total Damage Control Cost In Terms of Managers' Time (Assumption: Average Manager Salary $150K/Year). Did Not Consider Emotional Cost.

Porath and Pearson's research is further supported by McGregor and Doshi. According to their HBR article on Nov 2015, the *emotional pressure* is one of the three factors that hurt employee motivation. It results in performance degradation, which ultimately impacts the bottom line including, but not limited to the revenue and customer satisfaction negatively[vii].

The Root Cause of Incivility in the Workplace

Porath found that there could be various factors contributing to the growing incivility and one of them could be attributed to the diminishing human interactions among the employees. The difference in norms across generations, cultures and over reliance of written digital communications (emails, texts, and chats) compound the dysfunction.

"On a deeper level, organizations that neglect values, role model inappropriate behavior, fail to instill meaning at work, or don't take collaboration seriously will be fertile soil for problem behavior", she argued.

Very often a tunnel vision towards short term financial gain aka "winning", encourages high performing leaders to get away with incivility. People have a natural bias for charismatic leaders over humble leaders[viii], this often creates a breeding ground for incivility.

Leadership must be more vigilant about uncivil behavior and should set the direction by role modeling. While stricter rules against incivility and mandatory training could seem to be a quick solution, it will stall authentic communication and will backfire ultimately. Promoting a positive organizational climate more broadly is the best way to address this issue.

Solution: Character-Development for Leaders

According to the 2014 article, "The Quadruple Bottom Line: Its Time Has Come", by University of Southern California professor Edward E. Lawler III, there has been growing support for holding organizations accountable for the important outcomes on top of their financial gain. He argues, for better sustainability, organizations need to be held to a quadruple bottom line performance standards. They need to perform well financially, environmentally, socially, and in **how they treat their employees**[ix].

As one can imagine, this fourth standard is tightly coupled with the organizational culture which is largely shaped by its leaders' character. The good news is, *character* is not just a touchy-feely element. Research showed that it strongly correlates with the financial gain. According to a 2015 study by KRW International, a Minneapolis-based leadership consultancy firm, CEOs rated high for the character, had an average return on assets of 9.35% over a two-year period. That's nearly five times as much as what those with low character ratings had; their ROA (Return on Assets) averaged only 1.93%[iii].

Pam Boney, a former senior executive in the hospitality industry and the founder of Tilt 365[x], has spent more than two decades on this subject. She noticed that despite intelligence, drive and functional competencies, leaders can still create a negative team climate. A negative team climate triggers protective and competitive behaviors, which eventually drive good people away. Through her research, Pam discovered that the leader's character strengths were not accounted for and she named this the "missing metric". Her research found that through self-awareness and balanced development of character strengths, leaders can be at choice in creating a positive influence and establishing team climates where productivity and creativity flow.

Based on Peterson and Seligman's work on 24 character strengths, Pam and her team created the instrument, *Tilt365 Positive Influencer* to measure and develop character strength from the inside-out. Through rigorous psychometric methods, she validated that well-balanced character of the leaders fosters a positive climate.
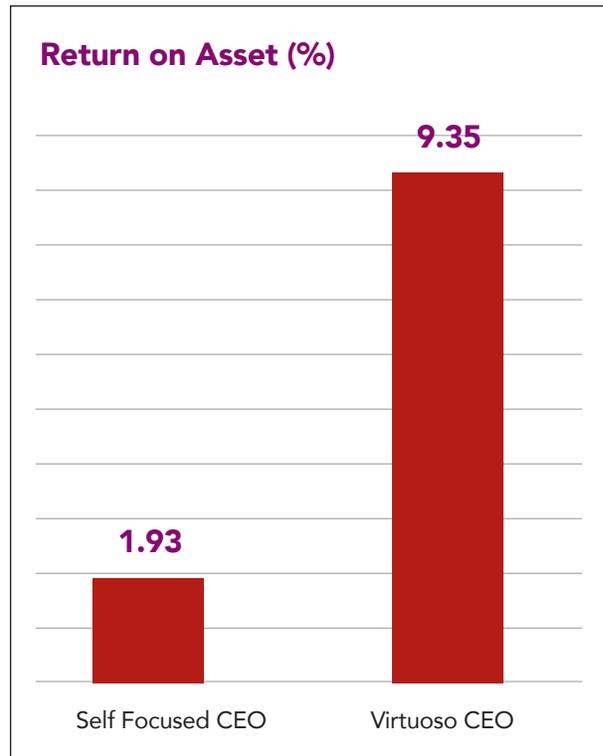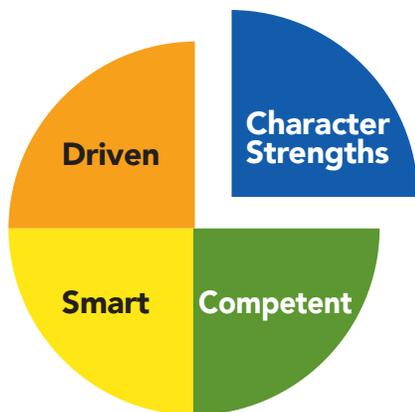
Return on Asset (%)

9.35

1.93

Self Focused CEO   Virtuoso CEO

Figure 4. Return on Character Research by KRW International showed CEO's with higher character rating had five times more ROA than those with lower character rating.

The Tilt Factor

= Positive Leadership Presence

Driven | Character Strengths

Smart | Competent

Figure 5. The Missing Metric - Character Strengths

Conclusion

Organizations today cannot afford to ignore incivility without risking their viability. We believe incivility is a symptom of a deeper problem. Holistically building a healthier climate by promoting whole person character development is the game changer.

About the Authors

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[viii] If Humble People Make the Best Leaders, Why Do We Fall for Charismatic Narcissists?, Mayo, M, Harvard Business Review, Apr 2007 https://hbr.org/2017/04/if-humble-people-make-the-best-leaders-why-do-we-fall-for-charismatic-narcissists

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[x] Tilt 365 is the science of character assessment suite of tools, Tilt365.com