

Are Workplace Jerks A Threat To The Bottom Line?

Lars Dalgaard is CEO and cofounder of SuccessFactors, one of the world's fastest-growing software companies—and the fastest with revenues over \$30 million. Dalgaard recently listed some milestones that his California-based company passed in its first seven years:

- the use of its software by more than two million employees at over 1,200 companies around the world
- the use of its software by employees speaking 18 languages in 156 countries
- growth three times that of the company's nearest competitor
- enthusiastic recommendations of the product by nearly all customers
- dramatically low employee turnover
- employing no jerks

That's right—no jerks—although the word SuccessFactors really uses (except on its Web site) is a mild obscenity that starts with the letter A and sort of rhymes with “castle.” All the employees SuccessFactors hires agree in writing to 14 “rules of engagement.” Rule 14 starts out, “I will be a good person to work with—not territorial, not be a jerk.” One of Dalgaard's founding principles is that “our organization will consist only of people who absolutely love what we do, with a white-hot passion. We will have utmost respect for the individual in a collaborative, egalitarian, and meritocratic environment—no blind copying, no politics, no parochialism, no silos, no games, —just being good!”

Dalgaard is emphatic about applying this rule at SuccessFactors because part of its mission is to help companies focus more on performance and less on politics. Employees aren't expected to be perfect, but when they lose their cool or belittle colleagues, inadvertently or not, they are expected to repent. Dalgaard himself is not above the rule—he explained to me that, given the pressures of running a rapidly growing business, he too occasionally “blows it” at meetings. At times, he has apologized to all 400-plus people in his company, not just to the people at the meeting in question, because “word about my behavior would get out.”

As Dalgaard suggests, there is a business case against tolerating nasty and demeaning people. Companies that put up with jerks not only can have more difficulty recruiting and retaining the best and brightest talent but are also prone to higher client churn, damaged reputations, and diminished investor confidence. Innovation and creativity may suffer, and cooperation could be impaired, both within and outside the organization—no small matter in an increasingly networked world.

The problem is more widespread than you might think. Research in the United Kingdom and the United States suggests that jerk-infested workplaces are common: a 2000 study by

Loraleigh Keashly and Karen Jagatic found that 27 percent of the workers in a representative sample of 700 Michigan residents experienced mistreatment by someone in the workplace. Some occupations, such as medical ones, are especially bad. A 2003 study of 461 nurses found that in the month before it was conducted, 91 percent had experienced verbal abuse, defined as mistreatment that left them feeling attacked, devalued, or humiliated. Physicians were the most frequent abusers.

There is good news and bad news about workplace jerks. The bad news is that abuse is widespread and the human and financial toll is high. The good news is that leaders can take steps to build workplaces where demeaning behavior isn't tolerated and nasty people are shown the door.

How workplace jerks do their dirty work

Researchers who write about psychological abuse in the workplace define it as “the sustained display of hostile verbal and nonverbal behavior, excluding physical contact.” At least for me, that definition doesn't quite capture the emotional wallop these creeps pack. The workplace jerk definition I use is this: do people feel oppressed, humiliated, de-energized, or belittled after talking to an alleged jerk? In particular, do they feel worse about themselves?

Workplace jerks do their dirty work in all sorts of ways; I've listed 12 common ones—the dirty dozen—to illustrate the range of these subtle and not-so-subtle moves, which can include physical contact. Researchers who study workplace abuse and bullying have identified scores of others. I suspect you can add many more that you've seen, personally experienced—or committed.

1. Personal Insults
2. Invading coworker's personal territory
3. Uninvited physical contact
4. Threats and intimidation, verbal and nonverbal
5. Sarcastic jokes and teasing used as insult delivery systems
6. Withering e-mails
7. Status slaps intended to humiliate victims
8. Public shaming or status degradation rituals
9. Rude interruptions

10. Two-faced attacks

11. Dirty looks

12. Treating people as if they were invisible

Lists like these are useful but leave a sterilized view of how workplace jerks act and the damage they inflict. Stories, often painful ones, are necessary to understand how workplace bullies demean and de-energize people. Consider the story of this victim of multiple humiliations:

“Billy,” he said, standing in the doorway so that everyone in the central area could see and hear us clearly. “Billy, this is not adequate, really not at all.” As he spoke he crumpled the papers that he held. My work. One by one he crumpled the papers, holding them out as if they were something dirty and dropping them inside my office as everyone watched. Then he said loudly, “Garbage in, garbage out.” I started to speak, but he cut me off. “You give me the garbage, now you clean it up.” I did. Through the doorway I could see people looking away because they were embarrassed for me. They didn’t want to see what was in front of them: a 36-year-old man in a three-piece suit stooping before his boss to pick up crumpled pieces of paper.

The damage done

The human damage done by that kind of encounter is well documented—especially the harm that superiors do to their subordinates. Bennett Tepper studied abusive supervision in a representative study of 712 employees in a midwestern city. He asked them if their bosses had engaged in abusive behavior, including ridicule, put-downs, and the silent treatment—demeaning acts that drive people out of organizations and sap the effectiveness of those who remain. A six-month follow-up found that employees with abusive supervisors quit their jobs at accelerated rates. Those still trapped felt less committed to their employers and experienced less satisfaction from work and life, as well as heightened anxiety, depression, and burnout. Dozens of other studies have uncovered similar findings; the victims report reduced levels of job satisfaction, productivity, concentration, and mental and physical health.

Nasty interactions have a far bigger impact on the mood of people who experience them than positive interactions do. Recent research shows just how much. Theresa Glomb, Charles Hulin, and Andrew Miner did a clever study in which 41 employees of a manufacturing plant in the Midwest carried palm-size computers for two to three weeks. At four random intervals throughout the workday, each employee had to report any recent interaction with a supervisor or a coworker and whether it was positive or negative, as well as their current mood. The researchers found that negative interactions affected the moods of these employees five times more strongly than positive ones.

Finally, if word leaks out that your organization is led by mean-spirited jerks, the damage to its reputation can drive away potential employees and shake investor confidence. Neal

Patterson, the CEO of Cerner, learned this lesson in 2001 when he sent an e-mail intended for just the top 400 people in this health care software company. Patterson complained that few employees were working full 40-hour weeks and that “as managers—you either do not know what your employees are doing; or you do not care.” Patterson said that he wanted to see the employee parking lot “substantially full” from 7:30 AM to 6:30 PM weekdays and “half full” on Saturdays. If that didn’t happen, he would take harsh measures. “You have two weeks,” he warned. “Tick, tock.” Patterson’s e-mail was leaked on the Internet, provoking harsh criticism from management experts, including my Stanford colleague Jeffrey Pfeffer, who described it as “the corporate equivalent of whips and ropes and chains.” Pfeffer went a bit overboard for my taste. But investors weren’t pleased either: the company’s stock value plummeted by 22 percent in three days. Patterson handled the aftermath well: he sent an apology to his employees and admitted that he wished he had never sent the e-mail. The share price did bounce back. Patterson learned the hard way that when CEOs come across as bullies, they can scare their investors as well as their underlings.

Enforcing the no-jerks rule

Executives who are committed to building a civilized workplace don’t just take haphazard action against one jerk at a time; they use a set of integrated work practices to battle the problem.

At the workplaces that enforce the no-jerks rule most vehemently and effectively, an employee’s performance and treatment of others aren’t seen as separate things. Phrases like “talented jerk,” “brilliant bastard,” or “a bully and a superstar” are oxymorons. Jerks are dealt with immediately: they quickly realize (or are told) that they have blown it, apologize, reflect on their nastiness, ask for forgiveness, and work to change their ways. Repeat offenders aren’t ignored or forgiven again and again—they change or depart.

Five intertwined practices are useful for enforcing the no-jerks rule.

Make the rule public by what you say and, especially, do

Plante & Moran, a company on Fortune’s “100 Best Places to Work” list for nine years in a row, proclaims its rule openly: “The goal is a ‘jerk-free’ workforce at this accounting firm,” and “the staff is encouraged to live by the Golden Rule.” At Barclays Capital, COO Rich Ricci says that “we have a no-jerk rule around here,” especially in selecting senior executives. BusinessWeek explains what this means for the employees of Barclays Capital: “Hotshots who alienate colleagues are told to change or leave.”

Talking about the rules is just the first step; the real test happens when someone acts like a jerk. If people don’t feel comfortable blowing the whistle on the offender, your company will both be seen as hypocritical and fill up with jerks, so don’t adopt the rule unless you mean it. SuccessFactors shows how to back talk with action. Consider this post on the company’s public blog site by company employee Max Goldman:

My own personal experience with [the no-jerks rule] is very simple. Once, my boss was being a jerk. I told him so. Instead of getting mad, he accepted the comment and we moved on. Later, he thanked me for telling him. My boss thanked me for calling him a jerk. Let me repeat that. My boss thanked me for calling him a jerk. Calling the behavior what it was helped everyone work better together and get more done. Can you do that at your company?

Weave the rule into hiring and firing policies

Consider how the Seattle law firm Perkins Coie, which earned a spot on Fortune's "100 Best Places to Work" list in 2007 for the fourth year in a row, applies the rule during job interviews. Partners Bob Giles and Mike Reynvaan were once tempted to hire a rainmaker from another firm but realized that doing so would violate the rule. As they put it, "We looked at each other and said, 'What a jerk.' Only we didn't use that word."

Similarly, Southwest Airlines has always emphasized that people are "hired and fired for attitude." Herb Kelleher, the company's cofounder and former CEO, shows how this works: "One of our pilot applicants was very nasty to one of our receptionists, and we immediately rejected him. You can't treat people that way and be the kind of leader we want." As Ann Rhoades, a former Southwest vice president, told me, "We don't do it to our people; they don't deserve it. People who work for us don't have to take the abuse."

Teach people how to fight

The no-jerks rule doesn't mean turning your organization into a paradise for conflict-averse wimps. People in the best groups and organizations know how to fight. Intel, the world's largest semiconductor maker, gives all full-time employees training in the "constructive confrontation" that is a hallmark of the company's culture. Leaders and corporate trainers emphasize that bad things happen when the bullies win using personal attacks, disrespect, and intimidation. When that happens, only the loudest and strongest voices get heard; there is no diversity of views; communication is poor, tension high, and productivity low; and people first resign themselves to living with the nastiness—and then resign from the company.

To paraphrase a primary theme in Karl Weick's classic book, *The Social Psychology of Organizing*, this approach means learning to "argue as if you are right and to listen as if you are wrong." That is what Intel tries to teach through lectures, role-playing, and, most essentially, through observing the way managers and leaders fight—and when. The company's motto is "disagree and then commit," because second-guessing, complaining, and arguing after a decision is made sap effort and attention and thus make it unclear whether the decision went wrong because it was a bad idea or because it was a good idea implemented with insufficient energy and commitment.

Apply the rule to customers and clients too

Organizations that are serious about enforcing the no-jerks rule apply it not just to

employees but also to customers, clients, students, and everyone else who might be encountered at work. They do so because their people don't deserve the abuse, customers (or taxpayers) don't pay to endure or witness demeaning jerks, and persistent nastiness that is left unchecked can create a culture of contempt infecting everyone it touches.

The late Joe Gold—the founder of Gold's Gym, which now has more than 550 locations in 43 countries—applied a variation of the no-jerks rule to customers. He didn't mince words: “To keep it simple you run your gym like you run your house. Keep it clean and in good running order. No jerks allowed, members pay on time, and if they give you any crap, throw them out.” Gold applied the rule to customers from the time he opened his first gym, a block from Muscle Beach, in Venice, California, where early customers included Arnold Schwarzenegger.

Manage the little moments

Putting the right practices and policies in place is useless if they don't set the stage for civilized conversations and interactions. People must treat the person in front of them, right now, in the right way, and they must feel safe to point out when their peers and superiors blow it. The power of efforts to work on “the little moments” can be seen in an organizational change at the US Department of Veterans Affairs. To reduce the bullying of employees, psychological abuse, and aggression at 11 sites with more than 7,000 people, each site appointed an action team of managers and union members that developed a customized intervention process. But there were key similarities among all of the sites: employees learned about the damage that aggression causes, used role-playing exercises to get into the shoes of bullies and victims, and learned to reflect before and after they interacted with other people. Action team members and site leaders also made a public commitment to model civilized behavior themselves. At one site, for example, managers and employees worked to eliminate seemingly small slights such as glaring, interruptions, and treating people as if they were invisible—small things that had escalated into big problems.

The results included less overtime (saving taxpayers' money) and sick leave, fewer complaints from employees, and shorter waiting times for the veterans who were the patients at the 11 sites. A comparison of surveys undertaken before and after these interventions, which started in mid-2001, found a substantial decrease, across the 11 sites, in 32 of 60 kinds of bullying—things like glaring, swearing, the silent treatment, obscene gestures, yelling and shouting, physical threats and assaults, vicious gossip, and sexist and racist remarks.

Being a jerk is contagious

The most important single principle for building a workplace free of jerks, or to avoid acting like one yourself, is to view being a jerk as a kind of contagious disease. Once disdain, anger, and contempt are ignited, they spread like wildfire. Researcher Elaine Hatfield calls this tendency “emotional contagion”: if you display contempt, others (even spectators) will respond in much the same way, creating a vicious circle that can turn

everyone in the vicinity into a mean-spirited monster just like you. Experiments by Leigh Thompson and Cameron Anderson, as they told the New York Times, show that when even compassionate people join a group with a leader who is “high energy, aggressive, mean, the classic bully type,” they are “temporarily transformed into carbon copies of the alpha dogs.” Being around people who look angry makes you feel angry too. Hatfield and her colleagues sum up this emotional-contagion research with an Arabic proverb: “A wise man associating with the vicious becomes an idiot.”

A swarm of jerks creates a civility vacuum, sucking the warmth and kindness out of everyone who enters and replacing them with coldness and contempt. As we have seen, organizations can screen out and reform these contagious jerks and, if those efforts fail, expel them before the infection spreads. But treating nastiness as a contagious disease also suggests some useful self-management techniques.

Consider some wise advice that I heard from the late Bill Lazier, a successful executive who spent the last 20 years of his career teaching business and entrepreneurship at Stanford. Bill gave this advice to our students: when you get a job offer or an invitation to join a team, take a close look at the people you will work with, successful or not. If your potential colleagues are self-centered, nasty, narrow minded, or unethical, he warned, you have little chance of turning them into better human beings or of transforming the workplace into a healthy one, even in a tiny company. In fact, the odds are that you will turn into a jerk as well.

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