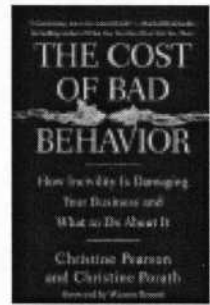


How Bad Behavior Affects the Bottom Line



When Christine Porath graduated from Holy Cross University 16 years ago, she took a marketing job in the sports management industry, where she discovered a corporate culture in which rude and disrespectful behavior was tacitly accepted. Although many colleagues found the workplace unpleasant, Porath understood it was also bad business. Much of her career since then has been focused on studying how bad behavior in the workplace affects corporate profits.

"I felt that I was on a mission to show that disrespect was costly," says Porath, who in 2010 joined Georgetown University's McDonough School of Business faculty as an assistant professor.

Porath published studies and research papers on workplace incivility, all of which culminated in her 2009 book, *The Cost of Bad Behavior: How Incivility Is Damaging Your Business and What to Do About It*. The book, co-written by Christine Pearson, professor of management at Thunderbird School of Global Management, shows that incivility is far more prevalent in the workplace than most managers and executives think.

What constitutes incivility? Porath offers a long list of passive behaviors, including taking credit for others' efforts, talking down to others, and withholding information. She also lists more aggressive acts such as spreading rumors about colleagues and throwing temper tantrums. The increased use of technology in the workplace also has added

potentially offending behaviors, such as texting during meetings, although Porath acknowledges that policies vary about acceptable use of smartphones at work.

In her research, Porath has identified companies such as DaVita Dialysis (previously known as Total Renal Care) that achieved dramatic financial turnarounds by fostering a positive community and mutual respect among employees. In 1999, a new CEO addressed high turnover and low morale by installing a new management team charged with building a positive values-based organization. Between 1999 and 2005, the company's market capitalization grew from less than a quarter-million to more than \$5 billion. Its clinical outcomes became the best in the industry, and turnover dropped by 50 percent.

Perhaps more surprising than such dramatic turnarounds, Porath also shows how mild offenders can pay a price without even knowing it.

One chapter in *The Cost of Bad Behavior* focuses on Cisco

Systems. The company values interpersonal skills and mutual respect in its hiring, but when Porath helped Cisco calculate the impact of even occasional acts of incivility, it amounted to a hefty sum. If just 1 percent of employees experienced workplace incivility, she says, the cost of lost work time and employee departures would add up to almost \$12 million a year.

In surveys, Porath has found that a staggering 96 percent of people in the United States have experienced incivility at work, but only 9 percent reported it to human resources, a disparity that may explain why managers underestimate the cost of incivility. Rude and disrespectful behavior, she says, can be found across all industries in both the for-profit and nonprofit sectors. Porath also has found that 12 percent of employees have left their jobs because they were treated uncivilly. It costs employers 1.5 times to 2.5 times an employee's annual salary to find a replacement when a worker leaves. The quickest way to persuade managers to focus on workplace civility, she says, is to share this statistic to illustrate the high cost of doing nothing.

However, Porath says wise employers address

poor workplace behavior before it escalates to the point where employees are leaving.

"When morale is bad, people can spend an enormous amount of time slacking off at work," she says, citing anecdotes of groups of employees spending their working hours comparing resumes and otherwise being unproductive.

Likewise, companies should not justify uncivil work environments as being part of a tough or competitive corporate culture. "Civility isn't about being nice," she says. "It's about working with mutual respect."

— Andrea Orr

