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## The Behavior of Business Knowledge, Behavior and The Company's Bottom Line

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*Company growth and profits are about employee performance; performance is about people – performance IS behavior.*

### **Behavior ...**

the manner of conducting oneself: anything that an organism does involving action and response to stimulation: the response of an individual, group, or species to its environment having requisite or adequate ability or qualities.

Business is really about two things knowledge and behavior. This may sound strange, but when you think about it, a business cannot exist without pertinent knowledge and behaviors that generate desired outcomes.

So what's essential to the success of any company?...a conscious determination of what knowledge and behaviors are absolutely necessary (critical success factors) for that particular business to be successful. The behavior piece can be defined in two parts: skills and competencies.

A skill (the capability to do something well) is usually framed and needed in the context of a job description. Example: someone who can create a blueprint of a house.

A competency relates to qualities and capabilities beyond the job description...the make-up of the person in the job (e.g. characteristics/traits, attitudes, beliefs, values, motives, character, emotional maturity, relational effectiveness) and how those elements influence **how** a job is done. Example: emotional maturity to be self-motivated; able to efficiently organize and execute work.

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In the examples above, you can have two employees who are both skilled at drafting and yet one is much more productive than the other due to specific competencies – in summary WHO that person is on the inside, how he/she operates from within and how that impacts the way in which the job is done on the outside.

*Also two additional items of note:*

1. Each element (skill and competency) both contributes to the profitability of a company.
2. You'll rarely find a list of competencies, such as "emotional maturity" on a job description.

One can see that in order then for a business to stay competitive and profitable three critical assessments need to be made:

1. A determination of those behaviors needed for the success of the business.
2. A determination of which contributors are in possession of those needed behaviors.
3. A effective plan to close the gap where needed –
  - a. via training and coaching
  - b. replacing a contributor with someone who is a better fit.

## **BUSINESS SUCCESS (OR LACK THERE OF) IS ABOUT BEHAVIOR...**

*Behavior gone unchecked can cost you*



Want to increase your revenue and competitiveness in the marketplace? Start focusing on the needed behavior to get the desired results as well as start identifying the behaviors that are costing you.

### **EXAMPLES**

#### **#1 The Gruff & Rough HR Manager**

*Behavior needed: Diplomatic–Empathetic Relational Style*

Linda is the key contact point for all employees in a company of 125 employees. She is known to be efficient in executing all employee paper work and keeping employee records in impeccable shape.

Unfortunately, she is also known to be sharp, impatient and insensitive in her relating style when employees come to the human resources department for help with issues with co-workers and direct reports.

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Recently, an employee had a legitimate concern about being sexually harassed by her manager. It had gotten to the point where she was feeling very embarrassed and equally fearful of losing her job. All of the pressure and anxiety she was experiencing was also generating severe headaches resulting in sick days. Clearly it was getting to the point where she needed to reveal what was happening, get some advice and help, yet she kept putting it off.

Why you ask? She knew that the person she would need to reveal this to was none other than the HR Manager who had a reputation for a lack of empathy, being insensitive and rough. This knowledge fueled the harassed employee's fear of bringing this critical situation to the attention of HR manager.

In the end, the employee left and she sued the company for sexual harassment and won a significant financial settlement, also resulting in the firing of the harassing manager.

**Questions:** What behaviors on the part of the HR Manager contributed to this financial loss? (We can only guess what behaviors on the part of the harassing manager were involved).

Where were the areas of financial loss in this story beyond the obvious of the settlement? (e.g. sick days, lower productivity of the employee...etc.)

What would be the competencies needed (or "critical success factors") for an HR Manager to be effective.

How would that effectiveness positively contribute to a company's bottom line?

**Conclusion:** The absence of needed relational skills and behaviors had a meaningful impact on the company's bottom line. The irony? A minimal investment in management coaching could have helped this key employee develop the sensitivity and relational skills needed to appropriately and adequately handle this legally volatile situation.

Additionally, had the HR Manager been more competent, she could have set up a coaching arrangement for the harassing manager and perhaps could have turned around the situation and appropriately coached the damaging behavior.

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## #2 Entry Level Sales Employees

A promising, newly hired employee with a “go-get-em” personality has been hired with high hopes of significantly contributing the sales numbers and thus the addition of new customers.

Initially, this employee with a very outgoing personality was making some sales and all looked good. However, as the next few months unfolded, his sales numbers started to stall and even decrease.

His manager who had been a successful self-starter and break out star with a similar personality type could not understand what was going on and thereby had no clue how to help his potential star work through the slow down. The lack of insight into how people operate due to a lack of management training left the situation floundering for both the manager and the new sales employee.

Eventually the sales manager became frustrated and the initial rising star was transferred to a different role, which did not match his potential.

Had the manager learned how to coach this high potential, he would have learned that beliefs impact behavior which equals results. What came to light is the fact that the salesperson felt like asking for the sale in the style he was trained felt too “pushy”. What the manager didn’t know is if he could have coached the salesperson and helped him reframe his beliefs, even helped him develop a different closing style he was more comfortable with, he could have began to make sales again.

With a reframing of beliefs, his ability to ask for the sale would have changed, more sales would have been made, more commission for the salesperson and profits for the company and the potential of the new sales person tapped and developed.

*Conclusion:* In this situation, again the absence of management training (the absence of needed knowledge) adversely impacted the company’s bottom line. How?...at a minimum, lost sales in terms of performance, potential, and time it took to hire and ramp up a replacement and the cost to hire a replacement employee.

## #3 – Disrespectful, Abusive Boss

*ONE BEHAVIOR...a chain reaction*

*This example is quick, easy and unfortunately all too common.*

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A lead supervisor is disrespectful to everyone on his team and abusive in the way he treats them. Every time he has direct interaction with any member of his team it translates into that member being demotivated. Not only is the motivation of the employee diminished, so is his focus. The employee is distracted by how bad he feels. Additionally there are continued discussions and complaints with fellow employees that take up work time, focus and energy that could be spent getting meaningful work done.

It's clear that disrespectful, abusive behavior directly impacts the productivity of employees and creates a ripple effect to the bottom line and even customers.

Additionally, talented self-confident employees tend to have a low tolerance for this kind of behavior and tend to leave knowing they can get employment elsewhere in a better environment.

*Additional costs to consider:*

- Stress related absences
- Cost to conduct a search for those who have left
- Ramp up time for new employee to reach full productivity

## **I'M SURE AT THIS POINT...YOU GET THE POINT**

*But just in case...*

Here's additional examples of behaviors that directly impact a company's bottom line:

- Dominating relating style of a manager– not giving others a chance to contribute....I call that “leaving talent on the table”
- Resistance or refusal to learn something new and useful
- Blocked access to talent - employee difficult to approach due to abrasive and combative interpersonal style
- Adversely impact collaboration due to same behaviors
- A manager that has a hard time saying no to interruptions and there is reduced productivity due to focus disruption.
- Worker absenteeism due to difficult, disruptive co-worker gone unaddressed

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## What's the Solution?

Very simply...an effective performance management system. What does that entail?

*The following:*

1. A determination of the knowledge base and behaviors needed for the success of the business and the various roles participating in that.
2. A determination of where contributors are in possessing that knowledge base and needed behaviors (remember, behavior includes both functional job skills as well as competencies).
3. A plan to close the gap where needed -
  - a. via on going training (building an appropriate knowledge base)
  - b. regular coaching (regular meaning at least once a month one-on-ones); coaching meaning following up and tracking the meeting of all expectations (learning and developing of targeted behaviors) which will reveal if this person is an appropriate fit for the job and *if they are coachable*.

*Special note:* As I have had the great privilege of meeting and training thousands of managers and supervisors across North America. One thing I've discovered to be true. There are many good hearted, hard working managers who spend an inordinate amount of time trying to help people who are NOT coachable. They either don't recognize it or there are not the internal processes in place to terminate those employees. This results in a significant reduction in productivity *for all* exposed and lots of needless suffering!

- c. and if they are not coachable, replacing them with someone who is a better fit.

Note: To make this plan easier to execute, there is excellent software available to do so.

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## **FINAL THOUGHTS**

I see a big disconnect with key decision makers between their desire to create and sustain a successful business and what it *really* takes on the human side of the business enterprise to do so.

The disconnect is the fundamental lack of knowledge of how people operate and the ripple effect of negative behavior in teams that significantly undermine the profitability of a company.

Hopefully, this article has created a practical awareness of this pervasive challenge.

It is my personal commitment and mission to help people-companies address these needs. If reading this article has provoked some thoughts that you would like to discuss with me, don't hesitate to contact me by phone or email. There is no charge involved.

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