

# Insulting Your Employees is Costing You Money

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August 18, 2020

## **This is what I said to a CEO who didn't understand why they needed to be nice to their employees.**

In December 2019, I flew to Los Angeles to deliver a full day of training on “How to Build Inclusive Teams” to an executive team at a flourishing tech startup. My point of contact before arriving on-site was the company’s head of people; I’d yet to speak with the CEO or any other executive. Luckily, when setting the agenda, we put aside a full hour before the training to sit down with the CEO and get to know them.

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The conversation started with the usual niceties. But not two minutes later, the CEO blurted out, “What’s the point of being nice to my employees?”

I was amazed, to say the least. Ultimately, after digging into their question, I responded with the following: “Every time you’re mean to someone, interrupt them or dismiss them in some way, you are shutting down the part of their brain that is making you money.”

Then they started to pay attention.

We all have nervous systems. When we feel unappreciated or belittled in some way, we start to think we aren’t valued in our role at the company, simply by the way someone is speaking to us. When this starts to happen, our nervous system puts us in a protective stance—we focus on ensuring we’re not further harmed or insulted. We begin to lose our ability to make clear decisions, see the big picture or get curious about what might be happening with a colleague or manager. We move into a reactive mode rather than a responsive and active listening state. When we are in a defensive position, our ability to create, innovate, produce, and execute diminishes considerably, and we enter survival mode.

But the truth is that any leader can motivate successfully through fear, insults, and humiliation, or through a masterful combination of psychological safety, appreciation, and recognition. Both styles will manifest results, build products, and deliver services.

So ask yourself: How many dollars are you giving up when you insult, dismiss, ridicule, or interrupt your teammates? Let’s break it down: A \$160,000 yearly salary divided by 2,048 hours equals an hourly rate of \$78.12. Now, let’s say you have a 9:00 a.m. meeting where you slam your hands on the conference table and yell at a direct report

in front of everyone. You continue dismantling your direct report's competence in public and ask another employee to solve the issue. You just threw \$78.12 out the window because you've officially shut the employee's nervous system down.

The direct report leaves for their 10:00 a.m. meeting, but is so upset—with you, with themselves or perhaps both—that they are not paying attention in the meeting, costing another \$78.12. In their 11:00 a.m., they are now ruminating, fuming, or swimming in shame, losing another \$78.12. The balance is now -\$234.36, not including other people impacted by the first meeting.

The 9:00 a.m. meeting recurs weekly, and the dysfunctional dynamics repeat with some variation for months. In just one month, you've lost \$937.44 from one employee by crushing creative, innovative ideas and solutions because the employee has shut down. Additionally, consider the medical costs for stress medications mitigating anxiety, or addressing depression.

Danielle Stewart, the lead consultant on Workplace Safety & Prevention Services' (WSPS) Organizational Health Team, stated, “research from PricewaterhouseCoopers has shown an average of 230% return on every dollar invested in creating a mentally healthy workplace.”

Gallup's data reveals that just three in 10 U.S. workers strongly agree that their opinions count. However, by moving that ratio to six in 10 employees, organizations could realize a 27% reduction in turnover, a 40% reduction in safety incidents, and a 12% increase in productivity.

Paul Zak's data shows that “people at high-trust companies report: 74% less stress, 106% more energy at work, 50% higher productivity, 13% fewer sick days, 76% more engagement, 29% more satisfaction with their lives, 40% less burnout.

So, how do we solve this problem?

## **Recognition vs. Appreciation**

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As leaders, it is imperative to understand the strengths of each of the brain's hemispheres.

Sarah Peyton explains it best in her book, “Your Resonant Self,” by saying that the left hemisphere (LH) is the functional aspect of who we are. The right hemisphere (RH) is the relationality of who we are. As employees striving to be successful, we need acknowledgment for both representations to bring our full, authentic selves to work.

When leading a team of any size, mastering your interactions and engagements with employees from both angles creates the level of performance and risk-taking every team aspires. The simplest way to begin is to separate “recognition” from “appreciation” and ensure that you're embodying both when giving feedback.

Recognition happens in the LH and is primarily focused on behavior or performance. Appreciation focuses on their qualities or personal values.

Here is an example of feedback that encapsulates both: “It was awesome how you ensured that we made the deadline and kept everyone on track. [RECOGNITION] I appreciate your level of dedication to our clients and your sense of integrity to the team during these difficult projects [APPRECIATION].”

## **Speak from Both Hemispheres**

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Because our LH is the functional aspect of ourselves and the RH embodies our relational aspects, each hemisphere sees the world differently but causes us to speak differently, both to ourselves (our inner voice) and others.

When residing in our LH, we focus on problem-solving, seeing what’s missing or wrong at the moment, and then giving advice. When residing in our RH, we focus on the partnership and relationality of the interaction or engagement at hand. We access our feelings and needs from this place and our ability to self-reflect, be reflective, and have concern for ourselves and others.

Suppose we operate primarily out of our LH. In that case, we start to treat people as equations for accomplishment, solutions to problems or obstacles impeding results, just as the CEO I described in the beginning did. Operating out of our LH puts us at risk of losing sight of our employees’ humanity.

## **Leading from the Inside Out**

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I always tell my leaders their job is not to become therapists, but rather to become aware of each employee’s needs, values, and desires. Discover who they are (RH) and what they want (LH), they cater to their goals and rewards accordingly.

Accessing our full selves creates a cohesive team culture; it gives meaning and purpose to the team’s objectives and key results. When employees feel seen and heard, they feel empowered to execute, create, work harder, and show up longer. And when they are respected and warmly welcomed by both their leader and peers, their sense of commitment and drive increases. Finally, when they feel supported and engaged with their colleagues, their stress levels plummet, and their productivity flourishes.