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Office Gossip! How Does It Affect Your Business?

Most people tend to think; well...office gossip hurts my bottom line because my employees are less productive when they are standing around the water cooler talking about the other staff. Well this is very true, but I am going to ask you to think outside the box on this one and we are going to talk about other ways that office gossip can affect your business.

One of the first areas of office gossip that I saw affect the business I work on actually happened to me very early on in my management career.

I had applied for a management job within my company and suddenly my co workers became my staff. When this happened I was abruptly cut off from all communication that did not have to do directly with work. And then an interesting thing began to happen. The ladies that I had been friends with were now openly speculating on what I was being paid for my new position. Because they were speculating about their new boss' pay, they felt comfortable discussing their own pay.

I was then approached by my new staff and questioned why one person was making more than another and I was asked for raises by some of the staff because they felt that their pay was unfair. And I was new to this whole management thing so I feel safe in saying the staff knew they were throwing me for a loop.

So my boss and I devised a strategy of dealing with each employee individually. When asked for a raise by one staff person I would ask them what justified the increase to their pay. When the response was that someone else was making more I would ask the staff person if they were willing to take on more responsibility to make more money. Interestingly the answer was often no, they wanted a raise just

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because. So I would turn down the request. After all, I offered a solution to the issue and the employee was not interested in increasing their responsibility to increase their pay.

In the long term we have actually solved this kind of office gossip by having our employees sign a confidentiality agreement. We make it very clear that discussing each other's pay rates and bonus amounts is immediate cause for termination of employment. Now be careful. As I said we had our employees sign a statement saying they understood the rules and that they understood all pay data is 100% confidential. It was important to have this in writing so there is absolutely no room for confusion. Before you do something like this, you must check with your attorney to make sure that you have covered all of your bases before implementing a plan like this.

So how else can office gossip affect your bottom line? Again, it is not just a lack of productivity. How many times have you been in the market or in a restaurant or another public place and have heard someone on their cell phone having a conversation that was probably best kept private?

One time I met with a woman about a sponsorship my company was doing with her organization. As we sat down in a restaurant to go over the details she took several phone calls. While this in itself is rude - what she did was actually worse! She had conversations with her clients about their finances. Publically! The first thought in my mind was I'm glad she doesn't know anything about my finances! That information would be all over the place.

Could you imagine someone from your payroll company gossiping in public about how much money you made? What employees your company let go? And who got a severance package and how much it was? All IN PUBLIC!

This doesn't happen in my company. And I know it does not happen in my company. Not because I am naïve and trust every employee who walks through our doors, but because we make sure that it is not going to happen.

Much like doctors and hospitals, a payroll company has access to confidential information that can affect people's lives, livelihood, and so on. So while the payroll industry, and probably your industry do not have HIPPA type laws, we still need to make sure that what happens in our business stays in our business.

One way of making sure that my employees are not discussing my clients business in public or even with their families is to get it in writing. So along with our agreement on pay information for our own staff being kept confidential, we have all of our employees sign a confidentiality agreement. And I know that some people might think, well that means nothing, how would you know if your staff were gossiping outside of the office? And I understand that point of view. However, our

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confidentiality agreement contains some pretty severe conditions for the employee is they breach the agreement, or threaten to breach the agreement. Not only is their employment terminated, but they also agree to pay relief to our company for any damages incurred from the breach in confidentiality.

So those are two examples of the challenges of what can arise from office gossip. I am sure there are many more challenges that companies face with these types of items. You may have your own examples that you can now think of when this happened to you either as an employee, a manager or an owner of a company.

Now as women executives and business owners, the phrase "emotional intelligence" gets thrown around a lot. So what do you think of when you hear the phrase emotional intelligence? What does it mean to you?

There are basically four parts to emotional intelligence. They are perceiving emotions, using emotions, understanding emotions and managing emotions. A lot of people, especially women are credited with using emotional intelligence naturally. Makes sense. Women are usually more intuitive and are responsible for maintaining the emotional well being of their families. So to use the same skills in the work place makes sense.

So here is where the idea of being in tune to my staff and what is going on in my company comes into play.

I want to have a work environment, and often do of people who are capable of working independently, following the set rules and procedures and doing the best for our clients. Let's face it, for those of us who work with the public in any way, this is the ideal. How does emotional intelligence play into this?

Older styles of management often saw people who thought they were managing by ordering their staff, directing people and making commands. This often leads employees to feel controlled, powerless, helpless, discouraged, incompetent, resentful, disrespected and even rebellious. None of this feeds into my ideal work environment.

But what does office gossip have to do with how I manage my staff?

Well, how do I know how my staff feels if I don't listen to them and the chatter that takes place in the office? Some people would think...that is a waste of time. But I can tell by the atmosphere in the office what is going on. When everyone is jovial and talking about last night's TV show or their plans for the weekend, everything seems good. When there is complete silence in my office it means one of two things. One, everyone is diligently working. Or two, there is stress taking place that needs relief or something needs to be fixed.

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Listening has become a regular part of my day and is used without thought so that I can gauge how things are going, who I can assign some extra tasks to and can see how my clients are being treated. Let's face it, the world is not perfect. I know that when my staff is happy, it is easier for them to treat our clients with enthusiasm and to go the extra mile for them.

So, what do I do to foster a happier work environment so that our clients in turn receive the very best?

Well, when I sense a turn in the mood of the office I find out what is going on and why.

Some simple direct steps to that are making sure that I am in direct communication with my staff. I make sure that my staff has the comfort and capability of expressing both their thoughts and feelings and that we are all fostering a mutual respect for the needs and feelings of each other.

Here is what happens from being in tune with your staff. Instead of all of those negative adjectives I listed from managers who give their staff directives, like controlled, powerless, helpless, discouraged, incompetent, we replace those feelings with ones of validated, respected, trusted, valued, self-reliant, capable, competent, and understood.

Can you see the value of having staff that is optimistic and enthusiastic versus those who feel as if they are put down and put upon?

It actually does improve your bottom line! My staff takes the initiative. They go out of their way to help our clients. And they feel much more a part of the process.

This is also a way of team building. In the best of worlds we work together as a team to meet a common goal. One of the ways of team building is to empower your staff. Make them feel validated and valuable. What that does is to create an environment where people help each other. For instance, my staff will help the person on the team who is overwhelmed. They will cover for someone who has the opportunity to take a last minute trip. And when someone says, I just can't do this right now, another team member will say, I've got it. And an interesting thing happens with this. It is not just one team member coming to the rescue of everyone. Each person on the team is doing this for someone else. It creates a great work environment that needs less managerial babysitting and allows for more energy to be spent on strategic planning, sales and marketing. Which is of course how we grow our businesses.

So this is one way of using office gossip to your advantage. Another way is to be in tune with other things that are happening in your business.

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Another really simple example of this is when I listen to the chatter that takes place in our office when one of the staff hangs up the phone with one of our clients. It is a great opportunity to increase billings. Are you thinking, what? Increase billings. Yes!

If one of my staff starts commenting that one of the clients has been requesting reports that we had to de-archive from two or three years ago and is now requesting that we set up specialized reports and wants us to do audit work for them the first thing I do is say...and what are we charging for these services? Now my staff is well trained and very responsible, so I am frequently told that a reasonable charge has been assessed. But sometimes they get so caught up in the prospect of all of the extra work that they forget to let the client know that what they are doing is above their regular fee and that there will be additional charges associated with the work.

If my staff missed that opportunity and told the client the work would be performed without discussing fees, then we cannot go back and call the client. But even if that opportunity was missed, it will trigger the thought the next time a client is making those types of requests.

The other comments that get made are when a client might seem unhappy and feel like things aren't going their way. When I hear someone on my staff make these kinds of comments, it gives me the opportunity to be proactive. I can then directly ask what is going on and then call the client and see if they need help with anything and how we can make things go more smoothly. Perhaps they have needs that aren't currently being met by us and we need to offer other products and services to be of value to them. This actually can happen when companies are expanding and growing.

So how will you tune into the gossip and use it to help you succeed? How will you use confidentiality, team building techniques and emotional intelligence as a part of your day each and every day?

About the author

Meg Eynon is the Vice President of The Payroll Factory and has over sixteen years of experience working with businesses to help them come up with simple ways to make their employees' lives easier through the process of producing payroll.

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