



“Making Business Decisions Based on Emotions”

While attending a “family counseling” seminar 10 years ago, I heard Jim Walsh, IBM Psychologist, describing various personalities, and how guilt feelings can affect their business decisions. In his lecture Jim described the amiable personality who can’t lay off employees because they worry about how they will make a living, pay the kids’ college tuition, or the veterinary bills. Opposite to the amiable personality Jim described as the business manager personality who only sees the “bottom line profit” while the human factor is not a concern. Between these two personalities lies the “golden path” that we need to take when we face the unpleasant decision of having to let an employee go.

Having the amiable personality can affect the business judgments

Having a computer consulting firm for 25 years, I always felt guilty when I had to lay off employees who did not perform. Not being able to make the decision, I always gave myself all kinds of excuses about why I should give them another chance. Having the amiable personality, I tolerated a partner for 20 years who believed that the business was a source of high income without having to work hard. Despite the fact that I knew I should terminate the partnership, I was not able to get over my guilt since we were “close friends.” In 2000 when I finally realized that we had accumulated \$350,000 in debts, I was forced to face reality and made the difficult decision to break the partnership, assuming all the debts myself since I did not want my ex-partner to lose his home. Paying the debts in full over the next 6 years was a “very long stressful road.” When September/11 occurred, my ex-partner did not even bother to call and find out how we were doing despite the fact that he knew that we live in Greenwich Village, 2 miles away from “Ground Zero.”

Being the Trusted Advisor, I often meet my clients and prospects for lunch or dinner to discuss various issues that are not always related to the business world. While meeting one of my clients, whom I am very fond of, for lunch one day he said: “an employee who has been with me for 30 years has developed severe Multiple Sclerosis that is in a very advanced stage. My “Business Coach,” who was a major international company division ex-president, advised me that I should retire my employee. My hesitation about planning early retirement for my employee, who had been with me since graduating from high school, resulted in a conflict between us. When I explained to him that the job was her whole life his response was: ‘you need to worry about your bottom line profit and not let your emotions interfere with your business judgments.’” Describing this dilemma to me he asked: what I would have done if I were in his position?

Reminding my client about the issue with my partner, I told him that I was the last person to give advice on such matters, but he should remember that he “needs to sleep with himself at night and look at himself in the mirror in the morning.” My client, who has the amiable personality, did not listen to his “Business Coach’s” advice and let his employee continue to work. A few years have passed and the employee, whose condition has drastically deteriorated, is still working for my client while the “Business Coach” gave up discussing this matter.

Having a dear friend who is 30 years my junior and very close to me, I see him following in my “foot steps,” resulting in his repeating the mistakes I made in “my other life” when I had my consulting firm. Wanting to expand his consulting firm, he decided to hire a key person who would free him from daily affairs and enable him to take his business to the “next level.” Graduating from one of the most prestigious universities in the country, he applied the



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skills he learned in school to his interviewing techniques. After conducting many interviews and giving tests to his applicants, my friend finally found the “perfect person,” who had previously been employed by one of the largest computer firms.

Soon after this “perfect person” started working, my friend’s nightmare began. His “perfect person” became a daily source of stress coming to work late, taking off days pretending to be sick, and deciding when to take vacations days. While taking our Sunday walks in the winter along the Hudson River and watching the brilliant sunsets, I told my friend that it saddens me to see him following in my foot steps and making the same mistake I had with my ex-partner. After a year of “daily nightmares” with his “key person,” my friend finally fired his “key person,” and gave her a generous settlement to ease his guilt feelings. Knowing my friend “needed to live with himself,” I understood his motive even though it did not make any business sense.

Foolish pride can prevent making the right business decision:

After breaking the 20 year old partnership in 2000, I spent the next six years paying off the debts in full while facing the bitter reality that the “landscape” of the computer industry was being changed by overseas outsourcing. Working with employees who did not have the same work ethics as my associate and I did made me realize that I needed to change my business model. This resulted in a new dilemma: what to do with my associate who had been with me for 25 years? In 2005, while vacationing in Alaska on a 50 foot boat photographing the magnificent scenery for 10 days, I realized that I could not come back to my old business model, and decided to accept the offer the president of the software house I represent gave me. As part of our arrangement, they agreed to hire my associate at the same salary and benefits he got from me and support my clients.

Giving up my consulting firm was the best decision I ever made in my life. The only reason I can think for not making the decision earlier is foolish pride, not willing to give up the business I established in 1980. The transition to my new business model was an “emotional rollercoaster.” For the next few months after giving up my consulting firm, I kept asking myself if I had made the right decision, not knowing what the future would bring. Looking back almost 2 years later I finally realized it was the best decision I had ever made.

Conclusion:

Not making the right decisions because of guilt feelings can have a devastating affect. Many people stay in a relationship they are not happy with, or keep employees they should lay off not being able to overcome their guilt feelings. Despite the mistakes I have made in the past, I don’t regret the way I corrected them. We all have to live with ourselves and have to bear the burden of our decision’s emotional cost. At the end of the day, we have to find the “golden path” that will balance our principles with business reality.