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## THE HUMAN AND FINANCIAL COSTS OF WORKING WITH TOXIC PEOPLE

### Toxic Behaviors Are Just the Tip of the Iceberg

Working with this toxic individual was one of the worst experiences in my life. It took a long time to recover from her abuse. It was difficult because others witnessed what was happening but were scared they might receive the same abuse so they did not want to get involved.

—Quote from study respondent

You have probably picked up this book because you are either suffering or have suffered the ravages of a toxic personality at work. Most people have. Does the opening quotation from our national study on toxic personalities, in which we interviewed and surveyed more than four hundred leaders, hit close to home? Maybe it resurrects memories of your own gut-wrenching experiences with toxic personalities at work

Most of us have experienced the frustration and confusion of having an extremely difficult person to deal with in the workplace. Call them what you will: *control freaks*, *narcissists*, *manipulators*, *bullies*, *poisonous individuals*, or *humiliators*, to name just a few of the descriptors that we heard during our interviews. And we have heard other terms in our consulting practices and our research that describe what these people do: *poison*, *corrupt*, *pollute*, and *contaminate*. This is not your common, everyday variety of difficult person who gets on your nerves occasionally but without lasting effects. Instead, based on our research, we

#### 4 TOXIC WORKPLACE!

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These difficult individuals have the capacity to pervade our thoughts and sap our energies so much so that they have the potential to undermine our sense of well-being. In a variety of ways, they get under our skin, infiltrate our professional and personal space, demoralize us, demotivate teams, and ultimately can even make us doubt our own competence and productivity. They are toxic in every sense of the term.

In the most egregious situations, we may have an exaggerated emotional reaction to their toxicity and carry these feelings home to our families, friends, and significant others. These reactions may include lashing out at others, being uncommunicative about what is eating away at us, and even being in a significant depression requiring medication. Unfortunately, unless you can pick up and move to a new job, it seems impossible to escape the deleterious effects of these toxic individuals. And sometimes these effects continue even after the toxic person is no longer around. We found many situations where the toxicity lingers in the system after the toxic person leaves voluntarily or is fired.

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## The Ubiquity of Toxic People

How pervasive is this problem? In our survey results, 64 percent of the respondents were currently working with a toxic personality, and a whopping 94 percent have worked with someone toxic in their career. Another research study discovered that 27 percent of employees in a representative sample of seven hundred Michigan residents experienced mistreatment by someone at work.<sup>1</sup> And in certain occupations, the abuse is astronomical. For example, in a study of nurses, an overwhelming 91 percent had experienced verbal abuse, defined as mistreatment in which they felt attacked, devalued, or humiliated; in addition, more than 50 percent did not believe themselves competent to respond to the verbal abuse.<sup>2</sup> In general, one study after another confirms that verbal abuse increases job dissatisfaction, builds a hostile work setting, and lowers morale.

Here's another example. In an ingenious and clever study, employees in a manufacturing plant carried handheld computers for up to three weeks.<sup>3</sup> At four random intervals daily, they had to report any interactions with either a coworker or boss from the perspective of whether the interaction was positive or negative and what their current mood was at the time. The researchers found that the negative interactions affected the moods of these employees five times more strongly than the positive ones, even though they reported positive interactions three to five times more often than the negative ones.

To get a further sense of the intensity of these interactions, author Robert Sutton described the effects of "jerks" in the workplace.<sup>4</sup> He identified a situation in which a CEO of a health care information technology system company, sent an e-mail he had intended for the organization's highest-level folks. In this message, he bemoaned the fact that not all employees were working full forty-hour weeks and said he wanted the employee parking lot full from 7:30 A.M. to 6:30 P.M. on

weekdays and half full on Saturdays. If management couldn't do this within the next two weeks, he said he'd take harsh measures.

As you may have guessed, word leaked out about this message on the Internet. After investors saw this, *the company's stock fell 22 percent in three days!* With an apology the CEO sent to his employees, the share price returned to normal. We relate this story because it demonstrates the effects that just one uncivil demand can have on others *and* the organization. We don't believe Sutton was necessarily saying that the CEO was toxic. But if a single isolated behavior of the CEO has this effect on an organization, imagine the ripple effects that can occur with ongoing toxic behaviors over the long term.

### Why We Wrote This Book

In our consulting work in the areas of organization development, leadership development, team development, and coaching, we have had many clients voice their problems with toxic people. At a loss for what to do, they recounted the devastation this has caused—both the financial and human costs of the toxic person's effects on others.

To get to the root of this evasive and pervasive problem, we conducted a two-year research study on the prevalence and effects of toxicity in organizations. This book contains the results of that research and has helped our clients create more effective communities in their organizations defined by respectful engagement. This book offers you ways to manage existing toxic behaviors and create norms that prevent the growth (or regrowth) of toxic environments.

We have talked with our clients about the subtle and not-so-subtle difficulties that toxic personalities create in their organizations. These are just a few of the many questions our clients have posed to us in our work with toxic personalities:

- Who are these toxic individuals?
- What makes them tick?

- How do they survive in organizations?
- Why are their poisonous behaviors allowed to continue for so long?
- Why are the effects they have on others so consuming?
- Where do they get their support?
- How should leaders best handle them for maximum benefit to the organization?
- What if the leader is toxic?
- How do we stop them in their tracks? Can we?
- What needs to occur so that the organizational community operates through respectful engagement?

The answers are not simple, but they do translate into courses of action that can make a difference between success and failure in dealing with a toxic person and their environment.

### **How We Researched the Problem of Toxic Personalities at Work**

Our first step in understanding the problem of toxic personalities in organizations and seeking solutions was to design a research study that would ask successful leaders who had encountered these individuals to tell us their stories. We wanted to know the details of what happened in their organizations, teams, and relationships when they worked with a toxic person. We did not want to focus merely on the identified problem—that is, the toxic individual. Rather, we wanted to understand everything that was happening around this person. Essentially, we studied both the toxic person *and* the associated system. It was our premise as seasoned therapists and consultants that understanding the whole system would give us a better view of how leaders can build strategies for dealing with these extremely difficult people.

We used both interviews and surveys to gain information from more than four hundred successful leaders—CEOs, executives, managers, team leaders, supervisors, project managers, and

directors—at both for-profit companies and nonprofit organizations. Interviews are important because they reveal the intricacies and subtle nuances of a problem by providing unencumbered expressions of actual experiences. Surveys are equally significant because they provide a rich source of quantitative data from which to make extrapolations of meaningful correlations between key factors.

Our research study had three phases (see Appendix A for details on the survey):

*Phase 1:* Informal, unstructured interviews with fifty “thought leaders”—individuals from our consulting network who were reflective and direct about the many issues facing their organizations

*Phase 2:* Formal interviews with fifteen leaders from the profit and nonprofit sectors

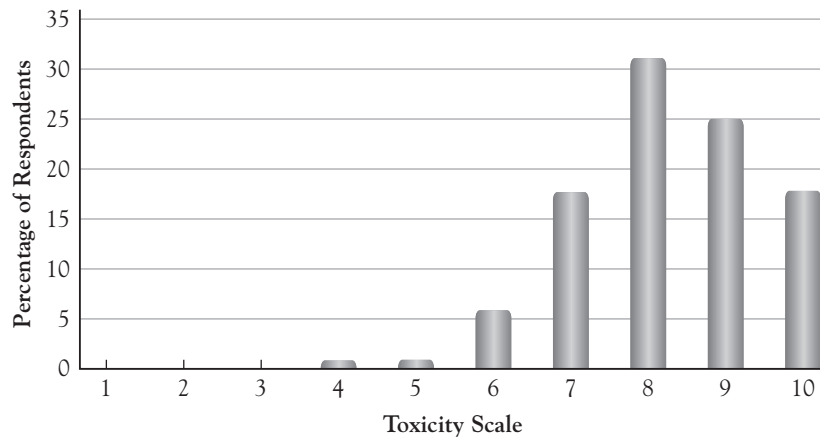
*Phase 3:* An eighty-two-item survey of 962 leaders, with responses from approximately 400

Our interviews identified five areas of importance that we used to construct the survey:

- The toxic person’s characteristics and behaviors
- Leaders’ reactions to toxic behaviors
- Leaders’ strategies for dealing with the toxic person
- Effects of toxicity on the system
- The role of organizational culture on toxicity

We wanted to understand the degree of toxicity leaders experienced. To do this, we asked them to consider one individual whom they regarded as toxic. Then we requested that they rate the intensity of this individual’s toxicity on a scale from 1 to 10, with the greatest toxicity they could imagine being 10. Figure 1.1 illustrates that 74 percent rated the problem person’s toxicity

**Figure 1.1 Level of Toxicity Reported by Leaders in Our Study**



Note: Toxicity was measured on a scale of 1 to 10, with 10 being the highest degree of toxicity.

from 8 to 10 and 92 percent from 7 to 10. We interpreted this finding to mean that the intensity of toxic behavior that almost all of our respondents experienced was very high. In addition, approximately 90 percent of these leaders reported that the person they identified exhibited toxic behaviors anywhere from two to five times per week.

We note that our respondents named males and females alike in this group; there were no significant differences in gender of toxic individuals. And to answer the next question that may be on your mind, 65 percent of our respondents were female and 35 percent were male.

These descriptive statistics on the degree of toxicity distinguish between difficult behavior that occurs for almost everyone on a bad day and habitual behaviors that are part of a person's style of engaging with others. In psychological language, it is these individuals' *interpersonal style* that is problematic. They have been using problematic behaviors for years to get what they need from others. Notice our use of "get what they need" rather

than what others in the organization need or what the organization itself needs. Our focus in this book is on the insidious effects that toxicity has on organizational life and the welfare of both the organization and those who work diligently in pursuit of the organization's success while maintaining a climate of respect and dignity for all.

### **Toxic People Thrive Only in a Toxic System**

Some of the solutions we present in this book are easy to put in place; others will require rolling up your sleeves and getting into the muck of the systems where toxic personalities thrive. This book doesn't offer a cookbook approach to solving problems caused by toxic people because we have discovered that quick recipes don't work: toxic personalities are part of a complex system, which is the source of their power. Therefore, a solid grounding in systems dynamics is required to combat their hold on the organization.

Once you understand how these people derive power from the systems, you'll be prepared to make a critical difference in how your organization, team, or community deals with them. Notice that we say "your organization, team, or community." This is intentional, because although the leader is certainly a key player in this dimension, the leader will not be able to intervene as effectively without your help in understanding the system dynamics of the toxic situation.

Many leaders who responded to our study were caught in the complex web of toxicity and weren't often able to extricate themselves. This web is what we refer to as a *toxic system*. It is a system because the most critical element of understanding how to change toxicity is to view it from a dynamic interactive perspective. A toxic person's behaviors trigger reactions from others. Soon the triggers and the reactions begin to damage the team or individuals, who may react in ways that actually



reinforce the toxic behaviors. Simply intervening with the toxic person is not effective because others may have learned new ways of interacting that are largely in response to the toxic triggers. Toxic personalities are part of a complex system, which is the source of their power. Therefore, a solid grounding in systems dynamics is required to combat their hold on the organization.

The responsibility for dealing with the toxic persons effectively shifts to the system as a whole. Addressing the system is the only way we have discovered to handle the problem effectively and inoculate the organization from further damage. We call our systems approach the *toxic organization change system* (TOCS), because it's the system that becomes the first call to action. Our TOCS model helps leaders identify and produce the most effective systemwide change in workplace toxicity through three change strategies: organization (which we discuss in Chapter Five), team (which we discuss in Chapter Six), and individual (which we discuss in Chapter Seven).

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To date, there have been few empirical studies dealing with the practical components of how leaders can mitigate the significant human and financial costs of toxic individuals. Toxicity spreads in systems with long-term effects on organizational climate even after the person has left voluntarily or has been dismissed. To discourage this spread, we provide *reactive* measures. To encourage environments where toxic individuals would find it difficult to be hired or survive, we provide *proactive* approaches. Both deal with the system components of toxicity. First, only

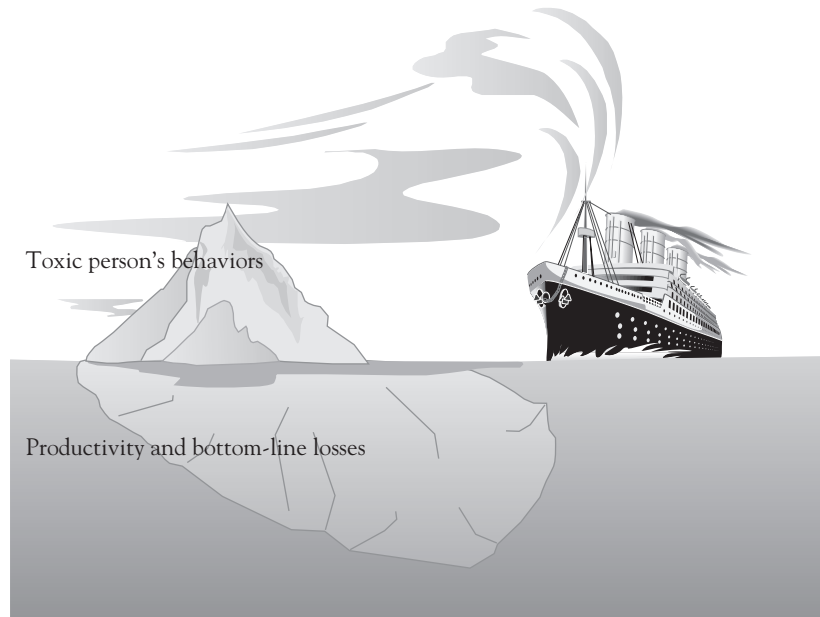
when the system around which the toxic personality functions is identified can meaningful change take effect. Second, once this systemic change occurs, only then will one-on-one interventions with the toxic personality become more effective.

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This book calls for not only managing toxicity interpersonally but also for managing the system within which they operate. *Toxic Workplace!* describes specific interventions needed to stop toxic people in their tracks, and it will help you manage system change so that no toxic individual in the organization can flourish.

### **The Hidden Chunk of the Toxic Iceberg**

Although we regard the tip of the iceberg as the toxic individual, what is crucial to understand is the impact of this toxic iceberg on the organization—the human and financial costs of toxic behavior (see Figure 1.2). These have long been hidden from the direct-line view of many leaders and nonleaders alike—below the waterline, if you will. Some of the statistics we present may surprise you especially because it has taken so long to do something about this ubiquitous issue that is prevalent in all kinds of organizations. In fact, we found no differences in incidence of toxicity or leader strategies between profit and nonprofit organizations. Although the following studies are not focused on what leaders specifically need to do, they do provide excellent cues in better understanding how toxic individuals burden people and organizational systems.

**Figure 1.2 The Tip of the Toxic Iceberg**

For example, one large-scale research study<sup>5</sup> of fifty-one manufacturing teams and another study<sup>6</sup> both revealed that a team member who was rated low on interpersonal traits decreased the entire team's performance significantly. In other words, the team is only as strong as its weakest link.

In our consulting practices, people have asked us, "Don't leaders see what this person is doing to the team?" Sometimes they do; sometimes they don't. And when they do, there may be reasons for not acting. For example, one leader in our study reported, "It's difficult to deal with them when they are good producers. They seem to get away with treating others badly because they produce results." And another noted: "Management was passive about the behavior because this person produced work that was viewed as good."

But as you'll soon see, producing results is just one gain in a whole constellation of negative effects that can bring the entire organization down.

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### **The Hidden Costs of Uncivil Behavior**

Consider the results of research on one domain within toxic personalities—incivility, defined as “employees’ lack of regard for one another”:<sup>7</sup>

- Almost 50 percent of those who experienced incivility at work reported that they lost time worrying about this and its future consequences.
- More than 25 percent of individuals who were targets of incivility acknowledged that they cut back their work efforts.
- Fifty percent contemplated leaving their jobs after being the target of incivility, and 12 percent actually did so.<sup>8</sup>

In our own study, one leader related how significant turnover costs can be:

This toxic person is in the most senior HR leadership role in the organization. He has experienced 80 percent turnover of his direct reporting team and staff [as a result of his toxicity].

In a subsequent study of eight hundred employees:<sup>9</sup>

- Twenty percent stated they were targets of incivility at least once a week.
- Ten percent said they witnessed incivility daily at work.

## The Hidden Costs of Bullying

One specific arena of incivility is *bullying*, defined as someone who places targets in a submissive, powerless position whereby they are more easily influenced and controlled, in order to achieve personal or organizational objectives.<sup>10</sup> When someone cuts a path of destruction with bullying behaviors, the organization sees higher turnover, less favorable attitudes toward the job and the organization, and greater psychological distress than as experienced with nonbullies.<sup>11</sup> Bullying, in fact, has increased over the past several decades.<sup>12</sup> One explanation for this increase is that organizations are running flatter and leaner, with fewer management structures in place to corral bullies.

## How Human Resource Professionals View Toxicity

It appears that no one is immune to the ravages of toxic personalities, not even human resource (HR) professionals, whom we initially thought might have the edge on working with toxic individuals. In our study, even they could not put their fingers on effective methods. These professionals need strategies that deal with toxic personalities for both their internal clients and themselves, because they are as affected by toxic individuals as anyone else. Human resource professionals had some interesting insights about toxic persons. In one study of HR work teams,<sup>13</sup> researchers found that the lowest member's score for conscientiousness and agreeableness predicts group performance and does so over and above cognitive ability. So according to HR professionals, intelligence is not as good a predictor of a team's success as conscientiousness and agreeableness are.

When you interview potential team members, how much time do you spend trying to determine the applicant's fit with the team? Typically leaders spend an inordinate amount of time on the content of the team's work—such factors as expertise,

education, and work on similar projects. We're not saying these aren't important. What we *are* saying (based on these research studies) is that you need to spend time on more subtle personality factors when recruiting individuals and team members.

The research on emotional intelligence supports the position that fit plays a critical role in both individual and team success. Emotional intelligence exemplifies the ability to understand your own feelings as well as the feelings of others—a quality often lacking in some of the toxic individuals we heard about in our study. Emotional intelligence experts label the understanding of one's own feelings as “personal competence,” which incorporates the dimensions of self-awareness and self-management. In our study, we found that these two factors are sometimes lacking in toxic individuals.

The second big arena in emotional intelligence is social competence, which encompasses social awareness and relationship management, both deficient in many toxic folks. Because toxic individuals lack some of the more important dimensions of emotional intelligence and there are hundreds of documented studies linking emotional intelligence to success, many toxic individuals detract from organizational success. Some toxic individuals are successful in their jobs, but they are usually not successful when they are evaluated against their paths of destruction. Consider the toll they take when employees leave the organization or do not want to work with them. Even customers and other key stakeholders say they'd rather work with someone else in the organization or, worse, go elsewhere for their customer needs. Toxic people leave a significant debris field. Here's one in particular from our research study: “They tend to pollute the environment with their negativity, and I have seen others quit at a previous organization as a result of their behavior.”

Turnover is an ever-present problem with victims of toxic personalities. When you consider that the fully loaded costs of turnover are anywhere from one and a half to two and a half times the salary paid for the job, you can see the tremendous

financial impact of the toxic person, along with the human suffering and loss.<sup>14</sup>

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### **How Do Toxic People Get Hired in the First Place?**

Our research sent us on a saga to truly understand this widespread and recalcitrant problem that undermines the health of organizations and people. The consulting we have done in this arena has served as a robust laboratory for experimenting with the benchmarked practices we discovered in our research study. Many leaders asked, “Can’t personality tests address this problem by weeding out toxic individuals from ever entering organizations?” Our best answer is, “to a limited extent.” There’s a fair amount of research evidence that personality tests can predict an individual’s performance reasonably well. And there’s even evidence that personality tests can predict factors such as how conscientious someone is likely to be, how agreeable during times of conflict, and even how emotionally stable the person is. However, the counterproductive behaviors addressed in these tests are overt actions, such as fighting, stealing, and absenteeism. Although those behaviors are clearly undesirable, these are not the toxic behaviors we addressed in our study. Ours are much more subtle than these direct acts of aggression, but they are just as problematic to people and organizations.

### **Why Not Just Fire Toxic People?**

You may be asking yourself (or us!), “Why not just fire them?” Firing certainly is appropriate in many circumstances. But there are two reasons that this does not occur as often as it should. First,

the leader may not have gone through an effective performance management process with this individual, as most organizations require. Second, in some organizations, this process is not well delineated, there may not be HR support to work with the leader, or no one knows how to work with these behaviors. In addition, the process just takes too long in some organizations. As one of our respondents noted, “It was just too draining to go through the process of firing them.”

Finally, how do you fire someone who is an effective employee in that he or she meets the standards of the job (or even exceeds them)? Based on our study, we have found that the organization values need to be absolutely concrete and behaviorally specific, as well as integrated into existing performance management systems. Subsequently, living out the values becomes just as “real” in terms of appraisal of performance as the day-to-day tasks one has to do. And since most organizations don’t have these kinds of values that become a key factor associated with one’s job, firing is even more difficult.

### **Beware the “Bad Apple” Effect of Toxic Behavior**

Consider what is often referred to in the psychological and management literature as the *bad apple syndrome*. This has been corroborated by other researchers who found that a team made up of two emotionally unstable and two stable members performed as badly as a group of all unstable members!<sup>15</sup> It’s almost as if the emotionally unstable team member infects the rest of the team with negative energy.<sup>16</sup> They found that negative relationships have a greater impact on job satisfaction and organizational commitment than do neutral or even positive relationships. For example, one leader in our study related how disastrous this was to the personal psyche of so many: “Her behavior was so extreme that people were almost immobilized.”

“It was just too draining to go through the process of firing them.” It is not uncommon for many of us to look for a new



position in response to a boss or colleague who is toxic in every sense of the term. You may have experienced, or can imagine, the emotional toll this problem creates in organizations and how this emotional strain plays out in organizational productivity.

All of these studies dramatically expose the importance of examining the effects of and the solutions for dealing with toxic forces in your organization. Two of our respondents summed up the significantly negative effects of just one toxic individual:

The amount of impact of toxic people is a cost that ripples through the organization. It has tentacles that few have measured. If one could ever show the wide-reaching effects of just ONE toxic person, I think it would help people address this sooner.

Talented people left the organization; marginal performers are the ones who stayed.

There are both overt and sometimes subtle effects of the toxic person, which is why we use the metaphor of the tip of the iceberg. Although you can see the toxic person at the surface, the insidious effects the toxic person has on the organizational system are well below the surface.

## Summing Up

We hope you're now ready to delve more deeply into the world of the toxic personality. *World* is an appropriate word here because it indicates the system around which the toxic individual thrives. We have provided you with a big picture perspective of this system with a glimpse of what the bottom part of the iceberg looks like in a toxic system. In the following chapters, you will examine hands-on approaches to understand the toxic system and the toxic individual by completing portions of the same survey that respondents did in our national study, as well as seeing the detailed results of our research. These results have clear

implications for how leaders lead, how organizational cultures sustain them, and how teams deal with toxic personalities.

Chapter Two begins by revealing how to identify toxic individuals. It isn't always easy because some toxic behaviors, even highly damaging ones, can be subtle and insidious.