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EXECUTIVE COACHING SERIES

Psychology of Performance: Toxicity in the Workplace

White Paper

03-21-11

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Unfortunately, even with the best of efforts, toxicity occurs in all workplaces though clearly not every organization is toxic. Inherently, toxicity and toxic behaviors create an aversive situation as experienced by the employees of the organization that results in psychological distress (e.g., anxiety, depression, burnout, substance abuse) and corresponding lowered work performance. There has been a recent increase in toxic leaders, toxic managers, and even toxic cultures which has increased the research on toxic workplaces as well as how to address and manage toxic behaviors (Appelbaum & Roy-Girard, 2007).

Toxic organizations are typically defined as destructive and highly ineffective for their employees, reflected in historically poor performance and poor decision making (Bacal, 2000, para. 2). In fact, toxic organizations rely on control and thrive on disasters, constant chaos, and crisis in order to make changes. When toxic organizations do see that it is necessary to make changes, they typically manage their objectives and solutions with a short-term rather than long-term focus.

Some of the most common characteristics among toxic organizations include (Appelbaum & Roy-Girard, 2007):

- Inefficient internal communication
- Internal working relationships developed on manipulative and selfish agendas
- Difficulty achieving operational goals and commitments
- Utilizing problem solving methods which feed off of fear

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These functions and characteristics lead to the managers and employees feeling (Bacal, 2000, para. 4):

- Consistently under attack
- A lack of support both professionally and emotionally
- Unable to clearly identify the direct causes of pain and discomfort
- Helpless

An organization isn't considered toxic because there is one or a few toxic behaviors within the organization. In fact, a healthy organization likely includes a strong commitment from the executive team on nearly all incentives. Bidirectional communication between the employees and management is also a notable characteristic of healthy organizations. Finally, a non-toxic management sees employees as indispensable and there is a strong culture within the organization (Kent & Hiester, 2009). In contrast, it is important to note what makes toxic behaviors apparent. There are a lot of variables that influence a toxic environment, including the culture of the organization and how high up in the organization the toxic behaviors are. Generally speaking, the higher up the hierarchy that the toxic behavior is manifested, the more likely the pain will spread to the rest of the organization and others will engage in toxic behavior (Appelbaum & Roy-Girard, 2007).

Defining the Toxic Leader

Leaders in all organizations play an important role in helping create and maintain the organization's culture. When there is a toxic leader in the organization, the impact can be devastating. Typically, toxic leaders are noted to have a lack of concern for others, are selfish, and overall have a negative effect on the organization's morale and culture. Toxic leaders are not interested in boosting others – they enjoy controlling and fighting. They are less likely to look at long-term accomplishments and constantly put others down. (Appelbaum & Roy-Girard, 2007).

The following are trends in which the toxic leader will engage (Appelbaum & Roy-Girard, 2007):

- Blaming others when a problem occurs
- If a mistake occurs, covering it up
- Always being in control of everything occurring in the organization
- Distrusting everyone
- Not engaging in anything outside of their role

- Not asking questions unless asked

The only way to identify a toxic leader in an organization is by their impact on the culture and employee morale over time. Indeed, anyone in the organization may be affected by the toxic leaders' decisions as well as overall behavior. Toxic leaders rarely make decisions unless there is a crisis pressing. When a decision is made, it is often quick and appears to lack rationale. All of these characteristics are unsettling to the employees and make them feel confused and stressed (Appelbaum & Roy-Girard, 2007). Unfortunately, toxic leaders often lead toxic managers. However, even good managers working under a toxic leader may collude because of fear of job loss, thinking it's ok that the boss behaves as they do or the board would have fired them, and/or feeling hopeless to make positive changes thereby fostering the toxic culture.

Defining the Toxic Manager

Toxic managers are closer to the employee level yet still high enough on the organizational hierarchy to spread impact. They minimize retention, kill morale, and make employees feel nervous about sharing new ideas and cooperating. Often, toxic managers will use unskillful, disrespectful communication with their employees, take credit for the work of their subordinates, and highlight subordinate mistakes. Oftentimes, managers are measured on results and are therefore aggressively focused on short-term goals. When managers act in this toxic manner, they see employees that are less engaged with increased absenteeism, higher turnover, and lower levels of productivity (Appelbaum & Roy-Girard, 2007).

Identifying a Toxic Culture

In most normal circumstances, leaders and managers who are toxic are terminated from the organization. However, in the toxic work culture, they may be either ignored or rewarded for being toxic. In general terms, the culture of the organization is comprised of language, symbols, behaviors, assumptions, and accepted norms which illustrate how the employees should behave within the organization. Workplace cultures may exist company-wide as well as differ by department. Therefore, it would make sense that if the leaders and management engage in and encourage toxic behavior, there follows the overall workplace culture (Appelbaum & Roy-Girard, 2007). A toxic culture includes high pressure, ruthlessness, and unrealistic demands. Employees may feel powerless and constantly be in fear with high levels of stress and anxiety (Colligan & Higgins, 2005).

Consequences of a Toxic Organization

Toxic organizations have a variety of negative consequences compared to a non-toxic organization. Toxic organizations tend to not succeed at the same levels as non-toxic organizations. This may be attributed to employees experiencing low morale, the inability to bring forth great ideas, or higher absenteeism and turnover. Toxic organizations also experience higher costs related to lower productivity and less engagement among their employees (Appelbaum & Roy-Girard, 2007).

In addition, toxic organizations have significant negative effects on their employees. Employees working in a toxic work environment may suffer psychologically through effects such as difficulty sleeping, depression, anxiety, impaired judgment, and impaired memory. Employees may also experience physiological consequences such as high blood pressure, increased awareness of the environment, and muscle tension (Appelbaum & Roy-Girard, 2007).

In addition to lower productivity, damaged culture, and negative psychological and physiological consequences, legal consequences are also becoming more prevalent. Hostile work environment lawsuits have increased significantly and are not only limited to sexual harassment. In the most general terms, the hostile work environment is an environment in which the employee feels emotionally and mentally unable to work or work less effectively. This may occur through caustic comments as well as threats.

Case Study

In this case study, a medium-sized technology firm had received numerous complaints regarding inappropriate comments made by the CEO to various employees. This CEO had also been confronted during an internal intervention about his drinking. There were several complaints of a hostile CEO who was having inappropriate sexual relations with one of the department managers. This CEO's toxic influence on the organization caused many problems including poor morale, money left on the table, financials not being reconciled, and threats of lawsuits by the company's employees. The decision was made to terminate the CEO with a large severance package. Even with the toxic leader out of the organization, the rebuilding of trust and morale is a slow process that is still seeing negative consequences unraveling as a result.

Can the Toxic Organization be Fixed?

In order to reduce and perhaps even eliminate toxic behavior within the workplace, one has to first recognize the toxins and/or signs and symptoms of the toxic organization. In addition to recognizing, there must be acceptance of this problem. Depending on where the toxic individuals are within the organization in terms of level, often the people most likely to recognize the toxic behavior feel powerless and refrain from identifying the problem. Frankly speaking, the toxic environment will continue unless toxins are replaced with non-toxic behaviors and individuals. When the organization is in a state where it is possible to see what toxic behavior is and what it is not, there needs to be someone in place who is to identify those individuals and stop their behavior from spreading. If the CEO and upper management are not toxic themselves, they can partner with human resources to identify the toxic behavior (Appelbaum & Roy-Girard, 2007).

When the toxic leaders or contributors are identified it is best practice to determine the following:

- Can they be placed in a position where their toxicity will minimally harm the organization?
- Can they be coached to change?
- Do they need to be terminated and replaced because they are beyond help?

When the questions above are answered, the best course of action should be followed and documented (Appelbaum & Roy-Girard, 2007). Unfortunately, the toxic leader is typically unaware of his impact and is change resistant. They are usually oblivious to their unskillful or unwholesome behavior and may become distressed when confronted with this information. When determining how to turn the toxic culture around, a clear message of how unacceptable the behavior is should be explicit. Any leader, manager, or employee who is only engaging in work for non-work related gain should experience consequences (Appelbaum & Roy-Girard, 2007).

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