

The Top 10 Signs

**A Toxic Workplace is
Destroying Your
Bottom Line.**



Special Report

The Top 10 Signs A Toxic Workplace is Destroying Your Culture and Your Bottom Line!

Many business environments in today's fast-forward world of work are toxic. They exhibit negative, growth-stifling characteristics embedded in their very culture. And these "toxins" can infect everyone who works there, eroding the company's culture, bottom line and threatening its sustainability.

The problem is so common that workers who have been in a toxic workplace too long even come to accept "toxic" behavior as "normal." It doesn't have to be this way. More and more, forward-thinking business leaders are realizing the longer-term benefits that can be derived from a "healthy" workplace and culture that promotes personal values, professional enrichment, and teamwork.

This special report outlines 10 signs to help you determine if your workplace is toxic—and if it is, what steps you can take to turn things around.

Reality Check: How Well Do You Know Your People?

As a business leader, when was the last time you walked around the hallways of your company and paid a personal visit to the people and teams on the front line? Do you have a good sense of engagement and motivation levels? Are people getting along? Is information shared quickly and efficiently between departments and teams?

Your hope is that you'll find everybody working full steam at accomplishing the organization's mission. Everybody's pulling together, communicating with each other as a unit, totally focused as one well-oiled machine on getting the job done as effectively and efficiently as possible. Your people are primed, motivated, and empowered to make decisions--and are rewarded when they succeed. After all, you're the leader, and you're providing all the right care and attention to keep the team at their highest level of productivity and engagement. Right?

And then you really start to notice what's happening.

On any given day, if you drop in without notice on your teams you might find a drastically different story. The guy you thought was your future star is scanning online employment opportunities at Monster.com. The woman you've been counting on to lead a sales team to record revenue for the quarter is undermining the work of her subordinates to get ahead. One of your departments is trying to outdo another department when they should be joined at the hip. Everybody's going in different directions. There are pockets of conflict and unhappiness out there on your dream team. Too many personal agendas. Low morale. Higher turnover. Motivation is flat – if it's there at all.

Maybe it was like somebody threw a bucket of cold water on you when you discovered what's really happening in your company. Or maybe you had a nagging suspicion all along that something's wrong, and you just didn't have the time to deal with it.

Either way, you've just experienced some of the symptoms of a **toxic workplace**—*your* workplace. How you confront and deal with these problems, these "corporate personality disorders," can determine the very health and survival of *your* business.

The first step in dealing with a toxic workplace is learning to identify what is causing it —and then how it's affecting your team, your culture, and your **bottom line.**

The Toxic Workplace: What It Is, and Why You Should Care!

The fact is that most employees begin their jobs with enthusiasm. They look forward to fresh challenges, a new level of professional development and growth, applying their skills and talents to new situations, and working with people who have similar goals. So how do these eager, positive, and passionate individuals—the people who want to be your star performers-- become stressed-out, cynical, tuned out individuals who don't enjoy their work anymore?

A toxic workplace. It's a work culture where a sense of teamwork or community is eroding. It's a place where disenchanting employees begin to outnumber the enthusiastic ones, where worker frustration and conflict is common, morale is low and getting worse, and where nothing realistic is being done to improve things. Turnover is high and the most talented employees are jumping ship.

How does it get like this? Many times, you can almost connect the dots.

- ✓ The relentless pressures of today's "do more with less," downsized economy just fuels the problem. Like a domino effect, the CEO's focus on the bottom line tightens like a vice.
- ✓ Middle managers become trapped – loaded with more responsibilities but given less and less decision-making power.
- ✓ Lower-level employees are forced to take on the responsibilities of their coworkers who have been laid off—and these responsibilities may not be aligned with their skills and talents.
- ✓ Frustration increases. The number of employees calling in sick shoots up dramatically, which goes right back to the bottom line, in a vicious cycle.

All classic recipes for workplace stress. By some estimates, as much as **95% of today's workplaces exhibit some form of these "toxic" symptoms.**

"... A toxic organization is like a dysfunctional family. It shows two specific characteristics: first, a history of poor performance and poor decision-making; and second, very high levels of dissatisfaction and stress that go beyond normal workload issues..."

– Robert Bacal, noted author and management consultant

A number of other factors help to create this toxic environment. There's often consistent and unresolved conflict in the workplace. Communication is lacking and gossip becomes a prime source of "information sharing."

And on top of it all, **leadership and management practices are poor.**

Bottom line: There is growing evidence that the negative effects of a toxic workplace can be far-reaching and have a lasting effect on your business:

- ✓ Psychologists project that employee depression and mental health issues will be a **leading cause of work-related disability in developed countries by 2020.**
- ✓ Last year, where 25 percent of workers surveyed say they have called in sick because of work stress, the resulting **absenteeism, turnover, lower productivity and medical and legal fees cost U.S. industry \$300 billion per year,** according to one estimate.
- ✓ According to a 2004 study in the *Journal of Occupational and Environmental Medicine*, frequent conflicts with supervisors or colleagues, and high psychological and emotional job demands more than **double the risk of being injured in an occupational accident.**

The Toxic Workplace: Some Contributing Factors	
Heavy workload	Affects more than half (52 %) of American workers, several of whom say they've covered for colleagues on maternity leave.
Unreasonable boss	37 % of the U.S. working population, claiming they are expected to work when ill.
Disorganization	43 % suffer from disorganization, neglecting filing and task prioritization thus making them feel overwhelmed and unable to cope.
Unrealistic targets	Approximately one-third (32 %) have been given unattainable sales goals and overly ambitious productivity aims.
Short deadlines	Affects over 31 % of workers in the U.S. Examples include having too little time or notice to complete a task. If this happens in succession, it causes significant stress.
* Source: U.S. Department of Labor Occupational Employment Statistics, 2004 publications	

When they're faced with trying to function in a toxic environment, how do employees survive? They become **reactive.**

This shouldn't be surprising. Employees in toxic organizations are constantly worried, overwhelmed, and anxious. They can't focus, be creative, or innovative. They lose hope that things will change or get better. Their ideas, skills, and talents are not valued – *they* are not valued – and they suffer intellectually, emotionally, spiritually, and physically.

What's the missing ingredient in all of this?

Leadership that understands and recognizes these problems and wants to do something to change it. A "toxic leader" can do more to poison a work environment than any other factor.

By demonstrating negative, harmful characteristics, business managers or other decision makers in an organization are doing more to perpetuate problems than they realize. Employees can spot a toxic leader right away, because these people typically:

- ✓ Set unreasonable or unattainable productivity targets and goals.
- ✓ Fail to listen to team members.
- ✓ Don't regularly communicate with employees and only give feedback when something goes wrong.
- ✓ Tend to be mostly "hands off" and can become autocratic when things get difficult.

People are the ones who perpetuate this cycle. Absolutely, there are difficult people to deal with in the workplace—workers who debilitate other individuals and teams. **But a toxic organization can't function without a toxic leader.**

The unfortunate people who find themselves working for toxic leaders feel stuck— they may approach their HR department with their issues but nothing gets done. Aside from taking a drastic step like quitting or trying to find another job, they see no way out. Many times these workers start to "sabotage" the company from the inside – employee absenteeism and lost productivity are the most common symptoms of a toxic workplace; however, employees can also tarnish your reputation by talking negatively about your workplace to others. With today's instant access to providing information to the public, this is a practice more common than you might think. To add to it all, the effect of toxic cultures and workplaces on physical health can be devastating.

Studies continue to show the direct impact stress has on health.

Workplace stress reduces memory, concentration, and learning: cognitive tests on stress sufferers have revealed a 50% loss in performance... – BusinessWeek.com

The effects of toxicity throughout an organization are pervasive. A toxic workplace directly impacts turnover costs, productivity measures and effectiveness, innovation, pride in work, and, by definition, **overall bottom line revenue.**

Many companies have no any idea how much money they're losing because of their toxic workplace or culture. If half of their stressed out, frustrated workforce is just showing up for a paycheck and is disengaged more than 30% of the time they're at work – how much money could their company be losing daily?

Sensible, forward-thinking business leaders are starting to get the message.

Due Diligence: 10 Signs A Toxic Workplace is Destroying Your Culture and Your Bottom Line!

By starting now to identify the warning signs of a toxic workplace, smart company leaders can begin to develop strategies for correcting potentially hazardous results. Here are 10 things to watch for in your business:

1. Your company has developed a CYA culture.

CYA (Cover You're A**) describes a culture where most employees are out for number one. They have been burned before and they aren't going to let it happen again. Leaders in this type of culture often practice CYA tactics through unnecessary meetings, memos or emails solely to create a record to protect themselves--to the point of creating a strongly risk averse corporate culture—and fueling **employee disgruntlement and paranoia**.

2. Employees don't share information with one another. Instead, they work in silos.

Where there's little or no information exchange among business units within a company, there's high potential for rework, misinformation, incorrect assumptions and overall ineffectiveness. Distrust spreads, gossip ensues, and relationships crumble.

Employees don't get **access to information** they need to do their jobs to their best ability and there is no way for them to understand how their role fits into the bigger picture and impacts other departments and teams. This type of behavior undermines strategic growth and goal attainment.

3. Recognition, feedback, and expectation discussions are impossible to come by.

You don't have to always shell out the cash or give big-ticket awards to get your team members feeling proud about their accomplishments.

As a top manager for a large company noted: "If somebody on my business development team goes the extra mile and helps put together a winning proposal, I write a personal note on the cover, frame it, and give it to him." Your people will feel more like part of the team if they know what's expected of them and you find meaningful, sincere ways to let them know when they're doing a good job.

Fact: A good employee who doesn't feel valued will eventually find another place to work that recognizes their contributions and efforts.

4. The rumor mill is the most exciting thing going on at work.

Blaine Sampson, the CEO of an IT consulting company in Kansas City and a private consultant on improving group and individual communications, says **technology** has only made the office gossip and rumor mill worse—and more addictively appealing to unproductive workers.

Text messaging and e-mail allow the office gossips and rumor mongers to sabotage their victims and ruin the reputation of an organization in a heartbeat.

"At least when people used to gossip, they were talking to someone—it was one-on-one...Now it's one on 1,000. Gossip used to be somewhat restrained. Now it's viral, and you can't track it down anymore. Where can you go to get your good name back?" – Blaine Sampson

Gossip and rumors in the workplace can be deadly business.

5. Executives think that holding ONE meeting where they provide the annual company update is sufficient. (And of course, no opportunities exist for prior input or questions.)

Back in the old days, people in a company thought that if they hoarded information they had power. Today, all that's changed. As a business leader, it is essential to use all your communication skills to solicit and share information with others in your organization—through scheduled and ad hoc meetings, one-on-ones, whatever it takes to build stronger, more productive teams.

Remember: Information is power—good leaders get it and give it away. When you get your team believing (and living) this message, everybody in the organization wins.

6. There's a lack of respect for most managers in the company and for the company in general. The only thing that employees are proud of at work is surviving the work week.

The *Gallup Organization* studied more than 80,000 managers during the course of its research on effective management styles in the workplace and found that being a good manager means:

- ✓ Wanting to see employees grow and succeed.

- ✓ Matching the right people with the right roles.
- ✓ Defining desired outcomes while giving people the latitude to accomplish them in their own ways.
- ✓ Focusing on what's best in people, not what is the worst.

"Unfortunately, the hiring and selection processes for some management positions have allowed toxic bosses to poison the work environment. These managers do everything humanly possible to instill fear and intimidation in the workplace while destroying office morale, team building, and employee competence and confidence." -- John Di Genio, Armed Forces Comptroller

7. If asked the question "Why is what you do important?" less than 50% of employees could answer.

It's about *employee engagement!* Toxic companies make sure that employees do not understand how they make a difference. In return, employees aren't proud of their role because it doesn't seem to have meaning or add value.

What's more, studies continue to confirm the motivating effects of employee involvement. And they emphasize the demotivating effects of worker disengagement. It's no mystery: **Turnover rates tend to drop when people feel a real connection to the organization's mission, values and goals.**

8. Some of your best and brightest employees have quit in the past 18 months. Your reputation in the community and industry is deteriorating.

When a company loses its legacy knowledge, the lifeblood that comes from its best employees, it's is a **worst case scenario**. Your top performers are the people who apply their expertise and talents to do their job well—and *contribute directly to your profits*. When they leave, they take their invaluable knowledge base with them. You can't easily replace this brain drain--and it is absolutely costing you a bundle when that knowledge walks out the door!

Even more devastating, those bright employees are telling their friends, colleagues from past jobs, head hunters and recruiters that your company is no place to work for someone looking to learn, grow and develop. So who ends up in your hiring pool?

9. Team meetings are viewed as a waste of time and innovative ideas are dismissed, ridiculed, or even non-existent.

There are many wasteful meetings, but useful and productive meetings do exist! ***Meetings aren't necessarily toxic. Lack of leadership in team meetings is toxic.*** When your team stops giving input, coming to the table with solutions, and offering suggestions for change, its time to take a hard look at the level of trust with your staff.

10. Abusive behavior and bullying treatment is ignored and allowed to continue, regardless of the impact.

People who work for abusive managers often have stress-related problems and illnesses. They miss work due to these symptoms, and they're less productive when they are at work. Their energy isn't going into building a product; it's going into dealing with the emotional fallout of their co-workers or manager's behavior.

Bullying behavior can also drive attrition – turnover is higher, and it's harder to entice internal candidates to work for a manager or team where this is a history of outbursts and abuse. Many people would rather walk out the door than stay put and suffer with an abusive co-worker or boss.

The people who do stay may feel trapped by the job market or their own lack of self-esteem. Fact: People who feel trapped or beaten-down are not productive workers.

In today's economy, probably more than ever before, business leaders can't afford to ignore the detrimental impact of a toxic workplace.

Caught in a downward spiral, the toxic workplace can feel like a pit of quicksand, pulling everyone down without hope of escape. Sometimes it seems there's no cure for the problem; personality conflicts and unavoidable stress can't be resolved and people think they just have to accept the situation.

"The Toxic Workplace. It's an organization that talks about work-life balance but the only people who get ahead in the organization have absolutely no balance...We're paying a significant price."
-- Alinda Duxbury, professor of management at Carleton University

But there is good news: When given the proper attention by the appropriate leaders a toxic workplace *can* be turned around and a positive environment that energizes everyone involved can be created.

As a leader in your organization, one key first step you can make in reversing a toxic environment is to **survey your workplace** and start paying attention to the details and themes that you see.

Change begins with you.

Fighting Workplace Toxicity: What's Your Strategy?

No one wants to work in an unhealthy environment. Poor morale and unnecessary stress are detrimental to employees and company alike. And left unchecked, these problems will go *directly to your bottom line*.

But a word of caution: Finding and fixing the toxic elements in your workplace isn't a quick and easy process. It starts with a commitment to taking a long, hard look at the way your people work together.

The **benefits and rewards** of turning around a toxic workplace are worth it!

- ✓ People are engaged in their work.
- ✓ There's mutual respect and trust between employees and managers.
- ✓ People feel they're being treated fairly.
- ✓ Everyone has a clear sense of purpose.
- ✓ Employees can balance their work and personal responsibilities.
- ✓ Employees feel safe. They're free from harassment and/or discrimination.

Specific **conditions** can help create great places to work:

- ✓ Senior management is committed to making things better.
- ✓ Supportive middle managers are recognized and rewarded.
- ✓ Open and honest communication is encouraged throughout the organization.
- ✓ Performance is evaluated based on results and relationships.
- ✓ Employee participation in decision-making is encouraged and facilitated.
- ✓ Employees are given control over their work.
- ✓ The right behaviors are recognized.

And there are **tools** to help you move forward:

- ✓ Organizational climate surveys
- ✓ Targeted training and development programs
- ✓ Use of evaluation tools to gauge progress
- ✓ Development and implementation of work-life strategies and programs
- ✓ Development of pilot projects and creation of task forces focusing on key elements of the work environment
- ✓ Change management programs that focus on behaviors as a means of achieving lasting culture change
- ✓ Techniques to address job design, workload and scheduling

So what can you do to get there from where you are today?



The Toxic Workplace: What Can You Do to Fix It?

If you're seeing enough "red flags" in your workplace that have been discussed in this special report, the best way to begin the "cleansing" your environment is by turning to experts that can help you begin making small changes and steps towards improvement. Conducting a **thorough assessment** of where you are now and where you need to be is a very powerful first step.

Powers Resource Center: The Value Proposition

I'm Tara Powers, owner of Powers Resource Center. I know from my experience over the past 10 years in working with companies of all sizes that the toxic workplace comes in many forms—all of which can cause a business to be ineffective and lose valuable employees.

I know the problems that can result when otherwise good employees are adversely impacted by their work environment--to the point where they're not motivated to do the best job that they can do. I've helped dozens of businesses confront the unfortunate (and preventable) consequences of a work culture that's become unhealthy—toxic—for everyone.

Bottom line: Everyone in the organization must take responsibility for changing the things that aren't working. When we don't, it's convenient to point the finger at the manager, or the company, or the executives. That's the easy way out. And that's not what healthy, lasting organizational change is about.

I'm eager to work with your organization to help you understand the benefits that come from *everyone* in the company taking responsibility for making change that's positive! Many of the people that have been in my training programs or that I deal with on a consulting basis, want things to change. They're good people and they want to make a contribution to the success of their company. They have great ideas and enthusiasm, but they need help. They need buy-in and support from YOU. They want to be engaged contributors but haven't been given the right opportunity or the right environment where they can SHINE!

That's where Powers Resource Center comes in. Visit us online or call us and let's talk about how we can partner with you to create a healthy culture and workplace. YOUR BUSINESS IS WORTH IT.



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