



THE TOXIC EMPLOYEE HANDBOOK

The Tremendous Damages Caused by Toxic Employees—and How to Minimize Them
by **Dr. John Sullivan**

TABLE OF CONTENTS

Table of Contents	2
What You Need to Know About Toxic Employees	3
Part I – What Is A Toxic Employee?	5
Part II – The Top 5 Negative Impacts of Toxic Employees	6
Part III – A Comprehensive List of Damages	7
Damage Category #1 – Negative Impacts on Business Results	7
Damage Category #2 – Negative Impacts On Team KPIs	8
Damage Category #3 – Negative Impacts On Team Operational Factors	9
Damage Category #4 – Broader HR And Cultural Impacts	11
Damage Category #5 – Cost Multipliers	12
Part IV – How to Identify Toxic Employees	14
Part V – How to Identify Toxic Job Candidates	15
Part VI – How to Identify Toxic New Hires	18
Part VII – How to Reduce Toxic Behaviors Among Current Employees	20
Part VIII - Building A Business Case	22

What You Need to Know About Toxic Employees

Although most firms routinely focus on the value provided by top performers, you might be surprised to learn that research by the Harvard Business School found that the cost associated with employing a toxic employee (and the employee turnover that they created) was more than double the benefit received from employing a top performer. Although no one wants to dwell on troubled employees, understanding their impact is even more important in today's world. Due to the shortage of talent, you are more likely than ever to hire a troubled employee. On top of that, because of the increased need for innovation, toxic hires are now more expensive than ever.



“Even though everyone in management and HR knows about toxic employees, I find that less than one in a thousand organizations have a formal program for identifying and eliminating them.”

When experts describe what it takes to excel in today's business world, they include phrases like “highly productive,” “fast-moving,” and “serial innovation.” However, reaching any one of those individual goals requires a workforce that is highly engaged, cohesive, and focused. In short, your workers need to be living a great “employee experience” if your firm is going to dominate its industry. When evaluating the organization's employee experience, it's important to realize that there is one single factor that can immediately destroy that experience, and that is working alongside a single toxic employee.

Even though everyone in management and HR knows about toxic employees, I find that less than one in a thousand organizations have a formal program for identifying and eliminating them. A few organizations like Google have a “no jerk rule.” But, even in most of these organizations, there is no formal systematic process for identifying and weeding out these jerks.

This white paper helps business leaders:

- Understand the types of behaviors (i.e., bullying, harassment, stalking, theft, absenteeism, sabotage, etc.) that make an employee toxic (Part I);
- Make everyone in your organization fully aware of the tremendous preventable damages and costs that result when employees exhibit toxic behavior (Parts II, III);
- Ensure that everyone in management and HR are aware of the range of approaches that can be used to identify toxic candidates, new hires, and current employees (Parts IV, V, VI);
- Make managers aware of the broad range of approaches that can be used to reduce or eliminate the toxic behaviors among the current employees on their team (Part VII);
- Begin to build a business case for a formal toxic behavior reduction effort (Part VIII)

To save the reader time, this white paper includes a significant number of quickly scannable bullet points with short self-descriptive titles. This format makes it possible to quickly understand the range of actions and costs under each part.

Part I — What Is A Toxic Employee?

It should be clear to every leader that even a single toxic employee can quickly disrupt the smooth operation of a work team. The actions of a toxic employee can be so influential and negative that they can not only take the fun out of work, but also dramatically reduce productivity in the organization. We all know one or more of them. Simply verbalizing the phrase “toxic employee” brings their names to mind. I call these individuals toxic employees because of the severe damage they can do, but they can also go by the name of bully or jerk.

If you need a more formal definition, I define a toxic employee as an individual worker that disrupts the workflow and their coworkers to the point where they cost their firm more than twice their annual salary. They cause damage by creating disruptions and distractions through observable workplace behaviors. These behaviors can include constantly bullying, lying, breaking rules, rudeness, spreading malicious gossip, and acting exclusively for their self-benefit. Their actions end up creating fear, mistrust, miscommunications, and selfish cliques among teammates. The net result of the mere presence of even one within a team is a reduction in focus, morale, retention, and productivity—and, unfortunately, they stop innovation in its tracks.

Part II — The Top 5 Negative Impacts of Toxic Employees

Unfortunately, most managers, recruiters and HR professionals are not fully aware of the tremendous costs of having a single toxic employee on a team. As a result, organizations routinely only put a marginal effort into eliminating this damage and behavior. Ideally, every manager should be completely aware of every negative impact. To promote awareness, a great starting point is to ensure that everyone is aware of the top five business impacts.

In descending order, the five most damaging consequences from a toxic employee are:

<p>A dramatic reduction in innovation</p>	<p>In a world where innovation creates the most economic value, toxic employees change the working environment by introducing frustration, stress, and distraction. These changes dramatically undermine collaboration, risk-taking, and innovation; in extreme cases, toxic behaviors can actually eliminate all innovation. The lost innovation costs will be higher if the toxic employees work in a business unit or team that is responsible for a significant percentage of the organization’s innovation.</p>
<p>A startling increase in employee turnover</p>	<p>Toxic employees reduce team and company loyalty. The negative behaviors they bring into the workplace can not only cause good employees to suddenly leave, but also limit the collaboration, learning, and positive results that drive long-term retention. Research by Cornerstone OnDemand revealed that “good employees are 54% more likely to quit when they work with a toxic employee.”¹</p>
<p>Measurably lower team productivity</p>	<p>Toxic employees not only anger, frustrate, and stress other employees—they also distract them from their work. As a result, team performance can drop an average of 30% to 40% when just one toxic employee is present. When this happens, the amount of rewards and bonuses that are provided to employees will also be decreased proportionately, which can also increase turnover.</p>
<p>Additional management oversight</p>	<p>Toxic employees are extremely high-maintenance. Managing them and cleaning up the collateral damage caused by their behavior will take a great deal of a manager’s time. In fact, research by Robert Half revealed that managers often spend the equivalent of one day a week managing weak employees.² A manager who spends time preventing and smoothing over toxic behaviors can’t spend that time on pressing business issues. If a manager is not allowed to release toxic employees, managing them may increase manager and leader turnover.</p>
<p>Avoidance, collaboration and workflow issues</p>	<p>Those that disapprove of the way that toxic employees act will try to minimize contact with them. Some team members may refuse (publicly or privately) to work with toxic team members. This makes coordinating workflows much more difficult and can result in projects that take up to 15% longer.</p>

¹ [Cornerstone Report Details Effects of Toxic Employees in the Workplace](#)

² [Survey: Managers Spend Nearly One Day a Week Managing Poor Performers](#)

Part III — A Comprehensive List of Damages

While most managers don't understand the economic benefit of going out of their way to identify toxic employees, it turns out that there are more than 40 distinct categories of damages created by toxic behaviors. Fortunately, I have discovered that once managers become fully aware of their extensive actual damage, they immediately take proactive action to eliminate both toxic employees and their toxic behaviors.

The purpose of this section is to provide an easily scannable categorized list covering each of the major damages that can be caused by toxic employees. This list is purposely comprehensive. There are five categories covering the damages that managers need to know about. They are provided below, with the most impactful areas under each category listed first:



“There are more than 40 distinct categories of damages created by toxic behaviors.”

Damage Category #1 – Negative Impacts on Business Results

Toxic employees make it less likely that you will reach your business and output goals. Here are five business impacts that you are likely to experience when you have toxic employees.

A dramatic reduction in innovation	This damage area was previously covered in Part II.
Lost revenue and sales	Obviously, employees in revenue-generating and revenue impact positions have a major impact on overall corporate revenue generation. So, when these revenue-generating employees are negatively impacted by toxic employees, they will generate less revenue. In areas like sales, where sales people may have a higher probability of being toxic, the measurable impact of toxic employees will be the most visible and among the highest of any work group.
Consumer backlash	When a toxic employee works on a customer-facing team (e.g., sales, customer success), their disruptive behavior will likely be felt by customers through the toxic employee themselves or through their impacts on colleagues. In addition to a negative impact on sales, you can also expect an increase in other negative customer actions, including more customer complaints and fewer return customers. When toxic behavior in your organization becomes visible to corporate competitors, they may also view your customer troubles as an opportunity to poach away your best customers.

Slower go-to-market	It's hard to move fast when toxic employees are continually creating distractions. The reduced focus that they create will negatively impact team production speed and product development's time-to-market. A slower time-to-market will likely reduce the profitability of new products.
Sharing of trade secrets	Toxic employees are often dishonest. They may also feel that they have the right to "get even" for any perceived unjust treatment, and that may cause them to accidentally or purposely reveal valuable company secrets during or after their tenure.

Damage Category #2 – Negative Impacts on Team KPIs

Focusing more narrowly on your team's performance, toxic employees make it less likely that the team will reach its output and production goals. Here are six major negative team impacts that you should expect:

Measurably lower team productivity	This damage area was previously covered in Part II.
Missed project deadlines	Toxic employees create disruption. Therefore, a team's project deadlines are often missed across the board. New projects may be delayed or canceled if the toxic behaviors create an atmosphere where there is not enough will or energy to plan and manage them.
Cost overruns	Toxic employees create a number of additional costs. They can cause co-workers to produce less and be absent more, causing the costs of temps and overtime to go up dramatically. The unnecessary turnover that toxic employees help create will increase recruiting costs. Finally, when a toxic employee steals, or encourages others to, they create additional material costs that must also be calculated.
Increased error rates and lower product quality	Toxic employees often make more work errors than the typical employee. The distractions in the stress that they cause may create even more production errors among other employees, which means a great deal of expensive reworking and a lower quality product. The stress that they cause will also likely increase regular employee absenteeism and can lead to the hiring of replacement temps that are likely to have an even higher error rate.
Increased accidents from lost concentration	Because toxic employees create distractions, their behaviors may directly increase work-related accidents. And those increased accident rates will likely increase insurance and disability costs.
The cost of missed opportunities	Managing toxic employees takes time and effort. The overworked and distracted manager may miss many positive business opportunities that could have dramatically improved team results. These "lost opportunity costs" may be significant, so they must be included in the costs of having a toxic employee.

Damage Category #3 – Negative Impacts on Team Operational Factors

In addition to damaging a team’s measured results and outputs, toxic employees and their behaviors will also negatively impact the operational factors that are critical for your team’s success. The 15 most likely impacts on a team’s critical operational factors include:

Additional management oversight	This damage area was previously covered in Part II.
Avoidance, collaboration and workflow issues	This damage area was previously covered in Part II.
Delayed learning and training	Because of the lower production levels caused by toxic employees. Having to catch up may require team members to postpone needed scheduled training until their performance levels are met. In addition, self-directed learning and stretch assignments are especially difficult to achieve. When employees are under stress or are overworked as a result of lower production levels caused by toxic employees, this delay in training and skill development will further negatively impact future production.
Increased error rates and lower product quality	Toxic employees often make more work errors than the typical employee. The distractions in the stress that they cause may create even more production errors among other employees, which means a great deal of expensive reworking and a lower quality product. The stress that they cause will also likely increase regular employee absenteeism and can lead to the hiring of replacement temps that are likely to have an even higher error rate.
An increase in team turnover	In addition to company-wide turnover, toxic employees also reduce team loyalty. They limit the positive traits that emanate from the most desirable team members. They also create many negative experiences that trigger those with multiple external opportunities to leave. Top performers are most likely to quit because they have choices and are therefore likely to be less tolerant of toxic employees. Unfortunately, because toxic employees have earned such a bad reputation, they may not be able to find another job, so they may never leave unless they are forced out. Once your competitors know that you have a toxic employee problem, they are more likely to raid your team for its top talent. Finally, you should also consider the possibility that the toxic employee will ‘ghost’ you, which is when they simply walk off the job without notice and stop communicating.
Lowered engagement, morale, spirit, camaraderie and cohesion	Toxic behaviors can dramatically reduce desirable team characteristics. The stress associated with toxic behaviors and the fear that they may frequently recur will lower engagement, morale, and excitement. Together, lower levels of team cohesion and camaraderie will negatively impact everything from day-to-day productivity to long-term retention.

<p>Slower and weaker decision-making</p>	<p>Toxic behaviors make it difficult to concentrate and impair the ability of employees and managers to make fast and accurate decisions. Toxic employees, especially when they are the main point of contact between different teams, can create siloed decision-making. Together, these forms of weaker decision-making will negatively impact almost every aspect of an organization’s work.</p>
<p>Increased absenteeism and tardiness</p>	<p>Toxic employees are likely to abuse attendance rules and create absenteeism in fellow workers. Often, the first sign of the stress and the frustration that they create is an increase in team members’ tardiness and absenteeism. If the more serious harassment, discrimination, and bullying occur, attendance will be even further impacted. An increased rate of employee absenteeism will further compound productivity problems because it will require team members to work harder to fill in for absent workers.</p>
<p>Fewer team and sub- team leaders</p>	<p>Because potential leaders actively see the pain associated with having to manage toxic employees, having even one toxic employee for a long time may reduce the number of potential leaders that will volunteer for leadership development. Having current toxic employees will mean that even fewer will accept an offered role of team or sub-team leader.</p>
<p>Fewer productive team meetings</p>	<p>Team meetings can help identify and work out team problems. However, the actions of toxic employees may cause employees to avoid meetings or to minimize honesty when they do attend. With fewer productive meetings, managers will receive less employee feedback and existing problems are likely to fester much longer. The fear of disruptive behavior will also reduce the number of informal meetings, social gatherings, and employee friendships, which will reduce cohesion and hamper your workflow.</p>
<p>Lower levels of collaboration</p>	<p>Whenever toxic employees dominate, employees and managers will be less willing to get together in informal collaborative groups because that will likely increase their exposure to the disruptions of toxic employees. Less collaboration will lead to a reduction in innovation, new ideas, problem-solving and product development.</p>
<p>Less risk-taking due to added rules</p>	<p>Risk-taking can increase innovation and learning. However, the existence of toxic employees almost always requires the implementation of many more rules, policies, and permissions. Limiting the freedom of most employees, who don’t require many rules, will lead to their increased frustration and their likelihood of leaving for a freer and less restrictive work environment.</p>
<p>Disciplining toxic employees requires you to plan for retaliation</p>	<p>Whenever a toxic employee is called in or disciplined, they are likely to assume that someone has squealed on them. Whether that happened or not, they are likely to threaten or retaliate against one or more employees, making a bad situation even worse. Having to plan for and handle the prospect of retaliation will increase the time required to deal with a toxic employee.</p>
<p>Extended new-hire onboarding</p>	<p>Because toxic employees may harass or distract new-hires, there may be an increase in early turnover. Toxic employees may show or encourage behavior that is counter to what was learned during onboarding. It may take longer for new-hires to identify the right behaviors and to reach their maximum productivity level.</p>

Slower recruitment	If a manager has bad experiences with current toxic employees, they may develop a reluctance to hire additional team members because of the probability that they may also turn out to be toxic. Delayed hiring will have unintended consequences, including an increase in the stress level of your current employees.
Lost vendors or strategic partners	In extreme cases, having to work with toxic employees may discourage or even drive away current or potential vendors and strategic partners. The loss of either one will inhibit your team's ability to perform.

Damage Category #4 – Broader HR and Cultural Impacts

There are 10 cultural and HR impacts that you should anticipate whenever you have toxic employees. They include:

Damages to corporate culture	The behavior of toxic employees will run counter to your corporate culture and values. Hiring or keeping toxic employees will likely confuse your employees and dilute both your company and team's culture.
Increased internal churn	Because employees love working at your firm, they may not quit when they encounter a toxic employee. Instead, they are more likely to transfer out of their current team into another within the firm. This "internal churn" is still expensive, and unnecessarily disruptive.
Requests for additional compensation	Toxic behaviors in the workplace do not always force employees to quit. However, it can cause them to expect a higher level of compensation because of the pain that they must endure on the job.
Weakened employer brand	Toxic behaviors are frequently talked about on social media and sites like Glassdoor. This negative external publicity will also likely hurt your employer brand, which will damage future recruiting. In addition, the negative behavior from the toxic employees that participate in hiring interviews may scare away potential applicants.
More employee health issues	Toxic employees raise the stress levels of other employees. In severe cases, they may lead to the loss of self-esteem and eventually develop depression. The increased stress may lead to higher health costs for the firm in the short term, and significantly higher disability costs in the long term.
An increase in corporate theft	Toxic employees frequently break the rules and steal. When you have toxic employees that steal, more theft prevention actions will be needed, and insurance costs will rise. These theft prevention actions will run counter to a goal of demonstrating "employee trust."
More time disciplining toxic employees	The time that HR professionals must spend investigating and disciplining toxic employees will be significant. The costs of processing and resolving their many grievances may also be high.

More time spent on legal issues	Toxic employees often ignore legal compliance requirements. And, when they get involved in sexual harassment, discrimination, and EEOC legal issues, HR's legal costs will escalate.
Increased union activity	Toxic employees often try to get even with their employer by advocating unions. Employees frequently exposed to toxic behaviors are also more likely to seek union support and help so that they have a union rep to protect them.

Damage Category #5 – Cost Multipliers

Finally, there are 5 factors that make the impacts of normal toxic behavior even worse. It is important for HR and managers to prioritize situations where the following five factors are part of the equation.

Toxic managers	When the toxic employee also happens to be a manager, the costs and the problems quickly escalate. That is because toxic managers have a much broader impact on team success. Employees are much more likely to emulate their behaviors. To make matters worse, rather than hiring top performers, these managers may purposely hire other toxic employees like themselves.
Workplace bullying	Perhaps the most damaging aspect of the toxic employee occurs when they begin bullying their coworkers. Research from the University of Manitoba found that workplace bullying is extremely harmful, and has a traumatic impact on employee stress, depression, and anger. ³ Thus, bullying and sexual harassment are the toxic behaviors that should be addressed first.
Harassment against protected groups	Sexual harassment currently carries a high likelihood of negative publicity and legal action. The business and team damages are much greater when a toxic employee actively harasses others because of their gender. The consequences of harassment may also be multiplied if it involves religion, national origin, race, sexual orientation, or other protected classes.
The inability to fire	Once hired, the toxic employee behaviors are extremely difficult to eliminate. Moreover, research has shown that few interventions have significant impacts on reducing behaviors like bullying. As a result, the best option is often to terminate. In many organizations, terminating toxic employees is extremely time-consuming and difficult. If you work in one of these organizations, when calculating the damages, you must multiply them over the many years that a toxic employee is likely to stay with your organization.
Strict seniority rules	Many firms have strict seniority rules or preferences. If you work in such a firm, you are much more likely to experience a toxic employee being promoted from within. They may be promoted in part because their toxic behaviors have driven away better performing and capable candidates for promotion, or because seniority is a stronger factor in promotions than past work behaviors. In any case, strict seniority rules can create a breeding ground for toxic behavior. A process that allows toxic employees to move up continually will also likely harm recruiting and team morale, while simultaneously increasing turnover.

³ [Workplace Bullying: Causes, Consequences, and Intervention Strategies](#)

Part IV — How to Identify Toxic Employees

In some instances, identifying toxic employees in your workforce is relatively easy. Because their behavior is so toxic and visible, almost everyone already knows who they are. In most cases, simply mentioning the phrase “toxic employee” to any well-connected, top-performing employee brings the names of these individuals immediately to mind. Alternatively, merely mentioning a few of their typical toxic behaviors causes managers and employees to envision their name and face.



“The majority of toxic employees cause damage to an organization long before they’re identified and dealt with. Because it is often difficult and time-consuming to get rid of them, you’ll want to develop a hiring process that prevents them from ever coming on board.”

Some of the most common toxic behaviors that you should consider using to identify toxic employees or including in your own firm’s definition include:

- Spreading Mistruths
- Bullying
- Clique-Building
- Sabotage
- Bickering
- Blaming
- Fighting
- Spreading Rumors
- Theft
- Rudeness
- Spreading Malicious Gossip
- Undercutting Their Manager

Depending on how effective your HR processes are, you can find the names of toxic employees because they will also appear in reports covering disruptive incidents, rule-breaking investigations, and discipline. Finally, any “super-knower” within your team (those employees that keep up with the internal gossip) will know who they are immediately.

That being said, the majority of toxic employees cause damage to an organization long before they’re identified and dealt with. Because it is often difficult and time-consuming to get rid of them, you’ll want to develop a hiring process that prevents them from ever coming on board.

Part V — How to Identify Toxic Job Candidates

By my estimates, less than one-third of toxic employees develop their negative behaviors during their tenure at the company. That means that most toxic employees bring their negative behaviors with them to the job. Unfortunately, identifying a toxic job candidate is difficult. But, once they become employees, it becomes more difficult, expensive, and time-consuming to fix or get rid of them—and that makes it critical to identify toxic individuals before they have a chance to damage your organization.

Even though research has revealed that firms have had some success in identifying toxic employees in the hiring process, I find that it is rare for any hiring process to contain a formal element designed to assess the likelihood of future toxic behavior. In response, I have listed some of the most common approaches to identify toxic candidates below.



“Less than one-third of toxic employees develop their negative behaviors during their tenure at the company. That means that most toxic employees bring their negative behaviors with them to the job.”

To ensure that any candidate assessment approach accurately predicts future behavior on the job, it’s important to validate any of these approaches before you use them. With that said, the 13 most used tools for identifying potential toxic new-hires include:

Behavioral interview questions	A common approach involves asking effective behavioral interview questions (i.e., tell me about a time when...) that target toxic behaviors. Unfortunately, many leave out their toxic behaviors when they describe a past event.
Online and social media background checks	Firms frequently use a vendor-supplied comprehensive background check to identify negative behaviors both on and off the job. Given the gaps in traditional background checks, more and more firms now use third-party online and social media-based background checks to identify toxic employees and bad hires before they have an opportunity to damage the organization.
Verbal simulations	Provide finalist candidates with verbal simulations during the interview process that cover situations where ethical and toxic behaviors are likely to occur. Then assess how they acted during the simulation.
Talk directly to references	Rather than calling HR at an employee’s former firm, talk directly to their former managers and inquire about even a hint of negative behaviors. Asking references to force rank their character traits is often the best way to find out about negative traits.
Employer referrals	Rely only on your trusted employees to make referrals exclusively from the individuals that they know well. Relying on this trusted source will dramatically reduce your chances of onboarding a toxic new-hire.

Peer interviews	An interview conducted exclusively by peer employees can be an effective screening tool. This is because peers see and experience toxic behaviors every day and they have more of an interest in avoiding future employees that may exhibit them. Provided that groupthink is not an issue, a healthy group of employees that work together are more likely to be able to spot toxic traits than any single individual.
Hiring committees	Firms like Google use a formal hiring committee for assessment and selection. They are more effective because members are trained, and they hire more frequently which allows them to sharpen their toxic employee assessment skills over time.
Social interaction opportunities	Toxic candidates are on their best behavior during interviews. Firms like Zappos and Southwest go outside the interview to assess how a candidate interacts with people in informal settings before and after the interview. This “social test” approach directly asks a firm’s employees, receptionists, secretaries, shuttle drivers, café workers, etc. to informally assess how the candidate treats others outside of the formal hiring process. Zappos proactively sets up several of these social interactions (coffee meetings, lunch, and after-work activities) when they think no hiring manager or recruiter is watching to test further how a candidate acts when their guard is down. Zappos has even asked the shuttle driver that picks up candidates to assess their behavior during the ride.
The “No A-hole” test	There has been a great deal of corporate work as a result of the best-selling book “The No Asshole Rule” including a free online but not validated self-exam known as ARSE. If you suspect that a finalist may be toxic, you can require or ask them to voluntarily take the test.
Psychological testing	Some firms require finalist candidates to take validated personality and attitude assessments.
Traits assessments	You should use internal research to identify indicators that predict whether or not a candidate may become a toxic employee. You can also rely on outside research to identify these factors. For example, research by Cornerstone OnDemand revealed that “professionals who are notably overconfident about their technical proficiencies were 43% more likely to engage in toxic behavior” and that “self-proclaimed ‘rule followers’ are 33% more likely to be toxic employees.” Based on this research, it makes sense to ask questions that assess whether a finalist candidate is “overconfident about their technical proficiencies” and whether they self-proclaim themselves to be “rule followers.” ⁴
Provide feedback after hiring	The identification of toxic candidates will most likely improve when HR provides feedback to those involved in the initial hiring. Letting these individuals know whether their assessment turned out to be accurate will help them fine-tune their assessment skills.

⁴ [Cornerstone Report Details Effects of Toxic Employees in the Workplace](#)

Part VI — How to Identify Toxic New Hires

Because all hiring processes contain flaws, it's important to identify problematic new hires as quickly as possible after they start. Some of the early find-and-release approaches include:

Extend the onboarding process to identify toxic hires	Some firms use an extended onboarding process to provide more time to identify hiring mistakes. Facebook and Zappos use this extended onboarding process as a secondary level of assessment. This added layer has the advantage of giving much more time to assess not just the new employee's skills, but also any negative characteristics related to their team and cultural fit.
Pay toxic hires to leave after onboarding	Firms avoid a lot of legal issues when they pay new hires to leave. It may seem expensive to pay weak and toxic hires to leave, but if you calculate the damage that they can do, the exchange turns out to have a high ROI. Zappos offers all new hires a \$3,000 bonus to quit at the end of onboarding if they realize that this is "not the job for them."
Use initial training as a screening process	If there is an extensive initial training program for new-hires, it is a good idea to also use it for toxic hire identification. HR must learn how to statistically project the probability that the new hire will succeed or fail based on their training scores. Toxic employees with a low likelihood of dramatic improvement should be released immediately.
Consider a more rigorous probation period	Many firms use a probationary period for new hires. The best managers set periodic and objective assessment points with noted passing scores. Then, they report the subsequent rating of each new hire to HR. Human Resources should also make managers aware that once a new-hire exhibits toxic behaviors, there is a low probability that they will get better.
Utilize a mentor to look for toxic behavior	Some firms like Facebook and Google try to provide every new hire with a mentor or peer buddy. A new hire's mentor can be trained as an assessor so that they can advise the new hire and manager whenever they deem the new employee to be a toxic hire.
Encourage toxic hires that are dissatisfied to leave quickly	61% of new hires may be unhappy with their choice of a new job. ⁵ It makes sense to take proactive action to encourage those behaving in a toxic manner to quit because they are dissatisfied. Even if their dissatisfaction is resolved, their toxic habits may remain.

⁵ [Release Poor Performing New-Hires Fast, Using A No-Fault Divorce Approach](#)

Part VII — How to Reduce Toxic Behaviors Among Current Employees

If your early identification of toxic employees is unsuccessful, your next chance to reduce the impacts of toxic behavior is to minimize the display of toxic behaviors within a team. Here are 12 best practice approaches and tools that have proven to help keep toxic behavior in check:

<p>Show employees the impacts of bad behaviors</p>	<p>By showing employees the negative impacts that toxic behaviors have on teammates and the overall business and quantifying the impact in dollars wherever possible, you can help everyone in the organization fully understand the severity of the impact of toxic behaviors.</p>
<p>Walk through the impacts of toxic behavior</p>	<p>Because making a human connection can help toxic workers understand how their behavior negatively affects coworkers outside of their team, connecting toxic employees with the workers that continue their work further down the work stream can have a positive impact.</p>
<p>Establish zero-tolerance for toxic behaviors</p>	<p>Show all employees that in the case of certain toxic behaviors, there will be no second chances. Knowing that they will be immediately fired after they are found to have committed a single zero-tolerance behavior like sexual harassment can help deter the behavior.</p>
<p>Facilitate anonymous reporting</p>	<p>Provide employees, customers, and vendors with multiple channels to anonymously report toxic behaviors. Reducing the chances and fear of retaliation will make it much more likely that toxic behaviors will be quickly reported.</p>
<p>Prioritize which teams you work with</p>	<p>Because not all teams have the same business impact, it makes sense to prioritize. Focus your toxic behavior identification and eradication efforts on the teams whose results are most likely to be damaged by a toxic employee.</p>
<p>Look for common characteristics</p>	<p>Look for common characteristics among the toxic employees that you identify. Then, use those characteristics to find others. Those characteristics might include individuals with powerful personalities like salespeople, those with a great deal of power, those with big self-centered egos, and those employees with a sense of entitlement.</p>
<p>Utilize video cameras</p>	<p>Some toxic behaviors like theft, fighting, sabotage, and inappropriate employee touching can be identified using video cameras that are properly deployed in work areas. Because video evidence is often compelling, managers are often more willing to take drastic punitive action when it is available. In addition, visible video cameras may discourage some toxic behaviors by their own accord.</p>
<p>Monitor the metrics that might reveal the impacts of current toxic behaviors</p>	<p>Periodically monitor each of the operational metrics that reveal work delays, morale, civility, excessive absenteeism, 360° surveys, turnover, and lower referral rates. Assume that changes in these measures may be an indication that toxic behavior is a basic cause for the change.</p>

<p>Implement continuous background checks</p>	<p>It makes sense to conduct continuous or periodic criminal background and social media checks on employees, especially those that work in positions where a single job-related error or instance of toxic behavior has an extremely high cost. This approach can help identify employees that exhibit toxic behaviors outside the workplace after they join the firm. Whether their behaviors are found in a criminal database or in their social media and web presence, having a solution for post-hire scenarios can significantly reduce risk.</p>
<p>Try radical candor</p>	<p>Both Netflix and Intel use what I call a constructive confrontation approach. It is also known as radical candor or radical honesty, and it discourages letting bad behavior “go on” for even a little while. It can help to minimize any delay in immediately confronting and candidly discussing any toxic behavior.</p>
<p>Use mystery shoppers and MBWA</p>	<p>Simply encouraging a lead to Manage By Walking Around (MBWA) by frequently wandering among their team can be an effective way of spotting toxic behaviors. Alternatively, since many toxic employees are on their best behavior when their manager is present, you can have loyal vendors or a temp employee report back what they see and hear over several weeks.</p>
<p>Utilize post-exit interviews</p>	<p>Most people who are impacted by toxic behavior in an organization are not willing to discuss or name toxic employees and bullies during standard exit interviews. Delaying the exit interview until the employee no longer needs a reference will increase your chances of getting the names of toxic individuals.</p>

Part VIII — Building A Business Case

The most important lesson is that whether you're aware of it or not, most organizations have multiple toxic employees that are causing significant economic damage throughout your firm. Even if your organization has no full-blown toxic employees, it's still important for managers and HR to work to limit the toxic actions and behaviors that may be occasionally exhibited by normal employees. Rather than taking an ad hoc approach, I find that what is needed is a more systematic and data-driven approach that helps you identify, remove, and prevent toxic behaviors from negatively impacting your organization.

“What is needed is a more systematic and data-driven approach that helps you identify, remove, and prevent toxic behaviors from negatively impacting your organization.”

If you work in HR or recruiting and you expect to get executive and management support for this type of formal toxic behavior reduction effort, you'll need a business case. The business case should outline the many possible damages and costs that result from toxic behaviors. I would suggest that you begin with the list provided in this white paper. Work with the CFO and the COO to quantify the damages at your firm in dollars. Once the economic value of eliminating toxic behaviors is fully understood, you can utilize some of the approaches listed in this paper to minimize the hiring of new toxic employees and to fix or release your current toxic employees.

Because the ROI of this effort is extremely high, and most efforts produce immediate results, I cannot emphasize enough how important it is to take action to mitigate the effects of toxic behavior. I look forward to hearing how these insights benefit your team and organization.

ABOUT DR. JOHN SULLIVAN



Dr. John Sullivan is an internationally known HR thought-leader from the Silicon Valley specializing in strategic Talent Management solutions.

He is a prolific author with over 900 articles and 10 books covering all areas of Talent Management. Along with his many articles and books, Dr. Sullivan has written over a dozen white papers, conducted over 50 webinars, dozens of workshops, and has been featured in over 35 videos. He is an engaging corporate speaker who has excited audiences at over 300 corporations/organizations in 30 countries on 6 continents. His ideas have appeared in every major business source including the *Wall Street Journal*, *Fortune*, *BusinessWeek*, *Fast Company*, *CFO, Inc.*, *New York Times*, *SmartMoney*, *USA Today*, *HBR* and the *Financial Times*. In addition, he writes for the WSJ Experts column and the LinkedIn Talent blog. Dr. Sullivan has been interviewed on CNN and the CBS and ABC nightly news, NPR, as well many local TV and radio outlets.

Fast Company called him the “Michael Jordan of Hiring”, Staffing.org called him “the father of HR metrics” and SHRM called him “One of the industry’s most respected strategists.” He was selected among HR’s “Top 10 Leading Thinkers” and was ranked #8 among the top 25 online influencers in Talent Management. Adding to these acclamations, Dr. Sullivan has also served as the Chief Talent Officer of Agilent Technologies, the HP spinoff with 43,000 employees as well as CEO of the Business Development Center, a minority business consulting firm in Bakersfield, California. Dr. Sullivan is currently a Professor of Management at San Francisco State (1982 – present). Most importantly, he wants to hear and respond to your most pressing questions about advanced talent strategies.

His articles can be found all over the Internet and on his popular website www.drjohnsullivan.com and on www.ERE.net. He lives in Pacifica, California.

This publication contains general information only and is based on the research of Dr. John Sullivan & Associates. Neither Dr. John Sullivan & Associates nor Fama are, by means of this publication, rendering business or other professional advice or services. This publication is not a substitute for such professional advice or services. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Dr. John Sullivan, Fama, and their related entities shall not be responsible for any loss sustained by any person who relies on this publication.

As used in this document, "Fama" means Fama Technologies Inc. Please see www.fama.io/legal for a detailed description of our terms and conditions. © 2019 Dr. John Sullivan for Fama. All rights reserved.



Fama is the innovator in online screening that makes hiring great people easy. Combining Fama's groundbreaking AI technology and ability to integrate across the HR Tech stack, the solution compliantly searches 10,000 online public sources to help companies avoid workplace misconduct, prevent costly legal action and ultimately, make better decisions. By modernizing candidate screening and due diligence, Fama helps organizations, agencies, and investors improve the quality of hires, make the most of each investment and build successful businesses.

Headquartered in Los Angeles, CA, Fama is FCRA, EEOC, and SOC2 compliant and integrates with major HRIS, ATS, and background check solutions.

For more resources visit www.fama.io