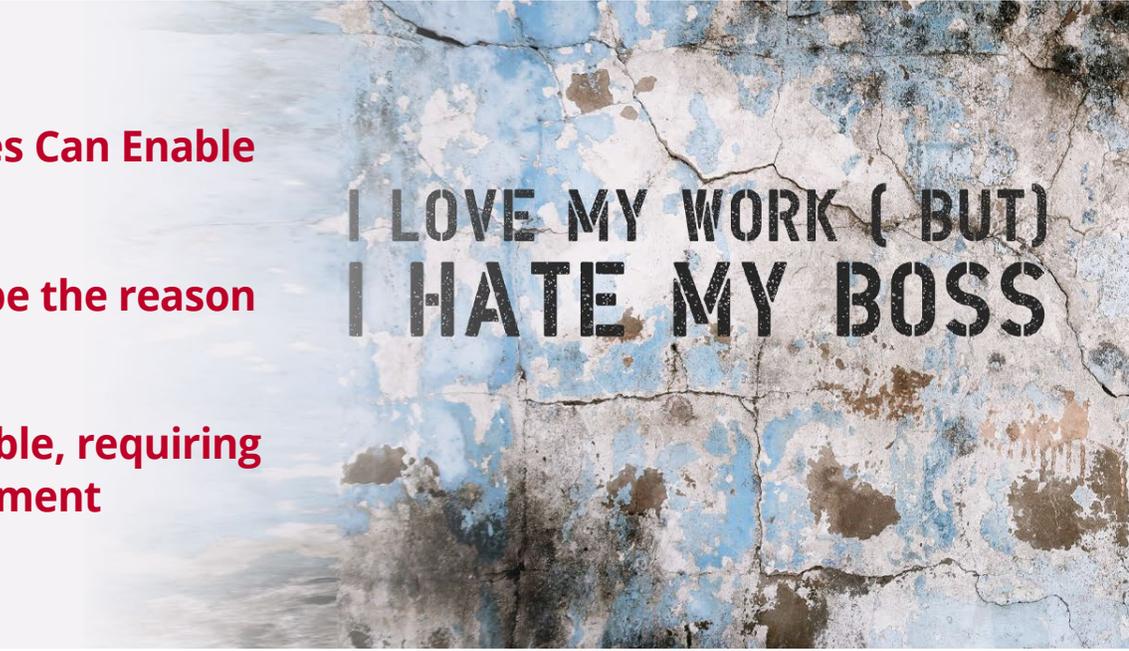


CURING A TOXIC CULTURE

- ▲ **Reward Structures Can Enable Toxic Employees**
- ▲ **Leadership may be the reason for the culture**
- ▲ **Changing is possible, requiring time and commitment**



I LOVE MY WORK (BUT)
I HATE MY BOSS

The company touted its values, especially teamwork. Its innovation process required substantial coordination among several departments. With sales opportunities coming in from several areas, each had to be vetted for practicality in sourcing, manufacturing issues, supply chain and economic feasibility, all of which required time to complete the process.

One of the superstar salespeople was impatient. His customer was pressing him for information, pricing, delivery dates and more. Unfortunately, his

project was fifth in the queue, and he knew that he was more than two weeks out before he could even respond to his customer. He knew that he could lose a very large sale if he didn't respond in a timely manner.

He went to his go-to pattern, leveraging his status as a senior salesperson. He called on people he knew in each department and leaned on them to jump his project ahead of the others. **And he got the sizeable sale. The other sales personnel lost opportunities. And no one said anything.**

The Society for Human Resource Management (SHRM) published a report in 2019, *The High Cost of a Toxic Workplace Culture*. In it, SHRM surveyed American workers to explore the impact of workplace culture on both the well-being of workers and the bottom line of businesses. **It found toxic culture costs companies a fortune in turnover and absenteeism; highlighted common indicators of bad workplace cultures, such as discrimination and harassment; and underscored the alarming impacts on employees.**

A reporter asked me two questions the other day. “What steps can a company take to reverse a toxic workplace culture? On average, how long does it take to overhaul a toxic workplace culture?”

Shifting any culture takes time. The norms that exist within an organization developed slowly, sometimes by accident. To establish new ones involves a fully committed effort. **Achieving human behavioral change requires effort, patience, and the will to confront what is not working properly.**



REPORT FINDINGS

- ▲ **Nearly half of employees (49 percent)... thought about leaving their current organization, while nearly one in five ... left a job due to culture in the past five years.**
- ▲ **Turnover due to culture may have cost organizations as much as \$223 billion over the past five years.**
- ▲ **Seventy-six percent of Americans [said] their manager set the culture, yet 36 percent [said] their manager doesn't know how to lead a team.**
- ▲ **Twenty-six percent [said] they dread going in to work.**



The first step in reversing a toxic culture is to recognize the norms that exist that promote and reward the type of toxic behaviors on display. In his book, *The Power of Habit*, Charles Duhigg describes the process of “Cues” and “Rewards”. He describes in detail how habits become ingrained because of the attached pay values. One of the problems is that there may be substantial conflict in moving to improved norms because:

- 1. The existing ones may support financial performance (an example might be high performers who have been permitted to act in a manner that creates a toxic environment)
- 2. Leadership itself engages in the kinds of behaviors that promote the toxic environment (examples: screamers, get it done at all costs – think Enron)
- 3. Much of the organization is unwilling to change the behaviors that create the poor environment

It is vital to assess what behaviors are expected for members to fit in. In a manufacturing environment, is production the primary pay value? Or is it safety? Quality? What values are honored within the existing culture, and which are ignored? Companies often espouse one thing and do another. There are excellent, broad-based quantitative cultural assessments available for this key task. Level Three has extensive practice in this area and would be pleased to demonstrate how applying the recommendation from these assessments can impact your organization.

With the data in hand, Leadership can work together to analyze and develop a plan to change the norms that produced the problem behaviors.

Leadership must relentlessly support the suggested changes and a long-term commitment by stakeholders to “stay the course” after building the original urgency for the needed changes.

Part of the timing answer depends on the will of Leadership to do what is necessary to root out the behaviors that created the problems. This can include personnel changes, including possibly high producing team members or leaders who choose not to adapt.

Leadership must be:

- 1. Willing to confront their own issues
- 2. Vulnerable, developing trust among the members
- 3. Transparent about the needed changes
- 4. Role models of the new behaviors
- 5. Aggressive in affirming those behaviors in others

The habits and norms displayed now were typically rooted within the organization at least six months prior. Therefore, it can take at least that and likely two to three times as much time for broad-based transformation to take root.

Toxic cultures can win for a while; over time, they eventually crumble. It’s important to reverse the decay before it becomes too late and too costly.