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5 Warning Signs Your Workplace Culture Is Hurting Your Company's Reputation



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Prioritizing profits over people cultivates toxic workplaces that destroy company reputations. GETTY

A toxic culture is a symptom of poor leadership and the result of long-term neglect. No two workplace cultures are the same, but according to Carlos Castelán, managing director of [The Navio Group](#), they all have one thing in

common, “the employees are not engaged in the work they perform.”

The turning point from healthy to unhealthy is when toxic behaviors prevail making honest and ethical behaviors the minority. Numerous high-profile cases such as ThirdLove, Victoria Secret, Harvey Weinstein and Away, to name a few, demonstrate the result of unethical workplace practices. yet toxic cultures still run rampant today.

Here are five warning signs of a toxic workplace culture.

Misaligned Core Values

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Core values are more than a bullet point list of lofty words to aspire to. They're the guiding principles that shape the culture and drive an organization forward. If leaders aren't intentional about building a value-centric culture they're unintentionally enabling toxic behaviors to breed. In [Zappos'](#) recently published book, *The Power of Wow*, Christa Foley, senior director of brand vision and culture, emphasized the importance of embedding core values into every process and decision. She said it's clear when companies lack concrete values because they “waver under pressure or struggle to make good decisions aligned with their brand or values.”

Companies who lack core values also lack boundaries. This results in discrimination, racism, sexism, microaggressions, harassment and the silencing of opinions and ideas. Ultimately, this creates an imbalanced working environment with discriminatory policies and poor leadership. [Thinx](#) is a prime example of a company that [failed](#) to live up to their values. The feminine hygiene company with a feminist mission, was recently exposed for harboring toxic chemicals in their products, fostering a hostile work environment and their hypocritical feminist values that didn't live up

the public image they were portraying.

Core values are the responsibility of everyone. However, leadership is responsible for demonstrating and reinforcing them making it a top down approach. If leadership isn't practicing what they preach, trust and respect from employees deteriorate. Failing to actively communicate, bring awareness and live out the core values indicates they aren't important to leadership or the culture.

Leadership Cliques

Leadership cliques are one of the most obvious signs of a toxic workplace. Instead of protecting the integrity of the company, leaders will ignore and defend poor behavior from within their clique. As such, they'll place blame and accuse instead of accepting responsibility for their mistakes.

For this reason, some employees will do whatever it takes to win over the likes of leadership to be welcomed into the clique and gain job security. It's not uncommon for these employees to then rise to a leadership position by sabotaging others, bending rules and taking unethical shortcuts. As long as the leader is producing good work, they can get away with anything.

Rafe Gomez, co-owner of [VC Inc. Marketing](#), shared his experience working with someone who "followed a kiss-up, kick down approach." He explained, an executive he worked with was "sneaky, provocative and threatened anyone who questioned his actions or decisions with termination." Gomez said "he knew how and where to apply power, lie, and flex his authority to make himself look like a talented leader to his superiors."

Fear-Based Culture

Threats, ultimatums and intimidation are a few ways management abuse their power to cultivate a fear-based culture. Megan Accardo, host of [Power](#)

Your Purpose, said leaders use fear to “motivate others because it gets results.” Consequently, this influences and sustains the toxic behaviors. Accardo witnessed assistants who were verbally assaulted for years, get promoted only to then start abusing their own assistants.

Luka Arezina, editor-in-chief at [DataProt](#), said “when employees are motivated by fear to complete their tasks, they become increasingly stressed which prevents them from reaching their full potential.” A culture of fear destroys creativity, motivation and engagement. Employees become more introverted due to heightened anxiety and feeling like they’re walking on eggshells. Sherianna Boyle, [author](#) of *Emotional Detox: 7 Steps to Releasing Toxicity & Energizing Joy*, explained when people stop gathering or opt out of attending work parties or luncheons, it’s a warning sign that a toxic culture is amidst.

Office Drama

When leaders limit communication with their employees, it sends a message that they’re not valued enough to be kept in the loop of what’s going on within the team or the company. Moreover, the favoritism becomes obvious leading to increased tension and a rise in gossip. As a result, employees disengage and become more siloed to avoid working with a specific individual or team.

Gradually, employees grow resentful for being left out. They resort to griping about problems and frustrations rather than focusing on finding a solution. Melissa Cadwallader, head of human resources at [ZenBusiness](#), stated “when gossip is rampant, it’s a clear sign that trust has been broken between people.” If employees are learning things through the rumors or external news instead of the leadership team, this is a sign that the culture is toxic. Pete Havel, author of *The Arsonist in the Office*, shared gossip should not be more reliable than official communications.

High Turnover

When top performers and new hires start leaving, it's an obvious sign they're not aligned with the culture. In a candidate-driven job market, employees are much more likely to walk away from a company that doesn't live up to the core values they promote. In fact, now more than ever, employees are empowered to speak out against their current or former employer on online review sites such as Glassdoor and Indeed.

[Research](#) conducted by Columbia University found companies with a healthy company culture experiences 13.9% turnover whereas the job turnover for a company with a toxic culture reaches an astounding 48.4%. Along with high turnover comes a poor reputation from word-of-mouth and online reviews discouraging people from wanting to apply. Therefore, companies struggle to attract and retain talent and resort to inflating salaries in hopes of winning them over.

Alternately, when there is increased turnover in a short amount of time within a particular team or position, it's usually due in part to the leader. Insecure leaders are quick to get rid of anyone they're intimidated by or unable to control leaving high performing employees with only a few options: to adapt, get pushed out or leave.

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