

Why "The Last Dance" Was A Cautionary Tale For Employers: Superstar Employees Could Spell Trouble

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The recent documentary "The Last Dance," chronicling Michael Jordan and the Chicago Bulls' dynasty of the 1990's, brought much-needed nostalgia to a sports-deprived world. It featured the remarkable accomplishments of arguably the greatest sports icon of our time, as well as the challenges he and his team faced and often overcame. It also, however, put on full display the impact that one person can have on an organization's culture and morale.

While many former teammates, coaches, and colleagues came to respect Michael Jordan's often challenging and confrontational nature, employers should not use this one example as evidence that retaining a difficult employee, despite impact on morale and culture, is ultimately more productive and profitable for the organization. Indeed, the evidence supporting the opposite conclusion is overwhelming.

The Challenge Of Confronting The Superstar Employee

Far too many of us have had the unfortunate (dis)pleasure of dealing with an intolerable co-worker or manager. Often enough, employers take appropriate action to resolve the problem. Sometimes a simple coaching session or written warning will suffice. However, in many circumstances, the employee's toxicity will not improve. Most of the time, the employer's decision from there is simple — remove the difficult employee.

Yet occasionally employers are presented with what appears to be a more difficult question. Specifically, what if the difficult employee is the top salesperson, a significant rainmaker, or some other "superstar" for the organization? Is it worth dealing with the employee's difficult personality and impact on team morale if it means improved sales numbers or other, easily quantifiable measure of output? Substantial research in this area has answered the question with an emphatic no.

The Problems Created By Not Addressing The Toxic Worker

In a <u>2016 Report</u>, an EEOC Taskforce on harassment in the workplace referred to these individuals as "superstar harassers." Others might refer to them as "toxic superstars." Essentially, each of these labels refer to top performing employees in terms of raw numbers, sales, etc., but whose behavior and conduct is otherwise harmful to the organization, often in such a way that spreads to and impacts other employees.

Toxic employees come in many forms. Some of the more common examples include:

- The Slacker/Procrastinator
- The Bully/Harasser
- The "That's Not My Job" Type
- The Anti-Team Player
- The Stubborn, Close-Minded "Know-It-All"

Regardless of label, <u>the negative impact</u> of hiring these employees or keeping them employed can be profound. This includes customer loss, decreased employee morale, increased turnover, litigation costs, regulatory fines, and loss of credibility among stakeholders and the public writ large.

According to the 2016 EEOC Report, employers often frame the challenge presented by a toxic superstar in too simplistic of terms — that is, as a binary analysis of the likelihood or cost of a complaint of misbehavior versus the superstar's easily quantifiable output. This analysis misses the mark, however, according to the EEOC and an extensive study on toxic workers conducted by Harvard Business School.

Per the <u>Harvard study</u> (of approximately 60,000 employees), the *financial benefit* of retaining a toxic worker whose performance ranked in the top 1% was offset more than two-to-one by the costs of induced turnover, and by more than three-to-one for employees in the top 5%. Notably, the study did not factor in the secondary costs of turnover that come from a new hire's learning curve or the decreased employee morale. Nor did the study factor in the potential litigation costs or potential regulatory penalties.

The Solution: Take A Comprehensive Approach

Thus, employers should take a more comprehensive approach to personnel decisions. It seems simple enough to overlook potentially toxic characteristics when increased sales, a large book of business, or other significant revenue stream are attached to a particular employee. Indeed, the Harvard study concluded that toxic workers in general are more productive in terms of quantity of output.

However, this is perhaps an unfortunate example of being unable to see the forest for the trees. The evidence strongly suggests that even purely in terms of dollars and cents, tolerating toxic employees is a loser in the long-term. Even in the case of Michael Jordan, some experts still believe the Chicago Bulls may have won despite Jordan's personality, not because of them, leading one to believe the Bulls did not even reach their full potential – a truly terrifying thought for other NBA teams of the era.

Employers should therefore remain consistent and proactive in applying their policies and standards to all employees, holding everyone accountable for maintaining professionalism and respect in the workplace. Employers should set the tone early — clearly identifying the organization's standards and expectations for workplace behavior/conduct. Management and/or Human Resources should be well trained on these policies and standards and be prepared to address issues with any employee that violates them.

Conclusion

Many employees will correct their toxic traits in response to clear enforcement of the organization's expectations, whether through informal coaching or formal discipline. However, some will not. For the overall health of the organization, specifically including the organization's financial wellbeing, employers need to be prepared to part ways with toxic employees that refuse, for whatever reason, to change their ways.

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