Every workplace has them. The colleague who bad-mouths you behind your back at the water cooler. The boss who takes credit for everyone else’s ideas. The sexist jerk people actively avoid by taking circuitous routes to the printer and lying about their happy hour plans.

These employees are the bane of American enterprise and they’re everywhere. Not only are they detrimental to a company’s morale, they are extremely costly to its bottom line and can do far more harm to an organization than outliers at the other extreme — the superstar employees — do good. But who are these people exactly? And how are they different from the rest of us?

In a provocative new Harvard Business School working paper, researchers Michael Housman and Dylan Minor crunched data from 50,000 employees at 11 companies to come up with what may be the world’s most detailed personality profile of a “toxic worker.”

Using information from a company that builds software designed by industrial-organizational psychologists to assess a job applicant’s fitness for a particular position, the researchers were able to gain an extraordinary window into a modern-day worker’s mind. The job testing program included questions about everything from how they view their own abilities to their attitudes toward teamwork.

All of the workers in the study were employed in front-line service positions and paid on an hourly basis. The researchers also had access to the employees’ daily performance data, which represented productivity based on the average time it took them to handle a transaction and customer service ratings as well as basic employment data such as their job title, location, hire date, termination date (if applicable) and reason for termination.

In the continuum of toxic workers, there are those who are simply annoying and might just be a bad fit for an organization. At the other end are those who engage in harassment, bullying, fraud, theft or even violence in the workplace. The study zeroed in on those at the most extreme of the extreme who were fired for their toxic behavior.
The study’s findings aren’t exactly what you might expect.

First, a toxic worker isn’t necessarily a lazy worker. In fact, they tend to be insanely productive, much more so than the average worker.

Housman, a workplace scientist at an analytics firm, and Minor, a visiting assistant professor at Harvard, explain that this may explain why these workers tend to persist in an organization despite their questionable ethics and morals: “There is a potential trade-off. ... They are corrupt, but they excel in work performance.” They cited as an example a rogue trader who is making millions. A firm might be tempted to look away when he's found to be overstepping legal boundaries. And then there’s this maddening fact: At least one previous study has found that unethical workers actually have longer tenures at companies than ethical ones.

**Financial impact**

Avoiding a toxic worker generates returns that are estimated to be nearly two-to-one compared to the benefits of hiring a superstar worker. And that doesn’t include potential expenses from things like litigation, regulatory penalties or reduced morale related to such a hire.

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<thead>
<tr>
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<th>Cost</th>
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<tr>
<td>Avoiding toxic worker</td>
<td>$12,489</td>
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<tr>
<td>Hiring superstar</td>
<td>$5,303</td>
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Source: "Toxic workers" working paper by Michael Housman and Dylan Minor/ Harvard Business School

The second characteristic is a bit more obvious. They tend to have what's known as high "self-regard" and a lower degree of "other-regardingness." Or put more simply, they're selfish. "All things equal, those that are less other-regarding should be more predisposed to toxicity as they do not fully internalize the cost that their behavior imposes on others," the researchers wrote. This characteristic was teased out in the job screening program by asking applicants questions like this one that makes them choose between two statements: "I like to ask about other people's well-being" or "I let the past stay in the past." Selecting the first would give them a higher other-regarding score.

Third, the toxic employee also has an tendency to be overconfident of his or her own abilities — a trait believed to lead to unreasonable risk-taking. "Someone that is overconfident believes the expected payoff from engaging in misconduct is higher than someone who is not overconfident, as they believe the likelihood of the better outcome is higher than it really is," the researchers explained.
Finally, if a person is dead-set on following rules, there may be reason to worry. Even though it seems counterintuitive, Housman and Minor said that those employees who claimed in the questionnaire that rules should always be followed with no exceptions (as opposed to those who said sometimes you have to break rules to do a good job) were the most likely to be terminated for breaking the rules.

"It could also be the case that those who claim the rules should be followed are more Machiavellian in nature, purporting to embrace whatever rules, characteristics or beliefs that they believe are most likely to obtain them a job," they theorized. "There is strong evidence that Machiavellianism leads to deviant behavior."

The consequences of employing such people can be enormous for a company. The researchers calculated that these workers can cost $12,489 due to the need to replace other workers who leave due to their behavior. That’s an almost two-to-one return as compared to their estimates for what a company gains from a superstar employee in the 1 percent of productivity — an increase in $5,303 in value.

In their paper, Housman and Minor explain that the best way to deal with these toxic workers is simple: Avoid them. Human resources programs and interviews in the future could be designed to screen them out, for instance.

But what if you already have some of these employees in your midst?

You needn’t despair that your organization is doomed. According to their research, the factors that lead to a potentially toxic worker to act in a toxic way are likely to be numerous and complex and isn’t all about fixed personality traits. Here’s one example: They found that the number of other toxic workers around them or the "density" of toxic workers in your group can influence whether they act appropriately, with the lower the density the better the outcome. It’s akin to the way peer pressure can steer teens in the wrong direction.

"There is some hope," they wrote, "that through judicious management of a worker’s environment, toxicity can be reduced."

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