

The Impact Of Toxic Workplace Environments On Employee Productivity: A Systematic Literature Review

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Abstract.

This systematic literature review aims to evaluate the impact of toxic workplace environments on employee productivity. The methodology involved a comprehensive search and selection of peer-reviewed articles published between 2017 and 2023. The review identifies various forms of toxic behavior, such as harassment, bullying, ostracism, and incivility, and examines how these behaviors affect productivity. The results also indicate that toxic workplace environments significantly increase job stress, leading to decreased employee life satisfaction and productivity. The review highlights the critical role of organizational support in mitigating the negative effects of toxic behaviors. Effective policies and supportive leadership are essential for promoting employee engagement and well-being. The study concludes that addressing toxic workplace environments through strategic interventions and leadership development is crucial for enhancing productivity and overall employee well-being. By recognizing and addressing these issues, organizations can create healthier and more productive workplaces, benefiting both employees and the organization.

Keywords: Toxic workplace environments, toxic behaviors, and employee productivity.

I. INTRODUCTION

Employee productivity is crucial for companies due to its significant benefits. Singh et al. highlighted that increased productivity leads to cost efficiency, effective production, and competitive advantage [1]. Companies can thus achieve economic expansion, higher profits, and better social progress. For employees, productivity means better job opportunities, remuneration, and working conditions. There are some factors influencing productivity namely skills, leadership, attitude, and remuneration, as summarized by Wijaya & Manurung [2]. Global research also indicates that toxic workplace environments may impact productivity [3], [4], [5], [6], contributing to the Great Resignation [7]. The Great Resignation, as identified by Sull et al., refers to a mass resignation event in the United States, where 40% of workers considered quitting, and over 24 million left their jobs between April and September 2021 [7]. The main contributor to this phenomenon is a toxic workplace environment, including failures in promoting equity, diversity, inclusiveness, and feelings of unappreciation [7]. This trend is also observed in Indonesia, according to Michael Page [8]. From 2020 to 2022, there was a 10% annual increase in employees considering job changes, and the percentage of employees who left nearly doubled in 2022. Six out of ten respondents cited mental health issues at work as their reason for resigning [9]. These mental health problems in office are often associated with toxic environments, including violence, harassment, and bullying [10].

Although toxic behavior is often concealed by management [11], research and news show that the behavior may exist in Indonesian workplaces, particularly in Jakarta. Research from 2018 to 2021 found that harassment and violence were most prevalent in DKI Jakarta, accounting for over 25% of all cases [12], [13]. Notable incidents include sexual harassment at large bank in Jakarta [14] and harassment by a financial services company leader, which led to legal action [15]. Research by Yandi concluded that the work environment significantly impacts productivity, including factors like transparent communication, work-life balance, recognition, and team spirit [16]. Negatively, these factors manifest as harassment, intimidation, and ostracism, characterizing toxic environments [5]. Toxic work conditions correlate with lower performance and productivity [17], [18]. Considering the background situation and several studies, this systematic literature review aims to evaluate the impact of toxic workplace environments on employee productivity.

The primary objectives are to identify various forms of toxic behavior in workplaces, understand how these behaviors affect productivity, and explore strategies to mitigate their negative impacts. The specific research questions are

1. How does a toxic workplace environment affect employee productivity in the financial services sector in Jakarta?
2. What are the primary toxic behaviors observed in the workplace, and how do they impact productivity?
3. What strategies have been identified in the literature to mitigate the negative effects of a toxic workplace environment?

II. METHODS

The study employs a systematic approach used to search, select, and extract the literature relevant to the research questions. First, the literature search was conducted using online databases (such as Google Scholar, Emerald, etc.) and both online and offline libraries. Keywords used in the search included "organizational behavior," "toxic workplace environments," "toxic behaviors," "harrasment," "bullying," and "employee productivity." Second, to ensure the relevance and quality of the included studies, specific inclusion and exclusion criteria were established. The inclusion criteria comprised peer-reviewed articles published between 2019 and 2023, books published from 2003 onwards, articles and books written in English, and studies published in international journals or proceedings. On the other hand, exclusion criteria included non-peer-reviewed articles, and studies published before 2019 (for articles) and 2003 (for books). Finally, data extraction was performed using standardized forms to capture essential information from each selected study. The extracted data points included the author, title, objective, research method, and outcomes. This systematic approach to data extraction ensures that critical information is consistently captured across all studies, facilitating a comprehensive and unbiased analysis of the literature.

III. RESULT AND DISCUSSION

Result

The systematic literature review includes a selection of ten studies focusing on the impact of toxic workplace environments on employee productivity. These studies, predominantly peer-reviewed articles, span from 2017 to 2023. Most of the studies (eight out of ten) utilized quantitative methods, employing surveys and questionnaires to collect data, while two studies either employed or combined with qualitative approaches. For example, Rasool et al. used quantitative methods to demonstrate how toxic workplace environments negatively impact productivity, with depression acting as a significant mediating variable [4]. Another online survey by Rasool et al. revealed that toxic workplaces have a direct negative correlation with employee engagement and well-being, moderated by organizational support [5]. The research primarily targeted various aspects of toxic workplace behaviors and their effects on productivity, engagement, and job satisfaction. Key topics explored include the mediating role of depression, organizational support, and the direct impact of specific toxic behaviors like bullying and harassment. Most studies revealed a significant negative correlation between toxic workplace environments and employee productivity, emphasizing the detrimental effects of such environments.

Discussion

Toxic workplace environments profoundly impact employees and extend into their personal lives and families [19]. Chapman notes that such environments create unfair and harmful conditions for workers. When employees are in toxic workplaces, they tend to spread negative energy to their colleagues [20]. Hetrick explains that toxic workplace environments often stem from a toxic culture within the organization, reflecting behaviors and actions tolerated and reinforced by leaders aiming to control and exploit others, often contradicting the organization's principles [21]. According to Wilde, toxic culture in organizations is formed by the combination of toxic leaders, easily influenced followers, and a conducive environment [22]. Wilde, citing Maitlis, defines organizational toxicity as pervasive, intense negative emotions that drain energy. These emotions disconnect people from their work, colleagues, and organizations, lowering their confidence, hope, self-esteem, morale, and performance both inside and outside the workplace. Wilde

identifies four macro factors often causing workplace toxicity: structural, cognitive, behavioral, and symbolic sources [22]. Each factor contributes differently to creating a toxic workplace environment, impacting employee well-being and productivity. Hetrick adds that toxicity is frequently triggered by performance pressure, overly high and aggressive targets, and external demands [21].

This leads to normalized deviance and cognitive dissonance over time. Normalized deviance describes how deviations from correct behavior become common in the company culture. Cognitive dissonance refers to the mismatch between the organization's declared values and its actual practices. In conclusion, workplace toxicity is a complex, multidimensional phenomenon influenced by individual, group, and organizational levels, with widespread negative impacts on employees, teams, and organizations. The concept of toxic workplace environments, as discussed earlier, can be further explored by examining its aspects or components. Tastan categorizes toxic workplace environments into two main classifications: behavioral toxic and contextual toxic [23]. The behavioral toxic dimension includes toxic behaviors from coworkers and managers, while the contextual toxic dimension consists of social-structural toxicity and toxic climate. Additionally, other studies suggest that toxic workplaces can be characterized by narcissistic and aggressive leadership, threatening behaviors from managers or coworkers, harassment, bullying, ostracism, and overreliance on technology [24]. These broad domains manifest into four specific dimensions: workplace harassment, workplace bullying, workplace ostracism, and workplace incivility. Workplace harassment refers to coworkers and supervisors who threaten and treat employees poorly [5]. It includes inappropriate comments about physical appearance, sexual or vulgar jokes, and attempts by supervisors or coworkers to intrude into personal and sexual lives, which violate privacy and professional ethics [21]. Workplace bullying involves mistreatment by individuals or groups in any situation, such as cyberbullying or unjust criticism, creating pressure and injustice [5].

Indicators of bullying include assigning tasks inappropriate to the employee's level or job description, excessive or unfair supervision, unfair criticism of performance or character, and blaming employees unfairly for problems not entirely their fault [5]. Workplace ostracism causes employees to feel isolated and not part of the organization, leading to unproductive behaviors that affect efficiency and innovation [6]. Ostracism is defined as the loneliness experienced by employees due to treatment from coworkers, family, stakeholders, and supervisors, which increases employee turnover and job dissatisfaction [5]. Indicators of ostracism include social distancing behaviors by supervisors or coworkers, lack of response or acknowledgment in interactions, and reluctance to communicate at work [5]. Workplace incivility harms workers in an organization for the benefit of others. The root cause of incivility is that employees tend to sacrifice their self-esteem, job satisfaction, productivity, and efficiency. This deviance results in a negative image among coworkers [6]. Indicators of incivility include taking items from someone's desk without permission, giving irrelevant orders that show a lack of consideration, unfriendly communication such as public rude comments, and interfering in personal matters, such as gossiping behind someone's back [25]. To mitigate and address these issues, companies must acknowledge the problems they face and provide the necessary support to resolve them [26]. Research conducted by Syihhabudin et al. has demonstrated that workplace environment factors can have a positive impact on employee engagement [27]. One strategic step is through interventions by the human resource management unit and policy makers within each company. These units can establish and enforce strict policies aimed at promoting collaborative work relationships while eliminating workplace toxicity [28].

Moreover, to create and maintain a healthy work environment, leaders, from top executives to line managers, need to set a positive example through their behavior [21]. Therefore, developing leadership capabilities is also crucial to ensure a healthy work environment. This aligns with the research by Widyaputri & Sary which shows that good leadership, especially adaptive leadership in the digital era, positively impacts employee performance [29].

IV. CONCLUSION

In conclusion, this systematic literature review reveals the significant negative impact of toxic workplace environments on employee productivity. In this kind of environment, studies observed several behaviors like harassment, bullying, ostracism, and incivility increase job stress, reducing employee life satisfaction and productivity. Organizational support is crucial in mitigating these negative effects. Supportive policies and a healthy work culture may enhance employee engagement and well-being, reducing the adverse impacts of toxic behaviors. These interventions should focus on eliminating workplace toxicity and promoting collaboration. Developing leadership capabilities at all levels is essential for creating a healthy and productive work environment. Effective leadership also plays a key role in fostering a positive work environment and subsequently improving performance. In summary, tackling toxic workplace environments is vital for boosting employee productivity and well-being. By acknowledging the issues, providing support, and implementing strategic measures, organizations can create a healthier, more productive workplace, benefiting both employees and the organization.

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