

Newsletter - March 2026

## **The "Jerk Tax": The Mathematical Flaw in Tolerating Toxic High-Performers**

You know exactly who I am talking about. The brilliant IT manager who develops flawless solutions, jumps in to fix everyone else's "problems," but leaves a trail of burned-out bodies behind them.

I've had these people on my teams.

Sales reps who blew past their quotas but destroyed the company culture. Functional leaders who fiercely protected their own silos but bullied everyone else, creating turnover and chronic stress. What's worse, is that often these people also believe that they are superstars.

And - I hate to admit it - almost every time I've faced this type of situation, I reacted too late. Why? Because they were undeniably delivering results.

But my logic was flawed. First, your company culture supersedes any short-term financial win. Second, even if you are *only* looking at the financials, the math simply doesn't work.

Here is why your "Brilliant Jerk" is actually your biggest liability.

### **The Biology of the "Blast Radius"**

This isn't just a "culture" problem. It is a neurological contagion.

- **The Illusion of Isolation:** You think their bad behaviour is contained. It's not. Stress is biologically contagious. Even if your IT manager "only" verbally abuses their direct reports, the ambient anxiety drains the entire organization's energy.
- **The Amygdala Hijack:** When your high-performing "jerk" jumps in to "save the day" by belittling the team, it triggers an amygdala hijack in the rest of the room. When you tolerate that behaviour, you send a clear message: *results*

*excuse abuse*. Remember, your real company culture is defined by the worst behaviour you are willing to tolerate.

- **Prefrontal Shutdown:** As we talked about in January, the Prefrontal Cortex - the part responsible for new strategies and complex change - is an energy hog. When a team feels psychologically unsafe, the brain shuts down the expensive Prefrontal Cortex to conserve energy for survival. Your toxic manager is literally turning off the brains of everyone around them. Google's Project Aristotle proved this: Psychological safety, not individual brilliance, is the #1 driver of team performance.

## **The Narcissism Trap: A Broken Data Processor**

I mentioned earlier that these individuals often can't see their own faults. In leadership psychology, this is where high performance borders on narcissism.

We often view narcissism as simple arrogance. It's worse than that. It is a broken feedback loop.

A narcissistic high-performer lacks the critical "soft skill" data required to scale a business: **Empathy**. Because they view colleagues as instruments rather than humans, they cannot accurately predict how their actions damage the system. When they "save a project," they aren't doing it to help the team; they are doing it to feed their own ego.

When you try to coach them on this, they don't hear "I need you to be a better teammate." They hear, "*I am punishing your excellence to coddle the weak.*" This reality distortion field makes them highly resistant to standard coaching.

## **The ROI: Calculating the "Jerk Tax"**

You think this person is making you money. They aren't. Let's look at the actual P&L.

### **The Formula:**

Cost of replacing the top-tier talent who quit to escape them.

- + The 30% drop in daily productivity of peers walking on eggshells.
- + The lost revenue due to siloed communication and lack of collaboration.
- + Your executive hours spent playing therapist to the collateral damage.

## = The Jerk Tax

*The Verdict:* The Jerk Tax is almost always greater than the value of the code they write or the revenue they close. They are not a high-performer. They are a single point of failure masquerading as an asset.

---

### The Solution: The 3 step approach to deal with Brilliant Jerks

Stop trying to manage their personality. Manage the parameters of performance. By focusing entirely on the mechanics using this Rule of 3:

**1. Redefine "Performance" (Hard KPIs).** If an IT manager "saves" one deployment but breaks the psychological build pipeline of the entire engineering team, the effort is useless. Shift their KPIs. "Enabling the team" is no longer a soft-skill bonus; it is a hard technical requirement for their role. Make their bonus contingent on *team* velocity, not individual output.

**2. The "Blast Radius" Audit.** Sit down with them. Do not talk about their "attitude." Talk about the data. Show them the turnover rate, the bottlenecked reviews, and the exit interview feedback from people leaving the organization. Make the unseen costs visible. *(Warning: A narcissistic performer will immediately blame the team for "not working hard enough." Do not engage in the debate. Point back to the data).*

**3. The Behavioural Ultimatum (60 Days).** Just like you can't rely on willpower to change a habit, they can't just "try to be nicer." Assign them an external system - a strict peer-review protocol or a mandatory executive coach. Give them 60 days. If the blast radius doesn't shrink, they are the ones who need to leave, regardless of their individual contribution.

---

### The Challenge for This Week

Look at your org chart. Identify the one person whose functional brilliance is blinding you to their organizational damage.

Write down what they actually cost you in time, turnover, team friction and culture.

If you are staring at that math and realizing you need to have a very difficult conversation - but aren't sure how to structure it without blowing up the department - **reply to this newsletter with the word "MATRIX."**

I will send you my *Trust vs. Performance Matrix* PDF to help you map out exactly what to do next.