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Managing Toxic Leaders: Dysfunctional Patterns in Organizational Leadership and How to Deal with Them

This study reviews different typologies of toxic leaders in organizations—from bullies to narcissistic leaders. Unfortunately, toxic leaders are a painful but common reality in many organizations. Their destructive behaviors and dysfunctional personal characteristics often generate enduring poisonous effects on those they lead. They are identified by selfish outcomes in their decision-making and how they leave subordinates worse off than when they began. What distinguishes excellent from average managers is their ability to effectively manage dysfunctional leaders in the workplace. Even though some organizations may promote or simply tolerate toxic leaders for economic or political reasons, the long-term impact on the company's mission and reputation is often underestimated. The author suggests some effective coping strategies to identify, address, and transform toxic leaders and workplaces.

Key words: toxic leadership, destructive leadership, egocentric leadership, dysfunctional leadership, whistle-blowing

Introduction

Toxicity in leaders is unfortunately a common reality in many organizations. Many of us have experienced working with an extremely difficult person. Numerous studies in leadership and management increasingly focus on issues like toxic leadership [Goldman, 2009a; Lipman–Blumen, 2005a], toxic management [Lubit, 2004; Niehus, 2011], toxic organizations, and toxic workplaces [Frost, 2003; Kusy and Holloway, 2009]. Although there is plenty of literature on toxic and dysfunctional leaders, there are still very few significant works focusing on empowering stakeholders and organizational structures to identify, address, and transform toxic leadership dynamics.

Why do some leaders, either consciously or unconsciously, make work more difficult for everyone around them? Why do some people, instead of promoting leadership in

others, appear to rejoice in the struggles of others? What are the dynamics that drive a leader to become toxic for the people around him? These questions require research-based analysis and practical tools to help identify, cope, and neutralize the negative dynamics of toxic leaders in the workplace. They also require revisiting organizational priorities by including the assessment of a leader's performance not only on financial, but also on their respectful behavior at work and the long-term impact of their conduct on stakeholders. Between legal dispute settlements, low morale, and lower productivity, the organizational costs of an abusive leader can be enormous. Gallup estimates that a typical organization has \$3,400 in lost productivity for every \$10,000 of payroll due to "disengaged employees"—one of the primary symptoms of dysfunctional toxic leaders [Buckingham and Coffman, 1999]. Toxic leadership can have high human and financial costs by disengaging employees who are more likely to quit and increase turnover in the organization with consequent higher search, hiring, and training costs [Branham, 2005]. The false perception of the toxic leaders' high performance is unmasked by hidden costs in the organization or by the "carcasses of those who work for them" [Reed, 2008: 68].

This article reviews research-based studies on toxic leadership and helps find ways to address this challenging reality. Through an analytical review of experts' perspectives, we examine some of the major dysfunctional dynamics of top leaders in the workplace and then offer both interpersonal and organizational suggestions to recuperate personal sanity and organizational health. This work is based on the author's leadership coaching experience along with interviews and observations of various leaders, followers, and administrators of higher education institutions, nonprofits, and private companies in the United States and Europe. The "action" value of this analysis focuses on naming the toxic dynamics to empower the stakeholders with strategies to face their work environments. In the words of author Marsha Petrie Sue, "the reality is that difficult workplace circumstances are bound to arise, and when they do there are only three options: take it, leave it, or change it" [Sue, 2007, 2010].

Defining and Recognizing Toxic Leaders

The term "toxic leader" was originally phrased by Dr. Marcia Lynn Whicker's 1986 analysis of three distinct types of leaders in organizations: the "trustworthy" (green light), the "transitional" (yellow light), and the "toxic" (red light). Toxic leaders are bullies, enforcers, and street fighters. They are "maladjusted, malcontent, and often malevolent and malicious people" who succeed by tearing others down and "glory in turf protection, fighting, and controlling others rather than uplifting followers" [Whicker, 1996: 66]. They have a "deep-seated but well-disguised sense of personal inadequacy, selfish values, and cleverness at concealing deceit" [Whicker, 1996: 12]. Jean Lipman-Blumen

describes toxic leaders as “those individuals who, by virtue of their destructive behaviors and their dysfunctional personal qualities or characteristics, inflict serious and enduring harm on the individuals, groups, organizations, communities and even the nations that they lead” [Lipman–Blumen, 2005b: 30].

Toxic leaders are not to be confused with transactional leaders or difficult people [Edwards and McGrath, 2009; Tavanti, 2008; Whicker, 1996]. As Paul Glass [2002] suggests, we all need to learn effective strategies and attitudes to deal with difficult personalities in the workplace. Learning to deal with different and difficult personalities is a challenge for both leaders and followers [Ury, 1991], but difficult people may not be necessarily “toxic.” On the one hand, a decisive, demanding, and sometimes verbally abusive leader may not necessarily be “toxic” to subordinates and the organizational unit. On the other hand, even charming and cheerful leaders may be toxic. It is not necessarily the attitudes and style of communication that make a leader toxic; it is the systemic discouraging effects that often indicate toxic dynamics. Toxic leaders might be highly competent and effective in their jobs, but they contribute to an unhealthy climate among their peers and subordinates with consequences far beyond the morale of a few victims. George E. Reed’s [2008] analysis of toxic leaders in the US Army identifies three key characteristics of the toxic leader syndrome: 1) An apparent lack of concern for the well-being of subordinates; 2) A personality or interpersonal technique that negatively affects organizational climate; 3) A conviction by subordinates that the leader is motivated primarily by self-interest [Reed, 2008: 67].

Toxic leaders are difficult to detect and recognize. They are frequently protected by their followers and/or the organizational structure. Toxic leaders are generally highly competent and effective in the short-sighted sense, but in the long run they carry high human and financial costs. The most common set of “toxicity” symptoms are (1) when the leader has an apparent lack of concern for his subordinates; (2) the conviction by the subordinates that their leader is primarily motivated by self-interests, and (3) when personal and interpersonal dynamics negatively affect organizational climate [Reed, 2008].

Kusy and Holloway [2009] compare the hidden costs and consequences of toxic leaders of an organization to an iceberg in the fog. What is barely visible is the toxic leader’s behavior (tip of the iceberg), but the human impact, productivity, and bottom line losses (bottom of the iceberg) are invisible [Kusy and Holloway, 2009: 12–13]. A toxic atmosphere in leadership and organizational dynamics may result from a strong emphasis on final results rather than the process to get there. In general, toxic leaders are characterized by fighting and controlling rather than uplifting and inspiring. They like to succeed by tearing others down.

Toxic Dynamics in Managers and Leaders

In his article “Stop Toxic Managers before They Stop You,” Gillian Flynn [1999] provides a description of the toxic dynamics recognizable in leaders and managers who bully, threaten, yell, and who determine the climate of the office based on his or her mood swings. “Call it what you want—poor interpersonal skills, unfortunate office practices—but some people, by sheer, shameful force of their personalities, make working for them rotten. We call them toxic managers. Their results may look fine on paper, but the fact is, all is not well if you have one loose in your workforce: It’s unhealthy, unproductive and will eventually undo HR’s efforts to create a healthy, happy and progressive workplace” [Flynn, 1999: 40].

According to Jean Lipman-Blumen’s *The Allure of Toxic Leaders* [2005a], toxic leaders’ destructive behaviors are recognizable in one or more of the following actions:

- 1) *Leaving followers worse off*: This is applicable to followers and other stakeholders “dependent” or in need of the leader’s action. The action and relations are often characterized by destructive and diminishing dynamics such as undermining, demeaning, intimidating, or incapacitating. It starts from the toxic leaders’ intention to dominate or eliminate their own followers when there is a perceived competence. When incompetence becomes salient, the leaders’ toxicity is less evident and the harm made unintentionally.
- 2) *Violating rights and dignity*: As it is for political leaders and dictators, the violation of human rights or organizational compliance is often recognizable in the action of toxic leaders toward followers and dependents. This dynamic is based on the assumption that only the leader knows the truth and acts justly. Therefore, the respect of other people’s dignity, opinion, or ability is necessarily functional to the leader’s success and his or her interpretation of organizational success.
- 3) *Spinning news and events*: They consciously and strategically feed their followers news that enhances the leaders’ power, superiority, and diminishes or alters other people or unit’s values. By doing so, toxic leaders persuade followers that only the leader can save them or the organization. They also create a situation of leader-dependency while impairing followers’ capacity to act independently. With the intention of reaffirming the leaders’ authority, toxic leaders often feed followers with misdiagnosed issues and problems.
- 4) *Promoting or ignoring incompetence*: The shortcomings in an organization are always directed toward the reaffirmation of ego-centered management systems. Therefore, followers who are willing to subserve the egomaniac toxic leader will be promoted, no matter their competency. On the other hand, competent managers who do not

express subservient behaviors or what is not immediately beneficial to the toxic leader's agenda are systematically excluded.

Schmidt's [2008] Toxic Leadership Scale includes abusive supervision, authoritarian leadership, narcissism, self-promotion, and unpredictability among other dysfunctional dynamics. Alan Goldman's [2009a] study suggests that toxic leaders often display psychological disorders varying from "adult attention deficit disorder" to passive aggressive personality disorders, to borderline personality disorders and narcissistic personality disorder. They display some preferred managerial methods like micromanaging, ego-management (narcissism), and managing by fear (bullying).

Toxic Micromanagers: Toxic leaders who micromanage their subordinates want to demonstrate their superiority and dominance. The excessive control or attention to details, a characteristic of a micromanaging style, becomes dysfunctional when utilized as instrument of systemic control and influence over subordinates. Micromanagers in leaders reflect their lack of trust in the subordinate's capacity to make decisions and carry on with a project. The focus is as much on quality control of the product as reflecting a dynamic directed toward reinforcing the ego and supremacy of the leader. Hence, micromanagers are usually irritated when a subordinate makes decisions without consulting them, even if the decision is beneficial to the organization and it is within the subordinate's level of authority.

Toxic Narcissists: Many toxic leaders appear to exemplify, in a variety of degrees and facets, narcissistic personality disorders. Current research does not sufficiently explain the "accepted" level (hence, nontoxic) of ego-centered and narcissistic behavior in a leader. A small dosage of "ego" may be instrumental in leaders to express entrepreneurship and find the energy to be innovative. However, excessive narcissistic and ego-centered personalities may be detrimental to organizational systems and values.

Toxic Bullies: Toxic leaders who manage by fear aim to control people by using threats in a direct and indirect way, invoking fears, for example, of getting fired or earning a low performance rating. In their interpersonal relations, toxic leaders often reflect bullying dynamics. A bully leader is defined as "someone who places targets in a submissive, powerless position whereby they are more easily influenced and controlled, in order to achieve personal or organizational gains" [Harvey et al., 2007: 117]. If the behavior is not regulated through policies and monitoring by the HR administration [Vega and Comer, 2005], the combination of bullying and leadership can be quite toxic for subordinates and the organization. As the only thing the bully leader respects is authority from above, the higher administration of an organization has the responsibility to properly address issues of bullying in the workplace, particularly when associated with people in leadership. Unfortunately, studies show that workplace and leadership bullying has grown exponentially in the last decade [Hodson et al., 2006]. So, what can a subordi-

nate do when he or she is the target of a bully leader or other dysfunctional toxic leader dynamics? Scholars and leadership development experts suggest the following practical strategies and solutions to defuse bullying behaviors, survive toxic leaders, and eventually transform them.

Surviving and Transforming Toxic Leaders

Lipman–Blumen’s [2005a] strategies to survive and overcome toxic leaders includes: 1) Take risks by confronting your own anxiety; 2) Seek the leader within you and foster accountability and democratic processes; 3) Appreciate the more disillusioning (realistic) leaders instead of the “paradise–promising” toxic leaders; 4) Forego the illusion that the followers are the “chosen ones.” In Lipman–Blumen’s view the true antidote to toxic leaders is represented by the South African (Zulu) concept of *ubuntu*, caring for each other’s well–being. For example, we are defined “through the otherness of other human beings” [Lipman–Blumen, 2005a: 244].

Marcia Lynn Whicker, author of *Toxic Leader* [1996] suggests to:

- 1) Be aware that toxic leadership is a real threat to organizational health.
- 2) Talk to toxic leaders in a non–threatening way, but let them know you are aware.
- 3) Work through the organizational channels to express concern about the situation.
- 4) Put everything in writing, you may need documentation later on.
- 5) Identify trustworthy leaders in the organizations and reach out to them.
- 6) Be firm at every step and refuse to engage in dysfunctional behaviors.
- 7) Maintain productivity despite efforts by others to undermine it.
- 8) Take a long run view and try to ignore petty slights and actions.
- 9) Refuse to participate in secret meetings and agreements.
- 10) Remember that toxic leaders are fundamentally flawed and will eventually self–destruct [Whicker, 1996: 177].

Dr. Robert Sutton’s provocative work uses a more colorful adjective to describe the toxic leader dilemma. His book, *The No Asshole Rule: Building a Civilized Workplace and Surviving One that Isn’t* [2007] is the result of several years studying dysfunctional behaviors in leaders, co–workers, and organizations. Synthesizing his recommendations, leaders can diminish their toxic behaviors by adopting the following actions:

- 1) Face their past and try to be their authentic self.
- 2) Avoid making people feel humiliated, de–energized, or belittled.
- 3) Avoid mistreating less powerful people.
- 4) Focus on win–win–win (others, self, and the organization).
- 5) Not thinking to be better or worse than others (be humble).
- 6) Focus on the similarities and synergies with others (rather than the differences).

7) Be happy and satisfied with themselves (no reason to stomp on others).

Subordinates and followers can benefit from practical strategies and antidotes to “deal” [Sutton, 2007], “cope” [Lubitz, 2004], and “survive” [Gangel, 2008] toxic leaders at work. Subordinates may find one or more of the following “behavioral antidotes” useful or effective. Preferably these are done in consultation with a coach–mentor, an ombudsperson, or a trustworthy leader in the organization.

- 1) Develop indifference and emotional detachment.
- 2) Look for small wins and small victories that can keep you going.
- 3) Limit your exposure with the toxic individual.
- 4) Expose them through whistleblower and other HR–compliance channels.
- 5) Stand up to them and hold them accountable.

Transforming toxic leaders is not a feasible option for individual subordinates alone—it is an organizational and systemic responsibility. “One brave person without a system of support cannot solve the problem of toxicity. After all, if it takes a village to raise a child, then most certainly it takes an organization working together to change the tide of toxicity” [Kusy and Holloway, 2009: 50]. In his book *Transforming Toxic Leaders*, Alan Goldman [2009b] suggests that transformation can be achieved by strategically moving around the chess pieces in an organization and by addressing “individual psychological and emotional toxins” [Goldman, 2009b: 21]. Unlike most other publications that view toxic leaders as a dysfunctional phenomena and destructive “cancer” in organizations, Dr. Goldman argues that most highly productive leaders have some toxic qualities instrumental to their success. Therefore, toxic leaders could become an asset to organizations, but only when administrations do not dwell on it, but provide appropriate interventions to detoxify and transform toxicity into opportunity [Goldman, 2009b].

Unfortunately, most organizational structures are complicit with toxic leadership dynamics. Dr. Goldman’s book, *Destructive Leaders and Dysfunctional Organizations* [2009a] states that the danger of these dynamics come mostly on the side of the organization that either does not have the right mechanisms to detect toxicity, are blindsided by the toxic leader, or simply allow toxicity to exist because of convenient returns. When toxicity is tolerated, overlooked, or avoided, it metastasizes and erodes productivity, motivation, creativity and engagement. Failure to address toxicity in leaders and organizations may have a long–term effect on the image, finances and turnover in the organization. Like the human body, Frost [2003] suggests that organizations should start a process to detoxify from unhealthy leadership and workplace dynamics. They should focus their energy on identifying and empowering “toxin detectors” and “toxin healers.” Give voice and appropriate channels of communication, evaluation and review by peers, subordinates, and other stakeholders. These health checks can also be performed

through the formal services of ombudspersons, HR, or through the informal services of supportive personnel.

Conclusions and Recommendations

This article has offered an overview of toxic leadership, its typology and consequences in organizations. Key resources and insights were suggested to identify, address, and transform toxic leaders in an organization. In their narcissistic or bullying manner, these leaders are a common reality in many organizations. Dealing with them, and eventually transforming them, requires a systemic approach [Kusy and Holloway, 2009: 11] that begins with appropriately diagnosing toxic leadership through its dysfunctional behavioral symptoms. Unfortunately, toxic leaders usually thrive in toxic organizations. Therefore, a transformation of dysfunctional leader's dynamics requires an appropriate organizational systemic change process. It requires awareness that toxic dynamics are a serious threat to the organization's long-term health. Toxic leadership can be a silent killer. Like a venomous snake, toxic leaders drain energy out of an organization. They tire incompetent workers and discourage competent workers who otherwise would be creatively engaged. They create a demoralizing, dehumanizing and fearful atmosphere that may drive the organization into paralysis.

Organizational monitoring systems play a pivotal role in detecting and intervening existing or metastasized toxic leadership. Accountability within the various organizational units along with organization-wide appropriate HR feedback systems are essential mechanisms in tackling toxic leadership in the workplace. While it is true that not all subordinates are necessarily equipped to evaluate their leaders, they can be the best detectors for trends in bullying leadership and narcissist management behaviors. The absence of effective monitoring or evaluating mechanisms in organizations leaves subordinates without a voice and helps toxic leaders thrive. When organizational structures are inadequate at creating a systemic antidote to the leader's toxicity, personal coping mechanisms are essential to deal with and survive toxic leaders. Coping is not surrendering. It is a strategy to recuperate personal health, productivity, and sanity while seeking systemic transformative processes at the organizational level. Whistleblowers are important, but insufficient if they are not properly protected and supported. The organization needs to have a system in place to alert, identify and address toxic behaviors. If such organizational mechanisms are not in place or do not work effectively, toxic leaders survive and thrive in the organization. As complex human systems, organizations must detect, confront, and transform toxic leadership.

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