

Leadership Toxicity—An Inevitable Affliction of Organisations?

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Based on personal consulting and coaching assignments, this article examines the circumstances in which normally competent, accomplished leaders behave badly to the detriment of the effectiveness of their organisations. Such 'toxic leaders' could be seen as silent killers who inhibit openness, creativity and healthy workplaces.

KEYWORDS: Leadership, dysfunctional behaviour, organisational health, emotional intelligence, workplace toxicity

Introduction

Recent years have seen quite an increase in reports of dysfunctional misbehaviour by those in positions of power and influence in governments, in political parties as well as within business organisations more generally.

Cases of dysfunctional executive behaviour, of punitive and abusive working environments continue to be exposed and, combined with a seemingly relentless drive for employees to achieve more and more with fewer and fewer resources, can be expected to result in increasingly difficult and toxic working environments. Growing expressions of dissatisfaction by employees with the quality of the leadership they receive are highlighted by such bodies as

The Work Foundation and the Chartered Institute of Personnel and Development, all of which suggests that we may do well to consider workplace dysfunction and toxicity as normal—rather than as abnormal—phenomena of modern organisational life.

If so, what can be done to engage with, anticipate—perhaps even predict—such toxic and 'shadowy' facets of organisational behaviour? This article advocates looking at leader behaviour-in-context which can help to highlight the probability of leader toxicity exploding on to the scene. The material on which this article is based comes from consultancy experiences where, over varying periods of time, I was able to observe some of the more unhelpful ways in which accomplished and competent senior

executives found themselves behaving badly. In spite of the 'positive' hype from the 'leadership industry' leaders are not, by definition, always good, ethical, or honest as has been evidenced in recent times by the deluge of material describing dysfunctional and exploitative leadership behaviour.

Whilst many leaders are able, appropriately experienced, keen to do well, maintain ethical standards and make a positive difference to those they guide it is interesting to wonder why poor leadership, executive excess and blatant self-serving behaviour is so pervasive and endemic within organisations?

Perhaps we have created a myth about leadership whereby bestowing the title of manager, leader, consultant, professor, judge or supervisor is seen to confer—as if by magic—omnipotence? It may be that we expect far too much from our leaders; that we have loaded onto them unrealistic expectations and have encouraged them to believe they are faultless and can do no wrong—a position that would encourage leadership arrogance, delusion and denial; a position that would fuel personal ambitions and aggrandisement from which leadership toxicity could readily take hold.

However, a rather different picture emerges if we look at a leader's effectiveness more as a product of the *contexts* within which they were operating and as being less determined by their psychological characteristics and operating style. Whilst the leader's psychological characteristics will remain critically important in shaping effective executive performance, they may be fundamentally conditioned and constrained by the contextual circumstances within which executives find themselves operating.

Leadership toxicity

Toxic leadership is defined here as behaviour which is exploitive, abusive, destructive and psy-

chologically—and perhaps legalistically—corrupt and poisonous. Examples would cover the forced imposition of unrealistic workloads, workplace bullying and harassment, deception and fraud in addition to deliberate workplace misinformation and misrepresentation. Lipman-Blumen describes such behaviours as:

Corruption, hypocrisy, sabotage, and manipulation, as well as other assorted unethical, illegal, and criminal acts, are part of the poisonous repertoire of toxic leaders. (2005:18).

One major difficulty, however, is how to differentiate between *toxic* leadership and *over-zealous* leadership as many of the attributes toxic leaders possess, when not used to excess or inappropriately, are the same as those exhibited by successful non-toxic leaders. The situation is further complicated as some behaviours—now acknowledged as toxic—may have previously been excused, denied, or even encouraged, because of the results delivered and this may have (i) reinforced the 'acceptability' of such behaviour, (ii) encouraged its continuing use, (iii) discouraged others from challenging the unacceptable behaviours experienced, and (iv) generated a groupthink and/or acceptant mentality offering little possibility for improvement (Janis, 1982).

Toxic leaders can have great appeal, and attract followers, because of the high level of engagement and energy they display. They will 'make it happen', 'get things done', sort out 'the road block', 'cut away the dead wood'—yet *how* they may go about this can be profoundly damaging to many around them and, potentially, to the business itself. Indeed the literature suggests that the most frequently reported disruptive executive behaviours are characterised by dramatic, histrionic, emotionally demanding, narcissistic, aggressive and somewhat grandiose leadership behaviours (Conger, 1990; Dotlich & Cairo, 2003; Finkelstein, 2003; Kellerman, 2004;

Kets de Vries, 1989; Levinson, 1978; McClean & Elkind, 2004). This reinforces the earlier work accomplished by the Center for Creative Leadership (CCL) whose research on executive derailment highlighted (a) patterns of abrasive and abusive behaviour, (b) insensitivity to the needs of others, (c) distant, aloof and arrogant ways of behaving, (d) unnecessary and intrusive micro-management, (e) the manipulation of situations, and (f) continuing self-serving behaviour – as significant contributors to an executive's derailment and demise (Kofodimos, 1990; Lombardo & Eichinger, 1989).

The dangers of excessive charisma attract particular attention when thinking about toxic leadership and the heightened level of self-aggrandisement that can accompany overly 'Heroic' and 'transformational' approaches to leadership (Khurana 2002; Maccoby, 2000; Sankowsky, 1995; Tourish, 2005). McCall (1998) quotes Harry Levinson on the grandiose self-image which can develop as executives become more senior and how:

They think they have the right to be condescending and contemptuous to people who serve them. They (executives) think they are entitled to privilege and the royal treatment.

McCall concludes:

In summary, the development of arrogance is one of the most insidious of the derailment dynamics. It is a negative that grows from a positive, deriving as it does from actual talent and success. (McCall, 1998:46).

But where might such predilections come from in these able executives and what might trigger such destructive behaviour if we don't see such toxicity from them all the time?

PERSONALITY VS CONTEXT

This article speculates on combinations of conditions which may have resulted in toxic dysfunctional executive behaviour. The three examples below, although typical, in no respect refer to any person with whom I may have worked.

First we have Jeremy a committed, bright, diligent, respectful and honest MD who couldn't trust others nor let go of his huge workload. He was sure he had the answer to the collapsing business if only he could find it. Then there was Arthur—he believed he was 'the answer' and acted as such in an arrogant, reckless, self-serving manner such that he progressively reduced an effective and well regarded organisation into a disaster zone before being removed. Simon on the other hand was a self-serving 'impression management' super hero who ruthlessly swept away all resistance before being ousted, having decimated the enterprise.

All three were removed from office, albeit differently. All were 'toxic' in different ways and all derailed, yet all were very able and had been appointed on the basis of previous excellent performance.

In one case the CEO was seen to keep his cards so close to his chest that even he could not see clearly what game he was playing. In another, a strong charismatic promotion of self led to grandiosity of Napoleonic proportions, whilst in the third the CEO became seemingly trapped within a delusion which led him to deny that anything he touched was less than brilliant, or that he needed anything else to learn, as he had 'been there, got the tee-shirt' and done it all.

The question is: were these leaders 'masters of their own behaviour' or was it the internal culture and circumstances that facilitated the toxic behaviour they displayed? Whilst it may be

convenient, and appealing, to try and put it all down to the leader's 'personality and bad behaviour' this may not be fair. A leader's behaviour will be conditioned and dependent on (i) internal organisational constraints and (ii), external circumstances over which they have limited influence yet which are central to their legacy of success or failure. Whilst the personality of the leader attracts continuing attention these two additional 'contexts' are too often neglected in the appointment of successful executives into new positions and in examining the bases underpinning subsequent executive success and executive failure.

Possible origins of toxicity

If an executive is to survive and prosper in the business world, then position and power, personal standing, status and influence become important factors to secure. Once achieved these are unlikely to be surrendered without a fight. Even small day to day changes and challenges to an executive's freedom of action may be perceived as a threat to their psychological security and survival and generate fierce defensive reactions.

Concerns about loss of power, status and control could be enough to trigger dysfunctional toxic behaviour possibly out of all proportion to the scale of any changes proposed. Such reactions prompt the question as to what could be so important about maintaining personal status, position and control in the first place and why would changes to these matter so much? Why might power and the maintenance of status be so important to an already influential executive? What could it be that tempts or impels successful senior executives to overreact to changes they perceive as constraining or reducing in some way their already considerable influence? Perhaps a case could be made that leadership

toxicity is prompted by a perceived threat to their status and standing resulting in what De Botton terms 'status anxiety' (2004:95); 'Status' is used here to refer to the privileged, esteemed and elevated position occupied by virtue of the executive role—a position which, with its attendant benefits, an executive will not normally wish to relinquish.

However, what may be at stake, and perhaps far more than may be apparent, is the vulnerability of the executive *as a person* as much as their vulnerability as a key role holder. In this regard personal vulnerability and sensitivity may revolve around the view that an executive has of himself (*Identity*), and the views that others have of him (*Reputation*).

Nicholson (2000) offers insights into the extent to which we remain emotionally attuned to respond intuitively to threat and survival pressures—such as a high profile status loss—'as if' we were still hunter-gatherers. In commenting on survival behaviour in the modern world he suggests that such embedded Stone Age impulses would show themselves in how, for example, we are prone to:

- Make snap judgments based on emotions.
- Let one piece of bad news drive out a hundred pieces of good news.
- Take big risks when threatened and avoid risks when comfortable.
- Classify things and people, dividing groups into "us" and "them".
- Create opportunities for display and competitive contests.
- Allow confidence to conquer realism to get what we want '(Nicholson 2000:2).

Whilst other explanations could be made for such behaviours, this strong drive to display and prevail, including the familiar fight-flight pattern, offers an explanation for some of the unusually

fierce and toxic responses exhibited by executives under perceived threat. Ludeman and Erlandson, in *Coaching the Alpha Male*, note for example how successful, assertive and driven people can fail to use their emotional intelligence to such an extent that ‘the more executive authority alphas achieve, the more pressure they feel and the more pronounced their faults become’ (2004:60) which in turn heightens their sense of vulnerability and may well trigger toxic behaviour.

Lawrence and Nohria offer complementary explanations and describe ‘four innate drives—the drive to acquire, the drive to bond, the drive to learn, and the drive to defend—that we believe are central to the nature of all humans, the drives that play a vital role in all human choices’ (2002:5). They emphasise the importance of balancing these to achieve harmony, meaning and purpose, noting however that ‘Evolution is a competitive game in which victory comes not from achieving some fixed number of points but by simply outscoring the competition’ (2002:65), whereas Nicholson observes how:

We spend inordinate amounts of time and energy making ourselves look good in various ways. ... lives devoted to refining skills beyond our immediate survival requirements, ceaseless work, and competition to acquire ever greater wealth—sometimes to the point of being self-defeating—are visible all around us’ (2000:24).

Now could it be for some that the drive to acquire becomes an insatiable one and that so far as survival enhancement goes, we can never have enough? This could help to explain the addictive nature of work and why it can be so difficult for successful executives to relinquish power and authority. Could it also be that the drive to defend is intensified the more senior a person becomes and with that an increased risk of leadership toxicity?

Contextualising leader behaviour

Whilst it may be convenient—and appealing—to place the responsibility for toxicity in the workplace on the behaviour of ‘the leader(s)’ the situation is more complex than such a simple attribution would suggest. Identifying the contextual conditions and precipitating factors at play within an organisation offers a more revealing, balanced and inclusive explanation for leadership toxicity than solely focusing on leader behaviour.

From my experiences and reflections (Walton, 2005) on the consulting assignments examined I now find it helpful to consider leadership behaviour-in-context by looking at it through three ‘lenses’ which form the ‘ACE’ framework (*i.e.* actor- context-external).

Lens 1: viewing the behaviour of the *executive(s)* as actor

Lens 2: looking at the internal ‘*context*’ of the organisation (its internal culture and climate),

Lens 3: re-viewing the *external* environment (the ‘external’ world) in which the organisation finds itself.

Lens 1: The executive-in-action: personality characteristics

Although the psychological composition of the key executives will of course exert a significant effect on an organisation, no one set of personality characteristics emerged that led to the range of dysfunctions I had witnessed and studied. For example, I recorded behaviours which had led to problems in some organisations but also where the same behaviour did not in others! I had examples of those in the ‘Heroic’ mould creating positive results with others generating less than helpful outcomes. I had examples of charismatic extroverts and

introverted thinkers some providing helpful and some providing unhelpful leadership and I had examples of executives offering directive and more transformational approaches again with varying effects.

The leaders' psychological characteristics alone appeared insufficient to explain the range of positive and toxic outcomes I had seen and experienced. This prompted me to consider the impact on the leader's behaviour of the organisation's internal contexts and cultures.

Lens 2: Working within the culture & climate of the organisation

Executive behaviour does not occur in a vacuum. It occurs within contexts and settings. Just as form without function could be said to have little meaning on its own so a consideration of an executive's personality and make-up without reference to how these present in their working environment offers a similarly incomplete picture.

In sharp contrast to the view that it is what the executive does 'that gets results' it may be more accurate to explore how (i) the internal context mediates what the executive is able to do, and (ii) how the context may define executive success and failure. The differing internal states of cohesion & collapse, profit & slump, high & low morale influenced the mood, the agenda and the vitality of the leaders I observed. The internal climate and tone seemed to exert a significant conditioning influence on leader behaviour both in terms of what, and how, they functioned.

Contextual conditions can induce and restrict toxic behaviour. More emphasis on the contextual determinants on leadership behaviour, whilst somewhat neglected in the literature, is needed and may help to reduce the incidence of excessive toxic leadership. Yet again however, these two 'lenses' were insufficient to

account for the range of leader behaviour and outcomes I had observed and this led me to consider a third dimension—the external context within which the organisation found itself operating.

Lens 3: Conditions in the external environment

The stability of an organisation's external environment emerged as the third dimension influencing leader and workplace toxicity. If the external conditions were unstable this was likely to facilitate toxic behaviour. If not tolerance for extreme internal toxicity will be much reduced.

Examples of external environmental disturbance would be a collapse in the organisation's market, a local disaster, an emergency alert, threat of a public humiliation or government inspection, a hostile bid, filing for bankruptcy protection in the USA under Chapter 7 or Chapter 11, the threat of an external inquiry, extensive media pressure, 'Wall Street' and 'City' intrusion and high profile stakeholder pressure.

My general hypothesis is that a significant increase in toxic behaviour and internal instability is more likely to occur and be tolerated when all three of these dimensions, like three tumble locks on a combination safe, are sufficiently aligned for a 'spring' into dysfunction and toxicity to be released. Thus the likelihood for executive dysfunction is increased where the following conditions are present: firstly a psychological predisposition for errant working, secondly an internal context which permits or encourages errant behaviour to occur and be rewarded, and thirdly significant external circumstances which provide the wider context, cover and excuse for toxic behaviour to take hold.

The combinations of these dimensions are summarised below and illustrate how these dimensions can work to either block or prompt toxic behaviour.

Table 1: Assessing the likelihood of a toxic surge

The ACE-R Framework	The Actors – the Personal dispositions of those key people (A)	Internal Context: the Climate and the Culture of the Organisation (C)	External Circumstances (E)
Condition 1: Latent potential for dysfunction, but awaiting the opportunity	Yes, person(s) is predisposed	Yes, allowing	No, not suitable
Condition 2: Executive quite prepared to take advantage but Culture won't condone this	Yes, person(s) is predisposed	No, not allowing	Yes, suitable
Condition 3: Executive not prepared to take advantage of the situation	No, person(s) not predisposed	Yes, allowing	Yes, suitable
Condition 4: Potential for Executive dysfunctional behaviour is high	Yes, person(s) is predisposed	Yes, allowing	Yes, suitable

The additional fourth factor 'R'—for Risk Assessment—suggests that, even if the foregoing conditions for executive dysfunction may be present, such behaviour may not occur if the executive assesses, consciously or otherwise, that they will not get away with it.

The ACE-R framework can be used to look at organisational situations to identify instances where there is a growing risk of toxicity and to prompt ameliorative action. Such an approach can also help to reduce the tendency to ascribe toxic and dysfunctional behaviour—triggered when executives feel under psychological threat—to the organisation's leadership whilst neglecting to look carefully enough at contextual conditions which may be increasing the risk for organisational and leader malfunction.

Endpiece

Leadership toxicity seems to be a pervasive aspect of organisational life undermining per-

sonal and organisational performance yet one that receives far less attention than is merited. The assignments on which this article is based suggest that an executive's success is significantly conditioned and constrained by both the internal organisational contexts within which they are working, *and* the wider external circumstances affecting that organisation.

Toxic leadership could be described as a silent killer as it can be said to position leaders as invulnerable and to sabotage, block, and penalise those who question such omnipotence. A combination of toxic leaders, vulnerable and demeaned followers, and conducive contexts results in an unhealthy 'toxic triangle' threatening the health and vitality of those within its bounds (Padilla et al, 2005; Paulhus & Williams, 2002). With such forces threatening an organisation's success it remains surprising that a fuller exposition and exploration of the darker side of leadership, and the misuse of institutional power, is not at the top of the curricula for organisational and professional studies.

What is apparent is that appointment to a position of formal leadership does not guarantee positive, constructive leadership behaviour. The leader as a person will remain susceptible to the full range of human strengths and vulnerabilities irrespective of their title, professional background and experience. It may well be that most, if not all, working environments are toxic to some degree. If so, a key question is how we prepare and constructively engage with such a reality (Walton, 2007 a, b).

If indeed leadership toxicity is an inevitable affliction of organisational life the sooner it occupies a place of prominence in the preparation and training for leadership the better.

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