

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/242349375>

Toxins in the workplace: Affect on organizations and employees

Article in *Corporate Governance International Journal of Business in Society* · February 2007

DOI: 10.1108/14720700710727087

CITATIONS

87

READS

22,930

2 authors, including:



Steven Appelbaum

Concordia University Montreal

162 PUBLICATIONS 6,238 CITATIONS

SEE PROFILE

Some of the authors of this publication are also working on these related projects:



Factors that impact the success of an organizational change: a case study analysis [View project](#)



Factors that impact the success of an organizational change: a case study analysis [View project](#)

Toxins in the workplace: affect on organizations and employees

Steven H. Appelbaum and David Roy-Girard

Steven H. Appelbaum is the Concordia University Research Chair in Organizational Development and Professor of Management at the John Molson School of Business, Concordia University, Montréal, Canada. David Roy-Girard is based at the John Molson School of Business, Concordia University, Montréal, Canada.

Abstract

Purpose – *The purpose of this article is to define toxins such as toxic leader, toxic manager, toxic culture, and toxic organization and explore how they affect the organization's performance and its employees.*

Design/methodology/approach – *This article is basically twofold. It is a literature review utilizing a selective bibliography providing advice on information sources and it is comprehensive in that the objective is to cover the mainstream and unique contributors of toxicity. It is also a general review providing an overview of this contemporary issue facing organizations with descriptions of what the problem is and how to address it.*

Findings – *Organizations as well as their employees suffer from the affects of toxins that are present within the organization. They also suffer from psychological effects, such as; impaired judgment, irritability, anxiety, anger, an inability to concentrate and memory loss. On the other hand, it has also been found that companies in North America alone lose an excess of \$200 billion each year due to employee deviance. Employee deviance has also been found to be the cause of approximately 30 percent of all business failures.*

Practical implications – *There are possible solutions to reduce, and sometimes even eliminate, toxicity in an organization. Possible solutions, such as recognition, and the use of toxin handlers to eliminate, reduce, or avoid the infiltration and spreading of these toxins is very important to organizations that suffer from or would like to prevent toxicity in the workplace.*

Originality/value – *The article is unique and highly practical for all individuals who are in management and for those who are called on to assume leadership roles mandated to deal with deviance, organizational citizen behavior and toxicity in the organization.*

Keywords Problem solving, Employee behaviour, Managers, Organizational culture

Paper type General review

Introduction

Organizations have suffered over the past few years with the effects of “9-11” compiled with business scandals, such as those of Enron and Nortel, which seem to be exposed on a daily basis. The new focus for organizations appears to have changed directions from the single-minded focus on “shareholder value,” which measures performance on the sole basis of stock price, to transparent organizations with an open culture of integrity, ownership, and accountability (Byrne, 2002). This concern has lead to an increase in the research of toxicity, described as a “pain that strips people of their self esteem and that disconnects them from their work” (Stark, 2003), in the workplace. Toxicity in the workplace appears to come from toxins within the organization which renders it as a toxic organization. This observation has lead to the use of terms such as toxic leader, toxic manager, and toxic culture, which are currently appearing with increasing frequency in business, leadership, management, and psychology literature, to describe the toxins that create these toxic organizations (Reed, 2004).

This article will explore the concept of toxicity in the workplace by looking at the effects of toxins on organizations and their employees. Before examining the effects of toxins on either an organization or its employees each toxin (toxic leader, toxic manager, and toxic culture) must be defined. These definitions will facilitate the examination of the roles of toxins in a toxic organization and how they affect its performance. Possible solutions, such as recognition, and the use of toxin handlers to eliminate, reduce, or avoid the infiltration and spreading of these toxins is critical to organizations that suffer from or would like to prevent toxicity in the workplace.

Even though they might be mentally and physically affected by their negative working environment, toxins can cause impact upon their organization by employees exhibiting deviant behavior. Most deviant behaviors appear to flourish in toxic environments and the most costly of these behaviors are absenteeism, theft, unproductiveness and unethical practices. This suggests that deviant behavior can be linked not only to the employee's surrounding environment, but also to the employee's attitude, perception and personality. A macro view is the starting point.

Toxic organizations

Toxicity is a fact of life in all organizations; however, not all organizations are toxic. Toxic organizations are usually defined as largely ineffective as well as destructive to its employees (Bacal, 2000; Dobrian, 1997). They thrive on control and exist in a constant state of crisis – they depend on disasters to make needed changes. Their solutions as well as their objectives are usually managed in the short-term, i.e. quick fix solutions and effects on the bottom line (Coccia, 1998; Johnson and Indvik, 2001; Butts, 1997; Delbecq and Friedlander, 1995). Toxic organizations also appear different in terms of function and results. They have the following characteristics:

- inability to achieve operation goals and commitments;
- problem-solving processes that are driven by fear and rarely yield good decisions;
- poor internal communication;
- huge amounts of waste that result from poor decision, and lots of rework; and
- interpersonal relationships are driven by manipulative and self-centered agendas (Bacal, 2000).

Simply having toxins present in an organization does not necessarily make it a toxic organization (Bacal, 2000). The tone of an organization tends to be set from the top and so toxicity is often a top-down phenomenon. The higher up the toxic person is, the more widely spread is the pain, and the more people there are who behave in the same way (Stark, 2003; Finkelstein, 2005).

Toxic leaders

Toxic leaders play a very important role in creating and upholding a toxic work environment. A toxic leader can be described as someone that is motivated by self-interest, has an apparent lack of concern, and negatively affects organizational climate (Seeger *et al.*, 2005). They glory in turf protection, fighting and controlling rather than uplifting followers. They often are destructive leaders who focus on visible short-term accomplishments and succeed by tearing others down. However, it is not a specific behavior that deems a leader to be toxic. The only way to determine whether a leader is toxic is to examine the cumulative effect of de-motivational behavior on morale and climate over time (Reed, 2004). Toxic leaders create toxic organization because of the “rules” they follow:

- the leader must be in control of every aspect of the organization at all times;
- when problems arise, immediately find a guilty party to blame;
- do not make mistakes; if you do, cover them up;
- never point out the reality of a situation;
- never express your feelings unless they are positive;

- do not ask questions, do as you are told;
- do not do anything outside your role;
- do not trust anyone;
- nothing is more important than giving to the organization; and
- keep up the organization's image at all costs (Coccia, 1998).

Every person that comes into contact with these toxic leaders is affected, not only by their behavior, but also by their decisions. Toxic leaders often make hasty decisions and can change directions suddenly without any apparent rationale. This is a consequence of waiting until there is a crisis before making any decisions at which point there is not much time to ponder the possible consequences of their decisions. Therefore a quick fix is put into action and will no doubt need to be continuously altered or even completely changed before it can be effective. Employees exposed to these conditions will feel pulled in many directions at the same time and most likely be in a state of confusion. In short, a toxic leader sends mixed messages, frequently changes direction, and avoids making decisions until the last possible minute (Bacal, 2000; Dreher, 2002). Toxic leaders serve as models for potential toxic managers.

Toxic managers

A subset of toxic leaders is toxic managers. Toxic managers create a negative work environment by destroying morale, impairing retention, interfering with cooperation and information sharing, as well as being unpredictable, explosive, and disrespectful to their staff. They are focused only on immediate goals that satisfy a fast-paced, budget-driven world and leave no room for feedback and creativity. Frequently, they take all the credit for their department's successes, but blame others for their shortcomings (Kimura, 2003). Toxic management exists because organizational bottom lines encourage it. Many toxic managers succeed by achieving short-term goals, but at the same time damage the organization by creating a negative environment impacting on the dependent variables of increased turnover, high absenteeism, and low productivity. Organizations rarely have a means of rating managers outside of productivity. In certain organizations, employees who are result driven and excel under such conditions may be rewarded for their performance and promoted to higher levels of manager due to a lack of another way of rewarding them (Eisenbach *et al.*, 1999). This is done regardless of their ability (or lack thereof) to manage. It is reasonable to assume that not all employees, even the most brilliant ones, are suited to become managers (Flynn, 1999).

Toxic managers are not all identified in a similar taxonomy. Each manager has his/her own perception, personality, and attitudes. It would therefore be impossible to generalize how every toxic manager behaves. However, toxic managers can be divided into four categories: narcissistic, aggressive, rigid, and impaired managers (Lubit, 2004). However, not all managers that exhibit such behaviors are toxic. It is important to observe the frequency and intensity of these behaviors before judging whether a manager is toxic. A manager's level of toxicity will depend on how many of these behaviors, or other toxic behaviors not mentioned above, they exhibit as well as their frequency and intensity (Flynn, 1999). It is important to examine the culture within which these behaviors are tolerated.

Toxic culture

In a healthy work environment these managers would most likely be recognized as toxins and removed from the workplace (Steiner, 2004). However, in toxic organizations these managers would not only go unnoticed, but also would most probably be developed/rewarded by the organization. Every organization develops a culture that is influenced by its leaders, including these managers. Its culture is a combination of symbols, language, assumptions and behaviors that manifest themselves in a work setting. In other words, they are the written, explicit, and unwritten, implicit, rules that employees use when interacting with one another, making decisions, or performing tasks. Explicit rules are usually defined and documented by the organization. Examples of explicit rules are company

policies, procedures, accepted communication channels, and relationships between departments. On the other hand, implicit rules are less obvious and may differ between departments. Dress codes, expectations regarding communication, department objectives, and so on are considered to be implicit rules (Coccia, 1998). The culture of an organization dictates how employees function. For instance, an employee working in a “macho culture”, in which people do not discuss problems, will not behave the same as if that same employee was working in an open culture, one that encourages the people to freely express their ideas and opinions (Flynn, 1999). It is important to state that the culture within an organization may vary from department to department depending on the behavior, perception, and personality of the manager. However, it is very unlikely that the culture of a department will greatly differ from the culture of the organization.

Enron is an excellent model and mini case to further examine these linkages. This organization was an example of a toxic culture that was developed from toxic leadership and supported by toxic managers. Unfortunately it was exposed in the well publicized “Enron scandal”. Some of the major players involved in the scandal displayed extreme toxic behavior and encouraged their subordinates to follow suite. Jeffrey Skilling, former CEO of Enron, is a perfect example of a toxin that encourages a negative work environment. Skilling was described as obsessed with creating controls and managing risk, while at the same time pressing for lofty earnings growth and deriding employees who were not “creative” enough to give him what he wanted. He created a company of “greedy back-stabbers” through his ruthless review process and huge monetary rewards. The company was sent into a state of perpetual chaos due to his undisciplined spending and constant reorganizations. The former chief financial officer of Enron, Andrew Fastow, was another example of a toxin that perpetuated and created another type of toxic culture. He was known as a “bully” who aimed most of his explosive tantrums at the company's outside bankers. He berated employees for being disloyal when they would resist his attempts to perform illegal accounting procedures. Through fear he generated a culture with the mentality of “don't question, just do as I tell you” and employees followed in order to keep their jobs and avoid punishment. One might ask how all this could happen without getting noticed (Zellner, 2003).

Sherron Watkins, an employee at Enron, experienced and recorded this toxic behavior and was concerned for the organization. She repeatedly tried to bring her concerns to the attention of the then former chairman Kenneth Lay. However, he kept avoiding meeting with her and ultimately ignored her concerns. Even though the culture of an organization may not be completely controlled by the CEO, leader, his/her behavior can significantly affect the culture as well as actions of followers. If, for instance, the CEO is blind to what is occurring beneath him/her, as was the case in the Enron example, a negative culture will be able to thrive and spread throughout the company, while a positive culture may begin to deteriorate (Zellner, 2003). These behaviors occurred within a system of toxicity and was contagious. All were guilty.

Performance of toxic organizations

A more toxic organization will likely under perform than an organization that has a minimum number of toxins. However, these poor performing organizations should not attribute all the blame to its leader, the CEO. Because the CEO is the most visible person in the organization, does not mean that he/she actually leads and directly influences these behaviors and negative outcomes as traditional literature often suggests with little empirical evidence to support it. If the CEO is toxic then he/she will behave in a manner that will be detrimental to the performance of the company. However, if the CEO is not toxic, but the managers of his/her departments are, it is possible that they actively lead the company and negatively affect the organization's performance. In other words, the performance of a company will not only depend on whether or not the CEO is toxic, but also can depend on who the leaders of the company are and whether or not they are toxic. This modest correlation is not that simple. The performance of a company also depends on whether the specific leadership style matches the specific situation of a company. Another interesting example is Bill Gates who was known for demonstrating supposedly negative behaviors. He is an achievement-driven leader in an organization that has hand picked highly talented and motivated people. Gates'

apparent harsh leadership style can be quite effective when dealing with competent, motivated, employees that need little direction. In this example, even though Gates may be demanding and harsh with his employees, his style matches well with the type of employees that are attracted to and working at Microsoft (Goleman *et al.*, 2001). Being obsessed with success is not directly correlated with toxicity. The required characteristics and negative/counterproductive emotions need to be present.

Another reason why toxic organizations perform poorly is the negative work environment created by toxic management. They cause feelings of despair, anger, low morale, poor communication, and depression among employees that usually impacts on the dependent variables, e.g. poor work performance, high absenteeism, and increased turnover (Brett and Stroh, 2003). Organizations also pay a huge price for emotional mismanagement of employees in the form of excessive benefit expenses, including high use of drug plans, and short- and long-term disability programs and productivity losses. The reduction in productivity combined with the increase in cost due to the rise in benefits plan expenditures will negative impact upon the bottom line. Research supports the fact that companies that have “high people management practices (PMP) performance” usually outperform those who have “low PMP”. This is demonstrated in Table I, where all figures are calculated for a ten-year average (Dyck and Roithmayr, 2001):

These data demonstrate that a company with low PMP, such as those with toxic characteristics, will not perform as well as those companies with high PMP (Dyck and Roithmayr, 2001). This appear obvious but the underpinnings are critical to diagnose and often complex to resolve.

Critical challenge: the recognition of toxicity

There are possible solutions to reduce, and sometimes even eliminate, toxicity in an organization. Of course, it all depends on where the toxins are located and their level of toxicity. However, the most important factor, as with any anomaly/disease, is recognition. If the organization is so toxic that no one realizes it, or at least no one with any “power” to change anything, the organization will remain in its toxic state until some toxins (leaders and managers) in power positions are replaced with non-toxic employees. An organization that is not completely toxic can spare itself serious damage by learning to recognize problematic personality traits quickly, placing difficult managers in positions in which their behavior will do the least amount of harm, coaching those who are able to change, and knowing which managers are time bombs that need to be replaced. This leads to the question, who is going to notice this problematic behavior? If the CEO and the entire upper management are toxic it is most likely that they will not notice anything (Ashforth and Kreiner, 2002). The responsibility will then fall on the human resources professionals or middle management to diagnose and hopefully, solve. This situation, however, would be very difficult to turn around. However, if most of upper management is not toxic and there is one problematic manager then it would be much easier to recognize and hopefully correct. There are many warning signs that are available when trying to identify a toxin. For instance, the turnover rate can be compared between each department. If one department has a greater turnover rate than all the others then there might be a problem. Another sign would be, when talking to a possible toxin about how things are going in their departments and they often respond using the word “I” instead of “we” with much blame being dispensed. The greatest warning sign would probably be

Table I Comparison of companies with high and low PMPs

<i>Financial factors</i>	<i>High PMP (%)</i>	<i>Low PMP (%)</i>
Sales growth	16.1	7.4
Profit growth	18.2	4.4
Profit margin	6.4	3.3
Growth (earnings/shares)	10.7	4.7
Total return (stock appreciation + dividends)	19	8.8

the hardest to achieve. There is no better judge than the people working under the possible toxic individual. However, employees will not explicitly state they “despise” their boss. Another way to turn around a toxic culture is to establish a uniquely different strategy. Not only should a culture where employees play to win be reprimanded and changed drastically, but also a culture should be created in which playing to win at any price is unacceptable and punished (Flynn, 1999; Barrier, 1995; Rinke, 2004). Consequences cut both ways in this case.

Toxin handlers

Leaders are not the only organization members that are expected to have higher levels of emotional intelligence (Flynn, 1999; Stark, 2003; Lubit, 2004; Goleman *et al.*, 2001). There are several roles/positions within an organization that have higher levels of emotional intelligence that help others deal with the psychological pains on a daily basis. These people are known as toxin handlers and they are vital to the health and success of any organization. A toxin handler can be defined as someone who recognizes the emotional pain of others and is able and willing to act to help them with their suffering, to alleviate their situation. They realize that pain strips others of their hope and self confidence and that those affected will lose their focus on work and become disconnected from their workplaces. Toxin handlers have certain qualities that make them effective at reducing pain within an organization. One of the most important qualities of an effective toxin handler is their ability to listen and actively connect with a person in pain. Buffering is another important quality of a toxin handler. They are able to absorb or redirect toxic messages and acts from others (leaders-managers) in order to protect their groups. It is important to note that the work of toxin handlers can encompass high personal risks. If they handle emotional toxins for too long or in high intense situations, the handlers can internalize others problems/reactions and even become ill, physically and emotionally, and can often burn out. This is why it is critical that the organization recognizes these toxin handlers and helps them to heal themselves (Powers, 2000; Hallowell, 1999). Often toxin handlers have to work longer hours in order to compensate for the time spent helping relieve and buffering others from pain. Instead of demanding more from these handlers, organizations should try to accommodate them and reduce their workload. After all, they might be somewhat less productive, but in essence they are increasing the productivity of everyone around them. (Frost, 2003). This is easier said than done.

Deviant behavior: costs and consequences

It has been demonstrated that a negative work environment, created by toxins within an organization, can have very severe effects on the employees that work there (Fitzgerald, 2002; Fitzgerald and Eijnatten, 2002). Employees might suffer from some physiological effects like changes in blood pressure or cholesterol levels, increases in muscle tension, and heightened awareness of the environment. They might also suffer from psychological effects, such as; impaired judgment, irritability, anxiety, anger, an inability to concentrate and memory loss. On the other hand, it has also been found that companies in the USA alone lose an excess of \$200 billion each year due to employee deviance. Employee deviance has also been found to be the cause of approximately 30 percent of all business failures. It would be safe to assume that while it is true that employees suffer from a negative work environment, it is also true that organizations themselves, toxic or not, suffer from the behavior of their employees. This behavior is known as deviant behavior (Bolin and Heatherly, 2001; Dyck and Roithmayr, 2001).

There is a growing interest among researchers as well as corporate executives concerning deviant behaviors in organizations. Not only because of the enormous costs related to these behaviors, but also the social and psychological effects deviant behaviors have on the workplace. Deviant behavior can be defined as “voluntary behavior that violates significant organizational norms and in so doing threatens the well-being of an organization, its members, or both” (Robinson and Bennett, 1995). This description can be somewhat misleading when trying to understand what behaviors are considered deviant, since the behaviors are being compared to the organization’s norms. For instance, in a toxic

organization an organizational norm may be to steal others ideas and take credit for them. However, if someone was to expose this behavior and or refuse to follow such behavior, deviate from the norm, they would be the one's considered to display deviant behavior. This is why it is important to define what norms the employee's behaviors should be compared to (Biberman and Whitty, 1997). Not only do norms vary between organizations, but they also vary within organizations (Biberman *et al.*, 1999). Different groups within an organization could adopt norms that are different or even completely opposite to each other. For example, a group within an organization may conform to arriving late to work, while another group may conform to being very punctual. Most people would agree that the group arriving late to work is the one that is practicing deviant behavior. However, according to the definition of deviant behavior the answer would depend on what the actual and historic cultural norm of the organization is. This is where hyper norms come into play. Hyper norms are globally held values and beliefs, which include the approval or exclusion of specific behaviors, such as, do not mistreat others, or more complicated principles, such as, justice and virtue. Using hyper norms provides a global standard for evaluating behaviors. One might also use reference group norms, such as, local or federal laws or even professional standards, to judge employee's behaviors. An example of reference group norms would be specific laws governing activities within an industry, such as accounting, or even principles upheld by professional associations.

It is important to note that there are some deviant behaviors that are positive and constructive. However, it is the destructive deviant behaviors that will negatively affect the organization's performance and the work environment (Warren, 2003).

There are many types of deviant behavior, some more costly than others. A majority of employees engage in some form of deviant behavior or another. The most costly deviant behaviors to organizations are theft, sabotage, absenteeism, and withholding effort. However, deviant behaviors such as, verbal abuse, taking long breaks, gossiping, and substance abuse may not be as costly on an organization's bottom line, but they can severely affect the workplace. The behaviors with the most severe ratings, such as theft and sabotage, were found to belong to the property and personal aggression classes. While the behaviors with the least severe ratings, such as gossiping and hangovers from alcohol, belonged to the production and political deviance classes (Bolin and Heatherly, 2001; Peterson, 2002).

Researchers are currently attempting to predict which employees are more likely to exhibit deviant behavior based on their attitudes, personalities, and perceptions. For example, health benefits are available to everyone in an organization; however, some people abuse these benefits while others do not. To successfully predict which employees would be more likely to participate in absenteeism a study would have to try to assess the strength of the relationships between absenteeism and common deviance-related attitudes. Even though most of these studies are relatively recent and have not been proven repeatedly enough to be accepted by everyone, there have been some interesting findings regarding relationships between deviant workplace behavior and employee's attitudes, personalities, and perceptions. For instance, dissatisfaction has been shown to have a weak relationship with theft and a slightly stronger relationship with counter productivity. After observing this pattern one could assume that dissatisfaction results in an occurrence of minor offenses, but does not necessarily lead to severe offenses. (Jones, 1999; Bolin and Heatherly, 2001).

A recent study by Bolin and Heatherly (2001) demonstrated that theft approval, company contempt, intent to quit, and dissatisfaction were all able to predict at least one type of deviant behavior. The deviant behaviors that were being predicted were substance abuse, absenteeism, privilege abuse, and theft. Theft approval was the best predictor of all four types of deviant behavior. Intent to quit and dissatisfaction significantly contributed to the prediction of absenteeism, privilege abuse and theft; however, company contempt only slightly contributed to the prediction of theft. In the end it was suggested that three of the four attitudes were able to consistently predict deviant behavior in employees.

More recently, relationships between personality, perception of the workplace and deviant behaviors have been observed. A positive perception of the work situation was found to be negatively related to employee deviance. It was also found that personality traits such as conscientiousness, emotional stability, and agreeableness strengthen the previously mentioned relationship. In particular, employees with low agreeableness had a stronger relationship between perceived organizational support and interpersonal deviance. Employees low in emotional stability or conscientiousness were found to have a stronger relationship between organizational deviance and perceptions of the developmental environment (Colbert *et al.*, 2004). What about organizational citizen behavior (OCB)?

Deviance and OCB

After examining the origins of negative workplace behaviors the next logical step would be to observe how these behaviors influence the performance of the work group. The latest job performance literature reveals that within the job performance sphere there are three distinct components of work behavior; task performance, OCB, and workplace deviant behavior (Rotundo and Sackett, 2002). Until recently most researchers believed that task performance was synonymous with overall job performance. It is now clear that both types of work behavior, OCB and workplace deviant behavior play a role in determining overall job performance at the individual and group level. OCB is voluntary behavior of an employee that goes beyond what is expected of them in order to promote overall organizational efficacy. Since OCB is not always job specific, it can be used in almost any work setting and would have a positive influence on overall organizational performance (Appelbaum *et al.*, 2003, 2004).

In contrast, deviant behavior among group members would have a negative influence on overall group performance. A recent study has shown that deviant behavior has a stronger effect on performance than OCB has. This suggests that given an organization that has work groups that exhibit deviant behavior and other work groups exhibit OCB, the overall performance of the organization will be negatively affected. Another way of looking at this is that deviant behavior cannot be overcome by OCB unless it is really the minority. For example, if a number of employees started to demonstrate OCB in a toxic organization there would not be much of a positive effect on the overall performance. On the other hand, if employees begin to exhibit deviant behavior in a healthy organization there would be noticeable negative effects on the overall performance (Dunlop and Lee, 2004).

Deviant behavior is a fairly new topic and researchers are just beginning to envisage links between deviant behavior and an organization's climate, its employee's attitudes, personalities, and perceptions (Mercer, 2001; Reichers and Schneider, 1990). It is difficult to find ways to deal with deviant behavior in the workplace. Measures to handle deviance will depend on what type of deviance is being practiced and what treatment the employees would respond to (Victor and Cullen, 1987; Peterson, 2002). Adjustments may have to be directed at those specific employees, to the organization's or group's climate, or even to organizational policies and regulations. An interesting way to try to avoid the development of deviant behavior is to implement a specific training and development program to address the problem and solutions (Darley and Batson, 1973). To ensure that this program is successful the employees need to be monitored regularly and have the opportunity to give feedback. This system is important because if new employees are not carefully managed, early adjustment problems may lead to them to quit, or result in dysfunctional or deviant behavior should they choose to stay (Jenkins, 1988; Robbins, 1992)).

Discussion and suggestions

The focus of the contemporary business world is no longer on creating a stable organization, but instead on continuously increasing profit at any cost. Organizations are now trying to find new and "creative" ways to achieve their financial goals. Slowly, scandal after scandal exposed organizations that tried to be too "creative". Without knowing it, the greed of the shareholders has created a toxic culture within organizations. In this environment, both leaders and employees are rewarded for their short-term accomplishments, which lead to an increase of competition between employees, unethical practices, and a disregard for

co-workers. It would be foolish to presume that this toxic culture was responsible for deviant behavior exhibited by the organization's leaders and employees. Organizations, whether they are cognizant of it or not, may be promoting and nourishing these deviant behaviors even at unconscious levels. The era where all organizations, their clients, and shareholders were seen as big happy families based on trust, honesty, and morals are memories. Today, most organizations can be perceived as large dysfunctional families that are characterized unfortunately with lying, backstabbing, and cheating. Also winning the bottom line is ultimate.

The question remains: how did organizations let this happen? Research has suggested that people respond more quickly to negative behavior than positive behavior with strategized motivators to support this. However, this is only a short-term effect, employees will eventually resist these tactics and either quit, or become corrupt or disinterested. Nonetheless, people exhibiting deviant behavior was placed in high power positions where they would have significant control over the organizations operations. Of course, they did not modify their behavior once reaching the top but were rewarded for their accomplishments which in turn justified their behavior. Their toxic behavior, which is now justified (at least in their own minds), will now trickle down and affect everyone in the organization. The major problem here is that in the long run the organization will be damaged by the behavior and decisions of this toxin and may continue to suffer even after the toxin is removed. This becomes the proverbial vicious cycle.

While it is clear that a toxic organization cannot exist without toxic leaders, it is also clear that toxic organizations need certain conditions in order to remain toxic. A toxic leader in a healthy organization will most probably not last very long. The glue that keeps this toxicity together is the culture of the organization. The culture (system of values) of an organization appears to be dependent on the behavior of all groups within the organization. Obviously, the higher up the toxic group is in the organization, the greater they would be able to influence the culture. Every employee in an organization enters that organization with his/her own attitudes, perceptions and personality. This will dictate the norms that will be created within the organization, whether they are norms for groups, departments, managers, etc. . . . These norms will have an influence on the types and severity of behaviors that will be tolerated within the organization. The overall culture of the organization will be the sum of the norms multiplied by a factor, dependent on the power of the group that that norms applies to. In this case it is clear that each group can influence the overall culture of the organization by a certain maximum depending on high that group is placed within the organization. However, there needs to be some consideration for a multiplier effect, also dependent on where the deviance is coming from. For example, if there is a toxic leader in a healthy organization, the overall culture of the organization will only be negatively affected by the leader. Although this might be true, the deviant behavior of this leader might also create an environment where others will be persuaded to act in a deviant manner.

The only way to begin prohibiting toxins from "climbing the ladder" in the organization would be to recognize and identify who and what the toxins are and where they are placed. Once the toxins are recognized, actions need to be taken to either eliminate them or attempt to modify their behavior and impact. This is where the continuation of research is needed to determine how the relationships between the employee's attitudes, perceptions, and personality interact.. Without a clear link it would be very difficult to understand how to control the deviant behavior exhibited by the employees. Also, once these links are defined, organizations could implement diagnostic interventions to predict and control. This is recommended in order to determine the likelihood of those employees displaying negative behaviors and under what specific circumstances they would be more extreme. This would be a critical and necessary preventative tool for the organization about to be or already affected. In the final analysis, deviant behavior will continue to affect the overall performance of an organization. Therefore it is rational to design/develop and implement specific methods to identify, control or eliminate deviant behavior before it becomes the new culture of the organization. At this point, it may be too late.

References

- Appelbaum, S.H., Al Asmar, J., Chehayeb, R., Konidas, N., Maksymiw-Duszara, V. and Duminica, I. (2003), "Organizational citizenship: a case study of Medlink Ltd", *Team Performance Management*, Vol. 9 Nos 5/6, pp. 136-54.
- Appelbaum, S.H., Bartolomucci, N., Beaumier, E., Boulanger, J., Corrigan, R., Doré, I., Girard, C. and Serroni, C. (2004), "Organizational citizenship behavior: a case study of culture, leadership and trust", *Management Decision*, Vol. 42 No. 1, pp. 13-40.
- Ashforth, B. and Kreiner, G. (2002), "Normalizing emotion in organizations: making the extraordinary seem ordinary", *Human Resource Management Review*, Vol. 12 No. 2, pp. 215-35.
- Bacal, R. (2000), "Toxic organizations – welcome to the fire of an unhealthy workplace", available at: www.work911.com
- Barrier, M. (1995), "Beyond the suggestion box", *Nation's Business*, Vol. 83 No. 7, July, pp. 34-6.
- Biberman, J. and Whitty, M. (1997), "A postmodern spiritual future for work", *Journal of Organizational Change Management*, Vol. 10 No. 2, pp. 130-88.
- Biberman, J., Whitty, M. and Robbins, L. (1999), "Lessons from Oz: balance and wholeness in organizations", *Journal of Organizational Change Management*, Vol. 12 No. 3, pp. 243-54.
- Bolin, A. and Heatherly, L. (2001), "Predictors of employee deviance: the relationship between bad attitudes and bad behavior", *Journal of Business and Psychology*, Vol. 15 No. 3, Spring, pp. 405-18.
- Brett, J. and Stroh, L. (2003), "Working 61 plus hours a week: why do managers do it?", *Journal of Applied Psychology*, Vol. 88 No. 1, pp. 67-78.
- Butts, D. (1997), "Joblessness, pain, power, pathology and promise", *Journal of Organizational Change Management*, Vol. 10 No. 2, pp. 130-8.
- Byrne, J.A. (2002), "After Enron: the ideal corporation following the abuses of the '90s, executives are learning that trust, integrity, and fairness do matter – and are crucial to the bottom line", *Business Week*, Vol. 26 No. 3796, August, pp. 68-70.
- Coccia, C. (1998), "Avoiding a toxic organization", *Nursing Management*, Vol. 29 No. 5, pp. 32-3.
- Colbert, A.E., Mount, M.K., Harter, J.K., Witt, L.A. and Barrick, M.R. (2004), "Interactive effects of personality and perception of the work situation on workplace deviation", *Journal of Applied Psychology*, Vol. 89 No. 4, August, pp. 599-609.
- Darley, J.M. and Batson, C.D. (1973), "'From Jerusalem to Jericho': a study of situational and dispositional variables in helping behavior", *Journal of Personality and Social Psychology*, Vol. 27 No. 1, pp. 100-8.
- Delbecq, A. and Friedlander, F. (1995), "Strategies for personal and family renewal: how a high-survivor group of executives cope with stress and avoid burnout", *Journal of Management Inquiry*, Vol. 4 No. 3, pp. 262-9.
- Dobrian, J. (1997), "Match wits with the evil boss", *Getting Results – For the Hands-on Manager*, Vol. 42 No. 11, p. 7.
- Dreher, D. (2002), "Leading with the *Tao*: the energizing power of respect", *The Learning Organization*, Vol. 9 No. 5, pp. 206-13.
- Dunlop, P.D. and Lee, K. (2004), "Workplace deviance, organizational citizenship behavior, and business unit performance: the bad apples do spoil the whole barrel", *Journal of Organizational Behavior*, Vol. 25 No. 1, pp. 67-80.
- Dyck, D. and Roithmayr, T. (2001), "The toxic workplace: is your organization making workers sick?", *Benefits Canada*, Vol. 25 Vol. 3, March, p. 52.
- Eisenbach, R., Watson, K. and Pillai, R. (1999), "Transformational leadership in the context of organizational change", *Journal of Organizational Change Management*, Vol. 12 No. 2, pp. 80-9.
- Finkelstein, S. (2005), "When bad things happen to good companies: strategy failure and flawed executives", *Journal of Business Strategy*, Vol. 26 No. 2, pp. 19-28.

- Fitzgerald, L. (2002), "Chaos: the lens that transcends", *Journal of Organizational Change Management*, Vol. 15 No. 4, pp. 339-58.
- Fitzgerald, L. and Eijnatten, F. (2002), "Chaos speak: a glossary of chaordic terms and phrases", *Journal of Organizational Change Management*, Vol. 15 No. 4, pp. 412-23.
- Flynn, G. (1999), "Stop toxic managers before they stop you!", *Workforce*, Vol. 78 No. 8, August, pp. 40-4.
- Frost, P.J. (2003), "Emotions in the workplace and the important role of toxin handlers", *Ivey Business Journal*, Vol. 68 No. 2, November/December, pp. 1-6.
- Goleman, D., Boyatzis, R. and McKee, A. (2001), "Primal leadership", *Harvard Business Review*, Vol. 79 No. 11, p. 42.
- Hallowell, E.M. (1999), "The human moment at work", *Harvard Business Review*, Vol. 77 No. 1, pp. 58-66.
- Izan, H.Y. (1984), "Corporate distress in Australia", *Journal of Banking & Finance*, Vol. 8, pp. 303-20.
- Jenkins, A. (1988), "Deviant behavior: inevitable or avoidable?", *Management Accounting*, Vol. 66 No. 7, p. 57.
- Johnson, P. and Indvik, J. (2001), "Slings and arrows of rudeness: incivility in the workplace", *Journal of Management Development*, Vol. 20 No. 8, pp. 705-14.
- Jones, R.G. (1999), "Dysfunctional behavior in organizations, part A: violent and deviant behavior, part B: non-violent dysfunctional behavior in organizations", *Personnel Psychology*, Vol. 52 No. 3, pp. 771-5.
- Kimura, H. (2003), "Overcome toxic management", *Nursing Management*, Vol. 34 No. 1, January, pp. 26-9.
- Lubit, R. (2004), "The tyranny of toxic managers: applying emotional intelligence to deal with difficult personalities", *Ivey Business Journal Online*, March/April, pp. 1-7, available at: www.iveybusinessjournal.com/view_article.asp?intArticle_ID=475
- Mercer, D. (2001), "Fear of the future: a new management approach", *Management Decision*, Vol. 39 No. 8, pp. 654-9.
- Peterson, D.K. (2002), "Deviant workplace behavior and the organization's ethical climate", *Journal of Business and Psychology*, Vol. 17 No. 1, pp. 47-61.
- Powers, E.L. (2000), "Employee loyalty in the new millennium", *SAM Advanced Management Journal*, Vol. 65 No. 3, pp. 4-8.
- Reed, G. (2004), "Toxic leadership", *Military Review*, July-August, pp. 67-71.
- Reichers, A.E. and Schneider, B. (1990), "Climate and culture: an evolution of constructs", in Schneider, B. (Ed.), *Organizational Climate and Culture*, Jossey-Bass, San Francisco, CA, pp. 5-39.
- Rinke, W. (2004), "Don't oil the squeaky wheel and other unconventional management wisdom", *Canadian HR*, Vol. 17 No. 9, May 3, p. 14.
- Robbins, L. (1992), "Designing more functional organizations: the 12 step model", *Journal of Organizational Change Management*, Vol. 5 No. 4, pp. 243-54.
- Robinson, S.L. and Bennett, R.J. (1995), "A typology of deviant workplace behaviors: a multi-dimensional scaling study", *Academy of Management Journal*, Vol. 38, pp. 555-72.
- Rotundo, M. and Sackett, P.R. (2002), "The relative importance of task, citizenship, and counterproductive performance to global ratings of job performance: a policy-capturing approach", *Journal of Applied Psychology*, Vol. 87 No. 1, pp. 66-80.
- Seeger, M.W., Ulmer, R.R., Novak, J.M. and Sellnow, T. (2005), "Post-crisis discourse and organizational change, failure and renewal", *Journal of Organizational Change Management*, Vol. 18 No. 1, pp. 78-95.
- Stark, M. (2003), *Time to Treat Toxic Emotions at Work*, Working Knowledge for Business Leaders Archive, Harvard Business School, Boston, MA, March 10.
- Steiner, C.J. (2004), "A conceptual framework for studying fanatical managers", *Management Decision*, Vol. 42 No. 6, pp. 738-57.
- Victor, B. and Cullen, J.B. (1987), "A theory and measure of ethical climate in organizations", *Research in Corporate Social Performance and Policy*, Vol. 9, pp. 51-71.

Warren, D.E. (2003), "Constructive and destructive deviance in organizations", *Academy of Management*, Vol. 28 No. 4, pp. 622-32.

Zellner, W. (2003), "An insider's tale of Enron's toxic culture", *Business Week*, March 31, p. 16.

Further reading

Dent, E. and Galloway, S. (1999), "Challenging 'resistance to change'", *Journal of Applied Behavioral Science*, Vol. 35 No. 1, pp. 25-41.

Donaldson, T. and Dunfee, T. (1994), "Toward a unified conception of business ethics: Integrative social contracts theory", *Academy of Management Review*, Vol. 19 No. 2, pp. 252-84.

Kane, K. and Montgomery, K. (1998), "A framework for understanding disempowerment in organizations", *Human Resource Management*, Vol. 37 Nos 3/4, pp. 263-75.

Lewis, B. (1998), "When the boss is a bully, employees follow their sense of fear, not a leader", *InfoWorld*, October, p. 115.

Smith, A.D. and Rupp, W.T. (2002), "Communication and loyalty among knowledge workers: a resource of the firm theory view", *Journal of Knowledge Management*, Vol. 6 No. 3, pp. 250-61.

Webber, A.M. (1998), "Danger: toxic company", *Fast Company*, Vol. 19 No. 152, November, available at: www.fastcompany.com/online/19/toxic.html

To purchase reprints of this article please e-mail: reprints@emeraldinsight.com
Or visit our web site for further details: www.emeraldinsight.com/reprints