

## Toxic Leadership

Vurgun Topçuoğlu<sup>1</sup>

### Abstract

Toxic leadership refers to a process in which leaders create a lasting negative impact at different levels, from individuals to organizations, due to their damaging behaviors and inadequate personal characteristics. This leadership approach creates a toxic environment characterized by fear, mistrust, and dysfunction. The effects of toxic leadership go beyond the individual level and have serious organizational consequences, such as weakened organizational commitment, decreased job satisfaction, increased absenteeism, and loss of qualified workforce. The Enron scandal, the Volkswagen emissions crisis, the Theranos case, and various Ponzi schemes are striking examples of the effects of toxic leadership. There are various precautionary mechanisms that individuals and organizations can take to combat toxic leadership. Transparency, accountability mechanisms for managers, strong organizational culture, strategic human resources policies, and informing employees and managers about toxic leadership play a critical role in effectively combating toxic leadership. Although toxic leadership studies have been conducted in education, health, and various business sectors, there are gaps in the literature on the subject. In the future, it is expected that toxic leadership studies should be further investigated by researchers, and it is also expected to contribute to creating a healthier and more sustainable work environment by making comparisons with positive leadership models.

### 1. Introduction

The process in which leaders produce lasting and negative effects at different levels, from individuals to communities, due to their damaging behaviors or dysfunctional personal characteristics, is referred to as toxic leadership in the literature. The concept of a toxic leader was first introduced in the literature by Marcia Lynn Whicker in 1996 (Konan & Kirbaç, 2023).

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<sup>1</sup> Research Assistant, Istanbul Nisantasi University, [vurgun.topcuoglu@nisantasi.edu.tr](mailto:vurgun.topcuoglu@nisantasi.edu.tr), ORCID:0009-0005-3727-1431

The concept of toxic leadership was used by Jean Lipman-Blumen to express the malicious leadership behaviors seen in different examples, from politicians who rule individuals through fear to managers who lead their companies to bankruptcy with wrong decisions, and with this use, it has become widespread in the literature (Lipman-Blumen, 2005).

Toxic leadership encompasses a set of behavioral traits in which leaders create a toxic atmosphere characterized by fear, mistrust, and dysfunction rather than adding value to their teams (Octavian, 2023). It is a pattern of leaders acting with a self-centered intention, often to hide their own inadequacies and protect their position, rather than with the deliberate intention to harm others (Labrague, 2024).

## **2. Toxic Leadership Definition and Dimensions**

Toxic leaders exhibit common characteristics that can be both directly observed and recognized over time. These characteristics include managerial incompetence, excessive ego, passive or aggressive behavior, a tendency to look out only for their own interests, expectations disconnected from reality, acting without considering the possible consequences of actions, being closed to reporting, and blame-seeking behavior when problems arise. In addition, overt aggression, harassment, mobbing, and illegal actions can also be part of this leadership style (Octavian, 2023). Not all toxic leaders exhibit all of these behaviors at the same time; leaders' behaviors may vary depending on personal differences and the level of toxic leadership. However, certain conditions need to be in place for a toxic leader to create a negative atmosphere in the workplace. Situations such as power imbalances within the organization, ineffective control mechanisms, or employees' preference to remain silent against the actions taken can strengthen the effects of toxic leadership (Ozdemirkol, 2025).

The combination of the toxic leader's personal tendencies and circumstances creates various negative repercussions in the work environment. Toxic leaders make employees feel worthless with their intimidating, humiliating, and ignoring them. They also create a negative atmosphere in the workplace with their actions, such as creating artificial crises and gossip. They damage the harmony within the organization by excluding, intimidating, and marginalizing individuals who do not serve their interests. While their authoritarian and arrogant attitudes reduce employees' loyalty to the workplace, their attribution of successes only to themselves and ignoring the contributions of employees has a destructive effect on motivation and job satisfaction.

When toxic leadership definitions are analyzed, Schmidt's studies are generally accepted in the literature. According to Schmidt, in order to understand toxic leaders, it is necessary to consider them in 5 basic dimensions (Schmidt, 2008). These dimensions are as follows:

- Abusive and coercive behavior: Oppressive attitudes towards employees, insulting and belittling remarks,
- Self-centeredness and excessive ego: I know everything, and what I say goes,
- Erratic and unpredictable behavior: Inconsistent decisions, sudden outbursts of anger, creating uncertainty for employees,
- Expectations disconnected from reality: Constant pressure on employees by setting unattainable goals,
- Unethical and illegal tendencies: Violating ethical rules or engaging in illegal actions for self-interest,

It is possible to see that these dimensions are included in many academic studies. In a study conducted in the education sector, the toxic leadership scale was adapted, and the behaviors of school administrators were examined. It was determined that principals can exhibit toxic leadership characteristics. In addition, it was concluded that the 30-item toxic leadership scale used in the study can be used as a valid and reliable measurement tool in educational organizations (Güner et al., 2015).

A similar study was conducted in the health sector, especially among nurses. As a result of the interviews with nurses, it was determined that toxic leadership has significant negative effects on employees. In the study, it was reported that nurses experience burnout, job satisfaction decreased, and patients and their relatives were negatively affected by this situation. It has been observed that toxic leadership behaviors lead to a decrease in the quality of health services and satisfaction with the services provided (Labrague, 2024).

## **2.1. Impacts of Toxic Leadership**

The effects of toxic leaders may not be limited to organizations or individuals. Depending on the position of the leader, the organization and the responsibilities assumed, the sphere of influence may expand, and the negative consequences can be listed as deterioration in employee health, increase in absenteeism rates, decrease in individual performance and dominance of grouping, increase in turnover rates, decrease in job

satisfaction, weakening of organizational commitment, weakening of the sense of interactional justice and increase in subordinates' counterproductive behaviors against their superiors. Such negative situations threaten not only the work climate but also the sustainability of organizations (Rocha et al., 2024). As a result of the negative situations that arise, economic losses may cause companies to lose a qualified workforce, which is their most valuable asset, to fall behind in competitiveness, and to damage the sense of trust in institutions and organizations.

Previous studies have shown that toxic leaders weaken the organizational ethical climate and severely damage the environment of trust among employees due to their behaviors. In such an environment, the tendency of employees to follow the rules decreases, and the number of unethical behaviors increases day by day. Toxic leaders often tend to ignore questionable values and standards (Zengin, 2019; Elkırmış, 2024). When leaders themselves engage in unethical behavior or remain silent about unethical behavior, it leads to a decline in ethical standards throughout the organization (Arifin, 2024). Therefore, the attitudes and behaviors of leaders, as a critical factor shaping the organizational climate, are reflected in the behaviors of employees and pave the way for the normalization of unethical practices (Octavian, 2023).

The study conducted by Tepper in 2007 shows that toxic leaders weaken the organizational ethical climate, reduce the sense of trust in employees, and lead to an increase in unethical behaviors. In addition, it was stated that people who work with toxic leaders have decreased job satisfaction, organizational citizenship is negatively affected, and cases such as burnout syndrome are seen, and therefore, job resignations are seen (Tepper, 2007).

Toxic leaders create a climate of fear, insecurity, and injustice within the organization, which leads employees to engage in political maneuvers in order to survive or to protect their own interests. In this context, toxic leaders negatively affect intra-organizational relations by exhibiting behaviors such as intimidation, marginalization, humiliation, and arbitrary punishments. In addition, they create privileged groups that serve their own interests by emphasizing loyalty rather than competence (Octavian, 2023). In addition, their tendency to create uncertainty, withhold information, and distribute resources unfairly weakens the perception of justice within the organization and deepens distrust among employees (Goltz, 2024).

## **2.2. Characteristics of a Workplace with Toxic Leadership**

Workplaces where toxic leadership is effective create a negative environment where employees are both psychologically and professionally

exhausted. In toxic workplaces, poor communication, unqualified and inadequate management skills of the leader, and excessive workload of the employees are frequently observed. Employees' efforts are often ignored and unappreciated by managers. In addition, negative attitudes such as bullying, harassment, nepotism, and exclusion are frequently observed by managers. While limited development and career opportunities increase interpersonal conflicts, work-life balance is also affected. In organizations with a weak trust environment, there is a constant suspicion and unrest (Arifin, 2024). However, not every problematic business environment should be called a toxic business. Even if there are phenomena similar to toxic workplaces in some institutions and organizations, this situation is mostly due to meritless and poor management.

### **2.3. Notable Company Failures where Toxic Leadership Played a Role**

Since the 2000s, there has been a remarkable increase in the incidence of toxicity. Corruption, fraud, and unethical practices have increased, especially in corporate structures, and leadership has become increasingly toxic as facts have been distorted and accountability has disappeared. Corporate failures have often been concealed or legitimized through self-centeredness, excessive ego, and lack of moral values (G. Arbogast & Jadav, 2024). Several international corporate scandals have shown how toxic leadership behaviors can become systemic in organizations. Some of the most well-known examples are as follows.

The Enron scandal is a major case of corruption that resulted in the bankruptcy of the company in 2001, which was founded in 1985 by Kenneth Lay in the United States and quickly grew in the energy market. Company executives hid billions of dollars of debt and made it look like the company was making a profit. Company executives not only falsified the accounting records, but also pressured the auditing firm Andersen to ignore high-risk accounting movements. Even when those within the company who were aware of the situation spoke out against the actions, their efforts were often ignored or suppressed by senior management. Eventually, when misleading profitability and hidden debts were revealed, the company quickly collapsed, resulting in one of the largest bankruptcies in American history (S. V. Arbogast, 2013).

Ponzi schemes are systems that promise extraordinary profits based on new investors paying dividends to previous investors. Ponzi schemes are usually centered around a charismatic leader who promises various

profitable investment opportunities to gain trust. The money invested in the system is spent arbitrarily by the founder and managers of the system and is used for advertising. However, due to the inherently unsustainable nature of Ponzi schemes, the system either collapses after a while or comes under administrative oversight as a result of complaints from its members. These systems not only affect individuals, but also have international implications. For example, in Albania, about one-sixth of citizens lost all their savings in such systems. Similarly, in the case of WinCapita in Finland, more than 10,000 people were defrauded. One of the most well-known examples of this system is the Ponzi scheme run by Bernard L. Madoff. During the 2008 financial crisis, Madoff, whose fraud was exposed, was sentenced to 150 years in prison as a result of the trial (Boyle & Peng, 2025).

The 2007-2009 financial crisis is also known as the mortgage crisis. As a result of lending too much credit to people who should not normally be given credit, it created an insurmountable economic problem in the banking system. The inability to repay the loans created a serious burden on the national economy as the loans were not economically sustainable. Lehman Brothers, one of the leading mortgage lenders, manipulated the company's data in the aftermath of the crisis and made it look like the company was making a profit. Under the influence of the company's CEO, Richard Fuld, the truth was hidden from the public. Those who held company shares were negatively affected and lost money (Wikipedia, 2025).

In the 2015 incident, it was revealed that the exhaust emission values of diesel vehicles with 2.0-liter engines produced by Volkswagen between 2009 and 2015 differed from the real values by playing with software. As a result of the investigations, it was found that these engines released NOx emissions, which are harmful to public health, at a rate 10 to 40 times higher than the figure stated by the company, and that the company deliberately misled the tests using software. After the scandal, hundreds of lawsuits were filed against the company, and the company lost prestige (Lim, 2021).

Developed by Elizabeth Holmes and Ramesh Balwani, the blood testing device was introduced to the public as a revolution in healthcare, claiming to be able to detect hundreds of diseases with just a few drops of blood. The device, the size of a small box, was met with great interest by investors and received a large amount of capital support. Holmes' charismatic and creative visionary rhetoric and Balwani's authoritarian and oppressive management style paved the way for a culture of fear and silence within the organization. Employees were afraid to voice their critical opinions, and even their reports were suppressed, and a constant distrust prevailed in the organization. This

toxic leadership environment, combined with the avoidance of verification processes, strict confidentiality policies, and a company secret approach, allowed the company to continue to make unscientific claims. However, the inaccurate health data that the devices provided to users had serious consequences. Some individuals have suffered deteriorating health conditions and even deaths. In response to the growing number of complaints, the relevant government agencies launched an investigation into the company, which ultimately found that the devices failed to perform as promised and were a case of fraud. Holmes and Balwani were sentenced to prison after legal proceedings (Williams, 2022).

A consumer's post on social media after a chocolate bar was found to be defective in a Patiswiss branded product caused the reactions against the brand to grow rapidly. The insulting response of the company's manager to the consumer further deepened the crisis and created great public anger against the company. The company's products were removed from market shelves, the brand was protested by large masses, and eventually the manager had to be dismissed. Although the company apologized to the public and consumers, the protests continued for a long time, and the brand suffered a serious loss of prestige in this process (Tufan, 2024).

The damages caused by toxic leaders in an organization are likened to an iceberg; the behavior exhibited on the surface represents the tip of the iceberg, while the decrease in productivity and other losses caused by invisible negative effects represent the bottom of the iceberg (Kusy & Holloway, 2009).

#### **2.4. Why Toxic Leadership is Promoted and The Reasons for Its Emergence**

The reasons why people knowingly and willingly support toxic leadership vary according to various factors and the cultural context (Lipman-Blumen, 2005). One of the most common reasons is that followers are in a vulnerable and unprotected position. In this situation, employees may be forced to submit to the authority of leaders in the face of power asymmetry. In addition, the pursuit of self-interest is an important factor in supporting toxic leaders. Some employees aim to gain material and moral benefits by being in the leader's close circle. Especially in success and competition-oriented societies, individuals may tend to support toxic leaders by seeing them as strong and result-oriented. In addition, the desire for approval and acceptance within the organization forces individuals to comply with the policies of the leaders. Misuse of resources and power can also be effective in spreading the



negative effects of toxic leadership in the workplace. Followers' unresolved psychological problems or their tendency to depend on authority may contribute to the normalization and even legitimization of toxic leadership (Akbulut & Yavuz, 2022). In the context of this relationship, it is observed that toxic leadership is shaped not only by the personal characteristics of leaders but also by the attitudes of followers and organizational-cultural dynamics.

### **3. Ways to Combat and Prevent Toxic Leadership**

Leaders play a critical role in preventing the spread of toxic environments and mitigating the effects of negative behaviors. In this context, leaders need to accurately identify the signs of toxicity and develop proactive strategies to reverse such behaviors. Leaders may encounter individuals or groups who resist change, perpetuate toxic behaviors by bridging bad habits from the past, or deliberately undermine organizational efforts. However, if leaders cannot effectively manage toxicity as a result of internal and external pressures, it will not be possible to achieve the desired success and sustainable performance at the organizational level (Şişman, 2024).

One of the biggest obstacles to the effective management of organizations is the established hierarchical and bureaucratic structures. The existence of these structures both slows down decision-making processes and limits participation and communication within the organization. Especially in public institutions and traditional family businesses, such structures are resistant to change (Daswati et al., 2024). On the other hand, the lack of accountability and transparency increases the risk of corruption, malfeasance, and corporate collapse.

The absence or ineffective operation of reporting and feedback mechanisms in organizational structures significantly hinders the evaluation of the performance of individuals, the identification of challenges, and the development of appropriate solutions to organizational problems.

Cultural differences also directly affect managerial processes. Especially the oppressive upbringing and unconditional loyalty to authority, which are common in some societies, prevent individuals in the organization from developing questioning thoughts. As a result, it makes it difficult to adopt a democratic leadership approach (Rocha et al., 2024).

#### **3.1. What individuals can do against a toxic leader**

Individuals need to be aware of some issues when dealing with toxic leaders who use their advantageous position to exert pressure on the organization.



First of all, it should be known that toxic leadership poses a serious threat to organizational health (Whicker, 1996). For this reason, it is important to adopt an attitude that does not use a threatening tone with the toxic leader, but makes them feel that they are aware of them. Individuals should report their concerns and observations through appropriate organizational channels and should always put the situations they encounter in writing. Maintaining productivity despite attempts by leaders to weaken employees will contribute to maintaining individual and organizational resilience. In addition, employees should not be involved in secret meetings or non-transparent agreements within the organization.

Tepper (2007) argued that when the perception of organizational justice is high, employees may be more resistant to toxic leadership behaviors, and the negative effects of these behaviors may be reduced. It should not be ignored that toxic leaders essentially have problematic personality traits and may lead themselves to failure in the long run.

### **3.2. Measures Companies Can Take**

Apart from individuals, organizations and companies can take various steps to avoid toxic people. Especially the organizational culture and level of consciousness in companies play an important role in preventing the emergence of toxic leaders or minimizing the damage when they do emerge. Human resources departments in the company should take responsibility in this regard, and human resources should be more careful in the recruitment process of manager candidates with bad characteristics. They should also gradually conduct audits to prevent toxic leadership from developing and provide practical guidance to management teams on toxic leadership to reduce the perceived level of stress in employees. In addition, there are some measures that can be put in place for leaders. Term limits, regular accountability practices, and mechanisms that protect whistleblowers against toxic leaders can be effective in preventing toxic leadership in organizations.

It is predicted that the relationship between organizational culture and toxic leadership is in the opposite direction and that organizational culture can reduce the negative effects of toxic leadership on employees' turnover intention (Reyhanoğlu & Akin, 2016). Supporting organizational culture is also important in this respect.

## **4. Conclusion**

Due to the opportunities offered by modern life, people are forced to work more closely and with each other for longer periods of time. In the

organizational unity and complexity of work life, people are exposed to the influence of various toxic leaders. The impact of toxic leadership leads to negative consequences that can affect large masses, starting from burnout at individual levels, such as Enron, Theranos, and the 2008 financial crisis.

The literature review revealed that toxic leadership studies have been conducted more recently, but the existing studies are concentrated in specific sectors such as education, health, and tourism. Given the prevalence and potential of toxic leadership, this indicates that there is a research gap for many sectors.

Studies have shown that various measures can be taken to prevent toxic leadership or minimize its effects. In order to reduce the effects of toxic leadership, measures such as training employees and managers on this issue, creating a strong organizational culture, implementing transparent management principles, and implementing effective human resources policies should be taken.

Future research will further deepen our understanding of the root causes of toxic leadership and explore ways to weed out individuals with such negative leadership behaviors from organizational culture. At the same time, focusing on positive leadership models, such as empathetic leadership, participative management, and employee well-being practices, can make significant contributions to creating a healthy work environment (Avolio & Gardner, 2005).

In conclusion, the effects of toxic leadership can be of varying degrees and amounts. In order to minimize these negative effects and increase the well-being of employees, the necessary importance should be given both in the academic field and in practice.

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