

Toxic Workplace Culture: Causes and Consequences



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ABSTRACT

KEYWORDS

Toxic Workplace Culture, Leadership Styles, Organizational Structure, Employee Well-being, Workplace Bullying

Toxic workplace culture is a pervasive issue that significantly impacts employee well-being and organizational performance. This article provides a comprehensive literature review exploring the causes and consequences of toxic workplace environments. The analysis identifies key factors that contribute to the development of toxic cultures, including destructive leadership styles, poor organizational structures, and negative employee interactions. Authoritarian and laissez-faire leadership are highlighted as significant contributors, fostering environments characterized by fear, mistrust, and low morale. Additionally, the study examines the role of organizational structures, noting that highly hierarchical or ambiguous systems can exacerbate workplace toxicity by creating environments where communication is stifled, and accountability is lacking. The interactions among employees, particularly the spread of negative behaviors such as bullying and gossip, further entrench toxic cultures within organizations.

The consequences of toxic workplace culture are far-reaching, affecting both individual employees and the broader organization. Employees in toxic environments are more likely to experience stress, burnout, and job dissatisfaction, leading to decreased engagement, higher absenteeism, and increased turnover rates. These outcomes not only hinder productivity but also elevate operational costs and damage the organization's reputation. The study also highlights the potential legal and financial risks associated with maintaining a toxic workplace, including litigation related to harassment and discrimination. This article underscores the urgent need for organizations to recognize and address the underlying causes of toxic cultures, offering insights into how proactive leadership and structural reforms can mitigate these negative effects and promote a healthier, more productive work environment.



1. Introduction

Toxic workplace culture has emerged as a critical issue in organizational studies, drawing significant attention due to its pervasive negative effects on both employees and overall organizational performance. A toxic workplace culture is characterized by pervasive negative behaviors such as bullying, lack of trust, poor communication, and unethical practices, which collectively create an environment of fear, stress, and dissatisfaction among employees (Frost, 2003). This type of environment not only undermines employee morale and well-being but also has far-reaching consequences for the organization, including reduced productivity, higher turnover rates, and damaged reputation (Housman & Minor, 2015). The growing recognition of these adverse outcomes has spurred a need for deeper understanding of the causes and consequences of toxic workplace cultures, as well as strategies for mitigation.

Toxic workplace culture refers to an organizational environment where negative behaviors, such as bullying, gossip, favoritism, lack of trust, and poor communication, are prevalent and often go unaddressed. In such cultures, employees may feel undervalued, stressed, and unsupported, leading to low morale and job satisfaction. Toxic cultures are typically characterized by dysfunctional leadership, where authoritarian or laissez-faire management styles contribute to an atmosphere of fear, mistrust, and disengagement. These environments can result in high turnover rates, decreased productivity, and significant mental health issues among employees. Moreover, a toxic workplace not only harms individuals but also jeopardizes the overall success of the organization, as it impairs teamwork, creativity, and innovation, ultimately leading to a decline in organizational performance and reputation. Addressing and transforming a toxic workplace culture is crucial for fostering a healthy, positive, and productive work environment.

Despite the increasing focus on toxic workplace culture, there remains a significant gap in the literature regarding the specific factors that contribute to the development and persistence of such environments. While several studies have explored the individual elements of toxic cultures—such as leadership styles, organizational policies, and interpersonal relationships—there is a lack of comprehensive frameworks that integrate these factors to explain how toxic cultures emerge and sustain themselves over time (Einarsen, Aasland, & Skogstad, 2007). Additionally, the long-term consequences of toxic workplace cultures on both employees and organizational performance are often underexplored, particularly in relation to how these environments affect employee mental health, job satisfaction, and organizational commitment (Harms, Spain, & Hannah, 2011). This research gap underscores the need for a more holistic examination of toxic workplace culture, including both its causes and its multifaceted consequences.

The urgency of addressing toxic workplace culture is further amplified by the increasing awareness of mental health issues in the workplace. With the rise of workplace stress and burnout, it is crucial to understand the role that toxic cultures play in exacerbating these conditions and to identify effective interventions (Clarke & Cooper, 2004). Organizations that fail to address toxic culture risk not only the well-being of their employees but also their long-term viability, as toxic cultures can lead to high turnover, legal liabilities, and loss of competitive advantage (Kusy & Holloway, 2009). Therefore, it is essential to investigate the root causes of toxic workplace culture and its impacts on both individual and organizational levels, providing insights that can inform the development of healthier work environments.



Previous research has provided valuable insights into specific aspects of toxic workplace culture. For example, studies have shown that leadership behavior, particularly authoritarian and laissez-faire leadership styles, can significantly contribute to the development of toxic environments (Skogstad et al., 2007). Additionally, organizational structures that lack transparency and fail to promote open communication have been identified as key contributors to workplace toxicity (Housman & Minor, 2015). However, while these studies highlight important factors, they often treat these elements in isolation, without considering how they interact to create a toxic culture. Moreover, the long-term effects of toxic cultures on employee well-being and organizational outcomes are often not fully explored, leaving a gap in understanding the full impact of these environments.

The novelty of this study lies in its comprehensive approach to examining both the causes and consequences of toxic workplace culture. By integrating findings from existing research and exploring the interactions between various contributing factors, this study aims to provide a more nuanced understanding of how toxic cultures develop and persist. Additionally, the study will investigate the long-term impacts of toxic cultures on both employees and organizations, offering new insights into the far-reaching consequences of these environments.

The primary purpose of this research is to identify the key causes of toxic workplace culture and to examine the consequences of such environments on employee well-being and organizational performance. By doing so, the study aims to contribute to the broader discourse on organizational culture and provide actionable recommendations for leaders and managers seeking to prevent and mitigate the effects of toxic workplace culture. The findings are expected to offer valuable guidance for creating healthier, more productive work

environments that support both employee satisfaction and organizational success.

2. Methodology

This study adopts a qualitative research design, specifically utilizing a literature review approach to explore the causes and consequences of toxic workplace culture. A literature review is an appropriate method for this research as it allows for the systematic synthesis of existing knowledge and theories, providing a comprehensive understanding of the factors that contribute to toxic workplace environments and the various impacts they have on employees and organizations (Snyder, 2019). Through this approach, the study seeks to identify patterns, gaps, and inconsistencies in the existing literature, offering insights into the complex dynamics of toxic workplace culture.

The sources of data for this study include peer-reviewed journal articles, books, and reports that focus on workplace culture, organizational behavior, leadership, and employee well-being. These sources were selected based on their relevance to the research topic, the rigor of their methodologies, and their contribution to the understanding of toxic workplace environments. The search for relevant literature was conducted using academic databases such as Google Scholar, JSTOR, and ScienceDirect, with a focus on studies published within the last two decades to ensure that the most current findings are included (Booth, Sutton, & Papaioannou, 2016).

Data collection involved systematic searches of the selected databases using keywords such as "toxic workplace culture," "organizational behavior," "leadership styles," "employee well-being," and "workplace stress." The search was further refined by applying inclusion criteria that focused on empirical studies, theoretical frameworks, and comprehensive reviews that directly address the causes and consequences of toxic workplace culture. Studies that were



not peer-reviewed, lacked empirical evidence, or did not specifically focus on toxic workplace environments were excluded from the analysis (Kitchenham, 2004).

The data analysis was conducted using thematic analysis, which involves identifying, analyzing, and synthesizing recurring themes and patterns across the selected studies (Braun & Clarke, 2006). This method is particularly suited to qualitative research as it allows for a detailed examination of the complex interactions between various factors that contribute to toxic workplace culture. The thematic analysis process included coding the data, categorizing key themes such as leadership behavior, organizational structure, and employee outcomes, and interpreting the findings in the context of existing theories and models of organizational behavior (Nowell, Norris, White, & Moules, 2017).

In conclusion, this study's methodological approach, grounded in a literature review and thematic analysis, provides a robust framework for exploring the causes and consequences of toxic workplace culture. By synthesizing existing research and identifying key themes, the study aims to offer actionable insights that can inform the development of interventions and strategies to mitigate the effects of toxic workplace environments on both employees and organizations.

3. Result and Discussion

Below is a table summarizing the key findings from the literature on "Toxic Workplace Culture: Causes and Consequences." This table provides an overview of the main causes of toxic workplace culture, its consequences, and the studies that support these findings.

| Author(s) and Year | Title | Key Findings | Causes/Consequences |
|---|---|--|--|
| Einarsen, S., Aasland, M. S., & Skogstad, A. (2007) | Destructive leadership behaviour: A definition and conceptual model | Identified destructive leadership behaviors, such as authoritarianism and laissez-faire approaches, as key contributors to toxic workplace cultures. | Causes: Leadership Styles |
| Housman, M., & Minor, D. (2015) | Toxic workers | Found that toxic workers reduce productivity and increase turnover, highlighting the financial and operational impact of toxic workplace culture. | Consequences: Reduced Productivity, Increased Turnover |
| Frost, P. J. (2003) | Toxic emotions at work: How compassionate managers handle pain and conflict | Discussed how toxic emotions in the workplace, fueled by poor management and lack of empathy, contribute to a negative work environment. | Causes: Poor Management, Lack of Empathy |
| Kusy, M., & Holloway, E. (2009) | Toxic workplace! Managing toxic personalities and their systems of power | Explored how toxic personalities and power dynamics within organizations lead to sustained toxic cultures. | Causes: Toxic Personalities, Power Dynamics |
| Harms, P. D., Spain, S. M., & Hannah, S. T. (2011) | Leader development and the dark side of personality | Analyzed how leaders with dark personality traits foster toxic work environments, negatively affecting employee morale and performance. | Causes: Leadership Personality Traits |



| Author(s) and Year | Title | Key Findings | Causes/Consequences |
|--|---|---|---|
| Clarke, S., & Cooper, C. L. (2004) | Managing the risk of workplace stress: Health and safety hazards | Highlighted the role of stress and poor organizational structure in creating a toxic workplace, leading to increased absenteeism and health issues. | Causes/Consequences: Stress, Poor Organizational Structure, Health Issues |
| Skogstad, A., Einarsen, S., Torsheim, T., Aasland, M. S., & Hetland, H. (2007) | The destructiveness of laissez-faire leadership behavior | Found that laissez-faire leadership is linked to increased workplace bullying and reduced team effectiveness. | Causes: Laissez-Faire Leadership, Bullying |
| Bass, B. M., & Riggio, R. E. (2006) | Transformational leadership | Suggested that while transformational leadership is generally positive, it can contribute to toxicity if it neglects employee well-being. | Causes: Misapplied Transformational Leadership |
| Kelloway, E. K., & Barling, J. (2010) | Leadership development as an intervention in occupational health psychology | Investigated the role of leadership development in reducing workplace stress and toxicity, leading to improved employee well-being. | Interventions: Leadership Development |
| Fink, G. (2016) | Stress: Concepts, cognition, emotion, and behavior | Examined how workplace stress, exacerbated by toxic cultures, affects cognitive function and overall employee health. | Consequences: Stress, Cognitive Impairment, Health Issues |

This table provides a concise overview of the key literature on the causes and consequences of toxic workplace culture, highlighting the various factors that contribute to toxic environments and their impacts on both employees and organizational performance.

Discussion

1. Leadership Styles and Their Role in Toxic Workplace Culture

Leadership styles play a critical role in the development and perpetuation of toxic workplace cultures. Authoritarian leadership, characterized by a top-down, command-and-control approach, often contributes to an environment where fear, micromanagement, and lack of trust prevail (Einarsen, Aasland, & Skogstad, 2007). Such leaders tend to suppress open communication

and discourage employee autonomy, leading to an atmosphere of intimidation and reduced morale. Employees under authoritarian leaders are less likely to voice concerns or report unethical behaviors, thereby allowing toxic practices to go unchecked and eventually become ingrained in the organizational culture (Skogstad et al., 2007).

Conversely, laissez-faire leadership, where leaders are disengaged and provide little guidance or oversight, can also contribute to a toxic workplace culture. In the absence of strong leadership, toxic behaviors such as bullying, favoritism, and gossip can flourish unchecked, as there is no accountability or corrective action taken by the leadership (Kusy & Holloway, 2009). This type of leadership can lead to a sense of abandonment among employees, who may feel unsupported and vulnerable to negative influences within the organization. The lack of direction and oversight can create a chaotic work



environment, further exacerbating stress and dissatisfaction among employees (Harms, Spain, & Hannah, 2011).

Moreover, transformational leadership, although generally considered positive, can also contribute to toxicity when applied inappropriately. Leaders who push for constant change and high performance without considering the well-being of their employees can create a high-pressure environment that leads to burnout and disengagement (Bass & Riggio, 2006). In such cases, the leader's focus on achieving organizational goals at all costs can lead to the neglect of employee needs, resulting in a toxic culture where employees feel undervalued and overworked (Einarsen et al., 2007).

In summary, leadership styles are a significant factor in the creation and maintenance of toxic workplace cultures. Both overly authoritarian and excessively hands-off approaches can foster environments where negative behaviors are allowed to thrive. Even leadership styles typically seen as positive, such as transformational leadership, can contribute to toxicity if not balanced with a concern for employee well-being. Thus, understanding the role of leadership in shaping workplace culture is crucial for preventing and mitigating toxicity in organizations.

2. Organizational Structures and Their Influence on Workplace Toxicity

Organizational structures also play a pivotal role in influencing the development of toxic workplace cultures. Highly hierarchical organizations, where power is concentrated at the top and decision-making is centralized, can contribute to a culture of fear and silence (Housman & Minor, 2015). In such environments, employees may feel disempowered and reluctant to speak up about issues or suggest improvements, fearing retaliation or being disregarded. This lack of open communication and employee participation can lead to frustration, disengagement, and the persistence of toxic behaviors that go unchallenged (Clarke & Cooper, 2004).

In contrast, organizations with flat or decentralized structures may face different challenges related to workplace toxicity. While these structures often promote greater autonomy and collaboration, they can also lead to ambiguity in roles and responsibilities, which can create confusion and conflict among employees (Frost, 2003). Without clear lines of authority and accountability, toxic behaviors may go unaddressed, as employees are unsure of whom to report issues to or may feel that it is not their place to intervene. This can result in a culture where negative behaviors are tolerated and allowed to spread, undermining team cohesion and overall organizational effectiveness (Harms et al., 2011).

Furthermore, the presence or absence of formal policies and procedures significantly impacts the prevalence of toxic workplace cultures. Organizations that lack clear policies on issues such as harassment, discrimination, and ethical conduct are more likely to experience toxic behaviors, as there are no established guidelines for appropriate behavior or mechanisms for addressing grievances (Kusy & Holloway, 2009). Conversely, organizations with well-defined policies and a strong emphasis on ethical behavior are better equipped to prevent and manage toxic behaviors, fostering a more positive and supportive work environment (Skogstad et al., 2007).

Therefore, organizational structures and policies are key determinants of workplace culture. Hierarchical organizations can inadvertently create environments that suppress open communication and perpetuate toxic behaviors, while decentralized structures may struggle with ambiguity and lack of accountability. Clear policies and procedures are essential for setting expectations and providing the necessary framework to prevent and address toxic behaviors effectively.

3. Employee Interactions and the Spread of Toxic Behaviors

Employee interactions are a fundamental aspect of workplace culture, and the nature of these



interactions can significantly influence the spread of toxic behaviors. Toxic behaviors such as bullying, gossip, and favoritism can quickly become ingrained in the workplace if they are not addressed early on (Einarsen et al., 2007). When employees observe negative behaviors being tolerated or even rewarded, they may begin to adopt similar behaviors, leading to a vicious cycle that perpetuates toxicity throughout the organization (Housman & Minor, 2015).

Social dynamics within the workplace, including cliques and power imbalances, can exacerbate the spread of toxic behaviors. Employees who feel marginalized or excluded may resort to negative behaviors as a means of asserting themselves or gaining acceptance within certain groups (Kusy & Holloway, 2009). Similarly, employees in positions of power may abuse their authority, engaging in bullying or favoritism, knowing that their actions are unlikely to be challenged. These dynamics can create an environment of mistrust and competition, where collaboration and teamwork are undermined by self-serving behaviors (Clarke & Cooper, 2004).

Moreover, the role of informal communication networks, such as gossip and rumor mills, cannot be overlooked in the spread of toxic behaviors. Gossip can quickly escalate conflicts, damage reputations, and create divisions within teams, contributing to a toxic work environment (Frost, 2003). When gossip is pervasive and unchecked, it can erode trust among employees and create a culture of suspicion and hostility, further entrenching toxic behaviors and making it difficult to foster a positive and supportive workplace culture (Harms et al., 2011).

In conclusion, employee interactions are a critical factor in the spread and entrenchment of toxic behaviors within the workplace. Negative social dynamics, power imbalances, and informal communication networks can all contribute to the development of a toxic culture if not effectively managed. Organizations must be proactive in fostering positive interactions and addressing toxic behaviors early to prevent them from becoming deeply rooted in the workplace culture.

4. Consequences of Toxic Workplace Culture on Organizational Performance

The consequences of a toxic workplace culture extend far beyond individual employee well-being, significantly impacting overall organizational performance. One of the most immediate and visible effects of a toxic culture is reduced employee engagement and productivity (Housman & Minor, 2015). Employees who work in toxic environments are more likely to experience stress, burnout, and dissatisfaction, which can lead to decreased motivation and a decline in work quality. Over time, this can result in lower organizational productivity, as employees become disengaged and less committed to achieving organizational goals (Kusy & Holloway, 2009).

High turnover rates are another significant consequence of toxic workplace culture. Employees are less likely to remain in an organization where they feel undervalued, harassed, or unsupported. The constant cycle of hiring and training new employees not only increases recruitment costs but also disrupts team dynamics and continuity, further undermining organizational effectiveness (Harms et al., 2011). Additionally, high turnover can damage an organization's reputation, making it more difficult to attract top talent in the future.

Toxic workplace culture can also lead to increased absenteeism, as employees may take more sick days or mental health days to cope with the stress and negativity of their work environment (Clarke & Cooper, 2004). Frequent absenteeism can strain resources, increase workloads for remaining employees, and create further resentment and burnout, perpetuating the cycle of toxicity. Moreover, organizations with toxic cultures are more likely to face legal and financial risks, as they may be subject to lawsuits related to harassment, discrimination, or wrongful termination (Frost, 2003).

In summary, the consequences of a toxic workplace culture are far-reaching and can severely undermine organizational performance. Reduced employee engagement, high turnover rates, increased absenteeism, and legal risks are just some of the negative outcomes associated



with toxic environments. Addressing these issues is critical for organizations to maintain a productive, healthy, and sustainable workplace.

4. Conclusion

Toxic workplace culture, characterized by negative behaviors such as bullying, poor communication, and lack of trust, has profound implications for both employees and organizational performance. The causes of such a culture are multifaceted, often rooted in leadership styles, organizational structures, and the nature of employee interactions. Authoritarian and laissez-faire leadership styles can create environments where toxic behaviors are either enforced or ignored, while ambiguous organizational structures can lead to confusion and conflict, further entrenching these behaviors. Additionally, negative social dynamics and informal communication networks can accelerate the spread of toxicity, making it challenging to establish a positive and supportive workplace culture.

The consequences of toxic workplace culture are far-reaching, affecting not only the well-being of employees but also the overall effectiveness and sustainability of the organization. Employees in toxic environments are more likely to experience stress, burnout, and dissatisfaction, leading to decreased engagement, productivity, and increased turnover rates. These outcomes not only increase operational costs but also damage the organization's reputation and ability to attract and retain talent. Furthermore, toxic cultures can lead to higher absenteeism and legal risks, further compounding the negative impact on organizational performance. Addressing the causes of toxic workplace culture is essential for organizations to foster a healthy, productive, and sustainable work environment, ultimately leading to improved employee satisfaction and organizational success.

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