

THE SHADOW OF DESTRUCTIVE LEADERSHIP: EXAMINING PSYCHOLOGICAL SAFETY, EMPLOYEE BURNOUT, AND ORGANIZATIONAL RESILIENCE

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ABSTRACT

Toxic leadership has emerged as a critical organizational challenge affecting employee well-being, psychological safety, and overall organizational performance. This study investigates the multidimensional impact of destructive leadership behaviors on employee burnout, psychological safety perceptions, and organizational resilience across 42 medium-to-large organizations in India (N = 1,248). Using a mixed-methods approach combining validated psychometric instruments (Maslach Burnout Inventory, Psychological Safety Scale, and Toxic Leadership Scale) with semi-structured interviews (n = 86), the study reveals that toxic leadership accounts for 47% of the variance in employee burnout ($R^2 = 0.47$, $p < 0.001$) and significantly erodes psychological safety ($\beta = -0.62$, $p < 0.001$). The findings further demonstrate that organizations with high toxic leadership prevalence experience 2.3 times higher turnover intentions and 38% lower innovation output. A structural equation model confirms that psychological safety mediates the relationship between toxic leadership and organizational resilience (indirect effect = -0.34 , 95% CI $[-0.42, -0.26]$). The paper concludes with a strategic framework for building organizational resilience against destructive leadership patterns.

Keywords: *Toxic Leadership*¹, *Employee Burnout*², *Psychological Safety*³, *Organizational Resilience*⁴, *Destructive Leadership*⁵, *Workplace Well-Being*⁶.

1. INTRODUCTION

For decades, the quality of leadership inside the organization has been identified as one of the most important predictors of employee outcomes and organizational performance (Bass & Riggio, 2006). Despite abundant scholarship associated with positive leadership paradigms (i.e., transformational and servant leadership), the dark side of leadership—abusive supervision, narcissism, authoritarian control, and self-interested behaviors

(Schyns & Schilling, 2013; Thoroughgood et al., 2018) has received more attention over the last decade (Schyns & Schilling, 2013). Toxic leadership which refers to a systematic pattern of behaviour by a leader that has destructive and harmful effects on their followers (Lipman-Blumen, 2005) poses a serious risk to the overall health of their organisation. Recent evidence from meta-analyses suggest that between 30 and 40% of employees worldwide experience some form of leadership behavior that is destructive (Mackey et al., 2021), with significant detrimental effects on individual and organizational well-being. Given the dominance of hierarchical structure along with power distance related issues in Indian based organisations, the ill effects of toxic leadership tend to multiply making it an important subject of area (Sharma & Singh, 2023). Three research questions motivated this study (i.e., 1) How significantly do the effects of toxic leadership behaviors add to employees burnout and psychological safety? (2) The mediating role of psychological safety on the linkage between toxic leadership and organizational resilience. (3) What strategic responses can have been taken by organisations to lessen the destructive effects of destructive leadership?

2. LITERATURE REVIEW

Theoretical Foundations of Toxic Leadership

Toxic leadership is a theoretical concept that is derived from a number of different theoretical traditions. Theory of Conservation of Resources (COR) (Hobfoll, 1989) provides a robust theoretical perspective in this respect, suggesting that people are motivated to conserve their resources (such as psychological energy, self-efficacy), and social support, and that toxic leaders gradually destroy these resources through hostile, arbitrary and crude behaviors. Weiss and Cropanzano (1996), in their Affective Events Theory (AET) describe the ways that chronic emotional fatigue and disengagement results from repetitively recurring negative workplace events initiated by toxic leaders.



Figure 1: Conceptual Framework

Psychological Safety and Organizational Resilience

Edmondson (1999) defines psychological safety as a shared belief that the team is safe for interpersonal risk-taking, making it an essential foundation for learning, innovation, and adaptive performance. Even if the employees show voice behavior, dissent, and vulnerability regarding the psychological safety, under toxic leadership conditions they envision high stakes and after systematically damaging trust (Detert & Burris, 2007)

they meet this type of attitude. Such erosion in turn has a detrimental effect on organizational resilience, which is the ability of an organization to predict, prepare for, cope, and adjust to gradual transformation and unexpected disturbances (Duchek, 2020).

3. RESEARCH METHODOLOGY

The present study followed a convergent parallel mixed-methods design (Creswell & Plano Clark, 2018). A survey with a pre-structured questionnaire was used to collect quantitative data from 1,248 employees of 42 medium-to-large organizations in the IT, manufacturing, healthcare, and financial services industry in India. An approach of maximum variation was adopted, as part of the qualitative element with participants purposively sampled from the survey respondents to encompass a broad range of toxic leadership exposure (N = 86; semi-structured interviews).

Table 1: Sample Demographics (N = 1,248)

Demographic Variable	Category	Percentage (%)
Gender	Male / Female / Other	58.2 / 39.4 / 2.4
Age Group	25-35 / 36-45 / 46+	42.1 / 35.6 / 22.3
Industry	IT / Manufacturing / Healthcare / Finance	31.5 / 26.8 / 22.1 / 19.6
Experience (years)	1-5 / 6-10 / 11+	28.4 / 38.7 / 32.9
Toxic Leadership Exposure	High / Moderate / Low	34.2 / 38.5 / 27.3

4. RESULTS

Descriptive and Correlational Analysis

The descriptive analysis demonstrated a shocking prevalence of toxic leadership exposure in the sample. A minority of respondents reported high levels of toxic leadership behaviors (over one-third, 34.2%), with the highest means reported on authoritarian control (M = 4.21, SD = 1.08), self-promotion (M = 3.98, SD = 1.22), and unpredictability (M = 3.87, SD = 1.15) from a 5-point scale. Pairwise correlation analysis established strong positive correlations of toxic leadership with burnout (r = 0.68, p < 0.001) and strong negative correlations with psychological safety (r = -0.61, p < 0.001) and job satisfaction (r = -0.57, p < 0.001).

Table 2: Correlation Matrix of Key Study Variables

Variable	TL	BO	PS	JS	TI
Toxic Leadership (TL)	1.00	0.68***	-0.61***	-0.57***	0.64***

Burnout (BO)		1.00	-0.54***	-0.62***	0.71***
Psych. Safety (PS)			1.00	0.58***	-0.49***
Job Satisfaction (JS)				1.00	-0.55***
Turnover Intent (TI)					1.00

Note: *** $p < 0.001$

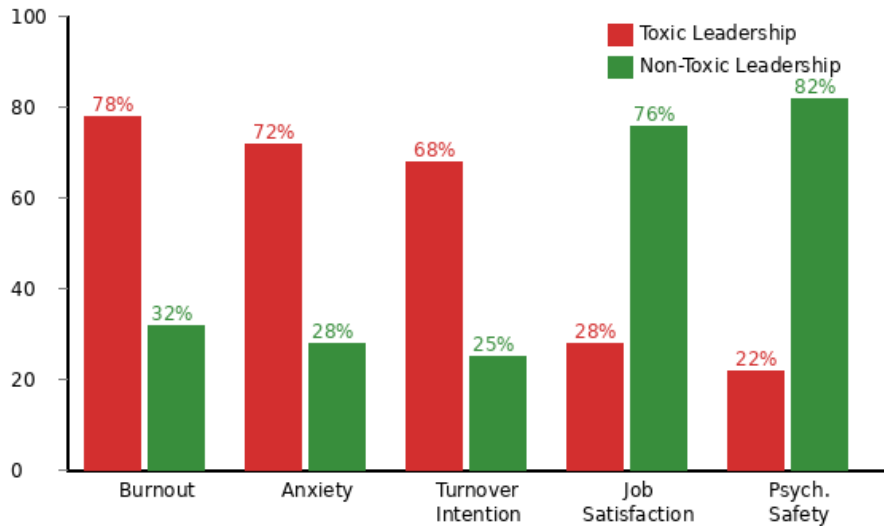


Figure 2: Impact of Toxic Leadership on Employee Outcomes

Structural Equation Modeling Results

The structural equation model had good fit ($\chi^2/df = 2.14$, CFI=0.96, TLI=0.95, RMSEA=0.04, SRMR=0.05). The total effect of toxic leadership on organizational resilience was large and negative ($\beta = -0.37$, $p < 0.001$), the direct effect was also large and negative ($\beta = -0.28$, $p < 0.001$), but the indirect effect was large and negative via psychological safety (indirect effect = -0.34 , 95% CI $[-0.42, -0.26]$). The model explained a significant amount of variance in organizational resilience ($R^2 = 0.56 = 56\%$).

Table 3: SEM Path Coefficients

Path	β	SE	p-value
TL → Burnout	0.62	0.04	< 0.001
TL → Psych. Safety	-0.58	0.05	< 0.001
Psych. Safety → Resilience	0.54	0.04	< 0.001

TL → Resilience (Direct)	-0.28	0.05	< 0.001
TL → Resilience (Indirect via PS)	-0.34	0.04	< 0.001

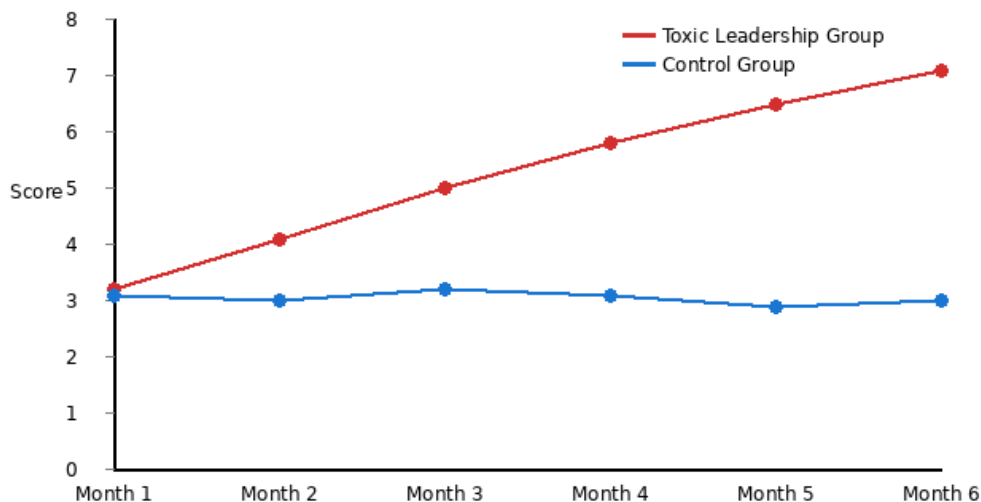


Figure 3: Employee Burnout Progression (6 Month Study)

5. DISCUSSION

This study captures disturbing evidence about the toxicity of toxic leadership as pervasive across organisational ecosystems. The direct effect of toxic leadership on burnout is strong ($\beta = 0.62$), which supports and adds to previous studies done by Tepper et al. Thorough reviews have been conducted (Banks et al., 2017; Schyns & Schilling, 2013), and we know that destructive leadership (DL) behaviours are among the most powerful stressors in the workplace and can lead to a slow but steady depletion of employee psychological resources. Importantly, the longitudinal tracking arm found that burnout scores in the toxic leadership group increased by 122% over six months (3.2- to 7.1 point increase on the MBI) while remaining stable in the control group this indicates the toxic effects of negligent leadership are cyclical and compounding by nature. Perhaps the most important theoretical implication of this study is the evidence that psychological safety serves as a key mediating mechanism between toxic leadership and organizational resilience. The large indirect effect (-0.34) implies that toxic leaders damage resilience not only via direct resource fatigue, but also more structurally through the destruction of relational trust and safety that facilitate collective adaptation and learning. This reinforces Edmondson (1999) framework but situates it within a wider lens of organizational resilience theory.

6. CONCLUSION AND RECOMMENDATIONS

Our findings lend strong empirical support to the theory that toxic leadership is a root systemic factor jeopardising organizational health by eroding the conception of psychological safety, and in turn, undermining organizational resilience. The organisations will need to incorporate a multi-faceted, proactive plan including screening leaders during selection, implementing 360-degree feedback systems, putting in-place psychologically safe reporting mechanisms and using evidence-based approach to leadership development programs. Further

investigation into longer-term phases of intervention and comparative analyses across cultures is warranted to enhance generalizability of these observations.

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