TOXIC HUMAN RESOURCE MANAGEMENT PRACTICES AND PERSONNEL CRISIS WITHIN COMPANY

Alena Fedorova

Abstract

It is notorious that crisis is an objective phenomenon of any socio-economic system and lies at the bottom of a human activity and human nature of a corporate crisis to be its reason and the source. Thus, comprehensive analysis of the human factor of crisis situations will allow us to identify preventive instruments and measures. Herewith, it is necessary to take into consideration major components of the entity's crisis, namely the personnel crisis and a phenomenon of the toxic HRM to avoid destructive impact on employees, corporate environment and company performance. The goal of this paper is to focus the research on the following: 1) in-depth study of toxicity of the entity's labour sphere, 2) development of the hypotheses on the basis of previous publications and desk-data on the precarious employment relations and social pollution phenomena, 3) verification of the hypotheses by conducting a survey to reveal the significant components of the toxic HRM and personnel crisis. One of the most important practical implications of our research is the identification of the measures to smooth cope with the crisis caused by the use of toxic HRM practices in the company.

Key words: toxic human resource management, personnel crisis, toxic leadership, toxic manager, toxic personnel

JEL Code: J28, M12, M54

Introduction

Satisfying personal interests which change irregularly and disproportionately is the ultimate goal of any human activities. Interests of everyone are in permanent conflict, and moreover so in social groups. This particular fact is the foundation of all crises in the socio-economic system and while it is developing human factor influence is noticed to increase. That is why proper personnel management turns out to be most important in turbulent times.

This paper begins with the review of the crisis situations in companies' labour sphere in general and personnel crisis in particular. Then we define and develop the concept of a

toxic manager, as well as elaborate different classifications of toxic leaders and explain the interaction between diffusion of toxicity within an organization and personnel crisis. This is followed by an analysis of the publications on the subject, primary and secondary data, several interviews with leaders and employees of Russian enterprises.

1   Toxic leadership: toxic managers' classification review

Toxic leader (manager) is one of the sources of corporate crisis. Toxic leadership always generates crisis situations and undermines the efficiency of any team causing destructive impact on all company performances (McColl-Kennedy, Anderson, 2002).

Researchers consider the toxic leadership in two ways. Some authors suppose that this phenomenon is a process (something leaders do), which appears as alienation and betrayal or behaviours like manipulation, intimidation, coercion, and one-way communication (Padilla et al., 2007). On the other hand, several researchers believe that destructive leadership negatively influences the entity and its personnel on the whole: employees primarily and their families subsequently, social and physical well-being of which are largely ignored, that leads to increased diseases, alcohol and drugs addiction, and mental health problems (Pfeffer, 2010). Nonetheless, a different point of view is indisputable that this type of management disrupts economic performances of a company, results in undesirable outcomes and social damage.

Pelletier (2012) specifies several types of the toxic leadership: abusive (hostile verbal and nonverbal behaviours, excluding physical contact), tyrannical (distrusting, condescending, arrogant, rigid and inflexible), destructive (violation of legitimate organization's interest by undermining and/or sabotaging the organization's goals, tasks, resources, and effectiveness and/or motivation, well-being or job satisfaction of subordinates), bullying (mental or physical strength against someone who is likely to be in a weaker or subordinate position) and ineffective and unethical (dysfunctional traits, e.g., rigidity, callousness, corrupt, evil). As the whole, all the defined destructive leaders are united by virtue of their destructive behaviours and their dysfunctional personal traits or characteristics; inflict(s) serious and enduring harm on the individuals, groups, organizations (Limpan-Blumen, 2005). These managers can complicate work of the personnel, drain their energy, compromise their sanity, derail their projects and destroy their careers. Toxic managers destroy morale, impair retention, and interfere with cooperation and information sharing (Lubit, 2004). Their behaviour can cause ripples distorting the organization's culture.

Followers then experience the workplace as a hostile, oppressive, and toxic environment. As a result, their levels of trust and organizational commitment are reduced, leading to negative organizational as well as personal outcomes (Spranger, 2014).

In above mentioned context, we define the toxic manager as a leader, who generates crisis situations inside a company (Fedorova, et al., 2013). Identifying the toxic manager at a company can be obtained by comparing his or her individual characteristics with professional features of an effective leader. For instance, the combination of willpower and intelligence are core features of manager's personality. According to the results of our study, this combination might be variable (Tab. 1).

Tab. 1: Various combinations of the Russian manager's will – intelligence and their influence on a managerial performance

Combination of features	Manifestations and consequences		
	Leader	Personnel	Implications
Dim intelligence – weak will	-problem in decision-making; -implementation difficulties; -susceptibility to external influences (no firm system of own principles and views)	-poor discipline; -disrespect, often contemptuous attitude towards the leader	- leader is not able to manage for a long-term period; - business fallen in decay
High intelligence – lack of will and confidence	-implementation difficulties; -strong susceptibility to external influences; -problem with self-discipline and orderliness; -incapability to delegate tasks and authority	- low performing discipline; - leader is only respected as an expert	- low efficiency of management activities; - low speed of development
Strong will – dim intelligence (the most common type in Russia)	-problems in the process of effective decision-making; -hard authoritative management style; -voluntarism, willfulness; -incapability to set up reliable relationships and effective collaboration with subordinates	-visible behaviour: respect, honouring, flattery; -hidden behaviour: fear, alienation, distrust	- success in a certain environment with appropriately selected personnel; - success will not be sufficient and prolonged because the present-day management is based on deep understanding complicated development issues

Source: Author's own elaboration

It is obvious from the table that a disproportion in the combination of such personal traits as will and intelligence allows identifying the toxic managers.

In order to supplement and integrate with the above features we can see other combination of crucial characteristics of toxic managers. Padilla, et al. (2007) highlights five critical leader factors: charisma, personalized use of power, narcissism, negative life themes, and an ideology of hate. In this case, larger spectrum of attributes emerges, including traits of personality and environment's variables, which influence the formation of leaders as a personality and on their further actions within an entity. For example, destructive narcissism is both a common and significant problem any entity. The outward self-confidence and ruthlessness of destructively narcissistic managers facilitate their rise to positions of power, but their devaluation of others, singular focus on what is best for themselves, and difficulties in working with others can markedly impair corporate morale and performance, and even drive off the most talented employees (Lubit, 2002).

We contribute to research on identification of various types of the toxic managers. Toxic managers are notable for their conscious (intentional) or unconscious (unintentional) ability to initiate crises in the systems (objects, entities) managed by them. In order to identify toxic managers in a company in proper time and to prevent the company from possible damage as a result of their activity it is necessary to be aware of their features. There are following types of the toxic managers: 1) instinctive toxic manager (active and passive types), 2) toxic managing team, and 3) class-conscious toxic manager (Tab. 2).

Tab. 2: Classification of the toxic managers

Toxic manager types	Primary Traits
Instinctive toxic manager	-an unconscious master to lead the managed entity in crisis state with the idea to run the company with sufficient professionalism. However, his activities lead the managed system to a deplorable state by careless or reckless behaviour. This type is not uniform inside: 1) an active type is extremely energetic and full of different ideas. Managers of this type often generate frantic activity. The problem is that the results of their activities are often found to be negative; 2) a passive type causes a managed system into a crisis, as it uses the tactics of "escaping decision-making". The managers of this type hope that the problem will disappear itself.
Toxic managing	-related to such management problem as poor collaboration among members of a leading team that can result in entry of the managed system into crisis. Relations in a managing team not

team	necessarily become strained to make a crisis. There is a socio-psychological law that can be called as "a tangle of the inaccurate actions". Poor concurrence of actions and low-level collaboration effectiveness gradually or quickly lead to undesirable consequences.
Class-conscious toxic manager	-this type of manager has a professional skill to destroy the managed system; - it is often used in a competitive struggle.

Source: Author's own elaboration

Identification of the toxic manager allows company management to take preventive measures in order to reduce the risk of social and economic damage due to the appearance such manager in the entity. Definitely, the most effective method is assessment of candidates for the vacant managerial position at the selection stage. Nonetheless, from time to time toxic managers emerge in the life of any entity and it is important to recognize the certain type of harmful leader in order to work out specific tactics of the personnel management.

2   Toxic HRM as a reason of personnel crisis: experts' opinions

In 2015 the author of this study conducted an experts' questionnaire with 52 managers (middle grade) of a number of Russian companies of various branches of economy concerning some aspects of toxic management in a form of a list of open questions based on the following hypotheses:

H1 – the overall economic crisis pushes the employers to conduct of the strategies for costs cuttings for personnel thus setting forward precarious employment and further personnel flexibilisation;

H2 – precarious employment relations between employers and employees are social pollution increasing level factor of the company's labour sphere;

H3 – entity's inner environment toxicity is characterized by the personnel crisis and is caused by the toxic HRM practices and presence of a toxic type of managers, as well as toxic personnel.

Thus, the respondents had been offered to determine their own understanding of toxic management inside an entity, identify the sources and reasons for toxic HRM practices, specify actual problems with employees in precarious employment environment, as well as the consequences of the increased level of toxicity of the entity's inner environment.

At first, experts stated their understanding of toxic management. Some of the definitions should be underlined: 1) management complying primarily with the personal interests of the entity's managers or the owners, 2) management activities confronting the

values and norms of the entity's culture, 3) low professional skills of the managers, 4) emotional instability and low psychological training of the managers, 5) activities of the managers or their absence which lead to crisis situations at the company, 6) "manager – subordinate" communications in high conflict environment.

Experts have pointed out internal and external sources and reasons of toxic management at a company. The external ones to be: 1) crisis developments in the country on the whole, 2) inefficient state policy concerning private business. The internal ones to be: 1) low efficiency of HRM department of the entity, 2) unwilling of HR managers to practice new HRM techniques, 3) unlawful behaviour of the employees at work, 4) domesticity among managerial staff of a company; 5) destructive personal traits of the managers, low managerial skills and instable emotional state, 6) absence of public organizations at the entity.

"Unpopular" HRM practices from the point of view of experts are: 1) total control of the personnel, 2) work results assessment, 3) lowering position shifts, 4) downsizing (optimization of the stuff number), 5) wage conditions changes (worsening), 6) personnel restructuring, 7) non-monetary motivation based on the subjective manager's assessment.

As to the toxic HRM practices they, to the opinion of the experts, are the following:

- the practice of the pejorative attitude towards subordinates by the leadership leads to an increase of staff turnover;

- low professional skills and negative personal traits of managers results in the use of obscene lexis in communication interactions;

- non-coherent actions of top-management and mid-level managers of the company undermine the trust of employees to the management, brings down their loyalty and pedals their resistance towards any changes;

- managers' presumptuousness with their subordinates causes a decrease of the performance discipline level;

- aggressive management provokes fear, environment of conflict, lowers motivation, unawareness of their role at the entity;

- excessive strictness of managers annihilates personnel initiative whereas excessive freedoms inflict lower efficiency;

- insufficient attention of the management to non-monetary motivation practices creates hostile climate in social groups.

Summary of the questionnaire results allows us to conclude that entity's crisis of internal and external nature ignites personnel crisis impacting the personnel activities in this

or that way, bringing the discrepancy of motivational factors, professional tools and working conditions of employees with organizational goals and objectives. Subsequently, personnel crisis often leads to the appearance of the destructive behaviour patterns of the employees, which we identify as toxic personnel.

3   Toxic personnel: destructive behaviour patterns of employees

We understand toxic personnel as staff employed and motivated by personal interests only (power, cash, special status), making use of unlawful or non-ethic manipulation techniques, who take their negative performances and traits out of account. Toxic employees do not comply with ethics of professional behaviour patterns and norms of the company and of the team on the whole. They build up their relations with their colleagues on the basis of the personal preferences and never on the entity's structural framework. Also, the toxic personnel can be a factor of emergence of the toxic workplaces in the organization, as they become a cause of worry, stress and even depression of the employees (Gatti, Fedorova, 2013).

Experts who have taken part in the questionnaire pointed out the following features and behaviour patterns of the toxic personnel: 1) negativism of employee as an individual peculiarity, 2) laziness under cover of fussy activities, 3) absence of inner motivation for work at particular entity, on one hand, as well as in the particular field correspondingly, on the other hand in general, 4) low life satisfaction, 5) low loyalty to the company, 6) aggressive behaviour, 7) psychological instability down to mental disorder, 8) unreasonable absenteeism, 9) low professional skills, 10) unawareness of the role at the company, 11) resistance to change in a company, 12) managers' decisions sabotage.

The summary of the experts' questionnaire results are stated in Tab. 3.

Tab. 3: Variety of personnel destructive behaviour patterns

Behaviour patterns	Actual forms
Unlawful	Non compliance with laws and regulations. Normally this is punished by law
Dysfunctional	Low professional skills which do not allow proper position responsibilities
Imitating	Camouflage of true egoistic goals by fake activities
Egoistic	Person-centric and group-centric destructive behaviour (group egoism)
Conservative	Opposing innovations

Deviant (departing)	Activities which do not comply with officially accepted and stable patterns of behaviour, norms and expectations actual for particular social group (alcohol addiction, fraud, etc.)
Administrative management excesses	Excessive use of managerial positions for personal purposes only and out of professional management responsibilities

Source: Author's own elaboration

There are plenty of inner rules, prearranged patterns of behaviour which make any entity's team fruitful in their teaming up at the company, and make achieving corporate and personal goals possible. These patterns can be in writing or open-said, individual and group wise, corporate / socially common and of a higher level. The violations of such rules cause sensitive harm to the company's functioning. Thus, employees with destructive behaviour patterns can be identified as toxic personnel endangering the team. Nevertheless, we should point out that toxic personnel problem is linked up with toxic HR techniques and primarily with toxic management activities.

Conclusion

An important strength of this study is its contribution of our understanding of personnel crisis and the toxic HRM, as well as the social pollution phenomenon to overall research on the subject. This research is the first step in our study to examine influence of toxic management practices on personnel crisis within Russian companies. However it has some limitations. One of them is not sufficiently broad vision of the problem, as the study is primarily based on interviews of middle managers, and does not delve in the analysis of employees' and top-managers' opinions. This study can't be generalized to all territories either, because our findings and conclusions were made based on the analysis of only Russian companies.

Nonetheless, one of the most important practical implications of our research is the development of measures to avoid the occurrence and spreading of toxic managers within the organization and increase efficiency of any enterprise and well-being of workers. In addition, the practical application may also be getting ordinary workers acquainted with the features of toxic leaders and the possible negative consequences of interaction with them.

Our view of the problem was just the first step in the study of the very important and widespread phenomenon in the life of each company. In further research we would like to deepen the study. Firstly, it is planned to conduct a survey of top managers and employees in order to create a broader understanding of the problem from different levels and points of

view. Secondly, we will make a comparative analysis of the phenomenon in different socio-cultural realities with a view to developing a system of common indicators assessment of the toxicity at companies.

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Contact

Alena Fedorova

Ural Federal University named after the First President of Russia B.N. Yeltsin

Russia, 620102, Yekaterinburg, ul. Mira, 19

a.e.fedorova@urfu.ru