Perceptions of and reactions to leader toxicity: Do leader–follower relationships and identification with victim matter? ☆

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ABSTRACT

This experimental study examined the influence of leader–follower relationships (i.e., LMX) and target salience on perceptions of leader toxicity and intentions to challenge the leader. There are no studies that evaluate the effect of leader–follower relationships on these two variables. Participants ($n = 298$) with work experience viewed a video of a leader acting in a destructive manner toward a target. As predicted, LMX out-group participants perceived the leader to be toxic to a greater extent than participants with favored status, and indicated greater intent to challenge the leader. With regard to target salience, the results also showed that observers perceived the leader to be toxic to a greater extent when the leader was targeting someone in their LMX grouping, but there were no significant differences in challenging intentions based on the target's LMX status. Implications for leaders, followers, and organizations are discussed.

Introduction

In any organization, there are likely to be leaders who, intentionally or unintentionally, inflict harm upon their constituents. When witnesses or recipients of the leaders' destructive actions are reluctant to confront a toxic leader, they may be, in essence, enabling the leader to continue his or her toxic agenda.

The purpose of this research was to examine perceptions of leader toxicity, with leader–follower relationships and social identity as mechanisms to determine how a follower's relationship with the leader affects perceptions of the leader's toxicity and the follower's likelihood of challenging destructive leaders. To date, I know of no studies that consider leader–follower relationships in the context of destructive, toxic leadership. Second, the results of this study provide insight into the roles of social identity with Leader–Member Exchange group assignment and target salience in influencing followers' perceptions of leadership and their willingness to confront bad leaders.

Definitions of harmful leadership

Researchers have proposed descriptions of harmful leadership in organizations that can be characterized as abusive (Tepper, 2000), tyrannical (Ashforth, 1994), destructive (Einarsen, Aasland, & Skogstad, 2007), bullying (Namie & Namie, 2000; Rayner & Cooper, 1997), ineffective and unethical (Kellerman, 2004), and toxic (Lipman-Blumen, 2005). Tepper (2000, p. 178) defines abusive supervision as "subordinates' subjective assessments of the extent to which supervisors engage in the sustained display of hostile verbal and nonverbal behaviors, excluding physical contact." Tyrannical leaders are distrusting, condescending, arrogant, rigid, and inflexible. They knowingly take credit for the efforts of others; they blame subordinates for mistakes, and deter initiative

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and dissent (Ashforth, 1994). Einarsen et al. (2007, p. 208) define destructive leadership as "the systematic and repeated behavior by a leader, supervisor, or manager that violates the legitimate interest of the organisation by undermining and/or sabotaging the organisation's goals, tasks, resources, and effectiveness and/or motivation, well-being or job satisfaction of subordinates." Rayner and Cooper (1997) and Namie (2000) assert that leaders may engage in bullying, whereby they apply mental or physical strength against someone who is likely to be in a weaker or subordinate position. Kellerman (2004) states that bad leadership may be characterized by dysfunctional traits that range from ineffective (e.g., rigidity, callousness) to unethical (e.g., corrupt, evil). She also asserts that bad leadership does not emerge in vacuum; aspects of the follower and the situation may interact to enable or restrain the toxic leader.

Lipman-Blumen (2005, p. 18) states that leaders are considered toxic when they inflict severe and enduring harm on their constituents by virtue of their "destructive behavior or dysfunctional personal characteristics." She also asserts that one person's toxic leader might be someone else's hero, thus acknowledging that attributions of toxicity might differ depending on the needs of each follower or the relationships they have with their respective leaders. The present study seeks to explore why followers not only tolerate bad leaders, but may aid and abet these same authority figures based on the relationship they have with their leaders.

Leader–member exchange theory

Leader–member exchange is relevant to understanding different reactions to leader toxicity due to the subjective nature in which leader–follower relationships are formed, and the expectations and obligations derived from the quality of the exchange. In addition, the negative consequences associated with the exclusionary factors characterized in low LMX exchange relationships are also factors that could influence perceptions of leader toxicity.

High exchange

LMX relationships are developed initially by the leader's evaluation of the follower. If the leader views the follower as being dependable, competent, and likeable, that person enjoys a high exchange relationship with the leader and becomes a member of the "in-group" (Graen, 1976; Sparrowe & Liden, 2005). As such, that individual is the beneficiary of the perks associated with that LMX status. These trusted employees are comparable to an entourage in terms of the roles they play and services they provide to the leader. In exchange for positional resources from a leader, the member tends to commit to a higher degree of involvement in the organization or work group's functioning (Scandura & Graen, 1984).

High exchange relationships yield more occupational rewards than low exchange (Graen & Uhl-Bien, 1995). These benefits include greater responsibility and authority (Wayne, Shore, Bommer, & Tetrick, 2002; Wayne, Shore, & Liden, 1997), pay increases, promotional opportunities, and assignment to desirable tasks that result in greater visibility of the follower to "higher ups" in the organization (Scandura & Graen, 1984).

The notion of the entourage also has merit when discussing leader–follower reciprocity. As Bailey (1988) points out, these trusted employees have the leader's "ear" and are likely to feel comfortable voicing their opinions, unlike their out-group counterparts. The entourage performs vital functions that benefit the leader. In return, the entourage is rewarded for the services it provides and is expected to show selfless loyalty and devotion to the leader.

Low exchange

In the low-exchange (out-group) relationship, subordinates do not engage in the same level of communication with their leaders, nor do leaders entrust out-group members with the same scope of responsibilities as with those in the in-group (Graen, Novak, & Sommerkamp, 1982). Out-group members tend to be excluded from some important activities and are not privy to high exchange discourse. They experience more transactional relationships with their supervisors (Allinson, Armstrong, & Hayes, 2001) and need only comply with the organization's role requisites to fulfill their part of the exchange. Differences in perceptions of leader effectiveness and leader satisfaction have been found, with out-group members being less satisfied with the leader and less likely to perceive the leader as effective (Deluga, 1998; Graen & Uhl-Bien, 1995).

LMX and perceptions of leader toxicity

Although there are no studies that directly address perceptions of leader toxicity as a function of LMX relationships, there is research that has relevance in, and implications for, this study. Being a member of a group that is excluded from certain individual benefits is likely to prompt out-group followers to view leader behaviors and decisions through a justice lens. Chi and Lo (2003) sought to determine the effect of leader–employee relationship and interpersonal liking of the target of punishment on justice perceptions. The results of their study indicated that the lowest justice perceptions were among those who had low LMX ratings, high liking, and high empathy scores for the target (Chi & Lo, 2003). When social identity and empathy with the target were strong, and when the LMX relationship between the observer and the authority figure was low, observers in the out-group were more likely to view punishment as being unfair than observers in high LMX relationships.

Padgett and Morris (2005) and Pelletier and Bligh (2008) found that leader attributions were negative when followers perceived leaders to engage in cronyism and favoritism. Dansereau, Graen, and Haga (1975) point out that preferential treatment

of certain followers can have a detrimental effect on perceptions of leader effectiveness and satisfaction due to perceptions of favoritism shown to members of the in-group.

Scandura (1999) asserts that out-group members are likely to feel inequitably and unjustly treated. The results of a related study showed that out-group members (low LMX) were more likely to file grievances than those with higher LMX relationships (Cleyman, Jex, & Love, 1993), indicative of the dissatisfaction associated with low LMX. In addition, perceptions of justice tend to be lower among out-group members than members in the in-group (Chi & Lo, 2003). Based on these findings, a main effect between leader–follower relationships on perceptions of leader toxicity is predicted:

H1. Observers' LMX relationships will have a significant effect *on perceptions of leader toxicity*. Specifically, out-group participants will perceive the leader to be toxic to a greater extent than those in high exchange relationships.

Intentions to challenge

Although no studies exist that have examined followers' intentions to challenge toxic leaders, there are several streams of organizational research that have bearing on this study. Studies on workplace retaliation (Bies & Tripp, 1996; Skarlicki & Folger, 1997; Tripp, Bies, & Aquino, 2002) provide insight as to how followers will react when they perceive someone, or themselves, to be treated inequitably by the organization. When an employee witnesses organizational wrongdoing, there are factors that explain when people will blow the whistle on their employer. Further, positive and negative norms of reciprocity in LMX relationships might also influence followers' willingness to confront the toxic actions of leaders (Gouldner, 1960; Uhl-Bien & Maslyn, 2003).

Studies of workplace retaliation (Skarlicki & Folger, 1997) have found that when employees perceive that they have been treated poorly or unfairly, they seek to even the score. Bies and Tripp (1996) found that if victims believed the perpetrator's actions were taken with the purpose of imposing harm to the target, retaliatory responses were more likely to be reported. The leader behaviors that were most likely to prompt retaliatory actions included being wrongly or unfairly accused and criticized or insulted in public, behaviors that have emerged in the literature as being toxic (Einarsen et al., 2007; Lipman-Blumen, 2005; Tepper, 2000).

In the context of blowing the whistle on a toxic leader, the same factors that motivate employees to expose organizational wrongdoing might also influence employees to challenge toxic leader behaviors. Factors inhibiting employees' willingness to report wrongdoing include fear of retaliation (Alford, 2001; Near & Miceli, 1987) and fear of being rejected by other organizational members (Miceli & Near, 1988). Employees who remain silent are generally dissatisfied with their working environment.

Characteristics of whistle-blowers and those who challenge toxic leadership might differ as a function of the relationships leaders develop with their followers, and the pressures and obligations associated with favored and out-group status. Employees who have high quality exchange relationships likely trust their leaders to act in their best interests, so they might not perceive the leader's behaviors as harmful. Employees who feel excluded or distanced by the leader might be more likely to report the leader's actions.

Applying norms of reciprocity to LMX and challenging intentions, followers who have high quality exchange relationships with their leaders might be more likely to engage in positive norms of reciprocity via an interest motive, whereby these subordinates shift their focus from self-interest to mutual interest, characterized by an "unselfish devotion and deep concern for the other" (Uhl-Bien & Maslyn, 2003, p. 514). Followers in the out-group may be more likely to retaliate, or return the injuries to the leader to balance the inequity that may derive from low quality exchange relationships (i.e., negative reciprocity).

Townsend, Phillips, and Elkins (2000) examined the negative consequences of low quality LMX relationships. Their hypothesis that high LMX relationships would be positively related to organizational citizenship behaviors was supported. This result is not surprising based on the tendency of in-group members to reciprocate for the benefits they receive as a function of their group status. What is important to note was that employees in low LMX relationships reported engaging in retaliatory behaviors more so than their high LMX counterparts, suggesting out-group members are motivated to act out as a means of restoring equity. Therefore, the following is predicted:

H2. Observers' LMX relationships will have a significant effect on *intentions to challenge* the toxic leader. Specifically, participants in the out-group will be more likely to challenge than those having favored status.

Social identity and identification with the victim

When a leader behaves in a manner that is perceived to be harmful, an employee's motivation and subsequent decision to speak out might be influenced by the observer's identification with the victim (i.e., target salience). If an individual identifies strongly with his or her social group (i.e., LMX group), and, if the target of the toxic behavior is a member of that individual's group, does that identification influence one's willingness to challenge the leader?

Social identity refers to the individual's knowledge that he or she belongs to certain social groups, and these groups have some emotional and value significance to him or her (Tajfel & Turner, 1986). The first premise of social identity theory is that people strive to establish or enhance positive self-esteem. The second assumption is the notion that a part of the person's self-concept—his or her social identity—is based on that individual's group membership. Third, the person "strives for positive differentiation of his or her in-group from relevant out-groups" (Tajfel & Turner, 1979, p. 16). In short, membership in a group that is salient in terms of

values, attitudes, and purpose, prompts an individual to identify strongly with other members of the group based on shared similarities.

Drawing on Tajfel and Turner (1979), Dovidio et al. (1997) argue that the notion of "we-ness" (a sense of connectedness that occurs when group identity is strong) influences in-group members' willingness to help others in their group. The concept of we-ness implies that there is likely be the notion of "they-ness." The mere existence of this dichotomy suggests that bias is present when individuals are categorized into one of these two groups. That being said, it is plausible to assert that one's perceptions of leader toxicity might depend on the victim's group membership. If the leader is targeting "one of their own," followers sharing the same group membership as the target will perceive the leader's behavior as more egregious than when they do not identify with the target. The following is predicted:

H3. There will be an interaction between leader–follower relationships and identification with the victim of leader toxicity on *perceptions of leader toxicity*. Specifically, when the target is salient to LMX out-group observers, out-group participants will view the leader as toxic to a greater extent than participants having favored status, and when the target is identifiable as having favored status with the leader, participants with favored status will perceive the leader to be toxic to a greater extent than out-group participants.

Target salience and challenging intentions

Individuals who are part of the leader's entourage might self-categorize on dimensions of preferred status, mutual abilities, compatible interests, and/or achievement orientation (Hogg et al., 2005). Conversely, subordinates who realize they are not members of the in-group might self-categorize based on some salient feature associated with out-group membership (e.g., feelings of injustice and inequity). These categorizations have implications for challenging toxic leaders.

In a series of experiments, Sole, Marton, and Hornstein (1975) investigated the role of social categorization in participants' altruistic behavior toward a stranger perceived to be a member of the in-group (experiment 1), and a stranger perceived to be in the out-group (experiment 2). These researchers hypothesized that altruistic behavior would be based on common category membership and found that the exhibition of altruistic social relationships was determined primarily by social categorization. Helping behaviors increased with increased similarity to the stranger.

Gordijn, Yzerbyt, Wigboldus, and Dumont (2006) examined reactions to situations in which a person, although not personally involved, could see him or herself connected to either the perpetrator, or the target of unfair behavior. These researchers argued that the extent to which observers judge a behavior to be unfair, and the extent to which that behavior does or does not elicit anger and influences observers' intentions to challenge, depend on the relative salience of their similarities to either the perpetrator or the victim. Gordijn et al. (2006) found that making similarities salient to the victims led participants to appraise the perpetrator's behavior as more unfair, experience more anger, and be more likely to take action against the perpetrator. In short, when individuals witness one of their group members being targeted by a toxic leader, they are more likely to intervene than when the target is a member of the other group. Based on these research findings, the following is posited:

H4. An interaction between leader–follower relationships and target salience on *intentions to challenge* is predicted. When the target is salient to out-group observers (i.e., is perceived to be an LMX out-group member), out-group participants' intentions to challenge the leader will be greater than participants having favored status. When the target is identifiable as having favored status, participants with favored status will report greater intentions to challenge the leader than participants in the LMX out-group.

Method

Design

An experimental 2×3 between-subjects factorial design was used to test the hypotheses. The independent variables were leader–member exchange quality and identification with the victim (i.e., target salience). LMX quality consisted of two levels, in-group and out-group status (high and low exchange). In-group and out-group status was manipulated through the use of written scenarios that described the nature of the relationship between the leader and each follower, and leader feedback on an assignment. These manipulations were tested through the administration of Liden and Maslyn's (1998) LMX–MDM Scale.

The second independent variable, identification with the target, consisted of two levels: target identifiable as member of the LMX in-group and target as LMX out-group member. To test the main effect of LMX, the target was not identifiable with either the favored group or out-group observers (i.e., the target was not identified as associated with either group). Target salience and LMX status of participants were manipulated by the assignment of different colored vests.

Dependent variables

There were two dependent variables in this study: perceptions of leader toxicity and intentions to challenge. Toxic leader perceptions were defined as the participants' beliefs that the leader was acting in a manner that was harmful to the target. Intentions to challenge were defined as direct (e.g., confront the leader directly, e-mail the leader about one's concern) and indirect actions

(e.g., report the leader to an authority) intended to bring the leader's actions to the attention of the leader's superior or another party.

Participants

A total of 306 graduate and undergraduate students from a southern California university with diverse working experience participated. Distributions were analyzed for evidence of non-normality. Eight outliers were deleted from the sample, yielding 298 cases.

Demographics

Of the 298 participants, 101 (34%) were male and 197 (66%) were female. Participants' ages ranged from 18 to 61 years of age with a mean of 27 years ($SD = 8.0$). With regard to race/ethnicity, 112 participants (38%) were Hispanic, 92 (31%) were White, 46 (16%) were African-American, and 37 (12%) Asian-Pacific Islander. The remainder of the sample consisted of 7 Filipinos (2%), 1 Jordanian, and 3 Native Americans (1%).

Work and supervisory experience

Students working full-time (89 participants) comprised 30% of the sample. One hundred and eighty-nine individuals (63%) indicated they were working part-time, and 20 people (7%) indicated they were not currently employed but had work experience. Participants ($n = 119$) with supervisory experience made up 40% of the sample, with 60% of the sample (179 individuals) reporting they did not have experience in supervision.

Participants by condition

Participants were randomly assigned to one of three experimental conditions (see Table 1). Across all conditions, there were 147 participants who were assigned in-group status and 151 individuals assigned out-group status.

Materials

Three video vignettes were created that portrayed a leader displaying toxic behaviors directed at a target. Several behavioral concepts in Tepper's (2000) typology that were contextually relevant were selected; also included in the vignette were behaviors endorsed as highly destructive in Pelletier's (2010) study (Table 2).

The leader in the video was a male Caucasian in his mid-thirties; the confederate target was also a male Caucasian in his mid-thirties. The videos were identical with the exception of the color of the target's vest. To test Hypotheses 1 and 2, one video showed the leader being toxic to an employee who was not identifiable as a member of the LMX in-group or out-group (i.e., the target was not wearing a vest). The second video was identical to the first vignette, but in this case, showed the leader being toxic to a target wearing the same color vest as observers in the LMX out-group. The target in the third video was shown wearing an orange vest (the color associated with in-group observer status).

The context of each video was a staff meeting related to the task in which the participants were made to believe they would be involved. The target was shown twice in the video. These shots were brief, yet provided enough time for the participants to note the color of the target's vest. The target provided no emotional cues as to how the leader was affecting him. At the conclusion of the video, the participants completed the Perceptions of Leader Toxicity and Intentions to Challenge questionnaires.

Measures

Leader–member exchange

To assess the quality of exchange relationships, the Liden and Maslyn (1998) LMX–MDM questionnaire (12 items) was used to verify that the participants perceived their subordinate status as intended by the LMX manipulation. The scale items reflect the multidimensionality of LMX through four underlying and interrelated dimensions of leader–member relationships: affect (mutual affection between leader and follower), loyalty (trust, support), contribution (effort put toward the task), and professional respect.

Table 1
Number of participants by condition.

Target/victim status	LMX observer status	Number of participants
Ambiguous	In-group	49
	Out-group	51
In-group	In-group	51
	Out-group	50
Out-group	In-group	47
	Out-group	50

Table 2
Toxic behaviors included in video.

Behavioral characteristics	Items included in the video
Demeaning	• Hanging a "wall of shame" board to post employee blunders
Ridiculing	• Publicly ridiculing an employee's work
Mocking	• Mocking employees as a display of humor
Degrading	• Asking one of your coworkers, "Is this the best you can do?"
Excluding individuals from social functions	• Inviting specific employees to social events and excluding others
Ostracizing employee	• Telling an employee that he or she is not a team player
Exhibiting favoritism	• Inviting specific employees to social events and excluding others
Displaying anger	• Yelling when a deadline is missed
Emotional volatility	• Throwing a tantrum when goals are not met
	• Slamming a fist on the table
Threatening employees' job security	• Threatening to terminate a coworker, even if the statement is made in a joking manner
	• Making an employee feel as though his or her job is in jeopardy
Forcing people to endure hardships	• Making employees work until the job is done, even if it means they must work all night
Lack of integrity	• Taking credit for someone else's work
	• Blaming others for the leader's mistakes

Respondents indicated their agreement with each statement on a Likert-type scale ranging from 1 = "strongly disagree" to 7 = "strongly agree." Example items included "I like this leader very much as a person" and "My leader would come to my defense if I were attacked by others." The coefficient alpha was .97.

Perceptions of toxic leadership (PTLS) scale

An 18-item scale developed by the author measured participants' perceptions of toxic leadership. This measure included constructs present in the literature on destructive leadership: threat to self-esteem, psychological distress, psychological safety, toxicity (enduring, negative effect on the observer), and ideology of divisiveness. "This leader's behavior would demoralize me" assessed threats to self-esteem. Unlike existing measures of abusiveness that ask respondents to identify behaviors of their leaders and note the prevalence of the exhibition of these behaviors, the PTLS was developed to evaluate followers' perceived psychological distress resulting from these destructive behaviors, a key element in Lipman-Blumen's (2005) definition of leader toxicity. An example of an item tapping into psychological distress was "This leader's behavior is upsetting to me." An example of a psychological safety item was "I believe this leader is intentionally trying to harm someone." "This leader would pit others against me" assessed an ideology of divisiveness. An item measuring toxicity directly was "This leader would have a negative, enduring effect on me." Respondents indicated their agreement with each statement on a Likert-type scale ranging from 1, "strongly disagree" to 9, "strongly agree." A Principal Axis Factor analysis indicated the presence of a general underlying factor of toxicity. Coefficient alpha for the PTLS was .83.

Intentions to challenge scale

A 5-item scale, also developed by the researcher, measured participants' likelihood of challenging the toxic leader. Intentions to challenge were defined as the participant's inclination to challenge the leader's behavior. Example items included confronting the leader directly (4 items) or reporting the leader to a higher authority (1 item). Respondents indicated their intentions to challenge on a Likert-type scale ranging from 1, "not at all likely" to 7, "extremely likely." The alpha coefficient for this scale was .65. Nunnally (1978) indicated that lower values (i.e., alphas of .60 to .70) are acceptable for exploratory research with newly-developed scales.

Procedure

Participants were run in groups of six to 12 people. Upon arrival at the lab, participants were given a participant number and a clipboard containing a brief survival task with content unrelated to the study. The survival task served as a pretext to establish social identity and served as the initial step in the development of the LMX relationship (i.e., establishing subordinate competence). Participants were led to believe they would be assigned to groups based on the leader's evaluation of their performance on the survival task, but were in fact, randomly assigned.

Upon completion of the survival exercise, the confederate lab assistant delivered the answer sheets of the survival task to the project supervisor for evaluation. Several minutes later, the lab assistant returned to the lab and stated that the project supervisor had reviewed all of the survival tasks. The lab assistant gave the experimenter a piece of paper containing identification numbers generated randomly. As a part of the in-group manipulation, and as a first step in the development of high exchange relationships, these participants were given recognition by the experimenter who referred to them by their participant identification numbers and asked them to step forward. They were also given positive feedback about their performance on the survival task. These in-group participants were asked to sit at one table and to put on an orange vest. For the out-group classification, the experimenter simply asked the participants who would comprise the out-group to sit at another table and to don yellow vests.

Table 3
Correlations of all study variables.

Variable name	Mn	SD	1	2	3	4	5	6
1. LMX status[a]	49.3%	Favored						
2. PTL[b]	6.73	1.21	.250**					
3. Int Challenge[b]	3.68	1.02	.029	.104				
4. Age	27.47	8.26	−.043	.011	.042			
5. Yrs Worked	8.55	7.89	.080	−.021	.111	.845**		
6. Superv Exp[a]	39.9%	Yes	.045	.003	−.101	−.355**	−.444**	
7. Gender[a]	33.9%	Male	−.111	.092	.106	−.026	.003	.111

**Correlation is significant at the 0.01 level (2-tailed).
[a] Dichotomous variables, LMX Status 1 = ingroup, 2 = outgroup; Supervisory Experience 1 = Yes, 2 = No; Gender, 1 = Male, 2 = Female.
[b] Means shown are item means on Likert scale ranging from 1 to 7.

The experimenter then handed out two written vignettes that described several developmental steps and characteristics of the leader–member exchange relationship. The first vignette described the high exchange relationship; the second narrative defined the nature of the low LMX relationship. After reading the vignettes, the participants completed the LMX–MDM scale.

Participants then viewed one of the three videos. In the video, the project supervisor was speaking and behaving in a toxic manner to someone at the table. When the video concluded, participants completed the Perceptions of Leader Toxicity and Intentions to Challenge questionnaires. The experimenter conducted an oral debriefing session to mitigate any discomfort resulting from the leader's actions in the video and to assess that the participants recognized the target's LMX status. The experimenter asked each individual to describe the target. Participants were included in the final sample if they noted the color of the vest correctly. As evidence that identification with the target was based on LMX identity, several representative comments from participants in the target salient condition were, "I wanted to be sitting at the other table" (i.e., with the participants who were in a different LMX group). When the leader targeted the in-group victim, comments by observers in the in-group condition included, "I thought the leader liked us," and "That could have been me." Representative comments from participants in the LMX out-group condition included "I guess being in this group (i.e., the out-group) has *some* advantages" and "I wondered why he was going after him since the manager thought those guys (participants who were recognized by the leader) did better on the exercise."

Leader–member exchange manipulation check

Graen and Uhl-Bien (1995) discuss the initial stage of LMX formation as the discovery of differentiated dyads, with early categorizations of the leader–follower relationships as "strangers." This stage is most typically characterized by the leader's assessment of each subordinate's competence and ability, and the recognition that these competent followers are being treated differently from those in low exchange relationships. The very first action the participants believed the leader to have performed was the evaluation of their competence in completing the survival task. Moreover, each individual who was assigned to the LMX in-group condition was recognized publicly based on his or her performance on the survival exercise. Based on the comments of the participants in the debriefing stage, participants realized that relationship differentiation was taking place. The second developmental phase evaluates characteristics of the LMX relationship. This stage was manipulated through the inclusion of key characteristics of the high and low exchange relationships within the written narratives.

To test the effectiveness of the LMX manipulations to generate perceptions of being in a high or low exchange relationship, the LMX–MDM ratings were compared for participants in the favored and out-group status conditions. High exchange relationships were denoted by higher ratings on the LMX–MDM Scale ($M = 5.85$, CI [5.73, 5.96]). Out-group status was reflected by lower ratings ($M = 2.74$, CI [2.57, 2.90]). This difference was statistically significant, $t(296) = 29.65$, $p < .001$, Cohen's $d = 3.44$.

Results

Prior to running the main analyses, one-way analyses of variance were conducted to determine if there were significant differences in the dependent variables based on the demographics and employment characteristics of the sample. There were no significant differences in perceptions of leader toxicity or intentions to challenge based on these demographics, indicating that the sex and race of the leader and target did not influence significantly the observers' perceptions of and reactions to the leader. Variable correlations are presented in Table 3; correlations by LMX condition are shown in Table 4.

Effects of LMX on dependent variables

Hypothesis 1 posited that participants in the LMX out-group would perceive the leader to be toxic to a greater extent than participants having favored status with the leader. Because of significant skewness, the perceptions of leader toxicity variable was transformed.[1] That prediction was supported, $t(98) = 9.02$, $p < .001$, Cohen's $d = .67$. The mean for out-group participants

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[1] The distribution for the perceptions of toxic leadership dependent variable was negatively skewed (−.656, $z = 4.65$). Following Tabachnick and Fidell (2001), this variable was transformed with a square root. After transformation, the variable met the assumption for normality; skewness was .103. The transformed variable was used in all analyses where appropriate.

Table 4
Correlations by LMX condition.

Variable name	1	2	3	4	5	6
1. PTL	–	.097	.073	.041	−.061	.076
2. Int challenge	.106	–	.124	.142	−.032	.161
3. Age	−.039	−.037	–	.878[**]	−.418[**]	.002
4. Years worked	−.056	.083	.810[**]	–	−.495[**]	.070
5. Superv Exp[a]	.052	−.171[*]	−.287[**]	−.384[**]	–	.131
6. Gender[a]	.178	.066	−.063	−.085[**]	.104	–

Superv Exp: 1—Supervisory Experience; 2—No Experience.
Gender: 1—Male; 2—Female.
Correlations in the top half of the diagonal are from the LMX in–group condition; bottom half are correlations from the LMX out–group condition.
 * p<.05.
 ** p<.01.
 [a] Dichotomous variables.

was 7.40 ($SD = .72$, transformed $M = 1.61$) and the mean for participants having favored status was 5.63 ($SD = 1.19$, transformed $M = 2.08$).

Hypothesis 2 posited that participants in the LMX out-group would report greater likelihood of challenging the leader than participants with favored status. A t test revealed support for that prediction, $t(98) = -2.34$, $p = .021$. The mean for out-group participants was 4.83 ($SD = 1.24$) and the mean for participants having favored status was 4.23 ($SD = 1.32$). There was a small but statistically significant effect size of LMX status on challenging intentions (Cohen's $d = .23$).

Target salience

Hypothesis 3 posited an interaction between participants' LMX status with the leader and target salience on perceptions of leader toxicity. The interaction was tested using planned comparisons of the relevant LMX group means.

There was a significant mean difference in perceptions of toxic leadership between participants with favored status (transformed $M = 2.03$) and those in the LMX out-group (transformed $M = 1.84$), $t(95) = 2.88$, $p = .005$, Cohen's $d = .58$. For ease of interpretation, the untransformed scale means (on a 9-point scale) for favored status participants was 6.51 ($SD = 1.25$) and 7.20 ($SD = .92$) for out-group participants. When the target was salient to out-group members, observers having out-group status viewed the leader as toxic to a greater extent than participants having favored status.

When the target was identified as being a member of the LMX in-group, participants with favored status perceived the leader to be toxic to a greater extent than out-group participants, $t(99) = 2.56$, $p = .012$. Cohen's $d = .51$. Participants having favored status reported greater toxicity in the leader's behavior ($M = 7.07$, $SD = 1.10$, transformed $M = 2.00$) than participants in the LMX out-group ($M = 6.52$, $SD = 1.12$, transformed $M = 1.84$).

Hypothesis 4 predicted an interaction between participants' status with the leader and target salience on intentions to challenge the leader. There was no significant difference in challenging intentions between participants having favored status ($M = 4.69$, $SD = 1.29$) and those having out-group status ($M = 4.51$, $SD = 1.24$) when the target was salient to the LMX out-group, $t(95) = .723$, $p = .471$. When the target was perceived as having favored status, intentions to challenge did not differ significantly between participants with high exchange relationships ($M = 4.75$, $SD = 1.12$) and respondents having LMX out-group status ($M = 4.55$, $SD = 1.38$).

Discussion

The primary goals of this study were to extend research on harmful leadership by explicating the influence of LMX relationships on perceptions of leader toxicity and followers' intentions to challenge. This research also sought to provide insight into the role of social identity with LMX group assignment and target salience (i.e., identification with the target) in influencing followers' perceptions of leadership and their willingness to confront the leader. The results show that observers perceived the leader to be toxic to a greater extent when the leader was targeting someone in their LMX grouping, and were more willing to challenge the leader than were in-group members.

In-group observers did not view the leader to be as toxic as their out-group counterparts, nor were they as likely to challenge the leader. The role of the in-group in enabling leader toxicity has been witnessed over the past several decades. The devastating consequences associated with cults and terrorist groups (e.g., Jonestown, New York City on 9/11) at the hands of toxic leaders illustrate the obligations associated with maintaining favored status. The desire to remain loyal to the leader is especially strong when the constituents believe that they are among the "chosen" or when they are bestowed with the perks of in-group status (Lipman-Blumen, 2005). In exchange for these benefits, some followers become blindly obedient. When they refrain from voicing dissent, or when they remain compliant, their inaction might be based on their belief that leader will continue to provide them with psychological or physical safety. As we saw with the suicides in Jonestown, the followers obeyed their leader with fatal consequences (Barker, 1986).

In an organizational context, we witnessed the decline of Enron due to the toxic behaviors of key leaders in the organization. These leaders embedded a culture of greed; they established in-groups (ambitious, productive traders) and rewarded these employees often, and handsomely, for their efforts (McLean & Elkind, 2004). The in-group colluded with its leaders by engaging willingly in destructive, Machiavellian behavior to retain the perks of in-group membership. Further, although many traders realized that their activities were immoral, they continued to do whatever was necessary to ensure profits. Since these in-group employees were closer to their leaders than member of the out-group, they were likely aware of the leaders' toxic agendas. Based on these factors, it would seem reasonable that LMX in-group members would not only be able to challenge the leader, but also "live to tell about it." The results of this study, however, show that it was the members of the out-group who were most likely to confront leader toxicity.

Perceptions of leader toxicity

Hypothesis 1 posited that out-group participants would perceive the leader to be destructive more so than the respondents who had favored status. This prediction was supported. This finding is consistent with Deluga (1998) and Graen and Uhl-Bien (1995) who found differences in perceptions of leader effectiveness and leader satisfaction based on LMX group membership. These researchers found that out-group members reported greater dissatisfaction with the leader and perceived the leader to be less effective than LMX in-group members. This result is not surprising considering the negative characteristics of out-group membership that include differential treatment (Scandura, 1999), less access to, or support from, the leader (Graen et al., 1982). Followers who do not receive the benefits associated with favored status may be more watchful, and perhaps more critical of, the leader's behavior.

Another explanation for the finding that out-group members perceived greater toxicity than participants with favored status might involve justice evaluations. Scandura (1999) and Chi and Lo (2003) found that out-group members were less likely to view their leaders as trustworthy than members of the favored status group. It is plausible that perceptions of toxicity were also influenced by the same LMX factors that promoted perceptual differences in the trustworthiness and fairness of leaders identified in these previous studies. Conversely, if the follower is given autonomy, support, and additional perks based on LMX in-group membership, the individual might be blinded to the leader's shortcomings or be biased in favor of the leader due to feelings of loyalty, reciprocity, and trust. In-group members might actually go as far as to aid and abet a toxic leader, as in the case of Enron. A statement representing this phenomenon was made during the oral debriefing session. When an out-group participant pointed out the leader's toxic behavior, an in-group participant defended the leader. The out-group member asked, "Didn't you see what he did" and "how can you be 'okay' with him (the leader)?" The response by the in-group participant was, "he was just doing what needed to be done."

Identification with the target was also a factor in influencing perceptions of leader toxicity. The mean differences were greater in each LMX observer group when the target was also perceived as a member of their group, thus supporting the interaction in Hypothesis 3. These results are congruent with Gordijn et al.'s (2006) findings that the extent to which observers judge behaviors to be unfair are largely a function of social identity salience. Elaborating further, in this study, when the target was germane to the participant in terms of shared LMX status, the observer might have perceived greater injustice (Chi & Lo, 2003) and anger toward the leader, and greater empathy for the target (Greif & Hogan, 1973). These feelings might explain why perceptions of leader toxicity were greater when the participant identified with the target.

Participants may have also viewed the leader as toxic to a greater extent when the leader targeted a member of their social group based on the notion of "we-ness" that is associated with social identity group membership (Brewer, 1991). When the leader's toxic behavior was directed at a member of the observers' LMX group, the observers might have been compelled to report higher ratings of toxicity based on the fact that "one of their own" was being victimized. The same can be said of the favored status group when the leader was targeting someone with LMX in-group status.

The lion's share of the research conducted on LMX focuses on the benefits of high exchange relationships, with little discussion devoted to low exchange relationships. These results reveal consequences associated with high LMX relationships that go beyond the traditional individual-level outcomes (e.g., organizational commitment and citizenship behaviors, job satisfaction). Although employees who are the closest to the leader are positioned to have greater knowledge of the leader's agenda and motives than those in the periphery, these individuals are not likely to acknowledge leader toxicity. If organizations are seeking to evaluate top leadership, the results of this study suggest out-group members should be involved in the appraisal process as these individuals detected the toxic behavior and indicated greater willingness to challenge the behavior. When investigating a grievance, if relying solely on the input from those closest to the leader, the testimony could be biased.

Another implication of these results is that when leaders develop low exchange relationships with certain employees, these individuals might view any decision or behavior of the leader as unjust. Even if the leader is acting on behalf of the organization, employees might view him or her as toxic if they are unaware of the rationale behind the decision or actions, which is likely given their distance from the leader.

Intentions to challenge

Hypothesis 2 posited that out-group participants would be more likely to challenge than individuals in the in-group. This prediction was supported. Cleyman et al. (1993) found that employee dissatisfaction with leaders was related to increases in

grievances. There is no known research on challenging behavior based on LMX group status, but it is reasonable to consider filing a grievance to be a method of challenging or a means of returning injury as in negative reciprocity (Uhl-Bien & Maslyn, 2003).

Kellerman (2008) discusses the role of the follower in challenging or enabling leader toxicity and asserts that followers who hold the leader in high regard may take on the role of "participants." These participants care deeply about the leader and invest heavily in the leader's agenda. Given these factors, the respondents in the in-group might have been less likely to view the leader's behavior as toxic, since their experience with the leader had been described as a positive, and equitable, interchange. She also discusses the role of "bystander" that has implications for this study. Followers who take on this role are disengaged and may have a tendency toward passivity, thus enabling the leader to continue imposing his or her destructive agenda on followers and the organization.

Another consideration in challenging behavior might be the individual's assessment of the cost versus the benefit of intervening. Batson (1987) found that the likelihood of intervening was based on an evaluation of the cost of helping relative to the rewards for challenging. If the outcome outweighed the cost of helping, a person was more likely to intervene. Since out-group members do not typically receive many occupational or emotional perks from the leader relative to those having favored status, the mere act of challenging the leader might, in their minds, be a reward in itself, even though the action could bring about retaliation for members of the out-group. Consequently, LMX out-group observers may have been motivated to "balance the inequity scale" by reporting the leader or confronting the leader directly (Skarlicki & Folger, 1997). The lower ratings on challenging intentions from participants having a high exchange relationship could be attributed to their belief that they would lose position resources (e.g., status, acknowledgment from the leader) had they challenged the leader.

Batson (1987) also noted that helping behaviors increased as empathy with the victim increased. It is plausible to consider that victim empathy might have motivated out-group participants to challenge based on the out-group's perceptions that they, themselves, were victims.

A recent political event in the context of state government characterizes these results quite well. In 2011, the governor of Wisconsin proposed legislation in the form of a budget repair bill that stripped key tenets of collective bargaining. The toxic nature of this case was that the governor was secretive in his decision to propose this legislation; he did not mention this topic during his campaign. Further, there were indicators that the governor had other motives for advancing this legislation that went beyond reducing the state's deficit. Fourteen elected officials in the minority party left the state to challenge what they felt was an attack by the governor on their constituents, many of whom were union members (Grier, 2011). In this scenario, these union employees could be considered comparable to members of the out-group who were being targeted. It is likely that the 14 state officials empathized with the employees or felt that they needed to take a stand to ensure an equitable outcome for the targeted constituents. As the minority party, they had already lost position resources.

Hypothesis 4 posited an interaction between LMX status and target salience on participants' likelihood of challenging. Although the differences in challenging intentions by LMX status of the observer and identification with the target were not significant, they were in the direction hypothesized. Both in-group and out-group participants reported they would likely challenge the leader, with the in-group reporting greater likelihood of challenging the leader, regardless of the status of the target. Although intentions did not differ significantly, the responses warrant further examination and discussion.

The lack of a significant interaction on intentions to challenge contradicts results in studies of social identity that found intervention is more likely when the victim was perceived as being in the same social group as the observer (Dovidio et al., 1997; Sole et al., 1975). Since the participants in this study were led to believe they would be working with the leader, their level of willingness to challenge the leader when the leader was targeting a member of their LMX group might have been influenced by the costs of helping (i.e., ostracism, loss of in-group benefits) outweighing the rewards for intervening. Further, positive norms of reciprocity within the in-group observer condition may explain why this group did not indicate strong intentions to challenge (Uhl-Bien & Maslyn, 2003). The disadvantages to LMX out-group observers could have included fear of retaliation or further distancing by the leader.

Strengths and limitations

An important strength of this study is its contribution to our understanding of followers' perceptions of toxic leadership and their willingness to challenge. Moreover, this research is the first study to examine influence of LMX and target salience on perceptions of and reactions to leader toxicity in a lab setting. This study, however, is not without limitations. One limitation is that the results of this lab experiment may or may not generalize well to any specific organization. This study did, however, meet several validity criteria for psychological, experimental realism (Berkowitz & Donnerstein, 1982). Having participants observe a staff meeting in which they felt they were actual participants in the meeting enhanced contextual realism. The use of vivid manipulations (i.e., witnessing a leader targeting an employee) and creating salient stakes (i.e., observers were led to believe that they would be working for the leader on a task) enhanced construct validity and possible replication of findings in a field setting (Colquitt, 2008). Many studies of destructive and abusive leadership have relied on the use of cases, written scenarios (e.g., Schaubroeck, Walumbwa, Ganster, & Kepes, 2007; Tepper, 2000) and descriptive narratives (Hochwarter, James, Johnson, & Ferris, 2004) to portray aspects of destructive leadership. By utilizing video presentations, "active" and visible components of toxic leadership behaviors could be depicted through richer and more detailed behavioral incidents, thus providing greater face validity to the study (Weekley & Jones, 1997).

The LMX manipulation used in this study had advantages and limitations. The advantage was the ability to generate perceptions of being in a high or low LMX exchange based on a descriptive narrative that outlined several of the key steps in LMX relationship development. The ability to manipulate initial LMX exchanges in a lab setting provides opportunities for further experimental research on LMX relationships on sensitive topics such as toxic leadership, leader ethics, and corruption.

Although being able to manipulate feelings of favored and out-group status through a lab manipulation of LMX was advantageous, participants did not experience all of the developmental stages of LMX formation. They did not have actual experience working with the leader or the target due to time limitations common in lab studies. Consequently, feelings of affect and loyalty may not have been established beyond the LMX descriptive narratives as evidenced by the ratings applied to the LMX–MDM scale. To address this limitation, future studies in lab settings could employ a confederate leader who actually works and interacts with participants prior to the individuals evaluating the leader and indicating their intentions to challenge.

A third limitation in this study involves the potential for measurement error. There are no validated measures that assess challenging intentions; consequently, the inability to find significant differences in intentions to challenge might be attributed to the scale used in this study. Further, if participants responded in a socially desirable manner, the ratings could have been inflated. Future research should incorporate different methods for assessing challenging behavior. Examples could include providing opportunities for challenging at the conclusion of the lab experiment (e.g., having the leader enter the lab at the conclusion of the video and noting challenging behaviors of each participant).

Implications and areas for future research

This study has implications not only for organizations and their leaders, but the followers as well. The most obvious implication is that due to the consequences of destructive leadership, every effort should be make to prevent toxic leaders from entering the organization, or to reduce the likelihood of the emergence of these behaviors (Lipman-Blumen, 2005; Mitchell & Ambrose, 2007; Tepper, 2000).

With regard to high exchange relationships, Bailey's (1988) description of the role obligations of the entourage also merits discussion in the topic of toxic leadership. LMX in-group members enjoy favored status with its accompanying perks. The feelings of blind devotion and loyalty to the leader might veil the followers' view of the leader's shortcomings and might also inhibit members of the LMX in-group from challenging a leader's destructive actions. Moreover, based on the findings in this study, followers in the out-group might be the organization's best assets for ensuring a healthy work climate since they were more willing to challenge; however, as research on whistleblowing portends, this group might refrain from voicing dissatisfaction if they fear retaliation by the leader or the organization.

To increase followers' involvement in challenging the leader, I propose building on the findings of this study by identifying the organizational contextual factors that would promote a safe environment for exposing and confronting leader toxicity are critical. Padilla, Hogan, and Kaiser (2007) discuss the environments that are conducive for the emergence of destructive leadership (i.e., instability, lack of accountability, values). They also present characteristics of followers that enable destructiveness. Their research is important as it explains how leader destructiveness emerges and is sustained. Conversely, understanding the environment and leader–follower relationships that are favorable for challenging leader toxicity is also timely for organizations seeking to improve their culture. Consequently, organizations should administer culture assessments regularly that include measures of leader effectiveness and toxicity. Whistle-blowing studies also provide an excellent starting point for this stream of research as many of the individual and organization-level factors that predict whistle-blowing are relevant to challenging a destructive leader. In addition, an examination of the individual-level factors (e.g., follower empathy, apathy, experience with oppression, pragmatism) would add to our understanding of the salient aspects of social identity that influence observers' reactions to toxic leaders.

The phenomenon of groupthink shares similarities with the LMX in-group dynamics (Janis, 1972). It is quite possible that group cohesion and symptoms of groupthink could have an effect on followers' deliberations as to whether they will challenge the leader or engage in self-censorship. Further, there may be LMX group differences with regard to the emergence of groupthink symptoms that would be of interest to leadership researchers and practitioners. Would mindguarding be more prevalent by members of the LMX in-group? Would employees with favored status apply direct pressure to inhibit criticism of the leader?

Lipman-Blumen (2005) cautions about challenging a toxic leader without the aid of a powerful coalition. This study showed that the out-group was more likely to perceive the leader's behavior as toxic; therefore, if an out-group target is afraid to approach the leader by him or herself, he or she might find members of the out-group who are willing to provide support. Further, if the target is a member of the in-group, he or she might find it difficult to recruit other in-group employees unless they are willing to risk their status with the leader.

Since many employees opt to leave the organization rather than tolerate leader toxicity, organizations should ensure that exit interviews are not only administered, but also *evaluated* to determine when the use of executive coaches would be beneficial. Further, organizational executives should assure confidentiality when seeking feedback from incumbent employees.

In conclusion, when followers fail to challenge or question leader toxicity, their apathy or passivity enables the leader to continue to impose harm on followers and the organization. Understanding how LMX relationships influence followers' perceptions of toxicity and the challenging preferences of followers might be helpful for organizations that wish to ensure their leadership is ethical and effective. Further, identifying the conditions under which followers feel safe to challenge a toxic leader would also be informative for organizations seeking to develop systems and processes to promote a supportive environment for challengers of toxic leaders.

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