



# **TOXIC VERSUS COOPERATIVE BEHAVIORS AT WORK: THE ROLE OF ORGANIZATIONAL CULTURE AND LEADERSHIP IN CREATING COMMUNITY-CENTERED ORGANIZATIONS**

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Recent headlines highlight the literal toxicity spewing from companies such as BP (oil spill), Hillandale Farms (salmonella poisoning), and W.R. Grace (vermiculite/asbestos poisoning). These incidents bring to mind an earlier rash of visible and high profile executives from such companies as Enron, WorldCom, and Tyco, who made headlines because of their self-centered, covetous, and irresponsible behavior towards shareholders and employees (Ivancevich, Duening, Gilbert, & Konopaske, 2003). Scholars suggest that such toxic behavior on the part of organizational leaders and managers exerts a negative impact on employee and firm productivity (Goldman, 2008; Vega & Comer, 2005). In this paper, we define the concept of a toxic workplace and discuss what factors contribute to its development. When leaders in organizations routinely display toxicity toward their employees (exhibited through excessive employee monitoring, micro-management, and politically-motivated performance appraisals), the outcomes will be radically different than from organizations in which community or collaboration is practiced. We argue that managers and leaders should attempt to reduce the amount of toxic influence within their organizations while consciously attempting to cultivate a community-centered organizational culture. We develop several testable propositions that explore how these two contrasting organizational models may influence important human resource and organizational outcomes. We conclude the paper with a discussion of community-centered organizations and provide suggestions on how to test a sample of our propositions with future research.

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The purpose of this paper is to create and contrast a model of narcissistic, self-focused organizations with high spirit workplaces that exemplify a community-centered approach. The theory we develop provides a framework from which to investigate pertinent research questions, such as whether “community-centered” organizations experience less corruption than their more “toxic” counterparts, and to what degree top leadership is responsible for creating an organizational culture (Schein, 1990) of collaboration. Next, we discuss how several human resource practices would be different based on these organizational typologies. In response to the recent epidemic of both public and noteworthy corporate scandals, we provide specific advice for leaders and managers on both how to avoid corporate narcissism and how to foster a collaborative work environment using current company examples. Leaders and managers set the emotional tone of a workplace. Most employees understand and accept the inevitable fact that their relationships at work will undergo occasional tense periods characterized by problems with their supervisors, co-workers, or customers, which in turn often lead to their experiencing temporary stress or emotional reactions (Ivancevich & DeFrank, 1998). This is normal. More extreme, however, are *toxic workplaces*, which can be detrimental to employee health and emotional well-being.

A workplace may be toxic if: (a) mediocre performance is rewarded over merit-based output (Colligan & Higgins, 2006; Doyle & Kleiner, 1993); (b) employees avoid disagreements with managers for fear of reprisal (Jones, 1996); (c) personal agendas take precedence over the long-term well-being of the company (Atkinson & Butcher, 2003); (d) leaders are constantly on edge and lose their tempers often (“Middle,” 2003); (e) new leaders do not stay long and employee turnover is common; and, (f) employees are treated more like financial liabilities than like assets (Macklem, 2005), and (g) bosses routinely throw temper tantrums, make unreasonable demands, scream, and use obscenities (Anonymous, 2008).

What factors contribute to toxic workplaces? Generally speaking, colleagues who do not feel the need to self-censor their behavior, overly demanding bosses, and an over focus on self-advancement contribute to toxicity at work. Managers who relentlessly pursue unreasonable profits from quarter to quarter can be a major source of this toxicity (Macklem, 2005), along with those who expect subordinates to cater to their every predilection (Anonymous, 2008). In such environments, employees are overburdened with work, strapped with tight deadlines, and unlikely to maintain work-life balance, given that their managers expect them to place work before all other priorities. Such managers are preoccupied with their own status and power and consequently keep their subordinates in the dark regarding key strategic and tactical issues (Hymowitz, 2004). Subordinates can feel left out of the decision making loop and betrayed by these types of managers, who often take credit for initiatives developed by their direct reports.

Social science researchers such as Bandura (2002) and Zimbardo (2004) have argued that it is not necessarily the person who is corrupt, but rather that persons develop a penchant for corruption when placed in institutional structures that encourage its practice. The illusions of grandeur, power, and the “satisfaction” of trouncing an opponent (or, humiliating a colleague) derive from a fragmented, false sense of self, or an egoic fixation, which is the root cause of toxic behavior (Koehn, 2007). Koehn described such toxic behavior as psychological, a self-centered disconnect from our humanity, and a subsequent severing of empathic ties to other people.

Self-centered behavior can lead to an excessive focus on self-gratification at work, which can result in the violation of others' rights or in abuses of control, bullying, and exploitation, as Koehn (2007, p. 3) noted: "Our illusions so consume us that we are not able to feel compassion toward others." In contrast, an integrated self is reflected in a cohesive entity (which we call "community"), which we define as a place where one is (a) surrounded by mutually supportive persons, (b) in an environment comprised of policies that are egalitarian and fair, and (c) supported by colleagues who are engaged in the process of self-development.

In the following sections of this paper, we explore the structural determinants of organizational toxicity and its manifestations in the workplace along with the institutionally sanctioned processes that develop callousness in top managers. Moral disengagement, dehumanization, and ego aggrandizement are used to describe the processes by which organizational policies of monitoring, micromanagement, and certain types of onerous performance appraisals can perpetuate toxicity within companies and can have a subsequent negative impact upon employees. Conversely, we explore the practices and leadership behaviors that encourage "community" within the structural, evaluative, and communicative aspects of organizational behavior. While previous authors have provided psychological perspectives of toxic manifestations (Bandura, 2002; Hollis, 2007; Zimbardo, 2004) and community practice (Peck, 1987) as separate ontological components, in this manuscript we bridge these two research domains by describing the transformation from corporate isolationism to a shared sense of purpose and to resulting communal sharing at work.

### **Structure and Toxicity within Organizations**

The recent flurry of top-level executives who have been subject to public shaming is indicative of a much larger corporate problem (Ivancevich, Konopaske & Gilbert, 2008). Their actions may in fact be the result of systemic organizational forces operating over a prolonged period of time. Organizations, with their potential to institutionalize corrupt practice, have the power to erode empathic behavior and to supplant it with destructive acts. Zimbardo (2004) in fact argues that the focus on individuals acts as a "smokescreen" in that certain persons can be demonized, while leaving the structure that contributed to their depravity intact. He further suggests that both situational and structural elements can overwhelm an individual's dispositional tendencies and formal training, inducing him or her to commit unthinkable acts. In organizations, toxicity is exhibited as a profound disrespect for others, and in a dehumanization, or de-individualization of persons who are adversely affected by corporate policies (Zimbardo).

Egocentric, or "narcissistic" managers can easily perpetuate a self-reinforcing pattern of behavior, one in which the conquered subordinate is transformed into an enabler, or an obsequious follower who willingly serves the boss. Downs (1997, p. 69) described enablers in the following manner: "The enabler makes the narcissist look good, always withholds criticism, and protects the narcissist from others in the organization who would encroach on the narcissist's territory." We suggest that narcissism provides a basis for toxicity within organizations because excessive self-focus precludes an extension of self on behalf of others, and encourages "winning" at any expense. Indeed, researchers found that companies under the directorship of narcissistic CEOs experienced more erratic and extreme measures of performance (Chatterjee & Hambrick, 2007), which may result from CEOs' single-minded desire to "look good" for the media, investors and corporate peers, combined with their willingness to take large risks in that

pursuit. The Diagnostic and Statistical Manual of Mental Disorders (DSM-III) lists narcissistic criteria as “grandiose sense of self-importance of uniqueness...[sense of] entitlement, interpersonal exploitativeness, and lack of empathy.” The resulting constellation of selfish, greedy, and myopic behaviors that are an outgrowth of an overriding self-centeredness is what breeds cutthroat tactics, devious office politics, and a Machiavellian orientation. Leaders in a position to model their behavior set the stage for narcissistic tendencies that might otherwise remain under wraps in a culture of connection and mutual support. This tendency has been supported empirically, in that Locke (2009) found a positive association between aggression and narcissism.

In the next section, we suggest that organizationally sanctioned toxicity is a result of manifest narcissism that is present in everyday company operations. These narcissistic behaviors include, but are not limited to, practices of employee monitoring, micromanagement, and politically motivated performance appraisals.

### **Employee Monitoring**

According to Bandura (2002), monitoring mechanisms are a means of “disengagement,” a way of diffusing the agentive role and thus facilitating harmful managerial behavior. Although Kirwan (2009) argued that moral disengagement is emblematic of contemporary corporate leaders, this type of behavior is also present in historical examples. One of the first documented cases of employee monitoring occurred at Ford Motor Company in the 1930s. Ford’s Sociological Department gathered information from employees’ families and friends to determine their eligibility for company profit sharing and to ensure that recipients did not squander their receipts on unseemly endeavors. This trend of employee monitoring may have begun at Ford, but continues today. In 1998, the Kmart warehouse in Manteno, Illinois, hired two private investigators to gather information on their workers’ personal lives. The final executive report included information on its employees’ personal habits outside of work (Prentice Hall, 1998). In the computer age, a much more sophisticated and surreptitious type of monitoring takes place. For example, the American Management Association’s (AMA) 2005 Electronic Monitoring and Surveillance Survey of 526 U.S. companies found that 76 percent of respondents monitor their workers’ Internet activity, 55 percent of respondents said they monitor e-mail activity, and 51 percent monitor telephone calls (AMA, n.d.). In addition, more than half of the companies surveyed use video monitoring in an attempt to prevent theft, violence, and sabotage.

Companies rarely measure the impact of such monitoring on employees, or if employees are negatively affected by an increase in its use. However, academic research has linked monitoring to increased employee stress, decreased job satisfaction, and feelings of social isolation (Aiello & Kolb, 1995). In *Self Esteem at Work*, Branden (1998) explained the decline in morale that results from unwarranted probing: “When people don’t feel safe they become defensive, fearful, timid, and resentful, none of which produces peak performance” (p. 54). In addition, Locke (2009) found a negative association between self-esteem and aggression, with negative verbal assaults carrying five times the impact of positive interactions at work.

Interestingly, management researchers have found that narcissistic individuals tend to rise in disproportionate numbers to positions of power. Those who are able to rise with the least resistance may in fact possess “psychopathic tendencies” (Babiak & Hare, 2006). In other words, narcissistic managers are readily able to gauge other people’s vulnerabilities and subsequently

exploit them, without feeling any remorse or regret in the process. In a sample of two hundred high-potential executives, researchers found that the prevalence of psychopaths was three and one half times higher than in the general population (Babiak & Hare, 2006). The emotional wreckage that they leave behind as a result of harassment and bullying toward those whom they perceive as “weaker” is subsequently reflected in dysfunctional organizational cultures and structures (Kets de Vries & Miller, 1989).

In monitoring and castigating employees, management may thus be ignoring the systemic source of the problem, which may be inequitable treatment such as underpayment (Greenberg, 1990), career stagnation, or a significant degree of disrespect. Hollis (2007) described the dilemma with which organizational development professionals are faced: “They may have been summoned by leadership to deal with a corporate problem, but that same leadership will also fiercely resist change, genuine dialogue, and the critiques of those who are most affected by the common neurosis.” Taken together, the following two propositions are suggested:

**P1:** In companies that engage in employee monitoring activities, employees are more likely to have a perception of being treated inequitably in such areas as supervision and compensation.

**P2:** In companies that engage in employee monitoring activities, employees are more likely to report less self-confidence, less organizational commitment, and greater job search behaviors than in companies that do not monitor their employees.

### **Micromanagement and Distrust**

Micromanagement is a belief that quality work will not occur unless it is carefully supervised. The implication of micromanagement is that workers cannot be trusted to: (a) finish a task on time; (b) finish a task at all; or (c) finish a task to specification (Barnard, 2008; Lubit, 2004). We suggest that such distrustful behaviors (e.g., nagging, harping, and cajoling) may be disguised as helping behaviors, which are a corporate form of parental guidance.

Micromanagers are psychologically distant, insensitive, and imposing (Kim & Yuki, 1995; Pedraje et al., 2006). These same traits are shared with psychopaths, who have been characterized as “malignant narcissists” in that they also possess the characteristics of grandiosity, extreme self-centeredness, and a sense of entitlement (as do narcissists) but further tend to manifest antisocial and destructive tendencies (Babiak & Hare, 2006). The zero tolerance manager is equally insensitive—he or she attributes poor performance to individual employee characteristics, such as laziness, incompetence, or a lack of effort (Moss & Sanchez, 2004). Both types of managers tend to reside in their own ethical enclave created by the insularity of their position (Austin & Larkey, 1992). One researcher referred to this phenomenon as “dean’s disease,” a result of “...the tug of flattery that those in power are the heirs to and the comfort of being surrounded by people who never contradict them” (Bedeian, 2002, p. 165). Bedeian explained that the process of learned superiority creates individuals who are rigid, suspicious, easily slighted, distrustful of others, insensitive, undiplomatic, and inconsiderate. The resulting stress and anxiety caused by a narcissistic manager may stem from behavior such as “relentless micromanagement, crude attacks on people, impulsive firings, and obstinacy,” which Wasylyshyn (2005) identified as systemic barriers to effective leadership.

Micromanagement breeds what Zukav and Francis (2001) termed “pleasers,” or persons devoid of self-respect whose mindset is formed from hearing others’ opinions. Pleasers operate from the premise that the other person is always right. Their intense desire to please is created by fear of not gaining their manager’s admiration, not meeting his or her psychological needs (Zukav & Francis, 2001), or potentially losing their status as most favored sycophant. Pleasers are in a constant state of fear and arousal: “An individual who needs to please is constantly trying to see how others are feeling so that she will know how to be with them. She cannot take their requests and communications at face value. She tries to guess what they are really saying or requesting. This occurs because she herself does not communicate what she is feeling, thinking, or requesting” (Zukav & Francis, 2001, p. 174). Therefore, the following proposition is suggested:

**P3:** In organizations that micromanage, there will be fewer avenues for upward feedback than in organizations that do not employ such management techniques.

### **Politically-Motivated Performance Appraisal and Political Gaming**

Although there is anecdotal evidence that toxic work environments are common, one in particular that stands above the rest is Enron (Ivancevich, Duening, Gilbert, & Konopaske, 2003). One way in which Enron created a toxic work environment was by maintaining a reward system in which financial allocations (e.g., bonuses) were determined by political motives. The company formed a Personnel Review Committee (PRC) to rank approximately 400 Enron executives and managers (Kuney, 2003; Moohr, 2004). The size of bonuses at Enron could vary dramatically based on the recommendations of the PRC. Twice per year, the PRC would require its members to obtain performance evaluations on each of the 400 executives and managers. Since the PRC could only make decisions by unanimous consent, this encouraged PRC members to coerce and lobby fellow members for favorable rankings (which resulted in larger bonuses) for their own subordinates. As an example, then CFO Andy Fastow had acquired a reputation for stopping the PRC evaluation process for days so that he could lobby PRC members into agreeing to give higher rankings to his direct reports (Bryce, 2002; Cruver, 2002). Thus, the PRC system encouraged negative and toxic managerial behaviors such as coercion, ingratiation, and manipulation. As Babiak and Hare (2006) argued, narcissists are known for focusing on their needs at the exclusion of other peoples’ desires.

Corporate-mandated performance evaluations are often perceived as bothersome chores that are grudgingly performed at year-end. They can either be given in a supportive, developmental fashion, or (as in the case of narcissists) can be used both to punish (Sulkowicz & Foust, 2007) and to flaunt the manager’s ego. When used in a negative manner, performance appraisals can become the tool through which organizationally sanctioned harassment occurs, euphemistically guised as “discipline meetings,” “quality assurance sessions,” or “performance documentation.” Coen and Jenkins described the potential destructiveness of rating systems:

The performance appraisal, more than any other aspect of our people system surreptitiously sends a number of resounding, negative messages about the nature and potential of people. People need to be prodded to put forth their best effort. The assumption that we can even rank or precisely measure a person’s contribution is

degrading in a sense. In blindly accepting this assumption, we trivialize an individual's work. (2002, p. 40)

Although systems like forced ranking (in which employees are individually sorted and numerically arranged) appear to be an efficient way of measuring employees, deliberate distinctions where none may exist create an atmosphere rife with politicking (Hazels & Sasse, 2008) and in which favoritism and other forms of gamesmanship routinely occur (Bates, 2003). Used by as many as one-third of corporations in the U.S., forced ranking systems have been criticized for pitting co-workers against one another, unfairly treating groups made up of top performers, and decreasing collaboration and risk taking (McGregor, 2006). A recent study concluded that forced rankings may actually have a negative impact on employees' willingness to maximize their overall performance in that the rankings encourage employees to focus their energies on only performing relatively better than their peers (Garcia & Tor, 2007). Moreover, they are destructive in that employees are continually on edge about losing their jobs (particularly if these systems are used as a "weeding" tool) and are less apt to help peers, who have been systematically transformed into competitors (Hazels & Sasse, 2008). Both Ford Motor Company and Lexmark have abandoned forced systems in response to decreased employee morale among other potential problems (Sloan, 2008). Even General Electric, a long-time advocate of forced rankings, is adding more flexibility surrounding their use (McGregor, 2006).

For the manager who feels threatened or slighted, ambiguous systems provide a convenient avenue for personal vindication used against disliked subordinates. Kennedy (1980, p. 18) stated, "I've seen performance appraisal used as a part of guerrilla warfare against people a manager couldn't fire but wanted to." When appraisals are not linked to actual performance, bosses can easily cast their frustration through a formal, written disparagement. Babiak and Hare (2006) described the "macho psychopath," or the boss who may be particularly vindictive and ruthless to those who cross his or her path. Narcissists who are frequently found in upper level management (Kets de Vries, 1993) are callous and intolerant of criticism (Babiak & Hare, 2006), traits which may be leveled at a subordinate who displays anything less than abject loyalty. Abuse is evident when "You have received a performance review that is radically different from your last review, or that grossly misrepresents the quantity or quality of the work you have done since the last review" (Wyatt & Hare, 1997, p. 195). For those who are not "mainstream" (i.e., female or minority employees) numerical appraisal is a way to express bias, cronyism, racism, sexism, and religious intolerance (Alger, 2002).

Therefore, we suggest the following two propositions:

**P4:** In narcissistic organizational cultures, employees will be evaluated by means that are more political in nature, and their ratings will be linked less to performance.

**P5:** In narcissistic organizational cultures, racial minorities and women will receive lower performance appraisal ratings than their majority counterparts.

### Characteristics of the Community-Centered Organization

*“...community [is] where people care about what happens on their turf even to the person or property of strangers, with the reciprocal assumption that they would also care about them” (Zimbardo, 2004, p. 10).*

Community-centered organizations, in contrast with toxic work environments, are typically warm, nurturing, positive, caring, and supportive places. Although theories of human connection are primarily emphasized in the nursing and healing sciences research literatures, the “centrality of human connection for health, healing, and well being” (Smith & Liehr, 2008, p. 175) is especially important in the creation of a “civil” organization. Patch Adams, physician and founder of the Gesundheit Institute, described the liberating sense of security that he experienced while living in a sense of community or a close circle of committed friendships. Although 95 percent of companies are characterized as authoritarian (Mueller, 2000), it is possible that a more supportive organizational culture (where insidious practices are brought to light and dealt with in a healthy manner) can be created through a restructuring of human resource policy. Companies that have implemented a community-centered culture and set of processes should be more closely examined. The lessons learned through their examination and study can provide insights into what is possible and positive in terms of employee morale, trust, and performance effectiveness.

Peck (1987) presented the importance of human connectivity and the role it serves regarding community in succinct terms (see Appendix). He suggested that community can be created by working toward the common good despite one’s personal desires to the contrary. Roberts et al. (2005) conceptualized the notion of the “Best Reflected Self” (BRS), which is constructed through a process known as social architecting, in which supervisors seek to actively promote their employees’ strengths through constructive feedback, creation of positive experiences, and the nurturance of supportive relationships. In order for a manager in a community-centered environment to be successful, he/she must be a facilitator, a developer, an orchestrator, and a coach as opposed to a micromanager who relies on compliance by use of command, control, power, and authority (“The Essence of Great Workplaces,” 2004). In community-centered organizations, managers and leaders will be responsible for modeling thoughtfulness, selflessness, compassion, and generosity in the evaluative and communicative aspects of interpersonal interaction. Organizations that espouse the community model experience far fewer of the insidious practices (e.g., employee monitoring, micromanagement, and politically-motivated performance appraisals) that permeate toxic firms (Pedraje et al., 2006).

### Trust vs. Monitoring

Semco’s Richard Semler commented,  
What can be expected from employees at the lower levels whose opinions are rarely sought, and to whom explanations are rarely given. They know that the decisions that matter, the decisions that will affect them, are made on high. Is it reasonable to ask, year after year, for a special effort from these people and then reward them with a few public thank you’s? While the lucky few at the top enjoy fancy cars and big offices, not to



mention bonuses that exceed the combined salaries of 100 or even a 1000 ordinary workers. (1993, p. 188)

Lavish executive rewards are now so engrained that they have become synonymous with executive entitlement. Unfortunately, even today few managers consider their employees trustworthy. Donkin (2009) reported that less than eight percent of 3,500 respondents surveyed at U.K. companies trust employees to work unsupervised.

Recent arguments suggest that the most resilient and internally cohesive companies display the traits of (a) a shared set of values; (b) a commitment to the common good; (c) a high level of staff engagement; and (d) a shared vision of the future (Cain, 2009). Yet, leaders who deviated from the corporate norm of selfish indulgence in the past were considered suspect. This may be the reason that Pepsico's Craig Weatherup, former Chairman of the Board of the Pepsi Bottling Group, was questioned regarding his lack of ruthlessness despite the fact that he had nearly doubled his company's domestic sales (and more than tripled its operating profit) during his tenure. Weatherup has ironically been criticized for being too "values driven." He was quoted as saying, "If keeping to principles means that the stock is at \$50 instead of \$55, I'll take that" (Dauten, 1997, p. B1). Semler (1993, p. 284) further argued, "No company can be successful in the long run anyway, if profits are its principal goal." Ironically, under his leadership Semco's profits grew by 900 percent, the number of Semco factories expanded from one to six, and company employment increased from 100 to 830 employees.

Another oft-cited potential disadvantage of being too trusting is that employees may take advantage of a system in which they are not closely supervised (Kopelman, Protts, & Falk, 2010). As Semler (1993) noted, however, he would rather create an environment of trust and live with the handful of employees who may exploit the system than create an environment of clandestine surveillance that undermines a culture of "family" involvement. When managers treat employees with empathy and compassion, the workplace climate reflects that level of respect (Childers, 2005). Top leaders set the emotional tone and expectations in the workplace, which result in either a positive community-centered climate or a negative, toxic work culture. Similarly, Salamon and Robinson (2008) found that perceived employee trust was positively correlated with a sense of responsibility toward the organization, as well as sales and customer service performance. Therefore, we suggest the following proposition:

**P6:** There will be a positive relationship between a community-centered organizational culture of trust and employee performance.

## **Democratic Management vs. Autocratic Management**

Companies that practice "marketplace spirituality" realize that they serve those within their community as well as those inside their organizations. Art Collins of Medtronic stated that service to patients and corporate integrity are more important than maximizing profit: "...the true test of success is when every patient who needs our new products and therapies can receive access to them" (Wharton Executive Education, 2006). CEOs should remain humble, or what Collins refers to as "modest." At Medtronic, values are an integral component of the mission statement, which was subsequently woven into the company's value system. Collins stated that the primary cause of Enron's implosion was the company's failure to enact a moral code by which all employees, including top management, were expected to abide. He argued that the

most important criteria for a CEO are judgment and integrity, combined with humility (Jenkins & Visser, n.d.), and he further explained that truly great leaders consistently exhibit qualities of humility, modesty, and others-centered focus.

Unbounded pursuit of shareholder wealth through profit maximization is diametrically opposed to consistent executive decision-making that promotes virtuous action throughout the company. The humility practiced by leaders at community-centered organizations thus places employees and management on a more equal footing. Community-centered leaders practice egalitarian consultation, work with individuals as partners instead of chastising them as critics, and encourage others by drawing forth their latent capabilities instead of illuminating what they consider to be their present weaknesses.

Contrast these characteristics with those of Enron executives, who were described as “bullies in the boardroom” (Maharaj, 2008). Petrick and Scherer (2003) explained the self-centeredness and absence of leadership and wisdom at Enron that was evidenced in “a visionless accumulation of rapid wealth” that occurred in a “moral jungle.” Taken together, the following proposition is suggested:

**P7:** Organizations with community-centered cultures will tend to be more democratic than autocratic in their management practices.

Clearly, leaders such as Weatherup and Semler set a tone resulting in the creation of a community-centered organizational culture. Top-level executives wield the greatest influence, but managers at any and all levels can also make a positive difference.

A contrast of behaviors in narcissistic and community-centered organizations is provided in Table 2.

### **Discussion, Future Research and Concluding Remarks**

James Oakley (2004) of Purdue University concluded that how leaders and managers treat employees dramatically impacts the way employees treat each other, customers, and other stakeholders. Leaders and managers influence the emotional tone of the organization, consciously or not, through policies, procedures, and day-to-day operations. Oakley (2004) supported these claims by reporting linkages between organizational characteristics and employee attitudes and behavior. He found a direct association between employee and customer satisfaction, as well as improved financial performance in firms with satisfied workers. He concluded that satisfaction is a necessary antecedent of employee engagement, as measured by the degree of motivation, sense of inspiration, personal involvement, and supportiveness:

"Organizational culture is another significant driver of employee engagement and includes management designing jobs well, providing support and setting goals" (2004, p. 4). He also concluded that all employees, not just the front line, have an impact on customer satisfaction.

At Medtronics, the attraction, retention, and development of individuals is one of the company's foremost priorities, and each employee is held responsible for talent identification and development. Goleman (1995) argued that executives skilled in emotional competencies will be able to provide a competitive advantage to their company. In his opinion, the “virtuoso in interpersonal skills” is a key to the corporate future precisely because of economic exigencies and structural implosion. Emotional intelligence contributes to social capital (Bolino & Turnley,

2003) when it forms a strong sense of trust, loyalty, and reciprocity. Goleman also pointed out the harmful consequences of low EI, such as the demoralization and exit of employees who are forced to endure tyrannical bosses and the character assassination that can result from emotional ineptitude. Chronic abuse may further impact a company's bottom line through increased health claims, absenteeism, and reduced productivity.

Table 2

*Differences between Toxic and Community-Centered Organizations*

	<u>Toxic</u>	<u>Community-Centered</u>
Conflict resolution	Winners and losers; conflict is squelched; a model of conversation as a point scoring coup. <sup>1</sup>	Differences are openly discussed; all employees feel equally comfortable in openly challenging company policy; dialogue is the norm.
Organizational culture	Ingroup/outgroup; forced acceptance of the dominant viewpoint; groupthink is prevalent. <sup>2</sup>	Community and a sense of company ownership; a sense of safety, recognition, and empowerment.
Interaction	Patronizing, arrogant condescension; managers give orders instead of asking for feedback; tattling, scape-goating; feedback occurs only in a top-down direction. <sup>3</sup>	Respectful discourse among independent professionals; frequent solicitation of their viewpoints and opinions; horizontal as opposed to hierarchical.
Managers	Suspicious truant officers and omnipresent watchdogs; micromanagement; a plethora of rigid rules and restrictions. <sup>4</sup>	Servant leadership; humility; coaches and unleaders who direct others with circumspection; solicitation of others' opinions.
Selection and Promotion	Organizational citizenship to achieve self-promotion; cronyism, bias, and an undue emphasis on sycophancy. <sup>5</sup>	The result of other enhancement and self-development, and a track record of relational and job mastery.
Appraisal	Reprimands without investigation or two-way communication; fearful, degrading episodes of abuse; only administered at annual intervals; subjective criteria that give managers room for political maneuvering.	Collegial, on-going discussions that focus on enhancing employee strengths; performance based on pre-specified contracts and explicit job criteria. <sup>6</sup>
Organizational Change	Individuals conform themselves to a fixed unyielding set of policies;	Modeled after processes in nature that continually regenerate themselves in response to environmental conditions and external threat; impetus for change is

inflexible and unresponsive  
attitudes toward change;  
preserve the status quo and  
vested interests.

the voice of dissent from employees who have access to  
free expression.<sup>7</sup>

<sup>1</sup>Barnard (2008). <sup>2</sup>Lubit (2004). <sup>3</sup>Austin & Larkey (1992). <sup>4</sup>Kim & Yuki (1995). <sup>5</sup>Khatri & Tsang (2003).  
<sup>6</sup>Taylor et al. (1995). <sup>7</sup>Volberda (1996).

In sum, organizational leaders and managers would be well advised to take steps to infuse their organizational cultures with a more community-centric orientation. As stated previously, such a cohesive entity or community is characterized by mutually supportive persons, an environment comprised of policies that are perceived as egalitarian and fair, and colleagues who are engaged in the process of self-development. Although the majority of companies in the US are characterized as authoritarian in nature (Mueller, 2000), it is our hope that more leaders and managers will seek to align their human resource strategies and policies in a manner that reinforces their organization's evolution toward a more community-centered culture. These leaders could focus more on trust-based management practices like empowerment, job enrichment, and decentralized decision making instead of relying on distrustful practices like excessive employee monitoring. Trust is an important element in the effective functioning of organizations. In their 40-year review of the research literature, Dirks and Ferrin (2001, p. 450) concluded that trust has a number of important benefits for organizations, including "positive effects on attitudes, perceptions, behaviors, and performance outcomes within organizational settings."

Similarly, leaders and managers can encourage a more community-centered organizational culture by reducing the ability of narcissistic managers to use performance appraisals in a politically motivated manner. Bernardin (2007, p. 176) provided several recommendations for developing sound performance appraisal procedures, including that they should: (a) be standardized; (b) be formally communicated to employees; (c) provide formal appeal mechanisms; (d) provide notice of performance deficiencies and opportunities to correct them; and (e) use multiple, diverse and unbiased raters. By requiring managers to follow these guidelines, leaders can cultivate a more community-oriented workplace that is perceived as more performance and merit-driven as opposed to being dysfunctional and political in nature. Taken together, the lessons learned throughout this research study can provide insights into what is possible and positive in terms of employee morale, trust, and performance effectiveness.

With regard to future research, the following suggestions are offered as a starting point to test a sample of the propositions presented in this paper. Proposition 1 states: "In companies that engage in employee monitoring activities, employees are more likely to have a perception of being treated inequitably in such areas as supervision and compensation." In order to test this proposition, researchers could conduct a field study comparing two organizations: one that engages in excessive employee monitoring of its employees' emails, and one that does much less monitoring of its employees' emails. Both organizations would have to inform employees of their email monitoring policies in advance of the study. Employees in both organizations would complete questionnaires that contain scales measuring how the monitoring impacts their perceptions of distributive (i.e., compensation) and interactional (i.e., supervisor) justice. The responses to these scale items could then be correlated to the actual amount of monitoring that was occurring at that particular organization. Our proposition would be supported if there were a

statistically significant (and positive) correlation between the level of employee email monitoring and the mean employee responses to the items in the distributive and interactional justice scales.

Proposition 2 states: “In companies that engage in employee monitoring activities, employees are more likely to report less self-confidence, less organizational commitment, and greater job search behaviors than in companies that do not monitor their employees.” Similar to the previously proposed research study, employees from two organizations (one that engages in high levels of employee email monitoring, and another organization that engages in low levels of email monitoring) could be asked to complete anonymous questionnaires that measure their self-reported levels of self-confidence, organizational commitment, and job search behaviors. Our second proposition would be supported if those respondents that work for the organization that engages in high levels of email monitoring report lower levels of self-confidence and organizational commitment, and higher levels of job search behaviors (e.g., updating their resumes, contacting job search firms, and searching the want ads posted on online career websites like Monster and Career Builder).

In addition to testing some of our propositions in this paper, researchers may want to take the ideas presented here in other interesting and fruitful directions. For example, future research could investigate optimal conditions for creating confluence at work, such as whether organizations that engage in “community” practices are more likely to engender high-performance, cohesive teams in which all members feel comfortable. Are these organizations more likely to have compassionate, sensitive, and mindful leaders? Or will these organizations have leaders who are more ego-centered, myopic, and driven by gaining competitive advantage over others? Based on the previous arguments which suggest a sense of community enhances a plethora of positive organizational outcomes, future investigations can also seek to uncover whether there exists (in a community-centered firm): (a) a higher degree of trust, compassion, and support; (b) less corruption and unethical behavior; (c) greater psychological health and moral maturity; (d) enhanced individual creativity and organizational innovation; (e) lower turnover and absenteeism; and (f) increased employee empathy toward fellow workers.

In sum, contributions of our paper include the explanation of toxic and community-centered organizations with particular emphasis on how the community model can enhance workplace functioning. In this paper, we presented an “egoless” form of management that extends into a community-centered model, in which the synergy of employees is enhanced when the corporate culture promotes other-development through self-improvement. We have also outlined the process of changing dysfunctional human resource and organizational practices (e.g., employee monitoring, micromanagement, and politically-motivated performance appraisals) to those that are more aligned with a spiritually-evolved organizational culture comprised of trust, democratic management, egalitarian consultation, and shared power. Further, specific action plans for leaders and managers who wish to operate within the community-centered model have been provided through an examination of proactive CEOs and corporate leaders who practice humility, empathy, and egalitarianism within their organizations. The toxic versus community-centered organization comparison and analysis and the propositions in this paper await rigorous empirical examination by researchers with roots in leadership, ethics, organizational behavior, and organizational theory research domains.

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\* Dr. John ("Jack") M. Ivancevich passed away before this manuscript went to press. Jack was a true mentor, friend, colleague and leader who will be greatly missed by and continue to live in the hearts of all who knew him.

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**Appendix**  
**Descriptors\* of a Connective Community-Centered Organization**

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Members in Community-centered organizations:

1. Feel safe
2. Feel accepted
3. Feel included
4. Experience recognition for their efforts
5. Celebrate differences
6. Work with clear and non-contradictory rules
7. Receive rewards for success that are far greater than the penalties for failure (Branden, 1998)
8. Experience tranquility
9. Feel relaxed
10. Feel empowered – participate fully in decisions affecting them (Carse, 1986)
11. Have options
12. Feel that heaven and earth have somehow met
13. Have relationships that go deeper than their masks of self composure; and
14. Willingly extend themselves on behalf of others

\*Source: Adapted from Peck, M. S. *The different drum: Community-making and peace*. New York, NY: Simon and Schuster, 1987.