

Employee Silence as a Mediator in the Relationship between Toxic Leadership Behavior and Organizational Performance

Adeel Saqib* and Muhammad Arif†

Abstract

Modern services organizations are competing in complex, volatile and fierce market environment. In such environment, leadership behaviors may derail the organizational succeed into failures. The current study examined the impact of toxic leadership behaviors on organizational performance, with the mediating role of employee silence. In all, 445 responses were collected from employees serving in Pakistani banking sector. After using stratified sampling through questionnaire, a cross sectional data was gathered resulting in toxic leadership behaviors having significant and negative impact on perceived organizational performance. Further employee silence mediates the linkage between toxic leadership behaviors and organizational performance. The results of the study are having meaningful implications for developing policy matters for banks.

Keywords: Toxic Leadership, Employee Silence, Organizational Performance, Self-promotion, Narcissism

Introduction

A growing interest has been observed in the shape of toxic behaviors at workplace (Linstead, Maréchal, & Griffin, 2014; Griffin & O’Leary-Kelly, 2004). Toxic behaviors displayed by leaders have intense detrimental effects on individual and organizational performance (Indradevi, 2016; Mehta & Maheshwari, 2014; Tepper, 2007) requiring investigation.

Previous studies identified the negative consequences of toxic leadership behaviors on individual (Fowlie & Wood, 2009; Kellerman, 2004) and organizational factors (Mehta & Maheshwari, 2014; Reed, 2012; Temper, 2000) in the workplace e.g. increased turnover intention, reduced employee satisfaction, commitment and increased psychological distress like anxiety, burnout, depression, disengagement, low level of self-esteem, emotional exhaustion, and employee silence (Xu, Loi, & Lam, 2015; Webster, 2011; Brinsfield, Edwards, & Greenberg, 2009; Tepper, 2009).

* Adeel Saqib, PhD. Scholar, Bahria University, Islamabad. Email: adeelsaqi@gmail.com

† Dr. Muhammad Arif, Associate Professor Management Sciences, Bahria University, Islamabad

Toxic leadership, also known as destructive leadership has been considered by the researchers with limited scope (e.g. abusive supervision, bullying, narcissism, pity tyranny etc.) and covered only one or two aspects of the toxicity on the organizational level variables like performance. In addition, the scholars have suggested that the relationship between toxic leadership behaviors and organizational performance is non-conclusive and need further attention to understand and evaluate the underlying processes and mechanisms between this relationship (Mackey, Frieder, Brees, & Martinko, 2015; Martinko, Harvey, Brees, & Mackey, 2013)

The extensive literature reviews provoked that toxic behaviors result in to counter-productivity (Goldman 2006) and these behaviors generally trickle-down polluting whole organizational climate (Mawritz, Mayer, Hoobler, Wayne, & Marinova, 2012). In toxic climates prevailing in the organizations, the individuals tend to be hesitant to share their experiences and feel uncomfortable to disclose the problems they face during their work. This is because the leaders may negatively perceive their capabilities or may negatively credit their contributions (Schilling & Kluge, 2009).

Additionally, Xu et al. (2015) identified that abusive supervision, a dimension of toxic leadership behavior causes employees silence through employee's exhaustion. Similarly, employee silence, a barrier to the upward communication, leaving organizational decision makers unaware about the ground realities and problems of the organization causing problems to prompt and valuable decision making, further leading to depleted organizational performance (Schilling & Kluge, 2009). Keeping in view the arguments, the current study aimed to provide more insight in to the impact of toxic leadership on organizational level performance and to further evaluate the role of employee silence between the toxic leadership and organizational performance.

The study has followed the theory of conservation of resources (COR) (Hobfoll, 1989) as the main source to found the relationship between the variables of the study. The study has assumed that the organizations having negativity in the environment tend to negatively impact the individual's performance (Padilla, Hogan, & Kaiser, 2007) and in presence of these toxic environments and leaders the abused individuals get silent and try to hide the facts from the bosses (Xu et al. 2015) that further lead to diminished organizational performance. (Kaiser & Craig, 2014; Schilling & Kluge, 2009; Morrison 2014)

The study has contributed to understand the underlying mechanism of the relationship between toxic leadership, employee

silence, and organizational performance. Secondly, the study suggested the ways and means to show the toxic leadership and also to develop such procedures and interventions that on one side develop the leaders, while on the other side enable the employees and organizations to cope up with toxic leadership behaviors.

The study is unique in a sense that much of the earlier research has focused on the individual level constructs of the derailed and destructive types of leadership, whereas very little empirical research has focused on the toxic leadership behaviors namely abusive supervision, authoritative leadership, narcissism, self-promotion and unpredictability on organizational outcomes. The research further contributed in literature by explaining the mediating role of employee silence between the linkage of toxic leadership behaviors and organizational performance (OP) in banking sector of Pakistan.

Literature Review

Toxic Leadership Behaviors (TOXL)

Toxic Leadership is considered as an array of destructive behaviors that drive the leaders to achieve personal goals and benefits by compromising the interests of individuals, teams and organizations (Schmidt, 2014). Goldman (2012) further explained that the toxic leaders destructive and dysfunctional behaviors have the capacity to transfer to lower level of workplace, resulting in to toxic organizational climate.

Extent literature views that leadership behaviors whether constructive or destructive behaviors emerge from the interaction of three factors namely leaders, followers, and the environment (Ashforth, 1997; Lipman-Blumen, 2005; Padilla et al., 2007; Steele, 2011). From the perspective of TOXL these three factors negatively affect the TOXL behaviors; Padilla et al. (2007) called it “toxic triangle”. In explanation, Padilla and his followers view that *leader*’ personality, power and ideology; the *followers*’ values, maturity and same personality and ideology like toxic leaders; and the *environmental* factors instability, perceived threats, cultural values conducive to toxicity, lack of checks and inefficient mechanisms and systems handle TOXL behaviors and negative outcomes.

Literature has identified that TOXL behaviors results in to counterproductive work environments (Zellars, Tepper & Duffy, 2002), emotional exhaustion and employee silence (Xu, et al., 2015), turnover intention, dissatisfaction, lack of commitment and increased psychological distress like anxiety, depression, burnout, lack of self-esteem, disengagement (Webster, 2011).

The scholars observed that impact of TOXL behaviors on individual level employees is examined by many (Fowlie & Wood, 2009;

Kellerman, 2004), However, organizational level variables like OP has gotten very limited attention of scholars (Reed, 2012; Mehta & Maheshwari, 2014).

Debating on the scope and nature of TOXL, scholars explained that existing literature on toxic or destructive type of leadership has considered TOXL behaviors with limited scope e.g. abusive supervision (Zhang & Liao, 2015), bullying (Harvey, Michael et al., 2007), narcissism (Brennan & Conroy, 2013), pity tyranny (Ashforth, 1994) etc.) and covered only one or two aspects of the toxicity on the individual and organizational level variables like performance.

The research on TOXL is available in number of areas or contexts including Private organizations (Pelletier, 2010), University (Pelletier, 2012), Military services (Steele, 2011; Reed, 2004, Schmidt, 2014). The banking sector in developing countries like Pakistan seems relevant because there is dearth of knowledge regarding TOXL, as per knowledge of researcher. Bartel (2004) advocated the examination of the behaviors of bank managers would be of immense value in relation to followers and organizational efficiency. Yukl, advocated that the negative side of the leadership on OP is under researched (Yukl, 2012), specifically in banking sector of Pakistan.

The TOXL is operationalized and measured on the work of Schmidt (2008). Schmidt (2008) has developed a comprehensive model of TOXL. He extracted five-factor structure of TOXL that include self-promotion, abusive supervision, unpredictability, narcissism, and authoritarian leadership. The current study has used his measure in banking context of Pakistan.

Organizational Performance (OP)

Organizational performance is a complex phenomenon (Prieto & Revilla, 2006) and lacks the consensus on the definition and conception. Espinosa and Porter (2011) explained that OP is given different meanings by different scholars since each stakeholder of the organization considers different standards to evaluate it. Singh, Darwish and Potocnik (2016) defined OP as a function of financial and non-financial facets capable of evaluating the level to which organizational objectives have been achieved, which is in line with the definitions provided by Kaplan and Norton (1996); Delaney and Huselid (1996); and Shea, Cooper, Cieri, and Sheehan (2012). In addition, these authors have found different aspects of OP like quality and development of products and services, the ability to attract and retain employees, customer satisfaction, employee relations and market performance.

Based on the above discussion the study defines OP as a collection of financial and non-financial indicators capable of assessing

the degree to that organizational goals and objectives, with relation to the quality and development of product and services, the power to draw in and retain workers, customer satisfaction, employee relations and market performance, reputation and innovation (Kaplan & Norton, 1992; Tseng, 2010).

The significance of OP is globally reflected in number of studies (Lee, To, & Yu, 2009; Welch, 2003). Specially, after the recession and collapse of U.S. banking industry in September 2008, the scholars recently recommend additional efforts for effective monitoring and measuring of OP (Kanter, 2009; Yeoh, 2010). Similarly, in Pakistan after privatization a number of new banks are established that have invited the local and foreign investments within the banking sector. This new business climate on one side has contributed towards the well-being of all the stakeholders, while on the opposite side created a competitive environment. Thus, sustainability and improved OP is a big challenge for researchers and practitioners in banking sector, especially in Pakistan.

The use of scales for evaluating performance relative to the main competitors is one amongst the most widely used practices in recent studies (Choi, Poon et al. 2008; García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez, 2012). Several researchers have used managers' subjective perceptions to measure valuable outcomes for companies (Santos & Brito 2012; Aragón-Correa, García-Morales & Cordon-Pozo, 2007). Therefore, the study has measured the OP through the subjective measures of OP developed by Tseng (2010).

Employee Silence (ES)

The behavior of deliberate hiding of important ideas information, queries, concerns or views about matters related to their job position and the organizations in which they serve is called ES (Brinsfield et al. 2009; Tangirala & Ramanujam, 2008; Van Dyne, Ang, & Botero, 2003). Ashford et al. (2009) uncovered that most of the leaders and key decision makers stay unaware about intention to remain silent and assume that the employees are free from to communicate up-ward without hesitation.

Detert, Burris, and Harrison (2010) reported that there is evidence that silence behavior exists in many organizations and employees are often hesitant to engage in voice, specially, when they have information that is against the leadership view point or that information is considered as negative or threatening by the recipients. This deprivation of valuable knowledge leads to negative consequences and wastage of valuable knowledge in the organizations (Morrison, 2014).

The frontline employees are considered as a source of tacit knowledge at workplace because most of the information is situated in

the functional side of the organizational routines (Schelling & Kluge, 2009). In addition, sometimes leaders think that they are fully informed about everything taking place in the organization. Hence, organizations fail to learn from the employees' hidden knowledge.

Toxic Leadership Behavior and Organizational Performance

The relationship between TOXL and OP has gotten limited attention of the scholars (Grijalva, Harms, Newman, Gaddis, & Fraley, 2015; Rose et al., 2015; Reed, 2012; Schmidt, 2014). Whereas the studied that have considered that this relationship have produced non-conclusive and mixed type of results. For example, Zellars et al. (2002) identified that abusive supervision as a derailed type of leadership that manifest counter productive work behaviors in employees and outcomes. This view supports the main stream of the research that has considered TOXL as negative and against performance (Goldman, 2012; Reed, 2011). Contrary this view, Ferris, Zinko, Brouer, Buckley, and Harvey (2007) have noted that there could be positive outcomes of the dysfunctional leaders from which the organizations get short term benefits. Explaining this they explained that some subordinates either due to pressure from the leader or due to the relationship with the leader, try hard and put their most efforts to fulfill the demands of the leaders. Dasborough and Ashkanasy (2002) examined in their research that toxic leaders with emotion-evoking behaviors adversely affect employee behaviors and productivity”.

The above discussion, the study assumes that although the results are mixed type in case of the relationship between TOXL and OP, yet the negative consequences have more effect on OP than the positive one. The research on the basis of above discussion hypothesized that

H₁: Toxic leadership behaviors have significant negative impact on Organizational Performance.

Toxic Leadership Behavior and Employee's Silence

TOXL behaviors are destructive to emotions, leading to emotional exhaustion and employee Silence with in the organizational context (Ng & Feldman, 2012). Tepper et al. (2007) has explained based on the theory of conservation of resources that subordinates who face negative behavior of their leader tend to adopt avoidant or passive coping behaviors by distancing themselves from the direct contact with their toxic leader (a source of stress and exhaustion). Based on these assumptions scholars view that these type of foundations leads employees to silence before the toxic leader within the organization and emotionally exhausted (Tepper et al. 2007; Whitman, Halbesleben, & Holmes, 2014; Whitman et al, 2014). Hence, the study hypothesized that

H₂: Toxic Leadership has a positive impact on employee silence.
Employee Silence and Organizational Performance.

Employee silence becomes an issue when the employees hesitate to share knowledge due to the leadership's non-cooperative behaviors (Morrison, 2014). The reasons for employee silence behavior could be either the personality of the follower, leadership behaviors or socio-cultural factors like power distance and conflict with the organizational norms and values (Schilling & Kluge, 2009).

Bagheri et al. (2012) noted that ES is deteriorating for the individual workers and organizations as it causes dissatisfaction among the employees, which further leads to the increased level of turnover intention, absenteeism and conduct of unwanted behaviors.

They further explained that down the line leadership, conflict and the previous experiences of the last voice disrupted by the leaders create an environment that hinders knowledge sharing orientation, which results into depleted OP and creativity. Hence, the study hypothesizes that:

H₃: Employee silence has significant negative influence on organizational Performance

Toxic Leadership, Employee Silence and Organizational Performance

The study contended that TOXL behaviors that are destructive to OP also effect employee silence and hence, might have synergistic effect with employee silence on the negative consequences in the form of organizational performance.

Secondly, the inconclusive nature and findings related to TOXL and OP relationship draw attention of the researchers to investigate the underlying mechanisms between the TOXL behaviors and OP relationship in the banking sector of Pakistan.

H₄: Employee silence plays its role as mediator between Toxic leadership behavior and organizational Performance relationship.

Theoretical Framework

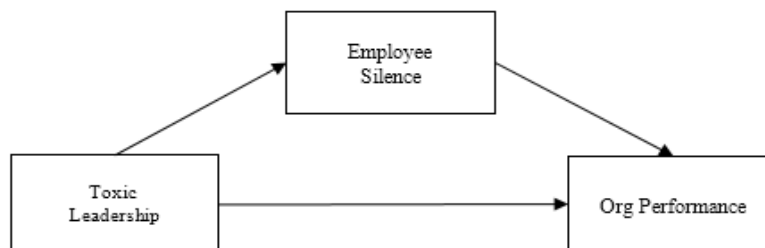


Figure: Toxic Silence and Performance Model

Research Methodology

The study was quantitative in nature where primary data was gathered through self-administered questionnaires using cross sectional approach. Stratified random sampling technique was used to minimize response bias. The total population was estimated up to 2100 individuals working in different large, medium and small banks of Peshawar city. The study collected data from the bankers from a total of 24 commercial banks, listed in Pakistan Stock Exchange (PSE).

Instrumentation

TOXL behaviors were measured through TOXL Scale developed by Schmidt (2008). Sample items in the measure were; “my leader publicly insults subordinates” (abusive supervision); “my leader does not permit subordinates to approach goals in new ways” (authoritarian leadership). ES was operationalized based on the work of Tangirala and Ramanujam (2008) and ES Scale (Tangirala & Ramanujam, 2008) was used to measure the level employee silence. The sample items used in the study are “You chose to remain silent when you had concerns about your work”. OP was measured using a subjective scale developed by Tseng (2010). The measure consisted of five items. Sample items was, ‘the bank has made a vital improvement in the finance and performance over past few years’. The five point Likert scale ranging from 1 “Strongly disagree” to 5 “Strongly Agree” was used in the scale.

Data Collection Procedure

The data was collected through self administered questionnaires. A Total number of questionnaires distributed were 715. Whereas, 110 different branches of the large , medium and small level banks were approached. A total of 445 responses were retained for data analysis.

Data Analysis and Results

Demographic Profile of respondents

The demographic information of the respondents revealed that an average age of the respondents is in the category from 20 to 29 years, consisting of 51.5% of the sample. Whereas, least number of respondents fall in a category “60 and above”, consisting of only one employee. Gender distribution of the study illustrated that most of the respondents were Male (84.4%). Whereas, females were (15.5%) of the sample. Educational qualification depicted that majority of the banking employees (53%) fall in post graduate level/ master’s degree, following graduate level (B.A, B.Sc.) with (34.2%). Whereas, small number of respondents only 23 (5.2%) have research degrees (MS or PhD.). In response to the question about the nature of employment with the bank 286 (64.3%) respondents were identified as permanent employees, while 159 (35.7%) on contract basis.

Table 1: Descriptive Statistics of main variables N=445

Variable	Mean	S.D.
1 TOXL	2.6771	.72966
2 Employee Silence	3.1222	.82165
3 OP	3.6328	.89357

Reliability and Validity

Cronbach alpha test has been used to test the reliability of the constructs (Wong, 2016). *In addition*, Convergent validity is established if an AVE of 0.5 or greater is achieved for the constructs. AVE is calculated, the results revealed that convergent validity for all constructs is established since the statistics for AVE for all the factors is approximately equal to or greater than .50.

Cronbach alpha test has been employed to assess the reliability of the constructs (Wong, 2016). The results revealed that Cronbach values for all the constructs were well above the threshold value of “.7”. In addition, Convergent validity for all the variables has been estimated by calculating AVE for all the factors, the results revealed that convergent validity for all the constructs is established since the statistics for AVE for all the factors is approximately equal to or greater than cutoff value of 0.5. There are two conditions as suggested by scholars. According to more conservative view, the Convergent validity will be established if the value of AVE is greater than and equal to 0.5 (Hair, Black, Babin, & Anderson, 2010). Nonetheless, according to Ping (2004) and Wong (2016) in case where AVE is lower than .5 value of convergent validity should be evaluated along with composite reliability.

Table.2: Cronbach’s Alpha & AVE

S. N	Construct	No. of Items	Cronbach’s Alpha	AVE
1.	TOXL	30	.940	
2.	Abusive Supervision	7	.861	0.45
3.	Authoritative	6	.759	0.47
4.	Narcissism	5	.800	0.55
5.	Self-Promotion	5	.800	0.40
6.	Unpredictability	7	.843	0.50
9.	Employee Silence	5	.771	0.54
10.	Organizational Performance	5	.843	0.62

Note. AVE=Average Variance Extracted

Discriminant Validity

Discriminant validity satisfy the condition that how much sufficiently distinct constructs are strongly non-correlated with each other. The

discriminant validity condition is satisfied if the value of square root of AVE for individual construct is more than the Inter-correlation of all the distinct constructs. According to Malhotra and Dash (2011) AVE is the strict measure and we can use composite reliability along with the AVE while conferring reliability and validity.

Table 3: Comparison of Square root of AVE and Inter-Construct Correlations

	1	2	3	4	5	6	7
1	(0.66)						
2	.77	(0.70)					
3	.64	.58	(0.67)				
4	.70	.58	.55	(0.74)			
5	.78	.72	.67	.66	(0.68)		
6	.11	.22	.16	.13	.21	(.68)	
7	-.08	-.22	-.15	-.06	-.14	.11	(0.71)
Self_Lack	1						
Abusive	2						
Authoritative	3						
Narcissism	4						
Unpredictable	5						
Ems	6						
OrP	7						

Confirmatory Factor Analysis and evaluation of Measurement Models

The model of the present study proposed three different constructs namely TXLB (IV), OP (DV) and ES (M) and their direct and indirect effects. This section covers the confirmatory factor analysis to evaluate that whether the data fits the measurement and structural models or not.

Evaluations of Measurement Models:

Toxic Leadership

Exploratory factor analysis revealed a five-factor solution for TOXL where, the model extracted comprised of 23 items. The model was then exposed to confirmatory factor analysis. The results showed a good fit to a five-factor model: ($\chi^2/df = 467.9/217$ (CMIN = 2.156), SRMR = .04; CFI = .94, TLI = .93, RMSEA = .05. None of the items were removed as part of CFA. Standardized regressions weights and CR values are reported in table 4.

Table 4: Toxic Leadership, Regression Weights, CR Values

		Estimate	S.E.	C.R.
TSP1_19	Self-Promotion and Lack of Concern	.643	-	-
TSP3_21	Self-Promotion and Lack of Concern	.633	.087	11.409
TSP4_22	Self-Promotion and Lack of Concern	.642	.090	11.542
TSP5_23	Self-Promotion and Lack of Concern	.711	.096	12.517
TUP1_24	Self-Promotion and Lack of Concern	.687	.096	12.179
TUP2_25	Self-Promotion and Lack of Concern	.637	.087	11.465
TUP3_26	Self-Promotion and Lack of Concern	.675	.100	11.043
TXAS1_1	Abusive	.737	-	-
TXAS2_2	Abusive	.607	.069	12.103
TXAS3_3	Abusive	.745	.066	14.877
TXAS4_4	Abusive	.712	.069	14.144
TXAS5_5	Abusive	.676	.069	13.401
TXAS7_7	Abusive	.692	.067	13.831
TAUT3_10	Authoritative	.603	-	-
TAUT4_11	Authoritative	.729	.111	11.063
TAUT5_12	Authoritative	.685	.111	10.673
TAUT6_13	Authoritative	.644	.106	10.252
TNAR2_15	Narcissism	.628	-	-
TNAR3_16	Narcissism	.831	.107	12.689
TNAR4_17	Narcissism	.758	.100	12.223
TUP5_28	Unpredictability	.608	-	-
TUP6_29	Unpredictability	.664	.085	12.357
TUP7_30	Unpredictability	.759	.122	11.080

Employee Silence

Exploratory factor analysis of ES revealed a single factor solution for employee silence. The model consisted of five items. The model was then estimated through confirmatory factor analysis. The results revealed a relatively good fit to the model: ($\chi^2/df = 2.944/3$ (CMIN = 2.944), SRMR = .02; CFI = .98, TLI = .98, RMSEA = .08. None of the items were removed as part of CFA. Standardized regressions weights and CR values are reported in table 5.

Table 5: Employee Silence. Regression Weights, CR Values

Item	Construct(s)	Estimate	S.E.	C.R.
ES_5	Employee Silence	.711	-	-
ES_4	Employee Silence	.393	.065	8.217
ES_3	Employee Silence	.667	.052	12.207
ES_2	Employee Silence	.852	.066	13.857
ES_1	Employee Silence	.689	.091	10.570

Organizational Performance

Exploratory factor analysis revealed a single factor solution for organizational performance. The model consisted of overall five items. The model was then subjected to confirmatory factor analysis. The measurement model estimation showed a relatively good fit to the model: ($\chi^2/df = 12.616/3$ (CMIN = 1.633), SRMR = .02; CFI = .98, TLI = .96, RMSEA = .08. None of the items were removed as part of CFA. Standardized regressions weights and CR values are reported in the following table 6.

Table 6: Organizational Performance, Regression Weights, CR Values

Item	Construct(s)	Estimate	S.E.	C.R.
OP_5	Organizational Performance	.615	-	-
OP_4	Organizational Performance	.658	.085	12.716
OP_3	Organizational Performance	.780	.108	11.764
OP_2	Organizational Performance	.795	.115	11.495
OP_1	Organizational Performance	.678	.120	10.307

Table 7: Summary of the measurement models

Constructs	Fit Indices				
	CMIN	SRMR	CFI	TLI	RMSEA
TOXL	2.16	.04	.94	.93	.05
Employee Silence	2.94	.02	.98	.98	.08
OP	1.63	.02	.98	.96	.08

Hypothesis Testing

H₁. Toxic leadership behaviors have significant negative impact on Organizational Performance

H₂: Toxic Leadership has a positive impact on employees Silence.

H₃: Employee silence has significant negative influence on organizational Performance

H₄: Employee silence plays its role as mediator between Toxic leadership behavior and Organizational Performance relationship

Toxic Leadership and Organizational Performance

The hypothesis seeks to ascertain whether TOXL carries a significant impact on organizational performance. A structural model was developed to assess the significance of direct impact of TOXL on organizational performance. The model when subjected to confirmatory factor analysis showed a good fit: ($\chi^2/df = 702.149/339$ (CMIN = 2.071), SRMR = .04; CFI = .93, TLI = .92, RMSEA = .05. Overall the results indicate the 2% change firm performance can be attributed to strategic foresight. The results of analysis revealed that TOXL has a significantly negative impact on OP (Std. Est. = -.156, C.R = -2.719, p < .05) Hence, H₁ is Supported.

Employee Silence as Mediator

Mediation analysis was executed to assess the indirect effect of ES between TOX_L and OP using Baron and Kenny (1986) approach. In first stage, the causal variable was TOX_L, the criterion variable was OP, in second stage, and the mediating variable was ES. The results reveal that the total effect of TOX_L on OP was significant, $c = -.163$ (SE: .058), $p < .05$. TOX_L was significantly predicting TOX_L of hypothesized mediating variable, ES; $a = .201$ (SE: .053), $p < .001$, when controlling for TOX_L, ES (MV) significantly predict OP, $b = .136$ (SE: .052), $p < .05$. The estimation of direct effect of TOX_L on OP, by controlling MV, was $c' = -.190$ (SE: .058), $P < .05$. The results reveal partial mediation since the impact of TOX_L on OP was found significant when controlling MV.

The test estimation of indirect effect revealed, $ab = .027$. This result was found to be statistically significant utilizing Sobel test given by Sobel (1982), $z = 2.153$, $p < .05$. The beta coefficients for both a and b were found statistically significant, the Sobel test for the ab product was also significant, the direct effect from TOX_L on OP (c') was found to be statistically significant, therefore, the effects of TOX_L on OP were only partly mediated by ES.

The table 8 shows that predictor variable (TOXL) in the model had a significant influence on the mediating variable (ES). Similarly, mediating variable (ES) has a significant influence on the outcome variable (OP). Each hypothesis is evaluated based on the standardized coefficient, its critical ratio, significance level. The estimation of hypotheses demonstrated that all the four hypothesized relationships were significant and qualified the conditions for the mediation.

Table 8: Mediation analysis E_S between TOXL and OP

Analysis	IV – MV (a)		MV – DV		Direct without Mediator (c)		Direct with Mediator (c')		Results
	Estimate	S.E	Est.	S.E	Est.	Sig	Est.	Sig	
TOXL-ES – OP	.201	.053	.136	.052	-.163	.058	-.190	.058	Partial Mediation

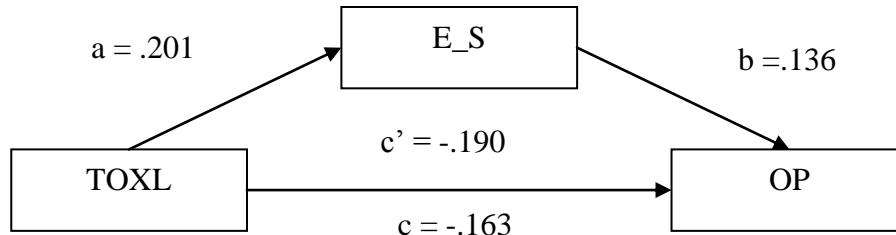


Figure.2. Mediation: E_S, TOXL and OP

Table.9: Hypotheses Results

Hypotheses	Structural Paths	Std. loading	C.R	P	Results
H1a	TL → OP	-.156	-2.719	.007	Supported
H2a	TL → ES	.199	3.551	***	Supported
H3a	ES → OP	.114	2.026	.043	Supported
H4a	TL → ES → OP				Part_Supported

Discussion

TOXL is considered as dysfunctional and derailed type of leadership that is detrimental to the individuals and organizations at large (Indra devi, 2016; Mehta & Maheshwari, 2014; Tepper 2007). The main objective of the current study was to examine the mediating role of employee silence between TOXL behaviors and OP relationship. Empirical findings revealed that TOXL behaviors predicted individual level variable employee silence and it further affected the OP negatively in the workplace.

The study findings revealed that TOXL is negatively related with the OP in banking sector of Pakistan, which is in line with Reed (2012) who have examined the toxic leaders and contended that these types of leaders are detrimental to the organizational efficiency and effectiveness.

The present findings illustrate that TOXL behaviors have significant positive impact on the employee silence. Which is true according to the previous studies (See, Xu, 2015; Tepper et al, 2007; Schilling & Kluge, 2009; Goldman, 2012). These scholars have identified that the TOXL behaviors have the capacity to tickle down and negatively affect the behaviors of the employee at workplace. Tepper et al.(2007) and Xu (2015) explained on the basis of theory of conservation of resources that the negative behaviors of leaders lead to the stress and emotional exhaustion among the employees, in result the employees try to conserve their knowledge resources, physical resources to cope up with the adverse climate created by the leaders and instead of directing

their efforts for the achievement of organizational goals and performance they waste their strengths in adjustment with the environments.

The third finding illustrates that employee silence is negatively related to the OP which is also supported by the arguments of (Morrison, 2014; Milliken, Morrison, & Hewlin, 2003). Moreover, Morrison (2014) and the employees' silence is having a negative impact on the OP (Argyris & Schon, 1986; Morrison & Milliken, 2000).

Employees feel hesitation to express their feelings, understanding and knowledge concerning the organizations. The information withholding has the potential to deteriorate the organizational decision making and problem solving (Argyris & Schon, 1986; Morrison & Milliken, 2000).

These results support the previous research evidence provided by Tepper (2007) who has identified that in case when employees experience adverse and destructive behaviors of their superiors, they try to remain silent as the coping strategy and to avoid further damage. In addition, studies have investigated a positive association of feedback avoidance and deviant behaviors, emotional exhaustion and silence of the individuals toward their abusive supervisors (Thau, Bennett, Mitchell, & Marrs, 2009; Whitman et al. 2014; Xu et al., 2015).

The TOXL stems from three venues: (a) the environmental and organizational context, (b) the personality and behaviors of the leaders and (c) the employees with common characteristics with the leaders and limited job opportunities.

The banking sector is continuously under change in regulation, strict control, competition and lack of concern for the employees that has resulted in high turnover, lack of commitment and job stress among employees (Asrar-ul-Haq & Kuchinke, 2015). They further found that the leadership in the banking sector has also mixed types of outcomes in the Pakistani context. Furthermore, the stressful environment of banks makes their leaders and managers emotionally exhausted and under the emotional contagion effect the employees also face stressful circumstances under these managers and leaders making them silent. The findings of the study contributed to the knowledge, research and practice.

Contribution in knowledge

Good evidence is available about assessing the impact of few aspects of toxic or destructive leadership behaviors on silence and also studies have been conducted to evaluate the relationship between TL and various factors associated with OP that are non-conclusive. The study is first in its type, as per researcher's knowledge that has collectively taken into account TOXL behaviors (namely narcissism, self-promotion, abusive

supervision, unpredictability, and authoritarian leadership), employees silence and OP in a single model. Most of the TOXL studies are conducted in the individualistic cultures whereas the current study related to TOXL is conducted in the collectivist culture like Pakistan, due to the cultural changes scholars suggest the exploration and validation of theories of developed cultures in to the developing one like Pakistan (Khilji, 2012).

Contribution in Research

The study has contributed in research in several ways. *Firstly*, the study has utilized first order SEM to assess the relationship between TOXL, employees silence and organizational performance, which provide complete picture of the relationships. *Secondly*, the research has employed probability sampling – Stratified Random Sampling technique that helped the study to minimize the sampling biases. The study was conducted in Collectivist culture, whereas most of the research on the TOXL is available on the individualistic culture and hence it opens new venues for the further research. Here the study has further explained the TOXL, employee silence and OP relationship using conservation of resources theory.

Contribution to Practice

The study findings hold several important managerial implications. *Firstly*, the organizations should make measures to identify and inhibit toxic behaviors of leaders. The leaders should be informed about the severe negative effects of the toxic behaviors. *Secondly* the Organizations should formulate and implement such policies to abolish the negative behaviors. In particular, the organizations should set up such processes and mechanisms like human resource management, training and development and development of such channels that provide leverage to the employees to report or voice out against their leaders or supervisors' behaviors.

Suggestions and Recommendations

The study suggests that in collectivist societies like Pakistan employees would not rise their voice even though they experience negative behaviors of their ordinates because of their cultural characteristics like power distance and harmony.

Further, the study suggests the practitioners and policy makers on the adoption and utilization of different organizational learning processes and mechanisms that can make individuals to acquire, disseminate, interpret and store the information relevant to the organizational problems issues and achievement.

The study suggests the role of HR managers, to equipped their employees with knowledge, skills and mindsets that enable them to cope

up with the adverse and toxic behaviors of their leaders. Besides this, the study suggests the organizational development (OD) interventions to change the behaviors collectively like appreciation inquiry (Copperider & Servistva, 1982) and development of positive psychological capitals of the employees (Luthans, Avalio & Wolumba, 2007) that are essential soft strengths and enable the employees to cope up against the adversities.

Conclusion

The study intended to examine mediating role of employee silence as the underlying mechanism between TOXL and organizational performance. The results of the study revealed that the employee silence mediates the relationship between TOXL and organizational performance. Consequently, it is the responsibility of the organizations to take necessary actions for the curtailment of TOXL behaviors and also, develop such policies and procedures in their organizations that ensure the prevention form toxic behaviors and to provide assistance and support to abused employees. This research also suggests the development of organizational interventions to increase levels of employee coping and well-being and establishment of diagnostics procedures for the identification of TOXL behaviors and employee silence as they combinedly deplete organizational performance.

Limitations and future directions

The study is cross-sectional; data is collected at single time. The responses were collected from single segment that were subordinates. Secondly, the data was collected from a single city of Pakistan, which limits the generalizability of our findings to other cultures and contexts. The study results advocate the addition of more potential variable that might moderate or mediate between the TOXL and OP (Schelling & Kluge, 2009). The future studies should verify these result in other sectors and geographical areas.

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