

Toxic Leadership and Psychological Well-Being in Millennial Employees

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Abstrack

The rapid development of information technology requires companies to adapt; however, it also poses challenges to the psychological well-being of employees. This study analyses the relationship between toxic leadership and the psychological well-being of millennial employees at Company X, a manufacturing entity. Using a quantitative approach and correlation methods, data were collected from 331 employees via a questionnaire. This study employs the Theory of Toxic Leadership (Schmidt, 2008) and Ryff's Psychological Well-being Model (2008). The findings reveal a significant negative correlation ($r = -0.488$, $p < 0.01$), indicating that higher levels of toxic leadership are associated with lower levels of employee psychological well-being. These results emphasise the urgency for organisations to implement leadership training programs to reduce poisonous behaviour and promote employee mental health. This study is expected to contribute to the literature on industrial and organisational psychology and serve as a foundation for further research.

Keywords: toxic leadership, psychological well-being, millennial employees, industrial psychology, organisation

Abstrak

Pesatnya perkembangan teknologi informasi mengharuskan perusahaan untuk beradaptasi; namun, hal itu juga menimbulkan tantangan bagi kesejahteraan psikologis karyawan. Studi ini menganalisis hubungan antara kepemimpinan beracun dan kesejahteraan psikologis karyawan milenial di Perusahaan X, sebuah entitas manufaktur. Dengan menggunakan pendekatan kuantitatif dan metode korelasi, data dikumpulkan dari 331 karyawan melalui kuesioner. Studi ini menggunakan Teori Toxic Leadership (Schmidt, 2008) dan Model Psychological Well-being Ryff (2008). Temuan ini mengungkapkan korelasi negatif yang signifikan ($r = -0,488$, $p < 0,01$), menunjukkan bahwa tingkat kepemimpinan beracun yang lebih tinggi dikaitkan dengan tingkat kesejahteraan psikologis karyawan yang lebih rendah. Hasil ini menekankan urgensi bagi organisasi untuk menerapkan program pelatihan kepemimpinan untuk mengurangi perilaku beracun dan meningkatkan kesehatan mental karyawan. Penelitian ini diharapkan dapat berkontribusi pada literatur tentang psikologi industri dan organisasi serta menjadi landasan penelitian lebih lanjut.

Keywords: toxic leadership, psychological well-being, karyawan millennials, psikologi industri, organisasi

Article info

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INTRODUCTION

The current industrial landscape is experiencing rapid advancement in information and digital technology, prompting companies to pay close attention to these developments (Danuri, 2019). Management is striving to implement significant transformations and developments to keep pace with this progress (Cahyaningtyas, 2023). Manufacturing companies, such as Company X, are also adapting to technological changes to address the psychological well-being of their employees. Employee psychological well-being is a fundamental pillar in creating a healthy and productive work environment. In today's high-pressure work environment, companies must prioritise the mental and emotional health of their workforce. The key to remaining competitive lies in focusing on employee happiness and well-being (Rubenstein et al., 2018; Hong et al., 2019; Omar & Ahmad, 2020). Addressing this aspect benefits not only employees but also improves overall organisational performance and fosters an inclusive workplace culture.

On June 4, 2024, the author conducted interviews with 10 millennial employees from various divisions at PT X. The results revealed that four employees from the production division experienced issues related to psychological well-being, such as feeling stressed and unappreciated. Three employees from the crane operator section also reported feeling pressured due to negative treatment from their supervisors. In contrast, three employees from the safety staff division reported no pressure or discomfort in their work environment. These findings suggest that some employees in the company may be experiencing psychological well-being issues.

The development of psychological well-being in the workplace is essential for both individuals and organisations (Wibowo & Wijono, 2021). Research by Guberina et al. (2023) shows that employees with high psychological well-being tend to be more productive and creative. Ausat et al. (2024) emphasise the importance of understanding the factors that contribute to psychological well-being, which can ultimately enhance productivity and employee retention. Psychological well-being has both positive and negative implications in the workplace, influencing factors such as loyalty, satisfaction, and productivity (Harter et al., 2004; Faisah et al., 2023). Investing in psychological well-being yields benefits for both individuals and organisations, fostering a more productive work environment.

Ryff (in Satria, 2020) argues that social networks and personality reflect leadership characteristics. In the context of applying effective leadership styles, leaders demonstrate moral behaviour and avoid openly criticising subordinates. Onesti (2023) also states that leadership style in a business context is a significant determinant of employee psychological well-being. In this regard, leadership styles such as toxic leadership can have a major impact on psychological well-being, as they contradict the principles of healthy leadership. Toxic leadership is characterised by harmful behaviours such as intimidation, manipulation, and injustice. Conversely, effective leadership contributes positively to psychological well-being by fostering a supportive work environment and encouraging feelings of being valued, empowered, and supported (Khan et al., 2020). Based on these factors, it is evident that toxic leadership can have a profoundly negative impact on an individual's psychological well-being.

Toxic leadership can indeed have a substantial impact on employee psychological well-being. Poor leadership styles can lead to stress and reduced productivity (Pelletier, 2010; Webster et al., 2016). The previous interviews revealed that several employees experienced mistreatment from their supervisors, resulting in feelings of pressure. Toxic



leadership is marked by damaging behaviours, such as intimidation and manipulation, which adversely affect employees' mental health (Lubit, 2004; Reed & Bullis, 2009). Prior research consistently demonstrates a negative relationship between toxic leadership and psychological well-being (Naeem & Khurram, 2020; Crozet, 2020; Bhandarker & Rai, 2019).

This study presents several key differences compared to previous research, such as the study by Naeem & Khurram (2020). While their research examined the effect of toxic leadership on turnover intention with the mediating role of psychological well-being and employee engagement, this study focuses solely on the relationship between two variables: toxic leadership and psychological well-being. Furthermore, Naeem & Khurram's study used a sample of 505 employees from six banks in Pakistan, whereas this study involves 380 employees from Company X, located in Morowali, Indonesia. In terms of data analysis, they employed the Partial Least Squares Structural Equation Modelling (PLS-SEM) method, while this study uses a correlational test model. Additionally, while Naeem & Khurram utilised Schmidt's (2008) theory for toxic leadership and Tett and Meyer's (1993) theory for turnover intention, they did not clearly state the theoretical foundation for psychological well-being. In contrast, the present study clearly employs Schmidt's (2008) theory for toxic leadership and Ryff's (2008) theory for psychological well-being.

This study offers several notable contributions. First, it focuses specifically on millennial employees in Indonesia's manufacturing sector, a group that remains underexplored in existing literature. Millennials have different expectations and perspectives regarding leadership and work culture, making them a relevant demographic to examine in today's organisational dynamics. Second, this research combines qualitative exploration through interviews with quantitative correlational analysis, enriching contextual understanding while reinforcing empirical validity. Third, the use of Schmidt's (2008) toxic leadership theory and Ryff's (2008) psychological well-being theory within a single conceptual framework offers a comprehensive perspective, which is rarely employed together in previous studies. Fourth, this research is contextually relevant in the post-pandemic and digitalisation era, where high job demands and shifting work patterns have heightened the urgency of addressing employee psychological well-being, particularly in industrial areas such as Morowali.

Based on the discussion above, this study aims to examine and analyse the relationship between toxic leadership and psychological well-being among millennial employees at Company X. The hypothesis proposed in this study is: There is a significant negative relationship between toxic leadership and psychological well-being among millennial employees at Company X.

METHOD

The approach used in this study is a quantitative, correlational design that aims to determine the relationship between toxic leadership and psychological well-being among millennial employees at Company X. The research sample consisted of 331 millennial employees who had worked at Company X for a certain length of service. The sample selection was carried out using an accidental sampling technique to ensure that participants who fit the criteria were included, as this method is practical and efficient for reaching respondents who are readily available and willing to participate, especially when time and access to the broader population are limited. To determine the appropriate sample size, the researcher used a table developed by Krejcie & Morgan (1970) with a



5% margin of error. Data collection was conducted online by filling out questionnaires using Google Forms, which were distributed through social media and the company's internal communication platform. The questionnaire was structured using a Likert scale with 6 answer options, namely SS (strongly agree), S (agree), SS (slightly agree), STS (slightly disagree), TS (disagree), and STJ (strongly disagree).

The research instruments consisted of two main scales: the Toxic Leadership Scale and the Psychological Well-being Scale. The Toxic Leadership Scale was developed based on Schmidt's (2008) theory and has been translated and adapted by the researcher to be relevant to the research context. This scale measures aspects of leadership behaviour that hurt employees. Meanwhile, the psychological well-being scale uses Ryff's (2008) theory, which measures the mental and emotional health of employees in the work context. Both scales have been tested for validity and reliability using Cronbach's Alpha (>0.80), which is consistent with the validation of Schmidt's original scale (2008).

Furthermore, in the item selection test using Kaplan's criteria, all items passed the test, with Correlated Item-Total Correlation values ranging from 0.380 to 0.822.

The collected data were analysed using the Spearman Rho correlation test with the help of Statistical Package for the Social Sciences (SPSS) software version 23.0 for Windows to determine the relationship between toxic leadership and psychological well-being in millennial employees.

RESULT AND DISCUSSION

The results showed that descriptive statistical analysis was conducted. The data obtained were then processed to perform two assumption tests: the normality test and the linearity test. For the normality test, the Kolmogorov-Smirnov Test method was used, which showed that the data were not normally distributed. This result is evident from the significance values of the toxic leadership and psychological well-being variables. For the toxic leadership variable, the significance value is $0.000 < 0.05$, as is the case for the psychological well-being variable, which also shows a significance value of $0.000 < 0.05$. Thus, both variables exhibit significance values of less than 0.05, indicating that neither is usually distributed.

Table 1.
 Normality Test One-sample Kolmogorov-Smirnov Test

		Toxic Leadership	Psychological Well-being
N		331	331
Normal Parameters a,b	Mean	87.77	187.60
	Std. Deviation	32.636	26.280
Most Extreme Differences	Absolute	.192	.117
	Positive	.192	.098
	Negative	-.112	-.117
Test Statistic		.192	.117
Asymp. Sig. (2-tailed)		.000	.000

The results of the linearity test show that there is a significant linear relationship between the toxic leadership variable and psychological well-being with a Linearity



significance value, $(p) = .000 < .05$. From these results, it can be concluded that the data is linear.

Table 2.
Linearity Test

		F	Sig
Psychological Well-being	(Combined)		
*Toxic Leadership		3.036	.000
	Linearity	160.944	.000
	Deviation from Linearity	1.319	.050

Furthermore, the Toxic Leadership and Psychological Well-being variables are categorised into three categories, namely low, medium, and high. The Toxic Leadership variable indicates that some participants fall into the low category (11.2%, 37 participants), followed by the moderate category (50.5%, 167 participants), and the high category (38.4%, 127 participants). It can be concluded that the toxic leadership variable with the highest percentage is in the moderate category. Meanwhile, the psychological well-being variable falls into the low category, with 24.8% of participants (82), followed by mild (17.5%, 58 participants), and high (57.7%, 191 participants).

Table 3.
Scale Categories Toxic Leadership and Psychological Well-being

	Interval	Kategori	Frekuensi	Presentase
Toxic Leadership	43 < 55	Rendah	37	11.2%
	55.134 ≤ X < 87	Sedang	167	50.5%
	87.77 ≤ X < 159	Tinggi	127	38.4%
	Total		331	100%
Psychological Well-being	117 < 161	Rendah	82	24.8%
	161.32 ≤ X < 187	Sedang	58	17.5%
	187.88 ≤ X < 225	Tinggi	191	57.7%
	Total		331	100%

Furthermore, hypothesis testing was conducted using Spearman's rho. The results of hypothesis testing indicate a negative and significant relationship between Toxic Leadership and Psychological Well-being, as evidenced by a correlation coefficient of $r = -.488$ and a p-value of .000 ($p < .01$). Thus, it can be interpreted that the higher the Toxic Leadership, the lower the Psychological Well-being, and vice versa.



Table 4.
 Uji Spearman Correlation

		Toxic Leadership	Psychological Well-being
Toxic Leadership	Spearman Correlation	1.000	-.488
	Sig. (2-tailed)		.000
	N	331	331
Psychological Well-being	Spearman Correlation	.488	1.000
	Sig. (2-tailed)	.000	
	N	331	331

Based on the results of the hypothesis that there is a negative relationship between toxic leadership and psychological well-being, which means that the hypothesis in this study is accepted, which is shown in the results of the analysis of $r = -0488$ and a significant value $=.000$ ($p < .01$). Thus, it can be interpreted that the higher the level of toxic leadership experienced by employees, the lower the level of psychological well-being they feel, and vice versa.

The findings that show a negative relationship between toxic leadership and psychological well-being in employees can be explained through several possibilities. The first is that most millennial employees think that toxic leadership can harm all organisational parties in the company, and they do not get the opportunity to express their thoughts, so it can cause stress and other psychological problems. This finding aligns with previous research, which indicates that toxic leadership can have a detrimental impact on employees' psychological well-being. For example, research conducted by Naeem & Khurram (2020) found that toxic leadership has a negative relationship with psychological well-being. In the presence of toxic leaders, employees' psychological well-being decreases due to the adverse effects of toxic leadership. Second, most millennial employees consider that toxic leadership makes them feel uncomfortable and depressed, so that it can cause their psychological well-being to decrease. This research is also in line with the findings revealed by Crozet (2020), which shows that there is a negative relationship between toxic leadership and psychological well-being, where toxic leadership can cause various negative psychological impacts, including depression, anxiety, and decreased self-esteem. Similarly, research conducted by Bhandarker and Rai (2019) found that toxic leadership and psychological well-being have a negative relationship, where toxic leadership can cause emotional distress in subordinates, which has a direct impact on individual psychological well-being.

Working under toxic leadership can be a very challenging and stressful experience, which often neglects moral and psychological well-being. Leaders with this trait tend to exhibit arrogant, selfish, rigid, and oppressive behaviour (Lubit, 2004; Reed & Bullis, 2009; Naeem & Khurram, 2020). This reinforces the argument that employees under toxic leadership are often exposed to stressful work environments. In this context, employees usually feel unappreciated and pressured by adverse leadership behaviours, which can lead to prolonged stress and negatively impact their overall psychological well-being. This can lead to employees feeling trapped in an unfavourable situation, where they feel they have no control over their work and do not get the necessary support from their superiors. As a result, they may experience decreased motivation, productivity, and job satisfaction. In the long run, these impacts can contribute to more serious mental



health issues, such as anxiety disorders and depression, which can affect their quality of life outside of the work environment.

Thus, emotional distress resulting from toxic leadership, as expressed by Bhandarker and Rai (2019), may be one of the factors that explain the decrease in psychological well-being observed in this study. Furthermore, this study is also supported by previous research, such as Harter et al. (2004), who showed that low psychological well-being can contribute to increased absenteeism and decreased work productivity. This suggests that toxic leadership not only impacts individuals but can also affect overall organisational performance.

The strength of this study lies in its quantitative approach, utilising a correlational method that enables a more in-depth analysis of the relationship between toxic leadership and psychological well-being among millennial employees. By involving 331 participants from company X, this study provides a representative picture of the conditions in the field. In addition, the use of instruments that have been tested for validity and reliability, such as the Toxic Leadership Scale from Schmidt (2008) and the Psychological Well-being Scale from Ryff (1989), enhances the credibility of the research results. The results of the analysis revealed a significant negative relationship between the two variables, which aligns with the findings of previous research, thereby making an important contribution to the literature in the field of industrial and organisational psychology.

However, this study also has limitations, one of which is the use of accidental sampling techniques, which may affect the generalisation of research results to a wider population. Additionally, this study focuses solely on one company in Morowali, so the results may not be universally applicable in other industrial or organisational contexts. Another limitation is the cross-sectional nature of this study, which provides only a snapshot of the relationship at a single point in time, without considering potential long-term changes. Therefore, further research with a longitudinal design and a more diverse sample is needed to strengthen these findings and provide more comprehensive insights into the impact of toxic leadership on employee psychological well-being.

CONCLUSION

Based on the research results, descriptive statistical analysis was conducted, followed by two assumption tests, namely the normality test and the linearity test. The normality test, using the Kolmogorov-Smirnov method, showed that the data were not normally distributed, with significance values for the toxic leadership and psychological well-being variables of $p < .05$, respectively. This indicates that neither variable met the normality assumption. This finding underscores the importance of recognising the dynamics of toxic leadership within organisations. Therefore, companies are advised to provide space for employees to receive feedback and limit the emergence of poisonous leadership behaviour through the development of healthy leadership, such as training in interpersonal skills, empathy, effective communication, and leadership ethics. On the other hand, employees are expected to adapt to existing leadership styles, understand their rights regarding inappropriate work behaviour, utilise available reporting mechanisms, and develop healthy coping strategies to support mental resilience and psychological well-being. For further research development, it is recommended to focus on exploring mediation mechanisms, such as work stress or social support, in the relationship between toxic leadership and psychological well-being. Long-term, cross-cultural research with participants from different generations, as well as evaluations of the effectiveness of toxic



leadership prevention programs, are also needed to provide a more comprehensive and practical understanding for the development of healthy organisations.

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