



**GURU  
GUIDE**  
with  
Vidusha and Anton

in conversation with  
**Paul McCarthy**

**32**

**CREATING NON TOXIC  
LEADERSHIP CULTURES**



# A QUICK INTRODUCTION TO THE GURU GUIDE

The 'Guru Guide' is an attempt to refine decades of hard-earned expertise into succinct, simple and practical advice.

It is NOT meant to be an exhaustive exploration of a topic: rather, pointed areas of focus which can only be discerned by a practitioner. It is not meant to be a generic set of advice: it is advice from battle-hardened professionals who have had a lifetime of experience and proven track records.

## The Guru Guide has a pre determined format:

- ✓ It aims to understand a topic/ area of focus
- ✓ It aims to give tools to help you navigate the area
- ✓ It also gives contexts and examples: so that you can customize it to suit YOU

Exploratory, intimate and insightful, the Guru Guide aims to bring to you a wealth of expertise which can only be possible through veterans whose varied and in-depth experiences offer unparalleled insights.

The brevity and simplicity is by choice, and design. Focused on Executives and Managers who want to get quick tips and techniques, who are eager to improve their craft

and trade : the Guru Guide aims to offer 'little nuggets' of advice and importantly, simple tools, which will enable practitioners to up their game and benefit from expertise which may be hard to find in a hurry.

## INTRODUCING



**VIDUSHA  
NATHAVITHARANA**

Vidusha is currently the Destiny Architect at High5 Consultancy and Luminary Learning and the organization's founder. His areas of expertise are with strategy facilitation, HR strategy development and Leadership Training. He has conducted assignments in 15 countries regionally and consulted for the World Bank, the UN as well as some of the top corporates in Sri Lanka and the Region. He is also a member of the board of directors for Chrysalis, a social enterprise working to empower women and youth by fostering inclusive growth in Sri Lanka and elsewhere.



**ANTON  
THAYALAN**

Anton is a multi-faceted professional who has had over two decades of hands-on experience in process improvement, change management and strategic management, and currently works as the Chief Evangelist of Luminary Learning and the Transformation Therapist of High5 Consultancy. As the former AVP at HSBC DPL Anton won accolades for his superlative work there: and won the prestigious HSBC Group Service – Global Talent Management Member two years in a row. Anton currently works as a consultant focusing on efficiency and productivity improvement and process optimization for local and regional clients.

## INTRODUCING PAUL MCCARTHY



Driven by the quest to discover what motivates people to do what they do, Paul thinks big, questions deeply, and strives to create the conditions for leaders of all levels to have courageous and honest conversations that build strong and healthy organisations.

Having worked within big firms in the UK and Canada, he brings a global perspective to his work as well as real-world experience and straightforward guidance that informs and supports leaders and leadership teams to navigate opportunities and challenges presented by transformation.

His background in anthropology, sociology and social policy creates a natural curiosity about culture, social structure, and how this informs and shapes corporate systems. Paul is becoming a key influencer of how future leaders are shaping future workplaces. He provides advice, guidance and has real experience of supporting leaders and leadership teams through the process to adapt how they see the future of leadership and organisations.

Paul is involved in several game-changing forums to better understand what leaders and organisations of tomorrow will need to set themselves apart. An avid traveller, Paul has explored over 30 countries, is a veteran snowboarder of Canada's best powder, and has used Covid-19 to embrace being a digital nomad. Paul passionately provides mentorship to the next generation of young entrepreneurs and future leaders through collaboration with non-profit organisations or simply over a cup of Earl Grey.

## SO, YOU GOT FIRED... IS WHAT YOU DO A REACTION TO THAT ?

No. It is not a reaction to being fired. It's also not a reaction to not being competent to perform the roles I've performed as a leader.

I have been fired from 4 executive roles in North America. And one of the consistent reasons has been because I 'dared' to speak out about toxicity in organisations and within leadership cultures.

As a leader, I unintentionally exposed the culture of hypocrisy and toxicity that characterises most of the current leadership in today's organisations and the leadership teams I have worked alongside and within.

It is not something I set out to do as a vendetta, but simply by being the leader I was 'hired' to be. Let me clarify one thing: I wanted to be the leader who fitted in, the leader who accepted the 'way it was'. I wanted to conform and 'drink the Kool-Aid'. And yet, I couldn't once I had witnessed first-hand the true and far-reaching extent of toxicity that surrounds and is embedded within current approaches to leadership identification, recruitment, onboarding and development.

I went through costly and time-consuming leadership recruitment processes to be recruited into the role of a leader. During these lengthy processes, I clearly demonstrated the qualities that defined me as a leader and my approach to leadership. As I began to display these leadership qualities once I'd been hired, what I encountered and was ultimately entrenched in, was a system of ego-based leadership, hypocrisy, dysfunction and toxicity within the organisational culture.

Why didn't I fit in?

- » I asked too many questions
- » I challenged the system too much
- » I presented too many dissenting perspectives that 'went against' the status quo
- » I was too disruptive
- » I would not accept the 'way it was' because I'd been hired to move the organisation forward
- » I spoke out against existing leader 'group think' prevalent within the leadership environments I worked in

These were the very qualities I was hired for, though in demonstrating them, I was considered a nonconformist, a rebel, a disrupter.

In one scenario, I was hired to play an entrepreneurial role and take a business into new sectors and maximise their presence in existing ones. I started to do this and was reprimanded because I was going against the protocol of how they 'currently' did business development. I had to have a 'time-sheet code' for being 'entrepreneurial', which was completely contrary to my style of leadership (as well as which I was hired for), which was NOT hierarchical, bureaucratic, or draconian. Sadly, this firm wanted me to conform to existing and inefficient processes in stark contrast to what their leadership recruitment process espoused, and my leadership style and the results I was expected to deliver.

It took 6 months to get this timesheet code. And in this case, I was fired for demonstrating what I'd later define as 'fresh thinking'.

My experiences as a fired leader ignited a curiosity within me about why we fire the types of leaders that we say we want. It also evoked a quest to understand the true extent of toxicity in organisations, particularly in our existing leadership cultures and processes. This then led me to ask myself a few deeper questions:

- »» What is the state of leadership today?
- »» How effective or ineffective are today's leadership identification, recruitment, onboarding and development processes?

I was inspired to explore the underlying (and often overt) sources of this toxicity in today's approaches to leadership. It was never a reaction, but more inspiration and self-reflection that affirmed my lifelong mission to rid the world of toxic leaders - one leader at a time.

In 2019, the cost of toxic culture in the USA over the past five years is estimated at USD 223 billion. This is possibly the next pandemic.

*Source: Society for Human Resource Management*

# ISN'T ORGANISATIONAL POLITICS A REALITY ? ISN'T THINKING ABOUT AN ORGANISATION OR PERSON WITHOUT HYPOCRISY JUST 'WISHFUL THINKING' ?



What a provocative subtitle.

I don't agree with the often-accepted mantra that 'organisational politics is the reality' simply because we always have a CHOICE: Do you buy into organisational politics or not? Organisational politics is a symptom of toxicity. And yet few of us want to accept this or even have a conversation about it.

Pause for a moment and think about these two questions:

- »» Do you contribute to organisational politics?
- »» Are you intentionally toxic or quietly supportive of toxic behaviour?

You are intentionally toxic if: you play the game of hierarchy, you use your perceived superiority to downplay or discredit others, typically termed a 'bad boss'.

You are quietly supportive if: you have a meeting before a meeting, closing the 'open door' policy, silos-based discussions. These are silent killers and the reality of everyday organisations. We all have experience of this - from the extreme examples of bosses shouting and reprimanding their staff to the more subtle, nuanced examples of being 'uninvited' to meetings. We've all experienced these.

Most of the peer-reviewed research, studies and articles around the extent of organisational politics all acknowledge that 'We don't like the game, but we feel we have to play it'. This seems to be our 'perceived' reality.

## Toxicity has become normal

Why is that and why do we believe that we must accept it? As we evolve into the future organisation and the future role of the leader, we have an opportunity to reframe and reshape the role we permit politics to play. Organisational politics is currently engrained in organisational cultures; it is a part of the DNA of current organisations. The old-world approach to leadership, which let's be honest here, is based on fear. This stems from perceived seniority as well as the insecurities that those fear-mongering leaders have. A world of leadership that cares more about the leadership title than the actual role and impact that leaders can have. Toxicity is so prevalent in today's organisations and approaches to leadership that it's been institutionalised and is now 'inside the walls'.

Because it's become so normalised, we don't see it for what it truly is. This is often referred to as the 'normalisation of deviance'. A scientifically validated concept, where the ability to see the extent of toxicity is reduced or impaired. A practical example of this that everyone can relate to is when a leader challenges or questions the status quo (despite the fact they may have been brought into the organisation to do exactly that). When they do, the rest of the leadership team tends to strengthen its 'leader groupthink' mentality and work to discredit this leader (slowly or rapidly, it matters not). This manifests in situations like their ideas being 'torn apart', meetings with them habitually 'rescheduled' or leaders having meetings as a team and not including this leader. Or it even shows itself with phraseology such as 'You don't understand how we do things around here' or my personal favourite, 'That'll never work'. Such 'normal' examples of what it's like to be a leader in an organisation who dares to think and act differently from the leader groupthink norm.



Toxicity has become so normalised that we cannot discern it and furthermore, we appear to have become desensitised to it and its growing negative impact. One could be quietly supportive of toxicity within this context and be unaware that it is toxic or even that they are supporting it.

***Sadly, most organisations would rather not address a toxic workplace culture, even when they do realise that their organisation is toxic. Either because they don't know how, or they are unintentionally compliant. In a recent survey by LeaderFactor, 90% of leaders who are toxic have been found to be 'uncoachable'. Translation: they will never change, and you have a choice - keep them in the organisation or remove them. It really is that simple.***

If leadership is to evolve, we need to make a choice of how we appear in an organisation and how we work on shaping the culture we want to be part of. To create an organisational culture which is not marred by organisational politics, we must leverage those inside our organisations who can help. HR Departments can play a key role.

However, it's a disappointing fact that HR departments either intentionally or unintentionally continue to be complicit or are quietly supportive of toxic organisational and leadership cultures. Being the optimist I am, I prefer to give HR Departments the benefit of the doubt and want to equip them with the tools to address this.

# LEADERSHIP IS ULTIMATELY ABOUT POWER ISN'T IT ?

In the old days, leadership was traditionally seen as being about power. Historically, titles were equivalent with this power and as a result, were enforced by this power. The hierarchy dictated who had power and who they controlled, as well as the 'pecking-order' in the organisation.

Reliance on power is not true leadership.

The past 10 years or so has seen a rise in the literature in the space of leadership, looking at leadership as more collaborative, more interactive, more human and heart focused. Leadership is really followership. (Marcus Buckingham, '9 Lies About Work'). The pendulum has swung, and the role of leadership is evolving. It has become obvious to many that a hierarchical approach to leadership is becoming increasingly redundant.

An effective leader needs the ability to influence. An effective leader is one who others choose (of their own free will) to follow. Without followers, a leader is limited in their true ability to lead. How effective would a leader be without followers? If no one follows a leader of their own accord, he or she is at best a dictator.

Proof of this redundancy is:

- » higher turnover
- » increased siloed behaviour
- » increased disengagement
- » morale dipping
- » challenges in productivity
- » reputation of the organisation, leader and employee being tarnished

Research, evidence and statistics for all of the above are clearly available for all to see. And yet few are doing anything about this.

**A GREAT LEADER  
IS ONE WHO  
FACILITATES  
THE CONDITIONS  
TO CREATE  
BETTER  
LEADERS**

*- Paul McCarthy -*

## IS THIS ACTUALLY WORKING ANYWHERE - OR IS THIS MERELY AN 'IDEAL' ?

With the advent of the pandemic, this has in many cases accelerated the urgency to address this redundancy by reintroducing a new approach to leadership. It is unclear why the pandemic accelerated this agenda, though the new wave of leadership is upon us. Leaders are increasingly being called to be:

- » Vulnerable
- » Authentic
- » Courageous and resilient
- » Less reliant on titles

This is supportive to and complementary to the other trend we're seeing in how we structure our organizations. Self-managed organisations are a new type of organisational structure, ironically lacking in composition and approaching the future of work, leadership (and toxicity) in different ways. Focusing on empowering teams to manage themselves within independent bubbles, ecosystems or networks that are self-standing and self-governed. Within these organisational structures, leaders are rotated; they lack the traditional title and hierarchy often associated with (and which are detrimental to) the traditional organisation. Followers are inspired by actions, words and behaviour which is congruent to their sense of what some refer to as 'evolutionary purpose'. Power is earned not bestowed.

Focus your role as a leader in developing those around you:

- » Share decision making
- » Be open
- » Drop the ego

Make it your legacy. By doing so you create more followers of you as a leader. A self-perpetuating cycle.

The organisations who actually do a damn good job of being bone honest and authentic are usually NOT on the media nor in popular case studies. Those who are generally celebrated, may not be the best places to look for best practices in authenticity: because the branding machine of 'employer brands' of choice tends to gloss over details, and smudge the lines so much that what you see is only what they want to see. But, take a look at some medium scale companies and you may be surprised at the level of honesty and authenticity that exists.

This is NOT to say they are perfect either – nor that their cultures are any better than the larger corporate: but the level of hypocrisy may well be much less. Smaller organisations of that nature doesn't really have any need to portray themselves as anything more than who they really are: which is what makes all the difference.

**- VIDUSHA & ANTON -**



# CONCEPT 1: HONEST COMMUNICATION & HOLDING LEADERS TRULY ACCOUNTABLE FOR VALUES

Bone honest communication is at the very heart of non toxic leadership. The ability to 'tell things to the face' is not something that is common in many cultures : and hierarchies, even in the most egalitarian cultures are very much a reality. However, it is not the hierarchy or depth of the hierarchy that is the issue : it is what kind of a hierarchy it is. Even in a rigidly hierarchical organisation, if there is open and honest communications : and the ability and the expectation to be able to have a voice of dissent is culturally accepted and encouraged, leaders are always far more open, weighed and people centric.

So, it is critical to ensure that you start building in communication that is based on mutual respect. Start building communications which hone in on issues - and the ability to speak your mind - rather than playing politics or paying lip service to the popular view. Encourage dissent : encourage the devil's advocates : encourage the radical views.

At the heart of honest communication is the belief that we have a right to our opinion : and also, that the 'view' or the 'idea' or the 'opinion' needs to have its own merit : rather than its merit being based purely on the person who speaks it. The validity and the value of an opinion needs to be made sacrosanct : irrespective of the title of the person it comes from. This lends way to a culture that values ideas - rather than seniority : that respects people - irrespective of their title : that honours liberty - and equality.

We look at two approaches in addressing toxic people. That is to :

» Remove them

» Coach them

Most toxic people cannot be coached, this is a reality. We mentioned earlier that 90% of leaders within organisations are not 'uncoachable'. This process begins at the recruitment stage. Hiring for a sense of the individual's purpose and principles that they use to guide their words and behaviours then creates the conditions and lays the foundations for honest communication and open dialogue. This then improves the probability that the right type of people will join your organisation. Selecting people based on this approach enables the applicant screening process to determine (and filter out) people likely to be toxic before they enter your organisation. Having an honest dialogue around toxicity as part of the recruitment process is key.

## TOOL 1 - NAME WHAT YOU SEE MOMENTS



“Name What You See Moments (NWYSM)” - This exercise focuses on values alignment.  
How It Works :

Start with individuals who are truly clear about their values and the principles that guide their words and behaviours.

They need to be:

- » Clear about their own values
- » Clear about what they bring to the table
- » Clear and aligned with the overall organisation's values and sense of purpose

This is the precursor to open and honest communication and is based on these values of openness and trust. Get into the habit with your leadership team of doing the following and this will not only strengthen your leadership team, but it will also begin to openly address toxicity within your organisation.

- » As a leadership team, name what you see in terms of negativity and toxicity. Do this as part of individual reflection and together as one team
- » Make sure you can point to tangible data to show why certain words and behaviours are toxic.



## **Application:**

Every time your leadership team meets, include an agenda item for discussing NWYS moments.

This is a simple forum for a roundtable discussion where everyone presents in 60 seconds one thing that they see around the organisation (and particularly within their leadership team) that is toxic or contributes to toxicity.

### **The 4-step process to do this is:**

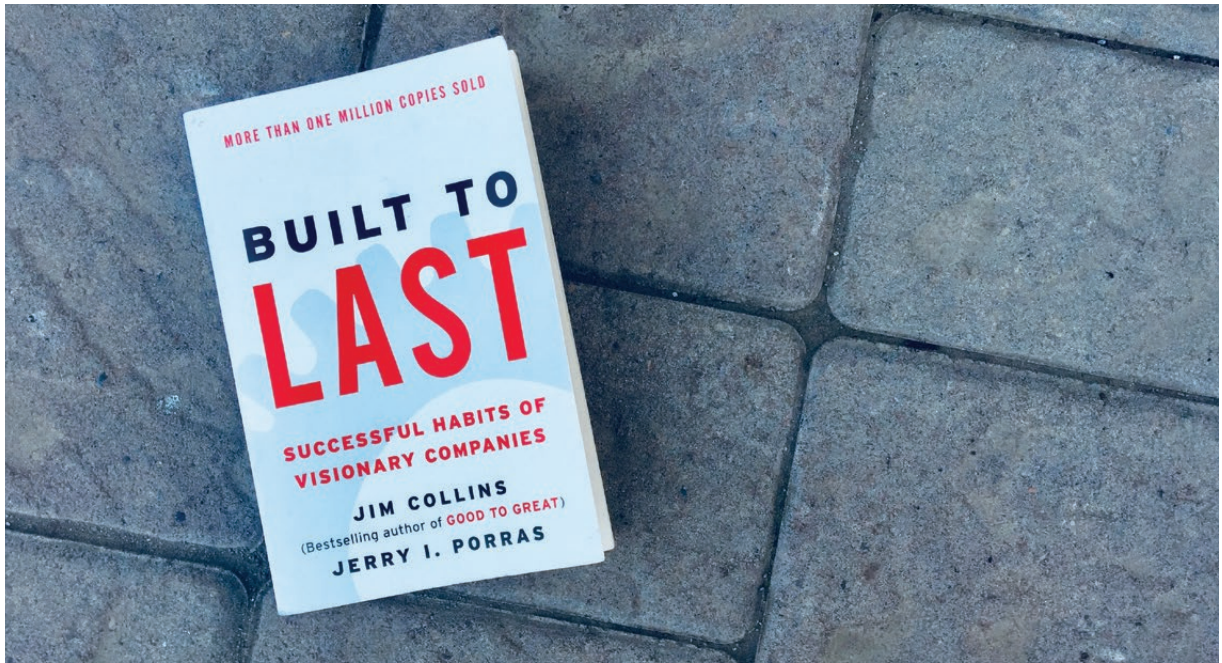
- »» What are you seeing amongst the leadership/peers?
- »» What are you seeing in yourself?
- »» What are you seeing in the organisation?
- »» What are you seeing in your boss?

Then you pass it on to the next person.

This is documented and as a collective leadership team you decide on one which is most important to focus on for the week ahead as an individual leader, as a collective leadership team and as a boss.

A VP of Leadership Development in a major financial institution implemented this in their leadership team recently and anecdotally remarked there was more honesty and openness in the team than was ever noted before.

## CONCEPT 2 – CREATING A NON TOXIC CULTURE - BHAG



Pioneered by Jim Collins, the concept of a Big Hairy Audacious Goal (BHAG) has become a popular strategic direction, vision and goal setting tool for leadership teams in many of the world's organisations today.

We can apply the BHAG concept to how leadership teams can begin to address organisational and leadership level toxic cultures. This will require focus, commitment and a clear process to leverage to develop a BHAG that identifies the strategic and operational components that will need to be discussed.

BHAG templates and guidance on how to use the BHAG concept are also freely available to download

## TOOL 2 – TOXICITY SCORE CARD



Holding leadership accountable for the role they play (directly or indirectly) in how toxicity manifests inside their organisations and within their leadership teams will become increasingly important as part of ongoing leader identification, recruitment, onboarding and development. A leadership toxicity scorecard is a visible tool to enable leaders to manage their level of toxicity (and introduce leadership toxicity coaching and other interventions as needed to those who are coachable). The scorecard is also used as a mechanism that is discussed as part of the leader's performance evaluation process (and whether they are promotable or not).

### **Application:**

Apply the BHAG that the leadership team created around the goal of creating and sustaining a non-toxic organisational and leadership culture. Use this BHAG as a mechanism to then evaluate each leader on a periodic basis (each fiscal quarter) and at the end of the year by an independent adjudicator. Leaders are evaluated based on the extent to which they have individually contributed (directly or indirectly) to levels of toxicity within their organisation and leadership team. Prior to deploying the toxicity scorecard, each leadership team would be required to agree what was defined (and measured) as an unacceptable level of toxicity, as well as defining what toxicity means for their specific organisation and leadership team.

# CREATING LEADERSHIP CULTURES THAT ARE NON TOXIC ACTUALLY MAKES BUSINESS SENSE

# GALLUP®

Gallup estimated the global cost of disengagement (due to toxicity) is \$7 trillion. This figure is rising each year. In the US alone, that figure is \$1 trillion.



## Harvard Business Review

HBR research reveals in the US, 50% of the workforce are actively seeking new opportunities because of the unhealthy and toxic relationships they have with their immediate supervisor (boss).

HBR research shows that 1 in 4 of your High Potential Leaders (HIPOs) will leave an organisation in less than 12 months because their values and purpose are not aligned with that of the organisation, despite the investment in developing them.

# leaderfactor

Dr Timothy Clark's webinar (from LeaderFactor) poll revealed 87% of 7000 attendees confirmed having experienced toxicity in their workplace/organisational culture.



SOCIETY FOR HUMAN RESOURCE MANAGEMENT

Research from the Society for Human Resources Management cites that of those surveyed, 58% of people who left their organisation did so because their relationship with their immediate supervisor was toxic.

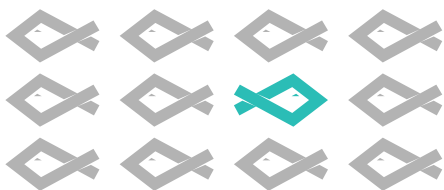
There is no research that exists which calculates the cost of involuntary turnover at leadership level. Of voluntary turnover, it costs between 213% - 400% of an executive level leader's base salary to replace them (not including other financial costs such as benefits, pension, health and wellness, litigation costs, as well indirect financial costs which include impact on the team's morale and productivity, employer's reputation or client retention).

Think about these numbers for a moment and the impact of toxicity on your organisation over time.

These statistics alone present a strong business case on why toxicity needs to be addressed within our organisations and as part of how we develop our leadership cultures. It's a rising pandemic.

We spend almost \$400 billion globally on leadership development every year. Few to no leadership development programmes ever openly address toxicity or its impact, why it exists and how to address it, as a learning module when developing emerging level leaders, aspirational leaders, or seasoned leaders. How much more effective could these programmes be if toxicity was addressed and what impact could this have on reducing disengagement and associated disengagement costs?

Toxicity is an increasingly costly challenge that needs addressing and it makes ethical and business sense to address it. As a CEO in the next 5 years, one cannot afford not to address toxicity.



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## SOME FINAL THOUGHTS...

- » The idea of toxicity does not discriminate.
- » Toxicity exists in all organisations of every industry, size, nature and sector.
- » The impact, however, is always the same.
- » Why does addressing this topic matter. It matters because, for those who are passionate about evolving the future of work, of organisations and of leadership, we are advocates for improving the way we work and making the experience of working a healthy one.
- » Left unaddressed, the impact of toxicity will demoralize the next generation of leaders and negatively impact the global economy.
- » Millennial leaders and generation Alpha leaders will also have different expectations of the ideal work environment they choose to work in. They will not support, contribute to or condone toxic environments. We need to be aware of this because addressing toxic organisational and leadership cultures will be critical in order to attract and retain the next generation of talent.
- » Pre-Covid, the projected economic growth of our global economy was estimated to be based on 50% of businesses that have not yet been created. Meaning, that our future economic growth will also depend on our ability to identify, recruit and develop leaders who may not have even entered the workforce yet.
- » This presents the perfect opportunity to rethink, reimagine and reinvent ideal work culture to support our continued global economic growth.

# PAUL MCCARTHY



[linkedin.com/in/paulmccarthy73](https://www.linkedin.com/in/paulmccarthy73)



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**ANTON THAYALAN**

+94 77 22 666 22 / +94 70 40 666 66

[anton@luminarylearningsolutions.com](mailto:anton@luminarylearningsolutions.com)

[www.luminarylearningsolutions.com](http://www.luminarylearningsolutions.com)