





RESEARCH ARTICLE

# From managerialism to toxic leadership: The moderating effect of ethical climate in the healthcare sector

Fusun Bulutlar<sup>1</sup> , Rifat Kamasak<sup>2</sup> , Deniz Palalar Alkan<sup>1</sup>  and Mustafa Ozbilgin<sup>3</sup> 

<sup>1</sup>Department of Faculty of Economics & Administrative Sciences, Yeditepe University, Istanbul, Turkey; <sup>2</sup>Henley Business School, University of Reading, Reading, UK and <sup>3</sup>College of Business, Arts and Social Sciences, Brunel University, London, UK

**Corresponding author:** Mustafa Ozbilgin; Email: [mustafa.ozbilgin@brunel.ac.uk](mailto:mustafa.ozbilgin@brunel.ac.uk)

(Received 24 June 2023; revised 14 January 2024; accepted 17 April 2024)

## Abstract

A hegemonic neoliberal ideology dominates all areas of work in Turkey, including healthcare. Though neoliberalism has been studied extensively from the perspective of meaning, values, and processes, managerial and leadership behavior dynamics require further research. This study analyzes the relationship between managerialism, toxic leadership, and ethical climate in an industry swept up by untamed neoliberalism, particularly in a nation where employment and human rights are ceremoniously protected. Through an analysis of medical doctors working in 207 public and private university hospitals in Turkey, we explored the role of managerialism and four distinct ethical climate types, resulting in the emergence of toxic leadership behaviors during the global pandemic. We theorize the extent to which toxic leaders emerge from managerialism. We further explain why the hegemonic Turkish leadership culture thrives in toxic behaviors such as paternalism, fealty, ingratiation, nepotism, and cronyism in the context of neoliberal expansion.

**Keywords:** Healthcare Management; Work-related attitudes/behaviors; Organizational Climate; ANOVA; Multiple Regression

## Introduction

Neoliberalism is a hegemonic ideology that prioritizes marketization over social good rationales, radically transforming how management, leadership, and organizing are practiced internationally. Stiglitz (2019) explains that the impact of neoliberalism has been uneven in different national contexts. Countries which made their industries and leaders responsible for people management and human rights have experienced less toxic impacts of neoliberalism (Vincent et al., 2024). However, countries with less supportive legal policies and discourses for employment and human rights had more adverse impacts (Kusku et al., 2021). Although neoliberalism is now well studied in terms of its meaning, values, and processes, there is little understanding of the interplay between managerialism (i.e., an ideology of relying on managers instead of professional staff for improved efficiency) and toxic leadership behaviors (i.e., leadership behaviors that have sustained harm on some followers, wider audience, and other communities) in untamed neoliberal contexts. We address the curious yet underexplored interplay between managerialism, toxic leadership, and ethical climate in a sector which has been at the grasp of untamed neoliberalism in a country with ceremonial legal, policy, and discursive support for employment and human rights. Turkey has an untamed hegemonic neoliberal ideology across all its sectors of work, including the healthcare sector (Konuralp & Bicer, 2021). There are reports of managerialism and toxic leadership behaviors leading to high turnover and migration

patterns among Turkish doctors (Önal & Akay, 2023). Over 3,000 Turkish doctors migrated out of Turkey in unprecedented numbers in the last 3 years (Genc, 2022). Studying how managerialism, toxic leadership, and ethical climate interplay in the Turkish healthcare sector fills an important gap in the extant literature and offers insights into how neoliberalism and its concomitant management and leadership behaviors manifest and how ethical climate matters in this relationship.

Managerialism, which refers to a management's style and practices systematically justified and established on the grounds of the superiority of an ideology that prioritizes efficiency over other concerns (Bresnen, Hyde, Hodgson, Bailey, & Hassard, 2015), may affect leadership emergence and behaviors in organizations. Locke and Spencer (2011) claim that 'managerialism' emerged due to corporate leaders' ideology, attitude, and behavior with no moral and ethical concern for society and social good, the firm's employees and other stakeholders beyond a narrow interest in efficient work that improves shareholder value. So, the corporate leaders of organizations with a managerialist approach may be more likely to engage in detrimental and toxic behaviors that focus on effectiveness and efficiency to serve a narrow set of interests (Mackey, Parker Ellen, McAllister, & Alexander, 2021; Schyns & Schilling, 2013).

Toxic leadership creates destructive effects on business organizations and deteriorates the welfare of the whole society (Mackey, McAllister, Maher, & Wang, 2019; Smith & Fredricks-Lowman, 2020). Toxic leadership led to many crises in organizations, such as the corporate fraud in Enron (Ailon, 2011), sexual misconduct and bullying in Oxfam (Clarke, 2021), fixation of company profitability in Volkswagen (Coldwell, 2021) and Boeing (Pontefract, 2019) at any cost, and monetization of private user data by Facebook (Venturini & Rogers, 2019). Acuña and Male (2022) define toxic leadership 'as a leadership style based on the physical and emotional impairment of people, with harmful consequences for their followers at a personal and organizational level' (p. 1). Scholars (Mergen & Ozbilgin, 2021a; Thoroughgood, Sawyer, Padilla, & Lunsford, 2018) who identify various constructs within the scope of negative and destructive leader behaviors such as egoistic attitude, self-centered approach, aggressiveness, despotism, bad temperament, and sustained display of hostility and/or obstructiveness to the followers, are mostly covered by toxic leadership. Many positive leadership theories assume dysfunctional leadership is simply the absence or opposite of effective leadership (Gilson *et al.*, 2020; Hunter, Bedell-Avers, Angie, Eubanks, & Mumford, 2009). Nevertheless, the emergence and development of leader toxicity are more than complex and influenced by other situational factors (Eva, Sendjaya, Prajogo, & Madison, 2021), such as the ideology underneath the management style (managerialism) and the managers' generic tools and knowledge adopted (Cahill, 2014), organizational culture and climate (Bass & Avolio, 1993), and the macro-national context which legitimates or delegitimizes toxic leadership.

In an organization where an ethical climate constituted by strong moral and ethical values, norms, behaviors, attitudes, and perceptions is embraced, unethical codes of conduct and toxic behaviors that emerged from managerialism may be denied (Martin, Emich, McClean, & Woodruff, 2022). We propose that a higher level of ethical climate perception disallows toxic leader behaviors emerging from managerialism and weakens the impact of managerialism on toxic leadership emergence. Therefore, we suggest that ethical climate moderates the relationship between managerialism and the emergence of toxic leadership.

The impact of managerialism on toxic leadership emergence may be relatively stronger in some sectors where public services are offered, that is, education and healthcare (Kamasak & Ozbilgin, 2021; Shepherd, 2018). For example, increased control, strict regulations, and intensive government interventions in the healthcare sector may lead healthcare institutions to follow more procedural, hierarchical, and autocratic management styles (Friel *et al.*, 2023). The level of managerialism may increase in many government-controlled or influenced institutions due to a possible shift in authority from competence and merit to nepotism and subservience to the structures of power (*cf.* resurgence of fealty in Turkey as studied by Ozbilgin & Yalkin, 2019). Additionally, the injection of market-type mechanisms by neoliberal policies, that is, competitive tendering, sector league tables,

performance-related pay, and cost concerns of boards and top management, may compel hospitals and their senior managers to follow more competitive strategies (Westra, Angeli, Carree, & Ruwaard, 2017).

Although neoliberalism was originally brought in with the espoused intent to improve healthcare, it had several unexpected adverse consequences (Dolezal & Spratt, 2023). Hospitals and other health institutions may adopt competitive strategies to meet market requirements. In the healthcare sector, where the players provide social services and deal with human health and life, competitive strategies introduced with the neoliberal turn should focus on improving patient care, increasing safety, and better use of technology and productivity (Parkinson, 2018). However, the neoliberal turn reportedly led to severe cost cuttings, which generally exacerbated the working conditions of public sector workers such as doctors, nurses, and teachers (Friel et al., 2023). Drawing on a quantitative study conducted on a sample of medical doctors working in university hospitals in Turkey, we explore how toxic leadership may emerge under ethical climate and managerialism in the healthcare sector. This paper contributes to the scholarly discussions on two points. First, this study shows how toxic leadership emerges under managerialism and which organizational and ethical mechanisms and strategies should be established to combat it and/or minimize its adverse effects. Second, the study focuses on a critical sector, healthcare, which forms an essential part of human well-being and has been radically transformed due to neoliberal expansion, adopting market rationales above and beyond its foundational focus on public good and public health. In contrast to the traditional public health ethics in Turkey, we show the extent to which managerialism induced by neoliberalism triggered the toxic behaviors of leaders. Therefore, this paper presents evidence of the interplay between managerialism and toxic leadership behaviors and the moderating role of ethical climate in the healthcare sector in a country with an untamed neoliberal context and offers implications for policymakers.

## Literature review and research hypotheses

### *Managerialism and toxic leadership*

Managerialism is defined as ‘a set of ideologies about organizational practices and values used to bring about radical shifts [change] in organization, finances and cultures of public services such as local government, health and education’ (Deem, 2004, p. 109). Managerialism ideology stems from the idea that managers play a crucial role in determining organizational outcomes. As Locke and Spencer (2011) state, managerialism is a concept in which market orientation ideology, attitude, and behavior with little emphasis on moral values are adopted to manage employees at organizations. Thus, managerialism is expected to shape norms and standards that contribute to developing an organizational climate in the workplace. Some scholars (i.e., Deem, 2004) consider managerialism as an international ideology that degrades every relation to a mere money exchange, which will bring a solution to social and economic problems. Managerialism has roots in the utilitarianism approach of ethics, and the concern for others’ benefits is generally limited to shareholder interests (Mineiro, 2024). The managerialist ideology may view society as a market where communal well-being is not a priority (Tsui & Cheung, 2004).

To cope with competition and environmental dynamism, managers may adopt a mindset that involves command, control, and strict devotion to one-size-fits-all types of procedures and may use reward- and punishment-based systems to achieve hard-to-reach performance expectations of firms (Cataltepe, Kamasak, Bulutlar, & Alkan, 2022). Therefore, organizations’ contemporary market-based concerns and expectations can support adopting the haunted principles of managerialism and may increase toxicity in corporate leaders’ decisions and behaviors (Mackey et al., 2019). These toxic behaviors can be centered on abusing their subordinates by using a high level of authority, imposition, procedures, strict rules, and orders that are congruent with the principles of managerialism in their workplaces, conceptualizing customers as a source of income and cash contacts, and disregarding society and environment due to the firm’s market and profit related concerns (Klikauer,

2015; Tsui & Cheung, 2004). Toxicity may manifest as adverse outcomes for any of the organization's stakeholders.

Toxic leaders' egoistic behavior, unfaithfulness, neuroticism, and aggressiveness can be the salient characteristics (Badar, Aboramadan, & Plimmer, 2023; Mergen & Ozbilgin, 2021b). According to Lipman-Blumen (2005), toxic leadership can be better understood through a multidimensional framework which covers the intentionality and intensity of toxicity and the types of destructive behavior and dysfunctional personal qualities of toxic leaders. Similarly, Schmidt (2015) associates five personality traits with toxic leadership behaviors. These personality traits are self-promotion, abusive supervision, unpredictability, narcissism, and authoritarianism. Toxic leadership manifests a particular type of personality that encompasses many behaviors affecting the administrative and organizational processes and employees' mental and physical health (Mackey et al., 2021).

We suggest that managerialism may lead corporate leaders to follow toxic principles such as adapting autocratic, hierarchical, and strict procedural practices and leaving less room for participation in the workplace, showing toxic behaviors such as personal abuse of employees, and implementing business policies with no ethical concerns for society and environment (Schyns & Schilling, 2013). In line, the strength and effect of a leader's toxic behaviors may vary to the extent management ideology supports using such elements. Therefore, we hypothesize that:

**Hypothesis 1:** There is a significant positive relationship between managerialism and toxic leadership.

### *The moderating role of ethical climate in the relationship between managerialism and toxic leadership*

Ethical climate refers to 'the degree to which organizational systems support ethical attitudes and behaviors among employees' (Hoffman et al., 2013, p. 28). Several theorists (e.g., Applebaum et al., 2005) describe ethical climate as a multidimensional construct and mention some factors, that is, team interests, social responsibility, personal morality, rules, laws, professional code of conduct, and behavior of top management as determinants of the ethical climate in an organization. Ross and Robertson (2000) find that managers' intention to make ethical decisions increases whilst their willingness to lie decreases in a climate, that is, intolerant to unethical behaviors. So, an ethical climate in an organization is the function of individuals' perception of norms and moral values that can give way to toxic behaviors or obstruct them (Lemoine et al., 2019). An ethical climate that can strongly blame and condemn a leader's unethical behaviors erodes a leader's ability to influence followers and disempowers toxic behaviors and practices in the workplace (Aumentado, Balagtas, Cu, & Teng-Calleja, 2024). As different ethical climates are composed of different moral values, we believe their effect on the relationship between managerialism and toxic leadership may vary. Victor and Cullen (1988) classify the dimensions of an ethical climate as caring, rules, law and code, independence, and instrumental.

In a caring ethical climate, organizational constituents perceive that decisions are mainly based on the well-being of others. This concern is reflected in the firm's policies, practices, and strategies (Martin & Cullen, 2006). The magnitude of the importance of having good relationships with all stakeholders and looking after each other in an organization can disallow the emergence of toxic behaviors. Managerialism is theoretically linked with the concern for others' benefits. Yet, this interest may be limited to the organization's and top management's interests, and the moral concerns may be replaced by ambitious short-term objectives that focus on cost reduction, efficiency, and market orientation (Carlisle, 2011). Therefore, a caring climate in which the main ethical concern is for others within the organization and society at large can mitigate the impact of managerialism, which may undermine collective benefits except for top managers' and corporate leaders' interests. Thus, we hypothesize that:

**Hypothesis 2a:** Caring ethical climate moderates the relationship between managerialism and toxic leadership, such that a higher level of caring ethical climate can weaken the association between managerialism and toxic leadership.

In a rules ethical climate, the prevalent decision-making criteria are a ubiquitous set of local rules or standards, like codes of conduct. Martin and Cullen (2006) claim that organizations have been enforcing more and more sophisticated rules due to several enacted laws that mandate acceptable practices (i.e., Sarbanes–Oxley). Wimbush, Shepard, and Markham (1997) state that ‘workers would be expected to adhere strictly to the rules and mandates of their organization’ (p. 68) in a rules ethical climate. Although the aim of the standard rules in a rules ethical climate is to hinder the arbitrary actions of individuals, these formal procedures, rules, and audits, which are the focal concerns of managerialism (Shepherd, 2018), can be used by corporate leaders and managers to legitimize their unethical behaviors and decisions. So, managerialism is expected to lead to more toxic leader behaviors in a rules ethical climate. Therefore, we suggest that:

**Hypothesis 2b:** Rules ethical climate moderates the relationship between managerialism and toxic leadership, such that managerialism is associated with higher toxic leadership in high levels of rules ethical climate.

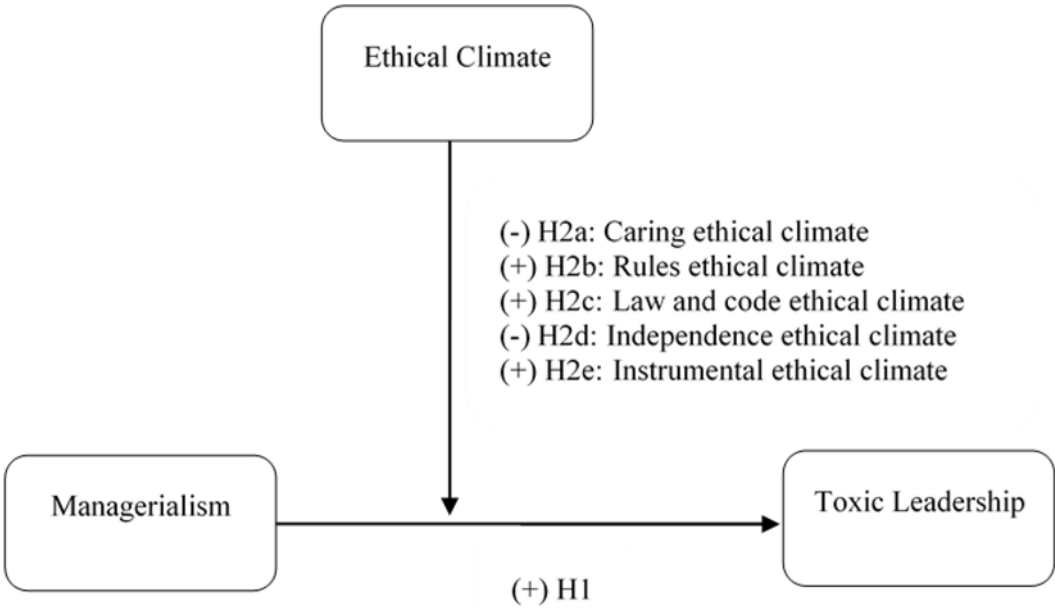
In a law and code type of ethical climate, the organization is perceived to support principled decision-making. These principles have their roots in external codes such as the law, the Bible, or professional codes of conduct (Martin & Cullen, 2006). The constituents of a company with a law and code type of climate make their decisions per some external system like the law, and they do not look for loopholes (Wang & Hsieh, 2013). These perceived external codes govern an employee’s ethical decisions and organizational behaviors. However, like in the rules ethical climate, in organizations where the prevalent management approach is characterized by managerialism, managers in key organizational roles may manipulate the law and code type of ethical climate and establish a basis to force others to implement whatever their plans and decisions are (Tsui & Cheung, 2004). Therefore, we hypothesize that:

**Hypothesis 2c:** Law and code ethical climate moderates the relationship between managerialism and toxic leadership, such that managerialism is associated with higher toxic leadership in high levels of law and code ethical climate.

In an independent ethical climate, decisions that have moral consequences are taken according to personal moral beliefs without considering external forces (Martin & Cullen, 2006). Thus, individuals are ‘expected to be strongly guided by their personal moral beliefs’ (Wimbush et al., 1997, p. 68). Managerialism is based predominantly on the individual belief systems of the top managers (Barberis, 2012). Moreover, managerialism may reconfigure the milestones of democratic participation and create an autocratic environment. Yet, an independence ethical climate will not tolerate the managerialist approach, which leaves no room for employees’ liberty to act in their principles. Therefore, it is hypothesized that:

**Hypothesis 2d:** Independence ethical climate moderates the relationship between managerialism and toxic leadership, such that a higher level of independence ethical climate can weaken the association between managerialism and toxic leadership.

In an instrumental ethical climate, ‘organizational members look out for their own self-interest, first and foremost, even to the exclusion of the interest of others who may be affected by their decisions’ (Wimbush et al., 1997, p. 68). An instrumental climate may maximize self-interest and urge



**Figure 1.** Proposed model of the study.

individuals to pursue their benefits while enhancing the firm’s benefits without considering any negative consequences for anyone except the company. In an organization where profit and efficiency maximization are prioritized, an instrumental ethical climate may encourage managers to care for their own interests and give no concern for the well-being of others. Therefore, we suggest that:

**Hypothesis 2e:** Instrumental ethical climate moderates the relationship between managerialism and toxic leadership, such that managerialism is associated with higher toxic leadership in high levels of instrumental ethical climate.

Figure 1 illustrates the proposed model of study concerning the hypotheses developed.

**Context**

The healthcare system in Turkey has witnessed significant reforms since introducing the Health Transformation Program, launched in 2003 (MoH, 2003). The main objectives of the Health Transformation Program were to combine the highly fragmented social insurance funds that offered unequal healthcare services in terms of quality, benefits packages, premium rates, and access to public and private facilities (Agartan, 2012) and achieve universal coverage. Thus, the Ministry of Health adopted several market incentives and mechanisms, that is, integrating all private and university hospitals into the system, limiting public hospital doctors working part-time in their private offices, and the permissions for private hospitals to sign contracts with insurance funds. With increased suppression and strict enforcement of the Ministry of Health, some doctors who protested the new part-time work schedule were prosecuted (CNNTurk, 2010). Perhaps the direction for the neoliberal policies and marketization in the healthcare system became most apparent after the Turkish Prime Minister announced that ‘free markets should be established in healthcare like in other sectors’ (Hürriyet, 2006). After his announcement, the private sector started to make huge investments in the healthcare sector. Moreover, several public hospitals underwent privatization. Unlike in industrialized countries where neoliberalism was introduced as a means to improve efficiencies in healthcare, in the Turkish



case, the neoliberal turn was rationalized with a drive to open the sector to major commercial players without much public resistance. As a result, the number of private hospitals in the system increased from 270 in 2002 to 571 in 2021 (SIY, 2022), and the upward trend has continued. The reforms mentioned above, both in public and private hospitals, magnified the effect of neoliberalism. To address the financial expectations of private investors, the corporate leaders and managers of large hospital groups and hospitals of private universities were selected or appointed from other competitive sectors. Public hospitals in this competition suffered from the high pressure of performance, subject to quantitative measurement (OECD Reviews of Healthcare Quality Turkey, 2014).

All these implementations, which compelled the whole sector to focus on maximizing efficiency, productivity, and profitability, brought a shift of ideology close to managerialism in Turkey's healthcare sector. The Health Transformation Program, whose success was linked to providing high-volume care and specialists' remuneration, increased the competition and workload of doctors, nurses, and other health personnel in the system. In addition, coupled with the Coronavirus pandemic, the ongoing Syrian Civil War, which resulted in the migration of nearly 4 million refugees from Syria and other countries to Turkey who were granted free healthcare services, has even increased the workload of the healthcare workers. The President of Turkey severely criticized the demand for better working conditions for healthcare workers. In line with his comments, the pressure and burden on healthcare workers substantially increased, and 3,000 doctors migrated to developed countries during the global pandemic. To compensate for this loss, some hospitals started to employ migrant and refugee doctors from Syria and other countries based on lower pay scales. The neoliberal turn in Turkey entrenched managerialism, which in turn led to the emergence of several toxic leadership norms and behaviors. Turkish leadership culture has always involved a level of paternalism. This affinity with authority and hierarchy was not always practiced in harmful ways (Aycan, Schyns, Sun, Felfe, & Saher, 2013). However, the neoliberal turn witnessed radical changes in leadership culture. Ozbilgin, Küçükaltan and Açar (2019) revealed that fealty, that is, subservience to authority, emerged as a toxic leadership demand from followers. Similarly, in other sites of the public sector, Ozbilgin, Küçükaltan and Açar (2019) reported that ingratiation and sucking up behaviors emerged as unchallenged toxic leadership behaviors. Overall, in the period of neoliberal expansion, Erbil and Özbilgin (2023) and Camgoz, Karapinar, Ekmekci, Orta, and Ozbilgin (2023) note that worker silence in the face of declining working conditions is endorsed and brutally enforced through toxic leadership practices.

Referring to the government's transformation efforts in the healthcare sector, 'Turkey is an interesting country to study the policy issues surrounding the marketization of healthcare services and managerial reforms in the context of development' (Agartan, 2012, p. 457). Regardless of whether it is a public or private entity, we believe that the primary goal of healthcare institutions should be to sustain the maximum benefit for the individuals, personnel, and patients. Therefore, in this paper, we show how a favorable ethical climate can weaken the impact of managerialism on toxic leadership behaviors in the healthcare sector.

## Methods

### *Sample and data collection*

The study's sample consists of medical doctors working in 207 public and private university hospitals listed on the Higher Education Council of Turkey website. Many public and private hospitals are associated with a university medical school in the health sector (Aksoylu & Cavmak, 2023). University hospitals constitute nearly 31% of the country's healthcare sector, with state hospitals holding approximately 58% of the market (Kalanlar, 2018). The Ministry of Health did not allow researchers to conduct the study on the state hospitals; thus, we approached the university hospitals, the second largest healthcare group in the health system. University hospitals must be approved and registered by the Higher Education Council of Turkey by law. We contacted all university hospitals, yet only 45 hospitals accepted to participate in the study, and the number of doctors employed by these hospitals has been our target population. We reached the contact information of all 1,800 doctors working

**Table 1.** Demographic information of the participants

Gender	Frequency	Percentage (%)	Age	Mean	Workplace	Frequency	Percentage (%)
Female	255	55.9	Min: 27	44.6	University	260	57.0
Male	201	44.1	Max: 63		Hospital	114	25.1
					Both	82	17.9

for the selected 45 universities from Turkey Doctor's Guide (<https://www.turkiyedoktorlari.com/>). We sent online questionnaires to them over 5 months (between March and July 2022) and obtained 462 out of 1,800 questionnaires, yielding a response rate of 25.6%. We excluded six unusable ones and continued with 456 questionnaires. Healthcare organizations only allow online surveys due to ethical rules that govern access to hospitals by non-patients and researchers. We could not conduct a pen-and-paper survey at the time.

*Measurement instruments*

We asked about the age, gender, and workplaces of the participants in the first section. We were only allowed to collect age and gender as demographic information. In order to control all effects that may emerge from age and gender differences, we controlled them in our analysis (Deeks, Lombard, Michelmores, & Teede, 2009). The participants' ages varied between 27 and 63. The sample description of the study indicates that male respondents comprised 44.1% and females 55.9% of the sample. While 57% of the respondents worked at universities and 25.1% at hospitals, 17.9% worked at universities and hospitals. In order to eliminate whatever their effects were, we controlled age and gender in the study. The composition of the sample is illustrated in Table 1.

The second section assessed managerialism using Smeenk, Teelken, Eisinga, and Doorewaard's (2009) 7-item managerialism questionnaire. Ethical climate was measured by Victor and Cullen's (1988) 36-item Ethical Climate Questionnaire, which was previously translated into Turkish in the study by Bulutlar and Öz (2009). Finally, toxic leadership was assessed by Schmidt's (2008) 30-item questionnaire. Therefore, our questionnaire included 76 items (with demographics) in total. All responses to three scales were recorded on a 5-point Likert-type scale. A preliminary survey was conducted to validate the questionnaires further.

*Validity and reliability*

We carried out a pilot study with 30 participants to assess the validity of our survey. Our initial analysis showed that the participants clearly understood the questionnaire items; thus, we continued our study. We conducted exploratory factor analysis using varimax rotation to determine factors with eigenvalues of at least one to obtain conveniently interpreted factor loadings of each measurement instrument. Furthermore, each measurement item's internal consistency reliability and convergent and discriminant validity were computed. We have confirmed the factors' reliability, considering an acceptable  $\alpha$  value above 0.60, which is reliable in social sciences (Hair, Black, Babin, & Anderson, 2010). Average variance extracted (AVE) values are computed to measure the convergent validity between factor structures. As Fornell and Larcker (1981) suggested, if AVE is less than the 0.50 threshold but composite reliability (CR) is higher than 0.60, then the convergent validity of the construct is adequate.

In the managerialism scale, all items with factor loadings equal to or more than 0.50 were loaded under one factor as expected ( $KMO = 0.740$ , approx. chi-square: 635.508,  $df: 15$ ;  $p < .001$ ). However, the principal component analysis of the ethical climate scale (Victor & Cullen, 1988) yielded four factors instead of five as in the original scale ( $KMO = 0.883$ , approx. chi-square: 4430.140,  $df: 231$ ;  $p < .001$ ). These four factors explained 58% of the total variance. The items of the rules ethical climate and the law and code ethical climate were loaded on the same factor. Therefore, we combined the two



factors, called 'law and rules', and continued our analysis with four dimensions. Moreover, we had to drop five items since they had factor loadings of less than 0.50 or were loaded with more than one factor.

One explanation for these results might be that people tend not to obey rules as long as they are not enacted by law in Turkey. The participants might not discern the barely visible meaning differences between the items of the rules of ethical climate and the law and code of ethical climate. So, we suggest that the difference from the original scale's factor structure may be attributed to the participants' perceptions.

The exploratory factor analysis yielded three toxic leadership factors ( $KMO = 0.961$ , approx. chi-square: 10534.936,  $df: 231$ ;  $p < .001$ ). We named the factors temperamental abusive, self-promotion, and authoritative behavior as they exist in the extant literature (Schmidt, 2015). We have removed four items due to factor loadings below 0.50 and cross-loadings. The instrument explained 76% of the variance in toxic leadership. The reliability of all measurement scales, Cronbach's  $\alpha$  values, AVE, and CR of the study are presented in Table 2.

All measurement items had acceptable reliability since each alpha value was equal to or higher than 0.60 and above (Hair, Hollingsworth, Randolph, & Chong, 2017). The Cronbach's  $\alpha$  calculated for the reliability analysis of managerialism, ethical climate and its sub-components, and toxic leadership showed the values were equal to or higher than the 0.70 threshold. Therefore, the internal consistency and reliability of the measurement scales were addressed in this study. Although AVE values for ethical climate sub-dimension structures were slightly higher than the commonly accepted 0.50 threshold, CR values were over 0.60. All factors had values  $AVE > 0.50$  and  $CR > 0.60$ ; thus, convergent validity was also addressed. We have performed the Harman single-factor test to assess the study's common method variance. The Harman single-factor test requires loading all the items utilized in the study into an exploratory factor analysis to assess the existence of common method variance. The total variance extracted by one factor explained was 34.31%, below the recommended threshold value of 50%.

### Multicollinearity

Multicollinearity refers to 'the existence of highly correlated explanatory variables that may predict each other and undermine the statistical significance and accuracy of the regression model' (Hair et al., 2017, p. 451). Therefore, we performed a bivariate correlation analysis to identify the inter-correlations between all variables. The correlation analysis showed no unacceptable level of correlation higher than 0.80 between variables (Sekaran & Bougie, 2013). The variable's variance inflation factor scores were also calculated. All variance inflation factor scores were below 3; hence, no multicollinearity problem was observed in the model (Kothari, 2015). Inter-item correlations, variance inflation factor scores, and AVE scores are presented in Table 3.

### Analyses

We tested the relationship between managerialism and toxic leadership through the hierarchical regression method. In model 1, no significant relationship was found between the control variables and toxic leadership. In model 2, we entered managerialism. The results (see Table 4) show a positive and significant relationship between managerialism and toxic leadership ( $\beta = 0.494$ ,  $p < .001$ ). Thus, Hypothesis 1 is supported.

The moderation effects were tested by Hayes PROCESS (2013) macro for SPSS. We mean-centered the variables before assessing all the relationships in our moderated model and reducing the potential multicollinearity (Aiken & West, 1991). Simple slopes for the association between managerialism and toxic leadership were tested for low ( $-1$  SD below the mean), moderate (mean), and high ( $+1$  SD above the mean) levels of each ethical climate sub-dimension.

**Table 2.** Factor analysis results

Variable	Dimensions	Code	Factor loading	Cronbach's $\alpha$	AVE	CR
Managerialism	Unidimensional	MAN2	0.796	0.749	0.676	0.904
		MAN1	0.783			
		MAN4	0.771			
		MAN5	0.754			
		MAN6	0.709			
		MAN7	0.652			
		MAN3	0.587			
Ethical climate	Caring	CR5	0.804	0.890	0.535	0.885
		CR6	0.745			
		CR1	0.742			
		CR3	0.720			
		CR4	0.677			
		CR7	0.659			
		CR2	0.643			
	Law and rules	LC5	0.779	0.820	0.543	0.825
		LC2	0.732			
		R3	0.691			
		LC4	0.688			
		LC7	0.661			
		R2	0.636			
		R4	0.624			
		R5	0.603			
		R1	0.588			
		LC6	0.576			
		R6	0.552			
		LC1	0.549			
		R2	0.547			
	Independence	IND2	0.786	0.732	0.572	0.780
		IND5	0.747			
		IND6	0.713			
		IND1	0.690			
		IND4	0.612			
		IND3	0.590			
	Instrumental	INST3	0.741	0.711	0.519	0.749
		INST4	0.724			
		INST1	0.698			

(Continued)

**Table 2.** (Continued.)

Variable	Dimensions	Code	Factor loading	Cronbach's $\alpha$	AVE	CR
Toxic leadership	Temperamental abusive	INST2	0.663	0.973	0.560	0.990
		INST6	0.653			
		TOX16	0.848			
		TOX10	0.821			
		TOX13	0.815			
		TOX11	0.791			
		TOX18	0.785			
		TOX12	0.768			
		TOX19	0.763			
		TOX14	0.726			
		TOX17	0.726			
		TOX15	0.719			
	Self-promotion	TOX3	0.841	0.929	0.624	0.892
		TOX6	0.827			
		TOX4	0.795			
		TOX5	0.788			
		TOX2	0.752			
		TOX1	0.747			
		TOX9	0.744			
		TOX7	0.555			
	Authoritative	TOX25	0.773	0.869	0.500	0.797
		TOX27	0.768			
		TOX29	0.756			
		TOX26	0.724			
		TOX28	0.713			
		TOX23	0.630			
		TOX21	0.576			
		TOX20	0.555			

Note: Varimax principal component factor analysis.

We entered the interaction term ( $CR \times MAN$ ) on toxic leadership in model 3. The negative and significant relationship between caring ethical climate and managerialism ( $\beta = -0.106$ ,  $p < .001$ ) weakened the managerialism and toxic leadership relationship by decreasing the beta value from 0.494 to 0.437. Therefore, Hypothesis 2a is supported.

We plotted the outcome one standard deviation above and below the mean ( $\beta = -0.106$ , 95% CI =  $-0.39$  to  $-0.21$ ,  $p < .001$ ). The slope analysis (Fig. 2) shows that as the level of caring climate increases, the strength of the relationship between managerialism and toxic leadership weakens. For Hypothesis 2b and Hypothesis 2c, the result demonstrates that the impact of the interaction ( $LR \times$

**Table 3.** The inter-item correlation results

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	VIF scores
(1) Managerialism	(.676)										1.369
(2) <i>Caring</i>	-.346**	(.535)									2.096
(3) <i>Law and rules</i>	-.081*	.219**	(.543)								1.743
(4) <i>Independence</i>	-.073*	.238**	.024	(.572)							1.113
(5) <i>Instrumental</i>	.320**	.115*	.218**	-.069	(.519)						1.217
(6) Ethical climate	-.198**	.714**	.113**	.395**	.327**	(.602)					1.040
(7) <i>Temperamental abusive</i>	.360**	-.462**	.089**	-.191**	.221**	-.287**	(.560)				2.855
(8) <i>Self-promotion</i>	.432**	-.486**	-.048	.014	.187**	-.304**	.735**	(.624)			2.368
(9) <i>Authoritative</i>	.467**	-.356**	.226**	.023	.289**	-.170**	.720**	.688**	(.500)		2.680
(10) Toxic leadership	.494**	-.484**	.122**	.002	.258**	-.285**	.771**	.696**	.653**	(.579)	1.089

Non-diagonal value: Correlation. Diagonal value: AVE for the constructs (in parentheses). Sub-dimensions are shown in italics.  
\*Correlation is significant at the 0.01 level (two-tailed).  
\*\*Correlation is significant at the 0.05 level (two-tailed).

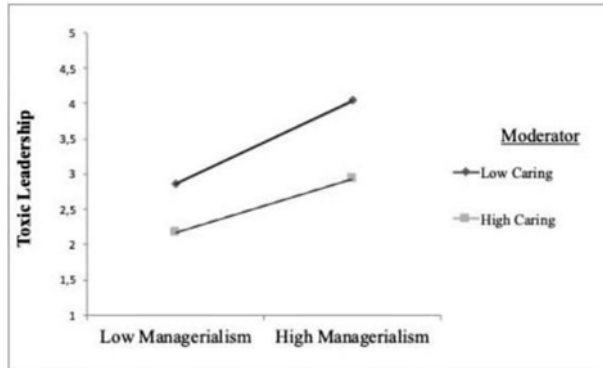
**Table 4.** The results of regression analyses and the moderating effects

Toxic leadership						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>Controls</i>						
Age	-.073	-.077	-.062	-.059	-.053	-.054
Gender	.065	.059	.055	.061	.064	.065
<i>Independent variable</i>						
Managerialism (MAN)		.494***	.437***	.439***	.386***	.405***
<i>Two-way interactions (moderation)</i>						
CR × MAN			-.106***			
LR × MAN				.072		
IND × MAN					-.089**	
INST × MAN						.118**
R <sup>2</sup>	.037	.395	.446	.452	.478	.509
Adjusted R <sup>2</sup>	.034	.389	.396	.397	.469	.495
ΔR <sup>2</sup>	–	.358	.051	.006	0.26	0.31
F change	1.112	11.655***	12.387***	2.098	8.529**	10.655**

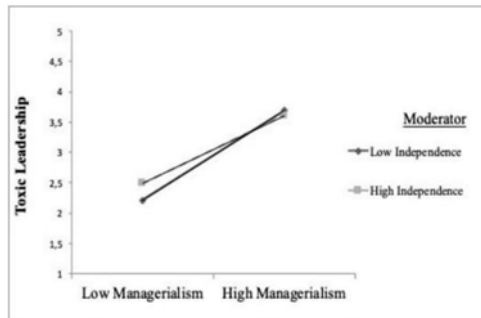
\*\* $p < .05$ , \*\*\* $p < .001$  (two-tailed).

MAN) on toxic leadership was insignificant ( $\beta = 0.072$ ,  $p = .20$ ). Thus, Hypothesis 2b and Hypothesis 2c are not supported.

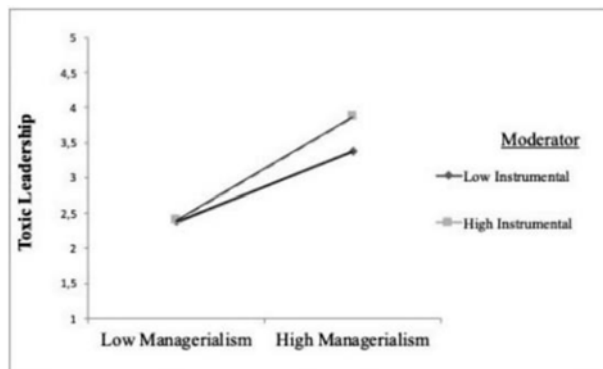
Concerning Hypothesis 2d, the interaction effect of independence ethical climate and managerialism (IND × MAN) on toxic leadership was negative and significant ( $\beta = -0.089$ ,  $p < .05$ ). Figure 3 illustrates that the positive relationship between managerialism and toxic leadership was less pronounced when the independence ethical climate was high ( $\beta = -0.089$ , 95% CI =  $-0.16$  to  $-0.02$ ,  $p < .05$ ). It can be concluded that the independence ethical climate partially moderates the effect of managerialism on toxic leadership. Hence, Hypothesis 2d is partially supported.



**Figure 2.** The interaction effect of caring ethical climate and managerialism on toxic leadership.



**Figure 3.** The interaction effect of independence ethical climate and managerialism on toxic leadership.



**Figure 4.** The interaction effect of instrumental ethical climate and managerialism on toxic leadership.

About Hypothesis 2e, the interaction effect of instrumental ethical climate and managerialism ( $INST \times MAN$ ) on toxic leadership was positive and significant ( $\beta = 0.118, p < .05$ ). Figure 4 indicates that the slope at high levels of instrumental ethical climate significantly moderates the association between managerialism and toxic leadership and strengthens the relationship ( $\beta = 0.118, 95\% CI = 0.01-0.21, p < .05$ ). Thus, Hypothesis 2e is supported.

In our exploratory factor analysis, the toxic leadership construct yielded three sub-dimensions: temperamental abusive, self-promotion, and authoritative behavior. We conducted a second-order

**Table 5.** The results of regression analyses and the moderating effects

Predictors	Model a			Model b			Model c		
	TA	SP	AUTH	TA	SP	AUTH	TA	SP	AUTH
<i>Controls</i>									
Age	-.051	-.083	.067	-.084	-.063	.062	.047	-.069	.058
Gender	.043	.057	.046	.059	.048	.056	.064	.048	.055
<i>Independent variable</i>									
Managerialism (MAN)				.460***	.185***	.217***			
<i>Two-way interactions (moderation)</i>									
CR × MAN							-.170**	.049	-.108**
LR × MAN							.113	.096	.158***
IND × MAN							-.128**	-.037	-.204
INST × MAN							.200***	.061	-.043

TA: temperamental abusive; SP: self-promotion; AUTH: authoritative.  
 \*\* $p < .05$ , \*\*\* $p < .001$  (two-tailed).

analysis to have more detailed insights into how the interaction of managerialism and each type of ethical climate manifests on toxic leadership sub-dimensions. In the model a, we included the control variables, no significant relationships between the control variables and toxic leadership dimensions were found (Table 5).

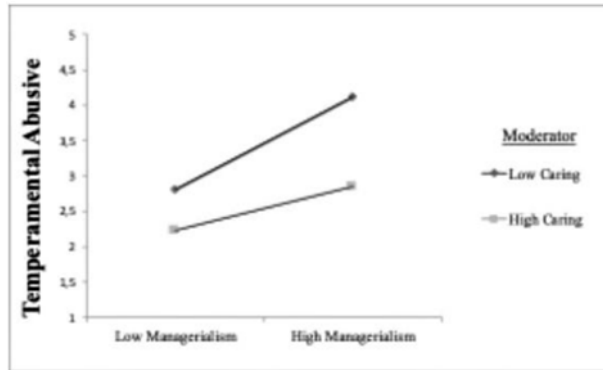
In model b, we found positive associations between managerialism and all toxic leadership dimensions: temperamental abusive ( $\beta = 0.460$ ,  $p < .001$ ), self-promotion ( $\beta = 0.185$ ,  $p < .001$ ), and authoritative behavior ( $\beta = 0.217$ ,  $p < .001$ ). These findings strengthened our findings that resulted in fully supporting Hypothesis 1.

In model c, the interactions of managerialism and different ethical climates were regressed on toxic leadership dimensions. Negative and significant moderating effects of caring ethical climate on the relationships between managerialism and temperamental abusive behavior ( $\beta = -0.170$ ,  $p < .05$ ), and authoritative behavior ( $\beta = -0.108$ ,  $p < .05$ ) were found. However, test results yielded an insignificant moderating effect of caring ethical climate on the relationship between managerialism and self-promotion behavior. The interaction effect graph (Fig. 5) shows that when a higher caring ethical climate exists, the impact of managerialism on temperamental abusive behavior weakens ( $\beta = -0.170$ , 95% CI =  $-0.29$  to  $-0.04$ ,  $p < .05$ ). Similarly, Fig. 6 presents that the effect of managerialism on authoritative behavior is significantly stronger in a situation where a low caring ethical climate exists ( $\beta = -0.108$ , 95% CI =  $-0.22$  to  $-0.01$ ,  $p < .05$ ). Thus, in an organization with a high level of caring ethical climate, the impact of managerialism on authoritative behavior significantly weakens.

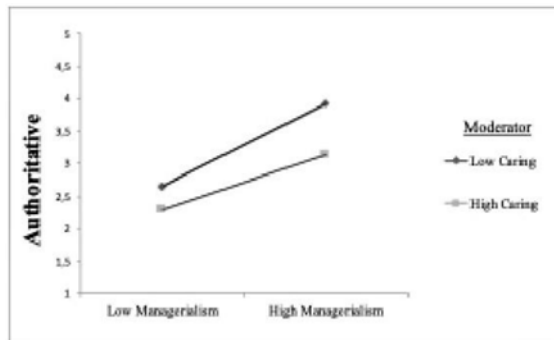
Although no moderation effect of law and rule ethical climate was found, we have proceeded to test any interaction effect on the toxic leadership sub-dimensions. The interaction variable's positive and significant moderation effect on the relationship between managerialism and authoritative behavior ( $\beta = 0.158$ ,  $p < .001$ ) was found. Figure 7 shows that law and rule ethical climate interaction strengthens the positive relationship between managerialism and authoritative behavior ( $\beta = 0.158$ , 99% CI =  $0.03$ – $0.28$ ,  $p < .001$ ).

The moderation test showed a significant and negative interaction effect of independence ethical climate and managerialism on only temperamental abusive behavior ( $\beta = -0.128$ ,  $p < .05$ ). Figure 8 presents that independence ethical climate significantly decreases the relationship between managerialism and temperamental abusive behavior ( $\beta = -0.128$ , 95% CI =  $-0.23$  to  $-0.02$ ,  $p < .05$ ).

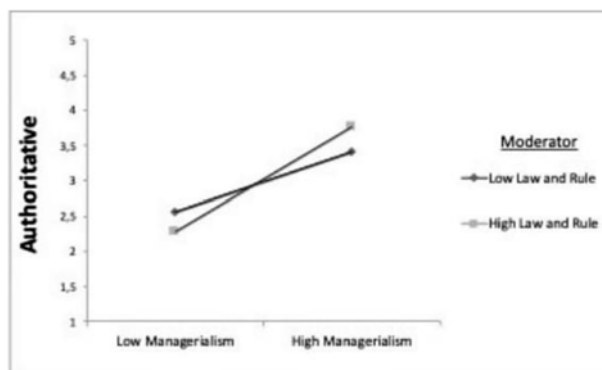




**Figure 5.** The interaction effect of caring ethical climate and managerialism on temperamental abusive behavior.

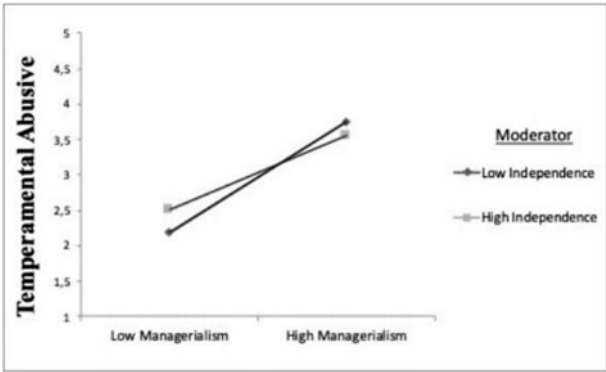


**Figure 6.** The interaction effect of caring ethical climate and managerialism on authoritative behavior.

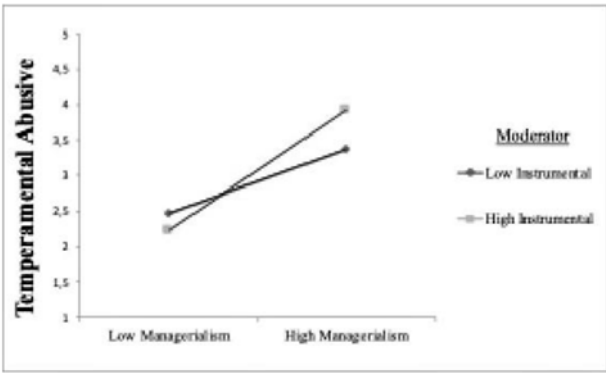


**Figure 7.** The interaction effect of law and rule ethical climate and managerialism on authoritative behavior.

Finally, the moderation test found a significant and positive interaction effect of instrumental ethical climate and managerialism on only temperamental abusive behavior ( $\beta = 0.200, p < .001$ ). Figure 9 depicts that the instrumental ethical climate interaction strengthens managerialism's impact on temperamental abusive behavior ( $\beta = 0.200, 99\% \text{ CI} = 0.08\text{--}0.31, p < .001$ ).



**Figure 8.** The interaction effect of independence ethical climate and managerialism on temperamental abusive behavior.



**Figure 9.** The interaction effect of instrumental ethical climate and managerialism on authoritative behavior.

**Discussion**

We found a significant positive relationship between managerialism and toxic leadership (Hypothesis 1). Thus, applying neoliberal policies and private sector principles and practices to the healthcare sector seemed to lead to the emergence of toxic behaviors by corporate leaders and top managers. Our findings corroborate the previous research (e.g., By, Diefenbach, & Klarner, 2008), suggesting that in a context where managerialism ideology is prevalent, serious negative consequences that emerge from the toxic behaviors of managers or board members can be seen. A more detailed investigation showed that managerialism had associations with all three categories of toxic leadership behavior, which were determined as temperamental abusive, self-promotion, and authoritative behavior (Schmidt, 2015). Managerialism significantly impacted each aspect of toxic leadership, and our first hypothesis was fully supported. The association between managerialism and temperamental abusive behavior was the strongest. This association can be attributed to the audit culture in managerialism that corporate leaders might exploit to support their career enhancements. Furthermore, the pressure and stress carried by corporate leaders to address higher profit expectations of organizations might create additional room for organizational psychopathic behaviors. Managerialism and toxic leadership in the forms of authoritative behaviors were also associated. Corporate leaders might employ the principles and ethos of managerialism that ‘enhance the role and importance of the manager for political and short-term decision-making’ (By et al., 2008, p. 22). The superior managerial power coupled with further centralization, formalization and

bureaucratization might create an environment that encourages leaders to more toxic authoritative and despotic behaviors.

In contrast to our expectations, managerialism exhibited a modest effect on self-promotion behavior. Self-promotion, the typical behavior of a toxic leader, is viewed as attributing success to oneself while blaming others for failure (Schmidt, 2015). This finding implies that managerialism may have a weaker impact on leaders' ability to implement impression management in a high power distance culture like Turkey (Hofstede, 2021). In organizational contexts like Turkey, where a high power distance culture is prevalent, the impression on employees can be created through corporate leaders' titles and positions. Therefore, corporate leaders may prefer presenting themselves as supportive leaders to get more credit, particularly in sectors such as healthcare, where highly educated people are employed. Nevertheless, they may go for their veiled rent-seeking objectives through cronyism. Cronyism refers to 'favoritism shown to friends and associates by appointing them to positions without regard for their qualifications' (Princeton University, 2007). In addition to nepotism, cronyism is the most dominant tool used by the administration in Turkey to control and obtain advantages from public and private institutions and firms in sectors, that is, education, healthcare, media, construction, telecommunication, and transportation (Karakose, 2014; Kimya, 2019). The appointment of people to key managerial positions based on haunted relationships such as a religious high school or childhood friendship with a political leader or a party member, personal history or loyalty with no necessary skill and experience for the managerial post became the usual promotion method in the country (Kamasak, James, & Yavuz, 2019a; Kamasak, Yavuz, & Akin, 2019b).

Furthermore, this finding can be explained through the collectivist characteristics of Turkish culture, which significantly emphasizes intragroup ties. Collectivist cultures are characterized by conformity to societal norms and social environment and value social desirability (Cialdini & Goldstein, 2004; White & Lehman, 2005). As self-promotion behavior is driven by the desire to be normatively appropriate, individuals who demonstrate collective orientation engage in high receptiveness to external cues and a heightened need to 'fit in' and public self-consciousness. Thus, self-promotion behavior might be suppressed even under a managerialist context.

In relation to our second hypothesis (Hypothesis 2a, b, c, d, e), we found that each ethical climate impacts the relationship between managerialism and toxic leadership idiosyncratically. Regarding Hypothesis 2a, caring ethical climate is observed to have negative and significant moderating effects on the relationships between managerialism and temperamental abusive and authoritative behavior. In contrast, it does not affect self-promotion behavior. We found that toxic leaders blame employees for mistakes and failure. They may either take all the credit for success for themselves or for their employees who are in nepotistic or cronyistic relations with them (which seems to be the situation in our study). This kind of treatment may undermine, seduce, demoralize, and trigger the main fears of other employees who are not in a loop relationship (Lipman-Blumen, 2005; Tu, Lu, Choi, & Guo, 2019). Yet, the predominance of a caring ethical climate which emphasizes a non-egoistic way of thinking, benevolence, and critical concern for the well-being of others (Martin & Cullen, 2006) might significantly diminish the emergence of temperamental abusive behaviors.

Concerning Hypothesis 2b and Hypothesis 2c, our analyses reveal that rules ethical climate and law and codes ethical climate are interpreted as one observed construct, so we combined Hypothesis 2b and Hypothesis 2c. We termed the construct as law and rules ethical climate, which did not moderate the relationship between managerialism and toxic leadership. Karasu (2014) suggests that the overwhelming weight of the patriarchal state can be observed in Turkey's dominant legal culture. The author, who mentioned the difference between state of law and state of code, suggests that the most important issue in a state of law is principles, whereas the state of code depends on the circumstances. In a state of law, the individuals and their well-being are important, whereas in a state of code, the administrators and their orders and statements constitute the basis for laws. There is no concern for equality in that state, but nepotism and cronyism are prominent (Karasu, 2014). Karasu (2014) also underlines that laws in Turkey can be breached via presidential decrees. The rules may contradict laws, but laws can be changed by a decree from a superior power so that the illegal rule may become

legal afterward. So, one explanation for this result might be that in high power distance cultures like Turkey (Hofstede, 2021), the rules set by the managers can be perceived as equivalent to the law and codes, and Turkish employees might not differentiate the rules imposed by the company and the obligations of laws.

The results relating to Hypothesis 2d showed that a dominant independence ethical climate weakened the association between managerialism and toxic leadership emerging from temperamental abusive behaviors in the healthcare sector. Finally, the moderation test about Hypothesis 2e found a significant and positive interaction effect of instrumental ethical climate and managerialism on temperamental abusive behavior, yet no significant moderating effect was observed on the other two dimensions, self-promotion, and authoritative behaviors. Moreover, these toxic leaders mostly exhibit temperamental abusive behaviors rather than self-promotion. As we have explained above, in Turkey, leaders may use nepotism and cronyism as tools to gain several advantages due to their rampant incompetence. Authoritative behavior is taken for granted because of the high power distance (66%) observed in national culture (Hofstede, 2021).

## Conclusion

Theoretically, our findings support Stiglitz's theorization of detrimental consequences of untamed neoliberalism and extend his theorization to show how managerialism, as the dominant managerial paradigm of the neoliberal ideology, entrenches toxic leadership behaviors. This is particularly interesting in the Turkish context, where neoliberalism has been introduced and entrenched with the full force of the state that suppressed opposition to this transformation in the public sector.

Having examined the emergence of toxic leadership behaviors in Turkey's healthcare sector, we explored managerialism's role and four distinctive ethical climate types. First, we found that toxic leaders who are 'adroit at manipulating conversations to subjects they want to talk about' (Boddy, 2006, p. 1461) might convince employees of their personal agenda in a caring ethical climate where employees are benevolent and indulgent. This atmosphere might help toxic leaders use authoritative behaviors on employees who are ready to obey every order without questioning and make employees blame themselves for any failure they face.

Second, Schmidt (2015) argues that toxic leaders do not conform to laws and rules. Against the no-moderation impact of law and rule ethical climate on the relationship between managerialism and toxic leadership as a whole, we found that law and rule ethical climate strengthened the impact of managerialism on the emergence of one sub-dimension of toxic leadership; authoritative behaviors. We suggest that the dominant law and rule ethical climate might help corporate leaders refer to even stricter rules, regulations, procedures, codes, and laws to legitimize their authoritative behaviors.

Third, consistent with the extant literature, under the conditions of an independence ethical climate, the impact of toxic leaders in exploiting their managerial power and maltreating their employees (Reyhanoğlu & Akın, 2016) diminishes due to decision-making by workers on the grounds of personal moral convictions (Feldhaus et al., 2023; Martin & Cullen, 2006).

Lastly, when the ethical climate is instrumental, there is a moderating impact because of the locus of analysis is individual and the ethical criteria are egoism (Victor & Cullen, 1993). Temperamental abusive behavior such as publicly humiliating employees by recalling their past inadequacies, deliberately undermining, seducing, and demoralizing (Schmidt, 2015) directly affects the employees, and this kind of behavior might be perceived as an intrusion into their personal boundaries.

Therefore, we show that the ethical climate is germane to serve as a managerial intervention site as its varied forms moderate the relationship between managerialism and toxic leadership behaviors.

## Managerial implications

Neoliberalism in the healthcare sector entrenches managerialism, leading to toxic leadership behaviors. Organizations and leaders could be held responsible and accountable in the healthcare sector

through laws, policies, and discourses to reduce and tackle toxic behaviors. Our study also shows the significance of the ethical climate in moderating the relationship between managerialism and toxic leadership in the sector. An ethical climate could be fostered through organizational interventions of ethics and compliance education and training. The healthcare sector is a complex system with interrelated, interdependent layers of subsystems. Thus, managing such a structure necessitates orchestrated efforts to attain predetermined organizational performance.

However, managers may prefer a top-down approach characterized by cascading and implementing tightly controlled processes within this complexity since the prevalent logic is the market orientation for many healthcare institutions. However, this kind of top-down managerialism style brings more administrative tasks and bureaucratic procedures that compel healthcare workers to have less time to do their real jobs. Therefore, flat organizational structures, including less hierarchy, can be more suitable for healthcare institutions. Managerialist orientation has encouraged focusing on audit culture, market value, and short-term decision-making, resulting in toxic behaviors at healthcare institutions (Ervasti et al., 2023; Carlisle, 2011). Yet, poor treatment of staff leads to less commitment, a demoralized workforce and poor staff retention.

The policymakers should refrain from following cronyism and nepotism while appointing managers to key positions in healthcare institutions. The appointment of skilled and qualified managers who can empower the healthcare workforce and establish a caring ethical climate that offers benevolent, rewarding, and motivating working conditions should be prioritized.

### Limitations and further research suggestions

This paper is based on a cross-sectional research design, and it is not possible to draw strong causal inferences related to the relationships between the variables. Although thorough theoretical and logical reasons for causality are presented, alternative causal models are needed to support the results. Therefore, longitudinal research designs may be studied in future research. As the research was conducted in only one country, cultural interferences were not controlled, therefore an international study design may be more rigorous and provide more information for both researchers and practitioners. The sample size is another limitation of the paper. Since the state hospitals did not allow us to conduct such a study, we focused on the university hospitals.

Moreover, we investigated three variables with multiple sub-dimensions each, the measurement instrument is relatively long, which in turn caused a low return rate of 25.6%. When we started distributing the questionnaires, the COVID-19 pandemic was still seriously affecting people. Therefore, the doctors had an overwhelming workload, causing them to be reluctant to save time to fill out a lengthy questionnaire. Another limitation is that we only asked for respondents' perceptions. It would have been better if we had supported our findings with the help of qualitative techniques and in-depth analyses, however, the workload of our sample was a severe impediment to doing this kind of research.

According to World Economic Outlook (2022), global economic activity is experiencing a serious, unexpected slowdown and high inflation rates. Due to crises like the COVID-19 pandemic and Russia's invasion of Ukraine, global growth, which was 6.0% in 2021, is expected to slow down to 3.2% in 2022 and 2.7% in 2023.

As a result of these severe economic conditions worldwide, focus on market value, efficiency, and costs may be more prevalent, resulting in managerialism. As this study has found a significant relationship between managerialism and toxic leadership, conducting similar studies in different countries will be helpful for organizations in preventing the emergence of toxic leaders by supporting the findings of this research. Furthermore, as there is limited literature on managerialism and toxic leadership, similar studies will benefit further conceptualizations of these variables.

**Conflicts of interest.** The authors whose names are listed above certify that they have NO affiliations with or involvement in any organization or entity with any financial interest (such as honoraria; educational grants; participation in speakers' bureaus; membership, employment, consultancies, stock ownership, or other equity interest; and expert testimony or patent-licensing

arrangements) or non-financial interest (such as personal or professional relationships, affiliations, knowledge, or beliefs) in the subject matter or materials discussed in this manuscript.

**Ethical standards.** The authors whose names are listed above ensure objectivity and transparency in this manuscript and certify that accepted principles of ethical and professional conduct have been followed. The research have been performed in accordance with the ethical standards of the Yeditepe University Social Sciences Research Ethics Committee and obtained formal approval (Documentation number: 21568116-302.14.01-E.679).

## References

- Acuña, K. B., & Male, T. (2022). Toxic leadership and academics' work engagement in higher education: A cross-sectional study from Chile. *Educational Management Administration & Leadership*, 52(3).
- Agartan, T. (2012). Marketization and universalism: Crafting the right balance in the Turkish healthcare system. *Current Sociology*, 60(4), 456–471.
- Aiken, L. S., & West, S. G. (1991). *Multiple regression: Testing and interpreting interactions*. Newbury Park, CA: Sage Publications.
- Ailon, G. (2011). Mapping the cultural grammar of reflexivity: The case of the Enron scandal. *Economy and Society*, 40(1), 141–166.
- Aksoylu, S., & Cavmak, D. (2023). Financial analysis of hospital services sector of Turkey in a sustainability approach using reports of the Central Bank of the Republic of Turkey. *Isletme Arastirmalari Dergisi Journal Of Business Research-Turk*, 15(1), 1–13.
- Applebaum, B. (2005). In the name of morality: Moral responsibility, whiteness and social justice education. *Journal of Moral Education*, 34(3), 277–290.
- Aumentado, D. C., Balagtas, L. J., Cu, T. G., & Teng-Calleja, M. (2024). Follow the leader?: The relationships among corrupt leadership, followers' corruption tolerance, and workplace outcomes. *Asian Journal of Business Ethics*, 1–27.
- Aycan, Z., Schyns, B., Sun, J. M., Felfe, J., & Saher, N. (2013). Convergence and divergence of paternalistic leadership: A cross-cultural investigation of prototypes. *Journal of International Business Studies*, 44(9), 962–969.
- Badar, K., Aboramadan, M., & Plimmer, G. (2023). Despotism vs narcissistic leadership: Differences in their relationship to emotional exhaustion and turnover intentions. *International Journal of Conflict Management*, 34(4), 818–837.
- Barberis, P. (2012). The managerial imperative: Fifty years' change in UK public administration. *Public Policy and Administration*, 28(4), 327–345.
- Bass, B. M., & Avolio, B. J. (1993). Transformational leadership and organizational culture. *Public Administration Quarterly*, 17(1), 112–121.
- Boddy, C. R. (2006). The dark side of management decisions: Organisational psychopaths. *Management Decision*, 44(10), 1461–1475.
- Bresnen, M., Hyde, P., Hodgson, D., Bailey, S., & Hassard, J. (2015). Leadership talk: From managerialism to leaderism in health care after the crash. *Leadership*, 11(4), 451–470.
- Bulutlar, F., & Öz, E. (2009). The effects of ethical climates on bullying behaviour in the workplace. *Journal of Business Ethics*, 86(3), 273–295.
- By, R. T., Diefenbach, T., & Klarner, P. (2008). Getting organizational change right in public services: The case of European higher education. *Journal of Change Management*, 8(1), 21–35.
- Cahill, D. (2014). *The end of Laissez-Faire?: On the durability of embedded neoliberalism*. Cheltenham: Edward Elgar Publishing.
- Camgoz, S. M., Karapinar, P. B., Ekmekci, O. T., Orta, I. M., & Ozbilgin, M. F. (2023). Why do some followers remain silent in response to abusive supervision? A system justification perspective. *European Management Journal*.
- Carlisle, Y. (2011). Complexity dynamics: Managerialism and undesirable emergence in healthcare organizations. *Journal of Medical Marketing*, 11(4), 284–293.
- Cataltepe, V., Kamasak, R., Bulutlar, F., & Alkan, D. P. (2022). Dynamic and marketing capabilities as determinants of firm performance: Evidence from automotive industry. *Journal of Asia Business Studies*, 17(1).
- Cialdini, R. B., & Goldstein, N. J. (2004). Social influence: Compliance and conformity. *Annual Review of Psychology*, 55, 591–621.
- Clarke, G. (2021). The credibility of international non-governmental organizations (INGOs) and the Oxfam scandal of 2018. *Journal of Civil Society*, 17(3–4), 219–237.
- CNNTurk (2010) *Bıçak parası alan başhekime tutuklama [Hospital chief arrested due to under-the-table payment]*. 11 September. Retrieved December 12, 2022, from [www.cnntrk.com/2010/turkiye/11/09/bicak.parasi.alan.bashekime.tutuklama/596023.0/](http://www.cnntrk.com/2010/turkiye/11/09/bicak.parasi.alan.bashekime.tutuklama/596023.0/)
- Coldwell, D. A. L. (2021). Toxic behavior in organizations and organizational entropy: A 4th industrial revolution phenomenon? *SN Business & Economics*, 1(5), 70.
- Deeks, A., Lombard, C., Michelmores, J., & Teede, H. (2009). The effects of gender and age on health-related behaviors. *BMC Public Health*, 9(1), 1–8.



- Deem, R. (2004). The knowledge worker, the manager-academic and the contemporary UK university: New and old forms of public management? *Financial Accountability and Management*, 20(2), 107–128.
- Dolezal, L., & Spratt, T. (2023). Fat shaming under neoliberalism and COVID-19: Examining the UK's Tackling Obesity campaign. *Sociology of Health and Illness*, 45(1), 3–18.
- Erbil, C., & Özbilgin, M. (2023). Worker silence in a turbulent neoliberal context: The case of mass privatisation of sugar factories in Turkey. *Human Resource Management Journal*.
- Ervasti, J., Pentti, J., Seppälä, P., Ropponen, A., Virtanen, M., Elovainio, M., Chandola, T., Kivimäki, M., & Airaksinen, J. (2023). Prediction of bullying at work: A data-driven analysis of the Finnish public sector cohort study. *Social Science & Medicine*, 317, 115590.
- Eva, N., Sendjaya, S., Prajogo, D., & Madison, K. (2021). Does organizational structure render leadership unnecessary? Configurations of formalization and centralization as a substitute and neutralizer of servant leadership. *Journal of Business Research*, 129, 43–56.
- Feldhaus, I., Chatterjee, S., Clarke-Deelder, E., Brenzel, L., Resch, S., & Bossert, T. J. (2023). Examining decentralization and managerial decision making for child immunization program performance in India. *Social Science & Medicine*, 317, 115457.
- Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research*, 18(3), 382–388.
- Friel, S., Collin, J., Daube, M., Depoux, A., Freudenberg, N., Gilmore, A. B., ... Mialon, M. (2023). Commercial determinants of health: Future directions. *The Lancet*, 401(10383), 1229–1240.
- Genc, K. (2022). Turkish doctors emigrate amid low pay and rising violence. *The Lancet*, 400(10351), 482–483.
- Gilson, L., Ellokori, S., Lehmann, U., & Brady, L. (2020). Organizational change and everyday health system resilience: Lessons from Cape Town, South Africa. *Social Science & Medicine*, 266, 113407.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). New York: Pearson.
- Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial Management and Data Systems*, 117(3), 442–458.
- Hoffman, B. J., Strang, S. E., Kuhnert, K. W., Campbell, W. K., Kennedy, C. L., & LoPilato, A. C. (2013). Leader narcissism and ethical context: Effects on ethical leadership and leader effectiveness. *Journal of Leadership & Organizational Studies*, 20(1), 25–37.
- Hofstede, G. (2021). *Country comparison graphs*. Retrieved January 2022, from <https://geerthofstede.com/country-comparison-graphs/>
- Hofstede Insights. (2022). *Country comparison*. Retrieved December 16, 2022, from <https://www.hofstede-insights.com/country-comparison/turkey/>
- Hunter, S. T., Bedell-Avers, K. E., Angie, A. D., Eubanks, D. L., & Mumford, M. D. (2009). Charismatic, ideological, and pragmatic leaders: An examination of leader–leader interactions. *The Leadership Quarterly*, 20(3), 299–315.
- Hürriyet [Turkish Daily] (2006) Erdoğan: Sağlıkta da serbest piyasa olmalı. 17 March. Retrieved December 10, 2022, from [hurarsiv.hurriyet.com.tr/goster/ShowNew.aspx?id=4096387](http://hurarsiv.hurriyet.com.tr/goster/ShowNew.aspx?id=4096387)
- Kalanlar, B. (2018). Türkiye'nin Yüzüncü Yılında Sağlık Sektörü, Mevcut Durum ve Öngörüler. *Hacettepe Sağlık İdaresi Dergisi*, 21(3), 495–510.
- Kamasak, R., James, S. R., & Yavuz, M. (2019a). The interplay of corporate social responsibility and corporate political activity in emerging markets: The role of strategic flexibility in nonmarket strategies. *Business Ethics: A European Review*, 28(3), 305–320.
- Kamasak, R., & Ozbilgin, M. F. (2021). English medium instruction (EMI): Is it a vehicle to achieve linguistic and content knowledge or a marketing tool in higher education? In B. Christiansen & J. Branch (Eds.), *The marketisation of higher education: Practices and policies* (pp. 321–341). London: Palgrave Macmillan.
- Kamasak, R., Yavuz, M., & Akin, S. (2019b). The reputational effects of corporate political activities: An empirical research. In *3rd World Conference on Technology, Innovation and Entrepreneurship*, 21–23 June, Istanbul, Turkey, (Elsevier Procedia – Computer Sciences, Vol. 158, pp. 552–556).
- Karakose, T. (2014). The effects of nepotism, cronyism and political favoritism on the doctors working in public hospitals. *Studies on Ethno-Medicine*, 8(3), 245–250.
- Karasu, M. A. (2014). Law culture, crime and urban plundering. *KMU Sosyal ve Ekonomik Araştırmalar Dergisi (Journal of Social and Economic Studies)*, 16, 144–150.
- Kimya, F. (2019). Political economy of corruption in Turkey: Declining petty corruption, rise of cronyism? *Turkish Studies*, 20(3), 351–376.
- Klikauer, T. (2015). What is managerialism? *Critical Sociology*, 41(7–8), 1103–1119.
- Konuralp, E., & Bicer, S. (2021). Putting the neoliberal transformation of Turkish healthcare system and its problems into a historical perspective. *Review of Radical Political Economics*, 53(4), 654–674.
- Kothari, P. (2015). *Data analysis with STATA*. Birmingham: Packt Publishing.
- Kusku, F., Aracı, O., & Ozbilgin, M. F. (2021). What happens to diversity at work in the context of a toxic triangle? Accounting for the gap between discourses and practices of diversity management. *Human Resource Management Journal*, 31(2), 553–574.

- Lemoine, G. J., Hartnell, C. A., & Leroy, H. (2019). Taking stock of moral approaches to leadership: An integrative review of ethical, authentic, and servant leadership. *Academy of Management Annals*, 13(1), 148–187.
- Lipman-Blumen, J. (2005). Toxic leadership: When grand illusions masquerade as noble visions. *Leader to Leader*, 2005(36), 29–36.
- Locke, R. R., & Spencer, J. C. (2011). *Confronting managerialism: How the business elites and their schools threw our lives out of balance*. London; New York: Zed Books.
- Mackey, J. D., McAllister, C. P., Maher, L. P., & Wang, G. (2019). Leaders and followers behaving badly: A meta-analytic examination of curvilinear relationships between destructive leadership and followers' workplace behaviors. *Personnel Psychology*, 72(1), 3–47.
- Mackey, J. D., Parker Ellen, B., McAllister, C. P., & Alexander, K. C. (2021). The dark side of leadership: A systematic literature review and meta-analysis of destructive leadership research. *Journal of Business Research*, 132, 705–718.
- Martin, K. D., & Cullen, J. B. (2006). Continuities and extensions of ethical climate theory: A meta-analytic review. *Journal of Business Ethics*, 69(2), 175–194.
- Martin, S. R., Emich, K. J., McClean, E. J., & Woodruff, C. T. (2022). Keeping teams together: How ethical leadership moderates the effects of performance on team efficacy and social integration. *Journal of Business Ethics*, 176(1), 127–139.
- Mergen, A., & Ozbilgin, M. F. (2021a). Understanding the followers of toxic leaders: Toxic illusio and personal uncertainty. *International Journal of Management Reviews*, 23(1), 45–63.
- Mergen, A., & Ozbilgin, M. (2021b). Toxic illusio in the global value chain: The case of Amazon. In S. M., Camgöz, and Ö. T., Ekmekci (Eds.), *Destructive leadership and management hypocrisy* (pp. 163–178). Leeds: Emerald Publishing Limited.
- Mineiro, J. (2024). Managerialism and democratic governance in Portuguese higher education: Assessing the impact of the legal framework. *Higher Education Policy*, 1–21.
- MoH (Ministry of Health). (2003). *Türkiye Sağlıkta Dönüşüm Projesi Konsept Notu [Health transformation project concept note]*. Ankara: Ministry of Health Project Coordination Unit.
- OECD. (2014). *OECD Reviews of health care quality: Turkey 2014: Raising standards*. OECD Publishing.
- Önal, F. G., & Akay, F. E. (2023). Are Turkish doctors in deep water? The role of professional ethics and factors affecting the medical brain drain: A qualitative study from Turkey. *Developing World Bioethics*.
- Özbilgin, M. F., Küçükaltan, B., & Açar, A. (2019). Flattery as an element that corrodes merit in academic life. *Business & Management Studies: An International Journal*, 7(5), 2828–2850.
- Ozbilgin, M., & Yalkin, C. (2019). Hegemonic dividend and workforce diversity: The case of 'biat' and meritocracy in nation branding in Turkey. *Journal of Management & Organization*, 25(4), 543–553.
- Parkinson, M. D. (2018). The healthy health care workplace: A competitive advantage. *Current Cardiology Reports*, 20(10), 1–8.
- Pontefract, D. (2019). *Boeing's 737 MAX crisis is a leadership issue*. Retrieved August 23, 2022, from <https://www.forbes.com/sites/danpontefract/2019/03/18/boeings-737-max-crisis-is-a-leadership-issue/#127504c16a0a>
- Princeton University. 2007. *Wordnet*. Retrieved February 4, 2008, from <http://wordnet.princeton.edu/perl/webwn>
- Reyhanoglu, M., & Akin, Ö. (2016). Does toxic leadership trigger organizational health negatively? *Journal of the Human and Social Science Researches*, 5(3), 442–459.
- Ross, W. T., & Robertson, D. C. (2000). Lying: The impact of decision context. *Business Ethics Quarterly*, 10(2), 409–440.
- Schmidt, A. A. (2008). Development and validation of a toxic leadership scale [Master's thesis]. Retrieved from Digital Repository at the University of Maryland. <https://drum.lib.umd.edu/handle/1903/8176>.
- Schmidt, A. A. (May 4, 2015). *What is toxic leadership?*. Published on LinkedIn (May 4, 2015) <https://www.linkedin.com/pulse/what-toxic-leadership-andrew-schmidt-phd/>
- Schyns, B., & Schilling, J. (2013). How bad are the effects of bad leaders? A meta-analysis of destructive leadership and its outcomes. *The Leadership Quarterly*, 24(1), 138–158.
- Sekaran, U., & Bougie, R. (2013). *Research methods for business: A skill-building approach* (6th ed.). New York: Wiley.
- Shepherd, S. (2018). Managerialism: An ideal type. *Studies in Higher Education*, 43(9), 1668–1678.
- SIY. (2022). *Sağlık İstatistikleri Yıllığı 2021 Haber Bülteni*. Retrieved December 13, 2022, from <https://sbsgm.saglik.gov.tr/Eklenti/44131/0/saglik-istatistikleri-yilligi-2021-haber-bultenipdf.pdf>
- Smeenk, S., Teelken, C., Eisinga, R., & Doorewaard, H. (2009). Managerialism, organizational commitment, and quality of job performances among European university employees. *Research in Higher Education*, 50(6), 589–607.
- Smith, N., & Fredricks-Lowman, I. (2020). Conflict in the workplace: A 10-year review of toxic leadership in higher education. *International Journal of Leadership in Education*, 23(5), 538–551.
- Stiglitz, J. (2019). *People, power, and profits: Progressive capitalism for an age of discontent*. London: Allen Lane.
- Thoroughgood, C. N., Sawyer, K. B., Padilla, A., & Lunsford, L. (2018). Destructive leadership: A critique of leader-centric perspectives and toward a more holistic definition. *Journal of Business Ethics*, 151(3), 627–649.
- Tsui, M., & Cheung, F. (2004). Gone with the wind: The impacts of managerialism on human services. *The British Journal of Social Work*, 34(3), 437–442.
- Tu, Y., Lu, X., Choi, J. N., & Guo, W. (2019). Ethical leadership and team-level creativity: Mediation of psychological safety climate and moderation of supervisor support for creativity. *Journal of Business Ethics*, 159(2), 551–565.
- Venturini, T., & Rogers, R. (2019). "API-based research" or how can digital sociology and journalism studies learn from the Facebook and Cambridge Analytica data breach. *Digital Journalism*, 7(4), 532–540.

- Victor, B., & Cullen, J. B. (1988). The organizational bases of ethical work climates. *Administrative Science Quarterly*, 33(1), 101–125.
- Victor, B., & Cullen, J. B. (1993). The Ethical Climate Questionnaire: An assessment of its development and validity. *Psychological Reports*, 73(2), 667–675.
- Vincent, S., Lopes, A., Meliou, E., & Özbilgin, M. (2024). Relational responsabilisation and Equality, Diversity and Inclusion for the 21st Century: The case for reframing equality regulation. *Work, Employment and Society*, (online first), pp. 1–20.
- Wang, Y. D., & Hsieh, H. H. (2013). Organizational ethical climate, perceived organizational support, and employee silence: A cross-level investigation. *Human Relations*, 66(6), 783–802.
- Westra, D., Angeli, F., Carree, M., & Ruwaard, D. (2017). Understanding competition between healthcare providers: Introducing an intermediary inter-organizational perspective. *Health Policy*, 121(2), 149–157.
- White, K., & Lehman, D. R. (2005). Culture and social comparison seeking: The role of self-motives. *Personality and Social Psychology Bulletin*, 31(2), 232–242.
- Wimbush, J. C., Shepard, J. M., & Markham, S. E. (1997). An empirical examination of the relationship between ethical climate and ethical behavior from multiple levels of analysis. *Journal of Business Ethics*, 16(16), 1705–1716.
- World Economic Outlook. (2022). *Countering the cost-of-living crisis* Retrieved December 18, 2022 from, <https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>