A Generation Z and the Challenge of Toxic Leadership: Between Well-being, Productivity, and Loyalty

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ABSTRACT

The presence of Generation Z in the workforce has shifted expectations toward empathetic, transparent, and emotionally supportive leadership. This quantitative study examines the influence of toxic leadership on psychological well-being, productivity, and work loyalty among 50 Generation Z employees working across various sectors in Bandung. Data were collected via questionnaires and analyzed using multiple linear regression with SPSS. Results show that toxic leadership marked by authoritarian, manipulative, unsupportive, and unempathetic traits significantly reduces psychological well-being, as reflected in higher stress and job dissatisfaction. In contrast, its impact on productivity and loyalty was not statistically significant, explaining only 3 percent and 6.4 percent of the variance, respectively. Nonetheless, a negative directional trend was noted, indicating potential declines in motivation and morale. The study's novelty lies in its focus on Generation Z in Bandung, a city marked by rapid urbanization, creative industries, and a high concentration of young professionals. This provides a unique generational and cultural lens often underrepresented in toxic leadership research. Theoretically, this study enriches the discourse on destructive leadership by highlighting its differential effects on psychological versus behavioral outcomes. Practically, it underscores the need for organizations to adopt more empathetic and adaptive leadership styles to build a healthier, more inclusive, and sustainable work environment for the emerging workforce.

Keywords: Generation Z; Job Loyalty; Productivity; Psychological Well-being; Toxic Leadership; Urban Workforce

INTRODUCTION

In essence, employees are one of the elements that become company resources. In order for workers to carry out their duties properly, the company needs to create a management system known as personnel management. Human resources are people who carry out daily activities. Employees are living organisms that enable the functioning of an organization or company and are an important element in management (Muharam & Nurdin, 2020).Therefore, human resource management not only emphasizes systems and procedures, but is also strongly influenced by the leadership style applied by superiors in the work environment.

Effective leadership plays a key role in determining the success of an organization (Efawati et al., 2021). A leader is not only in charge of providing instructions, but also has the responsibility to motivate and arouse the team's spirit, so that they can achieve the best performance together (Efawati, 2020). If the organization is not supported by leadership that functions optimally, then the risk of directional disorientation, increased internal conflicts, and overall performance declines becomes even greater. (Sunarso, 2023) emphasized that every organization needs leaders who are able to influence, guide, motivate, direct, and move individuals or groups towards common goals. In fact, under certain conditions, leaders need to make firm decisions to ensure that directions are acceptable and followed by members of the organization.

Nonetheless, the reality on the ground shows that not all leadership is executed ideally. One of the issues that is increasingly of concern today is the emergence of the phenomenon of toxic leadership, especially felt by young workers such as Generation Z. This generation is growing up in a fast-paced and transparent digital era, and has high expectations for the meaning of work, work-life balance, and mental health. They are also more courageous in voicing their rights, prioritizing flexibility over traditional hierarchical structures, and valuing the values of justice, openness, and empathy as essential aspects of an ideal work culture. When faced with leaders who are authoritarian, manipulative, or lack of empathy, Generation Z tends to experience job dissatisfaction, feel unappreciated, and lose loyalty to the organization.

Theoretically, the toxic leadership phenomenon can also be viewed through the Conservation of Resources (COR) Theory approach (Hobfoll *et al.*, 2018), which states that individuals have a tendency to maintain, protect, and build resources that they consider valuable, such as emotional energy, security, and psychological health. When employees are constantly exposed to authoritarian, manipulative and unsupportive leadership styles, as in the toxic leadership context, their psychological and emotional resources are depleted. This loss of resources not only triggers stress and burnout, but also results in decreased work engagement, motivation, and a desire to leave the organization. In the context of Generation Z, which is highly concerned with the meaning of work, mental health, and life balance, the pressures of destructive leadership become even more relevant to study in depth. Therefore, the COR approach provides a strong theoretical foundation for understanding how toxic leadership can weaken the psychological resilience of young employees in modern work environments.

Generation Z, which is now starting to dominate the workforce, has great potential to drive company growth. However, a number of surveys show that this group tends to have a higher turnover intention rate and in a shorter time span than previous generations. One finding that reinforces this comes from the 2018 Deloitte Millennial Survey, which noted that 61% of Gen Z respondents chose to leave their jobs in less than two years. Interestingly, this trend persists even in crisis situations such as the pandemic (Wibowo *et al.*, 2024).

According to (Daswati & Hattab, 2023), toxic leadership reflects a leader's destructive behavior that negatively impacts employee well-being and the overall health of the organization. These forms of behavior can appear in the form of intimidation, manipulation, harassment, and injustice in decision making.

The impact of toxic leadership is not only felt by individuals personally, but can also interfere with the team's collective performance, as well as lower the organization's image in the eyes of the public. In the long run, the presence of toxic leaders has the potential to lower employee retention rates, increase voluntary resignations, and damage the company's reputation in the eyes of potential workers. In fact, retaining young talent, especially from Generation Z, is both a challenge and a strategic asset in the midst of global changes and competition in the business world.

Although the phenomenon of toxic leadership has been widely researched, most previous studies have focused on the general population or traditional organizations, without considering the dynamics of urbanization as well as distinctive local cultural values. For example, research by (Zulyar *et al.*, 2024) in the technology sector discusses the influence of toxic leadership on job satisfaction and employee turnover intention, particularly among the younger generation working in a dynamic and digital work environment. This is where the gap in this study lies. The novelty of this study lies in its specific focus on Generation Z in Bandung, a city known as a hub of urbanization, creativity, and a magnet for young people. While Bandung offers a wide array of career opportunities, it also presents challenges in creating a healthy and supportive work culture. Generation Z's distinctive characteristics of being vocal, adaptive, and having high expectations of fairness and well-being in the workplace make them an important subject for this research.

Therefore, the research question posed is: How does toxic leadership affect the psychological well-being, productivity, and job loyalty of Generation Z in Bandung? This research aims to offer a new perspective on the dynamics of toxic leadership in urban work environments and its implications for young talent as a strategic asset for future organizational success. Academically, this study makes a scholarly contribution by filling a gap in the literature related to toxic leadership in the context of generations and urbanization, especially in a developing city like Bandung, which has not been widely explored in previous research.

LITERATURE REVIEW

Characteristics of Generation Z in the Modern World of Work

According to (Ginting, 2022) in (Putri Kusuma, 2024), Generation Z generally consists of individuals born between the mid-1990s and the early 2010s. This generation exhibits unique work behavior characteristics compared to previous generations. Having grown up in the digital age, they view technology not just as a tool but as an integral part of their daily lives and professional environments. Their familiarity with digital platforms has shaped their approach to communication, collaboration, and problem-solving in the workplace.

Their ability to multitask and adapt quickly to technological advancements makes Generation Z highly effective in fast-paced and constantly evolving work environments. They are quick learners, open to innovation, and capable of leveraging technology to enhance productivity. These traits position them as valuable assets for organizations navigating the demands of modern, tech-driven industries.

Definition of Toxic Leadership

In general, according to Basu and Scanlon in (Putri *et al.*, 2024), toxic leadership refers to a form of destructive leadership that involves the behavior of leaders and followers that produces negative results in the long run, as well as creating unhealthy environmental conditions. This is in contrast to adult incivility and bullying in terms of the scope and extent of the damage caused.

Toxic leadership generally damages the organization's environment and surrounding culture, and can violate legitimate interests, lower commitment, and motivate its members. The negative impact generated by toxic leaders can cause long-lasting damage and have a lasting impact on the organization's culture, climate, and the individuals involved. An organization's response to toxic leadership as well as the actions taken to avoid it can directly affect the level of harm caused.

Meanwhile, according to Widyanto and Basuki (2020) in (Muktamar *et al.*, 2024) One of the important factors in organizational culture and employee commitment is that leadership comes from the word "leader" and leadership comes from the word "leadership". According to transformational leadership theory, leadership styles include aspects such as inspiration, motivation, and influence in inspiring and encouraging team members to achieve a shared vision. In the work (Priansa & Garnida, 2015) stated that leadership is being a pioneer, that is, someone who is willing to step into an unknown situation. Leaders who have a clear vision can be a guide in carrying out their main duties and functions as leaders.

A healthy leadership style contributes to the progress of the organization, while poor leadership has the potential to cause various problems that are detrimental to the organization. Regardless of the type of organization, leaders with destructive behavior can worsen organizational performance and worsen employees' mental health.

Researchers use many terms to describe a leader's destructive behavior such as toxic leadership. According to Abdelaliem & Abou Zeid (2023) in (Putri *et al.*, 2024) there are several terms that describe toxic leadership, including:

1) Intemperate behavior
2) Narcissistic behavior
3) Self-promoting behavior
4) Humiliating behavior

Experts describe *toxic* leadership as a type of leadership characterized by abusive behavior used to pressure or manipulate others. This leadership is also known as destructive leadership or dark leadership, which simply means destructive leadership. The impact of this behavior is enormous, both on individuals in psychological, emotional, and economic aspects, as well as on the organization as a whole, such as an increase in employee turnover rates, the development of cynical attitudes, reduced loyalty to the organization, and the emergence of counterproductive work behavior from employees.

Armitage in (Putri *et al.*, 2024) explains that toxic leaders are managers who often show intimidating behavior, such as yelling at subordinates, creating a stressful work environment, and spreading slander and demeaning superiors. These various negative behaviors, if they have a detrimental impact on individuals and organizations, make the perpetrators categorized as toxic leaders. Unfavorable and even hostile work environment conditions often increase the likelihood of such bullying behavior, even though in reality the action is undesirable.

Theoretically, toxic leadership is understood as a combination of low motivation, negative attitudes, and destructive behaviors that overall have a negative impact on employees, colleagues, and organizational performance. highlighting that power is at the

root of various forms of evil, where power has a tendency to pollute anything it touches. In the context of organizations, power is often associated with domination, coercion, corruption, and oppression, so that if left unchecked, it can lead leaders to unethical behavior (Cornwell, 2023)(Boddy, 2023).

Further, it argues that the pursuit of power in the work environment risks leading to corruption and abuse of position, which ultimately contributes to the emergence of toxic leadership styles. This is supported by findings that emphasize that the power that organizational leaders possess often exhibits latent toxic characteristics within them. Abuse of power, disregard for the welfare of others, and a tendency to exploit for personal gain are common characteristics of toxic behavior, even close to psychopathic traits in leadership(Walton, n.d.) (Broomhall, 2022).

Toxic Leadership Traits

1) Opposition behavior.
2) Autocratic behavior.
3) Arrogance and arrogance.
4) Low self-confidence.
5) Competitive attitude.
6) Hierarchy of values.
7) Setting unrealistic expectations.

Leaders who create counterproductive work environments often set unrealistic and unfair goals, which can lead to discouragement among team members. By understanding the characteristics of toxic leadership, we can be more vigilant and find the right solution to deal with it. The various forms of toxic leadership and its consequences have been researched for more than 70 years and continue to be the focus of academic attention(Putri *et al.*, 2024).

The Impact of Toxic Leadership

Daswati & Hattab (2023) states that toxic leadership is negatively related to a sense of safety in the workplace, increased bullying, and other adverse impacts on employees and the overall work environment. Research by (Paltu & Brouwers, 2020) also found a significant relationship between the dimensions of toxic leadership and their impacts, both statistically and practically. Labrague *et al.* (2020) shows that employees who work under toxic managers generally have lower levels of job satisfaction, higher levels of stress, less frequent attendance, and a tendency to leave their profession. Based on these findings, it can be concluded that the more *toxic* a leader is, the higher the potential for employees to leave their jobs.

In a study conducted by (Putri *et al.*, 2024) it was stated that based on research by Hattab *et al.* (2022), employees under toxic leadership tend to experience higher levels of stress, decreased job satisfaction, increased frequency of absences, and greater motivation to resign from work. This condition shows that toxic leadership not only impacts individual work performance, but also contributes to the overall reduced stability of the organization.

Furthermore, Kurtulmuş (2020) asserts that toxic leaders create an uncomfortable and stressful work environment, which negatively impacts not only the professional aspect but also on the personal condition of employees. Victims of this kind of leadership often experience serious psychological impacts, including decreased self-confidence, the appearance of excessive stress, constant worry, and leading to depression. This stressful

work environment, if not addressed immediately, has the potential to worsen the organizational climate and reduce the psychological well-being of employees in the long run.

The impact of this situation on the organization is quite significant. The emergence of high cynicism, high employee turnover rates, and weakening work morale are common symptoms. Toxic leaders who are unaware that their behavior affects the overall culture of the organization can be a serious threat to the organization's sustainability. In another study, employees who worked under toxic leaders showed low work engagement, frequent absences, and had a strong desire to leave. This further strengthens the evidence that toxic leadership has negative consequences on the psychology of victims, ranging from anxiety to depression.

Toxic Leadership Factors

Toxic leadership is formed from a variety of factors, both from the personal character of the leader and from the environmental conditions of the organization in which they operate. The following factors contribute to the emergence of toxic leadership behaviors (Efandi *et al.*, 2023):

1. Personality and character of the leader

   Riyanto & Haryanto in stating that the personality traits of leaders are often the main factor behind the emergence of toxic leadership behavior. Personality, which includes a person's dominant attitudes, behaviors, and character, has a great influence in shaping such leadership patterns. For example, leaders with narcissistic tendencies tend to prioritize their own interests over the interests of others, while authoritarian leaders tend to want absolute control and demand obedience with no room for discussion, creating a work environment that suppresses creativity and participation.

   High work pressure and excessive stress can increase the vulnerability of leaders to toxic behaviors. Stressful conditions can disrupt emotional balance, causing leaders to become irritable, frustrated, or anxious. These emotional disturbances negatively impact the way we communicate and interact with team members, which can lead to toxic behaviors such as bullying or apathy

2. Inequality of Power

   Power imbalances within the organization can encourage leaders to abuse their authority, leading to toxic behavior in relationships with team members. Conditions in which leaders have much more power than their subordinates magnify the potential for exploitation, including the emergence of intimidation or threats. When team members feel they have no alternative but to obey orders, the work environment becomes more vulnerable to toxic leadership.

3. Personal dissatisfaction

   Personal dissatisfaction experienced by leaders, both related to life and work, can be a triggering factor for the emergence of toxic leadership behavior. These feelings of frustration or dissatisfaction are often vented to team members through negative behavior. Leaders who fail to meet their personal needs tend to adopt destructive ways of managing their emotions in the work environment.

4. Lack of leadership skills

   A lack of leadership skills can encourage leaders to use toxic approaches to maintain control over the team. The inability to effectively manage and direct the team often leads leaders to rely on intimidating tactics or other detrimental actions to address their insecurities. In addition, inability to manage conflict can also

exacerbate the situation, where leaders choose shortcuts such as suppression or intimidation when facing problems, thus creating an unhealthy work environment.

Employee Well-Being

Employee welfare is a form of remuneration provided to employees other than salary or wages, and the provision is not directly related to work performance. The welfare provided must be beneficial, support the achievement of organizational and employee goals, and not violate applicable regulations (Purba, 2018).

One of the factors that affect employee morale is employee welfare. According to (Mathis, 2017), "employee well-being is an indirect reward given to an employee or a group of employees as part of his membership in the organization".

The provision of employee welfare aims to increase employee loyalty, work morale, and productivity. The success of an organization in carrying out its activities is greatly influenced by the work spirit of the employees involved in the organization's operations. Work spirit can encourage a person to work and be creative in their work (Efawati, 2024). To increase morale, companies need to provide welfare facilities that meet employee expectations. However, if the welfare provided by the company is not in accordance with the expectations of employees, then their morale can decrease.

According to (Enggardini & Fauzy, 2017),employee welfare is very important to maintain loyalty and work motivation, as well as prevent employees from moving to other companies. Providing proper and comprehensive compensation not only positively impacts the individual employee, but also helps to meet the physical and mental needs of them and their families.

Productivity

Productivity is an important concept in the world of work and organizations, which has to do with how resources are used to produce outputs effectively and efficiently. To understand productivity in more depth, in explaining some definitions of productivity according to experts. The following is a description of the definition of productivity based on various views (Wardani, Adrian, & Hendriani, 2023):

1. Schermerhorn (in Busro, 2018:340):
   Productivity can be interpreted as a measure of performance that takes into account how effectively the potential of human resources (HR) is used in an organization or work. In this view, productivity is measured not only by the end result, but also the extent to which the potential of those resources is optimally utilized to achieve organizational goals.
2. Handoko (in Busro, 2018:341):
   According to Handoko, productivity encompasses more than just the physical results produced. Productivity also involves the psychological aspects of the individual, such as motivation and commitment, as well as the conscious effort made to achieve optimal performance. This definition emphasizes the importance of using an individual's potential selectively and efficiently, followed by a process of evaluation of the various inputs used to produce the expected output.
3. Irham Fahmi (2016:112):
   Productivity, according to Fahmi, is the result obtained through a production mechanism that utilizes one or several factors of production to the maximum. This definition sees productivity as the tangible result of the management of available factors of production, with the aim of producing output effectively and efficiently.

4. H. John Bernardin and Russell (in Fahmi, 2016:112):

   Productivity is described as the ratio between output and input. The output in this case can be in the form of various elements, such as the number of sales, the level of revenue, the market share that has been achieved, and the degree of product damage. This definition emphasizes the importance of the quantitative relationship between the resources used and the results obtained in measuring productivity.

Work Loyalty

Loyalty can be interpreted as obedience and loyalty. In the context of employee loyalty, this is not only seen from how long a person has worked in an organization, but also from the ideas, sympathy, and dedication given to the institution. This loyalty not only reflects the employee's competence in carrying out tasks according to the job description, but also seen from how much an employee contributes to the progress of the organization (Kusumastuti, 2018).

Work loyalty refers to a mental attitude that describes employees' loyalty and commitment to the organization (Willianto, 2019).Loyalty is important for companies because it reflects the mutual relationship between individuals and the workplace.

Employee loyalty is an important attribute that every organization must have, because having loyal employees can protect the organization from various losses. Employee loyalty can be defined as the decision to stay in the organization rather than seek new opportunities, obey the rules even without strict supervision, prioritize organizational goals over personal achievements, provide constructive advice, and participate outside of expected tasks. Some aspects that shape employee loyalty include a sense of belonging, trust, and desire to stay in the organization (Anifah & FoEh, 2022).

Ensuring employees feel they are an integral part of the organization will effectively build their commitment to the organization. Loyal employees will show a sense of ownership of the organization and strive to continue to play a role in the organization. This starts from the respect and appreciation given by the organization to employees. This sense of ownership will encourage employees to develop an emotional connection and trust in the organization, which will ultimately increase their engagement as well.

Trust is a key element in employee loyalty. With trust, employees will enjoy the extra role provided by the organization more. Good interaction among employees also depends heavily on the level of trust. How much employees believe that their work environment can support their development and be a safe place. Through trust, employees will be more optimistic in responding to the improvement programs provided by the organization. The tendency to stay in an organization in the long run is an indicator of loyalty, where loyal employees tend to show a high determination to continue to be a part of the organization, both in good and bad situations.
(Willianto, 2019)explained several important aspects of work loyalty, namely:
1) Employees follow rules without coercion
2) Responsibility: Willing to accept the risks of employment decisions
3) Devotion: Willingness to empower and think at your best
4) Honesty: Be honest and open in the execution of tasks
5) Loyalty not only plays a role in forming healthy working relationships, but is also key to increasing productivity because it encourages long-term commitment to organizational targets.

Model Research

Previous studies have indicated that leadership style greatly influences employees psychological comfort and productivity, particularly among younger generations like Generation Z. Transformational leadership, as discussed by (Mustika *et al.*, 2020), is considered effective in fostering innovation and encouraging a more dynamic organizational culture. This leadership style aligns with Generation Z's characteristics, which emphasize active participation, transparency, and opportunities for personal and professional growth. In contrast, the absence of adaptive or human-centered leadership may lead to psychological discomfort, resulting in decreased productivity and a higher intention to leave the organization.

In line with this, (Wulansari, 2023) directly examined the impact of toxic leadership on employee work stress in the Greater Jakarta area, taking into account workload and demographic variables. Her findings revealed that toxic leadership significantly increases work-related stress. A work environment dominated by destructive leadership behaviors, such as manipulation, authoritarianism, and lack of empathy can create intense psychological pressure. These findings reinforce the notion that toxic leadership is a key determinant of decreased employee well-being and contributes to an unhealthy work climate, especially for generations that prioritize mental health, such as Generation Z.

Based on these findings, it is evident that leadership style has a strong influence on psychological well-being, productivity, and work loyalty particularly for Generation Z, who hold high expectations for a supportive and humane work environment. While previous research has largely focused on the relationship between leadership and work stress, as well as generational preferences for certain leadership styles, few studies have specifically modeled the impact of toxic leadership on all three dimensions: well-being, productivity, and loyalty, especially within urban Generation Z populations. Therefore, this article proposes a new research model centered on these three aspects, aiming to fill this gap and contribute both theoretically and practically to the development of healthier and more adaptive leadership approaches in the future.

Framework

Strategic human resource planning needs to be done properly, correctly, and efficiently. This management starts from recruitment, selection, classification, placement according to ability, training, to career development and employee dismissal (Chaniago, 2020). One of the key aspects supporting this process is the presence of a healthy and adaptive leadership style. Without supportive leadership, even the most well-structured HR strategy may fail to achieve its objectives.

Toxic leadership has emerged as a pressing issue, particularly among younger generations such as Generation Z, who expect a fair, empathetic, and mentally supportive work culture. Authoritarian, manipulative, and unempathetic leadership styles often exert psychological pressure, which can have significant implications for employee well-being, productivity, and job loyalty. Based on this premise, this study proposes the following hypotheses:

1. H1: Toxic leadership has a significant negative effect on employee well-being.
2. H2: Toxic leadership has a significant negative effect on work productivity.
3. H3: Toxic leadership has a significant negative effect on job loyalty.

To illustrate the relationships between variables more clearly, the conceptual framework of this study is presented below:
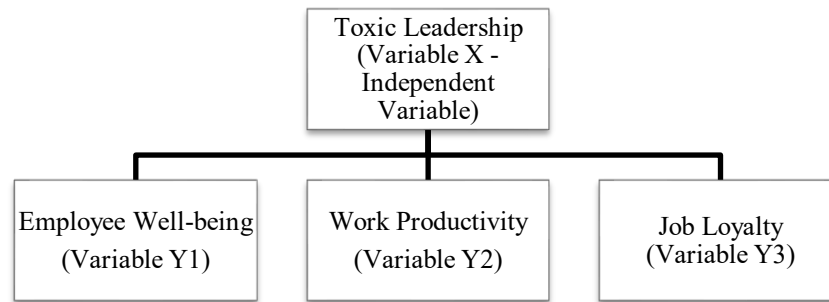
Figure 1. Conceptual Framework of the Study
Source: Own compilation

RESEARCH METHOD

This study uses a descriptive quantitative approach that aims to analyze the influence of toxic leadership on three important aspects in the world of work, namely employee well-being, work productivity, and job loyalty, especially from the perspective of Generation Z. This approach was chosen to gain a measurable and systematic understanding of how destructive leadership styles can impact the work experience of the younger generation in the context of modern organization.

The population in this study is individuals from Generation Z, referring to a group of individuals born in the period between 1997 and 2012. and has worked actively in various sectors in the city of Bandung. The selection of Generation Z as a research subject is based on their unique characteristics in responding to the dynamics of today's world of work as well as their tendency to be more sensitive to unhealthy work environments. The research sample amounted to 50 respondents who were selected purposely with the main criteria being included in the age range of Generation Z, having work experience, and being willing to fill in research instruments distributed online.

The determination of the number of samples in this study refers to Roscoe's opinion (in Sugiyono, cited in (Imron, 2019), which states that the sample size that is suitable for use in the study ranges from 30 to 500 respondents. Therefore, the number of 50 respondents in this study has met the minimum requirements that are considered feasible.

The data collection instrument is in the form of a questionnaire that is independently compiled by the researcher and distributed in digital form. The questionnaire consisted of closed-ended statements measured using a five-point Likert scale to capture respondents' perceptions of toxic leadership behaviors in their work environment. The aspects measured included dimensions such as authoritarian behavior, psychological pressure, lack of empathy from superiors, and psychological and professional impact on employees, including motivation, emotional comfort, and loyalty to the company.

The data collected were analyzed using SPSS (Statistical Package for the Social Sciences) software with a multiple linear regression approach. The goal is to identify how much toxic leadership, both collectively and separately, influences employee well-being, productivity, and loyalty.

RESEARCH RESULTS

The Influence of Toxic Leadership on Employee Well-Being

Table 1. Model summary of the influence of toxic leadership on employee well-being

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,528ᵃ	,279	,264	2,834

a. Predictors: (Constant), X

Based on table 1, the simple linear regression test displayed on the SPSS output, a determination coefficient value (R Square) of 0.279 was obtained. This shows that variable X is able to explain the variability of Y1 by 27.9%, while the remaining 72.1% is explained by variables outside this model.

Table 2. Anova of the influence of toxic leadership on employee well-being

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	149,014	1	149,014	18,555	,000ᵇ
	Residual	385,486	48	8,031		
	Total	534,500	49			

a. Dependent Variable: Y1

b. Predictors: (Constant), X

From the ANOVA table, it is known that the significance value (Sig.) is < 0.001, which means it is smaller than 0.05. Thus, it can be concluded that the regression model is statistically significant. This means that the X variable has a significant effect on Y1.

Table 3. Coefficients of the influence of toxic leadership on employee well-being

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,080	1,145		8,804	,000
	X	,327	,076	,528	4,308	,000

a. Dependent Variable: Y1

Based on the Coefficients table, a regression coefficient of 0.327 was obtained for variable X with a significance value of < 0.001. Since this significance value is less than 0.05, it can be concluded that X has a significant effect on Y1.

The Influence of Toxic Leadership on Work Productivity

Table 4. Model summary the influence of toxic leadership on work productivity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,174[a]	,030	,010	2,287

a. Predictors: (Constant), X

Based on table 4, an R-Square value of 0.030 indicates that only 3% of the variation in work productivity can be explained by toxic leadership. The rest, at 97%, is explained by other factors outside of this model.

Table 5. Anova of the influence of toxic leadership on work productivity

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	7,810	1	7,810	1,494	,228[b]
1	Residual	251,010	48	5,229		
	Total	258,820	49			

a. Dependent Variable: Y2

b. Predictors: (Constant), X

Based on the Anova table, the significance value in the ANOVA table is 0.228. Since this value is greater than 0.05, it can be concluded that the regression model is not statistically significant. This means that simultaneously toxic leadership does not have a significant influence on work productivity.

Table 6. Coefficients of the influence of toxic leadership on work productivity

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,882	,924		17,191	,000
	X	,075	,061	,174	1,222	,228

a. Dependent Variable: Y2

The value of the X coefficient is 0.075 with a significant value of 0.228. Because the significance value is greater than 0.05, there is no partial significant impact between toxic leadership and work productivity.

Based on the results from table 6, toxic leadership does not have a significant impact on work productivity. This means that in this study, toxic leadership styles have not been statistically proven to affect the rise and fall of employee productivity.

The Influence of Toxic Leadership on Job Loyalty

Table 7. Model summary of the influence of toxic leadership on job loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,252ª	,064	,044	2,106

a. Predictors: (Constant), X

Based on the results of the simple linear regression test, the value of the determination coefficient (R Square) was obtained of 0.064. This shows that the toxic leadership variable (X) is able to explain the employee job loyalty variable (Y) by 6.4%, while the remaining 93.6% can be explained by other factors outside this model.

Table 8. Anova of the influence of toxic leadership on job loyalty

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	14,497	1	14,497	3,269	,077ᵇ
1	Residual	212,883	48	4,435		
	Total	227,380	49			

a. Dependent Variable: Y3

b. Predictors: (Constant), X

Furthermore, from the ANOVA table, it is known that the value (Sig.) is 0.077, which means it is greater than 0.05. This means that the regression model is not statistically significant, or in other words, toxic leadership has no significant effect on employee job loyalty.

Table 9. Coefficients of The Influence of Toxic Leadership on Job Loyalty

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18,621	,851		21,886	,000
	X	-,102	,056	-,252	-1,808	,077

a. Dependent Variable: Y3

Then, from the Coefficients table, the value of the regression coefficient for variable X (toxic leadership) is -0.102 with a significance of 0.077. This significant value is also greater than 0.05, we can conclude that the toxic leadership variable does not have a significant impact on employee loyalty.

However, a negative coefficient value indicates that although it is not significant, there is a tendency that the higher the level of toxic leadership, the lower the employee loyalty.

DISCUSSION

Based on the statistical analysis, toxic leadership was found to have a significant influence on the psychological well-being of Generation Z employees, with a regression coefficient of 0.327 and a significance level of < 0.001. This finding aligns with Yu & Liao (2020), who argued that a stressful, manipulative, and unsupportive work environment can lead to stress, anxiety, and burnout, particularly among younger generations who strongly value fairness and work-life balance.

However, different findings emerged on the variables of work productivity and employee loyalty. For productivity, the significance value was recorded at 0.228 which means that it exceeded the limit of 0.05 and the value of the coefficient (R Square) only reached 0.030 indicating that the influence of toxic leadership was not statistically significant. This means that while toxic leadership styles may bring psychological pressure, they do not directly affect the performance or work output of Generation Z employees in the context of this study.

One possible explanation for this phenomenon is the existence of internal or external compensation factors. Generation Z is known to have a fairly high adaptability and often maintains productivity in order to maintain a work reputation, meet expectations, or because of intrinsic motivation and financial needs. This is in line with the concept of two motivational factors put forward by Herzberg in (Alshmemri *et al.*, 2017), which states that factors that cause dissatisfaction (such as toxic leadership) do not necessarily eliminate motivators (such as achievement and recognition).

Similarly, in the aspect of job loyalty, although a negative relationship direction was identified (regression coefficient -0.102), a significance value of 0.077 (> 0.05) showed that the effect was also not statistically significant. According to Social Exchange Theory by Homans and Blau in (Wardani, 2016), healthy work relationships are based on fair reciprocal exchanges, so toxic leadership behaviors can reduce employee loyalty due to perceived injustice. However, in this context, insignificance can be caused by various factors, such as competitive job market conditions, limited job transfer opportunities, or the pragmatic attitude of Generation Z who persists while looking for more suitable opportunities. Additionally, loyalty can also be long-term and influenced by other organizational factors such as work culture, reward systems, or self-development opportunities, which are not covered by this model.

Overall, the results of this study still show that toxic leadership has serious consequences for well-being, and while its impact on productivity and loyalty is not statistically significant, negative directional tendencies are an important early warning. This reinforces the importance of an empathetic, communicative, and participatory leadership approach in the management of the younger generation, especially Generation Z who are more sensitive to social relations patterns and work values.

This study provides a significant theoretical contribution by expanding the understanding of toxic leadership, particularly within the cultural and generational context of Indonesian workplaces. The findings reveal that the impact of toxic leadership is not universally detrimental across all work dimensions. While it clearly undermines psychological well-being, its influence on productivity and loyalty may be buffered by the adaptive resilience of younger employees. Thus, the study not only reinforces existing theories but also enriches academic discourse by demonstrating the complex and contextual nature of generational responses to dysfunctional leadership. These findings highlight the importance of empathetic, communicative, and participative leadership approaches in managing intergenerational workforces and open avenues for further research on the moderating roles of cultural values and labor market conditions.

The practical implications of this study call for HR departments, managers, and organizations to adopt strategic measures to mitigate the effects of toxic leadership and enhance the quality of the work environment. HR is advised to implement leadership training focused on developing emotional intelligence and effective communication skills. Managers must establish open communication mechanisms that ensure a safe space for employees, particularly Generation Z, to report concerns without fear. Organizations are required to formulate clear policies and reporting procedures regarding toxic behaviors and to apply swift and firm actions in response. Furthermore, fostering a

participative culture by involving employees in decision-making can strengthen engagement and improve the overall organizational climate. Consequently, organizations can support employee well-being and optimize the productivity and loyalty of Generation Z employees sustainably.

CONCLUSIONS

The results of this study indicate that toxic leadership has a real impact on employee well-being, especially among Generation Z. Work environments that are led in an authoritarian, manipulative, and empathetic manners have been shown to reduce their mental health, comfort, and job happiness. However, the influence of toxic leadership on employee loyalty and productivity is not statistically significant, indicating that both aspects are influenced by other, more complex factors, such as organizational culture, relationships between colleagues, and self-development opportunities.

These findings underscore the importance of creating a healthier and more adaptive leadership style, especially in the face of Generation Z's critical, open, and work-life balance characteristics. Efforts to improve employee well-being through supportive leadership are not only relevant to long-term productivity, but also essential to building a sustainable, human-oriented work culture.

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