Exploring the effects of despotic leadership on employee engagement, employee trust and task performance

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ABSTRACT

Drawing from research on despotic leadership, employee engagement, employee trust and employee task performance, using conservation of resource (COR) theory and social exchange theory (SET); this study investigated the three-way interaction of mediating effects of employee engagement (EE) and employee trust (ET) in the link between despotic leadership (DL) behavior of supervisor and employee task performance (TP). Data collected from 310 employees reflected that despotic leadership had negative effect on follower’s task performance, yet the role of employee trust and employee engagement provided the evidence of mediation. The study has explored the rarely addressed area of destructive leadership in the cultural setting of a developing country. The findings of the study have significant implications for future research and practice.

1. Introduction

The negative effects of destructive leadership behavior are not only limited to employees but also surround employee’s families, customers, organizations and even society in general. Literature depicts that rather than mere absence of effective leadership, there are variety of different behaviors under the phenomenon of destructive leadership. Exploring the dark side of leadership is essential for understanding the effectiveness and development of leadership concept (Einarsen et al., 2007; Bies & Tripp, 1998; Ashforth, 1994). Compared with positive behaviors, negative behaviors exert stronger effects on a person’s actions (Einarsen et al., 2007; Baumeister et al., 2001; Schyns & Schilling, 2013). Leaders who use to involve in cheating, corruption, lying and stealing, always prioritize their self-interest on organization’s legitimate interest and show negative leadership behavior (Kellerman, 2004), abuse employees and organization through misuse of power (Brender & Vredenburgh, 1998). Therefore, destructive behaviors of leaders affect both: the employees and the organization. Previously, researchers have highlighted the negative and destructive effects of the dark side of leadership (Schyns & Schilling, 2013; Naseer et al., 2016) on employees, resulting a decrease in job satisfaction (Tepper, 2000; Tepper et al., 2001), and increase in stress among employees (Tepper, 2000), turnover, absenteeism, inefficiency (Tepper et al., 2006), emotional exhaustion (Chen et al., 2009), deviant work behavior (Zellars et al., 2002), and performance (Aryee et al., 2007).

Just like positive leadership, the negative sides of leadership and its effects on subordinates also needs further research (Schyns & Schilling, 2013; Collins & Jackson, 2015) due to its weighty importance for organizations (Hoobler & Hu, 2013) but literature lacks research (Naseer et al., 2016). There are variety of titles given in literature under the domain of dark/ destructive/negative leadership such as abusive supervision (Tepper, 2000), impaired managers (Kellerman, 2004), petty tyranny (Collins & Jackson, 2015), toxic leadership (Collins & Jackson, 2015), derailed leadership (Einarsen et al., 2007), and despoticleadership (schilling, 2009). Despotic leadership encompasses most noticeable characteristics of all types of negative
leadership (Schyns & Schilling, 2013). They are morally corrupt and work for personal interest at the risk of organizational interests, pursue their self-centeredness, self-promotion and exploit their followers (De Hoogh & Den Hartog, 2008), want unquestioned obedience from their subordinates (Schilling, 2009), show dominant and authoritarian behavior (Schilling, 2009), and impact subordinate’s organizational citizenship behavior (OCB), creativity and job performance (Naseer et al., 2016). This study has investigated and reports the research gap on destructive effects of despotic leadership (DL) on engagement, trust, and task performance of employees. Despotic leadership is a social stressor with harmful effects on employee’s behaviors. Present study has chosen employee engagement (EE) and employee trust (ET) as mediating variables and postulate that DL work as a social stressor and lowers EE and ET that ultimately reduce their task performance.

The study is based on Conservation of Resource (COR) theory that encompasses some stress theories (Hobfoll, 1989) and provides a great understanding into leader’s behavior and employee reactions. Resources denote to object that people value different things; (for example) conditions (social support, relations), objects (equipment, computer), energies (skill, knowledge) and personal characteristics (resilience, self-efficacy). COR theory postulates that employees who have larger quantity of resources may be less susceptible to stressors than those who have fewer resources (Hobfoll, 1989). According to Gorgievski et al. (2010), individuals attempt to attain, retain, and guard their resources. But under chronic stressful situations these resources become depleted (Hobfoll, 1989). It is suggested by COR theory that from an actual or threatened loss of resources people experience stress and loss of resource is more noticeable than gain of resources (Hobfoll, 1989). This potential or real loss leads to lower positive behaviors among employees and eventually affect their task performance negatively. Using the COR theory as a base, the researcher has theorized that DL work as social stressor and under the authoritarian, self-serving, exploitative and unethical (De Hoogh & Den Hartog, 2008; Naseer et al., 2016) behavior of DL, employees lose support of leaders in exchange relationship. Moreover, in a culture with dominant behaviors of high collectivism, uncertainty avoidance and power distant, like Pakistan, despotic behavior of leaders would lead to lower positive behaviors (Hofstede, 1983, 2010) in employees. According to Luthans et al. (1998), highly collectivist and power distant cultures, dark leadership is more obvious because it is expected that in such culture’s subordinates show unquestioned obedience and accept power inequalities. Consequently, Pakistani employees (with given cultural settings) best suit the population for this study (Naseer et al., 2016). The resources loss resulting from lower employee engagement and trust result in decreased levels of task performance. When individuals face some aggressive situations such as despotic behavior of leaders, they invest their energy and attention to cope with these stressors, and therefore experience a loss of energy resources. Moreover, as compared with resource gains, resource losses are more noticeable and any loss in energy resources may cause further resource loss (Nauman et al., 2018). Therefore, individuals whose key energy resources have been depleted at work, particularly due to unethical and self-serving behaviors of leaders may not be able to show up high engagement and trust resulting a decrease in task performance. Drawing from COR theory, low support and self-serving behavior of a despotic leader likely to decrease employee engagement and trust.

![Graphical representation of the model of the study](image)

The theoretical framework of the study is based on conservation of resource theory (COR). The study hypothesizes that despotic leadership decreases engagement and trust of employees and lower their task performance.

2.1 Leadership

Leadership phenomenon encompasses an individual’s ability to motivate, influence and support followers in the achievement of goals and to contribute towards organizational success and effectiveness (House et al., 1999). Leadership has its own roots in the earlier history of mankind, but research in the leadership domain started in the mid of 20th century (Van Seters & Field, 1990). Even in religious aspects prophets are believed as great leaders. Thousands of definitions of leadership have been added in literature since the concept of leadership came into debate. Due to the complexity of concept there is no consensus among scholars on the unified definition of leadership (Reiche et al., 2017) and scholars have also taken leadership from different perspectives as it has become more challengeable in the global context and diversified business environment (Billington & Ellersgaard, 2017; Reiche et al., 2017) and leaders have to adopt the suitable behavior according to the circumstances (Billington & Ellersgaard, 2017). Leadership behavior comprised of both positive and negative behaviors. According to Kelloway et al. (2006) most studies have explored successful, effective and constructive leadership styles. Destructive leader has poor skills, lacking in strategy development, poor communication, and erratic behavior. Conventionally, leadership was considered as an individual phenomenon (including leader’s traits, skills and abilities etc.), but recent studies concluded that the concept of leadership is not limited to the individual rather it is a process based on the social interactions of leader and the stakeholders (Billington & Ellersgaard, 2017).
2.2 Despotic Leadership

According to Karakitapoglu-Aygun and Gumsluoglu (2013), research in the domain of dysfunctional aspects of leadership is still in infancy suggesting the most important paradigm shift in leadership literature. As a prominent example of negative leadership is DL, since it includes the most important features of negative leadership (Schilling, 2009). Schilling in his meta-analysis (2013) has argued that this is a new construct, but it is intensely pertinent to the leadership field and it needs attention of future researchers. Avolio (2007) reported despotic leaders are low on moral standards and remain unable to encourage their subordinates to achieve individual and/or organizational goals. Theorists Ferguson et al. (2009) contended that unethical leadership drains self-resources of employees that are desirable to keep suitable behaviors (e.g., optimism, attention, will-power, esteem). Employees’ self-resources weakens or demotes if they become victimized or vulnerable by an unethical leader (Baumeister, 2001; Thau, Aquino, & Poortvliet, 2007). As a result, employees become powerless to preserve suitable behaviors and instead engage in deviant behaviors such as neglect organizational goal attainment, indulge in stealing resources, encourage other employees to involve in such deeds; show reduced levels of OCBO, OCBI, affective organizational commitment (Zellars et al., 2002), lowered motivation (De Hoogh & Den Hartog, 2008); controlling and limiting followers contribution in decision making (De Hoogh & Den Hartog, 2008); reduced creativity, performance and citizenship behaviors (Naseer et al., 2016). In previous research, Dasborough (2006); Schyns and Schilling (2013) discussed that in social interactions, as compare to positive behaviors or events, negative behaviors or events exert stronger effects on a person’s behaviors and actions (horn’s effect). Individuals have tendency to pay attention to negatives rather than positive behaviors and events. This phenomenon has become more important in this globalized environment after the wake of worldwide corporate scandals such as WorldCom and Enron. Hence, as compared to enhancing and understanding positive aspects of leadership, preventing and understanding destructive leadership is more important.

2.3 Despotic Leadership and Task Performance

Performance is the completion of tasks measured against a set of standards, exactness, cost effectiveness, completeness, and pace. Employee performance can be measured by the completion of employee’s task including helpfulness, quality of results, timeliness of results, attendance at work, and supportive behavior at workplace. Employee performance is directly related to the organization’s performance; shown in the financial or non-financial outcome of organizations. So, emphasizing the importance of effective performance management system for organizational success. Eventually, employee performance is always considered as the most advanced development intervention and essential part of effective personnel management system portfolio. In organizations, employee’s performance evaluation is based on behaviors and outcomes. For this reason, productivity through job performance is a widely studied field in the human resources development (HRD) and organizational behavior (OB) literature. Employee TP is what an employee does or does not do.

Leadership always play a critical role in employee behaviors and outcomes either positive or negative. Ethical behaviors of leaders cause the emergence of positive behaviors and psychological conditions in employees (Gwinner et al., 2005) increasing the likelihood of positive behaviors for the recognition of organizational goals and reduce unethical and harmful behaviors in employees. Dark side of leadership (negative/destructive) is a threat for positive employee behaviors (Naseer et al., 2016) resulting a substantial increase in this leadership domain (Karakitapoglu-Aygun & Gumsluoglu, 2013; Hoobler & Hu, 2013) particularly in DL. As DL is a prominent example of dark side of leadership (Schyns & Schilling, 2013) exerting negative effect on employee positive (in-role and extra-role) behaviors and performance (Naseer et al., 2016).

2.4 The Role of Employee Engagement

Engagement was entered in the academic wordlist by social psychological work of Khan for the first time in 1990’s. Khan presented the concept of “personal engagement” in his seminal paper. Since that time researcher’s interest in engagement mushroomed and multiple studies have been conducted on the conceptualization, definition, theories and measures of engagement (Macey & Schneider, 2008). Personal Role Engagement: According to Khan et al. (2013) engagement involves “the harnessing of organizational member’s selves to their work roles; in engagement employee employ and express themselves physically, cognitively and emotionally during role performances”. Work or Job Engagement: Second stream of engagement research takes it as, “A positive, fulfilling work related state of mind that is characterized by vigor, dedication and absorption” (Schaufeli, Salanova, Gonzalezleez-Roma & Bakker, 2002, p. 74). The notion of engagement was presented as opposite of burnout. Scaufeli et al. (2002) used the term “work engagement” (WE) rather than “personal engagement”. Schaufeli and Bakker (2004) also defined EE as “the degree of cognitive, physical and emotional connection of employees to their work roles”. Components of Work Engagement: Vigor: denotes mental resilience, great energy, the readiness to capitalize effort, persistence in the time of difficulties, motivation and dedication to put time and effort in work. We reflect workers experience at work. Dedication: the element of dedication refers to having an experience of involvement, pride, significance, challenge, enthusiasm, inspiration and meaningful pursuit at work. Absorption: is described by being focused and engrossed in work (Bakker & Dier, 2007; Schaufeli & Salanova, 2007). Absorbed in one’s work happily means, fully focused to work. One feels difficult to detach him/ herself from work and time passes quickly during job for him/her (Bakker, Schaufeli, Leiter, & Taris, 2008). Multidimensional Engagement: In 2006, Saks defined engagement as “a distinct and unique construct consisting of cognitive, emotional and behavioral components that are associated with individual role performance”. Engagement involves physical, emotional or cognitive engagement of workers in work roles, but it encompasses concurrent involvement of
all these forms (Rich, Lepine & Crawford, 2010) in an associated rather than fragmented manner (Kahn, 1990). Work is always a fun, source of contentment and happiness for engaged employees so they do not work hard (Gorgievski, Bakker, & Schaufeli, 2010). Engagement as Management Practice: In the Human Resource Management (HRM) “engagement as management practice” is an emerging field and scholars have begun considering “engagement as best friend of Human Resource Management (HRM).” Schyns and Shilling (2013) used the concept of “doing engagement” in contrast of “being engaged” in their research and assert that engagement is subject to “fixing, shrinking, stretching and bending”. Engagement as “State like” or “Trait like”: There is considerable agreement of researcher that it is a higher-order construct comprising emotional, cognitive and behavioral dimensions (Christian, Gharza, & Slaughter, 2011). There has been a great discussion in psychology, related to the trait-like personality constructs and state-like psychological capacities. State like psychological capacities are situation based while trait like personality constructs are relatively fixed. In previous literature disagreements are found among researchers about engagement reflected as a trait, state or behavior. According to Macey and Schneider (2008), engagement can be taken as a combination of the three, trait, state and behavioral. Christian et al. (2011) asserts that WE is simultaneously trait-like and state-like construct, being comparatively stable yet fluctuating over time. According to Schaufeli et al. (2002) “engagement refers to a persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior;” (p. 295). Kahn (1990) and Bakker (2011) also highlights that as engagement is based on employee’s perceptions about work environment and it changes overtime, so it is more state-like.

Bakker and Demerouti (2008) in a study among teachers, proved that job resources including supervisor support, considerably enhance EE, especially at the time of high job strain. Adequate rewards and recognition from supervisors (Laschinger & Finegan, 2005); personal initiative and innovation; passion about work motivation (May, Gilson, & Harter, 2004); bottom line outcomes such as, performance at job (Halbesleben & Wheeler, 2008; Bakker & Bal, 2010), monetary benefits (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2009); satisfaction of clients (Salanova, Agu, & Peiro, 2005); work life balance and meaningful work are positively related to engagement. Several studies have found the advantageous role of EE to improve employees and organizational performance. Research shows that having committed and engaged workforce can lead to several advantageous results for an organization e.g. lower intentions of turnover and increase in organizational performance. Also, according to Chartered Institute of Personnel Development (CIP, 2006) engaged employees have more balance in their lives and work. So, Bakker et al. (2008) recommended that focus on EE may not only advantageous for employees but also help organizations to gain a competitive advantage in this world of competition. According to Leary et al. (2013) dysfunctional leadership distract subordinate’s obsession from work to self-preservation and ultimately limit engagement. DL with their unethical, aggrandizing and oppressive behavior work as a social stressor (Nauman et al., 2018). COR theory posits that people experience threat from a threatened or actual loss of resources (Hobfoll, 1989) and resource loss is more noticeable than resource gain. Loss of any resource in one sphere mostly result in a resource loss in another sphere. Hobfoll (1989) suggests that individuals have a limited resource of energy and time. When individuals face some aggressive situations such as despotic behavior of leaders, they invest further energy and attention to cope with the situation and experience a loss of energy resources. Moreover, as compared to resource gains, resource losses are more noticeable and any loss in energy resources may cause further resource loss (Nauman et al., 2018). Therefore, individuals whose key energy resources have been depleted (burnt out) at work, particularly due to unethical and self-serving behaviors of leaders, may lose engagement in their work and not be able to show up high task performance. In particular, the extent to how high employees evaluate their leader’s trustworthiness and fairness in term of their treatment towards employees may influence the EE (Kurtulus et al., 2011).

**H1:** There is negative relationship between supervisor’s despotic leadership and employee engagement.

Engagement is a positive behavior which ignite enthusiasm and propel positive employees and organizational outcomes. Engaged employees have great sense of indebtedness to the organization and exert extra efforts in work roles resulting an increase in task performance (Shantz, Altes, Truss, & Soane, 2013). Pervious literature provides evidence that engagement positively propel performance at individual (Rich, LePine & Crawford, 2010; Christian et al., 2011), intra-individual (Bakker & Bal, 2010) and group level (May et al., 2004); increasing organizational profitability and decreasing absenteeism (Morgan, 2004); predict organizational financial performance (Schaufeli & Bakker, 2008) “Engaged employees experience positive emotions, which broaden people’s ‘thought action repertoire’, leading them to become more attentive and absorbed in their work” (Fredrickson, 2001) and engagement made them top performers (Taleo Research, 2009).

**H2:** There is a positive relationship between employee engagement and employee task performance.

In previous literature many studies have used the mediating role of WE and EE with different construct relationships; for example, trust and in-role job performance, OCB and learning goal orientation; psychological contract breach and innovativeness; counterproductive work behavior with JD-R (Balducci, Schaufeli, & Fraccaroli, 2010); proactive behaviors and job resources (Salanova & Schaufeli, 2008); individual characteristics, organizational commitment and self-efficacy (Richardsen, Bruke, & Martinussen, 2006); job satisfaction and OCB (Schaufeli & Bakker, 2004); job resources and turnover intentions (Bakker, 2004); OCB, intention to quit and organizational commitment (Saks, 2006). After examining different results from work engagement and employee engagement literature, the study postulates that:

**H3:** Employee engagement mediates the relationship between despotic leadership and employee’s task performance.

### 2.5 The Role of Employee Trust

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Employee trust have been recognized as a vibrant research factor in literature especially at work place that contributes towards organizational success with positive inferences on the employee’s overall performance (Laschinger & Finegan, 2005), leading to acceleration of organizational performance (Gould-Williams, 2003). Trust is one of the most influential elements towards organizational performance (Villiers & Kooy, 2004; Macey & Schneider, 2008). Trust is “The extent to which people are willing to rely on vulnerable to others, has been understood as trust” (Frost, Stimpson & Maughan, 1978). This definition presents trust as a psychological condition of employees including positive expectations regarding the intent or behavior of the leader in risk situations (Premeaux & Bedeian, 2003). Although trust element is important in all levels in the organization, the focus of trust is always between the followers and their leader. A leader with positive behavior (represented by confidence, assurance, effectiveness, and compliance) is considered by others to be more capable and reliable, as these attributes have been shown to provide greater level of performance (Avolio, 2007). If the leader practices transparency in his daily task, it makes the leader more valuable and understandable. Such insight is reflected in the attributes, values and the level of trust will be developed (Avolio, 2007) and vice versa. On the other hand, the behavior of the employees and willingness to contribute with respect to how much effort they put in executing the task, may influence the organization performance level. Employee’s trust on their leader would determine the productivity level of the individual and indirectly affect the organization performance (Gwinner et al., 2011). Particularly in terms of leader’s treatment towards their subordinates influence the extent to which employees estimate their leader’s fairness and trustworthiness and this perception influence their engagement or vice versa. This degree of employee’s trust on their leaders potentially effect employee performance and job satisfaction. On the other hand, Knoll and Gill (2010) argued that environment of distrust leads an employee to feel insecure and worry, resulting a low job satisfaction. Moreover, literature on trust suggested that leader’s character also determine employee’s level of trust on their leaders (Reychav & Sharkie, 2010). The element of trust augments in employee performance is by lowering disagreement (Ristig, 2009); useful for decision-making because trust helps employees share their ideas and information and would directly influence productivity (Laschinger & Fingane, 2005). According to Leary et al. (2013) dysfunctional leadership distract subordinate’s obsession from work to self-preservation and ultimately limit their engagement. Employee trust is considered as a psychological condition that includes positive expectations regarding the intent or behavior of the leader in relation to himself in risk situations (Premeaux & Bedeian, 2003). Scholars stated that when a manager offer support to his/her employees, the employee performance will less likely be negative, and thus will uphold performance levels. Trust can be stronger or weaker depending on the member’s experiences, communications, and the culture in which the relationship is built on. According to the COR theory the study postulate that under DL (self-serving, aggrandizing, unethical) employees must work in stressful environment resultantly lose their trust on their leaders. They lose their personal resources and this loss of resources reduces their task performance.

\[ H_2: \text{There is negative relationship between despotic leadership and employee’s trust.} \]

Positive behaviors (in-role and extra-role) of employees reflect their willingness to contribute to organizational performance by executing their efforts for task performance. Employees trust on their employer directly determine their productivity level and indirectly organizational performance (Gwinner et al., 2011). As employee’s perception about leader’s fairness (trust) and trustworthiness influences their engagement, in the same direction their level of trust affects their performance. Employee trust have been recognized as a vibrant factor in literature that contributes towards organizational success with positive inferences on employee’s overall performance. Under COR theory, in an environment of distrust employees conserve their resources and try to preserve their resources vice versa.

\[ H_3: \text{There is positive relationship between employee’s trust and employee task performance.} \]

Healthy relationship between employees and leaders decrease stress and accelerate job performance (Hudson et al., 2013) while employees working under despotic leaders must work in an environment of stress (Nouman et al., 2018). The level of trust effect employee’s task performance. For example, Joseph and Winston (2005) found that servant leadership have positive correlation with trust on leaders and trust on organization and it can influence employee performance and productivity. Employees must work in environment of stress under despotic leaders. Despotic leaders are low on moral and ethical standards, are self-serving, corrupt, aggrandizing, and obedience demanding. These behaviors decrease their employee’s level of trust on them and because of lower motivation and high environment of stress ultimately lower their employee’s performance. On this ground, the study hypothesized that employee’s trust mediates the relationship between DL and employee TP.

\[ H_4: \text{Employee’s trust mediates the relationship between despotic leadership and employee’s task performance.} \]

3. Methodology

3.1 Sample and Data Collection Procedures

Data was collected in three waves to address common method variance about DL, EE, ET and TP. Questionnaires were distributed among respondents who were agreed to participate in the survey voluntarily through the contact person. Before the questionnaire distributions, the participants were assured about the complete confidentiality of response. Survey questionnaires were distributed to 400 salespersons nested within six different manufacturing medium and large organizations (cement, automobile, agriculture, sports, textile, pharmaceutical) operating in Dera Ghazi Khan, Multan, Sahiwal and Lahore. Total 310 useable surveys were returned for an effective response rate 77.5%. Questionnaire was presented in English, as it...
is the official language and medium of instruction from high schools to university level education in Pakistan. Past researches have also effectively used English questionnaires in Pakistan (Naseer et al., 2016; Abbas et al., 2014; Butt, Choi, & Jaeger, 2005). Study has used Likert scale, as the use of Likert type scales is very common (Naseer et al., 2016; Umrani, 2016; Abbas et al., 2014; Khan & Ahmad, 2011; Khalid & Irshad, 2010; Butt, Choi, & Jaeger, 2005) in social sciences. Naseer et al. (2016) has used seven-point Likert scale of DL in a study in banking, telecom, and education sector of Pakistan. Rashid, Assad and Ashraf (2011) have also used five-point Likert scale for EE in Pakistan banking sector. Following the previous researchers, the study has used five-point and seven-point Likert scales.

3.2 Measures

All the adopted measures were already tested in the work settings of different cultures and countries with giving researcher the privilege of reduced instrumentation error to use established standardized scales (Luthans et al., 1998). The study has conducted convergent validity, discriminant validity and confirmatory factor analyses for all variables.

3.3 Despotic Leadership

To measure DL, researcher has used a six-item scale developed by De Hoogh and Den Hartog (2008). The sample items included are “My supervisor is punitive and has no pity or compassion,” and “My supervisor gives orders.” Responses were given on a 5-point Likert scale, anchored at 1 for “strongly disagree” and 7 for “strongly agree”. The scale has a Cronbach alpha 0.82.

3.4 Employee Engagement

It was measured by nine items and five-point Likert scale of UWES-9. Ultretch Work Engagement Scale (UWES) is a self-report questionnaire that include three dimensions of EE (vigor, dedication, absorption). Originally, the UWES consist of 24 items developed by (Schaufeli & Salanova et al., 2002). After psychometric evaluation, 7 items were found unused and were eliminated, remaining 17 items. Further, to make the scale more pragmatic and to reduce respondent’s attrition, it has been shortened to 9 items (Schaufeli et al., 2006). Hence the new is UWES-9. Several studies have reported the internal consistency (Cronbach alpha) of the scale ranging from .70 to .91 (Braine & Roodt, 2011; Schaufeli & Bakker, 2004). This study will adopt the scale on 5-point Likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”.

3.5 Employee Trust

Organizational Trust Inventory (OTI) was adopted for this study as survey instrument developed by Nyhan and Marlowe (1997). The scale has 12 items developed on 7-point Likert scale. The scale has internal consistency 0.95.

3.6 Employee Task Performance

Six items scale is used to measure employee task performance developed by Turnley et al. (2003) rated on a 5-point Likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”. The scale has high .95 reliability score. Sample items for the scale is “I fulfill all the responsibilities specified in my job description”.

3.7 Control variables

Control variables of the study were gender, age, and tenure of respondents. Previous literature has found that performance evaluations can be attributed to employee’s age. This study has used organizational tenure as a control variable.

4. Results

4.1 Construct Validity

Fig. 2 presents the results of personal characteristics of the participants in our survey.
At the first step of analysis construct validity was measured. The study has confirmed discriminant validity of all constructs. As given by Anderson and Gerbing (1988), between constrained and unconstrained model of all constructs significant differences were found e.g. for DL and EE. The unconstrained model ($\chi^2 = 711.15$) proved significantly better than constrained model ($\chi^2 = 797.83$) (Table 2). AVE estimates of the study were found greater than squared correlations of constructs (Fornell & Larcker, 1981). Convergent validity of construct was also established. Using HLM 7.0, study used multilevel mediation model (Zhang et al., 2009).

### Table 2

$\chi^2$ difference test results for discriminant validity

|         | $\chi^2$ values | $\chi^2$ difference | DF | CV | Discriminant Validity |
|---------|-----------------|----------------------|----|----|------------------------|
| DL $\rightarrow$ EE | 797.83 | 711.15 | 86.65 | 1 | 3.76 | Yes |
| DL $\rightarrow$ ET | 197.17 | 131.01 | 66.16 | 1 | 3.76 | Yes |
| DL $\rightarrow$ TP | 476.93 | 432.32 | 44.61 | 1 | 3.76 | Yes |
| EE $\rightarrow$ ET | 245.02 | 186.19 | 58.83 | 1 | 3.76 | Yes |
| EE $\rightarrow$ TP | 519.51 | 495.63 | 23.88 | 1 | 3.76 | Yes |
| ET $\rightarrow$ TP | 96.73 | 46.01 | 50.72 | 1 | 3.76 | Yes |

EE-Employee Engagement, DL- Despotic leadership, TP- task performance, DV discriminant validity, DF-degree of freedom, CV-critical value

### Table 3

AVE-based test for discriminant validity

|         | DL | EE | ET | TP | CV | Support for DV (AVE >CV) |
|---------|----|----|----|----|----|--------------------------|
| DL $\rightarrow$ EE | 0.56 | 0.42 | -0.27** | 0.39 | 0.18 | Yes |
| DL $\rightarrow$ ET | 0.56 | 0.39 | 0.07 | 0.42** | 0.36 | Yes |
| DL $\rightarrow$ TP | 0.56 | 0.39 | 0.07 | 0.42** | 0.34 | Yes |
| EE $\rightarrow$ ET | 0.42 | 0.39 | 0.07 | 0.42** | 0.23 | Yes |
| EE $\rightarrow$ TP | 0.42 | 0.39 | 0.07 | 0.42** | 0.29 | Yes |
| ET $\rightarrow$ TP | 0.42 | 0.39 | 0.07 | 0.42** | 0.34 | Yes |

EE-Employee Engagement, ET-Employee Trust, DL-Despotic leadership, TP-Task Performance, CV-common variance

### Table 4

Mean, SDs and correlations of variables

| M         | SD         | 1       | 2      | 3      | 4      | 5      | 6       |
|-----------|------------|---------|--------|--------|--------|--------|---------|
| 1. Despotic leadership | 4.98 | 0.76 | (.95)  |        |        |        |         |
| 2. Employee Engagement | 3.54 | 0.69 | -0.27** | (-.93) |        |        |         |
| 3. Employee Trust | 4.83 | 0.53 | -0.40** | 0.39** | (.82)  |        |         |
| 4. Task performance | 4.93 | 0.87 | -0.35** | 0.37** | 0.42** | (.76)  |         |
| 5. Gender | 0.07 | 0.04 | 0.04   | 0.07   | 0.15** | 0.64***|         |
| 6. Age | 4.83 | 6.52 | -0.03  | 0.03   | 0.09   | 0.28   | 0.64***|
| 7. Tenure | 4.83 | 6.52 | -0.03  | 0.03   | 0.09   | 0.28   | 0.64***|

* P<.05; ** P<.01; *** P<.001

### Table 5

HLM results

| Step 1 | Employee task performance (M1) | Employee trust (M2) | Employee engagement (M3) | Employee task performance (M4) |
|--------|--------------------------------|---------------------|--------------------------|--------------------------------|
| Age    | $\gamma$ (.SE)                | $\gamma$ (.SE)      | $\gamma$ (.SE)           | $\gamma$ (.SE)                 |
| Gender | .00 (.02)                      | .01 (.01)           | .01 (.01)                | .01 (.01)                      |
| Tenure | -.02 (.05)                     | -.02 (.03)          | -.02 (.03)               | -.02 (.03)                     |
| Despotic leadership R$^2$ | .53 (.21)             | .53 (.21)           | .53 (.21)                | .53 (.21)                      |

| Step 2 |                          |                          |                          |                          |
| Age    | $.05 (.07)                | $.01 (.01)               | $.01 (.01)               | $.01 (.01)                |
| Gender | 0.1 (.01)                 | -.02 (.03)               | -.02 (.03)               | -.02 (.03)               |
| Tenure | -.02 (.11)                | .01 (.12)                | .01 (.12)                | .01 (.12)                |
| Despotic leadership R$^2$ | .78 (.20)         | .88 (.21)               | .88 (.21)                | .88 (.21)                |

| Step 3 |                          |                          |                          |                          |
| Age    | 0.1 (.06)                 | .01 (.03)                | .01 (.03)                | .01 (.03)                |
| Gender | 0.1 (.06)                 | .38 (.08)                | .38 (.08)                | .38 (.08)                |
| Tenure | .01 (.03)                 | .42 (.12)                | .42 (.12)                | .42 (.12)                |
| Despotic leadership R$^2$ | .56 (.22)         | .17                    | .17                     | .17                     |

* P<.05; ** P<.01; *** P<.001
Table 6
Results of hypotheses

| Hypotheses       | B     | t-value | p-value | VIF | Hypotheses |
|------------------|-------|---------|---------|-----|------------|
| H1: DL → EE      | .293  | 3.027   | 0.005   | 1.7 | Supported  |
| H2: EE → TP      | .374  | 2.931   | 0.017   | 1.86| Supported  |
| H3: DL+EE → TP   | .358  | 3.151   | 0.003   | 1.00| Supported  |
| H4: DL → ET      | .181  | 2.763   | 0.000   | 1.00| Supported  |
| H5: ET → TP      | .253  | 2.892   | 0.013   | 1.82| Supported  |
| H6: DL+ET → TP   | .294  | 2.538   | 0.011   | 1.95| Supported  |

R2= 0.37, Adjusted R2= 0.33, and F-value= 41

5. Findings

Means, standard deviations and correlations results among the constructs of the study are presented in Table 4. As expected, significant negative correlation found in despotic leadership and work engagement (r = -0.27, p b .01), employee trust (r = -0.40, p b .01) and employee task performance (r = -0.35, p b .01). VIF factors were below threshold level proving that no multicollinearity exists among variables (Hair, Ringle & Sarstedt, 2011). DL is significantly and negatively correlated to employee task performance. Table 4 results also point out that there is significant and negative relationship between despotic leadership employee engagement and employee trust with age, gender, and tenure as control variables. Results of the study support (H1, model 2) and (H4, model 3) showing effect of DL on EE and ET in Table 5. In addition, results support (H2, and H5, model 4) showing that EE and ET are positively related to employee performance. For the analysis of the mediating constructs of EE (H3) and employee trust (H6), study followed Kenny et al. (2003) procedure. In first step DL should have a significant relationship with employee’s task performance, presented in model. In second step, despotic leadership must be associated to employee engagement (H1) and employee trust (H4). In third step the effect of mediating variables of study on the relationship between despotic leadership (IV) and employee task performance (DV) should be non-significant, or weak for full mediation model 4. Overall, the results for H3 and H6 reveal the relationship between despotic leadership and employee task performance were fully mediated by employee engagement and employee trust.

6. Discussion

6.1 Managerial implications and limitations

Other than theoretical implications, study has extensive practical implications. Organizations should imply ethics as a selection criterion for managers. Leaders ethics, fairness and dealings with employees promote engagement and trust among employees and ultimately adds to performance. Self-serving and aggrandizing behavior of leaders promote an environment of stress and employee conserve their resources in such environment that indirectly affect employee performance. Under despotic leadership employees lose trust on management and their engagement in work and job decreases as well. Study has several limitations also. Future researchers should develop more inclusive models by including more mediating and moderating variables. Employee engagement and trust as state like psychological constructs are not stable and fluctuate overtime (Bakker & Demerouti, 2007; Bakker, 2011) So, future studies should follow longitudinal research designs to address causality issues. Inclusion of workplace stressor such as culture may further enhance the understanding of mediating effect of employee engagement and employee trust on the relationship of despotic leadership and task performance.

7. Conclusion

The study aims to deepen our understanding on despotic leadership and its effect on employee task performance. Study also contribute to the literature of despotic leadership, employee engagement, employee trust and task performance. It is one of the few studies where all the four variables DL, EE, ET, TP are examined in a single study. By examining the effect of negative leadership on employee’s positive behaviors, the study also filled the gap in destructive leadership (Naseer et al., 2016). Study also provide insight for the generalizability of the concept of negative leadership specifically despotic leadership.

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