
Impact of Leaders Despotism on Subordinates Outcomes with Mediation of Psychological Contract Breach

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Abstract: The current study adds on to the existing literature by investigating the outcomes of despotic leadership. Specifically, we investigate counterproductive work behavior could be a response to despotic supervision by employees' working under them. Moreover, we investigate whether the proactive personalities are better at coping with despotic supervision at workplace. We measured the constructs under investigation from the nurses working in the public hospitals of Pakistan with a total sample of 386 nurses. Quantitative research was conducted by adopting quota sampling (provinces) and convenient sampling respectively. The results support the mediating effect between psychological breach of contract between despotic leadership and counterproductive work behavior. The moderating effect of proactive personality was however found to be insignificant. For individuals, proactive personality traits serve as an improvement of individual personalities to cope with despotic leaders at the job place; for organizations, our study results provide managers with specific despotic traits that may provoke breach of psychological contract and result into counterproductive work behavior. The current study adds on to the literature of despotic leadership specially in relation to workplace outcomes like counterproductive work behavior and psychological breach of contract. Further, the role of proactive personalities is enhanced and elaborated in coping with despotic leaders adding.

Keywords: Despotic leadership, Counterproductive Work Behavior, Psychological Breach of Contract, Proactive Personalities

1. INTRODUCTION

Leadership is an important phenomenon when it comes to organizational efficiency and effectiveness (Hogan et al., 1994, Hogan and Kaiser, 2005, Bass and Bass, 2009). As positive faction, leadership is said to be associated with positive outcomes in course of maximizing performance and efforts of employees (Haque et al., 2019). Usually, subordinates' health, prosperity and organizational accomplishments are possible with visionary and ethical leaders (Hogan and Kaiser, 2005). Whereas, bad leaders are accused of demotivating subordinates with reduced performance and damaging subordinates' well-being (Thoroughgood et al., 2018). Such bad leaders are known to be as despotic ones who are abusive and damaging in nature and believe in exercising their power lowering subordinates' morale, loyalty, commitment and induce stress and emotional exhaustion in them (House and Howell, 1992, Naseer et al., 2016). As per the name despotic refers to despotism which is the use of coercive power with aggression (Oxford Dictionary).

Recently, interest has grown in the hunt of the destructive leadership behavior (Tepper, 2000, Tepper, 2001). Although, the sign of constructive, right and changing leadership practices has been well versed in contemporary literature over the past two decades (Bass, 1999). With the passage of time, theorists have focused more on studying the effects of the dark side of leadership (i.e. Destructive Leadership (On Organizational Impact) (Naseer et al., 2016). For instance Kayani et al. (2019) discussed in their article about the impact of dark triad upon subordinates work meaningfulness. Still, destructive leadership remains the area under discussion. There is a lot of work to do to develop and test the concept of the dark aspect of leadership (Einarsen et al., 2007) empirically to the degree that destructive leadership can affect the workplace particularly in the Asian countries.

Studies have shown the impact of leadership and also mentioned the negative and dark aspects of leadership (Griffin and Lopez, 2005, Wu and Hu, 2009, Naseer et al., 2016) that can have adverse effects (Higgs, 2009) including absence, economics (Tepper et al., 2006), depression (Harvey et al., 2007), Poor work habits (Duffy et al., 2002), work ethic (Tepper, 2000, Tepper et al., 2004), stress (Tepper, 2000, Chen et al., 2009), and performance (Ergeneli et al., 2007). These unhealthy behaviors are thought and tested in books such as Patty Research (Ashforth, 1994), Discrimination (Tepper, 2000), Improving Behaviors (Schyns and Hansbrough,

2010), and Dictatorship Leadership (Einarsen et al., 2007). Schyns and Schilling (2013) has described that despotic leadership development has some negative features of dark leadership, and there is less research has been conducted in this part of management and psychology (Naseer et al., 2016).

De Hoogh and Den Hartog (2008) described such leaders as being aggressive and dominant over their subordinates by mistreating and exploiting them. As described by Schilling (2009), Despotic leaders want to submit without restrictions, use subordinate and apply and manage methods of manipulating and exploiting its subsidiaries for personal gain, not to mention the needs and concerns of their occupants. Such as despotic leaders work against the legitimacy of their organizations. Bullying and immorality are associated with corruption behavior (Einarsen et al., 2007). Such leaders are unnamed, immoral and dishonest. Bad workplace behaviors affect people below employment, public service practices, and creativeness (Naseer et al., 2016). Despite growing evidence despotic culture is bad for workers.

Recently in the findings of two researches (results from Grande and Gabriel, 2015 N Noman et al., 2018) suggests the need for research to identify mediators and moderators in this area to understand the basic procedures to prove the direct relationships and indirect relationships that exist in between behavior of despotic leadership and the output of subordinate. Based on Resource conservation theory (Hobfoll, 1989) when subordinates face poor leadership, they find alternative solutions for their own resources. Pre-employment research (Hobfoll, 2001) argues that employees can reduce active participation or encourage a profitable work ethic through the negative and disgusting behavior of their leaders / supervisors emotional sources. When employees experience such aggressive behaviors of their despotic bosses develop increased level of stress which is considered against the psychological contract of an employee. Psychological contract is said to be a mutually agreed upon relationship between the employee and the employer (Rousseau et al., 2018).

Occurrence of dissatisfaction and negative events trigger a retaliation of negative emotion by subordinates in response to such despotic bosses as per social exchange theory. Social exchange theory states that social processes are two-way processes (Cropanzano et al., 2017). A person tends to retaliate the same behavior he/she is receiving. The retaliation can be in the form of counterproductive behavior. Counterproductive work behavior are the employee's actions against the interest of organization (Sackett et al., 2006). These actions may include fraudulent activities, misuse of office supplies or material, absenteeism etc. However, researchers have found that proactive personalities show a different pattern in this regard. Proactive personalities are those who have an elevated level of energies, strengths and motivations in them (Buil et al., 2019). Even the negative stressors of environment are less likely to affect their behavior. Such personalities are keen to find opportunities and ways for them even in hard situation and are well performers in coping with stressors (Buil et al., 2019) like despotic leaders.

2. LITERATURE REVIEW

2.1 Despotic Leadership and Counterproductive Work Behavior

Previous researchers (Tepper et al., 2009) discussed passive leadership at workplace. Stress hurts organizations when it comes to reducing the hiring of their employees' performance and luxury. It demonstrate empathy and compassion in the service of disaffected leaders for the welfare of his followers reduces the importance of his subordinates at work. In this way the subordinates are less focused and unwilling to cooperate which leads to the end result (Naseer et al., 2016). Followers usually have a motive to evacuate mental, emotional, and physical energies in performing their role in responding to disgrace and the insults displayed by disaffected leaders (Grande & Gabriel, 2015 In Nauman et al., 2018). Sometimes, in response to bad leadership, followers also want to do immoral things encouraging profit that conflicts with the interests of their institutions like being vacated, such as their psychological and abuse methods to keep them safe emotional assets (Hobfoll, 1989, Hobfoll, 2001). Despotic leadership creates stress and emotional exhaustion (De Clercq et al., 2020) within subordinate by aggressive use of power. This stress and frustration within employee lead him/her to retaliate the same behavior towards the organization to relieve their emotional exhaustion.

As per social exchange theory employees retaliate the same behavior they receive. In such a case employee receiving aggressive behavior from leaders, the subordinates are likely to retaliate the same aggression towards the organization. This retaliation can be in the form of counterproductive behavior. This counterproductive behavior may include as stated earlier fraudulent activities, theft, aggressiveness towards peers etc. In addition, a lot of researchers like to find the relationship among stress negative behavior at work (Spector and Fox, 2005, Fox et al., 2001, Fida et al., 2015), like counterproductive work behavior (CWB) (Bennett and Robinson, 2000). CWB is intended behavior that violates administrative principles and damages the persons and the organization (Robinson and Bennett, 1995, Bennett and Robinson, 2000, Spector et al., 2006). Social exchange theory is among the existing theories that are considered to describe the relationship between work stress and the CWB (Blau, 1964a) which emphasizes the restoration of social and emotional rewards (Penney and Spector, 2005, Spector and Fox, 2005). Within a social exchange setting, the CWB can be viewed as a response to an unpleasant exchange in work stress resulting from despotism of leaders that interferes with employee employment targets (Penney and Spector, 2005, Spector and Fox, 2005). This drives us to the first hypothesis:

H₁: Despotic Leadership have a positive significant impact on Counterproductive Work Behavior.

2.2 Mediating Role of Psychological Breach of Contract

The despot uses his power through cruelty and oppression. Degree of despotic leader great force and behaves like a tyrant or dictator, using enormous power, manipulating and using it in a cruel way (Einarsen et al., 2007). Despotic leaders treat themselves to their own interests and interests, don't cares about the needs of others (Schilling, 2009). Often, they conflict with legality; subordinates are rarely involved in the interests and decisions of the organization (Einarsen et al., 2007). Despotic leaders also exhibit unethical and unjust treatment (De Hoogh and Den Hartog, 2008).

According to the social exchange theory (Blau, 1964a), any social exchange consists of a give and take process, as the parties to the exchange respond accordingly the party treated them first (Einarsen et al., 2007, Naseer et al., 2016)(Emerson, 1976 N Nasir et al., 2016). If there is a leader involved evil acts, as the recipient of this treatment, the employee may react negatively, such as reducing efforts to achieve strong performance (Naseer et al., 2016). This is a leader who disdains his subordinates engages in negative tradeoffs, which result in employee's emotional exhaustion. This emotional exhaustion leads due to despotic boss aggressive behavior perceived by the employee as the breach of its psychological breach of contract. Employees then can respond by stopping productive work situations (Blau, 1964a) like counterproductive work behavior to retaliate.

Equity theory explains (Adams, 1965), that a person do the comparison between their input during their job and the job itself. In return, they seek to eliminate consequences and inequality in the organization. Especially in terms of the input / output ratio. The employees are watching them the input / output ratio as unequal or unfair, and it can be considered as psychological agreement and Organization Violations (Robinson and Bennett, 1995). To restore fairness, they will take action to reduce their input. He also tried to demonstrate additional harmful behaviors, like CWB resulting in increased costs of organization. Similarly, the practice of revenge may suggest the reason for the rudeness of employees as they see the violation of the psychological contract by the organization. As usual, practicing revenge is healthy, that means the people will do their best to pay back to the kindness of organization (Costa and Nevis, 2017). However, usually revenge, means that not only individuals will reap the paybacks, but the rewards as well injuries (Mitchell and Ambrose, 2007, Tian et al., 2014). When the employees practice a greater psychological contract violation, they can deliberately attempt to target it join CWB-O and CWB-I to inflict damage on the organization in retaliation. Prior research described that an increase in CWB could be an outcome of employees, feelings of violating a psychological contract (Shih and Chen, 2011, Jensen et al., 2010) and this leads us to our second hypothesis

H₂: Psychological Breach of Contract has a mediating role in the relation of Despotic Leadership and Counterproductive Work Behavior.

2.3 Psychological Breach of Contract and Counterproductive Work Behavior

Quratulain et al. (2018) pointed out that understanding the negative effects of reciprocal theory and social exchange theory is the most important theoretical research and understanding. Mutual standards include people's expectations or patterns of interaction between employers and employees. The theory of social exchange believes that PCBs can damage core work attitudes and employee behavior, as PCBs can create general negative standards (rather than broad or balanced) in employment relationships. Zhao et al. (2007) concluded that there is a negative relationship between job satisfaction and psychological agreement. In this case, to further clarify the principle of emotional events, it will be clarified that the incident (violation) has an important relationship with the emotional response which reduces the attitude of working in the workplace.

The workplace and people quit working (Weiss and Cropanzano, 1996) The theory of emotions suggests that people are angry because they have exceeded expectations, and that anger is related to the tendency to act. The idea of social interaction may support this assumption. The notion of psychological breach of contract can trigger negative feelings about the lack of expectations regarding certain responsibilities, and other general feelings about employer-employee relationships before using the organization (Coyle-Shapiro and Conway, 2005). It can be concluded that deviant employees can define an organization to a third party or a third party unannounced, thus hindering the organization's ability to hire high-level employees (Mawritz et al., 2017).

Employees (i.e., employees whose psychological contracts is violated) will restore balance. He/ She can take steps to restore the right balance, reduce workload or leave the organization (Bal et al., 2011, Bal et al., 2008). If the psychological contract is violated, some employees act in deviation to workplace which may be punished for treason (Chiu and Peng, 2008, Solinger et al., 2016). Workplace deviations are deliberate behaviors that violate organizational standards and therefore have a negative impact on the organization and its members (Robinson and Bennett, 1995).

Employees who believe they have violated psychological contract can respond by limiting their actions inside and outside the organization. It is believed that employees who see excessive amounts of PCBs during factory visits will reduce voluntary support to colleagues and organizations (Ma et al., 2019). The more serious the psychological contract's breach, the more important it is that the employee's workplace should respond to the

organization's unproductive behavior. If employees' expectations do not reach at a satisfactory level and irregularities occur, they will use outliers to overcome anger (Ishaq and Shamsher, 2016).

Previous research suggests that the rise in CWB may be due to employees' perception of mental breakdown (Zhao et al., 2007, Jensen et al., 2010). Zhao et al. (2007) found a positive correlation among psychological errors in full-time office workers and CWB. Due to the relationship between mental retardation and CWB, Jensen et al. (2010) show that relationship defaults are related to fraud, manufacturing, and removal differences, while commercial violations are related to fraud (Ma et al., 2019). Social exchange theory states that the parties use it as tangible or intangible benefits in the exchange relationship (Blau, 1964b). Exchange rates meet expected standards. Common standards mean that someone who must get preferential treatment by someone must give preferential treatment (Gouldner, 1960). It also suggests if the other party uses the page that means that the injured person is treated negatively or badly (Eisenberger et al., 2004).

LMX theory (Graen and Uhl-Bien, 1995) states that employees with low-quality perceive greater negativity, resulting in more PCB. Psychological Contract theory (Rousseau and Tijoriwala, 1998) states that the psychological contract is a commitment between the employer and the employee. Cognitive Theory of Stress & Appraisal (Folkman and Lazarus, 1984), Affective Event Theory (Weiss and Cropanzano, 1996) and Cognitive Theory of Emotions (Arnold, 1960) state employees when perceive a stress situation, they develop a negative emotion (PCB) which they then represent negatively (CWB).

Using the theory of social communication, we provide reliable experience stories to understand the necessary arrangements of PCB-CWB communication. When employees find communication with the organization interrupted, they show negative results (Chao et al., 2011). Therefore, this study shows that PCBs are closely related to CWB that is in line with previous research (Li and Chen, 2018). In particular, PCBs should be an essential intervention variable and explain why PCBs may be negatively related to attitudes and behaviors: job satisfaction, organizational commitment, resignation, and work behavior. This brings us to our third hypothesis: H₃: Psychological Contract Breach have a significant positive impact on Counterproductive Work Behavior.

2.4 Moderating Role of Proactive Personalities

Proactive personalities have an elevated level of energies in them. These personalities have a tendency to remain stable even in the changing environment (Bateman and Crant, 1993) like despotic leadership in the current case. Personalities possessing more of proactive traits are more directed towards taking initiatives to improve the situation in which they work (Crant and Bateman, 2000). Instead of generating reactions to the changing environment they prefer to look for opportunities (Thomas et al., 2010) in that situation by acquiring more of the information (Bateman and Crant, 1993) about it. Whereas individuals possessing less or non-proactive traits are more likely to react and respond to the changing environment.

Thomas et al. (2010) in his research showed proactive personalities to be positively correlated to job performance, organizational commitment and job satisfaction. This leads us to the point that even if proactive personalities bear negative or harsh changing environments which could be despotism by leaders, may not reflect the same negative behavior towards the organization. Counterproductive behavior which is a negative or retaliating behavior expected in response to despotic leaders might not be seen by these personalities. Meyer et al. (1990) state that emotional attachment is another factor of organizational commitment of employees. For this reason, such personalities are expected not to retaliate, save negative vibes from a despotic leader though which their psychological contract is being breached as they have an emotional attachment to the organizations and won't like to harm it in any case.

Proactive Persons are found to be more involved (Dikkers et al., 2010) in the environment and surroundings of their work and always exploring and looking for opportunities (Ghorbannejad and Esakhani, 2016, Hakanen et al., 2008) with elevated level of energies and getting less effected of negative vibes within the environment (Li et al., 2017). They have the power to cope and deal with negative changes such as despotism by leaders breaching psychological contract. This drives to the third hypothesis:

H₄: Proactive Personality moderates the relationship between psychological breach of contract and counterproductive work behavior by weakening it.

3. METHODOLOGY

To assess and examine these suppositions, we collected data from nurses in various positions in public hospitals in Pakistan. Through surveys of public sector nurses across Pakistan, we have secured extensive exposure of business happenings in the Pakistani economy, enlarged data heterogeneity, and improved the external validity of the experimental results. A member of the research team used the current professional contacts to define the target organization and obtain organizational support; Then the researcher personally visited the hospital to conduct an investigation. In order to increase interest in research and increase response rates, participants clearly articulated the overall goal of the research, which is to identify the challenges and opportunities inherent in organizational functions. They didn't get any money or other rewards in return. Potential participants are randomly selected from the list of employees provided by the human resources department of the participating

organization. Therefore, the collection of data among employees within the organization is random, which increases the likelihood that the sample of employees represents their organizations.

A total of 386 nurses from public sector hospitals of Pakistan were taken as sample. Both the descriptive and statistical analyses were conducted on the hypothesized model. Software that was used to test the model was Sem-PLS. Sem-PLS is the best software with respects to its user responsive interface and its extraordinary systematic and graphic ability (Davari and Rezazadeh, 2013). The sample data was collected quantitatively. Studying quantitatively is a useful tool in research studies as it provides comprehensive and complete data that enhances debates/arguments and invokes flexibility (Global Web Index). A five-point Likert scale was developed to evaluate the hypothetical model. The scale ranged from 1= Strongly Disagree to 5= Strongly Agree with Neutrality at its central point 3 and was utilized to offer respondents an even and well-adjusted way to reply to the questionnaires (Joshi et al., 2015).

Despotic Leadership is assessed on 6-item scale established by De Hoogh and Den Hartog (2008) with reliability $\alpha=0.82$ out which 3-items were deleted to adjust the convergent validity (AVE). The sample items are "Is in charge and does not tolerate disagreement or questioning, gives orders" and "Acts like a tyrant or despot; imperious". Psychological Breach of Contract is assessed on 5-item scale established by Robinson and Morrison (2008) with reliability $\alpha=0.92$ out which 2-items were deleted to adjust the convergent validity (AVE). The sample items are "I have not received everything promised to me in exchange for my contributions." and "My employer has broken many of its promises to me even though I've upheld my end of the deal".

Counterproductive Work Behavior is assessed on 10-item scale established by Spector et al. (2010) with reliability $\alpha=0.78$ out which 6-items were deleted to adjust the convergent validity (AVE). The sample items are "Purposely wasted your employer's materials/supplies" and "Came to work late without permission". Proactive Personality is assessed on 10-item scale established by Seibert et al. (1999) with reliability $\alpha=0.86$ out which 5-items were deleted to adjust the convergent validity (AVE). The sample items are "Wherever I have been, I have been a powerful force for constructive change" and "If I see something I don't like, I fix it."

4. RESULTS

Partial Least Squares (PLS) was utilized to test the hypothesis. Smart PLS 3.0 version of software was specifically utilized. This is the program committed to predictive applications and contextualization as among the trends we study, are the trends being studied new or rapidly changing (Rowland and Sanchez-Franco, 2012). PLS is a non-segmented method, it is recommended in conceptual model as it is very complex and contains many indicators and long-term variables (Chen and Li, 2010, Hair et al., 2011).

4.1 Descriptive Stats

A total of 386 nurses were taken as sample to evaluate and test the model. Out which 92 were males (23.9%) and 294 females (73.1%). Married sample population accounted for only 37.7% percent of the population (146) and unmarried accounted to a total for 62.3% (240). However, people were a total of 185 between age 20-29 (47.9%), 117 between 30-39 (30.4%), 66 40-49 from (17.2%) and 18 from 50 years and above (4.5%). Out of sample population 5 fall in first (below 30k) income group, 65 in second (31k-40k), 138 in third (41k-50k), 107 in fourth (51k-60k) and 71 in fifth (60k and above). Most of the sample population had bachelor's degree in nursing (42.3%). 31.1% had done diploma. Master's degree holders were only 42.3% and lastly 2.3% had a degree of M.phil or other. Majority had the experience of 1-5 years (33.8%), then second majority had experience of 6-10 year (27.3%), third majority had experience of 16-20 years then are people with experience with less than a year (7.6%) and lastly least had the experience of 20 years and above (3.9%).

4.2 Correlation

	CWB	DL	PCB	PP
CWB	1			
DL	0.736	1		
PCB	0.929	0.706	1	
PP	0.421	0.442	0.412	1

The table mentioned above is showing the results for correlation analysis. All variables are showing a positive correlation with each other. Some variables are showing strong, and some are showing weak correlations to each other.

4.3 Measurement Model

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
CWB	0.853	0.857	0.901	0.696
DL	0.819	0.825	0.88	0.647
PCB	0.811	0.813	0.889	0.728
PP	0.864	0.878	0.9	0.643

All the constructs have an alpha value more than 0.7 which means all constructs have a consistent internal reliability. Simultaneously, all constructs have convergent validity greater than 0.5 reflecting constructs as valid. Alpha value for counterproductive work behavior (CWB) is 0.853 and composite reliability 0.857 which means the construct is a reliable measure. Convergent validity (AVE) for counterproductive work behavior (CWB) is 0.696 which is greater than 0.5 and reflects that the construct is valid. Alpha value for Despotism Leadership (DL) is 0.819 and composite reliability 0.825 which means the construct is a reliable measure. Convergent validity (AVE) for Despotism Leadership (DL) is 0.647 which is greater than 0.5 and reflects that the construct is valid. Alpha value for psychological breach of contract (PCB) is 0.811 and composite reliability 0.813 which means the construct is reliable measure. Convergent validity (AVE) for psychological breach of contract (PCB) is 0.728 which is greater than 0.5 and reflects that the construct is valid. Alpha value for proactive personality (PP) is 0.864 and composite reliability 0.878 which means the construct is reliable measure. Convergent validity (AVE) for proactive personality (PP) is 0.643 which is greater than 0.5 and reflects that the construct is valid.

4.4 Structural Model

Direct Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
DL -> CWB	0.15	0.151	0.054	2.785	0.006
DL -> PCB	0.706	0.707	0.037	18.841	0
Moderating Effect 1 -> CWB	0.014	0.015	0.013	1.091	0.276
PCB -> CWB	0.813	0.811	0.057	14.2	0

The above-mentioned table elaborates the results of the hypothesized model. Despotism Leadership (DL) was found to have positive and significant impact on Counterproductive Work Behavior (CWB) with p value less than 0.05 and t value greater than 1.97. It accepts first hypothesis of the study. Despotism Leadership (DL) was found to be positively significant with Psychological Breach of Contract (PCB). Similarly, Psychological Breach of Contract (PCB) was found to have a positive significant impact on Counterproductive Work Behavior (CWB). It accepts our third hypothesis. However, moderating role of proactive personality (PP) was founded to be insignificant rejecting the third hypothesis.

Indirect Effect via Mediator

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
DL -> CWB	0.574	0.573	0.052	10.975	0

The above-mentioned table elaborates the results of the hypothesized model of mediation. Despotism Leadership (DL) was found to have positive and significant impact on Counterproductive Work Behavior (CWB) with p value less than 0.05 and t value greater than 1.97 with the mediation of psychological breach of contract (PCB). It accepts our second hypothesis.

4.5 Goodness to Fit Model

	R Square	R Square Adjusted

CWB	0.876	0.875
PCB	0.499	0.498

The above-presented results are showing the values of R-square and Adjusted R-Square. R-square shows the explanatory power of the model. Our research model shows the effects of Psychological Breach of contract (PCB) on Counterproductive Behavior (CWB). So, in the case of Counterproductive Behavior (CWB), the explanatory power is 87.6%, and in the case of Psychological Breach of Contract (PCB), the model's explanatory power is 49.9%. According to Ozili, Peterson. (2016) a squared value as much as greater than 0.1 is acceptable in research specially in fields of human and social sciences.

DISCUSSION

Our results support our first hypothesis. The despot uses his power through cruelty and oppression. Degree of despotic leader impose force and behaves like a tyrant or dictator, using enormous power, manipulating and using it (Einarsen et al., 2007). Despotic leaders treat themselves to their own interests without considering the needs of others (Schilling, 2009). Often, they conflict with legality; subordinates are rarely involved in the interests and decisions of the organization (Einarsen et al., 2007). As per social exchange theory employees retaliate the same behavior they receive. In such a case employee receiving aggressive behavior from leaders, the subordinates are likely to retaliate the same aggression towards the organization. This retaliation can be in the form of counterproductive behavior. This counterproductive behavior may include as stated earlier fraudulent activities, theft, aggressiveness towards peers etc. In addition, a lot of researchers like to find the relationship among stress negative behavior at work (Fox et al., 2001, Spector and Fox, 2005, Fida et al., 2015), like counterproductive work behavior (CWB) (Bennett and Robinson, 2000).

Our results support our second hypothesis. Despotic leaders treat themselves to their own interests and interests, don't worry about the needs of others (Schilling, 2009). Often, they conflict with legality; subordinates are rarely involved in the interests and decisions of the organization (Einarsen et al., 2007) breaking employees' psychological contract. Previous research suggests that the rise in CWB may be due to employees' perception of mental breakdown (Zhao et al., 2007, Jensen et al., 2010). Zhao et al. (2007) found a positive correlation among psychological errors in full-time office workers and CWB. Due to the relationship between mental retardation and CWB, Jensen et al. (2010) show that relationship defaults are related to fraud, manufacturing, and removal differences, while commercial violations are related to fraud (Ma et al., 2019).

The third hypothesis is also supported by current results. As per social exchange theory of Blau (1964b) employee and employer share a social exchange relationship. It's a two-way process. When due to any negative event triggered by organization employee perceive psychological breach of contract from employer end and try and retaliate the same negative response to the organization in form of counterproductive work behavior (Law and Zhou, 2014).

However, the results for fourth hypothesis aren't supportive. Psychological contract breach is usually held when an event triggering negative emotions within the employee occurs. That event might be triggered by the organization itself or its employees acting as supervisors for its other employees. According to Cognitive Theory of Events a negative event triggers a negative emotion (PCB) within an employee and in return negative response (CWB) is generated. Proactivity might not support or help employee in coping with this negative event. This might be the due reason stated by Belschak and Hartog (2010) in their article which states proactivity may always not result in coping with threats and challenges but it may sometimes have negative effects on employees. They stated that employees due to increases proactive trait in their personalities encounter more stress in order to be proactive. An employee must evaluate the rewards and the potential cost associated to its proactivity. This literature supports that being proactive personality is not sufficient to reduce stress to eliminate counterproductive work behaviors in response to psychological breach of contract.

Theoretical Implications

This study adds on to the literature of all four variables i.e., Despotic Leadership, Psychological Breach of Contract, Counterproductive Work Behavior and Proactive Personality. The current domain of the study particularly provides and adds on the literature of destructive leadership. Employees when face aggression, threatening and intimidating behavior with continuous bullying from their leaders experience despotic supervision which according to cognitive theory of events, a negative event that employees encounter. With which employees develop negative emotion that their psychological contract had been breached. Social exchange theory states that individuals socialize the same behavior in two ways. When employees perceive that their psychological contract had been breach by the organization which is a mutual agreement between the both, employee tends to retaliate the same negative behavior in a negative response namely counterproductive work behavior.

Practical Implications

The outcomes of study have many implications for both administrations and organizations. Leaders should rethink about their despotic perspectives and practices, and organization managers should execute arrangements to recognize and limit despotic propensities among expected leaders, including gathering standard input from subordinates and coworkers. Organizational structures should clearly intend to have an eye on the oppressive propensities of their leaders, for instance by reassuring employees to put up complaints linked to intimidation, violence, coercion, or aggravation representing the characteristics of despotic supervision. Our study outcomes also suggest that hiring a proactive personality won't lead to successful results as they might not be able to cope with leader's despotism bearing increased stressed (F Belschak, DD Hartog; 2010). This study also suggests managers to avoid and elude circumstances or events that may provide the possibility of leaders' despotism to show up. Because these despotic leaders will trigger negativity in employees by breaching their psychological contract and will provoke them to act counterproductively at work through their despotism. Managers can well assess the severe consequences related to despotic leaders after the current study. It would further enhance the clear understanding of organizations the need and importance of a clear and fair feedback.

Future Research and Limitations

The current study has taken into account one aspect or style of destructive leadership which completely not describes overlapping traits of other styles or aspects. Other styles like dictatorial, authoritative, exploitative or aversive leadership can also be taken account to evaluate their impact on employee perception of psychological contract and whether or not those destructive leadership styles make employees work counterproductively or not. Moderators other than proactive personality like compassionate personalities, sympathetic personalities can be taken into account to be tested as moderators. A comparative study by future researchers can conducted to check the intensity of counter productivity of employees with proactive personalities and the employees with reactive personalities.

Secondly, the current model is tested in the healthcare sector of Pakistan. This model can be tested in other sectors also like education, hospitality etc. Moreover, the same model can be tested in the healthcare sector of other countries like India, Bangladesh etc. The current study is also limited in regards to its conduction and conducted cross-sectionally, future researchers can also test the same model longitudinally or using panel data. As according LIM Law leader's behavior is situational. This leads that leaders might be despotic in certain situation but not in other. As current investigations' data was collected in Covid 19 wave in Pakistan which, might have made leaders to act despotically towards their subordinates. The sample population was nurses which are frontline workers in this pandemic. These factors might be another cause driving the current results. These factors can be assessed by forthcoming researchers.

CONCLUSION

The current study investigated the impact of despotic leadership on employee counterproductive work behavior with the mediation of psychological breach of contract on the nurses of public sector hospitals of Pakistan. Moderation of proactive personality was also tested. The study after collected data cross-sectionally analyzed that despotic leaders breach subordinates; psychological contract (i.e., nurses in this case), to which employees were found to retaliate by behaving counterproductively at work. However, proactive personalities weren't found to be capable to cope with stressors induce by despotic leaders in the form of psychological breach of contract. The reason might be that they bear more stress as compared to other employees suppressing their proactivity to cope with these stressors. Another reason might be the cost and effort in comparison to their proactivity they reflect can make them not being proactive.

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