

## The Impact of Despotic Leadership on Employee Performance: A Moderating- Mediated Model

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**Abstract-** Despotic leadership is described as the dark side of leadership that has a negative effect on employee success and organizational goals. The goal of this research is to inspect the relationship between Despotic Leadership (DL) on employee performance (EP) introducing Trait Anxiety (TA) as a mediator that clarifies the influence of leadership on variable outcome and Islamic Work Ethics (IWE) as a moderator that uses to condense the negative impact of trait anxiety on employee performance. Data was gathered through an adopted and self-structured instrument from a sample of 232 employees in different banks in the twin cities of districts Mardan and Nowshera, Pakistan. To collect the data, convenience sampling technique was used. The collected data was processed and analyzed using a variety of statistical techniques and methods, including reliability analysis, descriptive statistics, correlation analysis, basic regression analysis, and Preacher and Hayes (2013) for both mediation and moderation analysis using SPSS (ver.20). The findings of this study show that, due to the pattern of despotic leadership style in the context of Pakistani banks, despotic leadership has a strong and negative association with employee performance. According to the findings, Islamic work ethics moderates the relationship between trait anxiety and employee performance. The study's implications are also discussed.

# Keywords: Despotic Leadership (DL), Trait Anxiety (TA), Islamic Work Ethics (IWE), Employee Performance (EP).

## I. INTRODUCTION

Organizations put a high emphasis on leadership style and ethics in order to assist their employees in achieving their objectives. Researchers examine transactional, transformative, autocratic, charismatic, laissez-faire, legal, democratic, and bureaucratic leadership styles that boost employee efficiency (Hassan, 2017; Okpozo, 2017; Keegan, 2004). Many previous studies have concentrated on the positive and beneficial impact of leadership on followers and organisations (Raja, 2020), while ignoring the negative aspects of leadership (Green, 2011). But now many unethical leadership styles of a day are addressed in past that adversely affect the overall performance of workers and the organization as whole.

Despotic Leadership (DL) is one of the unethical leadership styles aimed at gaining control and dominance in the workplace by self-interest since despotic leaders are greedy, unforgiving, and bossy in their conduct (Rasool, 2018). DL conduct is exploitative and self-absorbing and is likely to be indifferent to the needs of its employees, but a very small concern of the organizations (De et al., 2018). Hoogh (2008) discovered that DL is related to follower deviance and organizational identity in a positive way. Follower deviance is described as "voluntary activity that violates organizational norms and endangers organizational wellbeing."

Many researchers are investigating the impact of DL on EP. According to Wu (2019), followers of despotic leaders have a more negative outlook toward work and the organization as a whole. Employee stress is generated dramatically as a result of their behavior that focuses primarily on leader rewards rather than employee well-being (Chughtai, 2014), and this stress on workers has a direct impact on individual as well as the overall performance of an organizations (Parboteeah et al. 2009). Employees' family lives will suffer as a result of DL tension, and this effect can intensify when they are nervous (Okpozo, 2017).

Anxiety, according to Bar (2005), is "the need to see many risky or threatening scenarios." Since subordinates differ in their willingness to perceive their supervisors' coercive behavior, their responses differ in that subordinates who are anxious are more willing than those who are not. This failure is more noticeable in high-anxiety subordinates (Eysenck, 2007; Jones, 2016). According to Shezan (2018), negative behavior leads to subordination. Anxiety originates from the leaders when they behave

despotically toward subordinates and exploitation that instills fear and tension in subordinates' organizational roles (Gambetti, 2012).

DL may be highly important and contextually important because the resulting conditions encourage leaders to be greedy, tough, and autocratic. In response to calls to examine the influence of dysfunctional leadership practices in developing countries (Peng, 2014), the researcher presented new perspectives on factors that may intensify the negative effects of leadership. The Islamic Work Ethics (IWE), which describes as the degree with which employees accept Islamic Work Ethics with their daily work (Raja, 2020; Khan, 2015; Ali, 2008), that directly influence individual performance at workplace. Employees who work under a despotic leader may be so frustrated with the quality of the exchange relationship and poor performance (Arslan, 2017; Raja, 2020) that any positive work outcomes become upset. Further, if employees score high on IWE, they tend to priorities hard work, dedication, honesty and loyalty, and these features could spur their search for better goal alignment with their organization (De et al., 2018; Nauman, 2018; Murtaza, 2016).

To put the proposed model to the test, this study is being conducted in the understudied context of Pakistan, with the aim of contributing to the advancement of research by investigating the unexplored, mediating and moderating role of Trait Anxiety and IWE.

## **1.1 Contributions of the study**

Employee performance was addressed with various leadership types, i.e. inclusive leadership, authentic leadership and ethical leadership, but there was very little link between DL and employee performance (De et al., 2018; Raja, 2020; Kant, 2013; Arslan, 2018). DL's casual impact on employee performance, anxiety as a mediated process, will be a new addition to the analysis in leadership literature. This study further added IWE moderating variable between TA and EP that the implementation of IWE could lessen the negative impact of TA over EP.

Past studies undertaken to investigate the negative aspect of leadership style on individuals and on the overall performance of organizations were aimed at specific organizations where researchers used probability sampling techniques based on established population and limited sample size (De et al., 2018; Raja, 2020). Although this study expanded the sample size and concentrated on the non-probability sampling methodology. Previous studies used simple regression and multiple regression analysis; however the current study uses other methods such as mediation and moderation by Preacher and Hayes (2013).

II. THEORY SUPPORT AND HYPOTHESES DEVELOPMENT

## 2.1 Supporting Theories

This research is supported by two theories, Affective Event Theory (AET) and Weber's Theory (WT). The preceding theory suggests that feelings are fundamental to employee behaviors and certain behaviors and emotions arise from exposure to workload and incidents, which is why DL is regarded as an event that produces emotions such as work-related trait anxiety that induces long-term work behaviors such as EP (Weiss, 1996), while later theory originates in Weber's theory of Protestant Workin (Yousef, 2000a). Islamic Work Ethics (IWE), a philosophy suggested by Ali (1988) concentrating on business-related Islamic ethical practices, became a separate field of inquiry. IWE comes from the teachings of Quran and Prophet Muhammad (Ali and Al-Owaihan 2008; Yousef 2000a). Both are the primary sources of general principles and guidelines for Islamic life and are considered to be valid for all times and persons following Islam (Beekun, 2005).

## 2.2 Despotic Leadership (DL) and Trait Anxiety (TA)

Despotic leaders are socially dishonest, have low ethical standards, disagree with employee needs and are morally wrong (Hoogh, 2008). Previous research shows that the leaders use negative tactics for workers who obstruct the aims of the leaders or repress the perceived violence (Joo, 2011; Muschalla, 2010). We believe that subordinates who are exploited and marginalized are more likely to be anxious, depressed, strained, etc. and believe that the only way of survival is to comply with the destructive leader. In line with this recent research, we conclude that followers under despotic leadership could be encouraged to use print management tactics in order to achieve favorable results because of their self-interested motives (Wilt, 2011; Chughtai, 2014).

Anxious employee has sunk in emotional distress because they view their working environments negatively and therefore misbehave with the majority of the time (Gambetti, 2012). Employees with

anxiety are more likely to adversely affect despotic leadership because they reduce their happiness with their lives (Wilt, 2011). According to Rasool (2018)trait anxiety of people has a detrimental effect on decision-making tasks. Individual variations in anxiety affect decision-making affinity in comparison with high trait anxiety in individuals with low trait anxiety, making risky plans simpler, as higher trait anxiety is challenged (Muschalla, 2010).

## H1: There is a significant and positive association between DL and TA.

## 2.3 Trait Anxiety (TA) and Employee Performance (EP)

Past studies explains two forms of anxiety: Trait anxiety reveals that it is a stable association of the person who experiences negative affective states or emotions like stresses and fear; it is also related to the general propensity of cognitive distortion and attention that hamper EP (Yun, 2007; Gambetti, 2012). On the other hand, a transient state of anxiety is defined by researchers as the trend that is most likely to transition from this state increases employee working performance as positive and negative emotional changes of anxiety and state anxiety (Javed, 2017; Jones, 2016; Ciarocco, 2010).

Anxiety has several devastating effects and reduces employee learning and performance (Yun, 2007). Researchers also think anxiety disorder more unemployed than workers (Vie, 2010). According to Zhang (2013), physical well-being is not the main problem in an employee's absence, but the study establishes a link between anxiety and the employee's absence and has a detrimental impact on workplace efficiency. *H2: There is a significant and negative association between TA and EP.* 

## 2.4 Despotic Leadership(DL) and EmployeePerformance (EP)

Not many studies have been performed on the positive and negative effect of leadership on workers and organizations (De, 2018; George, 2007),but today, leadership's dark side is a fascinating research field. Any of the dark-side language that is forced management (Yun, 2007; Ciarocco, 2010), disruptive leadership (Raja, 2020), and DL (Nauman, 2018). According to Rasool (2018), DL is leader behaviors centered on gaining power and influence in the workplace and driven by self-interest of leaders.

The effect of DL on EP and discovered that DL is the primary cause of an individual's poor results (Yun (20070. Zhang (2013) discovered that DL is caused by unethical acts of leaders. According to the researchers, employees who are familiar with their company's brand have higher levels of job satisfaction (De et al., 2018). Hoogh (2008) attributes the reason for improved employee identity to leadership behavior. Anitha (2014) discovered that DL reduces employee identity and EP as a result of unfair and unethical treatment of employees. According to recent research (Rasool, 2018), DL is correlated with EP in a negative way.

H3: There is a significant and negative association between DL and EP.

## 2.5 Mediating Role of Trait Anxiety (TA)

According to Kant et al. (2013) leaders' negative behaviors are linked to subordinateAnxiety i.e.DL refers to aggressive behavior toward subordinates and to the exploitation that creates fear and stress among subordinates regardingtheir position in the organization (Vie, 2010). Kant etal. (2013) found that employees experienced more anxious when they perceivethat leaders' behavior with them are unfair and manipulative. Anxious employeeperceives other negativity such as criticism and dissatisfaction (Gehring, 2007).

Previous studies found that anxious followers respond negatively to despotic leaders as result of work family-conflict and decrease life satisfaction (Nauman et al., 2018; Vie, 2010). As per Gehring (2007) that reveals that DL has negative and harmfulimpact on their followers and this effect intensify when the subordinate are anxious. Kant et al. (2013) further addedthat employee TA is linked with employee petty tyranny high anxioussubordinate will perceive more petty tyranny than that of low petty tyranny that will affect his performance and job satisfaction. Bowling and Beehr (2006) arguethat high TA follower perceive same leader behavior differently than thatof low TA followers.

#### H4: TA mediates the relationship between DL and EP.

#### 2.6 Moderating role of Islamic Work Ethics (IWE)

Together, the controversies in the relationship between leadership, anxiety and results, as discussed above, indicate the possibility of personal or contextual factors to moderate these relationships (Ali, 2008; Johnson, 2013; Nasr, 1985; Syed, 2010). Since, IWE places an emphasis on occupational performance (Raja, 2020); the relationship between anxiety types and job results could be a major moderator.

When an employee perceives anxiety in processes and incentive allocation, this lowered satisfaction, which further tends to lower efficiency (Raja, 2020). According to IWE, work-related goals are considered moral responsibilities to be met even in the midst of anxiety. Therefore, the researchers assume that individuals high on IWE may not bother in a stress situation or anxiety. Ali, 2008, and Yousef (2001) note

that stressing behavior and its relationship with the hereafter means that Muslims have a moral duty to work (Raja, 2020; Johnson, 2013; Syed, 2010).

H5: IWE moderates the relationship between TA and EP.

#### 2.7 Research Model

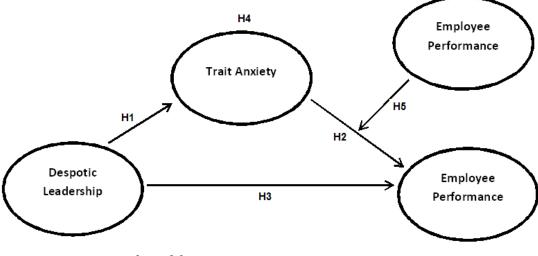


Figure 1: Research Model

III. METHODS

#### **3.1 Sample and Data Collection Procedures**

For current research, we collected data from employees and their supervisors working in various banks in the twin cities of District Mardan and Nowshera, KP, Pakistan. An adopted and self-structured questionnaire was place for data collection. Each questionnaire was followed by a cover letter explaining the intent of the study and maintaining confidentiality of the respondents' data. In time 1, respondents completed the self-report version of the questionnaire containing items relevant to proposed variables DL, EO, TA and IWE. Each respondent also provided their demographic details such as age, gender, experience and education. Due to time constraints and unknown population, the study followed non-probability technique. As per similar studies (De et al., 2018; Jones, 2016; Khan, 2015) the size for the sample should be greater than 180 respondents. By that reason, we distributed the self-administered questionnaires among 250 respondents. Out of which only 234 questionnaires were returned. Only 232 questionnaires that were appropriate for analysis to run, while rest of the three were removed due to outliers and missing data.

#### **3.2 Measures**

All responses were accessed using 5-point Likert-scale i.e. 1 = strongly disagree, 2 = disagree, 3 = Neutral, 4 = agree, and 5 = strongly agree. DL was weighed by 6 items (Hangs & Dickson, 2008), TA by 4 items (Lehrer, 1982), EP by six items (Salanova, 2005) and IWE by 8 items (Abbas, 2012) respectively.

#### IV. RESULTS

#### 4.1Reliability Analysis ofScale

When the scale contains a number of questions, the researcher can determine if it is compatible as the sample size and form of study increase. The reliability is indicated by a numerical value of Cronbachs Alpha, which should be greater than 0.7 (Nunnally, 1994). The reliability scales stand for the scale's ability to produce the same results when repeated a number of times. From the below table 1, it is showed that values of Crobnbach's Alpha of DL is .821, TA is .845, EP is .893 and IWE is .706. Therefore the results indicate all the values of Cronbachs Alpha are greater than 0.7, which is a reasonable approximation for holding the objects.

Table 1: Demographics						
Gender	Frequency	Percent				
male	155	67.7				
female	77	32.3				
Total	232	100				
Age	Frequency	Percent				
25-30	96	41.4				
31-35	80	34.6				
36-40	48	20.7				
41-45	8	3.3				
46 and above	0	0				
Total	232	100				
Qualification	Frequency	Percent				
Intermediate	8	3.6				
Bachelor	57	25.3				
Masters	129	55.7				
MS/MPHil	30	13				
Ph. D	8	2.4				
Total	232	100				
Job Experience	Frequency	Percent				
1 to 5 years	84	36.2				
6 to 10 years	66	28.5				
11 to 15	61	26.4				
16 to 20	9	4.2				
21 and above	12	4.7				
Total	232	100				

The sample gathered for this study shows that responses were less reported by the female in banks. Out of 232 respondents 41.4% belonged to 25-30 years of age group, 34.6% to 31-35 years, 207% 36-40 toyears, and 33% to 41-45 years and no single respondents found to have age 46 or above. Mostly the respondents were young with the age of 20-30 years of age. See Table 1.

Out of 232 Respondents only 3.6% of the respondents were with intermediate education, 25.3% are of bachelor, 55.7% are from master level, 13% with MS Degree and 2.4% with Ph. D degree. Mostly the education level of the sample respondents was bachelor degree.

Of 232 respondents, 36.2 percent holding 1-5 years of experience, 28.5 percent holding 6-10 years of experience, 26.4 percent holding 11-15 years of experience, 4.2 percent holding 15-20 years of experience and 4.7 percent holding 21 years of experience. 1-3 years' study experience found to be more frequent.

	Table 2: DescriptiveStatistics and Correlation Analysis									
	Ν	Min	Max	Mean	Std. Dev	1	2	3	4	
DL	232	1	5	4.2233	0.40831	1	-	-		
EP	232	1	4	1.5850	0.44677	290**	1			
ТА	232	1	5	4.2134	0.43984	.934**	285**	1		
IWE	232	1	4	1.5862	0.46201	269**	.983**	273**	1	

\*\*. Correlation is significant at the 0.05 level (2-tailed).

In the first column of Table 2, it contains variable name, second column shows results, number of respondents, third and fourth column shows minimum and maximum value where respondents registered, while in the fifth and sixth column, mean and standard deviation of data obtained from respondents is 232 as shown in the table sample size for all variables. Table 2 shows that DL, which is an independent variable mean value, is equal to 4.2233 and standard deviation is 0.40831, which is very good. EP mean is equivalent to 1.5850 and standard deviation is 0.44677, TA means 4.2134 and standard deviation 0.43984. IWE means 1.5862 and standard deviation 0.46201. Among the above variables, DL has the highest mean, while IWE is lowest.

As seen from the table, DL is significantly negatively associated with EP (r = -.290\*, p < .05). DL also has strong and favorable association with TA (r = .934\*\*, p < .05). DL further has major and negatively associated with IWE (r = -.269\*\*, p < .05). EP with TA (r = -.285\*, p < .05). EP with IWE (r = .983 \*\*, p < .05). TA with IWE (r = -.273, P < .05).

#### 4.2 RegressionAnalysis

To find the underlying relationship between linking variable we performed regression analysis. It foresees the value of outcome variable based on independent variable. It helps to understand when one unit shift happens in DL so how many changes happen in the dependent variable so causal link can be predicted. Main concept of regression was proposed by Baron & Kenny (1986).

Table 3: Relation between Despotic Leadership and Trait Anxiety							
Predictor	ТА						
	В	$R^2$	$\Delta R^2$	SE	t	Sign.	F change
DL	0.934	0.872	0.872	0.15762	39.609	0	1568.855
				1 222			

DL- DespoticLeadership, TA- Trait Anxiety, P<.05, N=232

The outcome of regression analysis shows in table 3, that DL positively affects TA (r=0.934, t=39.609, and P<.05). Increasing the effect of DL often increases TA. DL brings optimistic TA improvement to 87.2%. The relationship is significant as p is less than.05 and both have the same direction, so H1 is accepted.

Table 4: Relation between Trait Anxiety and Employee Performance								
Predictor	EP							
	В	$R^2$	$\Delta R^2$	SE	t	Sign.	F change	
ТА	-0.285	0.082	0.078	0.4291	-4.518	0	20.409	

Table 4 above shows that TA brings negative shift in EP (r = -0.285, t = -4.518, and P <.05). This means increased TA impact decreases EP. TA brings up to 7.8% negative EP transition. The relationship is important since p is less than.05 and both have the opposite direction, so H2 is agreed.

Table 5: Relation between Despotic Leadership and Employee Performance							
Predictor	EP						
	В	$R^2$	$\Delta R^2$	SE	t	Sign.	F change
DL	-0.29	0.084	0.08	0.42855	-4.59	0	21.058

DL-Despotic Leadership, EP-Employee Performance, P<.05, N=232

The above table 5 shows that DL causes a negative shift in EP (r=-0.29, t=-4.59, and P<.05). This means DL's increased impact decreases EP. TA brings up to 8% negative EP transition. The relationship is significant since p is less than.05 and both have the opposite direction, so H3 is accepted.

## 4.3 MediationAnalysis of Trait Anxiety between Despotic Leadership and Employee Performance

Preacher & Hayes' Approach (2013) was used to examine and validate literature-related premises. The technique is ahigh-tech data analysis practice, used by bootstrapping to conduct and validate mediation and moderation analysis. In the recent inquiry, PROCESS technique was used to check the claim. Baron and Kenny (1986) projected three critics for meditational study. First, the relationship between Independent and Dependent variable should be significant. Notable relationship should exist between the

Independent variable and the mediator. The relation between the two variables should be significant between mediator and dependent variable.

Effect of IV on M	Effect of M on DV	Direct Effect	Total Effect	Indirect Effect	Bootstrap of indirect	
					LL95%	UL 95%
0.934	-0.285	-0.17	-0.29	-0.12	-0.3797	-0.1445

M-Trait Anxiety, IV-Despotic Leadership, DV- Employee Performance, N-232, P<0.05

To validate the mediation, we run SPSS bootstrapping, which shows the mediating effect of TA between DL and EP. Direct and indirect associations showed that the relationship changed when the DL towards EP mediator was added as TA. The indirect impact is -0.12. It can therefore be inferred that TA partially mediates the relationship between DL and EP, hence the indirect impact of DL on EP through TA has the lower and upper limits of -0.3797 and -0.1445 with 95% confidence interval, thus, H4 of the study is accepted.

#### 4.4 ModerationAnalysis between Trait Anxiety and Employee Performance

Table 7: Moderating effect of IWE between TA and EP							
IWE	β	SE	t	95%LLCI	95%LLCI		
Interaction Terms	2116	.0583	-3.63	3265	0967		

IWE-Islamic Works Ethics, TA-Trait Anxiety, DL-Despotic Leadership, EP- Employee Performance, N-232, P<0.05

From Table 7, it can be clearly seen that IWE moderates the relation between TA and EP, as unstandardized regression analysis (B= -.2116, t= -3.63) clearly demonstrates. Furthermore, the bootstrapping values of the lower and upper class are -.3265 and -.0967, where zero is not between ranges. This also proves that IWE moderates the relation between TA and EP. Therefore, H5 of the study is accepted.

## V. DISCUSSION AND CONCLUSION

## 5.1 Discussion

The study finds proof of a beneficial effect on trait anxiety by combining DL withTA. This means staff with high stress and TA is more likely to respond positively to DL. These findings are consistent with previous studies (Nauman, 2018; Rasool, 2018; Raja, 2020; Kant, 2013; Peng, 2014; Gambetti, 2012), indicating that despotic leaders have detrimental effects on their subordinates' home lives, exacerbating these effects when subordinates are anxious.

The findings looked into the effects of TA and its negative influence on EP, as well as the theoretical basis for workers to choose between "passive resistance" and "swallowing the insult" when confronted with TA. Trait anxiety was suggested as a predictor of EP in the study. According to the data analysis findings, TA has a negative and significant effect on EP. The study's results are consistent with previous research (Kouchaki, 2015; Jones, 2016; Vie, 2010; Raja, 2020; Zhang, 2013; Anitha, 2014).

According to H3, the findings show a negative relationship between DL and EP. Numerous evidences point to a connection between DL and EP (De et al., 2018; Nauman, 2018; Rasool, 2018; Raja, 2020; Yun, 2007). As a consequence, the above finding adds to the body of knowledge on negative leadership.

Hypothesis 4 investigates the role of TA in mediating the relationship between DL and EP. Previous research indicates that TA has a significant negative impact on EP (Muschalla, 2010; Peng, 2014; Neves, 2012; Wu, 2019). As (De et al., 2018; Nauman, 2018; Joo, 2011; Raja, 2020) contends, employee TA is caused by the leader's negative behavior. Previous research has also shown that employees who are afraid of their boss's anxiety prioritize protection over performance, resulting in lower person and organizational performance.

The final hypothesis, H5, shows that IWE slightly moderates the interaction between TA and EP. As a consequence, IWE is linked to a drop in TA. Since Islam requires its followers to work with full dedication and loyalty, the study predicts that employees with a higher level of IWE will tend to adhere more to the prescribed course of action provided by their superiors than individuals with a low level of IWE. These results support previous studies demonstrating optimistic EP by demonstrating one element of Islamic

philosophy and teachings. These findings are clarified by the belief that Islamic teachings encourage followers to be loyal to their employer and to respect and admire their boss at work, and that all leaders and followers should be considered as brothers based on humanity (Gambetti, 2012; Peng, 2014; Raja, 2020; Ahmad, 2011; Eysenck, 2007; Arslan, 2017).

## **5.2 Conclusion**

Study empirically establishes how DL affects EP. This study examined the relationship between DL and EP in banking sector in Pakistan. Data was collected via questionnaire surveys from employees working in various banks in Pakistan and their supervisors to assess the degree to which DL has a negative impact on EP through a mediating function of TA and a moderating effect of IWE. While a total of 250 questionnaires were distributed, only 234 were obtained, with 232 being used for research since this questionnaire provided the most relevant and complete information needed for the study review.

This research goes into greater detail about the effects of DL on EP. Previous studies have discovered that DL has a negative effect on EP (Raja, 2020; Naumanet al., 2018; Naseer et al., 2016). DL confirms the negative impact in this study. The role of TA as a mediator between DL and EP is also stated in the study. Although the moderation effect of IWE is also addressed in the study, it protects the relationship between DL and TA in such a way that when managers' DL is higher, employees' anxiety level is higher, and vice versa. Furthermore, IWE studied the moderating impact of Islamic values, as when Islamic preaches were introduced between TA and EP, the influence would certainly be positive, mitigating the negative effect of TA on EP.

## 5.3 Implications

This research has many practical applications. Current research adds expertise in both realistic and theoretical ways. Previous research found a link between DL and other variables such as stress and anxiety (Nauman et al., 2018); however, current research introduces a critical outcome variable to literature: EP under DL. Since success is the most important aspect of any task, career, employee, manager, or organizational goal.

Because of the constantly changing and creative climate, the current research explores a new partnership to achieve a reasonable advantage. The current study adds to the literature by illustrating TA as a mediator between DL and EP and IWE as TA-EP moderator. Examining this vector for EP is thus a novel addition to the literature.

DL can cause major company issues, such as high costs and poor performance, which is hard to accept in today's competitive climate. The study advises organizations to seek such leaders when appointing new leaders and regularly evaluate existing leaders. Since despotic leaders use unethical tactics against their subordinates, input on leaders at different times is helpful.

Organizations should cultivate a positive atmosphere to minimize DL's negative impact on EP. And support subordinates impacted by the decisions of the leaders. Employees can benefit from recovery exercises such as relaxation, social isolation, team management, and exercise that can help them alleviate anxiety, leading to lifelong frustration and family conflict (Kouchaki, 2015).

Current study is important for organizations' top management, executives, managers, and staff because power cultural distances are a major problem in Pakistan. As a result, companies must engage leaders and workers through training sessions. It is important not only to recognize those who wish to manipulate and treat followers unethically, but also to provide them with training and instill in them equity, morality and ethical behavior.

#### 5.4 Limitations and Future Research

Our results should be viewed given several limitations. First, we collected data from banking sector employees in two Pakistani cities, and this may limit the generalizability of our results. Second, we concentrated on negative leadership behavior, i.e. despotic leadership, to gain deeper insights; future studies which explore the role of other types of leadership (i.e. autocratic, transactional, benevolent, and transformative) on EP with some other conditional variables. Third, considering our study's cross-sectional structure, we cannot exclude reverse causality. For this shortcoming, future studies will incorporate longitudinal or experimental designs. Lastly, we conceptualized and operationalized the proposed variables as one-dimensional structures. Future studies will analyze DL, EP, TA and IWE in more than one dimension (Raja, 2020).

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