Impact of destructive leadership styles on the psychological contract breach with the moderating effect of proactive personality

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ABSTRACT

This research has an aim to investigate the impact of toxic and exploitative leadership and subordinate psychological contract breach, the moderation role of proactive personality within the proposed framework between the toxic leadership with psychological contract breach and exploitative leadership with psychological contract breach. Data was gathered utilizing a cross-sectional research technique. The sample of the study constituted 386 frontline nurses from public sector hospitals of Pakistan. Structural equation modelling was utilized for analyzing the collected data. Toxic and exploitative leadership had a significant positive impact on psychological contract breach. However, moderation of proactive personality was found to be insignificant between both relations.

Keywords: Toxic Leadership; Exploitative; Psychological Contract Breach; Proactive Personality

1. INTRODUCTION

Human psychology has become an important phenomenon to be understood nowadays by many researchers due to its prime importance in an organisation's overall productivity and performance, for the purpose discussed two significant aspects of human psychology in the workplace. One is the leader/manager/boss aspect or side, and the other one is the follower/subordinate/staff aspect or side. Past many researchers have discussed the brighter shade or the sweet flavor of this leader-follower relationship. Most of the researchers, including Gilbert and Kelloway (2018); Jada, Mukhopadhyay, and Titiyal (2019) Gyanchandani (2017), have discussed the constructive and positive side of leadership with associated constructive approaches, methods, consequences etc.

However, the researchers have drawn their attention towards the darker shade or bitter flavour of leadership from the past few years. Most of the researchers, including Aravena (2019); Ashforth and Anand (2003); Asrar-ul-Haq and Anjum (2020); Beale and Hoel (2010); Clive R Boddy (2014); Collins and Jackson (2015); Crawford, Dawkins, Martin, and Lewis (2017); Gallos (2008); Goldman (2009); Jabbar, Saleem, Malik, Qureshi, and Thursamy (2020); Kant, Skogstad, Torsheim, and Einarsen (2013); Milosevic, Maric, and Lončar (2020); Padilla, Hogan, and Kaiser (2007); Rosenthal and Pittinsky (2006); Shaw, Erickson, and Harvey (2011); Thoroughgood, Padilla, Hunter, and Tate (2012) etc. have encompassed the darker aspect
with its possible outcomes and causes in their articles. Also, scholars have discussed dark leadership previously with its associate malpractices within an organization (Aravena, 2019; Burns Jr, 2017; Harris & Jones, 2018; Kayani, Zafar, Aksar, & Hassan, 2019; Nonis-Trimonte, 2021). The reason to study the darker aspect is its impact on the employee psychological health, causing even worse effects than a constructive leader can cause positive ones. The variable of dark leadership has been given several different names like leadership derailment (Ross, 2019), adverse or wicked or dark leadership (Furtner, Maran, & Rauthmann, 2017), toxic leadership (Milosevic et al., 2020), unethical leaders (Crawford et al., 2017), despotic leadership (Nauman, Zheng, & Basit, 2020), petty tyranny (Ashforth, 1997; G. Thompson & Glase, 2018) bad leadership (Chandler, 2021), narcissistic leaders (Asrar-ul-Haq & Anjum, 2020), aversive leadership (Fatima, Majeed, & Shah, 2018), abusive leaders (Jabbar et al., 2020), destructive leadership (Aravena, 2019; Einarsen, Aasland, & Skogstad, 2007) and corporate psychopaths (C. Boddy & Taplin, 2017; Clive Roland Boddy, 2015).

However, this paper discussed only two of the darker leadership styles, i.e., Exploitative and Toxic Leadership, to evaluate the impact these styles have on employees' psychological health. These styles are mainly studied in the nursing sector of Pakistan. The job of nursing leadership in advancing the mental prosperity of medical attendants can't be deprived of (Adams, Chamberlain, & Giles, 2019; Pishgooie, Atashzadeh-Shoorideh, Falcó-Pegueróles, & Lotfi, 2019). Various foundations have recognized the positive results of solid nursing leadership (Fallatah, Laschinger, & Read, 2017; Samuel, Sehar, Afzal, & Gilani, 2018). Nonetheless, in the progress of the evolution of dark leadership styles in organizational conduct writing, nursing specialists have begun to understand that a portion of the nursing bosses, because of their leadership style, are making more mischief attendants' prosperity instead of giving advantages (Roter, 2011). The idea of dark leadership is moderately new in the nursing area (Roter, 2011) in correlation with positive supervisory styles, for example, transformational leadership, servant leadership, and supportive leadership (Alzahrani, 2019; Bowers, Hall, & Srinivasan, 2017; Samuel et al., 2018). Albeit all nursing bosses are not mean, a few bits of proof demonstrate that some nursing bosses show harmful practices (Roter, 2011; Sarwar, Naseer, & Zhong, 2020). It is critical to propel the writing on the dark side of nursing supervision by recognizing the utmost happening and undetected adverse conduct of nursing bosses (Pishgooie et al., 2019).

Toxic leadership has a spill-over effect and is accused of contaminating the entire organization with its toxicity, starting from the individual employee to teams and the entire firm (Goldman, 2009; Vreja, Balan, & Bosca, 2016). Lipman-Blumen (2005) depicts toxic leaders as the individuals who perform lacking decency by camouflaging and participating in different other shocking practices, counting practices like defilement, lousy faith, damage and control, just as other arranged evil, unlawful, and criminal demonstrations. Several other authors like Pelletier (2010) and Schmidt (2008) have described different classifications of toxic leadership and their behaviors comprising laissez-faire, promoting inequity, divisiveness, social exclusion and threatening followers’ security and self-esteem. Toxic leaders are known to be toxic when they either physically or psychologically harm their subordinates, and their harmful actions create long-term bad effects on their subordinates (Pelletier, 2010). Toxic leaders are also considered responsible for creating
conflicts within the organization, spoiling the overall organizational environment and adversely affecting the subordinates’ emotions (Illies & Reiter-Palmon, 2008). According to Maxwell (2015) and Schyns (2015), adopting negative behaviour and being confident about it as correct and socially accepted is another behavioural side of toxic leaders.

Exploitative Leadership style is another dark leadership style or another shade of destructive leadership style that depicts various adverse behaviors (Schmid, Pircher Verdorfer, & Peus, 2019). Previous research has discussed leaders’ self-interest factor, but there is still limited research on exploitation by leadership. To understand the leaders’ exploitation and manipulation Schmid et al. (2019) has defined the term exploitative leadership. They also have established the measuring scale, which is also validated for exploitative leadership. Exploitative leadership style is described by Schmid et al. (2019) as a pessimistic leadership approach in which leaders (a) depict egoistic traits, (b) practice manipulation of subordinates creating pressure on them, (c) overburdening the subordinates reduce their productivity and effectiveness and hurdles in individual growth. Exploitative leaders are hard to be pointed out compared to other destructive leadership styles as they rely on pretending and have a dual face (Schmid et al., 2019). They act and pretend friendly with a smile on their face towards their subordinates to make them achieve his/her objectives (Schmid et al., 2019). This contrary behavior types them riskier than other dark leaders; because of this, there is an instant requirement to investigate exploitative leadership and its adverse outcomes (Schmid et al., 2019). These leaders are often found to be taking credit for the work of their subordinates (Majeed & Fatima, 2020). The exploration of exploitative leadership is right now in the beginning stage. As of recently, just two examinations have straightforwardly explored exploitative leadership (Schmid et al., 2019; Schmid, Pircher Verdorfer, & Peus, 2018). The two examinations were directed in Germany. The preliminary examination tried the effect of exploitative leadership on worker feelings and turnover expectation, while the subsequent investigation uncovered its two unfriendly results, to be specific work environment abnormality and occupation burnout (Schmid et al., 2018; Schmid et al., 2019). For the purpose this study undertakes psychological contract breach as an outcome of exploitative leadership and is being studied in nursing profession of Pakistan.

In the space of psychological contracts, Argyris (1960) and Levinson, Price, Munden, and Mandl (1996) made critical commitments to the examination phrasing. Argyris (1960) first utilized the expression "psychological work contract" to depict a specific comprehension between a gathering of workers and their foreman that emerged because of a specific supervisory style. Levinson et al. (1996) characterized psychological contracts as “a progression of common assumptions for which the parties to the relationship may not themselves be faintly mindful but rather which in any case oversee their relationship to one another”. The assumptions referenced incorporate both oblivious and conscious ones. The assumptions that lead to a psychological contract ought to have two qualities: (1) being implicit and (2) preceding the arrangement of the contract. In the early long periods of the psychological contract considers, the definitions and ideas presented by these creators showed slight contrasts. D. M. Rousseau (1989) contended that past researchers’ ideas of assumptions were hard to appreciate overall, and can be considered more to be a various
group of assorted and varying assumptions held by a bunch of entertainers. D. M. Rousseau (1989) introduced a shorter definition from the person's perspective as the focal component, characterizing psychological contracts as a person's conviction concerning the terms and states of an arrangement between that individual and another party. Here, the main points of interest incorporate the conviction that a guarantee has been made and some thought offered in return for this arrangement, restricting the parties to some arrangement of proportional commitments. So, when individuals experience exploitation and toxicity by their leaders they assume it as breach of the mutual psychological contract which was to maintain a healthy relationship between both parties (the employer and the employee).

An employee's personality is an important factor in his/her performability at the job place, especially in a service environment (Choi & Hwang, 2019). Frequent conversations increase the certainty of the difficulties faced by service workers and make it more difficult for leaders to control and overcome each stage in the service procedure (Chong, Van Dyne, Kim, & Oh, 2021). Therefore, service performance should depend more on the convenience and initiative of frontline employees. Proactive personality is considered finding opportunities within the provided environment (Hu, Wang, Zhang, & Bin, 2018) and love to transform new ideas in the form of change into the current stage (Hansen, Shrader, & Monllor, 2011). In other words, a proactive personality is purpose-oriented, unaffected by the environment, persevering in the pursuit of goals, and seeking new experiences and activities.

Previously, Fatima et al. (2018) and Majeed and Fatima (2020) studied two of the destructive leadership styles on the sample population of nurses of the healthcare sector of Pakistan. Samad, Memon, and Ali (2021) also studied despotic leadership, another style of destructive leadership, in the nursing profession of Pakistan. The nurse to population ratio declared by WHO is six nurses per ten thousand people (Jamal, Fitchett, Lok, Mendelsohn, & Tsuyuki, 2009), giving rise to shady activities within the profession. A lack of nurses is a massive problem within the healthcare sector of Pakistan. Leaders who practice shady activities take advantage of such factors to blame for their specific destructive attitudes. The nurses' multiple types of research on leadership have progressively highlighted the negative aspect of leadership as harsh leadership; they have a self-centered approach for professional grooming by relying on employees' efforts (Baškarada, Watson, & Cromarty, 2016; Huang, Wang, & Xie, 2014). This paper mainly studies two of these destructive leadership styles, i.e., toxic and exploitative, in the psychological state of nurses in the public sector of Pakistan. As destructive leadership have severe consequences (Schmid et al., 2018) (work-family conflict, emotional distress, poor workplace performance) on the subordinates and organization, it is essential to study them and their impact.

2. LITERATURE REVIEW

2.1. TOXIC LEADERSHIP AND PSYCHOLOGICAL CONTRACT BREACH

Examination demonstrates that toxic leadership is connected to a few adverse results, which can be ordered comprehensively into mental and execution related results. Note
that pressure and mental prosperity of the subordinates are the most explored mental results of toxic leadership (Bhandarker & Rai, 2019; HADAVINEJAD, 2017; Kurtulmuş, 2020; Labrargue, Lorica, Nwafor, van Bogaert, & Cummings, 2020). Toxic leadership is likewise fundamentally connected with execution-related results like diminished organizational responsibility, treachery discernments, job struggle, relational aberrance and helpless business-related mentalities among subordinates (Duffy, Ganster, & Pagon, 2002; Hoobler & Hu, 2013; Mawritz, Mayer, Hoobler, Wayne, & Marinova, 2012). Toxic leadership is likewise discovered to be contrarily connected with OB fulfilment, OB commitment and work inspiration (Aryee, Sun, Chen, & Debrah, 2008; Elangovan & Xie, 2000; Reed, 2004; Reed & Bullis, 2009; Templer, 2018). The psychological effect of dark leaders on subordinates is examined in detail in the forthcoming area.

The impact is in the form of psychological contract violation when they perceive they are mistreated or bullied. It tells that subordinates under a toxic leader perceive its leader’s toxicity in the form of rudeness and harshness as a breach of his/her psychological contract. Wu and Hu (2009) also stated in their findings that abusive supervision (like toxic leadership in this case) is inversely related to emotional exhaustion. A Bhandarker and Rai (2019) also stated that toxic leadership leads to criticism, ridiculing, harshness and rudeness generate stress and strain in employees, raising employee emotional distress.

Turnley and Feldman (2000) elaborated in their study when workers feel contented and satisfied with their organization their psychological contract is satisfied and fulfilled. However, if the worker feels unsatisfied, by any factor that was supposed to be not that way in the organizational environment is considered a breach of the psychological contract. Hobman, Restubog, Bordia, and Tang (2009) stated that when employees have regular interaction with toxic leaders, they bear stress and strain, reducing their psychological well-being. Another study stipulates similar findings that subordinates of toxic leadership have low self-worth and self-efficacy (Kusy & Holloway, 2009). Harvey, Harris, Gillis, and Martinko (2014) found that toxic leaders lower their subordinates by objectifying, being harsh and rude to them, which reduced self-worth, self-confidence, and self-efficacy. Salin and Notelaers (2017) stated in their research that subordinates might get negatively impacted and experience psychological contract violation when they feel they are being bullied or mistreated. It tells that subordinates under a toxic leader perceive its leader’s toxicity in the form of rudeness and harshness as a breach of his/her psychological contract. Wu and Hu (2009) also stated in their findings that abusive supervision (like toxic leadership in this case) is inversely related to emotional exhaustion. A Bhandarker and Rai (2019) also stated that toxic leadership lead practices like criticism, ridiculing, harshness, and rudeness generate stress and strain in the employee, raising employee emotional distress. We hypothesized toxic leadership leads to psychological contract breach.

A psychological contract is a mutually perceived obligation between the employee and employer (Chih, Chiu, Lan, & Fang, 2017). And when these negative behaviors prevail in organizational environment, employees under toxic leaders consider it a violation or breach of their psychological contract. The reason is that employees perceive that the obligation (Chih et al., 2017) made to them by the employer of providing a good working environment free of stress and abusiveness is breached. It leads to our very first hypothesis:
H₃: Toxic Leadership has a significant positive impact on employee Psychological Contract Breach.

### 2.2. Exploitative Leadership and Psychological Contract Breach

Exploitative leaders are found to be putting strain on employees. They ask employees to achieve unrealistic goals and manipulate them to accomplish self-benefits (Schmid et al., 2019). Also, this leadership style is found to have adverse outcomes upon subordinates (Schmid et al., 2019). The exploitative traits of these leaders exert stress and strain on subordinates creating a state of emotional stress (Schmid et al, 2019). Several pieces of research previously (Khan, Ali, Khan, & Jehan, 2019; Pyc, Meltzer, & Liu, 2017) have depicted a positive association of negative leaderships with emotional stress. This stress leads to psychological contract breach at the workplace (Duran, Bishop, & Woodhams, 2019). According to Affective Event Theory, individuals’ emotions are developed by the event they face, or the events trigger the emotions within an individual. In this case, when employees perceive exploitative leadership, they take it as an adverse event and develop a negative emotion that the employer has breached their psychological contract. Majeed and Fatima (2020) also found a positive association between exploitative leadership and employee psychological distress.

Majeed and Fatima (2020) articulated that exploitative leadership generates negative affectivity among subordinates, particularly to nurses. It leads to the breach of their psychological contract. In their study, G. H. Han, Harms, and Bai (2017) also identified a positive association of negative leadership styles with negative emotions. As per Schmid et al. (2018), exploitative leaders always rest on manipulating, exploiting, and undermining, leading to the development of negative emotions. These negative emotions within employees make them perceive that the employer has breached their psychological contract as emotions are correlated with psychological contracts (Liang, 2019).

A psychological contract is a workers’ impression of what they do to the employer and what the employer does to them. It is impossible to always find loyalty in the psychological contract as the perceived psychological contract may differ over time (Sobaih, Ibrahim, & Gabry, 2019). Many employees believe that the employer has violated the psychological contract to some extent (Sobaih et al., 2019). The psychological contract is a person’s opinion about the footings and ideas of the exchange relationship between the employee and employer in which the terms are signaled by the employer (Sobaih et al., 2019). The problem comes from the coverage between them and the related structure and psychological agreement. It is essential to check the employer’s work to consider the employee’s behavior (D. Rousseau, 1995). And if these mutual agreements are broken in the form of bad leadership by the employer, the employee perceives it as a breach of its psychological contract. It leads to the second hypothesis:

H₄: Exploitative Leadership has a significant positive impact on employee Psychological Contract Breach.
2.3. Moderating Impact of Proactive Personality

Both positive personality and voluntary service methods emphasize the need to go beyond these direct character requirements. Proactive personality is also related to the responsibility to make constructive changes, or within this scope, the person feels personally responsible for re-execute (McCormick, Guay, Colbert, & Stewart, 2019). Therefore, a positive employee trend actively supports its organisation and engages in activities beyond the scope of its plan responsibilities. Employees with a proactive personality participate more actively; that is, their willingness to contribute arbitrarily in the form may increase performance (McCormick et al., 2019). Proactive employees invest more and more in their direction to achieve personal and organizational goals by demonstrating the diversity of the organization citizenship (Campbell, Foster, & Finkel, 2002), for example, showing an positive personality. Organizational improvement positively impacts individual participation and can effectively improve measures and improve professional ethics (Liguori, McLarty, & Muldoon, 2013).

Individuals having a proactive personality will make positive changes to get the job done. Proactive people are particularly effective in finding the best methods to solve work problems (Bateman & Crant, 1993; S. Han, Harold, & Cheong, 2019). They work actively and can easily balance their job demands the resources provided to them by their organization, thus enhancing their output (Caniëls, Semeijn, & Renders, 2018). They are driven to appraise their information and skills to find new jobs. Create a more hospitable working environment for implementing and completing tasks (Kim, Hon, & Crant, 2009). They adopt a creative approach and develop opportunities within the provided environment (Akgunduz, Alkan, & Gök, 2018). These are necessary to complete the duties that exceeded normal expectations (Seibert, Kraimer, & Crant, 2001). Previous research has revealed that proactive personality is significantly related to personality excellent performance (J. A. Thompson, 2005).

In such a case, when these personalities encounter toxicity or explosiveness from their leaders, they are less likely to perceive it as a breach of their psychological contract. When exploitative leaders manipulate or deceive their subordinates into attaining their personal goals, these personalities are less likely to get affected (Schmid et al., 2019). Proactive personalities won’t develop negative emotion (Majeed & Fatima, 2020) in response to this exploitation. They have the coping capabilities and the extra energy pack of cognitive resources to deal with this behavior. The same goes for toxic leadership. When proactive personalities encounter leaders’ toxicity in the form of criticism, harshness, rudeness and pressure (Bhandarker & Rai, 2019) they cope with the situation by either ignoring it or finding an opportunity as proactive personalities are opportunists. It leads us to the formation of our third and fourth hypothesis:

H₃: Proactive Personality moderates the relationship between Exploitative Leadership and Psychological Contract Breach.

H₄: Proactive Personality moderates the relationship between Toxic Leadership and Psychological Contract Breach.
3. METHODOLOGY

3.1. SAMPLE

The current model is tested in the healthcare sector of Pakistan. The data were collected cross-sectionally. Nurses of Public sector hospitals were taken as the population for the current study. A total of 386 samples was taken. The data was collected using a quantitative approach. The sampling technique used was a quota and convenient sampling. The quota was divided as per the five provinces of Pakistan, i.e., Punjab, KPK, Baluchistan, Sindh and Gilgit Baltistan.

Further, the data was collected from each province with convenience. The data was analyzed using SMART PLS 3.3. Both the measurement and structural models are discussed in the progressing section. A five-point Likert scale was established to test the hypothesis. The scale ranged from 1= Strongly Disagree to 5= Strongly Agree with Nutrelity at its middle point 3 and was used to provide respondents with a uniform and balanced way to answer the questionnaires (Joshi, Kale, Chandel, & Pal, 2015).

Demographics details of the sample were also measured in terms of their gender, age, income status, qualification and experience. Most of the sample had an age between 20-29 (49.9%), income between Rs 41,000- Rs 50,000 (36.8%), education up to Bachelors (41.3%) and experience between 1-5 years (40.8%). Female nurses formed the majority of the sample population.

3.2. INSTRUMENTS

3.2.1. Exploitative Leadership

The toxic leadership is assessed on 15-item scale established by Schmid et al. (2019) with reliability α=0.88. The sample items are “Sees employees as a mean to reach his/her personal goals. “Does not give me opportunities to further develop myself professionally, because his/her own goals have priority”.

3.2.2. Toxic Leadership

The toxic leadership is assessed on a 15-item scale established by Yavaş (2016) with reliability α=0.79. The sample items are “My supervisor puts his own failures on our shoulders” and “My supervisor, as personnel, we have to behave according to his mood”.

3.2.3. Psychological Contract Breach

The psychological contract breach is assessed on a 5-item scale established by Robinson and Wolfe Morrison (2000) with reliability α=0.92. The sample items are “Almost all the promises made by my employer during recruitment have been kept so far” and “I have not received everything promised to me in exchange for my contributions”.

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3.2.4. Proactive Personality

The proactive personality is assessed on a 10-item scale established by Seibert, Crant, and Kraimer (1999) with reliability \( \alpha = 0.86 \). The sample items are “Wherever I have been, I have been a powerful force for constructive change” and “I love being a champion for my ideas, even against others' opposition”.

4. RESULTS

Table 1. Measurement Model

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL</td>
<td>0.928</td>
<td>0.934</td>
<td>0.939</td>
<td>0.608</td>
</tr>
<tr>
<td>PCB</td>
<td>0.811</td>
<td>0.822</td>
<td>0.889</td>
<td>0.728</td>
</tr>
<tr>
<td>PP</td>
<td>0.864</td>
<td>0.876</td>
<td>0.9</td>
<td>0.644</td>
</tr>
<tr>
<td>TL</td>
<td>0.881</td>
<td>0.892</td>
<td>0.905</td>
<td>0.577</td>
</tr>
</tbody>
</table>

In the first portion, the results for the measurement model are presented. In Table 1 measurement model is represented, the items for each variable have acceptable values. In the measurement model of Exploitative leadership (EL), all ten remaining items have values greater than 0.6 and are significant with a p-value less than 0.05. Therefore, all ten items are included in the measurement of exploitative leadership (EL). Moreover, seven remaining items of Toxic Leadership (TL) have been taken into account to measure Toxic Leadership with values greater than 0.6 and p-value less than 0.05. Psychological Breach of Contract (PCB) and Proactive Personality (PP) have been measured by three, four and five items, respectively, with a value greater than 0.6 and a p-value less than 0.05.

Table 2. Discriminant Validity (HTMT)

<table>
<thead>
<tr>
<th>Constructs</th>
<th>EL</th>
<th>PCB</th>
<th>PP</th>
<th>TL</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PCB</td>
<td>0.834</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PP</td>
<td>0.553</td>
<td>0.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TL</td>
<td>0.783</td>
<td>0.816</td>
<td>0.558</td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Discriminant Validity (Fornell-Lacker)

<table>
<thead>
<tr>
<th>Constructs</th>
<th>EL</th>
<th>PCB</th>
<th>PP</th>
<th>TL</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL</td>
<td>0.779</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PCB</td>
<td>0.743</td>
<td>0.853</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PP</td>
<td>0.509</td>
<td>0.415</td>
<td>0.801</td>
<td></td>
</tr>
<tr>
<td>TL</td>
<td>0.738</td>
<td>0.731</td>
<td>0.497</td>
<td>0.759</td>
</tr>
</tbody>
</table>

Table 2 mentioned above displays the discriminant validity (HTMT) and table 3 displays the discriminant validity calculated with Fornell-Lacker approach. Furthermore, the cross-loading for each variable has been mentioned, which are showing the discriminant validity (HTMT & Fornell-Lacker). All have sufficient discriminant validity as Gold AH, Arvind Malhotra AH (2001) argued 0.9 as the threshold for sufficient discriminant validity.
Table 4. Cross Loadings

<table>
<thead>
<tr>
<th>Items</th>
<th>EL</th>
<th>PCB</th>
<th>PP</th>
<th>TL</th>
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</thead>
<tbody>
<tr>
<td>EL10</td>
<td>0.74</td>
<td>0.426</td>
<td>0.424</td>
<td>0.563</td>
</tr>
<tr>
<td>EL11</td>
<td>0.76</td>
<td>0.462</td>
<td>0.426</td>
<td>0.587</td>
</tr>
<tr>
<td>EL12</td>
<td>0.817</td>
<td>0.571</td>
<td>0.467</td>
<td>0.529</td>
</tr>
<tr>
<td>EL13</td>
<td>0.811</td>
<td>0.582</td>
<td>0.425</td>
<td>0.512</td>
</tr>
<tr>
<td>EL14</td>
<td>0.7</td>
<td>0.504</td>
<td>0.433</td>
<td>0.467</td>
</tr>
<tr>
<td>EL4</td>
<td>0.804</td>
<td>0.581</td>
<td>0.342</td>
<td>0.69</td>
</tr>
<tr>
<td>EL5</td>
<td>0.812</td>
<td>0.715</td>
<td>0.348</td>
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</tr>
<tr>
<td>EL6</td>
<td>0.819</td>
<td>0.732</td>
<td>0.327</td>
<td>0.606</td>
</tr>
<tr>
<td>EL7</td>
<td>0.691</td>
<td>0.52</td>
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<td>0.47</td>
</tr>
<tr>
<td>EL3</td>
<td>0.824</td>
<td>0.569</td>
<td>0.357</td>
<td>0.706</td>
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<tr>
<td>TL1</td>
<td>0.511</td>
<td>0.375</td>
<td>0.403</td>
<td>0.764</td>
</tr>
<tr>
<td>TL4</td>
<td>0.68</td>
<td>0.691</td>
<td>0.36</td>
<td>0.738</td>
</tr>
<tr>
<td>TL5</td>
<td>0.679</td>
<td>0.71</td>
<td>0.344</td>
<td>0.75</td>
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<tr>
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<td>0.476</td>
<td>0.403</td>
<td>0.379</td>
<td>0.761</td>
</tr>
<tr>
<td>TL3</td>
<td>0.504</td>
<td>0.513</td>
<td>0.371</td>
<td>0.787</td>
</tr>
<tr>
<td>TL4</td>
<td>0.498</td>
<td>0.511</td>
<td>0.397</td>
<td>0.768</td>
</tr>
<tr>
<td>TL5</td>
<td>0.44</td>
<td>0.481</td>
<td>0.409</td>
<td>0.743</td>
</tr>
<tr>
<td>PCB1</td>
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<td>0.886</td>
<td>0.359</td>
<td>0.645</td>
</tr>
<tr>
<td>PCB2</td>
<td>0.694</td>
<td>0.898</td>
<td>0.357</td>
<td>0.652</td>
</tr>
<tr>
<td>PCB3</td>
<td>0.518</td>
<td>0.77</td>
<td>0.348</td>
<td>0.572</td>
</tr>
<tr>
<td>PP1</td>
<td>0.321</td>
<td>0.183</td>
<td>0.805</td>
<td>0.364</td>
</tr>
<tr>
<td>PP2</td>
<td>0.365</td>
<td>0.234</td>
<td>0.816</td>
<td>0.401</td>
</tr>
<tr>
<td>PP3</td>
<td>0.396</td>
<td>0.3</td>
<td>0.815</td>
<td>0.36</td>
</tr>
<tr>
<td>PP4</td>
<td>0.444</td>
<td>0.374</td>
<td>0.873</td>
<td>0.426</td>
</tr>
<tr>
<td>PP5</td>
<td>0.427</td>
<td>0.424</td>
<td>0.682</td>
<td>0.397</td>
</tr>
</tbody>
</table>

In the table 4 are mentioned the cross loadings for all constructs. According to Muthén and Asparouhov (2012) cross loadings are used when variables are found to have more than one significant loadings.

Table 5. Correlation Analysis

<table>
<thead>
<tr>
<th>Constructs</th>
<th>EL</th>
<th>PCB</th>
<th>PP</th>
<th>TL</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL</td>
<td>1</td>
<td>0.743</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>PCB</td>
<td></td>
<td>1</td>
<td>0.415</td>
<td>1</td>
</tr>
<tr>
<td>PP</td>
<td></td>
<td></td>
<td>0.738</td>
<td>0.497</td>
</tr>
<tr>
<td>TL</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

The table 5 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.

Table 6. Structural Model

<table>
<thead>
<tr>
<th>Path</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Std. Dev.</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL -&gt; PCB</td>
<td>0.459</td>
<td>0.462</td>
<td>0.068</td>
<td>6.753</td>
<td>0</td>
</tr>
<tr>
<td>Moderating Effect 1 -&gt; PCB</td>
<td>-0.006</td>
<td>-0.006</td>
<td>0.064</td>
<td>0.091</td>
<td>0.928</td>
</tr>
<tr>
<td>Moderating Effect 2 -&gt; PCB</td>
<td>0.036</td>
<td>0.039</td>
<td>0.06</td>
<td>0.604</td>
<td>0.546</td>
</tr>
<tr>
<td>PP -&gt; PCB</td>
<td>-0.012</td>
<td>-0.01</td>
<td>0.037</td>
<td>0.326</td>
<td>0.745</td>
</tr>
<tr>
<td>TL -&gt; PCB</td>
<td>0.391</td>
<td>0.387</td>
<td>0.062</td>
<td>6.345</td>
<td>0</td>
</tr>
</tbody>
</table>
Table 6 depicts the structural model for the selected constructs. Details of structural model are as follows:

\[ H_1: \text{Toxic Leadership has a significant positive influence on employee psychological contract breach.} \]

The co-efficient of Toxic Leadership (TL) in the direction towards psychological contract breach (PCB) is positive with a p-value less than 0.05, which means TL has a significant positive influence on psychological contract breach (PCB). The co-efficient of TL, while PCB is the dependent variable, is 0.391 with a P-value of 0.000 (P-value<0.05), which indicates that if one unit of TL is increased then, PCB will also increase by 0.391 units and vice versa. This hypothesis shows that Toxic leadership (TL) positively influences psychological contract breach (PCB), and H2 is accepted.

\[ H_2: \text{Exploitative Leadership has a significant positive influence on employee psychological contract breach.} \]

The co-efficient of Exploitative Leadership (EL) in the direction towards psychological contract breach (PCB) is positive with a p-value less than 0.06, which means EL has a significant influence on psychological contract breach. The co-efficient of EL, while PCB is the dependent variable, is 0.459 with a P-value of 0.000 (P-value<0.05), which indicates that if one unit of EL is increased then, CWB will increase by 0.459. This hypothesis shows that exploitative leadership (EL) positively and significantly influences psychological contract breach (PCB), and H1 is rejected.

\[ H_3: \text{Proactive Personality does not weaken the relationship of Exploitative Leadership with Psychological Contract Breach.} \]

The co-efficient of Proactive Personality (PP) in the direction towards psychological contract breach (PCB) is negative with a p-value greater than 0.05, which means PP has an insignificant negative influence on psychological contract breach (PCB). The co-efficient of PP, while PCB is the dependent variable, is -0.012 with a P-value of 0.745 (P-value<0.05), which indicates that if PP is increased then, PCB will not get effected. Moreover, the Proactive Personality is not playing a moderating role in the relationship of Exploitative Leadership with Psychological Breach of contract as interaction term of PP, and EL (PPxEL) (Moderating Effect) is showing insignificant influence with P-value>0.05 on psychological contract breach (PCB). Moreover, the interaction term’s coefficient (Moderating effect) is positive, i.e., 0.036 with P-value>0.05. These results show that proactive personality (PP) does not weakens the toxic leadership with psychological breach of contract.

\[ H_4: \text{Proactive Personality does not weaken the relationship of Toxic Leadership with Psychological Contract Breach.} \]

The coefficient of Proactive Personality (PP) in the direction towards psychological contract breach (PCB) is negative with a p-value greater than 0.05, which means PP has an insignificant negative influence on psychological contract breach (PCB). The co-efficient of PP, while PCB is the dependent variable, is -0.012 with a P-value of 0.745 (P-value<0.05), which indicates that if PP is increased then, PCB will not get affected. Moreover, the Proactive Personality is not playing a moderating role in the relationship of Exploitative
Leadership with Psychological Breach of contract as interaction term of PP, and EL (PPxTL) (Moderating Effect) is showing insignificant influence with P-value>0.05 on psychological contract breach (PCB). Moreover, the interaction term's coefficient (Moderating effect) is negative, i.e., -0.006 with P-value>0.05. These results show that proactive personality (PP) does not weaken the exploitative leadership with psychological breach of contract.

5. Discussion

Our results support our first hypothesis that toxic leadership has a significant positive impact on psychological contract breach. Harvey et al. (2014) found that toxic leaders lower their subordinates by objectifying, being harsh and rude to them, which reduced self-worth, self-confidence, and self-efficacy. Salin and Notelaers (2017) stated in their research that subordinates might negatively impact psychological contract violation when they feel they are being bullied or mistreated. It tells that subordinates under a toxic leader perceive its leader’s toxicity in the form of rudeness and harshness as a breach of his/her psychological contract. Wu and Hu (2009) also stated in their findings that abusive supervision (like toxic leadership in this case) is inversely related to emotional exhaustion. A Bhandarker and Rai (2019) also stated in their article that toxic leadership lead practices like criticism, ridiculing, harshness, and rudeness generate stress and strain in the employee, raising employee emotional distress for the reason we hypothesized toxic leadership leads to psychological contract breach.

Our results support our the second hypothesis as well. Majeed and Fatima (2020) articulated that exploitative leadership generates negative affectivity among subordinates, particularly to nurses. It leads to the breach of their psychological contract. In their study, G. H. Han et al. (2017) also identified a positive association of negative leadership styles with negative emotions. As per Schmid et al. (2018), exploitative leaders always rest on manipulating, exploiting, and undermining, leading to the development of negative emotions. These negative emotions within employees make them perceive that the employer has breached their psychological contract as emotions are correlated with psychological contracts (Liang, 2019).

However, our third and fourth hypothesis that proactive personality moderates the relationship between toxic leadership with psychological contract breach and exploitative leadership with psychological contract breach. Simon, Bauer, Erdogan, and Shepherd (2019) further examined proactive personalities and stated that a conducive environment is essential for even overqualified people to be proactive at the workplace. Lack of training by the organizations might be a reason that might lead proactivists nurses to not to show up (Simon et al., 2019) even when they face toxic and exploitative leadership and perceive psychological contract breach from hospitals. Indeed, few firms are starting to propose ‘Proactivity Training’ to reassure hires to participate in the onboarding process actively. For instance, Google —nudges workers to take action by emailing them with appropriate material about processes they should go through to further their adjustment (Bock, 2015).

As Belschak and Hartog (2010) described in their article, proactive personalities might not always use their extra bank of resources to achieve organizational goals. When nurses
perceive that they are receiving destructive behavior from the head nurses they perceive it as a psychological contract breach by the hospitals’ administration. But when nurses, even with proactive personalities, realize the administration is shattering their personal goals, they tend to develop negative emotions. As such, nurses only utilize their proactivist approach for self-goals (Belschak & Hartog, 2010).

6. THEORETICAL AND PRACTICAL IMPLICATIONS

Nurses are terribly crucial and very important to the health care sector. Disturbances in their work behaviour can cause serious setbacks associated with the general health level of society. This research jointly adds to the literature on nursing sector psychology. Our analysis has brought researchers’ attention to the consequences of destructive leaders upon the nurses of a third-world country's general public hospital. The analysis contains complicated nurses’ responses to the destructive behaviours of their bosses. It additionally signifies the role of human psychology within the organizational environment. The study has additionally highlighted the necessity and requirement of a healthy environment and bosses, particularly regarding the health care sector. The various sorts of destructive leaders mentioned above can have different responses. On the other hand, it also adds to the researcher’s information that subordinates can have different reactions below the constant style of in-charge or boss. This outcome of the present study adds to literature with completely different psychological contract perceptions below the same leader.

In Pakistan, public sector nurses are paid enough; however, they still aren’t happy due to their in-charges’ destructive behaviours at hospitals. This outcome concludes that job satisfaction doesn’t suppose salaries or monetary advantages; however, it also needs a healthy environment. The analysis has additionally mentioned different leadership styles within the context of the health care sector. The psychological contract is antecedently mentioned as a mediator with many Independent Variables and Dependent Variable; however, it is not with destructive leadership shades that have been researched during this study. The above-tested leadership styles haven't been mentioned earlier in research with the mediator's psychological contract breach.

7. LIMITATIONS AND FUTURE RESEARCH

This study was conducted at an individual level. This study doesn’t signify the impact of destructive behaviours on PCB at multilevel or in teams. An equivalent model can be tested at multilevel. As individuals might behave differently in response to destructive behaviours when operating in teams or groups. The above-studied model was solely tested within the health care sector; in several different service sectors, this model can be studied like education, municipal, hoteling, banking, etc. An equivalent study can also be created within the manufacturing business.

Furthermore, this model is tested cross-sectionally, which limits the generalizability of the research. As per the Lim Law, the leaders behave differently in different situations. This situational context can only be incorporated if a longitudinal study is conducted. For this purpose, future researchers can extend the study by analyzing the impacts of these two
shades of destructive leaders upon subordinates at different times. Behaviour may not always be the same by the leaders towards their followers.

Furthermore, this study solely tests the impact of bad leaders upon subordinates; however, not on their colleagues and staff mates, which might be studied within the future. Similarly, these leaders’ destructive or immoral isn’t known during this paper, which can be an exciting topic for future researchers. These leaders are either born destructive or are themselves a product of the organizational atmosphere.

8. CONCLUSION

The research concluded that nurses in public hospitals of Pakistan are found to have violated or breached contract under the supervision of toxic and exploitative leadership. This study depicts that this happens so because employees develop negative emotions in response to negativity by these destructive leaders, which are exploitation and manipulation in exploitative leadership and rudeness and harshness in toxic leadership. The study is supported by Affective Event Theory, which states that employees perceive negative emotions (PCB) in response to negative events (Toxic and Exploitative Leadership) they experience. However, proactive personalities were found to show the same pattern despite additional psychological resources. The reasons supported by literature might vary by the environment of the benefit to cost ratio associated with their proactiveness. This research has mutually theoretical and practical implications with few limitations.

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