

Impact of Transformational Leadership On Counterproductive Work Behavior And Employee Engagement In Select IT Companies In India

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ABSTRACT:

This paper focuses on the concept of transformational leadership, counterproductive work behavior and employee engagement. It studies the impact of transformational leadership on counterproductive work behavior and employee engagement. The data was collected from the 80 employees working in the top IT companies in India. The data was analyzed by using SPSS. Correlation analysis and regression analysis was applied to study the relationship between transformational leadership, counterproductive work behavior and employee engagement and to test the hypotheses.

Keywords: *Transformational leadership, counterproductive work behavior, employee engagement, demographic variables, age, gender*

INTRODUCTION

Bass (1985) inferred that transformational leadership makes the followers perform beyond the expected levels of performance under the influence of a leader. The process of influencing is explained in terms of increasing awareness on the importance of outcomes and by encouraging the followers to go beyond their individual interest for better achievement of a common goal, mission, and vision.

Rouche (1989) stated that, transformational leadership is the capacity of a leader to persuade the attitudes, morals, values, and behavior of the employees by coordinating within them to achieve an organizational objective. It also stated that transformational leaders motivate their subordinates to give better performance.

According to Burn's Transformational Leadership Theory, the leadership process is focused on the mutual help of the leader and subordinates to each other for motivation and morale. This idea is founded on an ethical and moral value system that defines leadership as empowering subordinates and

managing change in an organization by transforming a leader's traits, behavior, and becoming a role model. Therefore, Burns defined transformational leadership as the use of power for the betterment of others, with an emphasis on ethical ideals of leadership.

It is built on a leader's personality, qualities, and ability to set an example by having a significant impact on subordinates. Leaders' use this approach do not believe in micromanagement and create a trusting environment for their employees so that they can accept responsibility for their decisions in jobs allocated to them. This management style encourages employees to be creative and come up with novel solutions to difficulties or problems. Potential leaders are also given training. The base of the transformational leadership given by Burns is taken by the theory of Abraham Maslow which was based on human needs.

According to Burns, the Transformational Leader is defined as-

1. Improves followers' awareness of

desired objectives and the process for achieving them.

2. Motivates followers to look beyond their own interests by prioritizing the interests of the team, organization, and society.

3. Increases the level of need of followers on Maslow's need hierarchy from lower-level, i.e. protection and security, to higher-level, i.e. accomplishment needs and self-actualization.

Counterproductive work behavior is any intentional unacceptable behavior that has the potential to have negative consequences to an organization and the staff members within that organization. These behaviors include acts such as theft, calling in sick when you're not sick, fraud, sexual harassment, violence, drug and alcohol use, and inappropriate use of the internet.

Robinson and Bennett (1995) stated that counterproductive work behavior can also be used in sociological research

with the term workplace deviance behavior. It violates organizational norms whereas the focus of studies on ethics are the behaviors being right or wrong in terms of law, justice or social moral.

In today's rapid changing business scenario, one of the toughest challenges that business leaders face is sustaining a high level of performance over the long term and obtaining superior business results. According to the survey conducted by Gallup (2022), it has been proved that that on an average only 20% employees are fully engaged and passionate about their work.

Schmidt et al. (1993) proposed a bridge between the pre-existing concept of 'job satisfaction' and employee engagement with the definition: "an employee's involvement with, commitment to, and satisfaction with work. Employee engagement is a part of employee retention." This definition integrates the classic constructs of job satisfaction (Smith et al., 1969), and organizational commitment (Meyer & Allen, 1991).

Employee engagement is a crucial area of study in organizational psychology and management, particularly in the context of achieving high performance and well-being in the workplace. Defined as the emotional commitment an employee has towards their organization and its goals, employee engagement encompasses factors such as job satisfaction, motivation, and loyalty. For research, delving into employee engagement offers an opportunity to explore its multifaceted nature, including its antecedents, consequences, and the mechanisms through which it influences organizational outcomes. By

understanding what drives employee engagement and how it can be effectively fostered, organizations can create environments that not only enhance productivity but also promote the holistic well-being of their employees. Research in this field is pivotal for uncovering actionable insights that can contribute to the development of strategies and interventions aimed at optimizing employee engagement and ultimately, organizational success.

William Kahn (1990) introduced the concept of personal engagement in work, emphasizing the psychological state where individuals express themselves physically, cognitively, and emotionally during role performances. This model highlights the importance of the role environment in influencing engagement levels.

Gallup defines engaged employees as "those who are involved in, enthusiastic about, and committed to their work and workplace. They differentiate engaged employees from not engaged and actively disengaged employees.

According to the Harvard Business Review, "employee engagement is a property of the relationship between an organization and its employees. It goes beyond satisfaction and commitment, focusing on the emotional connection between the employee and the organization that drives discretionary effort.

Employee engagement is "the degree of an employee's psychological investment in their organization," according to Aon Hewitt. It comprises their drive, dedication, and readiness to go above and beyond expectations.

The three characteristics of the work engagement model put forth by Schaufeli and Bakker are absorption (being completely focused and contentedly engrossed in one's work), vigor (high levels of energy and mental resilience while working), and dedication (being strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge).

These definitions and perspectives highlight that employee engagement is more than just satisfaction or commitment. It involves emotional and cognitive aspects where employees are motivated, committed, and willing to invest discretionary effort into their work and organization. Understanding these various perspectives can provide a nuanced view when conducting research or implementing strategies to enhance employee engagement in organizations.

REVIEW OF LITERATURE TRANSFORMATIONAL LEADERSHIP

Sahgal and Pathak (2007) studied the successful transformational organizations and also considered the significant life experiences of the leaders who played the important role in transforming these organizations, and concluded that leaders do not emerge as a consequence of events or incidents but a journey of distinctive life experiences and processes. Givens (2008) concluded that transformational leaders can influence employee behavior so that the behavior has a positive impact on the organization. Giri and Santra (2008) analyzed the association of leadership styles, face-to-face communication and organizational effectiveness. And Giri and Santra

concluded that transactional and transformational leadership are positive correlated to organizational effectiveness but laissez-faire leadership was negatively associated with organizational effectiveness. And it also founded that transactional leadership and transformational leadership is were positively related to face-to-face communication. And face-to-face communication did not act as a mediating variable amongst the relationship of leadership styles and organizational effectiveness.

Ngodo (2008) stated that leadership approach produces positive outcomes for the organization such as leadership effectiveness, development of organizational citizenship behavior, commitment of the followers to the leader. But it also stated that there is always a need of understanding a mechanism by which the leadership can give the positive outcomes to the organization. Jandaghi (2009) concluded that the transformational leadership is higher in the successful companies as compared to the unsuccessful companies.

Brandt and Laiho (2013) concluded that according to both leaders as well as the subordinates, gender and personality has an impact on personality behavior. For example, extraverted and intuitive male leaders along with those exhibiting the perceiving dimension regarded themselves as more challenging than their introverted, sensing and judging male counterparts, a view confirmed by subordinates in the case of perceiving male leader. Hanjunker and Sankaranarayana (2014) concluded that the transformational leadership enhances the morale of the

subordinates with the help of rewards and goal setting and also motives them which at the end benefits the organization.

COUNTERPRODUCTIVE WORK BEHAVIOR

Gruys and Sackett (2003) analyzed various dimensions of counterproductive work behavior with the help of the examination of the relationship between various counterproductive work behaviors. The data was collected from 343 alumni of the university. The collection of the data from the respondents was done from both self-report and direct judgments of the likelihood of co-occurrence. Eleven categories of counterproductive work behavior were examined: (1) Theft and Related Behavior; (2) Destruction of Property; (3) Misuse of Information; (4) Misuse of Time and Resources; (5) Unsafe Behavior; (6) Poor Attendance; (7) Poor Quality Work; (8) Alcohol Use; (9) Drug Use; (10) Inappropriate Verbal Actions; and (11) Inappropriate Physical Actions.

All the items of counterproductive work behavior were positively related. The data was analyzed by multidimensional scaling and the study suggested that the categories of counterproductive behavior can be divided into two dimensions: - interpersonal-organizational dimension and task relevance dimension.

Penney and Spector (2005) examined the relationship between negative affectivity, counterproductive work behavior and job stressors and also focused on assessing the effects of workplace incivility on counterproductive work behavior and employee satisfaction. The study concluded that

all the three variables (organizational constraints, incivility and interpersonal conflicts) were negatively related to job satisfaction. And also concluded that all these three variables (incivility, organizational constraints and interpersonal conflicts) were positively related to counterproductive work behavior. It has also been founded that negative affectivity plays the role of moderator in the relationship between job stressors and counterproductive work behavior.

Mount et al. (2006) examined the relationship of personality traits and counterproductive work behavior and also focused the mediating effect of job satisfaction on the relationship of personality traits and counterproductive work behavior. The study concluded that the personality traits can have both direct as well as the indirect relationship with counterproductive work behavior. It has been founded that the agreeableness has the direct relationship with interpersonal counterproductive work behavior, conscientiousness has direct relationship with organizational citizenship behavior; job satisfaction has direct relationship with both interpersonal counterproductive work behavior and organizational counterproductive work behavior. The study further concluded that, job satisfaction partially mediated the relationship between agreeableness and both interpersonal counterproductive work behavior and organizational counterproductive work behavior. Overall, results show that personality traits differentially predict counterproductive work behavior.

Whelpley and Mcdaniel (2020) analyzed the relationship between self-esteem and counterproductive work behavior.

The study also examined the type of self-esteem which will act as a moderator in this relationship. The study concluded that self-esteem has the stronger relation with counterproductive work behavior. The importance of this relationship for the organization is that counterproductive work behaviors are very costly at all levels of the organization. The managers and the organization have the control over the self-esteem of their employees.

Wenzhu et al. (2023) investigated the role of turnover intention as the mediator in the association between job insecurity and counterproductive work behavior. The study concluded that job security is positively related to counterproductive work behavior. It has also been founded that turnover intention partially mediates the relationship of job insecurity and counterproductive work behavior. The current study concluded that employment status acted as a moderator in the relationship of job insecurity and counterproductive work behavior.

It can be concluded that this kind of behavior is not good for the employees as well as for the organizations. So, it is advised that there should be the low level of counterproductive work behavior in the organization because it include tardiness, theft, fraud, sexual harassment, workplace bullying, absenteeism, substance abuse, workplace aggression, or sabotage. These types of behavior not only impact the quality of work produced by the employee engaging in counterproductive work behaviors but also can negatively affect the productivity of other employees in the company and create undesirable risks for the employer.

EMPLOYEE ENGAGEMENT

According to Bakker and Demerouti (2008), motivated employees exhibit higher levels of creativity, productivity, and willingness to go above and beyond. Karatepe and Olugbade (2009) came to the conclusion that trait competitiveness raises frontline employees' emotions of vigor, devotion, and absorption. However, only absorption is strongly and favorably influenced by self-efficacy. Additionally, the study indicated that none of the three aspects of work engagement—vigor, devotion, and absorption—are significantly impacted by supervisor support. The findings also showed that frontline workers' self-efficacy perceptions were stronger when they reported high levels of competition and sufficient supervisor support at work.

Hanaysha (2016) conducted an analysis on how employee productivity is affected by work engagement. The study found a strong and favorable relationship between employee productivity and work engagement. Furthermore, this study offers proof that the three aspects of work engagement—vigor, devotion, and absorption—all significantly boost worker productivity.

Hsieh and Dan-Shang (2015) investigated, from a supervisor-employee dyadic perspective, the impact of authentic leadership on employee trust and employee job engagement. Employee-perceived authentic leadership fully mediates the relationship between supervisor-perceived authentic leadership and employee trust, as well as the relationship between supervisor-perceived authentic leadership and employee work engagement, according

to the cross-level results. Employee trust also fully mediates the relationship between supervisor-perceived authentic leadership and employee work engagement. The relationship between employee-perceived authentic leadership and employee job engagement is somewhat mediated on an individual basis by employee trust. In Malaysian universities, Sani Abdullahi et al. (2023) investigated the mediating role of employee engagement in the relationship between employee performance and retention strategies. The study came to the conclusion that employee engagement plays a role in mediating the relationship between retention strategies and employee performance. Additionally, the study established a significant correlation between employee performance and retention practices.

RESEARCH METHODOLOGY OBJECTIVES OF THE STUDY

- To study the relationship between demographic factors and counterproductive work behavior
- To study the relationship between demographic factors and employee engagement
- To study the relationship between transformational leadership and counterproductive work behavior
- To study the relationship between transformational leadership and employee engagement
- To study the relationship between counterproductive work behavior and employee engagement

HYPOTHESES OF THE STUDY

H1: Age has significant relationship with counterproductive work behavior of employees in few select IT companies.

H2: Gender has significant relationship with counterproductive work behavior of employees in few select IT companies.

H3: Age has significant relationship with employee engagement in few select IT companies.

H4: Gender has significant relationship with employee engagement in few select IT companies.

H5: Transformational leadership is negatively related to counterproductive work behavior of employees in few select IT companies.

H6: Transformational leadership is positively related to employee engagement in few select IT companies.

H7: Counterproductive work behavior is negative related to employee engagement in few select IT companies.

SAMPLE

The respondents were given well-structured questionnaire which consists of the five sections comprising of the demographic profile of the respondents which consists of name of the organization, gender, age, marital status, educational qualification and work experience. The questionnaire also consists of the statements regarding to the transformational leadership, counterproductive work behavior and employee engagement.

The data was collected from the employees working in the IT Companies in India. The structured questionnaire was sent to 110 employees and 80 responses were received.

MEASURES TRANSFORMATIONAL LEADERSHIP

The independent variable for the study is transformational leadership. The questionnaire for transformational leadership developed by Bass and Avolio (1990) was used for the current study. This particular measure uses 39 items to describe four dimensions of transformational leadership. These dimensions are Idealized influence, Inspirational motivation, Intellectual stimulation, and Individualized consideration.

COUNTERPRODUCTIVE WORK BEHAVIOR

This was measured by using the instrument developed by Suzy Fox and Paul E. Spector (2010). This 10 items scale describes behavioral reactions and asks to indicate how often they performed. The response choices were presented in a five-point scale ranging from 'never' to 'every day.' Higher scores indicate higher levels of CWB and low score indicate low level of CWB.

EMPLOYEE ENGAGEMENT

The dependent variable for the study is employee engagement. The questionnaire for employee engagement developed by Schaufeli, W.B., Bakker,

A.B., and Salanova, M. (2006) was used for the current study. The Utrecht Work Engagement Scale consists of 17 items that was used in measuring the employee engagement. This scale consists of three dimensions- Vigor, Dedication and absorption.

RELIABILITY AND VALIDITY ANALYSIS

The reliability analysis was conducted to determine the uniformity of the measures. Various methods that can be used to ascertain the uniformity of the measuring instrument include test retest methods, inter-related reliability and internal consistency methods. Cronbach's alpha was used to determine the reliability of transformational leadership, counterproductive work behavior and employee engagement. The reliability coefficient indicates that scales for measuring transformational leadership, counterproductive work behavior and employee engagement were found to be 0.962, 0.844, 0.927 respectively. Nunnally (1978), stated that the value of reliability which is greater than 0.70 is considered good but the values which are above 0.55 are also acceptable.

The alpha values for all the subscales used for the study were found to be more than the threshold value of 0.70. The value of Cronbach's alpha for all the three variables are shown in the tables below.

Table1: Reliability coefficients for pilot study

Variables	Dimensions	No. of Items	Cronbach's Alpha
Transformational Leadership	Idealized Influence	10	0.962
	Inspirational Motivation	10	
	Intellectual stimulation	10	
Counterproductive Work Behavior	Individualized consideration	9	
Employee Engagement		10	0.844
	Vigor	6	0.927
	Dedication	5	
	Absorption	6	

RESULTS AND ANALYSIS

The first objective of the research is to study the relationship of demographic variables with counterproductive work behavior. Data has been collected from the respondent on the basis of the age of the respondent and the gender of the respondent. Out of the total 80 respondents, 65 (81.25%) respondents were below the age of 30 years, 12 (15%) respondents were from the age group of 31-40 years, 1 (1.25%) respondents was from the age group of 41-50 years and the remaining 2 (2.5%) respondents were from the age group of above 50 years. Out of the total 80 employees working in the IT companies, 54 (67.50%) employees were male and the remaining 26 (32.50%) were female employees.

Table 2: Correlation Analysis

	Age	Gender	Transformational Leadership	Counterproductive Work Behavior	Employee Engagement
Age	1				
Gender	0.328	1			
Transformational Leadership	0.899	0.927	1		
Counterproductive Work Behavior	-0.055	-0.104	-0.310	1	
Employee Engagement	0.200	0.061	0.241	-0.440	1

In demographic analysis it was found that counterproductive work behavior has the negative correlation with age but positive correlation with employee engagement. Age has low but positive correlation with employee engagement. The correlation value between age and counterproductive work is -0.055. Which states that there is low and negative correlation between age and counterproductive work behavior ($p > 0.05$). Therefore, H1 is rejected.

The correlation value between gender and counterproductive work behavior is -0.104. Which states that there is low and negative correlation between gender and counterproductive work behavior of employees ($p > 0.05$). Therefore, H2 may not be accepted.

The correlation value between age and employee engagement is 0.200. Which states that there is low and positive correlation between age and employee engagement ($p = 0.075$). Therefore, H3 may not be accepted.

The correlation value between gender and employee engagement is 0.061. Which states that there is low and positive correlation between gender and employee engagement ($p > 0.05$). Therefore, H4 may not be accepted.

To study the impact of transformational leadership on counterproductive work behavior, regression analysis was done. It was found that there is a significant impact of transformational leadership on counterproductive work behavior ($r^2 = 0.096, p = .005$). The correlation value between transformational leadership and counterproductive work behavior is -0.310. Which states that there is low and negative correlation between transformational leadership and

counterproductive work behavior. So, it can be concluded that H5 is accepted. To study the impact of transformational leadership on employee engagement, regression analysis was done. It was found that there is a significant impact of transformational leadership on employee engagement ($r^2 = 0.058, p = 0.000$). The correlation value between transformational leadership and employee engagement is 0.200. Which states that there is low and positive correlation between transformational leadership and employee engagement so, it can be concluded that H6 is accepted.

To study the impact of counterproductive work behavior on employee engagement, regression analysis was done. It was found that there is significant impact of counterproductive work behavior on employee engagement ($r^2 = 0.194, p = 0.000$). The correlation value between counterproductive work behavior and employee engagement is -0.440. Which states that there is moderate and negative correlation between counterproductive work behavior and employee engagement. So it can be concluded that H7 is accepted.

DISCUSSION

The current study concludes that the transformational leadership largely impacts the counterproductive work behavior and employee engagement in IT firms in India. Leaders play a very crucial role in determining the behavior of the employees working in the organization.

Counterproductive work behavior of the employees reduces the engagement of the employees in the organization. Which can result in the reduction in the

productivity of the employees and can ultimately affect the overall objectives of the organization.

Demographic variables i.e. age and gender does not have high relation with counterproductive work behavior and employee engagement. Transformational leadership is positively related to employee engagement but it is negatively related to counterproductive work behavior. The employees working in the IT companies are impacted positively by the behavior of their employees and the satisfied employees are more engaged in the work as compared to the unsatisfied employees.

LIMITATIONS OF THE STUDY

The study has been done on the very limited sample size and can be done with large sample containing more employees working in the IT companies. The concept of transformational leadership, counterproductive work behavior and employee engagement can be studied in some other sector. Current study has only focused on the employees of the IT sector.

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