



Recognized by: Higher Education Commission (HEC), Government of Pakistan

The Impact of Despotic Leadership on Knowledge Sharing Behavior with the Mediating Role of Job Satisfaction: Application of Social Exchange Theory

Mr. Sajid Ur Rahman

Visiting Lecturer, University of Chitral

PhD Scholar, Management Sciences, Riphah International University, Islamabad

sajidzia60@gmail.com | sajid.rahman@uoch.edu.pk

<https://orcid.org/0000-0003-3789-9008>

Dr. Mansoor Ullah

Lecturer, Department of Management Sciences, University of Chitral

mansoorullah@uoch.edu.pk

Dr. Syed Fahad Ali Shah

Assistant Professor, Department of Economics, University of Chitral

syedfahadalishah24@gmail.com

ABSTRACT

This study aims to explore the impact of despotic leadership (DL) on employee knowledge-sharing behaviors (KSBs) by examining the mediating role of job satisfaction (JS) within the framework of social exchange theory. Data were collected using an adapted questionnaire from a sample of 179 private and public bank employees across various cities in Pakistan. SPSS and Smart PLS were employed to test the hypothesized model. The empirical findings indicate that despotic leadership (DL) does not have a direct effect on knowledge-sharing behaviors (KSBs) but negatively influences job satisfaction (JS). Consequently, a full mediation effect is observed between despotic leadership and bank employees' knowledge-sharing behaviors (KSBs). The data collected in this study were sourced from a single source through a common method (i.e., a Likert-scale questionnaire). The study was cross-sectional and focused solely on a specific banking sector. The findings suggest that bank managers should be sensitive in their treatment of subordinates. Despotic leadership adversely affects job satisfaction among employees in the banking sector. Organizations that fail to identify leaders with despotic tendencies compromise their employees' job satisfaction, ultimately leading to negative knowledge-sharing behaviors.

Keywords: Despotic Leadership, Job Satisfaction, Knowledge Sharing Behavior

INTRODUCTION

In the banking sector of Pakistan, professional burnout and occupational stress arise due to a heavy target-oriented workload, role conflicts, role ambiguity, lack of feedback, lack of accountability, a culture of fear, strong power dynamics, and unethical leadership practices coupled with ineffective human resource management (Hussain & Asif, 2011; Khalid, Pan, Li, Wang & Ghaffari, 2020). This suggests that uncertainty and ineffectiveness in HRM practices foster toxic leaders who govern the system through fear, negatively impacting long-term outcomes, despite potential short-term advantages (Azhar & Imran, 2024; Imran & Akhtar, 2023). Hiring or retaining a leader without aligning their internal psychological attributes with company objectives poses challenges for employers. A despotic-oriented toxic environment within organizations is a significant challenge, and its intensity can be measured by assessing the merits and demerits in different cultural contexts (Raja, Haq, De Clercq & Azeem, 2020).

The detrimental effects of fear-based events are well-documented in the latest literature, which exploits employees' psychological resources by lowering their optimism, resilience, hope, and efficacy factors that serve as coping mechanisms in times of adversity (Rahman, Shah, & Samad, 2024). One of the key causes of these fear-related events is leadership styles rooted in a heroic philosophy of power and coercive actions. Consequently, leading with fear is an attribute of despotic leadership, which fosters complete obedience among followers while undermining their inner will (Albashiti, Hamid & Aboramadan, 2021). Among various dark leadership styles, despotic leadership has already been shown to negatively impact job satisfaction (Albashiti et al., 20121), job performance (Nauman & Imam, 2021), organizational citizenship behaviors (Naseer, Raja & Syed, 2015), positive antecedents of knowledge-sabotaging behavior (Usman et al., 2025), turnover intention (Shahzad, Naz, Iqbal & Chaudhary, 2024), and negative emotions (Khan, Mubarak & Jaafar, 2021).

A leader with despotic tendencies has exploitative behavior that has the power to lower an employee's organizational citizenship behavior because they always strive for self-interest while showing superiority and dominance (Naseer, Raja, Syed, Donia & Darr, 2016). According to Mehmood et al. (2023), despotic leadership is pervasive in every sector of Pakistan; that's why future researchers need to find out their consequences in any targeted sector. As such, we have chosen the banking sector to find out the intensity of despotic leadership on a direct call of Albashiti et al. (2021), where the study suggests knowledge-sharing behavior (KSB) could be a potential antecedent of despotic leadership. In a workplace, knowledge-sharing behavior (KSB) is also a discretionary behavior that refers to transferring knowledge with each other (Davenport & Prusak, 1998). This implies that despotic leaders with a greedy mentality always misuse power and are considered toxic and morally corrupt, which is deeply rooted in political leadership literature; research in organizational leadership literature is still in its infancy stage.

Based on the direction of existing literature, we have incorporated job satisfaction as a mediator between employee and knowledge-sharing behavior (KSB). A negative nexus is already confirmed between despotic leadership and job satisfaction

in a hospitality setting (Albashiti et al., 2021). While the positive mediating role of job satisfaction has been established between transformational leadership and job performance (Alwali & Alwali 2022), its role as a mediator in the context of dark leadership styles remains unexamined. Research suggests that individuals who are satisfied with their jobs perform better than those who are dissatisfied (Katebi, HajiZadeh, Bordbar & Salehi, 2022). Despite extensive research on job satisfaction, a universally accepted definition remains elusive. Consequently, we use Spector's (1997) most commonly used definition, which “states that job satisfaction reflects how people feel about their jobs.” Hence, despotic leadership may lead to a reduction in workers' job satisfaction, which may, in turn, lower their KSB, supported by the principle of reciprocity of social exchange theory (Cropanzano & Mitchell, 2005). Followers respond to a leader's perceived wrongdoing with another negative action. This implies that subordinates react accordingly.

This study offers several significant contributions. First, we investigate a relatively unknown type of toxic leadership (despotic leadership) and its negative impact on employees' extra-role behaviors, such as knowledge-sharing behavior (KSB) among banking employees. Second, we introduce job satisfaction as a mediating mechanism through which despotic leadership significantly impacts the extra-role behaviors of banking employees. The decline in employee satisfaction negatively influences their KSB. Third, we aim to enrich the existing literature by focusing on the remote areas of Pakistan, which provide a rich and unique cultural perspective. Banking sectors are considered the backbone of any economy, ensuring growth and development (Hakeem, Bibi, Noor, Shah, & Rahman, 2025). Finally, this study supports the Sustainable Development Goals (SDG) of the UN, especially SDG 8 on decent work and economic growth, which ensures labor rights and a safe work environment.

LITERATURE REVIEW AND HYPOTHESES

Underpinning Theory

The theory that has been baked into our conceptual model is social exchange theory, which is one of the prominent models in social psychology and applied in several social science studies, particularly HRM, marketing, organizational behavior, and management studies (Zhang et al., 2018; Kilroy, Dundon & Townsend, 2023; Yoganathan, Osburg & Bartikowski, 2021). Social exchange theory is based on the norm of reciprocity, which is a two-sided exchange process and contingent upon the actions of each party (Cropanzano & Mitchell, 2005). Dark leadership styles, such as despotism, interrupt the mutual balance system by creating high expectations and potentially lowering the returns, creating a highly toxic and unsafe environment (Schyns & Schilling, 2013). When employees perceive that their leaders' behaviors are negative (self-centered, exploitative, immoral, or unethical), then their level of job satisfaction will be affected, which ultimately reduces their knowledge-sharing behavior. Knowledge sharing is also based on the rule of exchange, where parties reciprocate, share, and create novel knowledge (Islam, Ahmad, Kaleem & Mahmood, 2021).

Despotic Leadership and KSB

Knowledge sharing is one of the outcomes of knowledge management, which involves the dissemination of knowledge among members and is based on the principle of expected reciprocity (Kmieciak, 2021). Therefore, effective knowledge sharing is regarded as a crucial element for maintaining a competitive advantage in any organization (Olan *et al.*, 2022). According to the Azhar, Iqbal and Imran (2025), wealth of research indicates that there are numerous positive antecedents of knowledge-sharing behavior (KSB), but there is less focus on the negative factors (Wu & Lee, 2016). Consequently, researchers express serious concerns about the negative influences that hinder knowledge-sharing behavior (Zaheer, et al., 2021; ul Haq, 2017; ul Haq, 2012). According to Wu *et al.* (2016), destructive leadership and abusive supervision are identified as negative determinants of KSB. However, how despotic leadership adversely affects KSB remains unclear. This implies that employees experiencing despotic leadership create an unsafe environment where they feel insecure and may withhold knowledge out of a desire to retaliate against the leader. Reciprocity is a key element in social exchange; an individual's behavior shapes the responses of others. Thus, if a leader acts immorally, employees may respond in kind by showing a lack of interest in knowledge-sharing activities.

H1: Despotic leadership has a significantly negative impact on KSB.

Despotic Leadership & Job Satisfaction

A contradictory statement and ongoing debates persist regarding the role of productive employees, raising questions about the importance of satisfaction levels (Saari & Judge, 2004). Several definitions of job satisfaction exist due to its complex and dynamic nature. We selected the most widely used definition, which is “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (Locke, 1976). Despotic leaders tend to be assertive and adopt an authoritative approach, prioritizing their agenda and undermining moral values, which are significantly and inversely related to job satisfaction (Raja *et al.*, 2020). This behavior threatens resources and quickly depletes them, leading to immediate negative consequences, such as lowered job satisfaction among their followers (Albashiti *et al.*, 2021). According to Shahzad *et al.* (2024), when a leader is inducted, it is crucial to evaluate their despotic tendencies due to their detrimental effects on job satisfaction (Shah, et al., 2025; Imran, et al., 2023). A review of existing empirical studies strongly supports that despotic leadership negatively and significantly impacts employee job satisfaction across various sectors. Despite its contributions to organizational literature, one flaw in this body of work is its failure to fully explain how despotic leadership affects job satisfaction across different geographical and cultural contexts. Therefore, we hypothesized that

H2: Despotic leadership has a significantly negative impact on job satisfaction.

Job Satisfaction & Knowledge Sharing Behavior

In existing literature, job satisfaction has been defined differently, which indicates how the concept plays a vital role in organizational context (Usmanova,

Yang, Sumarliah, Khan & Khan, 2021). In this study we have operationalized the definition of Hackman and Oldham (1975): "The degree to which individuals feel positively or negatively about their job overall, influenced by the characteristics of the job itself." The study on project employees in the Chinese construction industry has proven job satisfaction as a positive antecedent of knowledge-sharing behavior (Sang et al., 2019). According to Lin (2007), knowledge sharing is "a social interaction culture, involving the exchange of employee knowledge, experiences, and skills through the whole department or organization." This implies that an employee's magnitude of perception regarding their job satisfaction will determine their knowledge-sharing behavior. However, based on these studies, we can argue that in the banking sector of Pakistan, employees' level of job satisfaction will define the strength of their knowledge-sharing behavior. Therefore, we hypothesized that

H3: Job satisfaction has a significantly positive impact on KSBs.

Job Satisfaction as a Mediator

A very rich literature exists about the impact of personological (e.g., dispositions) and environmental (e.g., economic conditions, working conditions) factors on the level of employee's job satisfaction and how it shapes other workplace behaviors (Crede, Chernyshenko, Stark, Dalal & Bashshur, 2007). According to social exchange theory, an individual exchange relationship is based on the principle of reciprocity, which refers to repaying favors and avoiding harming those who have benefited them (Cropanzano & Mitchell, 2005). Despite its complexity, leadership is one of the most extensively researched phenomena (Ullah, Khan, Rahman, & Rehman, 2024). In the case of despotic leadership, employees' level of satisfaction is negatively impacted by their leader's immoral behavior, vengefulness, and self-centeredness, which exploit or disrupt the exchange relationships that ultimately lower their volunteer extra-role knowledge-sharing behavior (Rooh, et al., 2025; Naseer, et al., 2024). Based on all these, we can infer that positive and negative work environments have different consequences. As such, in social work settings, leader and employee relationships depend upon mutual interest. Therefore, we hypothesized that

H4: Job satisfaction mediates the relationship between despotic leadership and knowledge-sharing behavior.

METHODOLOGY

We adopted a rigorous research onion approach to enhance the credibility and robustness of the research design. The present study is based on the positivism philosophy, deductive approach, survey-based strategy, mono quantitative, and cross-sectional in nature (Saunders, Lewis & Thornhill, 2007). Data were collected with a printed questionnaire by adopted items while applying a non-probability purposive sampling technique because of the absence of a proper database of respondent bank employees (Saunders et al., 2007). The targeted audience was private and public sector banking employees of northern Pakistan, where a challenge of high-power distance and workaholic tendencies accelerates a pressure-building environment where despotism and control-oriented approaches are pervasive. While keeping the ethical

considerations of voluntarism, confidentiality, and anonymity of respondents in mind, informed consent was ensured (Code & Psychologists, 2017). The total number of respondents was recorded as 179 after scrutiny of the questionnaires, which was tabulated in table 1.

The sampling approach used in this study was non-probability sampling, specifically convenience sampling. This means that respondents were approached based on their accessibility and willingness to participate rather than being selected randomly. This sampling method was chosen due to the lack of an appropriate database targeting banking employees and resource limitations, according to the guidance of Taherdoost (2016). The sample size of 179 was established based on the recommended range of 150–400, as suggested by Hair, Risher, Sarstedt, & Ringle (2019). Full-time employees were chosen because of their greater dedication and commitment to the organization. The sample size of our study also fulfills the criteria of 5 observations per item, which was recommended by Chomeya, Tayraukham, Tongkhambanchong & Saravitee (2024).

Measures

All constructs were measured using self-reports. All the responses were assessed using a 5-point Likert-type scale with anchors. 1 = strongly disagree, 2 = disagree, 3 = no opinion, 4 = agree, and 5 = strongly agree.

Despotic Leadership

Despotic leadership was measured using a six-item scale developed by De Hoogh and Den Hartog (2008) based on items from the measure developed earlier by Hanges and Dickson (2004). Respondents were asked about how much their leader indulged in the behaviors mentioned in the questions. Examples of items included “Acts like a tyrant or despot, imperious (dictator)” and “Expects unquestioning obedience of those who report to him/her.” The scale in the present sample had an internal consistency reliability of 0.86.

Knowledge-Sharing Behavior

KSB had been measured on a 5-item Likert scale, which is adapted from Lee (2001). Some items in the sample included “I shared factual knowledge (know-what) from work with my co-workers. “I shared internal reports and other official documents with my co-workers. & “I shared expertise from education or training with my co-workers. The internal reliabilities reported by Lee (2001) are 0.901 for the explicit knowledge sharing scale and 0.74 for the implicit knowledge sharing scale.

Job Satisfaction

To measure overall job satisfaction, a scale with 14 items was adopted (Hackman and Oldham, 1975; Blanz, 2017). The items in the sample include. “I am satisfied with the people I talk to and work with on my job. “I am satisfied with the chance to help other people while at work, and “I am satisfied with the overall quality of the supervision I receive in my work. The coefficient alphas for overall job

satisfaction were 0.91.

ANALYSES AND RESULTS

In the field of marketing and management, PLS is considered one of the credible techniques due to its handling power of non-normal data and small to medium sample sizes (Hair, Risher, Sarstedt & Ringle, 2019). Two analytical software programs, SPSS version 24 and Smart-PLS 4.1, were considered to gauge the data. SPSS was used to evaluate respondent profiles, common method variance (CMV), and the partial least square-structural equation modelling (PLS-SEM) technique of Smart-PLS applied to assess the hypothesized model in two steps: the measurement model and the structural model, as suggested by Ringle, Wende & Becker (2015). This study is based on a reflective model that has been further tested through a standardized procedure of reflective measurement Structural Equation Modelling (SEM) approach. The demographic characteristics of respondents with particular categories defined by their frequencies and percentages are tabulated in Table 1 below.

Table 1: Demographic Report

Demographics	Categories	Frequencies	Percentages %
Gender	Male	142	79.3
	Female	37	20.7
Age	18 - 25	28	15.6
	26-35	69	38.5
	36-45	68	38.0
	46-56	14	7.8
Education	FSC	02	12
	BS 2 Years	18	10.1
	BS 4 Years	44	24.6
	Master	84	46.9
	MS / MPhil	31	17.3
Work Experiences	0 - 05	72	40.2
	6 - 10	57	31.8
	11 - 20	36	20.1
	21 - 30	13	7.3
Sample size = 179	31 - 40	06	01

Common Method Variance (CMV)

The systematic error caused by cross-sectional studies is referred to as CMV, and it is considered a potential threat to the actual research findings (Fuller, Simmering, Atinc, Atinc & Babin, 2016). Proceeding before starting a proper analysis, we concisely address the issue of CMV with the help of one of the well-reputed techniques, the Harman single-

Table 2: Common method Variance (CMV)

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %

1	7.481	27.708	27.708	7.481	27.708	27.708
2	4.457	16.509	44.217			
3	2.76	10.223	54.441			
4	1.529	5.664	60.105			
5	1.2	4.445	64.549			
6	1.043	3.864	68.413			
7	0.935	3.461	71.874			
8	0.744	2.757	74.632			
9	0.64	2.37	77.001			
10	0.609	2.256	79.258			

factor test recommended by Podsakoff, MacKenzie, Lee & Podsakoff (2003), and the full collinearity test based on variance inflated factors (VIF) (Kock, 2015). The result of the former technique shows a total variance of 27 % below the threshold of 50 % (Podsakoff et al., 2003), as depicted below in Table 2, and the latter approach of VIF is also less than the recommended value of 0.3 (Hair et al., 2019), as mentioned in Table 5. Based on these post-analytical remedies, we have concluded that CMV is negligible and not a serious threat in this study.

Measurement model (outer model)

One of the key steps in the PLS-SEM technique using the Smart PLS algorithm is ensuring the quality of the measurement model's validity (including convergent and discriminant validity) as well as reliability. As recommended by Hair, Black, Babin, and Anderson (2010), convergent validity can be demonstrated through factor loadings, composite reliability, and average variance extracted. According to the criteria set forth by Chin, Peterson, and Brown (2008), factor loadings exceeded the 0.6 threshold, with the exception of the removed items: JS4, JS7, JS11, JS12, JS13, and KSB3. To evaluate construct reliability, both “Cronbach’s α (CA)” and “composite reliability (CR)” were found to be above the 0.70 threshold. Finally, we noted that the average variance extracted (AVE) values surpassed the 0.5 threshold (Hair *et al.*, 2022). Therefore, there is no significant issue regarding convergent validity with all values presented in Table 3 below.

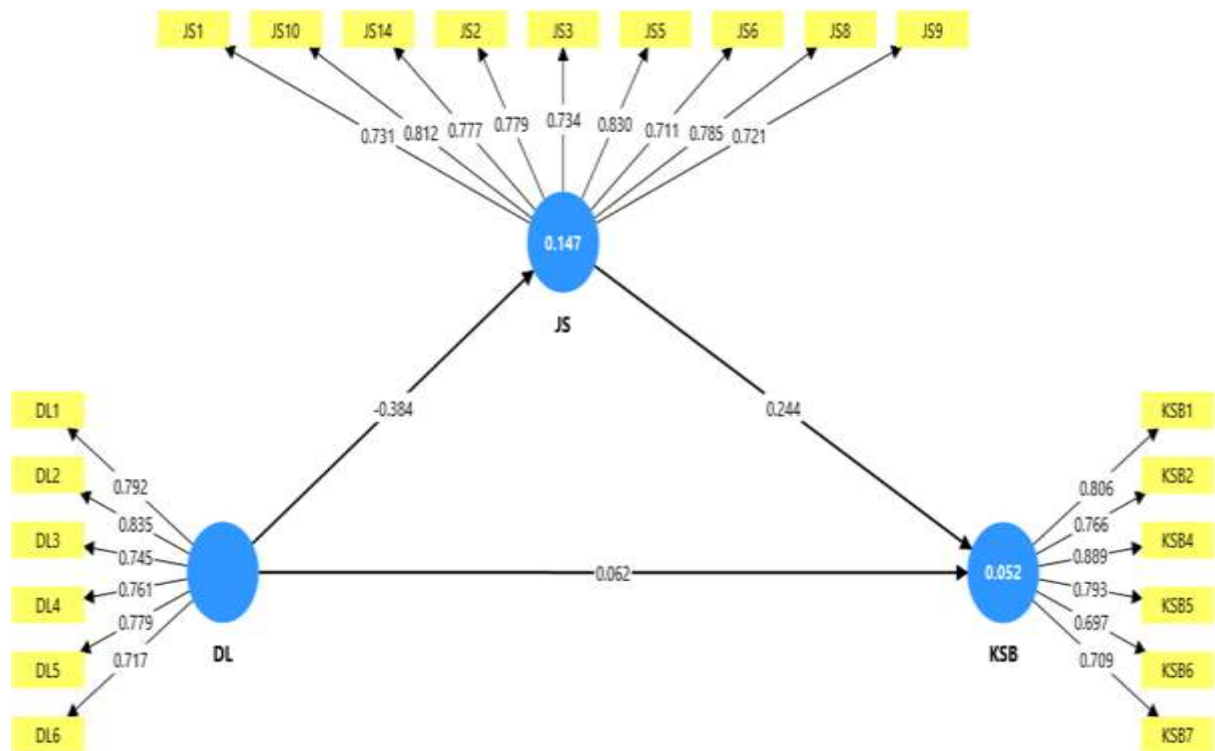


Figure 1: Measurement Model

Table 3: Validity and Reliability of Constructs

Latent Variables	Items	Loadings (≥ 0.6)	C α (≥ 0.7)	CR rho_c (≥ 0.7)	AVE (≥ 0.50)
Despotic Leadership					
	DL1	0.792	0.868	0.899	0.597
	DL2	0.835			
	DL3	0.745			
	DL4	0.761			
	DL5	0.779			
	DL6	0.717			
Job Satisfaction					
	JS1	0.731	0.911	0.927	0.586
	JS2	0.779			
	JS3	0.734			
	JS5	0.830			
	JS6	0.711			
	JS8	0.785			
	JS9	0.721			
	JS10	0.812			
	JS14	0.777			
Knowledge Sharing Behavior					
	KSB1	0.806	0.891	0.902	0.607
	KSB2	0.766			
	KSB4	0.889			
	KSB5	0.793			

KSB6	0.697
KSB7	0.709

Discriminant Validity

One crucial aspect of construct validity is discriminant validity, which refers to the method of distinguishing one latent variable from another (Sarstedt, Ringle & Hair, 2021). To evaluate discriminant validity, the conservative Fornell-Larcker criterion and the modern heterotrait–monotrait ratio (HTMT) were applied (Sarstedt et al., 2021).

Table 4: Discriminant Validity (Fornell-Larcker Criterion)

	DL	JS	KSB
DL	0.772		
JS	-0.384	0.766	
KSB	-0.032	0.220	0.779

Note: “Numbers with bold format in the diagonals are the square root of the variance shared between the constructs and their measures. Off-diagonal factors show correlations among constructs.

According to the Fornell-Larcker criterion, the average variance extracted (AVE) of each construct (diagonal values) must be greater than the values of other constructs in the table. Therefore, the study meets the established criteria of Fornell and Larcker (1981), as shown in Table 4 above.

In addition, the present model fulfilled the advanced HTMT criteria of Henseler, Ringle, and Sarstedt (2015) because all the extracted figures are below the threshold value of 0.90. This method is considered a reliable approach to assessing discriminant validity. Table 5 below shows that all the values are below the prescribed threshold of 0.90.

Table 5: HTMT (Heterotrait–Monotrait Ratio)

	DL	JS	KSB
DL	-		
JS	0.393	-	
KSB	0.088	0.206	-

Notes: DS = Despotic Leadership, JS = Job Satisfaction, KSB = Knowledge Sharing Behavior

Structural Model (Inner Model)

After assessing the measurement model, the next step is to evaluate the structural model, where we aim to report the underlying relationships of the hypothesis (Hair *et al.*, 2021). Therefore, model significance was determined through path coefficients, t-values, p-values, and the coefficient of determination R². In Table

6, the hypotheses are presented in order, demonstrating an insignificant relationship between despotic leadership and knowledge-sharing behavior ($\beta = 0.74$, $t = 0.725$, $p > 0.05$); thus, H1 is rejected. Furthermore, despotic leadership significantly negatively affects employees' job satisfaction ($\beta = -0.384$, $t = 6.101$, $p < 0.001$).

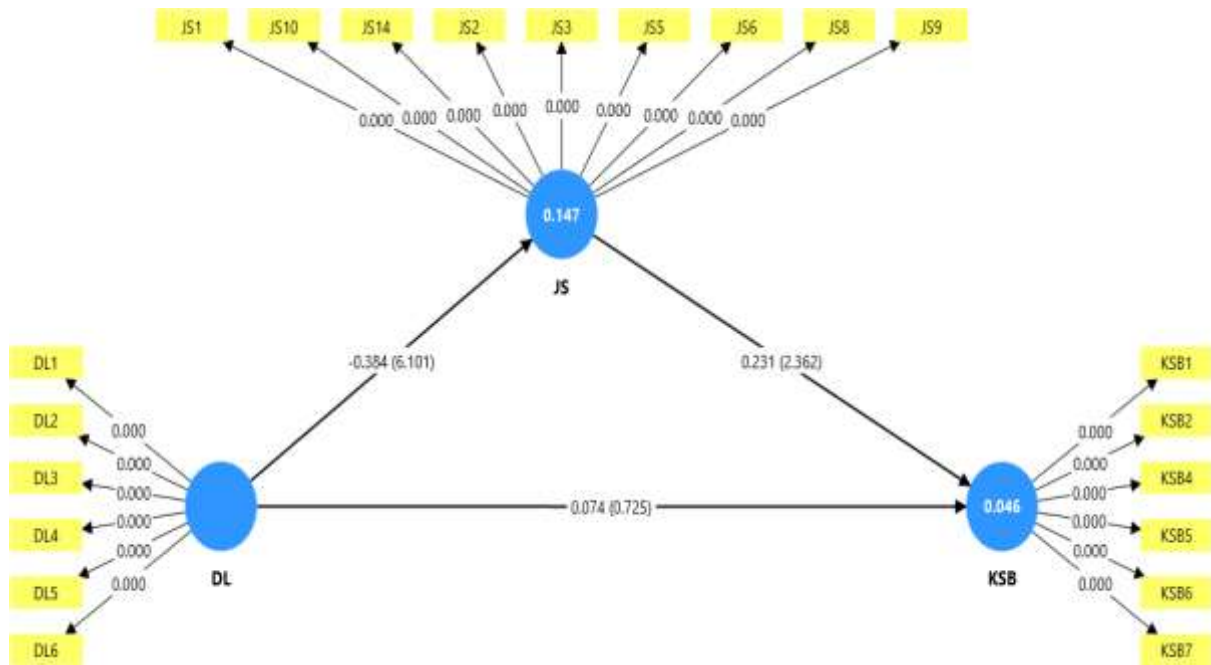


Figure 2: Structural Model

Therefore, H2 is accepted. Additionally, job satisfaction has a positive significant effect on knowledge-sharing behavior ($\beta = 0.231$, $t = 2.362$, $p < 0.01$). Consequently, H3 is accepted. Finally, we also noted that job satisfaction fully mediates the relationship between despotic leadership and knowledge-sharing behavior ($\beta = -0.089$, $t = 2.118$, $p < 0.01$). Therefore, H4 is accepted. According to Hair *et al.* (2021), full mediation occurs when both the independent-to-mediator (Path 1) and mediator-to-dependent (Path 2) paths are significant, but the direct path from independent to dependent (Path 3) becomes insignificant.

The coefficient of determination, R-squared, represents the proportion of variance in the dependent variable that is accounted for by the independent variable. A weak R² of 4% was observed between DL and KSB (0.046), while a moderate 15% of the variance was found between DL and JS (0.147), as outlined by Cohen (1988). Additionally, we examined the effect size (f^2), which measures the impact of a specific single variable on R². The data indicates that DL → KSB 0.005 has no effect, DL → JS 0.173 has a medium effect, and JS → KSB 0.048 has a small effect, according to Cohen (1988). To assess the model's predictive relevance, Q² should be greater than zero. Therefore, this study notes that our model has predictive relevance because Q² > 0. All these values are explicitly illustrated in Table 6 below and Figure 2 above.

Table 6: Hypothesis Testing

Hyp	Path's	Coefficient- β	t -V	R ²	f ²	Q ²	VIF	Results
H1	DL → KSB	0.074	0.725	0.046	0.005	- 0.017	1.173	Not Sig
H2	DL → JS	-0.384	6.101***	0.147	0.173	0.127	1.000	Sig
H3	JS → KSB	0.231	2.362**		0.048		1.173	Sig
H4	DL → JS → KSB	- 0.089	2.118**					Sig

DISCUSSION

In recent days, dark leadership has been considered a prominent subject due to its toxic nature and negative consequences. The negative spectrum of leadership has remained at the infancy stage in the banking sector, though these leaders are considered harmful due to their oppressive, bossy, and self-serving approach (Khizar et al., 2023). The purpose of this study was to examine the impact of despotic leadership on knowledge-sharing behavior with the intervening role of their job satisfaction. Considering the social exchange theory of Cropanzano and Mitchell (2005), this study attempts to prove the indirect relationship between despotic leadership and bank employees' knowledge-sharing behavior via evaluating their level of job satisfaction. The theory posits that social interaction originates in the reciprocal exchange of valuable resources or behaviors over time (Cook, 2018). Followers' actions or satisfaction is determined by their leader's behavior. When an employee perceives favorable treatment from their leaders, they are more likely to cultivate positive exchange relationships with them. As such, in the case of unfavorable treatment, bad exchange relationships emerge, and employees react negatively (Wu, Sun, Ye, Kwan & Yang, 2021). Despotic-related culture creates a toxic environment where fear prevails, resulting in low job satisfaction and knowledge-sharing behavior. According to Rahman, Shah & Samad (2024), fear-related activities have a detrimental effect on developing countries due to the absence of emotional support mechanisms in organizations. Thus, despotic followers have a low level of job satisfaction (Zhou, Rasool, Yang, & Asghar, 2021), and they will never be involved in the extra role of knowledge-sharing behavior.

This research confirms that job satisfaction is a full mediator, illustrating that despotic leadership reduces the level of satisfaction, which subsequently negatively affects their knowledge-sharing behavior. As such, this study makes a significant contribution while enriching the literature on the dark side of leadership while incorporating social exchange theory. Its strength is the theoretical knowledge while proving the detrimental effect of despotic leadership on subordinates' job satisfaction with subsequent knowledge-sharing behavior. We prove that despotic leadership has a significant negative effect on employee job satisfaction is in line with the findings of Zhou, Rasool, Yang, & Asghar (2021). The study also establishes the novel intervening role of job satisfaction between despotic leadership and knowledge-sharing behavior

in the banking sector of Pakistan. Lastly, this study discloses the applicability of social exchange theory in the banking sector of Pakistan.

The contextual factors unique to Pakistan's banking sector may explain the insignificance of financial attitudes, education, and job status, where individual attributes are overshadowed by organizational culture or leadership (Hofstede, 2001). Furthermore, their effects may be influenced by job satisfaction or other factors, reducing their direct significance (Saeed, 2016). Uniformity within the sample or discrepancies in measurement may limit variance, leading to insignificant results. These findings align with studies showing that, in hierarchical or high-power-distance cultures, individual traits have less impact on knowledge sharing (Aoun, 2025).

Practical Implications

This study has several practical implications in an organizational context. Ethical and moral behavior are crucial for sustainable growth; without them, organizations face crises in their progress. Human resource managers should need to keep integrity and ethicality as paramount parameters in times of recruitment and selection of a leader while avoiding self-serving and exploitative behaviors. This implies that the presence of despotic leadership in the workplace leads to subordinates' lower job satisfaction, which eventually reduces their extra-role knowledge-sharing behavior. In any workplace, any kind of negative behavior creates a skewed social communication environment among employees, particularly between leaders and their followers. Hence, we suggest that to foster a positive organizational culture and devise customized policies, leaders, managers, and supervisors should be a reliable source of knowledge regarding the intention, perception, and behavior of subordinates toward their leadership. Secondly, when employees have dissatisfaction, they have a higher possibility of quitting the exchange of information, ideas, and experiences among other colleagues in a workplace. Therefore, organizations need a proper mechanism and protocol system to gauge employees' satisfaction levels, which fosters a growth mentality among employees. These sorts of disciplinary measures create a supportive environment and restrict offensive behaviors. Further, organizations need a customized training and development program, which increases awareness and consciousness among employees. As such, all banks should be free of fear while devising specific protocols and codes of conduct that define acceptable actions and those that are not (Rahman et al., 2024).

Recommendation

The banking sector, known for its short-term economic approach and toxic environment, raises significant concerns regarding sustainability. According to SDG 8, organizations need to promote a decent work environment while ensuring economic sustainability and inclusiveness. By incorporating programs for cultural awareness, employee well-being, and leadership development, Pakistan's banking sector could mitigate the adverse effects of despotic leadership on employee knowledge-sharing behavior. These targeted and well-designed policies should serve as effective interventions to enhance job satisfaction, promote an inclusive and

collaborative culture, and develop ethical leadership practices, ultimately contributing to overall organizational performance. Feedback mechanisms based on formative assessment tools reflect the positive revision and modification of existing policies. Therefore, such a toxic organizational culture can be addressed through these contemporary interventions.

Limitations

As usual from other social science studies, the present study owns the specified limitations, which could potentially enrich the future research prospects. Firstly, some methodological flaws exist in this study. One of them is the cross-sectional nature because it affects the ability to gauge behavior in different intervals of time, skew the results, and inflate or deflate the actual correlation (Rahman et al., 2024). As such, future studies must incorporate time lag and dyadic studies in their studies to address this drawback. To improve generalizability, comparable research should be conducted in other industries such as the non-governmental, health, and education sectors. Further, this research is conducted in the high-power distance culture of Pakistan, whereas future studies should need to enrich the relevant literature by studying the same model in different countries where low power distance culture exists. In this study only job satisfaction was tested as a mediator between despotic leadership and knowledge-sharing behavior, whereas future studies need to incorporate different intervening variables such as emotional exhaustion, obsessive passion, etc. Therefore, adding personality traits as a moderator would fully enrich the main literature.

CONCLUSIONS

Based on this study, it is explicitly clear that employee knowledge-sharing behavior is one of the key aspects for competitive advantage, but negative environmental factors and events like despotic leadership become a barrier in the growth of the organization. Further, such factors have an adverse effect on employee job satisfaction; hence, job satisfaction decreases among employees who face despotism and unfriendly behavior in the workplace. Whereas a low job-satisfied employee doesn't show knowledge-sharing behavior, which is a full application of social exchange theory.

REFERENCES

- Albashiti, B., Hamid, Z., & Aboramadan, M. (2021). Fire in the belly: the impact of despotic leadership on employees work-related outcomes in the hospitality setting. *International Journal of Contemporary Hospitality Management*, 33(10), 3564-3584.
- Alwali, J., & Alwali, W. (2022). The relationship between emotional intelligence, transformational leadership, and performance: A test of the mediating role of job satisfaction. *Leadership & Organization Development Journal*, 43(6), 928-952.
- Aoun, B. B. (2025). Cultural Dimensions and Their Impact on International Human Resource Management.
- Azhar, Z., & Imran, M. (2024). Ethical Considerations in the Adoption of Artificial

- Intelligence in Human Resource Management: A Comprehensive Review. *Journal of Emerging Technologies and Innovative Research (JETIR)*, 11(8).
- Azhar, Z., Iqbal, T., & Imran, M., (2025). The Role of Ethical Leadership in HRM-driven Corporate Social Responsibility (CSR). *Journal of Management & Social Science*, 2(1), 158–176.
- Blanz, M. (2017). Employees' job satisfaction: A test of the job characteristics model among social work practitioners. *Journal of Evidence-Informed Social Work*, 14(1), 35-50.
- Chin, W. W., Peterson, R. A., & Brown, S. P. (2008). Structural equation modeling in marketing: Some practical reminders. *Journal of Marketing Theory and Practice*, 16(4), 287-298.
- Chomeya, R., Tayraukham, S., Tongkhambanchong, S., & Saravitee, N. (2024). Sample size determination techniques for multivariate behavioral sciences research emphasizing SEM. *Journal of Education and Innovation*, 26(2), 438-447.
- Code, A. E., & Psychologists, P. L. (2017). Ethical principles of Psychologist and code of conduct. *Published online*.
- Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd Ed.). New York: Routledge.
- Cook, K.S. (2018). Social Exchange Theory. In: Zeigler-Hill, V., Shackelford, T. (eds) *Encyclopedia of Personality and Individual Differences*. Springer, Cham. https://doi.org/10.1007/978-3-319-28099-8_1184-1
- Crede, M., Chernyshenko, O. S., Stark, S., Dalal, R. S., & Bashshur, M. (2007). Job satisfaction as mediator: An assessment of job satisfaction's position within the nomological network. *Journal of Occupational and Organizational Psychology*, 80(3), 515-538.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874-900.
- Davenport, T. and Prusak, L. (1998) *Working knowledge: How organisations manage what they know*, M.A.: Harvard Business School Press.
- De Hoogh, A. H., & Den Hartog, D. N. (2008). Ethical and despotic leadership, relationships with leader's social responsibility, top management team effectiveness and subordinates' optimism: A multi-method study. *The leadership Quarterly*, 19(3), 297-311.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Fuller, C. M., Simmering, M. J., Atinc, G., Atinc, Y., & Babin, B. J. (2016). Common methods variance detection in business research. *Journal of Business Research*, 69(8), 3192-3198.
- Hackman, J. R., & Oldham, G. R. (1975). Development of the job diagnostic survey. *Journal of Applied Psychology*, 60(2), 159.
- Hair Jr, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., Ray, S., ... & Ray, S. (2021). Evaluation of the structural model. *Partial least squares structural*

- equation modeling (PLS-SEM) using R: A workbook*, 115-138.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). Canonical correlation: A supplement to multivariate data analysis. *Multivariate Data Analysis: A Global Perspective, 7th ed.*; Pearson Prentice Hall Publishing: Upper Saddle River, NJ, USA.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). *A primer on partial least squares structural equation modeling (PLS-SEM), 3rd ed.*, Thousand Oaks, CA: Sage.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2-24.
- Hakeem, K., Bibi, A., Noor, N., Shah, S. F. A., & Rehman, S. U. (2025). Comparative Industrial Analysis of Selected Countries with Special Reference to Pakistan: Product Space Perspective. *Indus Journal of Social Sciences*, 3(1), 455-464.
- Hanges, P. J., & Dickson, M. W. (2004). The development and validation of the GLOBE culture and leadership scales. *Culture, leadership, and organizations: The GLOBE Study of*, 62, 122-151.
- Haq AU, (2017). Firm Characteristics and Cash-Cash Flow Sensitivity of the Manufacturing Sector of Pakistan. *Business & Economic Review*, 9(3), 71-103.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43, 115-135.
- Hofstede, G. (2001), *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations*, 2nd ed. Sage, Thousand Oaks, CA.
- Hussain, N., & Asif, S. S. (2011). Impact of role conflict, role ambiguity, and supervisory support on turnover intentions. *International Journal of Business Economics and Management Research*, 2(11), 115-124.
- Imran, M., & Akhtar, N. (2023). Impact of Ethical Leadership Practices on Teachers' Psychological Safety and Performance: A Case of Primary School Heads in Karachi-Pakistan. *Academy of Education and Social Sciences Review*, 3(2), 172-181. <https://doi.org/10.48112/aessr.v3i2.505>
- Imran, M., Ahmad, N., Al-Harthy, A. A. Q., & Jat, Z. G. (2023). Early identification and intervention: Amplifying the voice of slow learners. *AITU Scientific Research Journal*, 2(2).
- Islam, T., Ahmad, S., Kaleem, A., & Mahmood, K. (2021). Abusive supervision and knowledge sharing: moderating roles of Islamic work ethic and learning goal orientation. *Management Decision*, 59(2), 205-222.
- Katebi, A., HajiZadeh, M. H., Bordbar, A., & Salehi, A. M. (2022). The relationship between "job satisfaction" and "job performance": A meta-analysis. *Global Journal of Flexible Systems Management*, 23(1), 21-42.
- Khalid, A., Pan, F., Li, P., Wang, W., & Ghaffari, A. S. (2020). The impact of occupational stress on job burnout among bank employees in Pakistan, with psychological capital as a mediator. *Frontiers in Public Health*, 7, 410.
- Khan, J., Mubarak, N., & Jaafar, M. (2021). Despotism Leadership, Negative Emotions

- and Project Success; the role of Mindfulness. In *Academy of Management Proceedings* (Vol. 2021, No. 1, p. 14775). Briarcliff Manor, NY 10510: Academy of Management.
- Khizar, H. M. U., Tareen, A. K., Mohelska, H., Arif, F., Hanaysha, J. R., & Akhtar, U. (2023). Bad bosses and despotism at workplace: A systematic review of the despotic leadership literature. *Heliyon*, *9*(9).
- Kilroy, J., Dundon, T., & Townsend, K. (2023). Embedding reciprocity in human resource management: A social exchange theory of the role of frontline managers. *Human Resource Management Journal*, *33*(2), 511-531.
- Kmieciak, R. (2021). Trust, knowledge sharing, and innovative work behavior: empirical evidence from Poland. *European Journal of Innovation Management*, *24*(5), 1832-1859.
- Kock, N. (2015). Common method bias in PLS-SEM: A full collinearity assessment approach. *International Journal of e-Collaboration (ijec)*, *11*(4), 1-10.
- Lee, J. N. (2001). The impact of knowledge sharing, organizational capability and partnership quality on IS outsourcing success. *Information & Management*, *38*(5), 323-335.
- Lin, H. F. (2007). Knowledge sharing and firm innovation capability: an empirical study. *International Journal of Manpower*, *28*(3/4), 315-332.
- Locke, E. A. (1976). The nature and causes of job satisfaction. *Handbook of industrial and organizational psychology*.
- Mehmood, S., Jabeen, R., Khan, M. A., Khan, M. A., Gavurova, B., & Oláh, J. (2023). Impact of despotic leadership and workplace incivility on innovative work behavior of employees: Application of mediation-moderation model. *Heliyon*, *9*(9).
- Naseer, M., Haq, A. U., & Shah, S. M. A. (2024). Understanding Turnover Intentions in Pakistan's Healthcare Sector: A Qualitative Exploration of Supervisory Behavior, Stress, and Cultural Norms. *Annual Methodological Archive Research Review*, *2*(5), 1-18.
- Naseer, S., Raja, U., & Syed, F. (2015). Perils of being close to a Bad Leader in a Bad environment. In *Academy of Management Proceedings* (Vol. 2015, No. 1, p. 14764). Briarcliff Manor, NY 10510: Academy of Management.
- Naseer, S., Raja, U., Syed, F., Donia, M. B. L., & Darr, W. (2016). Perils of being close to a bad leader in a bad environment: Exploring the combined effects of despotic leadership, leader member exchange, and perceived organizational politics on behaviors. *Leadership Quarterly*, *27*(1), 14-33.
- Nauman, S., & Imam, H. (2021). Despotic leadership and job performance: A test of serial mediation and moderation model. In *Academy of Management Proceedings* (Vol. 2021, No. 1, p. 12388). Briarcliff Manor, NY 10510: Academy of Management.
- Olan, F., Arakpogun, E. O., Suklan, J., Nakpodia, F., Damij, N., & Jayawickrama, U. (2022). Artificial intelligence and knowledge sharing: Contributing factors to organizational performance. *Journal of Business Research*, *145*, 605-615.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common

- method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879.
- Rahman, S. U., Shah, S. F. A., & Samad, A. U. (2024). How COVID-19 Fear Affects Psychological Distress and Psychological Well-Being: The Mediating Role of Psychological Capital. *Journal for Social Science Archives*, 2(2), 552-573.
- Raja, U., Haq, I. U., De Clercq, D., & Azeem, M. U. (2020). When ethics create misfit: Combined effects of despotic leadership and Islamic work ethic on job performance, job satisfaction, and psychological well-being. *International Journal of Psychology*, 55(3), 332-341.
- Ringle, C. M., Wende, S., & Becker, J. M. (2015). SmartPLS 3. SmartPLS GmbH, Boenningstedt. *Journal of Service Science and Management*, 10(3), 32-49.
- Rooh, S., Hayat, M., Haq, A. U., & Malik, M. F. (2025). Exploring the dynamics of blockchain technology in Islamic finance: a novel investigation of cryptocurrency integration within sharia-compliant financial systems in Pakistan. *Qualitative Research Review Letter*, 3(1), 497-439.
- Saari, L. M., & Judge, T. A. (2004). Employee attitudes and job satisfaction. *Human Resource Management: Published in Cooperation with the School of Business Administration, The University of Michigan and in alliance with the Society of Human Resources Management*, 43(4), 395-407.
- Saeed, M. S. (2016). The impact of job satisfaction and knowledge sharing on employee performance. *Journal of Resources Development and Management*, 21(1992), 16-23.
- Sang, L., Xia, D., Ni, G., Cui, Q., Wang, J., & Wang, W. (2019). Influence mechanism of job satisfaction and positive affect on knowledge sharing among project members: Moderator role of organizational commitment. *Engineering, Construction and Architectural Management*, 27(1), 245-269.
- Sarstedt, M., Ringle, C. M., & Hair, J. F. (2021). Partial least squares structural equation modeling. In *Handbook of Market Research* (pp. 587-632). Cham: Springer International Publishing.
- Saunders, M., Lewis, P. and Thornhill, A. (2007) *Research Methods for Business Students*. 4th Edition, Financial Times Prentice Hall, Edinburgh Gate, Harlow.
- Schyns, B., & Schilling, J. (2013). How bad are the effects of bad leaders? A meta-analysis of destructive leadership and its outcomes. *The leadership Quarterly*, 24(1), 138-158.
- Shah, S. M. A., Qamar, M. R., Ahmed, S., & Imran, M. (2025). Nepotism and Favoritism in HR Practices: Implications for Organizational Politics in Pakistan. *Journal of Management & Social Science*, 2(1), 177-194.
- Shahzad, K., Naz, F., Iqbal, R., & Chaudhary, R. (2024). When despotic leadership is more detrimental for employee job outcomes? Role of individual-level power distance orientation. *Journal of Organizational Effectiveness: People and Performance*.
- Spector, P. (1997), *Job Satisfaction: Application, Assessment, Cause and Consequences*. Sage Publications, London.
- Taherdoost, H. (2016). Sampling methods in research methodology; how to choose a

- sampling technique for research. *International Journal of Academic Research in Management (IJARM)*, 5.
- Ullah, M., Khan, H. N., Rahman, S. U., & Rehman, Z. U. (2024). Does Leadership Reduce Employee Turnover Intentions and Retain Employees? An Investigation into NGO Sector of Peshawar. *Indus Journal of Social Sciences*, 2(2), 719-731.
- Usman, M., Garavan, T., Karatepe, O. M., Akhtar, M. W., Rescalvo-Martin, E., & Aslam, M. K. (2025). A moderated mediation model of despotic leadership and knowledge sabotage behavior. *International Journal of Hospitality Management*, 124, 103966.
- Usmanova, N., Yang, J., Sumarlia, E., Khan, S. U., & Khan, S. Z. (2021). Impact of knowledge sharing on job satisfaction and innovative work behavior: the moderating role of motivating language. *VINE Journal of Information and Knowledge Management Systems*, 51(3), 515-532.
- Wu, L. Z., Sun, Z., Ye, Y., Kwan, H. K., & Yang, M. (2021). The impact of exploitative leadership on frontline hospitality employees' service performance: A social exchange perspective. *International Journal of Hospitality Management*, 96, 102954.
- Wu, W. L., & Lee, Y. C. (2016). Do employees share knowledge when encountering abusive supervision?. *Journal of Managerial Psychology*, 31(1), 154-168.
- Yoganathan, V., Osburg, V. S., & Bartikowski, B. (2021). Building better employer brands through employee social media competence and online social capital. *Psychology & Marketing*, 38(3), 524-536.
- Zhang, X., Zhang, Y., Sun, Y., Lytras, M., Ordonez de Pablos, P., & He, W. (2018). Exploring the effect of transformational leadership on individual creativity in e-learning: a perspective of social exchange theory. *Studies in Higher Education*, 43(11), 1964-1978.
- Zhou, X., Rasool, S. F., Yang, J., & Asghar, M. Z. (2021). Exploring the relationship between despotic leadership and job satisfaction: the role of self efficacy and leader-member exchange. *International Journal of Environmental Research and Public Health*, 18(10), 5307.
- Zhou, X., Rasool, S. F., Yang, J., & Asghar, M. Z. (2021). Exploring the relationship between despotic leadership and job satisfaction: the role of self efficacy and leader-member exchange. *International Journal of Environmental Research and Public Health*, 18(10), 5307.