

Work Deviant Behavior-Employee Engagement: An Empirical Investigation of the Role of Ethical Leadership of Indian Middle Level Managers

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ABSTRACT

Purpose-The paper intends to study the relationship between work deviant behavior and employee engagement as well as the moderating role of Ethical leadership on the relationship in non-western world.

Design/methodology/approach—200 middle level managers were surveyed to study work deviant-employee engagement relationship and the moderating role of ethical leadership on the stated relationship.

Findings-The study found that both the variables i.e., work deviant behavior and ethical leadership was significantly related to employee engagement and ethical leadership moderated positively and significantly work deviant-employee engagement relationship.

Research limitations/implications-The present study constituted a relatively small number of regions belonging only to Delhi-NCR region.

Originality/value—The study is novel of its kind in the sense little work has been done on these dimensions in Indian context.

Keywords: Ethical Leadership; Employee Engagement; Work Deviant Behavior; Middle Level Managers; Asia

INTRODUCTION

In today's global business environment, influenced by ever advancing technology, the constant for every leader and every organization is change

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and to change, the backbone of it is learning. No other functional area affects engagement and performance or creates a sustainable competitive advantage more than learning. And to make the learning effective, *one of the most challenging tasks for any organisation is to keep its employees highly engaged. The reason for keeping them engaged is because an engaged employee is fully aware of the business context thereby, showing high level of involvement and commitment toward the organisation. Needless to say, in the high competitive global economy, managers are the most important source for competitive advantage. As the organisations are striving to excel in terms of profit maximisation, customer satisfaction, the need of highly commitment people are at fore. The top level management is fully aware that the employees make a critical difference in terms of organisational performance. Organisations thus use different engagement building tools in order to stay and strive in the competitive race. An engaged employees are considered as the 'backbone of the good working environments where people are industrious, ethical and accountable'* (Levinson, 2007a; Cleland et al, 2008).

An organization can keep the employees engaged when they are supported and guided by the pillar of an organization which one may refer it as a 'Leader'. A strong leader who believes in the core value system, culture and ethical standards of an organization can counsel the employees who are involved in deviant behavior and thus, channelize their energy towards productivity and thereby, transforming them in an engaged workforce. Ethical leadership paves way to ethical behavior and snubs the counterproductive behavior. Their research examined the effects of job insecurity on job attitude, deviant behavior and organizational citizenship behavior, anxiety, anger and burnout. One of the outcomes of the research was that job insecurity was associated with deviant behavior and that employee performs deviant behavior as an equity adjustment. To overcome these types of much alarming issues in the organizations, the role of an ethical leader is of utmost importance.

Whether we speak of transformational leadership (Bass, 1985), Charismatic leadership (Conger & Kanungo, 1998) or spiritual leadership (Fry, 2003), all these theories in some form or the other demonstrates ethical behavior. The basic elements which encompass ethical leadership are strong value system driven by honesty and an equal concern for its employee and guiding them ethically towards ethical acts. Corporate world is facing a lot of crunch in overcoming these challenges in terms of work deviant behavior be it in terms organization in general or individual in particular. The world has witnessed the global recession and constant

scandals which are directly or indirectly related to the paucity of ethical leadership.

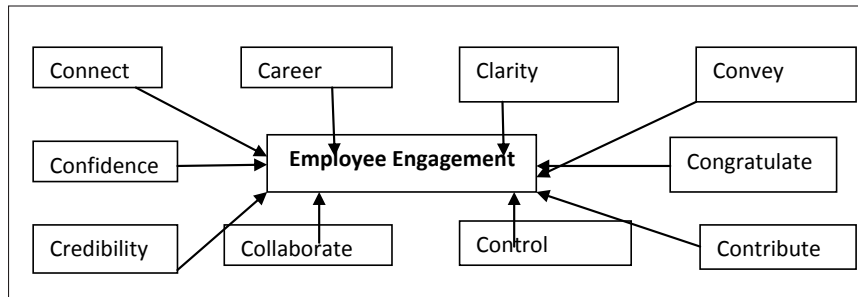
THE CONCEPT OF ENGAGEMENT

Over a decade, the organizations have faced numerous challenges and an uncertain economy, especially in the economy downturn that started in the year 2008. The uncertainty led to decisions made by top level management which impacted employee engagement levels. In the time of uncertainty, it's pertinent for organisations to focus on harnessing the discretionary effort that may keep the employees engaged. Studies at a number of organizations, including leading academic institutions, have shown a clear relationship between high levels of employee engagement — colloquially defined as the willingness and ability to go the extra mile — and improved financial and operational results.

Employee engagement is not a new concept; it has been there since the era of Fredrick Taylor, who in 1800 century studied the impact of employees' attitude on productivity. The survey on the above dimension was initiated by Gallup and other companies more than three decades ago. Employee engagement is a combination of Organizations' productivity and employees' satisfaction; it's a win-win situation for both the stake holders. The concept of employee engagement is being researched constantly by the academicians and the researchers. Employee engagement is the rational, emotional, and motivational state that leads employees to higher levels of performance. The engaged employees in the organization believe in the concept of say, strive and stay. They have a strong desire to be embedded with the organizations' core values. A study by Maslach & Leiter (1997) says that employees who are engaged in their job have a high sense of energy and effective connection towards their work.

According to Aon Hewitt's Engagement 2.0 Employee Study; highly engaged employees have significantly better outcomes across all these business drivers (viz., innovation, quality of products, customer satisfaction and revenue growth) relative to moderately engaged, passive, or actively disengaged employees. Aon Hewitt's 2012 Total Rewards Survey on ten companies report that employee engagement is no.1 objective of people program investments for 6 out of 10 companies.

Seijts and Crim (2006) in "The Ten Cs of Employee Engagement", tries to understand the significance of various dimensions related to engagement level of an employee which can make people stay in the organisation for long.

Figure 1: Ten C's of Employee Engagement

Source: Seijts and Crim (2006) in “The Ten Cs of Employee Engagement

Work Deviant Behaviour

Researchers in the recent decades had started deliberations on work place deviance (Berry, Ones and Sackett, 2007; Cohen-Charash and Mueller, 2007: and Dilchert, Ones, Davis and Rostow, 2007) as this variable has psychological, sociological, and economic impact on the productivity of an organization.

(Vardi and Weitz, 2004). Christian & Ellis (2013) in their research explored the role of moral disengagement and turnover intentions on organizational deviance and showed that moral disengagement led to high organizational deviance. Robinson & Bennett (1995), defined work place deviance as a “voluntary behavior that violates significant organizational norms and in so doing threatens the well-being of an organization, its members, or both”. The repercussion of this type of behavior leads to distress, decline in productivity, low morale and intention to quit (O’Leary-Kelley, Griffin, & Glew, 1996). Whether the deviance is Interpersonal or organizational in nature, there is certainly a decline in productivity. Chen & Spector, 1992 opine that frustrating job stressors lead to emotional deviance among the employees. Previous researchers have tried to identified the various reasons which are positively to deviant behavior ranging from job cognition (Lee & Allen, 2002), hostile attribution, trait anger, attitude revenge (Douglas & Martinko, 2001) etc.

There are two types of Work Deviant Behavior viz., organizational deviance and interpersonal deviance (Robinson & Bennett, 1995). Behaviour like coming late or leaving early, theft in the organization or detachment from work reflects Organizational deviance. On the other hand, when an employee shows negativity or unethical act towards his subordinates, peers or supervisors, the behavior is considered as an interpersonal deviant behavior.

Ethical Leadership

Ethical Leadership has grabbed lot of attention in recent years due to plethora of scandals in global scenario. In an effort to reduce the amount of unethical behavior in organizations, it's pertinent to know the role of leadership in the organizations (Davis et al., 2007). Brown et al., (2005) defined ethical leadership as, “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making”. Few studies have found a negative association between ethical leadership and work deviant behavior (Mayer et al. 2009). We are all aware that leaders at different levels in an organization play a crucial role in sustaining ethical culture and behavior (Grojean et al., 2004). Ethical business leaders ‘talk the talk’ and ‘walk the talk’ (Stephen, 1991). The effectiveness of a leader depends upon the trust they have on their employees by empowering them to follow the model of integrity. Four V's play a pertinent role in defining ethical leadership, viz., Values, Vision, Voice and Virtue. A leader who has a strong core value system and abide throughout his life can be considered as an ethical leader.

Ethical Leadership, Work Deviant Behavior and Employee Engagement in Indian Context

Whether we speak of Hindu mythology where Lord Rama who was depicted as a epitome of ethical leadership or we take the inspiration from our Father of Nation, Mahatma Gandhi where he signified the important principles like sincerity, integrity, voice, vision and moral values that encompasses the ethical leadership, our country has witnessed the thoughts and actions about ethical leadership be in terms of non-violence and the like in the past. But, it's really disappointing to see that the good work done by our forefathers are not valued in today's scenario. Less work on ethical leadership and more discussions on frauds and scandals are nothing but the result of ethical leadership crisis. The main reason for this is the absence of a strong leader and its consequent negative impact on employees' behavior resulting in less engagement level. According to India Risk Survey 2013, in India large numbers of working days are wasted in strikes, closures, unrest, resulting in huge financial losses. Maruti Udyog Limited at Manesar was plagued by labor unrest at its Manesar plant for over a year during the year 2011-12. Labor unrest resulted in halting of

production. The series of workers' strikes at the plant led to a production loss of 83000 cars or INR 2,500 crores (India Risk Survey, 2013). During recent years, employees have developed clever and creative means to engage in negative activity. Some of these include using internet to play online games and download movies, transmit harassing and/or threatening e-mail messages, and upload comments on social media websites to trash their companies to the world. Specific cases of deviant behavior are not hard to find in major newspapers, on television, or in Internet accounts. Few examples are quoted for the same. In November 2010, an employee of renowned organization, Bangalore, described his MD as 'Hitler' who made mandatory logs in time as 8:00 AM. In another incident, Bangalore based employee who attempted suicide later on apologized to the management regarding his behavior, and admitted that he was not in his proper emotional state when posted the updates on Face book. Incidents like these are numerous and such kind of behavior has negative impacts on organizations, their customers and their employees because of the prevalence and financial costs on the organization. Such kind of behavior is considered to be unethical and negative. Thus, those who engage in deviant activities at work seem to demonstrate a lack of moral strength and character and clearly violate ethical standards.

RESEARCH GAP

Needless to say that in order to sustain and retain the ethical culture and conduct of an organization, the role of a leader is of utmost significance (Grojean et al., 2004). So its pertinent for researchers to understand ethical leadership in terms of its outcomes (Piccolo et al., 2010; Walumbwa and Schaubroeck, 2009). Apart from investigating the main effects of ethical leadership, the researcher has also to understand its impact on employee engagement and thereby, reducing counterproductive behavior (Kahn, 1990). Going through the literature review, it's being observed that although there are studies on ethical leadership, work deviant behavior and employee engagement, there is a paucity of work in assessing the relationship amongst these three dimensions. In the high competitive scenario across the globe it's crucial for the organizations to curb work deviant behavior amongst the employees specially the organizational deviance through ethical leadership to strengthen employee engagement. Though not much of literature is found for the present study, but the construct for the same is based on earlier studies, though limited in literature.

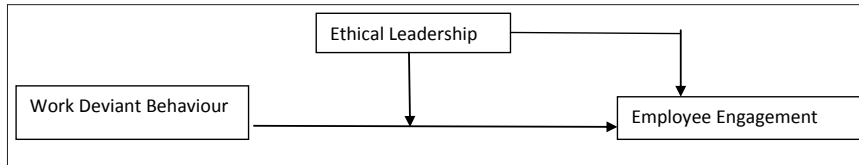
OBJECTIVE OF THE STUDY

To study the role of ethical leadership in reducing work deviant behavior and thereby, increasing employee engagement.

Research Questions

- 1 Is there any relationship between work deviant behaviour and employee engagement?
- 2 Does there exists a relationship between ethical leadership and employee engagement?
- 3 Does ethical leadership moderates the work deviant behaviour-employee engagement relationship?

The conceptual framework for the present study is as under:



Hypotheses Development:

- H1: There is a negative relationship between work deviant behaviour and employee engagement.
- H2: There exists a positive relationship between ethical leadership and employee engagement.
- H3: Ethical leadership moderates the work deviant behaviour-employee engagement relationship.

METHOD

Sample

A data of 230 Middle level managers from private sector organizations of Delhi-NCR region was collected for the present study. Out of 230 surveys, 200 usable surveys were taken. The data comprised of 57% males and 43% females out of which 62% were married. Most of the respondents (59%) age were between 31-50 and rest of them aged between 21-30.

Measures

Workplace Deviant Behavior: It was assessed with Bennett and Robinson's (2000) measure, which comprised of 12 organizational deviance items (e.g., "Taken property from work without permission") and 7 interpersonal deviance items (e.g., "Made fun of someone at work",) The Participants were assessed on a 5-point scale (1= never, 5= often). The cronbach alpha for this scale was .66.

Employee Engagement: It was measured by an abridged version of 9 items Utrecht Work Engagement Scales by Schaufeli, Salanova, Gonzalez-Roma, and Bakker (2001) which included 3 sub-scales measuring: vigor, dedication and absorption. The tool uses a 7 point Likert Type scale where 0= Never and 6=Always. All the 3 sub-scales had 3 items in each. The cronbach alpha for this scale was .83.

Ethical Leadership Scale Ethical Leadership Scale (ELS), adopted from Brown et al.(2005), consists of 10 Likert items that are represented on a 5-point continuum (1 =strongly disagree, 5 = strongly agree) with higher scores indicating greater ethical leadership behaviour. Cronbach alpha for this scale was .79.

Control Variables. *Demographic variables like gender(coded 1=female, 2=male), age (coded 1=20-30yrs, 2=31-40 yrs, 3=41-50 yrs), marital status (coded 1=unmarried, 2=married), and work experience (coded 1=1-5yrs, 2=6-10yrs, 3=11-15 yrs) were controlled in the present study after following the studies done in the past (Rashed, 2001; Smith et al., 1998).*

RESULTS

Convergent and Discriminant Analysis

Means, SD and bivariate correlations are depicted in Table 1. It is necessary to demonstrate correlation with scales measuring the same construct (Nunnally & Bernstein, 1994). The presence of non-significant correlation within the scales supports the discriminant validity. As the table shows, Employee engagement is significantly related to Ethical leadership ($r=.46$, $p<0.001$) and work place deviant behavior (-0.34 , $p<0.001$). Ethical leadership is also significantly related to work place deviant behavior (-0.44 , $p<0.001$).

Table 1. Descriptive Statistics, Reliabilities and Bivariate Correlations

Variables	Mean	SD	1	2	3
1. Employee Engagement	3.56	0.74	(0.83)		
2. Ethical Leadership	3.78	0.68	0.46**	(0.79)	
3. Work Place Deviant Behaviour	2.24	0.84	-0.34**	-0.44**	(0.66)

N=200, Coefficient and Reliabilities are reported along the diagonal.

!*p<0.01

**p<0.001

HYPOTHESES TESTS

Measurement Model

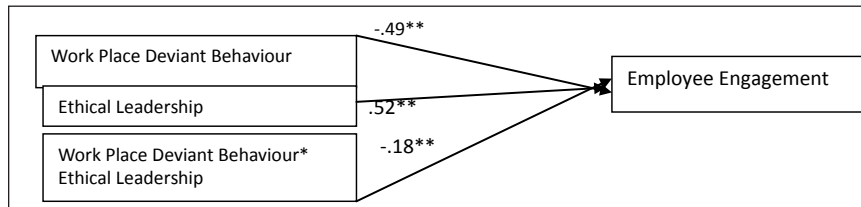
Structure Equation Model with LISREL 8.8 (Joreskog and Soroborn, 2006) was used to test the hypotheses. Before testing the hypothesized model, the measurement model was tested for goodness fit. (Anderson and Gerbing, 1988). The researcher tested the measurement model with three latent factors viz., Employee Engagement, Ethical Leadership and Workplace Deviance and 38 indicators (9 items for employee engagement, 10 items for ethical leadership and 19 items for work place deviant behavior. The model has an acceptable fit as the chi-square (X^2) =729.36, degrees of freedom (df) =226, $p<.01$; RMSEA=0.06 (RMSEA, less than 0.08, Browne and Cudeck, 1993); the Adjustment goodness of fit (GFI) =0.92; the Comparative goodness of fit (CFI) =0.94. The model reflects an adequate convergent validity as the Average Variance Extracted for all the variables was found to be above .5. Additionally, the Average Variance (AV) for each construct was found to be greater than the squared factor structural coefficient, thus, indicating discriminant validity (Fornell and Larcker's, 1981). As the study used a single survey, in order to deduct the problem of a common method bias, (e.g., Prati et al., 2009) Harman's one factor-test was used which found that none of the factor counted for most of the variance.

Hypothesised Model

After confirming the measurement model to be adequately fit, the proposed structured model was tested. As figure 2 shows, the model produced an adequately strong fit (X^2 =759.24, degrees of freedom (df) =234, $p<.01$;

RMSEA=0.05 GFI =0.94; CFI=0.96). The first hypothesis that work place deviant behavior is negatively related the employee engagement is fully supported by the results as shown in Figure 1 ($\beta=-.49$, $p<0.01$). The second hypothesis that ethical leadership is positively related to employee engagement was also proved by the results where $\beta=-.49$, $p<0.01$.

Figure 2. Structural Equation Models for Work Place Deviant Behavior and Ethical Leadership on Employee Engagement



The third hypothesis is derived from an interaction model where ethical leadership moderated the work place deviant behavior and employee engagement relationship. The interaction predicted employee engagement ($\beta=-.18$, R^2 change=.12, $p<0.01$), thus providing full support for the moderation model in the hypothesized direction.

DISCUSSION, LIMITATIONS AND MANAGERIAL IMPLICATIONS

The results of the present study showed that there is a negative association between work deviant behavior and employee engagement. Christian & Ellis (2013) in their research explored the role of moral disengagement and turnover intentions on organizational deviance and showed that moral disengagement led to high organizational deviance. The result also found that ethical leadership moderated work deviance behavior-employee engagement relationship. It is a fact that organizations that offer more autonomy and share feedback with its employees make them more engaged and thus, less deviant behavior. Thus, the style of leadership is very important in engaging the employees towards their work (Alok & Israel, 2012) and the presence of a strong leader with behavior of ethical in nature reduced the deviant behavior of the employees.

Studies done in the past also supports the result that the employer or the leader is an important locus of engagement (Markos and Sridevi 2010). Deviant behavior of the employee is sometimes the result of the consequence of organizational injustice in the form of favoritism or attitudinal problem. According to studies done in the past, employees

who encountered unfairness engaged themselves in some form of counterproductive behavior in order to feel some sense of equity. Here comes the role of a leadership style which may reduce the work deviant behavior. It is the leader in an organization who acts as a role model for his employees (Deluga, 1995). Given that WDB is detrimental to the organization, such leadership keeps employees away from committing deviant behavior by emphasizing productive behaviors for the collective good (Hepworth & Towler, 2004). Thus, we can derive from the present study that employees being the backbone of an organization need to be counseled on a regular basis to avoid deviance from their work and work towards productivity which can prove profitable for organization in general and as them as particular.

To conclude, it can be stated that ethical leadership is of utmost importance for the well-being of an organization in general and employees in particular. The leaders of the organizations should minutely observe the behavior of the employees take measures to check the deviant activities. In order to make the employees engaged, it's very pertinent for the leaders to value the integrity and moral standards of the employees. This will happen only when the leaders act as a role model by actively engaging themselves in the day to day activities of an organization. The organizations should realize that it's very difficult to get loyal and committed employees and therefore, it should leave no stone unturned to make them stay happy and engaged.

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