

RELATIONSHIP BETWEEN ETHICAL LEADERSHIP, JOB SATISFACTION AND JOB PERFORMANCE

Dr. Naveed Shehzad¹, Dr. Muhammad Imran Khan², Shafqat Khan³

¹Department of Management Science, Qurtuba University of Science and IT, Peshawar

² Department of Management Science, Qurtuba University of Science and IT, Peshawar

³PhD Scholar, Qurtuba University of Science and IT, Peshawar

Abstract

Nowadays universities are going through the transition due which new performance standards have been created. In such situation, performance of employees can be enhanced through effective ethical leadership. The current study has examined the dynamic links between job satisfaction, job performance and ethical leadership in the academia of Pakistan. Using a cross sectional design, quantitative data were collected from 150 academic staff working in three universities. Data were analyzed both by descriptive and inferential statistics. The results showed that four characteristics, i.e., practicing preacher; safe haven creator; moral motivator and ethical justice were positively associated with job performance, whereas this link was partially mediated by job satisfaction. The results obtained were in a strong concurrence with the existing literature. Hence, universities of Pakistan should focus on developing ethical leadership among their employees. In this way, universities can grow and contribute towards the socioeconomic development of Pakistan.

INTRODUCTION

21st century has globally brought paradigm shift in universities around the world (Mohrman, Ma & Baker, 2008). Days are gone when university teaching was thought to be the tension free occupation (Meng & Wang, 2019). Universities have now experienced a transition, which has created high performance standards (Khan & Anwar, 2021).

Resultantly universities are getting conscious about its outcomes by thinking about how to ensure high job performance of its employees, since it is critical to the success of universities (Manzoor, Wei, Bányai, Nurunnabi, & Subhan, 2019). The need for matching pace with the prevalent performance standards has further increased due to advent of COVID-19 pandemic, which has really change the working lives inside universities (Anwar, Khan, & Sultan, 2020).

The outcomes of universities can be enhanced over positive behaviors that are adopted by leaders inside universities (Alonderiene & Majauskaite, 2016). Due to such importance of the leadership and job performance, it is of a great interest to both researchers and practitioners (Dinh et al., 2014). Findings from previous research indicates that ethical leaders can influence the behavior of their employees in positive direction, by building their character and modify their personality (Zhu, Treviño, & Zheng, 2016).

Previous research studies, like Kinsambwe, (2016), Karuhanga (2015) and Ofoegbu and Alonge (2017) further shows that the organizational outcomes for example job performance, and job satisfaction of the universities can be boost up with the help of ethical leadership styles, which most influential style. For this reason authors like Obicci (2015), Kelidbari, Fadaei and Ebrahimi, (2016) and Khokhar and Rehman (2017) have recommended that researchers should examine the positive impacts of moral leadership on job performance and satisfaction (organizational outcomes) in higher education sector around the world. The dynamic interconnection between the concepts of ethical

leadership and the resultant organizational outcomes is not that much simple since it includes both direct as well as indirect effects.

LITERATURE REVIEW

Ethical leaders have the qualities of honesty and fairness with organization, care and respect for employees and goal orientation with ethical courage (Shakeel, Kruyen, & Van Thiel, 2019). Good ethical leadership practices are vital to success of any organization, since ethical leaders acts as notion of trust in organization by letting the employees feel that someone is taking care of them (Zaim, Demir, & Budur, 2021). It motivates the employees to work harder for development of organization. Whereas good organization can keep its employees satisfied by instilling high work performance inside them (Sendjaya, Pekerti, Cooper, & Zhu, 2019). For this drive, it is thought that employees work related performance is outcome of many factors, including the motivation given by a good leader, the degree of employees' satisfaction with assigned job and the overall conducive but challenging working environment (Cleveland, Huebner, Anderson & Agbeke, 2019). The Higher Education Sector in Pakistan is growing rapidly and it has been divided into public and private universities. Initially back in 1990s, higher education of Pakistan was mostly dominated by the public sector universities, however, once the higher education commission of Pakistan was established in 2002, private sector universities started to develop rapidly and even higher education commission of Pakistan allocated funds for private sector universities (Halai, 2013).

To comprehend the nature of ethical leadership, job satisfaction and work performance, it is imperative to review the existing theoretical models on such concepts. The ethical leadership can be understood from the three broad approaches, i.e., the utilitarian approach that states that ethical leader maximizes welfare of all employees (Udofia & Alexander, 2017); libertarianism approach that states that ethical leaders protect the rights and freedoms of employee (Read, 2018); and finally the deontological approach

states that ethical leaders should do right things (Dion, 2012). Thus, other approaches are the justice approach (Koopman, Scott, Matta, Conlon, & Dennerlein, 2019); servant leadership, shared leadership and authentic leadership approaches (Avolio, Walumbwa, & Weber, 2009). On other side, the popular approaches to job satisfaction includes affect theory of job satisfaction (Tomkins, 1984), the equity theory of job satisfaction (Huseman, Hatfield & Miles, 1987) and two factors theory of job satisfaction (Herzberg, Mausner & Snyderman, 1993).

RESEARCH METHODOLOGY

Population & Sampling

The population of the current study is academic staff who are working in the three universities of southern Khyber Pakhtunkhwa, Pakistan. As clear from table 01, there were 441 academic staff in the selected three universities. Since it was not practically possible to collect data from whole population (due to time & cost limits), later, sample was drawn from the total population through a multi stage sampling process. In the first step the whole population was divided into three clusters and then in the second stage, strata were made on the basis of job positions held by the academic staff within the each cluster. In the final step a simple random sampling was done within the arch stratum, and in this way a sample of 251 WAS obtained (Agriculture University, University of Peshawar and Islamia College University). Data were collected from the academic staff through an online self-administered questionnaire.

RESULTS

Reliability Analysis

Cronbach's Alpha Coefficients were calculated for determining the Reliability of collected data. The Cronbach's Alpha Coefficients should be above the 0.50 for demonstrating that all of the variables are possessing internal consistency (Gliem & Gliem, 2003). The results for reliability are given in the table 03, showing that all of

variables have Cronbach's Alpha Coefficients above 0.50.

Variables	Cronbach's Alphas
Task Performance	0.86
Contextual Performance	0.90
Job Satisfaction	0.91
Ethic of justice	0.86
Moral Motivator	0.82
Practicing Preacher	0.76
Safe Haven Creator	0.77

Structural Equation Modeling Results

Models	X2	df	X2/df	RMSEA	RMR	CFI	GFI
Hypothesized Model (M1)	286	105	2.72	0.097	0.026	0.901	0.972
Direct Effect Model (M2)							
Excluding Mediator	20.51	05	4.102	0.091	0.011	0.968	0.965
Direct Effect Model (M3)							
Excluding Performance	230	77	2.981	0.096	0.027	0.901	0.867
Direct Effect Model (M4)							
Excluding Ethical Leader	186	53	3.501	0.099	0.028	0.901	0.869
Hypothesized Model (M5)							
Constrained	322	106	3.047	0.105	0.026	0.880	0.831
Hypothesized Model (M6)							
Non Constrained	283	02	2.781	0.089	0.023	0.901	0.853

Finally the Hypothesized Constrained Model by constraining A-B to zero (M5) was created, as clear from Figure 02. In this model initially relationship between independent and dependent variables was constrained to zero, due to which the model fit had

decreased, as clear from the fit indices of (M5) in table 05. Therefore, in order to know whether partial or full mediation had occurred and to check whether model fit increases by non-constraining the M5 model, a non-constrained model (M6) was created, and then tested, as clear from table 05, figure 02. In the (M6) model, the model fit improved, however, the relationship between A-B-C paths was significant, consequently, the partial mediation had occurred (A-B, $\beta=0.104$, $p=0.001$; A-C, $\beta=0.506$, $p=0.001$; B-C, $\beta=0.409$, $p=0.131$). In this way the second hypothesis was successfully accepted.

The current study had proposed that ethical leadership would have a positive relationship with the job performance. Moreover, another study by Yang and Wei (2017) was conducted to examine the influence of the ethical leadership on the employee's task performance in China. They found that the ethical leadership had a positive impact on task performance of Chinese employees. The findings of these previous research studies on relationship between ethical leadership and job performance show that ethical leadership has an influential role in boosting the employees' performance. The fact is that an ethical leader within the organization can guide the employees towards their goals, such leader can provide direction, can help them to get innovative idea, and can also help in times of crisis and disaster (Mulki & Lassk, 2019).

CONCLUSION

The current study aimed at exploring the dynamic relationship between ethical leadership, job satisfaction and job performance of employees working in the higher education institutions of Pakistan. The findings of study revealed that there is both direct and indirect linkages between the ethical leadership and job performance of employees. Since it has been empirically proved through findings of this study that organizational outcomes of universities can be enhanced through positive behaviors that are adopted by the leaders of the universities, therefore, it has been concluded that ethical leadership is a very vital factor in the success of organizations. The universities in Pakistan should focus on appointing such administrators which have high level of ethical leadership

qualities, and who can instill job satisfaction and boost up job performance of the employees. Moreover, the management of the Pakistani universities should take care of employees' satisfaction by providing them conducive working environment, so that employees feel satisfied. In this way, the ethical leaders would be able to instill the better employees' job satisfaction and higher work performance by playing the vital role in success of universities in Pakistan.

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