Examining The Role of Ethical Leadership on Employee Work Ethic, OCB and Performance in Marketing Departments of Universities in West Java

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ABSTRACT
Ethics is critical issue at work environment. Several previous studies depicted that with ethical leadership, a harmonious work environment can be formed and it leads to better performance. This study aims to analyze the relationship between ethical leadership on work ethic, OCB (Organization Citizenship Behaviour) and employee performance in the Marketing Department of Higher Education in West Java. The population in this study were employees in the Marketing Department of Higher Education in West Java Indonesia. This research is categorized as a quantitative study with primary data obtained through questionnaires distributed to 180 employees of the Marketing Department of Higher Education in West Java. The analysis in this study used the Structural Equation Modeling (SEM) method with SmartPLS software. The results of the analysis in this study state that ethical leadership influence positively on work ethic, on OCB, and on performance in the Marketing Department of Higher Education in West Java. This study also confirms the significant influence of work ethic and OCB on the teaching performance of the employees. From the results of the research, higher education managers can develop ethical leadership so that an ethical work environment expands, OCB practices increase, and the performance of Marketing Department employees improves.

Keywords:
Ethical Leadership
Work Ethic
OCB
Employee Performance
Higher Education West Java

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1. INTRODUCTION
Ethics-based leadership is a widely discussed topic in the 21st century [1], [2]. This is due to the occurrence of several cases of leadership fraud [3] and also the realization that leadership does not only satisfy shareholders but also all stakeholders [2]. There are several types of ethics-based leadership such as authentic leadership [4], servant leadership [5] and ethical leadership [1], [2]. Of the several types of moral-based leadership, one that has received a lot of attention and has been empirically proven to have a major influence is ethical leadership [6].

There have been many previous studies that describe ethical leadership, but in general ethical leadership has two characteristics, namely the behavior of leaders following the norms [3] and leadership that
can prosper stakeholders [1]. The application of ethical leadership can have a positive impact on several important variables in the company. Research by [3], [7] found that the better the ethical leadership, the better the work ethic in the company. Leaders who are ethical and promote ethics will create an ethical organizational atmosphere. This is indicated by moral regulations that will be increasingly strict in the organization if led by someone with high morals [7].

In addition to the ethical environment, previous studies have shown that ethical leadership plays an important role in improving employee performance [8], [9], and [10]. The ethics of a leader determines the fate of a company. This is because ethical leadership influences organizational culture and determines the direction of the organization. Therefore, ethical leadership can have a positive impact on employee performance [9]. Ethical leadership is human-oriented leadership, so that the rights and obligations of employees are very concerned in their management, this can trigger better employee performance [10].

The application of ethical leadership in an organization can provide several outcomes. Outcomes of ethical leadership other than work ethic as described earlier are OCB (Organization Citizenship Behavior) [7], [11], and [12]. Analyzing the relationship between ethical leadership and OCB is needed to determine the positive impact that ethical leadership can have. [11] empirically prove that ethical leadership can increase OCB in company employees in China. Meanwhile, [12] also prove the significant role of ethical leadership in OCB at universities in Egypt.

Prior studies have examined the topic of employee ethics in a broad sense [8], [9], and [10]. There is still a lack of research that specifically examines the role of ethics in work ethics and ethical leadership and in relation to OCB. [11], [12]. Furthermore, few studies have explicitly examined the impact of ethical leadership and work ethics on marketing employees [1], [2]. With this in mind, the purpose of this study is to provide a comprehensive overview of the critical role that ethics plays in marketing.

Based on the empirical findings of previous researchers, it can be concluded that ethical leadership can lead to various outcomes such as improved employee performance, professional ethics, and OCB. The present study aims to examine and put forth the notion of the impact that ethical leadership has on employee performance, work ethic, and OCB. Research pertaining to ethical leadership remains scarce and simultaneously concerns OCB and work ethic. Conversely, this study investigates ethical leadership within the highly competitive and market-shared culinary industry. This is an interesting topic because ethics are widely violated, one of which is in the culinary industry [13].

2. LITERATURE REVIEW

2.1 Ethical Leadership and Work Ethics

Human nature instinctively follows and emulates the behavior of others who have higher social status [14]. Likewise, employees of a company will tend to imitate the characteristics of their leaders [9]. Therefore, the role of ethical leadership is very important because ethical leaders will encourage their employees to be ethical. Ethical leaders have two main characteristics, namely responsibility and collective orientation [15].

The meaning of ethical leadership in various previous literature quotes from [16] states that ethical leadership is the implementation of normative behavior in leadership actions and is manifested in actions, internal organizational relations and decision making. In general, ethical leadership is leadership that emphasizes the exemplary figure of a leader with high moral values [17].

Ethical leadership includes several aspects of measurement, namely people orientation, integrity, fairness, responsibility and modesty [10]. The important role of ethical leadership in the company is characterized by the positive influence that ethical leadership has on work ethic [3], [7], [18], [19], [20], and [17]. Work ethic is the
attitude and willingness to maintain moral values in the work environment [18]. With ethical leadership, the values of morality in the company will be better maintained and able to be implemented properly.

*H1: Ethical leadership has a positive effect on work ethic*

### 2.2 Ethical Leadership and Employee Performance

Several previous studies agree that leader characteristics greatly affect employee performance [11], [12]. However, there are still few studies that discuss ethical leadership as the focus of analysis. Ethical leadership is the implementation of normative behavior in leadership actions and is manifested in actions, internal organizational relationships and decision making [16], [10]. Several previous studies empirically prove the implementation of ethical leadership to be able to improve employee performance [8], [9], [10], [6], and [21].

Ethical leadership includes two aspects, namely moral leadership and moral person. Leader morale refers to the extent to which a leader applies moral standards and applies rewards and punishments in its implementation so that morale is always maintained in the organization. Ethical employees are employees who can understand their position and behave following moral teachings and organizational regulations. Ethics in employees also refers to how a person builds good relationships with others in various conditions and situations [9].

Ethical leadership can foster positive relations within the organization, enhance company performance, and establish an ethical culture [10]. Similarly, it has been stated by [9], [6], [8], and [21]. Employee performance can be improved through ethical leadership. The link between ethical leadership and employee performance can be improved by incorporating proactive personality traits in employees [9].

*H2: Ethical leadership has a positive effect on employee performance*

### 2.3 Ethical Leadership and OCB

Ethical leadership is a type of leadership that can build good relations between leaders and employees [11]. Ethical leadership not only fulfills the wishes of company shareholders but also all company stakeholders [12]. The implementation of ethical leadership refers to moral values, several types of leadership uphold moral values such as authentic leadership, servant leadership and spiritual leadership. However, of these several types of leadership, the most intense in promoting moral values is ethical leadership [22].

Several previous studies found that ethical leadership can have a positive impact on OCB (organizational citizenship behavior) [7], [11], [12], [23], [24] and [25]. OCB is an employee trait that can bring huge benefits to the company [12]. Companies with high levels of OCB practices indicate that employees have a high sense of responsibility for the company. Therefore, increasing OCB is very important and one way is by forming ethical leadership.

The implementation of ethical leadership can increase OCB practices in a company [23], [12]. Meanwhile, [24] OCB in the military was analyzed and it was found that OCB in the military plays an important role as a form of loyalty to increase OCB, one of which can be achieved through ethical leadership. [26] also confirmed the impact of ethical leadership on hospital nurses’ OCB. From several previous studies on ethical leadership and OCB, it can be concluded that ethics are key to improving internal organizational relationships and increasing OCB. Therefore, organizations need to implement ethical leadership to improve OCB practices.

*H3: Ethical leadership has a positive effect on OCB*

### 2.4 Work Ethic and Employee Performance

Employees are the main resource for the company. Therefore, companies must be able to manage employees well to provide good and optimal work quality [27]. Good and optimal performance from employees can be achieved if employees have good ethics.
Ethics is the key to harmony, cohesiveness and comfort in working in an organization or company [29]. Organizations that implement and uphold the value of morality will have better performance and continue to grow [27], [28].

Work ethic is one of the determinants of employee success in achieving their goals. Work ethic is a manifestation of obedience to organizational rules to complete tasks or work. Work ethic is also a description of one's morals based on work ethic which is shown by good work enthusiasm, attitude and behavior while working [27]. Improving work ethic, can be done by applying several aspects of measurement including time management, work centrality, morality, leisure, delay of gratification, hard work, group dynamics and commitment to education [29].

Empirical findings from previous researchers found that work ethic can improve employee performance [27], [28], [29], [3], and [30]. [28] analyzed work ethic in government employees and found that work ethic can improve employee performance. Another finding by [27] asserts that compensation, work experience, and work ethic can all positively impact employee performance. Thus, empirical evidence suggests that work ethic can enhance employee performance in certain circumstances.

H4: Work ethic has a positive effect on employee performance

2.5 OCB and Employee Performance

OCB (Organization Citizenship Behavior) is voluntary employee behavior to prove themselves as good organizational citizens [31]. OCB is also defined as behavior carried out by employees outside of their duties and obligations but has a positive impact on the company [32]. OCB has three dimensions including public benefits, sportsmanship and self-sacrifice [33]. Meanwhile, [32], [34] measured OCB using five dimensions including altruism, courtesy, sportsmanship, conscientiousness and civic virtue.

The existence of OCB practices in the company shows that employees have a good relationship with the company and vice versa. OCB has a role in shaping company effectiveness [35]. The most important asset in an organization or company is human resources. If human resources can perform well according to their responsibilities and obligations, the company's performance will be better. Moreover, if employees are able and willing to do work outside their responsibilities and support company goals, it will have a greater impact on performance and the achievement of company goals.

A number of prior empirical investigations have established that OCB can positively impact employee performance [31], [32], [35], [36], [34], and [37]. It has been demonstrated that OCB not only positively affects employee performance, but also mediates the relationship between employee commitment and performance, according to [32]. Conversely, [35] discovered that the collective efficacies of both employees and administrators can moderate the relationship between OCB and employee performance.

H5: OCB has a positive effect on employee performance

3. METHODS

3.1 Population and Sample

The population in this study were employees of the Marketing Department of Higher Education in West Java. The sample in this study was taken using a purposive sampling technique with the following criteria: (1) Universities that have B accreditation. (2) Marketing Department employees who have one year of experience. Therefore, it is interesting to analyze what factors can improve the performance of its employees.
From these criteria, a sample of 180 respondents was taken. The data collection technique in this study used a questionnaire with a Likert scale of 1-5. The data in this study were analyzed using the structural equation modeling (SEM) method with smartPLS software.

3.2 Measurement

This study consists of four variables, namely ethical leadership, work ethic, OCB and employee performance. The variables in this study are latent so they require indicators in their measurement. The ethical leadership variable is measured by 5 indicators adapted from [10]. The work ethic variable is measured by 8 measurement items adapted from [29]. OCB is measured by 5 measurements adapted from [34], [38] and performance using 5 measurements adapted from [34], [39].

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics

In this investigation, employees of the Marketing Department of a West Java institution of higher education served as respondents. The data for this research were gathered through the distribution of 200 questionnaires, of which a maximum of 180 were returned. The attributes of the participants in this research are categorized into four distinct characteristics: age, gender, most recent institutional education, and duration of service. The attributes of the participants in this research are elaborated upon in Table 1.

Table 1. Respondent Characteristics

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Classification</th>
<th>Total</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Man</td>
<td>112</td>
<td>62%</td>
</tr>
<tr>
<td></td>
<td>Woman</td>
<td>68</td>
<td>38%</td>
</tr>
<tr>
<td>Age</td>
<td>20 - 30 Years Old</td>
<td>97</td>
<td>54%</td>
</tr>
<tr>
<td></td>
<td>31 - 40 Years Old</td>
<td>56</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed, 2023

4.2 Evaluate Outer Model

Outer model analysis is an analysis required in data processing using Smart PLs. Outer model analysis is a test of data quality which includes convergent validity, discriminant validity and reliability tests. This test is a tool to prove that the data in this study meet the research requirements. The following are the results of testing the outer model:

a. Convergent Validity

Convergent validity testing aims to test the validity of each item used in the analysis. The item is a research indicator that measures each variable tested. The criterion in convergent testing is a loading factor > 0.7. The test results are shown in Table 2.

Table 2. Loading Factor Value

<table>
<thead>
<tr>
<th>Employee Performance</th>
<th>Ethical Leadership</th>
<th>OCB</th>
<th>Work Ethic</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL1</td>
<td>0.817</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EL2</td>
<td>0.813</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EL3</td>
<td>0.804</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EL4</td>
<td>0.862</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EL5</td>
<td>0.791</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP1</td>
<td>0.765</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP2</td>
<td>0.758</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP3</td>
<td>0.787</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP4</td>
<td>0.775</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP5</td>
<td>0.701</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB1</td>
<td>0.809</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB2</td>
<td>0.897</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB3</td>
<td>0.904</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB4</td>
<td>0.088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB5</td>
<td>0.735</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WE1</td>
<td>0.773</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WE2</td>
<td>0.824</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WE3</td>
<td>0.796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WE4</td>
<td>0.823</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 2 shows that all indicators have a value ≥ 0.7 except the OCB4, WE7 and WE8 indicator items so they must be dropped from the analysis. The results of the outer loading test after the invalid indicators were dropped are shown in Figure 1.

**Discriminant Validity**

Discriminant validity is one of the tests in outer model analysis that serves to test the accuracy of indicators in measuring constructs or research variables. Discriminant validity testing in this study uses cross loading with the test criteria that each indicator has a larger AVE root value in its respective construct. The analysis results are shown in table 3.

**Composite Reliability**

The next test in the outer model analysis is reliability testing or data reliability using composite reliability. The criterion in reliability testing is the composite reliability value > 0.7. The analysis results are shown in table 4.
Table 4 shows the results of reliability testing in this study. Data is declared reliable if it has a composite reliability value > 0.7. The analysis results show that all variables in this study have a composite reliability value > 0.7 and even all variables have a composite reliability value > 0.8. So that the data in this study are reliable in the sense that the data in this study are reliable and can be trusted in their measurements.

4.3 Inner Model Evaluation

a. Endogenous Variable Determination Coefficient

Table 5. $R^2$ Value of Endogenous Variables in the Inner Model

<table>
<thead>
<tr>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Performance</td>
</tr>
<tr>
<td>OCB</td>
</tr>
<tr>
<td>Work Ethic</td>
</tr>
</tbody>
</table>

*Source: Primary Data Processed, 2023*

The coefficient of determination quantifies the contribution of the exogenous variables to the research model in this study. Conversely, the coefficient of determination quantifies the extent to which the exogenous variables under investigation impact the endogenous variables. Table 5 shows the results that the coefficient of determination ($R^2$) in this study is 0.826 for the employee performance variable, 0.586 for the OCB variable and 0.781 for the work ethic variable. These results indicate that employee performance can be explained in this study by 82.6%, OCB can be explained in this study by 58.6% and work ethic can be explained in this study by 78.1%.

b. Interpretation of Structural Equation Model

This study proposes a relationship model between 4 research variables, namely ethical leadership, OCB (Organizational Citizenship Behavior), work ethic and employee performance. From these 4 variables, 5 research hypotheses were formulated which were analyzed using a structural equation model with smart-PLS software. The results of the modeling and output of the inner model analysis are shown in figure 2. Figure 2 and the results of hypothesis testing are shown in the path coefficient in Table 6.
The relation between ethical leadership and work ethic has an original sample value of 0.884 which is positive so the value of the relation is positive then the t-statistic value is above 1.96 and the p value is below 0.05. This shows that ethical leadership has a positive effect on work ethic so hypothesis 1 is supported.

Furthermore, the relation between ethical leadership and employee performance has an original sample value of 0.278 which is positive so the value of the relation is positive then the t-statistic value is above 1.96 and the p value is below 0.05. This shows that ethical leadership has a positive effect on employee performance so hypothesis 2 is supported. The relation between ethical leadership and OCB has an original sample value of 0.765 which is positive so the value of the relation is positive then the t-statistic value is above 1.96 and the p-value is below 0.05. This shows that ethical leadership has a positive effect on OCB so hypothesis 3 is supported.

The relation between work ethic and employee performance has an original sample value of 0.418 which is positive so when the relationship has a positive value, the t statistic exceeds 1.96 and the p value is less than 0.05. As a result, hypothesis 4 is validated, as this finding illustrates the positive correlation between work ethic and employee performance. Furthermore, 0.273 is the initial sample value that indicates a positive correlation between OCB and employee performance. The p-value is less than 0.05 and the t-statistic value exceeds 1.96, indicating that the correlation is positive. This verifies that OCB positively influences employee performance; therefore, hypothesis 5 is confirmed.

DISCUSSION
This study analyses 4 variables, namely ethical leadership, Work ethic, OCB and employee performance on employees of the Marketing Department of Higher Education in West Java. From these 4 variables, 5 hypotheses were formulated and analyzed using a structural equation model with smartPLS software. According to the results of the analysis, every hypothesis tested in this study is supported by the data.

Working towards a positive correlation between work ethic and ethical leadership is the initial hypothesis of this study. As indicated by the analysis results, the initial hypothesis is validated, thereby establishing that an organization's work ethic can be enhanced through the increased implementation of ethical leadership. These results are supported by several previous studies by [3], [7], [18], [19], [20], and [17].

The results of the first hypothesis test indicate that university officials should be able to apply ethical leadership well to create a better work ethic. Ethical leadership is the implementation of normative behavior in leadership actions and is manifested in actions, internal organizational relationships and decision-making [16]. By demonstrating assertiveness in upholding the value of morality within the organization, ethical leadership development can contribute to an increase in the organization's work ethic. Positive impact of ethical leadership on employee performance is the second hypothesis tested in this study. The results of the analysis in this study support the second hypothesis so that it is proven that increasing the application of ethical leadership can provide an increase in employee performance. These results are supported by several previous studies by [8], [9], [10], [6], and [21].

[10] found that ethical leadership can form an ethical culture in an organization, it can create good relationships within the company and improve company performance. Improving the application of ethical leadership can be done by developing several aspects, namely people orientation, integrity, fairness, responsibility and modesty [10].

Good organizations and companies are ethical organizations, therefore ethical leadership takes an important role in developing better organizations. Regarding OCB, the third hypothesis of this study is that ethical leadership is beneficial. The findings of
this study’s analysis provide support for the third hypothesis, demonstrating that the organization’s implementation of OCB is proportional to the quality of ethical leadership implementation. The results of this analysis are supported by several previous studies including [7], [11], [12], [23], [24], and [25].

OCB is an employee trait that can provide great benefits to the company [12]. Businesses with a strong OCB culture demonstrate that their employees have a great deal of accountability to the organization. Increasing OCB is thus of the utmost importance, and establishing ethical leadership is one method to do so. Additionally, [26] validated the impact of ethical leadership on OCB among hospital nurses. From a number of prior investigations concerning ethical leadership and OCB, it can be concluded that ethics are key to improving internal organizational relationships and are also key to increasing OCB. Therefore, organizations need to implement ethical leadership to improve OCB practices. The fourth hypothesis in this study is that work ethic can have a positive effect on employee performance. The results of the analysis in this study support the fourth hypothesis so that it is proven that the better the work ethic of employees in a company, the better employee performance. These results are supported by several previous studies by [27], [28], [29], [3], and [30]. Improving work ethic, can be achieved by applying several aspects of measurement including time management, work centrality, morality, leisure, delay of gratification, hard work, group dynamics and commitment to education [29]. Companies are expected to be able to improve their work ethic to build better employee performance.

The fifth hypothesis in this study is that OCB has a positive effect on employee performance. The results of the analysis in this study support the fifth hypothesis so that it is proven that with good OCB and its application increases, employee performance will also increase. These results are supported by several previous studies including [31], [32], [35], [36], [34], and [37]. The existence of OCB practices in the company shows that employees have a good relationship with the company and vice versa. OCB has a role in shaping company effectiveness [37]. Increasing OCB can be done by paying attention to altruism, courtesy, sportsmanship, conscientiousness and civic virtue [34]. Therefore, the application of OCB must be a special concern for companies and developers.

5. CONCLUSION
This study analyses the relationship between ethical leadership and work ethic, OCB and employee performance of Marketing Department employees of universities in West Java Indonesia. There are 5 hypotheses formulated in this study and the analysis results support all hypotheses. This study provides the results that: (1) Ethical leadership has a positive effect on work ethic. (2) Ethical leadership has a positive effect on employee performance, (3) Ethical leadership has a positive effect on OCB. (4) Work ethic has a positive effect on employee performance. (5) OCB has a positive effect on employee performance.

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