“The impact of ethical leadership on employee engagement within a South African public higher education institution”

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THE IMPACT OF ETHICAL LEADERSHIP ON EMPLOYEE ENGAGEMENT WITHIN A SOUTH AFRICAN PUBLIC HIGHER EDUCATION INSTITUTION

Abstract
Ethical leadership has become a fundamental building block amongst the corporate organizations globally. However, minimal research evidence was found from a higher education institution (HEI) perspective, including the evidence from a South African higher education setting. Due to the lack of research linking the ethical leadership's style and employee's engagement (EE) at higher education institutions, it becomes important to find out if ethical leadership can positively promote the EE, which, in turn, can promote various other benefits at the institutions. Therefore, this study aims to examine this from the perspective of ethical leadership style and its impact on the EE. This study focused on a large HEI (Higher Education institution) based in KwaZulu-Natal (South Africa). Quantitative data collection employed the probability sampling targeting 420 employees. Questionnaires were used as data collection tools and obtained a response rate of 312 (74%). The results show that the average mean value for EE (M = 2.87) was weak in comparison to the measurement standard of 3.00, which implied a lack of EE between leadership and employees. In addition, the results indicate that ethical leadership can positively influence the EE (M = 4.27), thus, indicating the need for more ethical leadership at this institution. Furthermore, the current lack of employee's engagement by leaders that do not exhibit the ethical leadership style can result in employees' disengagement at the institution.

INTRODUCTION
Employee’s engagement (EE) is often underestimated and under-represented when it comes to ethical leadership. The paper examines the ethical leadership style from the perspective of the EE. The African continent’s development agenda should be to turn the leadership skills into strategic assets, and universities must be proactive in developing the institutional leadership (Hanson & Léautier, 2011, p. 391). There is a need for higher education (HE) leaders to develop new skills and leadership practices to respond effectively to transformation challenges (Herbst & Conradie, 2011, p. 12). Hence, South African HEIs need to ensure that leadership development is a priority at all levels. Over the years, line management leadership (hereafter referred to as LML) have led the departments akin to their predecessors, without any foresight on the impact that leadership has on the EE. Management styles influence both the output and the well-being of employees (Van Niekerk, De Klerk, & Pires-Putter, 2017, p. 221, in Friedman, Tidd, Currall, & Tsai, 2000; Wright, 2011). According to Detert, Treviño, and Sweitzer (2008, p. 386), some organization leaders may possibly influence the
existing employees that are susceptible to moral disengagement. Notably, HE employees are regularly under stress from the internal environment (workloads, research outputs, student matters, administrative issues, etc.) and external environment (public funding, autonomy issues, and transformation). Conflict happens when staff is not able to work as a team to achieve the institutional goals and objectives. These disputes influence the HEIs culture and work environment (Du Toit, 2000) and affect the academics and support staff engaged in the academic process (Van Niekerk et al., 2017, p. 3). Inherently, the impact of ineffective leadership and employee’s disengagement will not only affect the staff but will also have a ripple effect on the stakeholders. In light of this, the EE becomes a critical component and requires in-depth examination within the HE context.

1. LITERATURE REVIEW

1.1. Employees and leadership behavior

Research has revealed that the leaders’ behaviors will affect an employee’s level of engagement (Breevaart, Bakker, Hetland, Demerouti, Olsen, & Espevik, 2014). An individual’s behavioral style is learnt to a certain degree by observing the action of noteworthy person/s and emulating those behaviors if it shows desirable results (Heres & Lasthuizen, 2013, p. 88, cited in Bandura, 1977, 1986). Moreover, if leaders behave correctly and fulfil the expected leadership roles, odds are that the followers will be more pleased with the leader and respond (Van Zyl, Dalgish, du Plessis, Lues, Pietersen, Ngunjiri, & Kablan, 2016, p. 9, cited in Dalglish). Leaders with the passion, vision, and courage to mentor the teams should become the catalysts and build the environments that will inspire and release the vigor of employees (Denton & Vlooberghs, 2003, p. 88). Furthermore, employees who are empowered respond faster to changes in the environment and stakeholder demands in comparison to disempowered employees (Carson & King, 2005, pp. 1049-1053). Hence, employee empowerment practices demonstrate high levels of engagement (Greco, Laschinger, & Wong, 2006, pp. 41-56).

1.2. Ethical leadership definition and style

Ethical leadership style can be defined exhibiting the appropriate conduct and showing the followers’ proper behavior by way of suitable communication, support, and decision-making (Brown, Treviño, & Harrison, 2005, p. 120). According to Eisenbeiss and Brodbeck (2014, p.343), leadership ethics ought to be at the core of the corporate world. It is the connection between leaders and followers that places the ethics fundamental to leadership (Van Zyl et al., 2016, p. 172, cited in Pietersen, 2016).

Ethical leadership style postulates that there is a simple basic difference between right and wrong, and an ethical leader is the one who does what is correct (Oates, 2013, p. 38). According to Quintal (2012, p. 2, cited in Madonsela, 2012) ethical leadership is the epitome of the sustainable leadership in one’s personal and professional life. Clearly, Brown (2007, p. 149) believes that over time, ethical leadership and effective leadership have been seen as compatible leadership styles that have gained momentum. Ethical leadership impacts the work relationships, as well as other organizational outcomes and expected to have a positive influence on work engagement (Engelbrecht, Heine, & Mahembe, 2014, p. 2). Engelbrecht, Heine, and Mahembe (2014, p. 3) assert that ethical leadership style embraces diverse qualities that are evident in the trusting relationship between a leader and a follower.

Interestingly, Brown, Treviño, and Harrison (2005) claimed that ethical leadership is linked to better employee motivation and more positive work performance. Employees who are observing leaders will be influenced by the ethical behavior observed and the leader’s skills, not a general view related to only human nature (Brown, Treviño, & Harrison, 2005, p. 121). It is noteworthy that Kalshoven and Den Hartog (2009, p. 102) believe that ethical leadership style is supposed to improve the trust among employees, and these leaders would then be regarded as effective leaders. From a tangible perspective, ethical leadership can reduce the cases of exploitation, fraud, deceit, intimidation, or
mismanagement of financial resources (Heres & Lasthuizen, 2013, p. 94, cited in Khuntia & Suar, 2004; Lasthuizen, 2008). Moreover, ethical leadership of King IV report is epitomized by honesty, competency, responsibility, accountability, impartiality, and transparency (KMPG, 2016).

1.3. Engagement and employee’s engagement

Engagement is said to be a blend of attitude and behavior whereby the attitude is seen as dedication and behavior is going the extra mile (Dromey, 2014, p. 7, cited in Purcell, 2010, p. 3). Schaufeli, Salanova, Gonzalez-romá, and Bakker (2002, p. 74) defined the engagement as an affirmative, achieving, job-related mind-set, characterized by vigor, perseverance, and interest. Similarly, Schaufeli and Bakker (2001, pp. 229-253) defined the engagement as an encouraging, satisfying, job-related outlook that is characterised by vigor (energy), perseverance (commitment), and absorption (engagement), which relates to Shaw and Bastock (2005) whereby the EE is defined as a translation of employees’ capability into better employee performance and organizational success, thus, transforming the way employees work.

Employee engagement literature has acknowledged the managers as key engagement enablers (Lewis, Brychan, & Owen, 2012, p. 46, cited in Rama Devi, MacLeod, & Clarke, 2009; Luthan & Peterson, 2002, Tomlinson, 2010). EE is about forming the right environment in which the employees have the ability and potential to give ones best every day (Hirtle, 2016). Swarnalatha and Prasanna (2013, p. 3875) maintain that employee participation, work participation, behavioral commitment, stakeholder engagement, and staff engagement are a few carefully related concepts.

Employee engagement concerns an individual and not multitudes of employees, as it is an individual decision that cannot be instructed or enforced (Shuck & Wollard, 2010, p. 102). Most of the EE literature has often focused on the organizational level, however, the EE is an individual-level construct that needs to be better understood from the perspective of each person, unit, and team (Shuck & Wollard, 2010, pp. 105-106). As stated by Takawira, Coetzee, and Schreuder (2014, pp. 3-4), engaged employees were positive towards their job, thus, leading to efficiency. Cropanzano and Wright (2001, pp. 182-199) claim that engaged employees were more open to work opportunities, more self-assured, and positive. Noticeably, as claimed by Halbesleben and Wheeler (2008, pp. 242-256), Mitchell, Holton, Lee, and Graske (2001, pp. 96-109), job embeddedness, and the EE constructs may have a significant impact on employees’ turnover intention. According to Devi (2009, pp. 3-4), engaged employees are aware of the organizations’ framework and work with others within that domain to improve the performance for the benefit of the organization.

1.4. Employee’s engagement for higher education institutions

Gallup (2016, p. 2) asserted that universities are amongst the least engaged workplaces in the world, as universities are not capitalizing on the potential of the biggest asset – faculty and employees. Interestingly, leadership behavior is known to have a powerful impact on the EE, turnover, and organizational consequences (Chen & Silverthorne, 2005, pp. 280-288). Rothmann and Jordaan (2006, pp. 87-96) claim that the existing research on the EE tends to concentrate on corporate organizations with less attention from researchers and practitioners on engagement in the HE settings. Notably, Barkhuizen and Rothmann (2008, p. 322) claim that HEIs need to manage and protect the employees from high levels of stress to preserve the staff well-being, organizational performance, and the intellectual well-being of a country. However, unawareness of EE is puzzling, given that HEIs are also facing the forces of globalization that is parallel to corporate organizations (Sullivan, Bartlett, & Rana, 2015, p. 4).

Few studies at HEIs have been conducted on the EE (Field & Buitendach, 2011, p. 5, cited in Coetzee & Rothmann, 2005; Jackson, Rothmann, & Van de Vijver, 2006; Rothmann & Jordaan, 2005, pp. 263-274). Interestingly, institutional changes that are essential for transformation at HEIs also have a direct influence on the EE (Bezuidenhout & Cilliers, 2010, p. 2). Vigor amongst SA academics is clearly connected to career development opportunities in and relatively associated with organizational collaboration (Rothmann & Jordaan, 2006, pp. 87-96).
Table 1 reflects the measured employee engagement study findings by Sullivan et al. (2015, p. 14).

Table 1. Constructs measured by the University employee engagement study

<table>
<thead>
<tr>
<th>Construct measured</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>Commitment, drive, and care for the work and the organization</td>
</tr>
<tr>
<td>Effectiveness of the work environment</td>
<td>Settings that allow for employees’ effectiveness and eliminate barriers to output</td>
</tr>
</tbody>
</table>
| Engagement drivers | • Link to department strategy and goals  
|                      | • Support and help for high-quality education, research, and service  
|                      | • Open communications and trust in leaders  
|                      | • Support for staff professional and job growth  
|                      | • Acknowledgement and respect for staff and contributions  
|                      | • Autonomy and inspiration for innovation  
|                      | • Clear performance potentials and consistent feedback  
|                      | • Collaboration and sharing of ideas within and across departments  
|                      | • Skills, information, and resources required to do the job well  
|                      | • Impartial workload and support for improving job processes |

South African academics are compelled to yield more research outputs, lecture larger classes and supervise more postgraduate students. Hence, the substantial workloads with inadequate support and fewer resources require more time and vigor (Bezuidenhout & Cilliers, 2010, p. 1). Furthermore, human resources development in HEIs remains of the highest importance because of the need to sustain the qualified academic and administrative employees in order to offer the quality education (Deligero & Laguador, 2014, pp. 909-917).

1.5. Leadership and employee engagement relationship

Robust manager-employee relationship is an essential constituent in the employee engagement and retention formula (Kompaso & Sridevi, 2010, p. 91). According to Dromey (2014, cited in MacLeod & Clarke, 2009, p. 31), the role of leadership in setting out the strategic narrative is to make sure that the employees understand it and see how employees influence it. Distinctly, a moral leader in the university does not treat the employees like petty criminals. When somebody does something erroneous, the leader should deal with it, but also respect the other person’s views (Council of Higher Education, 2016, p. 4, cited in Saunders, 2016, p. 5).

Cawe (2006, p. 29, cited in Gallup institute, 2003), five essential skills of alignment, inclusion, mentoring, team development, and building of trust are what leaders need to have to succeed at improving the EE. Similarly, Masemola (2011, p. 32) maintains that management should develop the effective and efficient ways to understand what employees want or potential rewards and expand the employees’ job satisfaction within an organization. In addition, the more transparent the managers are in terms of the organization’s processes and procedures, the more engaged the employees will be (Konrad, 2006, pp. 1-6). Importantly, SAIPA (2017, p. 11) asserts that when a leader is ethical and has integrity, employees will tell the leader what he/she needs to hear, but does not want to hear. Job resources (such as organizational support and development opportunities) knowingly predicted the EE of academics in many South African HEIs (Rothmann & Jordaan, 2006, p. 95). Hence, without university employees willing to go above and beyond, scholars are less likely to be engaged in education and be equipped for life (Gallup, 2016, p. 2).

1.6. Ethical leadership style impact on employee engagement

Ethical leadership is related to employees’ inclination to inform the leaders of difficulties (Brown and Treviño, 2006, p. 123). Moreover, Butcher (1997, pp. 83-87) claims that to establish an ethical role model, leaders cannot ignore the responsibilities and duties for those that are being led. Ethical leaders are known to establish an atmosphere that positively influences the employee’s goals and behavior (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009, pp. 1-13). Furthermore, ethical leadership ensures that the employees have a better work outlook and are more committed and immersed in the job (Brown et al., 2005). To ensure job satisfaction of employees’ attention should be given to the leadership and management styles, individuals in management positions, namely exec-

According to Treviño, Brown, and Hartman (2000, pp. 128-142; 2003, pp. 5-37), leaders become attractive and credible ethical role models when observed by the employees as both a moral being and a moral leader. Furthermore, Heres and Laschiusen (2013, p. 96) maintain that ethical leadership also influences the employees’ relationship with the leader, team, and general organization. Ethical leadership fosters the trust not only in the leader but also amongst the colleagues (De Hoogh & Den Hartog, 2008). As asserted by Engelbrecht, Heine, and Mahembe (2014, p. 3, cited in Zhu, May, & Avolio, 2004, pp. 16-26), ethical leadership includes the employees in the decision-making process, as well as enables the employee’s well-being and development. According to Kalshoven and Boon (2012, p. 60), ethical leaders offer such job resources as role explanation or open support, therefore, ethical leadership communicates positively to employee well-being and development. According to Treviño, Hartman, and Brown (2000, pp. 5-37; 2003, pp. 128-142) claimed that showing the concern for individuals and unbiased treatment of employees contribute to ethical leadership behavior.

The diverse literature review serves as a framework for the importance of ethical leadership style relative to the EE within a South African HE context.

2. AIMS

The paper aims to explore the phenomena of ethical leadership and employee’s engagement with the primary aim/hypothesis of establishing if ethical leadership style significantly influences the EE.

3. RESEARCH METHODOLOGY

The paper extracted the data from a quantitative approach, using the probability sampling technique. The quantitative approach involved the probability technique using the simple random sampling, as the technique provides a guarantee that chosen representatives (employees) were a sample of the larger study population. Hence, the quantitative sample constituted to a target of 420 staff members (out of a population of 1,874) at the institution. Survey questionnaires were used for the quantitative study as data collection tools. The questionnaires were distributed to the sample of 420 respondents and obtained a response rate of 312 (74%).

4. ANALYSIS OF DATA

Quantitative analyses was performed on the data to promote strong validation of findings. This entailed both descriptive and inferential statistics.

4.1. Descriptive statistics

Frequency statistics were used to describe the disagreement or agreement levels of employees when it came to the EE. This is reflected in Table 2.

Table 2 demonstrated the frequency distribution using 15 Likert five-point scale statements (from strongly disagree to strongly agree), mean value scores and standard deviation ranging from the highest mean of \( M = 3.86 \) (SD = 1.038) to the lowest mean of \( M = 2.33 \) (SD = 1.136) for the EE construct. The mean value scores and standard deviation for respondents have been reported in the descending order. Noticeably, the average mean value (\( M = 2.87, \) SD = 0.115) for overall statements has shown a weak mean value score of less than 3.00.

Thus, the results show that currently there is a lack of the EE between leadership and employees, and further indicated a weak relationship between leadership and employee engagement.

Leadership dimension concepts are shown in Table 2, which includes the ethical leadership impact on the employees.

Table 3 presented the leadership dimension concept that utilized 4 Likert five-point scale statements (from strongly disagree to strongly agree). The average mean value amounted to \( M = 4.27, \) SD = 0.093, and this was much higher than the mean measurement value of 3.00. The results imply that the majority of respondents believed that ethical leadership style can have a positive impact on the employees.
4.2. Inferential statistics

One-sample T-test

In light of the preceding statistics, one sample T-test was performed, which uses mean score, standard deviation, and number of samples to calculate the test statistic. The hypotheses posited were as follows:

Does ethical leadership style significantly influence the employee engagement?

\[ H_{1_0} : \text{Line management leadership has no significant influence on the EE.} \]

\[ H_{1_1} : \text{Line management leadership has significant influence on the EE.} \]
The results showed negative higher dimension of t-value for the majority of the statements. The outcome of the statistical results from the p-value revealed that there was a significant disagreement for overall employee engagement construct, as reported below:

- My HOD is concerned about staff well-being (M = 2.67, SD = 1.205), t(311) = –4.888, p = 0.000;
- I am able to discuss personal staff matters or report a problem to my HOD (M = 2.65, SD = 1.259), t(311) = –4.945, p = 0.000;
- My HOD is my confidant and genuinely cares for me (M = 2.45, SD = 1.183), t(311) = –8.232, p = 0.000;
- Staff are comfortable to raise issues and ask questions to the HOD (M = 2.64, SD = 1.290), t(310) = –4.967, p = 0.000;
- I am involved in final decision-making (M = 2.33, SD = 1.136), t(311) = –10.420, p = 0.000;
- I have a good working relationship with my HOD (M = 2.86, SD = 1.253), t(311) = –2.033, p = 0.043;
- My HOD supports my career development (M = 2.86, SD = 1.197), t(311) = –2.081, p = 0.038;
- Duties are allocated equitably to all staff (M = 2.68, SD = 1.224), t(311) = –4.625, p = 0.000;
- My HOD encourages teamwork (M = 2.92, SD = 1.251), t(311) = –1.131, p = 0.259;
- I have the adequate resources to do my job well (M = 2.50, SD = 1.242), t(311) = –7.155, p = 0.000;
- I am willing to go the extra mile to help staff in my department (M = 3.03, SD = 1.476), t(311) = 0.307, p = 0.759;
- I am happy and feel part of a family to work in my department (M = 2.56, SD = 1.333), t(311) = –5.817, p = 0.000;
- My HOD inspires and encourages me to perform better (M = 2.54, SD = 1.288), t(311) = –6.332, p = 0.000; and
- I will switch a job should a better job offer arise (M = 3.13, SD = 1.514), t(311) = 1.496, p = 0.136.

Understandably, one of the aforesaid statements was integrated into significant agreement below, despite the results showing a p-value greater than 0.05. One statement may possibly fall under the category of being similar to reverse score items which is comparable to Ilhan and Guler (2017, p. 322, cited in Bergstrom & Luriz, 1998) that found direct and reverse scored items measured the same structure, and applying both of these items together was unobjectionable. The one statement showed a positive t-value dimension and revealed a statistical significant agreement whereby the annual leadership evaluation of HODs should be undertaken by the respective staff (M = 3.86, SD = 1.038), t(311) = 14.672, p = 0.000.

5. KEY RESULTS

The analysis indicated that there was currently a lack of the EE occurring at the institution (Table 2). It further revealed a strong agreement of 66.6% by most respondents for annual leadership evaluation of HODs by the respective staff. Thus, the results have implied that more than half of these respondents believe that LML needs to be evaluated continuously. The one sample t-test indicated that a statistical significant disagreement existed for mean value of the EE variable for majority (14 out of 15) of the variables related to LML. It therefore shows a statistical significant disagreement for the overall EE construct. In addition, respondents believed that ethical leadership can have a positive impact on the employees, as shown in Table 3. Hence, $H_{10}$ is rejected. Therefore, $H_{11}$ (alternative hypothesis) is partially accepted.

6. DISCUSSION

Relating to the results found, the rationale behind leadership evaluation would be to facilitate better work relationships between LML and employees. In addition, it would examine any underlying
Leaders did acknowledge that employees should be kept happy and viewed well-being, drive and commitment as important in their departments. Ethical leadership is firmly connected to well-being (Kalshoven & Boon, 2012, p. 60), thus, could enhance the productivity, as engagement had a positive effect on work and productivity. It is vital from a management viewpoint to note that the intellectual capital of employees itself is the principal asset of the organization (Denton & Vloeberghs, 2003, p. 88, cited in Handy, 1997). However, it was evident that the processes to support employee well-being, drive, and commitment were limited. The study findings have shown that a lack of ethical leadership style had an adverse effect on the EE. This shows the relationship between ethical leadership style and the EE, which can be concurred by Men’s (2014) assertion that ethical leadership communication inspires the EE. Moreover, the main features of ethical leadership style are to be moral, transparent, and have integrity regardless of institutional constraints or challenges. When employees view leadership as ethical, they will follow the leader and be inspired to become better employees or better future leaders. Evidently, most of the findings have revealed that these managers have not conformed to or exhibit the ethical leadership style, which has resulted in the employee disengagement. The findings have shown that ethical leadership can significantly influence the EE at the institution. However, these findings have also indicated a lack of the EE at the institution. Furthermore, the alternative hypothesis testing was accepted for leadership having a significant influence on the EE.

CONCLUSION

The study concludes that there is a current lack of the EE occurring between the respective leaders and their employees at the institution. The alternative hypothesis testing was accepted for leadership having a significant influence on the EE. More importantly, ethical leadership style can impact positively on the EE whereby the respondents believed that ethical leadership can influence the employee behavior and mindset while also contributing to motivation, drive, commitment, and feeling valued. This can have a positive effect on work and productivity. Lastly, it was also important for the leaders to be role models and to lead by example, despite the university constraints and process limitations.
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