Ethical Leadership and Counterproductive Work Behavior: The Mediating Role of Job Satisfaction

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ABSTRACT

Intense competition among public institutions underscores the need for effective human resource management. This study investigates Counterproductive Work Behavior (CWB), a concern for academics, professionals, and policymakers. CWB, a response to workplace dissatisfaction, is examined among 121 permanent nurses at Pandan Arang Hospital. Findings show that ethical leadership is negatively associated with CWB and positively linked to job satisfaction, which fully mediates the relationship between ethical leadership and CWB. The study contributes theoretically by advancing understanding of how ethical leadership influences CWB via job satisfaction, offering practical implications for organizations aiming to reduce CWB and promote ethical leadership practices.

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Introduction

Competition among public institutions is fierce due to rapid technological advancements. To stay competitive, organizations need superior human resources (HR) but face challenges in managing them optimally. Moral and positive leadership is crucial, as destructive leaders can cause counterproductive work behavior [1]. This behavior, stemming from workplace dissatisfaction, includes inefficient time use, coworker conflicts, ethics violations, and property damage, negatively affecting overall productivity [2].

Previous research confirms that leadership impacts nonproductive behaviors at work [3]. Leaders need to employ a leadership style that offers an interpersonal approach to understanding employees' needs [4]. Ethical leadership is defined as normative behavior exemplified and communicated by leaders. Reducing counterproductive behavior is a critical function of ethical leadership, as such behavior threatens the organization's image and functionality [5]. Job satisfaction is a crucial indicator of organizational success. According to research, job satisfaction is an emotional state of happiness derived from an individual's feelings about their work activities or experiences [6]. Job satisfaction can reduce nonproductive behavior in the workplace. Studies have shown that increased job satisfaction diminishes counterproductive work behavior [7].

The relationship between ethical leadership and counterproductive work behavior has been the focus of several recent studies[8]. Findings indicate that ethical leadership significantly negatively correlates with counterproductive work behavior, suggesting that higher levels of ethical leadership are associated with lower instances of such behavior. This finding aligns with previous research supporting the significant negative relationship between these two variables [9], [10]. However, some studies have found no significant relationship between ethical leadership and counterproductive work behavior [11]. These differing results may be due to various factors, including differences in research subjects, study design, and data collection techniques. For example, previous scholar expanding the scope of research to various locations is suggested, given that previous studies often focused on specific regions [12]. Additionally, previous researcher also suggest using respondents from general hospitals may yield different findings compared to those from private hospitals [13]. Also, these inconsistencies may result from differences in subjects, design, and data collection methods, suggesting the need for broader research across various contexts and organizational settings[3], [11], [14], [15].

The impetus behind this study stems not only from the observed gap in previous research findings but also from the necessity highlighted by direct interviews conducted by

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researchers with key personnel, including the Head of Research and Development, Human Resources, and Training, at the hospital. These interviews unveiled a pattern of persisting deviant behaviors among nurses and healthcare workers, encompassing actions such as the unauthorized appropriation of medical equipment for personal use, deliberate tardiness or unauthorized absences from work, and instances of disparaging colleagues. Delving into these issues assumes paramount importance in comprehending the pivotal role ethical leadership plays in attenuating counterproductive work behaviors. Such an investigation is indispensable for discerning effective strategies aimed at fostering a culture of accountability, respect, and professionalism within healthcare settings. Based on the findings of previous studies or research, as explained in the preceding subsection, the theoretical framework supporting the proposed research plan is outlined as follows:
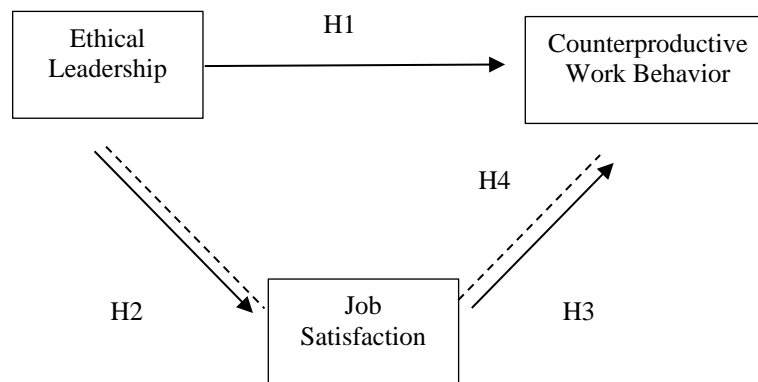

Figure 1. Theoretical Framework

Method

This research using a quantitative method by distributing questionnaires containing questions about ethical leadership, counterproductive work behavior, and job satisfaction variables to 142 nurses at Pandan Arang Hospital, but only 121 questionnaires were fully completed. The respondents consist of 39 males and 82 females. Based on their tenure, 46 respondents have worked for less than 2 years, 41 have worked for 3-5 years, 15 have worked for 5-10 years, and 20 have worked for more than 10 years. The research findings were

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analyzed using hypothesis testing utilizing the structural equation modeling (SEM) technique through the Smart-PLS approach, also known as SEM Varians.

Measurement

Table 1. Measurement of Research

Variable	Indicator
Ethical Leadership	Using Indicator from Brown, using 10 question indicators, namely: leading an ethical life, achieving success, listening to colleagues, disciplining colleagues, fairness and balance, trustworthiness, discussing ethical and business values with employees, setting an example, considering colleagues' interests, and seeking others' opinions [16].
Counterproductive work behavior	Using indicators from Spector, with 5 question indicators, namely: abuse, production deviance, sabotage, theft, and withdrawal [17].
Job Satisfaction	In this study uses 5 question indicators from Luthan [18], which are: the work itself, salary, promotion, supervision, and coworkers.

Source: Processed data (2023)

Results and Discussion

After processing the questionnaire results using the analytical data method with Smart PLS 4.0, three criteria- convergent validity, discriminant validity anda reliability can be used to evaluate the external method. A variable is said to have achieve a good validity value if the AVE value of the varible is above 0.5 [19]

Table 2. Discriminant Validity Results

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Variable	AVE	√AVE	Correlation Coefficient		
			CWB	EL	JS
Counterproductive work behavior	0.689	0,830	0.830		
Ethical Leadership	0.667	0,817	-0.327	0.817	
Job Satisfaction	0.671	0,819	-0.363	0.891	0.819

Source: Processed data by the researcher using SEM PLS (2023)

Based on figure 2, It was demonstrated that the AVE values for all variables exceeded 0.6. To determine the discriminant validity, one can calculate the √AVE value for each variable. A variable's discriminant validity is considered valid if its √AVE value is greater than the Correlation Coefficient values of the other variables. Since the √AVE values were greater than the Correlation Coefficient values, the variables in this study can be deemed valid.

The initial sample values and T-Statistic are used to analyze the direct effect test. If the T-Statistic value of a measurement item exceeds 0.67638 (one-tailed) with a significance level of 5%, it is considered significant [19]. The direct effects (inner model) in this study are presented in Table 3.

Table 3. Inner Model

	Original Sample	Sample Mean	STDEV	T Statistics	P Value
Ethical Leadership -> Counterproductive work behavior	-0,020	-0,008	0,233	0,084	0,466
Ethical Leadership -> Job Satisfaction	0,891	0,894	0,016	54,215	0,000
Job Satisfaction ->Counterproductive work behavior	-0,345	-0,383	0,200	1,727	0,042
Mediating Effect	-0,308	-0,342	0,180	1,711	0,044

Source: Processed data by the researcher using SEM PLS (2023)

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Based on Table 3, it can be demonstrated that ethical leadership has a non-significant negative effect on counterproductive work behavior. Additionally, ethical leadership significantly influences job satisfaction positively, while job satisfaction negatively influences counterproductive work behavior.

Figure 1. Final Research Framework

Based on Figure 1, it can be shown that for the ethical leadership variable, the strongest correlation among the other variables is found in EL-03, with a coefficient value of 0.924. For the job satisfaction variable, the strongest correlation among the other variables is found in JS-04, with a coefficient value of 0.905. For the counterproductive work behavior variable, the strongest correlation among the other variables is found in CWB-01, with a coefficient value of 0.875.

As for the mediation analysis, it was conducted using t-statistic tests and Variance Accounted For (VAF) testing. If the Variance Accounted For (VAF) value is less than 20%,

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it indicates that the suspected mediating variable is not a mediating variable. Furthermore, if the VAF value falls within the range of 20% < VAF < 80%, the mediating variable is proven to mediate with partial mediation, and if the VAF value is > 80%, the mediating variable is proven to mediate with full mediation [20]. From the results obtained based on the VAF value, a value of 93.8% was obtained, job satisfaction is fully shown to mediate the influence of ethical leadership on counterproductive work behavior.

Based on the data analysis conducted, it is evident that ethical leadership has a significantly negative influence on counterproductive work behavior. In other words, these results validate that ethical leadership negatively affects counterproductive work behavior. This finding aligns with previous studies by P. J. Commer [4], S. Y. B. Huang [11] and Amanda Christensen-Salem [21], which concluded that there is a negative influence of ethical leadership on counterproductive work behavior. As shown in Table 1, the lowest value, 0.754, was recorded for the indicator "Discussion of ethical or business values with employees," indirectly indicating that leaders at Pandan Arang Hospital, Boyolali Regency, tend to be deficient in discussing ethical values with their nurses. Conversely, the highest value, 0.924, was observed for the indicator "Listening to coworkers," suggesting that leaders at Pandan Arang Hospital are quite effective in listening to their subordinates, particularly the nurses.

The contrast between these two indicators highlights the multifaceted nature of ethical leadership. While listening and being receptive to employees' concerns is crucial, it is equally important for leaders to actively discuss and promote ethical standards within the organization. The findings suggest that while the leaders at Pandan Arang Hospital are proficient in listening, there is room for improvement in their communication regarding ethical and business values. Enhancing this aspect of ethical leadership could potentially strengthen its impact on reducing counterproductive work behaviors.

Furthermore, the results demonstrate that ethical leadership has a positive and significant effect on job satisfaction. With an original sample value of 0.891, a T-statistic of 54.215, and a P-Value of 0.000, these findings affirm that the effective application of ethical

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leadership can enhance job satisfaction among nurses at Pandan Arang Hospital, Boyolali Regency. This outcome validates the objective of ethical leadership: that appropriate ethical leadership will increase job satisfaction among nurses at Pandan Arang Hospital. This is explained by the perception of ethical leadership, measured through indicators such as living an ethical life, achieving success, listening to coworkers, disciplining coworkers, fairness and balance, trustworthiness, discussing ethics or business values with employees, setting examples, and considering coworkers' interests, which are shown to enhance nurses' job satisfaction. This satisfaction is measured based on indicators like the job itself, salary, promotion, supervision, and coworkers [22]–[24]. These findings suggest that enhancing ethical leadership grounded in moral values by the management of Pandan Arang Hospital will significantly contribute to improving nurses' job satisfaction.

These findings have important implications for the management of Pandan Arang Hospital. By prioritizing and enhancing ethical leadership practices, the hospital's management can significantly improve job satisfaction among nurses. This can lead to a more motivated, committed, and effective nursing workforce, which is crucial for delivering high-quality patient care. Thus, fostering ethical leadership is not only beneficial for nurses' job satisfaction but also for the overall performance and reputation of the hospital.

Moreover, this study finds that job satisfaction negatively affects counterproductive work behavior. This implies that nurses who are satisfied with their jobs are less likely to engage in destructive actions that could harm the hospital or their colleagues. Job satisfaction plays a crucial role in keeping nurses motivated and contributing positively to the hospital's objectives. Nurses who are satisfied with their work are less likely to engage in destructive actions that could endanger the hospital or their colleagues. When a nurse performs their duties in a hospital setting, the outcome of their work directly influences the achievement of the hospital's objectives. Therefore, a nurse's job satisfaction with their responsibilities must be maintained positively to ensure the hospital's goals are met. In other words, nurses should possess and uphold job satisfaction to contribute to the hospital's objectives. Consequently,

the higher the job satisfaction experienced by nurses, the lower the level of counterproductive work behavior among nurses at the Pandan Arang Hospital in Boyolali Regency. This conclusion is supported by previous research conducted by Junbang Lan and Marcela-Sefora [25]–[27], which also concluded that job satisfaction negatively affects counterproductive work behavior.

The study also shows that job satisfaction fully mediates the effect of ethical leadership on counterproductive work behavior. With an original sample value of -0.308, a T-statistic of 1.711, and a P-Value of 0.044, it can be concluded that the direct influence of ethical leadership on counterproductive work behavior is small and insignificant. However, when mediated by job satisfaction, its influence becomes significant. This highlights that ethical leadership needs to be implemented alongside efforts to enhance job satisfaction to achieve optimal results in reducing counterproductive work behavior. In other words, while ethical leadership is an appropriate style to reduce counterproductive work behavior, its effectiveness is heightened when supported by high job satisfaction among employees.

According to research by Aida Mehrad [28], job satisfaction is important for two main reasons. First, employers have a moral obligation to create a satisfying work environment. Second, Long Zhang's research [29] indicates that job satisfaction mediates the relationship between ethical leadership and counterproductive work behavior. High job satisfaction, resulting from ethical leadership, can reduce negative work behaviors and enhance productivity and workplace harmony.

Overall, the increased application of ethical leadership combined with efforts to enhance job satisfaction has been shown to effectively suppress counterproductive work behavior. This underscores the importance of job satisfaction as a key factor in achieving organizational goals and creating a productive and harmonious work environment at Pandan Arang Hospital, Boyolali Regency.

Conclusion

Based on the findings, ethical leadership has a non-significant negative effect on counterproductive work behavior but a significant positive effect on job satisfaction at

Pandan Arang Hospital, Boyolali. Job satisfaction negatively impacts counterproductive work behavior, showing that satisfied nurses are less likely to engage in harmful actions. Job satisfaction fully mediates the effect of ethical leadership on counterproductive behavior. Thus, the hospital should focus on ethical leadership and enhancing job satisfaction to foster a productive and harmonious work environment and achieve organizational goals.

The findings of this research provide support and alignment with previous studies, including the research conducted by Mehmood [30], which focused on healthcare institutions. Counterproductive work behavior is identified as a detrimental work activity intended to harm the organization or colleagues. This study has several limitations. First, the research subjects were limited to permanent nurses at the hospital. Second, the existing literature on this topic is still limited. Third, only 121 valid samples were obtained due to incomplete questionnaire responses, time constraints, and the researcher's limited authority. Lastly, the low Adjusted R Square value in this study indicates the need for additional variables.

For future research on the same topic, it is recommended to further develop the study by incorporating variables such as abusive supervision, transformational leadership, emotional intelligence, and organizational justice as mediating or moderating variables affecting counterproductive work behavior. Subsequent researchers are also encouraged to apply or develop data analysis techniques not utilized in this study. Lastly, it is important to consider different companies or organizational contexts.

Acknowledgements

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