

## ANALYSIS OF THE ETHICAL EFFECT OF LEADERSHIP ON EMPLOYEE PERFORMANCE AND MODERATED WITH EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR

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**Abstract:** The purpose of this study was to determine the relationship of ethical leadership to employee performance and mediated by employee engagement and organizational citizenship behavior in a tax consultant office in Batam. Employee performance is the dependent variable studied in this study. Ethical leadership as an independent variable was used in this study. Employee engagement and organizational citizenship behavior as variables that mediate the relationship between ethical leadership and employee performance. The sample used in this study are employees who work in companies engaged in tax consulting in Batam. Sources of data used are primary data obtained through questionnaires distributed by examining the influence between variables with panel regression testing method. Ethical leadership directly has a significant and positive influence on employee performance. Ethical leadership directly has a significant and positive effect on employee engagement. Ethical leadership directly has a significant and positive effect on organizational citizenship behavior. Employee engagement directly has a significant and positive effect on employee performance. Organizational citizenship behavior directly has a significant and positive effect on employee performance. Ethical leadership mediated by employee engagement has a significant positive effect on employee performance. Ethical leadership mediated by organizational citizenship behavior has a significant positive effect on employee performance.

**Keywords:** *Employee Performance, Ethical Leadership, Employee Engagement, Organizational Citizenship Behavior.*

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### INTRODUCTION

Ethical leadership is an appropriate normative behavior seen from personal behavior or interpersonal relationships and promotion of other employees with two-way communication, reinforcement, and decision making. Personal traits such as honesty, integrity, and shared trust are critical to leadership effectiveness. Leaders are considered ethical in their professional and personal lives if they have the principle of caring and caring for the community in their decision-making and leadership style (Malik et al., 2016).

Organizational citizenship behavior is an individual action that exceeds the required role, is not explicitly or directly recognized by the company, and improves the functioning of the organization efficiently and effectively. This employee behavior can be considered as an option

that the employee chooses and exercises, but it is outside the description of the position held and has a positive impact on the organization. OCB is a voluntary behavior that benefits the company (Bagyo, 2018).

Companies should always adopt effective ways to motivate employees to provide higher work performance which directly increases the competitiveness of the organization. Employee performance has always been the most important thing to be considered by company management. employees are the main resources that carry out daily operational activities (Inuwa, 2016).

Siddiqui's research (2019) states that the elements of organizational performance are not only capital and financial resources that contribute to achieving goals, but human resources are also elements that must be considered. Companies must motivate employees to improve their performance. Skilled, experienced, and reliable employees must be retained by the organization because they are the assets of the organization.

Based on the tax.go.id site, cases of criminal acts in the field of taxation which are investigated by the office of the directorate general of taxes (DGT) continue to increase every year. From 2009 to 2012 the estimated total state losses exceeded 1.13 trillion rupiahs. During those 4 years, 92 cases had been investigated to a further stage, namely the prosecution stage carried out by the prosecutor's office.

Based on the cnnindonesia.com site, the bribery case by PT. Wahana Auto Eka Marga on 4 employees of the tax service office was fired by the minister of finance. Commissioner of PT. Wahana Auto Eka Marga gave a bribe of 1.8 billion to the 4 employees. The finance minister said this was an act of betrayal and shame to the institution he led.

Based on the explanation above, the authors have an interest in researching employee performance entitled: "Analysis of the Effect of Ethical Leadership on Employee Performance and Mediated by Employee Engagement and Organizational Citizenship Behavior at the Tax Consultant Office in Batam".

Raharjo and Sulistiasih (2019) Employee performance is the result of work which includes work quality, the quantity of work, behavior in the workplace, and individual attitudes that are directly related to the work carried out in helping the organization to achieve the vision and mission that has been determined. . Employee performance can be concluded into 6 dimensions of employee performance, namely quality of work, the quantity of work, initiative, honesty, cooperation, and responsibility. Employee performance can be interpreted as the quantity and quality achieved by an employee in carrying out his responsibilities following the instructions given to him (Hermina & Yosepha, 2019).

Many previous studies have examined the factors that influence employee performance with different research models/variables. Wilson (2009) examined the relationship between employee engagement and employee performance. Kelidbari et al. (2016), examined the influence of ethical leadership on employee performance. Malik et al. (2016) added the organizational value variable as a moderating variable to examine the effect of ethical leadership on employee performance. Zehir et al. (2019) add a relationship orientation variable as a mediating variable to examine the effect of ethical leadership on employee performance.

Farhani (2019) researched employee performance with the variables of work motivation, organizational culture, and leadership style as independent variables. Raharjo and Sulistiasih

(2019) added the organizational commitment variable in their research as an independent variable. Hermina and Yosepha (2019) added work discipline as an independent variable to their research.

This research aims to examine the variables that affect employee performance. Hermawati and Mas (2017) researched using three mediating variables, namely quality work-life, job involvement, and organizational citizenship behavior which mediate between transglobal leadership variables as independent variables and employee performance variables as dependent variables. Buil et al. (2019) examine the variables that affect employee performance using leadership transformation as independent variables, organizational identification and work engagement as mediating variables, Proactive Personality as moderating variables, and employee performance and organizational citizenship behavior as dependent variables.

Research conducted by Sugianingrat et al. (2018) used two moderating variables to support research on employee performance. The independent variable used is ethical leadership on employee performance. The intervening variable used is employee engagement and organizational citizenship behavior in research.

The studies conducted related to employee performance have been studied by many people but have different independent variables, intervening variables, and moderating variables. (Adawiyah & Fauzan, 2019; Administration, 2013; Ali et al., 2019; Allen & Jang, 2016; Aloustani et al., 2020; Andrew & Cazares, 2015; Asadullah et al., 2019; Ayu Putu Widani Sugianingrat et al. ., 2019; Bagyo, 2018; Bhana & Suknunan, 2019; Buil et al., 2019; Chelagat et al., 2015; Chiang et al., 2018; DEDEOĞLU et al., 2015; El Khouly et al., 2015; Elsiyana Nurlita, 2019; Engelbrecht et al., 2014, 2017; Erdal, 2019; Farhani, 2019; Fatah & Suhandini, 2019; Fidyah, 2020; Gerpott et al., 2019; Gilani & Hadi, 2017; Handoyo & Setiawan, 2017 ; Hermawati & Mas, 2016; Inuwa, 2017; Islam, 2018; Ismail et al., 2018; J., 2014; Jagat et al., 2019; Jayadi, 2018; Kelidbari et al., 2016; Kertiriasih et al., 2018; Kılınç & Ulusoy, 2014; Malik et al., 2016; Marinda, 2018; Masih, 2017; Meswantri & Awaludin, 2018; Methode et al., 2019; Moghadam et al., 2019; Muhdar, Mahlia Muis, Ria Mardiana Yusuf, 2015; Mulyani et al., 2019; Nassazi, 2013; Nazir & Islam, 2017; Ngwenya & Pelsler, 2020; Onyemaechi et al., 2018; Prbasari et al., 2018; Priyono et al., 2019; Raharjo & Sulistiasih, 2019; Rita et al., 2018; Rizkiani & Nurnida, 2016; Rumman et al., 2020; Sawitri et al., 2016; Sayuti et al., 2020; Sendawula et al., 2018; Shahin et al., 2013; Shareef & Atan, 2019; Shin, 2012; Siddiqui & Rida, 2019; Srivastava, 2016; Supriyanto et al., 2020; Tan et al., 2019; Theriou & Chatzoudes, 2020; Vol, 2009; Widiani, 2019; Wine et al., 2019; Yang & Wei, 2018; Ye & Fernando, 2016; Yuniarto, 2018).

Ethical Leadership is a leader's way of influencing subordinates, both individually and in groups, to act according to the will of the leader in achieving goals (Raharjo & Sulistiasih, 2019). Democratic and participatory leadership styles include ethical styles, while autocratic leadership styles include less ethical styles. Leaders who can treat workers fairly, maintain moral behavior, and supervise workers are a positive moral approach to improve employee performance. Companies that have a code of ethical behavior that is forced on employees will have an impact on unethical behavior (Malik et al., 2016).

According to Rizkiani & Nurnida, (2016) employee engagement is the motivation or energy of employees in helping the organization to achieve the goals of the company. Satisfied

employees will be motivated or put in extra effort because they are more committed to providing better results (Engelbrecht et al., 2014). (Bhana & Suknunan, 2019) emphasizes that ethical leadership can ensure that employees have a better view of their work and employees will also be more committed and involved in their work.

Organizational Citizenship Behavior can be interpreted as employees who have a voluntary feeling to help work that is not their job and without expecting anything in return (Tan et al., 2019). According to Yang & Wei, (2018), ethical leaders will treat all subordinates with mutual respect and attention so that it can lead to quality relationships between leaders and subordinates, which in turn will lead to Organizational Citizenship Behavior. Engelbrecht et al., (2017) in their research say that a leader who has a sense of orientation, justice, power-sharing, concern for sustainability, ethical guidelines, role clarification, and integrity will produce employees who have a high sense of Organizational Citizenship Behavior.

## **METHODS**

This study is a basic observation, which aims to evaluate and develop concepts from previous theories and hopes that the results of these observations can contribute to the development of further theories. The basic observation is research that has a quantitative nature, analyzes data using statistical procedures, and focuses on studying rules through variable decomposition (Indriantoro & Supomo, 2011).

The classification of characteristics in this observation is a comparative observation using the significance of origin and the influence between the independent variable and the dependent variable (Indriantoro & Supomo, 2011). This observation uses employee performance as the dependent variable. Ethical leadership is an independent variable that affects the dependent variable. Employee engagement and organizational citizenship behavior as intervening variables.

The object of research is employees who work in companies engaged in tax consulting. The city where the questionnaire was distributed in the city of Batam. Hair et al. (2010) suggested one method of determining the sample, which is a ratio of 1: 5. The questions used in this study were 39 questions, so the minimum total sample that must be used in this study was 195 samples.

According to Indriantoro and Supomo (2011), the definition of an independent variable is a variable that affects the dependent variable. This study uses the dependent variable of employee performance which can be interpreted as the performance of workers in meeting the values expected by the company and the achievement of the tasks assigned under the procedures and requirements of a company (Inuwa, 2016). The measurement of employee performance in this study was measured by 7 questions from the research of Chelagat et al. (2015). The seven questions were assessed using a 5-point Likert scale (1 being strongly disagreed, 2 being disagreeing, 3 being neutral, 4 being agreeing, 5 being strongly agreeing).

Independent variables are variables that influence other variables (Indriantoro & Supomo, 2011). This study uses the independent variable ethical leadership. Ethical leadership is appropriate normative behavior through personal actions, interpersonal relationships, and promotion of these behaviors to followers through two-way communication, reinforcement, and decision making Malik et al. (2016). The measurement of ethical leadership in this study was measured by 10 questions from the research of Celik et al. (2015). The ten questions were

assessed using a 5-point Likert scale (1 being strongly disagreed, 2 being disagreeing, 3 being neutral, 4 being agreeing, 5 being strongly agreeing).

According to Indriantoro & Supomo (2011), intervening variables are variables that affect the relationship between independent variables and the dependent variables into an indirect relationship. The intervening variable is a variable that lies between the independent variables and the dependent variables so that the independent variable does not directly explain or affect the dependent variable.

Employee engagement is an employee's initiative to do more for something more and give more for something more useful (Yupono, 2018). The measurement of employee engagement in this study was measured by 8 questions from Wilson's (2009) study. The eight questions were assessed using a 5-point Likert scale (1 being strongly disagreed, 2 being disagreeing, 3 being neutral, 4 being agreeing, 5 being strongly agreeing).

Organizational citizenship behavior is a contribution made by an employee who receives or does not receive an award from the company but increases the value of the company (Ismail et al. 2018). The measurement of organizational citizenship behavior in this study was measured by 14 questions from the research of Chelagat et al. (2015). The fourteen questions were assessed using a 5-point Likert scale (1 being strongly disagreed, 2 being disagreeing, 3 being neutral, 4 being agreeing, 5 being strongly agreeing).

## **RESULTS & DISCUSSION**

Final sample data obtained from the processing of the total number of companies using Smart PLS can be seen in Table 1.

**Table 1.** Research Data Sample

<b>Information</b>	<b>Number of respondents</b>
Questionnaire Distributed	293 respondents
Incomplete Questionnaire	(34) Respondents
Total Sample	259 data

Source: Secondary Data processed, 2021.

### **Descriptive Statistics**

The value of the descriptive statistical test results for each variable in this study. Descriptive statistical tests display values, such as minimum values, maximum values, average values, standard deviations, and the amount of data studied in this study. The standard deviation value states that the amount of variation in the data used for research. If the standard deviation value is smaller than the average value, it can be stated that the data used in this study has data that does not vary. The number of data studied is 259, it can be seen in column N. The table above shows the average value of the ethical leadership variable is 3,500 and the standard deviation of the ethical leadership variable shows 0.937 (73.23% smaller than the average). The standard deviation value is smaller than the average value, which means that the level of variation of the ethical leadership variable is very small. The smallest number of variables in the table above is 1,000 and the largest variable in the table above is 5,000.

The average value of the organizational citizenship behavior variable is 3,492 which shows the level of employee initiative in companies engaged in tax consultants in Batam. The organizational citizenship behavior variable has a maximum number of 5,000 and a minimum number of 1,000. The employee variable has good data values because the standard deviation value is smaller than the average value, which is 0.910 (73.94% smaller than the average value).

The minimum value of employee engagement on employee performance obtained from the questionnaire presented in table 3 is 1,000 while the maximum is 5,000. The level of variation invariable data is employee engagement very small as shown by the standard deviation of table 2, which is 0.935 (73.71% larger than the average value). The average value of the variable employee engagement is 3.557. The descriptive test shown in table 2 states that there is a low data variation between variables employee engagement on employee performance.

Table 2 shows the maximum number of employee performance variables resulting from descriptive statistical testing is 5,000, while the minimum number is 1,000. The table concludes that the performance of employees engaged in tax consulting in Batam has variables that do not vary, it can be seen from the average value greater than the standard deviation value with the number 3.539, and the standard deviation of 0.978 (72.37% smaller than the average) Low data variation on employee performance variables is shown in table 2.

**Table 2.** Descriptive Statistics Result

	N	Minimum	Maximum	Average	Std. Deviation
EL	259	1,000	5,000	3,500	0,937
OCB	259	1,000	5,000	3,492	0,910
EE	259	1,000	5,000	3,557	0,935
EP	259	1,000	5,000	3,539	0,978
Valid N (listwise)	259				

**Source:** Primary Data Processed (2021).

Information:

EL = *Ethical Leadership*

OCB = *Organizational Citizenship Behavior*

EE = *Employee Engagement*

EP = *Employee Performance*

### **Validity Test**

Data validity serves to assess the accuracy of the questions used in the study. In table 3 it can be concluded that the validity results for the ethical leadership variable show that 2 of the 10 question indicators are invalid. variable Employee engagement shows that 1 of 8 question indicators is invalid. variable Organizational citizenship behavior shows that 4 of the 14 question indicators are invalid. The employee performance variable shows that 2 of the 7 question indicators are invalid. All invalid variables will be eliminated in the next test. In addition, all

questions indicators of ethical leadership variables, employee engagement, organizational citizenship behavior, and employee performance are valid, so they can be continued for the next test because they have a factor loading value above 0.5. A question that has a factor loading value of more than 0.5 is valid, so it can be continued for the next test (Ghozali, 2011).

### **Reliability**

Test The reliability test serves to determine the level of reliability of a questionnaire on the consistency of the respondents' answers (Ghozali, 2011). In table 4 the results of the reliability test conclude that this study has all reliable variables to proceed to the next test because all variables have Cronbach's alpha values above 0.6. This is a statement that the ethical variables of leadership, employee engagement, organizational citizenship behavior, and employee performance meet the requirements of the reliability test.

### **Hypothesis Testing Hypothesis**

testing serves to test and determine the relationship between each independent variable partially to the dependent variable. According to Hair et al, (2011), the standard for determining the significance between variables is when T-statistics are above 1.96 or P-values are below 0.05 then a relationship between variables can be said to have a significant relationship.

**Table 3.** Descriptive Test Results

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>	<b>Std. Deviation</b>
EL	259	1,000	5,000	3,500	0.937
OCB	259	1,000	5,000	3,492	0.910
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EP	259	1,000	5,000	3,539	0.978
Valid N (listwise)	259				

Source: Primary data processed (2021).

**Table 4.** Results Validity

<b>Variable</b>		<b>Factor Loading</b>	<b>Conclusion</b>
Ethical Leadership	EL1	0.295	Invalid
	EL2	0.582	Valid
	EL3	0.527	Valid
	EL4	0.627	Valid
	EL5	0.581	Valid
	EL6	0,470	Invalid
	EL7	0.575	Valid
	EL8	0.583	Valid
	EL9	0.582	Valid
	EL10	0,544	Valid
Employee Engagement	EE1	0.426	Invalid
	EE2	0.513	valid

	EE3	0.657	valid
	EE4	0.663	valid
	EE5	0.615	valid
	EE6	0.606	valid
	EE7	0.642	valid
	EE8	0.528	valid
Organizational Citizenship Behavior	OCB1	0.399	invalid
	OCB2	0.460	invalid
	OCB3	0.606	valid
	OCB4	0.551	valid
	OCB5	0.546	valid
	OCB6	0.649	valid
	OCB7	0.569	valid
	OCB8	0,482	invalid
	OCB9	0.567	valid
	OCB10	0.486	invalid
	OCB11	0.622	valid
	OCB12	0.625	invalid
	OCB13	0.592	valid
	OCB14	0.586	valid
Employee Performance	EP1	0.370	invalid
	EP2	0.491	invalid
	EP3	0.660	invalid
	EP4	0.693	valid
	EP5	0.560	valid
	EP6	0.524	Valid
	EP7	0.602	Valid

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Source: Primary data processed (2021).

**Table 5.** Reliability Test Results

Variable	Cronbach's Alpha	Conclusion
Ethical Leadership	0.786	Reliable
Employee Engagement	0.789	Reliable
Organizational Citizenship Behavior	0.786	Reliable
Employee Performance	0.758	Reliable

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Source: Primary data processed (2021).



**Table 6.** Hypothesis Test Results DirectEffect

Path(X → Y)	T-Statistics	P-Values	Hypothesis
Ethical Leadership → Employee Performance	8.046	0.0000	Significantly Positive
Ethical Leadership → Employee Engagement	9.094	0.0000	Significantly Positive
Ethical Leadership → Organizational Citizenship Behavior	11.544	0.0000	Positive Significant Influence
Employee Engagement → Employee Performance	5,484	0.0000	Positive Significant Influence
Organizational Citizenship Behavior → Employee Performance	2.822	0.0005	Positive Significant Influence

Source: Primary Data Processed (2021).

**Table 7.** Hypothesis Test Results IndirectEffect

Path(X → Z → Y)	T-Statistics	P-Values	Hypothesis
Ethical Leadership → Employee Engagement → Employee Performance	4.854Effect	0.0000	Significantly Positive
Ethical Leadership → Organizational Citizenship Behavior → Employee Performance	2,601	0, 0010	Significantly Positive Effect

Source: Primary Data Processed (2021).

**Table 8.** Test Results Coefficient of Determination of

Dependent Variable	Adjusted R-Squared
Employee Performance	0,509

Source: Primary Data Processed (2021).

### **Analysis of the Effect of Ethical Leadership on Employee Performance**

The results of the hypothesis test show that the P-values contained in the table are 0.0000 and the T-Statistics value is 8.046, with the data displayed it can be summarized that ethical leadership has a significant positive influence on Employees Performance. Leaders who can treat workers fairly, maintain moral behavior, and supervise workers are a positive moral approach to improve employee performance. Companies that have a code of ethical behavior that is forced on employees will have an impact on unethical behavior (Malik et al., 2016). The results of these tests are supported by research conducted by Farhani (2019), Sugianingrat et al. (2018), Zehir et al. (2019), Raharjo & Sulistiasih (2019), Masih et al. (2017), Kelibari et al. (2016), Malik et al. (2016), Marinda, (2018), and Adawiyah & Fauzan, (2019) that ethical leadership has a significant positive effect on employee performance.

### **Analysis of the Effect of Ethical Leadership on Employee Engagement**

The test results in table 6 illustrate that the ethical leadership variable has a significant positive effect on employee engagement. Satisfied employees will be motivated or put in extra effort because they are more committed to providing better results (Engelbrecht et al., 2014). (Bhana & Suknunan, 2019) emphasizes that ethical leadership can ensure that employees have a better view of their work and employees will also be more committed and involved in their work. It is proven in Table 5 where the T-statistics and P-values are 9.094 and 0.000, respectively. This statement is in line with the results of research from Engelbrecht et al., (2014), Malik et al., (2016), Srivastava, (2016), Rizkiani & Nusnida (2016), Jagat et al., (2019), Adawiyah & Fauzan , (2019), and Bhana & Suknunan, (2019).

### **Analysis of the Effect of Ethical Leadership on Organizational Citizenship Behavior**

In table 5 the significance value of P-values of the relationship between ethical leadership and organizational citizenship behavior is 0.000 and the T-statistics value is 11,544 These results indicate that ethical leadership has a positive and significant effect on organizational citizenship behavior. According to Yang & Wei, (2018), ethical leaders will treat all subordinates with mutual respect and attention so that it can lead to quality relationships between leaders and subordinates, which in turn will lead to Organizational Citizenship Behavior. Engelbrecht et al., (2017) in their research say that a leader who has a sense of orientation, justice, power-sharing, concern for sustainability, ethical guidelines, role clarification, and integrity will produce employees who have a high sense of Organizational Citizenship Behavior. This is reinforced by research conducted by El Khoully et al., (2015), Engelbrecht et al., (2017), Yang & Wei, (2018), Jagat et al., (2019), Tan et al., (2019 ), Shareef & Atan, (2019), Gerpott et al., (2019), & Theriou & Chatzoudes, (2020) which concluded that ethical leadership has a significant positive influence on organizational citizenship behavior.

### **Analysis of the Effect of Employee Engagement on Employee Performance**

In this study, the effect between employee engagement and employee performance is significant and positive. Table 5 describes the effect of variables employee engagement on employee performance with P-values of 0.0000 and T-statistics of 5.484. Employees are the most valuable asset of any company because they can create or destroy a company's reputation and can negatively affect profitability (Sendawula et al., 2018). According to Meswantri & Awaludin, (2018) employee performance is very important because knowing the employee's ability to carry out the tasks assigned to him can help the company to measure the extent to which the company's goals must be achieved to improve its performance. The conclusions from several studies have the result that Employee Engagement has a relationship to employee performance, such as J., (2014), Ye & Fernando, (2016), Handoyo & Setiawan, (2017); & Islam, (2018). Based on research conducted by Meswantri & Awaludin, (2018), Sendawula et al., (2018), Fidyah, (2020), Ngwenya & Pelsler, (2020), & Rumman et al., (2020) concluded that employee engagement has a positive and significant influence on employee performance.

### **Analysis of the Effect of Organizational Citizenship Behavior on Employee Performance**

This study resulted in a hypothesis that organizational citizenship behavior and employee performance have a significant influence. In research conducted by Rita et al., (2018), it is said that 3 important factors influence a person's work, namely: firstly one's ability to work, secondly the level of effort made, and thirdly support from the company. If these three factors are owned by the employee, it will have an impact on increasing the employee's performance, and if one of these factors is not met, the employee's performance will decrease. Table 5 shows the results of this study where the P-values are 0.005 and the T-statistics are 2.822. Research from Shahin et al., (2013), Andrew & Cazares, (2015), & Elsiyana Nurlita, (2019) organizational citizenship behavior and employee performance have a significant positive effect.

### **Analysis the Effect of Ethical Leadership on Employee Performance Mediated by Employee Engagement**

Table 6 shows the results of indirect research using employee engagement as a mediation of ethical leadership and employee performance variables have a significant positive effect. According to Wilson (2009), fully engaged employees are employees who are physically energized, emotionally connected, mentally focused, and feel aligned with agency goals. A workforce that has high involvement, especially in companies engaged in services is very important because it can help the company's performance such as increasing efficiency, higher levels of customer satisfaction, higher productivity, and low employee turnover rates. According to Bagyo (2018), employees who have employee engagement high can do useful things for the organization both during working hours and outside working hours. They will say good things about the company, they are happy to continue to join, they are sincere and proactive in doing whatever it takes, and they are useful to the organization. The table shows the test results which have a significance value of P-values of 0.000, the T-statistics value of 4.854. Wilson (2009), Islam & Nazir (2017), Hadi & Gilani (2017), Kertiriasih et al. (2018), Sugianingrat et al. (2018), Prabasari et al. (2018), and Priyono et al. (2019) are researchers who examine the effect of employee engagement and employee performance with significant positive results.

### **Analysis the effect of Ethical Leadership on Employee Performance Mediated by Organizational Citizenship Behavior**

The ethical leadership variable mediated by organizational citizenship behavior shows a significant positive effect on employee performance. In Table 6, the results of hypothesis testing show that the significance value of P-values is 0.010 and the T-statistics value is 2.601. According to Chelagat et al, (2015) elements of Organizational Citizenship Behavior that can improve performance such as elements that increase social performance, elements of helping people, elements generated by saving time or solving problems, and other elements that provide social and emotional support by improving morale or develop a nurturing culture. Chelagat et al, (2015) added that employees are a key to increasing organizational effectiveness and productivity. According to Ismali et al. (2018), Organizational Citizenship Behavior is very important in encouraging the achievement of organizational success, therefore organizations improve and facilitate Organizational Citizenship Behavior to produce effectiveness and efficiency in organizational functions. Muhdar et al. (2015), Chelagat et al. (2015), Bagyo

(2018), Ismail et al. (2018), Prabasari et al. (2018), Priyono et al. (2019), Sayuti et al. (2019), Widiani et al. (2019), and Supriyanto et al. (2020) are researchers who have research results that are in line with researchers.

**Tabel 7.** Hasil Uji Koefisien Determinasi

<b>Dependent Variable</b>	<b>Adjusted R-Squared</b>
Kinerja Karyawan	0,509

Source: Primary Data Processed (2021).

The result of the coefficient of determination test states that the adjusted R-squared value is 0.509. This value means that the independent variable used in this study can explain the dependent variable, namely employee performance of 50.9% and there are 49.1% of other factors that can also explain employee performance variables that are not included in this research model, such as cultural factors. the company, work motivation, training, reward & punishment, and job satisfaction.

## **CONCLUSION**

The purpose of this study was to understand the relationship between ethical leadership variables on employee performance variables mediated by employee engagement and organizational citizenship behavior. Ethical leadership is used as an independent variable. Employee engagement and organizational citizenship behavior are used as intervening variables. And employee performance is used as the dependent variable.

Based on the discussion and research results of the previous chapter, all the hypotheses tested in this study have a significant and positive effect on employee performance in direct and indirect tests. Ethical leadership has a significant and positive effect on employee performance directly. Ethical leadership has a significant and positive effect on employee engagement directly. Ethical leadership has a significant and positive effect on organizational citizenship behavior directly. Employee engagement has a significant and positive effect on employee performance directly. Organizational citizenship behavior has a significant and positive effect on employee performance directly. Ethical leadership has a significant positive influence on employee performance mediated by employee engagement. Ethical leadership has a significant positive effect on employee performance mediated by organizational citizenship behavior

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