Implementation of Leadership Ethics and Transformational Leadership in Employee Performance

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ABSTRACT

The performance of employees and an organization's capacity to adjust to changes in the external environment are significantly influenced by leadership. This study aims to investigate the impact of transformational ethics and leadership on employee work practices. This study makes use of literature review or literature study techniques. It is envisaged that research using this qualitative methodology will offer profound insight into the Ethics and Transformational of a leader on the performance of staff. It was found that the influence of ethics on employee performance had significant results related to leadership ethics and transformational leadership on employee performance to improve the ability of employees to be ethical and the courage of employees because they get motivation from their leaders.
INTRODUCTION

Management in an organization, especially business companies, requires proper management as a form of business in achieving predetermined goals. Basically, this management will rely on the leadership style in the company. (Irawan & Semmaila, 2021) said basically leadership revolves around someone who influences the behavior of others with a specific purpose. This is in accordance with the findings of (Hasibuan, 2001) that leadership has a function to be able to have a major impact on the quality of management. Through this view, it can be understood that success in influencing others can be seen from his leadership style. From various existing literature, there are many studies on the importance and influence of leadership style in the journey of a company both in terms of performance, motivation, and employee commitment. Other research studies also provide support for the role of leadership style in these factors, such as research from (Falah & Ayuningtias, 2020; Dobbin & Sutton, 1998).

Leadership is often discussed as basic skills and personal knowledge in management studies (Alsughayir, 2014). Leadership can also be defined as a force that can persuade others to perform and achieve predefined organizational goals with the capacity to inspire others to collaborate for a common goal (Akbar et al., 2020). The act of steering a group in a single direction is known as leadership. A leader's style of leadership is one of their most crucial traits. It is clarified that a leader can affect his followers' behavior by using his style of leadership (Agustin, 2021). In addition to leadership, another factor that is considered to be able to influence employee performance is ethics.

Ethics is the study of morality, principles, and values that govern human behavior. Ethics considers what is right and wrong, good and bad, as well as appropriate and inappropriate actions in a variety of contexts and situations. Ethics addresses moral questions and seeks an understanding of how we should behave, decide, and act in our daily lives. A set of values, beliefs, or morals that direct an individual's or a group of individuals' behavior is referred to as ethics (Afonso et al., 2012). Professional ethics are demonstrated by three things: (1) individuals' knowledge of the agreed-upon rules and values; (2) their openness to communication with organizational entities; and (3) the use of ethics as a framework for interactions among all members of the organization (Soetrisno, 2016). Teachers as a profession also have professional ethics that must be a guideline for all teachers.

Transformational leaders will help followers see that the objectives transcend beyond their own interests. The leadership role is one element that can enhance worker performance. The work that people do for an organization determines how well it performs. Superiors, however, can have an impact on how an organization is planned, carried out, and managed. In this situation, managers and supervisors need to play a significant part in inspiring and overseeing their staff. In order to easily attain the set goals, organizations must pay special attention to the accomplishments made by employees by offering
prizes (rewards, rewards, and rewards) and inspiration to work passionately and have great responsibility for their jobs.

The problem in this study is how much work and transformational leadership ethics influence employees' performance in the present period of modernization, given the background information provided above. The purpose of the research to be achieved is to find out how much influence leadership has on business ethics and its impact on employee performance. The results of this study are expected (1) Theoretically, the results of this research are expected to be able to add scientific insight into the implementation of human resource management, especially those related to transformational leadership issues, leadership ethics and employee performance, (2) Practically, the results of this research can be used as input for the formulation of policies for all levels of management that command every implementation, for the development of transformational leadership and ethics leadership, and also for every staff who is at the forefront of service for mutual progress.

LITERATURE REVIEW

Leadership

Leadership has a variety of meanings according to experts. This is because leadership plays an important role for every organization, both profit-oriented organizations and non-profit oriented organizations. One of the critical factors of success in an organization is leadership. So that the concept of leadership until now is still often developed to be better. In order to accomplish the goals that have been set for the organization, a leader must organize his people. This makes leadership a crucial component of leadership. Leadership is an art and process that affects a group of people in a way that they want to take seriously to achieve their goals. This process determines the course of the wheels for an organization or company. Through the leadership process, leaders can influence employees to be able to improve performance to achieve company goals. The influence of leadership on employee performance has been widely studied by previous researchers including (Setiyati, 2014), Effective leadership must provide direction to all employees' efforts in order to achieve organizational goals, since it is one of the key variables that determines employee performance and the organization's ability to react to changes in the environment. (Septiana & Ivada, 2013) said that Leadership is an activity that involves leaders where, when, and what they do. Understanding leadership is a trait that individuals have in their application there is a process in which members dynamically and individuals who have leadership roles, as influences that are very relevant to be considered.

Leadership Ethics

A subfield of philosophy called ethics studies the moral principles and standards that guide people's actions in daily life (Setiyati, 2014). Ethics in leadership is associated with how leaders can lead their followers while still heeding the rules, values, and norms that apply in society. In this case, ethics
will be one of the key success factors in an organization. According to experts, ethics is a collection of procedures and good attitudes in association between civilized humans. Another opinion says etiquette is a code of manners that is approved by certain communities and becomes a norm and role model in behavior. (Somad & Priansa, 2014) define leadership ethics as guidelines or rules that regulate employee attitudes and behavior when working within the company. Ethics in leadership is associated with how leaders can lead their followers while still heeding the rules, values, and norms that apply in society. In this case, ethics will be one of the key success factors in an organization.

**Transformational Leadership**

According to (Ruggieri, 2009) Transformational leaders are ways of leadership that pay attention to various things in developing the skills of employees or subordinates, by changing the views of subordinates in seeing problems that have passed in the latest way, and are able to make morale, motivated, and arouse subordinates in striving for good work than before. Four qualities distinguish innovative leaders: 1) Charm: building direction and a sense of purpose, inspiring pride, and winning people's respect and trust. 2) Inspiration: conveying high standards, emphasizing efforts with symbols, and stating significant goals briefly. 3) Intellectual Stimulation: Encourages critical problem solving, logic, and intelligence. 4) Individual factors: providing staff members with direct assistance, training, counseling, and demonstrating genuine empathy. Locke, however, distinguishes between leadership that transforms and leadership that upholds the current quo. (Tatilu et al., 2014) said that transformational leadership can be identified through the impact on attitudes, values, assumptions, and commitment of followers. The extent to which leaders are said to be transformational leaders can be measured in relation to the leader's influence on employees, there are three ways transformational leaders motivate their subordinates: a) Make them more aware of the importance of job outcomes, and encourage them to prioritize the organization or team more than self-interest. Activate their needs on a higher one.

The leadership practices and attitudes were grounded in science, and he was able to transform them into effective performance through intellectual ability. Intellectual stimulation is when leaders challenge preconceived notions and lend support to initiatives to solve problems in order to foster creativity and innovation. (Tondok & Andarika, 2004) 4. Individual Consideration Transformational leadership behavior in which he reflects, thinks, and continuously identifies employee needs, recognizes employee abilities, delegates authority, pays attention, coaches, guides, and trains followers specifically and personally to achieve organizational goals, supports, encourages and provides experiences about organizational development to his followers (Triyanto, 2014).

**Employee Performance**

Performance in a job is described as an individual's outcome or degree of success over a given time period in completing activities that are compared to
specific standards or criteria (Purwanto et al., 2023). Experts add that performance is a degree that workers get at work and is related to the level of success in implementing tasks and achieving a certain group of goals (Purwanto, 2023b). Performance is an important factor of everyone in the organization as a real achievement. (Ghozali & Latan, 2015) describes performance due to completion of work fulfillment according to the intent, program, or need for professional organization roles. Meanwhile, worker performance is what will happen from an employee's work at a certain stage in a certain duration compared to many opportunities, such as barometers, standards, or goals that are required and agreed upon (Muzakki et al., 2019). Make individuals influence according to the achievement of that goal and how much cost is positioned on the result (Ghozali, 2016).

Meanwhile, worker performance is the output of a business in a given time frame paired with several options, including standards, criteria, or mutually decided-upon preferences (Mangkunegara, 2009). Employee performance is also recognized as an aspect that can substantially impact an organization's profitability. Because overall employee performance is the end result of achievements or achievements produced in the place of business that is linked to overall performance features, organizational policies, and organizational practices (Muslimat, 2020). (Mustomi & Reptiningsih, 2020) also states that Performance is the actual conduct that each person exhibits when they produce work products that are appropriate for their position within the organization. According to (Mangkunegara, 2009), Performance is the end outcome of an individual's efforts, both in terms of quantity and quality, in carrying out their assigned obligations. Performance is a term used to describe how well an activity or policy program is implemented in terms of achieving the organization's purpose, vision, goals, and objectives as outlined in the creation of a strategic planning scheme (Purwanto, 2023a).

**METHODOLOGY**

This study makes use of literature review or literature study techniques. A literature review is a thorough summary of all the research that has been done on a particular subject in order to inform the reader on what is known and what is unknown, as well as to provide support for previous findings or proposals for further study (Kesumawati & Aridanu, 2017). According to (Setiyadi, 2006) literature study is a method of collecting data by searching and reading existing written sources such as books or literature that explain the theoretical foundation. The same is the case with collecting data and information by extracting knowledge or knowledge from sources such as books, written works, and several other sources that have something to do with the object of research (Lotto, 1986).
RESULT AND DISCUSSION
Ethics and Transformational Leadership are Needed for Employee Performance

From the results of research conducted by (Badaracco Jr, 1992) it can be understood that ethics is very influential on how the employee works. Ethics are very and often a reference for a company and a leader must be an example for his employees to continue to improve their leadership ethics and leadership attitude. Important findings about transformative leadership and ethics in leadership are presented in this study with regard to performance.

Employees to improve the ability of employees in ethics and the courage of employees because they get a motivation from their leaders.

1. The Impact of Leadership Style on Employee Outcomes

The process of persuading people, both inside and outside of an organization, to accomplish the intended goals under certain circumstances is known as leadership (Tatilu et al., 2014). Every organization is made up of people, and it's a leader's job to work together and utilize the help of those people to achieve organizational goals. Performance is determined by aptitude, initiative, and availability of opportunities (Druskat, 1994). Raelin (2016) revealed that by through the use of leadership, managers can motivate their staff members and affect how they see themselves by guiding them toward task clarity, goal achievement, job happiness, and efficient work execution. This is confirmed by (Raso et al., 2021) who defines leadership as having the capacity to persuade a group of people to achieve objectives. Employee performance is reflected in their capacity to meet the organization's goals and objectives. Thus, it can be said that a leader's style plays a significant part in raising workforce performance. Employee performance is closely correlated with leadership style, where affects a company's ability to succeed. Whereas the process of leadership style influences the coordinated actions inside a team to accomplish a preset objective.

In this case, it is intended that leadership is always concerned in terms of influencing others in order to achieve a good goal. According to Paul Hersey and (Sahertian, 2011), say that The best leadership philosophies change depending on the level of employee preparation, which includes task-related knowledge, expertise, and willingness to take on responsibilities. Objectives and followers' understanding are crucial factors in identifying an efficient leadership style. Research (Chance, 2013) explained that where enhancing employee performance is significantly impacted by a leader's style. Given that a leader's style of leadership has a significant impact and can determine whether employee performance increases or decreases, it is evident that every organization needs a successful leadership style. And in (Altheeb, 2020) entitled The Association Between Leadership and Employee Performance at Tiki Palembang, it was discovered that there is a strong correlation between the two. Likewise, (Hajiali et al., 2022) research entitled The impact of leadership on worker performance at PT. Win Access Telecommunication Palembang demonstrates the beneficial relationship between leadership and worker performance.
2. Leader Ethics Towards Employee Performance Rushworth M. Kidder in the book How Good People Make Tough Choices (2009). The science of moral obligation or the science of ideal human character, which includes qualities like integrity, justice, accountability, respect, and compassion, is the definition of ethics. Morals are the spontaneous actions of love, nobility of soul, and other such behaviors. Therefore, work ethics are necessary in a firm since every employee who works must have good ethics at work. (Suprapti et al., 2020). The study's findings demonstrate a substantial relationship between work ethics and employee performance, making work ethics crucial and essential for raising employee performance.

3. Transformational Leadership on Karyawan Performance A study from (Prabu, 2009) states that leadership is the power to influence someone, whether they do something or not. If a person has followers or subordinates, then that person is called a leader. The leader's subordinates can be instructed to do or not to achieve a predetermined common goal. A leader always serves his subordinates better than his subordinates serve him. Leaders connect the needs of their subordinates with the needs of the organization and the needs of society as a whole. Therefore, the concept of leadership is the ability of a person to direct the actions of others to achieve a specific goal.

   According to research by (Lestari, 2022), leadership is an important factor in the success or failure of employee performance. These results support (Latif et al., 2022) statement describing the leadership perspectives of Bass and Avolio, who evaluated the development of the vision, paid attention to it, and encouraged followers to pursue that vision. According to research by (Nurhaeni & Winerungan, 2022), Employee performance is improved by transformational leadership, therefore if a leader possesses strong transformational leadership, performance will likewise rise. According to the aforementioned statement, work organizational culture plays a part in raising employee performance, with an increase in organizational culture leading to an increase in employee performance. The results of this study support the research conducted by (Hotamisli et al., 2009; Jovita & Mangundjaya, 2019; Kusjono & Ratnasari, 2019) which concluded that Performance of employees is positively impacted by transformative leadership. Theoretically, a leader who focuses on behavior to help improve relationships between individuals, groups, and enterprises might inspire others to perform more effectively. This is known as transformational leadership.

   This is consistent with the idea that transformative leadership affects worker performance. The impact of transformational leadership on performance is substantial (Druskat, 1994). Workplace harmony, transactional leadership, and significant and beneficial effects (Dobbin & Sutton, 1998). Transactional leadership and work motivation have a positive effect on employee performance representatives. The fact is that organizations or companies must emphasize work motivation, e-training,
work-life balance and transactional leadership so that employees have motivation and do work using ideal (Riyanti & Edison, 2016).

Elements influencing an employee's performance. The performance of employees is impacted by leadership. Accordingly, whenever there is a rise in leadership, there will also be an increase in worker performance. These results theoretically correspond with (Nazili & Yuniawan, 2012)’s opinion that Journal of Management and Digital Business, 1(1), 2021, 9 what people do in organizations and the way they behave it can affect the performance of an organization. Empirically, the results of this research are in line with the findings of (Barkhowa et al., 2017) that a leader determines the direction that can later be exemplified by his subordinates. In line with the findings of (Sulaeman, 2014) stated that when leadership is getting better, it will have an impact on improving employee performance. Naim et al. (2019) also argues that leaders can influence their employees to carry out tasks as a form of achieving goals. It is important to remember that these factors are interrelated and influence each other. For example, an highly capable individual may not be able to reach his or her full potential if there is no adequate organizational support or if he does not have a strong motivation to work hard.

CONCLUSION AND RECOMMENDATION

Based on the impact of transformational leadership and leadership ethics on employee performance, it can be said that these two elements are crucial for raising employee performance levels inside a company. Employee performance is also influenced by leadership. Accordingly, whenever there is a rise in leadership, there will also be an increase in worker performance. Because employees receive motivation from their leaders, transformational leadership has a significant impact on both performance and ethics. Research on the relationship between transformational leadership and ethics and employee performance has shown that it can improve employees’ capacity for ethics and courage. This is further demonstrated by earlier studies that looked at the impact of knowledge sharing and work ethics on employee performance, and the findings had a big impact.

ADVANCED RESEARCH

This research is expected to be developed as a basic foundation of research that will discuss leadership ethics and transformational employee performance. As for others, this research can be modified using other supporting variables so that it will create a shoulder research in the field of employee performance specifically.

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