Demographic analysis of Ethical Leadership Style and Employee Performance

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ABSTRACT
Leader is one influential person who motivates his fellows for the fulfillment of actions in business and life. It is a big challenge for the pharmaceutical industry to show about the significant relationship between leadership style and employee performance, because leader always makes powerful impact on others through his mentoring abilities. The most powerful and responsible industry pharmaceutical industry has different leaders in different departments so that we exactly measure the employee performance through demographic data with the use of ethical leadership. This study is based on primary data. A Sample of 130 employees working in different pharmaceutical firms of Himachal Pradesh INDIA was included in the study. This study has been undertaken to analyze demographic variables with respect to ethical leadership and employee performance. The study variables were measured on a metric scale. Suitable statistical techniques were applied on the collected data. In research methodology used t-test and ANOVA to find the results. The results concluded that there is no difference in study variables with respect to gender, qualification and marital status. Ethical leadership and employee performance varies according to age and experience respectively. Limitations and future scope of the study is also discussed.

Keywords: employee performance, ethical leader, leadership style.

Abbreviations: EP, employee performances; EL, ethical leader; LS, leadership style.

I. INTRODUCTION

Leadership is the behavior differently to achieve the task with the help of group and simply the ability to persuade others willingly [3]. It comes as a process in the work environment where it direct and guide the people’s behavior. A leader is a person leaves an impact on people around him to achieve one target. Ethical Leadership is the foundation of ethical standards, fair treatment and integrity [4]. The definition of ethical leadership is through personal actions, interpersonal relationships, two-way communication, reinforcement and decision making such are conducted the demonstration of normatively appropriate and the promotion [4]. The
meaning of this definition is the leader can be a
good example for all as a manager as well as a
person. Moreover, the researcher add up the
representation of organizational performance,
bottom-line and moral management behavior does
not negotiable the ethical standards in activity of
short-term [5].

Ethical leaders’ behavior is oriented towards the
wellbeing of others [9]. It means ethical leaders are
honest, impartial decision makers and have
interactive approach with their fellow beings [9]. The
clear ethical standards are always determined by
ethical leaders and these standards are applied with
the help of suitable rewards and punishment [11].
Job performance is strongly impacted by (directly
and indirectly) job environment and management
support. Furthermore, job performance also directly
affected by inherent motivation and flexibility.
Employee Performance has direct negative impact
due to the insufficiency of management support
about employees’ steps or activity [8].

Employee performance affected the positive and
significant influence due to job satisfaction, work
motivation and quality of work life [17]. Performance
is a multidimensional concept and a vital decisive
factor that determines successes or failures of an
organization. “In some situations the performance is
depend upon employee’s skills and outcomes of
actions” [16]. The performance is resultant behavior
on a task accomplished by an employee and which
can be observed and evaluated [14]. To him,
employee performance is an impact made by an
employee in the achievement of goals of an
organization.

Performance of employees, productivity of
employees and efficiency of employees positively
influenced due to ethical leadership behavior [2].
Employee performance is an outcome of forms of
action which are conducted to appease a purpose
as per some set standards. So, by employee
performance, we mean that it is a behavior which
involves an employee’s directly observable and
mental actions, for instance answers or decisions
made by him, results into organizational outcomes
in the form of attainment of goals.

Employees are important resources without whom
the proposed targets of an organization may not be
attained. Employee performance and ethical
leadership are related with each other. [6] was of
opinion that performance of employees can be
augmented if they are led by ethical leaders and
efficient leadership motivates workers to discover
and polish their contributions to the success of their
organization [7]. This study reveals that employee
performance is expected to increase with effective
leadership.

The study suggested that truthfulness, shared
values and fair treatment in frequent personnel and
business transactions emphasized by ethical
leaders. The ones who encourage the outline way to
perceive the work content, positive behaviors
among employees, commitment towards the
organization and promote pride are call ethical
leaders [4].

II. REVIEW OF LITERATURE

Research findings indicate that ethical leadership is
an important aspect to reach to desired goal. Ethical
leaders can put an impact on their followers by
measuring the outcome of the actions [10].
Research studies shows that ethical leadership is
the combination of ethical standards, integrity and
fair treatment of employees [4] and thinks about the
benefits of all stakeholders [11] and also research
suggests that ethical leaders can put an impact on
their followers by measuring the outcome of the
actions [10].

Different related studies suggest that employee
performance is the result of his/her behavior on the
work which can be evaluated and observed [14] and
factor like declarative, procedural and motivational knowledge affects the performance [1]. Ethical leadership is the key for effective working of an organization and leads everyone to work for the success of the organization. So, here it is much needed to be examined the effect of ethical leadership on employee performance.

The Researchers observed that employee performance can be predicted well with ethical leadership as per public sector of Uganda concerned. The study suggests the way which can be helpful for the management to enhance the raise of ethical leadership in organizations. Discussion has been done to increase employee performance and it reveals that employee performance is affected more by ethical leadership [13].

Ethical leadership positively influence a significant number of employee results. Though, the effect of ethical leadership on employee performance there are very less empirical studies have been done [18].

The Researchers concludes that those leaders who have strong ethical commitments can influence on autonomy and task significance of the job Characteristic model; further it can lead to the willingness of an employee to endeavor on work performance [15]. Previous studies shows many drawbacks, it is determined that follower’s job performance have direct impacts on ethical leadership performance towards more ethical practices and leaders can develop the culture of their organization. Follower’s job performance and voice has indirectly effected by the ethical leadership [19].

III. MATERIALS AND METHODS

Research Objectives

1. To find the difference in employee performance and perception of ethical leadership on the basis of gender.
2. To identify the difference in employee performance and perception of ethical leadership style on the basis of marital status.
3. To find the difference in employee performance and perception of ethical leadership on the basis of qualification.
4. To investigate the difference in employee performance and perception of ethical leadership on the basis of age.
5. To study the difference in employee performance and perception of ethical leadership on the basis of experience.

Research Hypotheses
H1: There is no such significant difference in ethical leadership style and employee performance on the basis of gender.
H2: No significant difference exists in employee performance and ethical leadership style on the basis of marital status.
H3: No significant difference exists in ethical leadership style and employee performance on the basis of education.
H4: There is no significant difference in employee performance and ethical leadership on the basis of age.
H5: No significant difference exists in employee performance and ethical leadership on the basis of experience.

Methodology
This descriptive study has been conducted with the help of a self-designed questionnaire. This study has been done on of 133 employees of Pharmaceutical Industry. 130 employees have filled the exact data. Collected data was analyzed with the help of t-test and ANOVA.
IV. RESULTS AND DISCUSSION

Table 1: Descriptive statistics and Independent sample t-test for ethical leadership and employee performance with respect to gender

<table>
<thead>
<tr>
<th>Variable</th>
<th>Group</th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
<th>T</th>
<th>Df</th>
<th>P</th>
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</thead>
<tbody>
<tr>
<td>Ethical leadership</td>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>108</td>
<td>4.2886</td>
<td>.51782</td>
<td>-0.031</td>
<td>128</td>
<td>.694</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>22</td>
<td>4.2923</td>
<td>.44670</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Employee performance</td>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>108</td>
<td>4.4467</td>
<td>.24944</td>
<td>.274</td>
<td>128</td>
<td>.289</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>22</td>
<td>4.4309</td>
<td>.22893</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

The table 1 shows that the difference in ethical leadership and employee performance among males and females. As evident p value in both cases is higher than assumed level of significance i.e. 5%. Thus it can put forth that no difference exist in ethical leadership and employee performance on the basis of gender.

Table 2: Descriptive statistics and Independent sample t-test for ethical leadership and employee performance with respect to marital status

<table>
<thead>
<tr>
<th>Variable</th>
<th>Group</th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
<th>T</th>
<th>Df</th>
<th>P</th>
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</thead>
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<td>Ethical leadership</td>
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<tr>
<td></td>
<td>Married</td>
<td>90</td>
<td>4.2480</td>
<td>.51931</td>
<td>-1.402</td>
<td>128</td>
<td>.690</td>
</tr>
<tr>
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<td>Unmarried</td>
<td>40</td>
<td>4.3820</td>
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<tr>
<td>Employee performance</td>
<td>Marital</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Married</td>
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<td>4.4436</td>
<td>.24742</td>
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<td>128</td>
<td>.260</td>
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<tr>
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<td>Unmarried</td>
<td>40</td>
<td>4.4450</td>
<td>.24359</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

The table 2 shows the difference in ethical leadership and employee performance among males and females. As evident p value in case of ethical leadership is higher but is low in case of employee performance than assumed level of significance i.e. 5%. Therefore, it is interpreted that there is no difference in ethical leadership and employee performance on the basis of marital status.

Table 3: Descriptive statistics and ANOVA for ethical leadership and employee performance with respect to age

<table>
<thead>
<tr>
<th>Age (in years)</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
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<td>Ethical leadership</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>20-30</td>
<td>58</td>
<td>4.4131</td>
<td>.43847</td>
<td>3.385</td>
<td>.020</td>
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<tr>
<td>30-40</td>
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<td>.55072</td>
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<tr>
<td>40-50</td>
<td>10</td>
<td>4.4580</td>
<td>.37001</td>
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<tr>
<td>50 &amp; above</td>
<td>2</td>
<td>4.0850</td>
<td>.58690</td>
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<tr>
<td>Total</td>
<td>130</td>
<td>4.2892</td>
<td>.50487</td>
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<td></td>
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<td>.160</td>
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<tr>
<td>20-30</td>
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<tr>
<td>30-40</td>
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<td>.23926</td>
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<tr>
<td>40-50</td>
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<td>4.5400</td>
<td>.20677</td>
<td></td>
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<tr>
<td>50 &amp; above</td>
<td>2</td>
<td>4.6600</td>
<td>.14142</td>
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<tr>
<td>Total</td>
<td>130</td>
<td>4.4440</td>
<td>.24531</td>
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</table>
The table 3 shows the difference in ethical leadership and employee performance among respondents of different age groups. As evident p value (.020) for ethical leadership is less than the assumed level of significance i.e. 5%. Therefore, it is interpreted that there is difference in ethical leadership exhibited by the respondents of different age groups. But in case of employee performance, age does not cause any difference because p value is higher than assumed level of significance i.e. 5%.

Table 4: Descriptive statistics and ANOVA for ethical leadership and employee performance with respect to qualification

<table>
<thead>
<tr>
<th>Qualification</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical leadership</td>
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<td></td>
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<tr>
<td>Diploma</td>
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<td>.35051</td>
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<tr>
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<td>.21737</td>
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<tr>
<td>Total</td>
<td>130</td>
<td>4.4440</td>
<td>.24531</td>
<td></td>
<td></td>
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<tr>
<td>Employee performance</td>
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<td>1.562</td>
<td>.214</td>
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<tr>
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<tr>
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<tr>
<td>Master degree</td>
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<td>4.3052</td>
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<tr>
<td>Total</td>
<td>130</td>
<td>4.2892</td>
<td>.50487</td>
<td></td>
<td></td>
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</tbody>
</table>

Table 4 shows that the difference in ethical leadership and employee performance on the basis of education. As evident p value in both cases is higher than assumed level of significance i.e. 5%. Therefore, it is interpreted that there is no difference in ethical leadership and employee performance on the basis of education.

Table 5: Descriptive statistics and ANOVA for ethical leadership and employee performance with respect to experience

<table>
<thead>
<tr>
<th>Experience (in years)</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
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<tr>
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<tr>
<td>0-2</td>
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<td>4.4272</td>
<td>.36070</td>
<td>1.818</td>
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<tr>
<td>2-5</td>
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<td>.48389</td>
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<tr>
<td>5-10</td>
<td>38</td>
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<td>.49631</td>
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</tr>
<tr>
<td>10-15</td>
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<td>.46980</td>
<td></td>
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<tr>
<td>15 &amp; above</td>
<td>7</td>
<td>4.0343</td>
<td>.94901</td>
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</tr>
<tr>
<td>Total</td>
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<td>4.2892</td>
<td>.50487</td>
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<tr>
<td>Employee Performance</td>
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<tr>
<td>15 &amp; above</td>
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<td>4.5600</td>
<td>.20913</td>
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</tbody>
</table>
Table 5 shows the difference in ethical leadership and employee performance on the basis of experience.

As evident p value in case of ethical leadership is higher but low in case of employee performance than assumed level of significance i.e. 5%. Therefore, it is interpreted that there is no difference in ethical leadership on the basis of experience. But there is significant difference in employee performance on the basis of experience. Respondent with more experience have high performance level.

V. CONCLUSION
The study on employee performance and leadership styles has concluded that demographic variables, gender, marital status and qualification do not influence employee performance and leadership style. Age cause significant difference in ethical leadership and experience cause significant difference in employee performance.

VI. LIMITATIONS AND FUTURE SCOPE
The study has been undertaken on a small sample. Further studies can increase the sample size to get more precise information of the relationship. In this, only pharmaceutical employees are included employees from other industry can be included to make a comparison between their leadership style and performance. Only Ethical Leadership is considered in this study further an addition of other leadership styles could clarify the impact of Leadership Styles on Employee Performance.

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REFERENCES


