The Role of Perceived Organizational Support Mediation in the Influence of Ethical Leadership on Employee Engagement

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A R T I C L E I N F O

ABSTRACT

Ethical leadership is a leadership style based on moral values, fairness, and integrity in the decision-making process, thereby creating positive working relationships between leaders and employees. Employee engagement is an important aspect in improving performance and achieving organizational goals. The level of employee engagement is not only influenced by the behavior of leaders, but also by the extent to which employees feel supported by the organization, known as perceived organizational support. This study is a literature review that aims to explain the mediating role of perceived organizational support in the influence of ethical leadership on employee engagement. The results of various studies show that ethical leadership has a positive influence on employee engagement, and this influence is stronger when employees feel a high level of organizational support. Perceived organizational support acts as a mediator that strengthens the relationship between ethical leadership and employee engagement. These findings emphasize the importance of organizations in building an ethical culture and ensuring tangible support to optimally increase employee engagement.

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1. INTRODUCTION

Organizations in the era of disruption and the Industrial Revolution 4.0 face challenges in maintaining employee engagement amid an increasingly complex work environment. Employees with high levels of engagement not only contribute more, but also demonstrate resilience to work pressure, creativity in problem solving, and a strong commitment to organizational goals (Bakker & Demerouti, 2017). Effective organizational factors are needed to support and maintain employee engagement. One factor considered to have a significant influence on increasing engagement is ethical leadership, which is a leadership style based on moral values, fairness, transparency, and concern for employees. Ethical leaders are able to create humane working relationships, instill a sense of trust, and foster a sense of appreciation in employees (Brown et al., 2015; Qiu et al., 2020). These conditions then encourage employees to be more actively involved in achieving organizational goals. The influence of ethical leadership on employee engagement does not occur directly, but is influenced by the extent to which employees feel supported by the organization or Perceived Organizational Support (POS). Perceived organizational support describes employees' perception that the organization values their contributions and cares about their well-being (Eisenberger et al.,

2021). When employees feel supported, they tend to work more optimally, show high dedication, and commit to the organization (Rhoades & Eisenberger, 2022).

Previous studies have shown that Perceived Organizational Support acts as a mediator in the relationship between ethical leadership and employee engagement (Jain et al., 2020; Lee & Lee, 2021). Ethical leadership fosters a fair and empathetic work environment, thereby increasing employees' perception of support. This support fosters a stronger sense of belonging and commitment, which leads to increased engagement (Ng et al., 2021; Wang & Zhang, 2023).

The low level of employee engagement in Indonesia, where (Gallup 2024) reports that more than 60% of employees do not feel engaged, emphasizes the urgency of implementing ethical leadership and increasing perceived organizational support in a strategic work environment. Based on this description, this study conducted a literature review to analyze the mediating role of perceived organizational support in the influence of ethical leadership on employee engagement. Through a synthesis of previous studies, this review is expected to provide a deeper understanding of the mechanism of the relationship between variables and provide implications for organizations in their efforts to continuously improve employee engagement.

Ethical leadership is a leadership style grounded in moral values, fairness, honesty, and integrity that guide every action and decision made by a leader (Brown et al., 2005). Ethical leaders demonstrate transparency, fairness, and genuine concern for the well-being of their subordinates, thereby fostering positive, respectful, and humane working relationships (Kalshoven et al., 2021). The development of ethical leadership is influenced by factors such as moral character, commitment to justice, honesty, and concern for various stakeholders (Brown et al., 2020). Indicators commonly used to measure ethical leadership include integrity, moral vision, transparency in decision-making, and concern for employees (Zhou et al., 2022). Ethical leadership enhances employees' trust and admiration toward their leaders, which subsequently increases employee motivation, organizational commitment, and willingness to contribute toward achieving organizational goals (Ng et al., 2021). Thus, ethical leadership is recognized as a crucial element in creating a healthy, supportive, and value-driven work environment.

Perceived organizational support (POS) refers to employees' perceptions of the extent to which the organization values their contributions and cares about their well-being (Eisenberger et al., 2021). POS is formed through employees' experiences related to organizational fairness, supportive leadership, recognition, and opportunities for growth and development (Wayne et al., 2021). Key indicators of POS include organizational concern, recognition of employee efforts, and the availability of resources needed for effective job performance (Shanock & Eisenberger, 2016). When employees perceive high organizational support, they tend to exhibit stronger loyalty, higher motivation, and greater work engagement (Wang & Zhang, 2023). In this context, ethical leadership plays a pivotal role in enhancing POS. Leaders who treat employees fairly, respectfully, and with genuine care reinforce employees' perceptions that the organization values them, thereby strengthening perceived organizational support (Jain et al., 2020). Consequently, POS serves as a psychological mechanism that transmits the positive influence of ethical leadership to various forms of employee work behavior.

Employee engagement is a psychological state in which employees demonstrate enthusiasm, dedication, and deep involvement in their work. It is characterized by three core dimensions: vigor (energy and resilience), dedication (commitment and purpose), and absorption (full concentration and immersion in work tasks) (Schaufeli et al., 2002). Employees who are highly engaged tend to be more productive, innovative, and strongly loyal to their organizations (Saks, 2021). Employee engagement is influenced by leadership quality, organizational support, opportunities for development, and a supportive work culture (Al-Swidi et al., 2021). Within this framework, ethical leadership has the potential to enhance employee engagement, yet this effect becomes more substantial when employees feel adequately supported by their organization. Perceived organizational support functions as a mediating variable, whereby ethical leadership enhances employees' perceptions of support, and this perceived support subsequently strengthens their engagement at work (Wang & Zhang, 2023). This indicates that the combination of ethical leadership and strong organizational support plays a strategic role in fostering optimal levels of employee engagement.

Figure 1. Conceptual Framework

2. RESEARCH METHOD

This study uses the literature review method, which is a research method conducted through the collection, evaluation, and results of previous studies relevant to the research topic. The focus of the study is directed at the relationship between ethical leadership, employee engagement, and perceived organizational support as mediating variables. The literature sources analyzed were obtained from national journal articles (SINTA) and reputable international journals published between 2019 and 2024. The search process was conducted through several databases, such as Google Scholar, ScienceDirect, ResearchGate, and Garuda Ristekdikti, using the keywords ethical leadership, employee engagement, perceived organizational support, and mediation effect.

The literature found was selected based on three criteria, namely relevance to the research variables, journal credibility, and recency (up to date) in accordance with theoretical developments (Snyder, 2019). The collected data were then analyzed using narrative synthesis, which involved comparing, grouping, and drawing conclusions about the relationship patterns between variables. This approach aimed to find consistency in the findings related to the mediating role of perceived organizational support in the influence of ethical leadership on employee engagement.

3. RESULTS AND DISCUSSION

Based on a literature review and findings from several relevant journals (2019–2024), the relationship between ethical leadership and employee engagement, mediated by perceived organizational support (POS), this discussion focuses on systematically analyzing the relationship between these variables as the main focus of the study. Research shows that ethical leadership has a positive and significant influence on employee engagement (Zhou et al., 2022; Jain et al., 2020). Ethical leaders set moral examples, provide vision and humane direction, and create certainty and psychological security for employees. This encourages higher motivation, loyalty, and work engagement (Wang & Zhang, 2023). Ethical leadership also increases employees' feelings of empowerment, making them more proactive, creative, and maximally contributive (Kim et al., 2020).

The role of perceived organizational support as a mediator has also been proven to be significant (Rhoades & Eisenberger, 2020; Wang & Zhang, 2023). Employees who feel supported by the organization are more motivated and engaged, thereby strengthening the influence of ethical leadership on engagement. Perceived organizational support also helps maintain harmonious working relationships, reduce turnover, and increase job satisfaction (Jiang et al., 2021; Al-Swidi et al., 2021; Bakker et al., 2021). Perceived organizational support is not merely a complement, but an important instrument that bridges employee motivation amid work dynamics. Organizational culture also influences employee engagement. A fair, humane, and transparent work culture increases engagement, especially when combined with ethical leadership (Lee et al., 2021; Jain et al., 2020). Perceived organizational support plays a role in maintaining this cultural condition so that the relationship between ethical leadership and engagement runs more smoothly.

Several studies also emphasize that ethical leadership contributes to meaningful work, which is the perception of employees that their work has a positive impact on society, thereby deepening engagement (Choi & Lee, 2023). In the digital age, ethical leadership that emphasizes the ethical use of technology and AI is also important for maintaining employee trust and engagement (Zhang, Huang, & Liu, 2024). An additional factor that strengthens this relationship is work-life balance, where ethical leaders support flexibility and the holistic well-being of employees (Alvi & Rahman, 2023). In a collectivist culture such as Indonesia, social values such as mutual cooperation and social empathy

strengthen the effectiveness of ethical leadership and the role of perceived organizational support in building engagement (Othman, Sari, & Hidayat, 2023).

Research by (Kumar, Setia, and Verma 2025) confirms that the combination of ethical leadership, perceived organizational support, and a positive organizational culture forms a synergistic system in building sustainable engagement. These three factors complement each other: ethical leadership provides directional values, perceived organizational support provides emotional support, and organizational culture maintains the sustainability of positive behavior. All three not only improve performance but also strengthen the organization's reputation and competitiveness in the long term.

Overall, these findings show that ethical leadership and perceived organizational support are key strategic instruments in increasing employee engagement. The implementation of humane, fair, and employee-friendly human resource management policies will strengthen these relationships, reduce turnover, increase job satisfaction, and encourage maximum contribution to the organization's vision and mission (Zhou et al., 2022; Wang & Zhang, 2023; Jain et al., 2020; Kim et al., 2020).

4.   CONCLUSION

Based on the results of the discussion, it can be concluded that ethical leadership has a positive and significant influence on employee engagement. This influence is maximized when employees feel perceived organizational support (POS). In other words, perceived organizational support acts as an important mediator that bridges the relationship between ethical leadership and employee engagement. Ethical leadership based on moral values, fairness, and social responsibility creates a psychologically safe work environment, fosters trust, and increases employee motivation, loyalty, and effective commitment. Ethical leaders encourage employees to contribute to the fullest, feel empowered, and be proactive in carrying out their duties. Perceived organizational support strengthens the influence of ethical leadership by channeling the organization's support, attention, and appreciation to employees. This support builds a sense of appreciation, increases work enthusiasm, responsibility, and employee involvement in achieving organizational goals.Additional factors such as a fair and humane organizational culture, work-life balance, and adaptation to digital transformation also strengthen the relationship between ethical leadership and engagement. A positive work culture and digital ethics maintain transparency, trust, and a conducive work environment. Overall, ethical leadership, perceived organizational support, and a healthy organizational culture form a synergistic system that supports sustainable employee engagement. These three elements not only increase job satisfaction and employee loyalty but also reduce turnover and drive long-term organizational performance and competitiveness.

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