

The Influence of Ethical Leadership on Employee Performance in the Local Government Institution of West Nias

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ABSTRACT

Ethical leadership is a form of leadership that emphasizes moral values such as integrity, honesty, and responsibility in every action and decision made by a leader. Meanwhile, employee performance can be defined as the outcome of work or activities carried out by individuals based on ethics and applicable rules within an organization. This study employed a survey method by distributing questionnaires to 70 employees working in various local government institutions within the West Nias region. The collected data were then analyzed using simple linear regression to determine the extent to which ethical leadership influences employee performance. Based on the results of the analysis, it was found that ethical leadership has a positive impact and contributes to improving employee performance. These findings indicate that the implementation of ethical principles in leadership plays a significant role in enhancing the quality of work among employees in the West Nias government environment. Therefore, it is strongly recommended that leaders in local government institutions in West Nias continue to uphold ethical leadership principles to achieve better organizational performance.

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1. INTRODUCTION

According to (Citraningsih & Novindari, 2022) The role of leadership in an organization, especially within government institutions, is crucial in determining the success of achieving organizational goals. (Ekonomi & Bisnis, 2017) Leadership is not only related to the ability to lead and direct subordinates, but must also be grounded in strong ethical values. (Na'im et al., n.d.) Ethical leadership is a leadership style that emphasizes the application of moral principles, honesty, integrity, fairness, and responsibility in decision-making and in interactions with subordinates and other stakeholders. (Abijaya et al., 2021) Ethical leadership is believed to foster a conducive work environment, enhance employee motivation, and build trust and loyalty, all of which ultimately have a positive impact on employee performance.

Employee performance is a key indicator in assessing the effectiveness of a public organization. According to (Sutanjar et al., 2019), Employee performance refers to the individual work outcomes that reflect the achievement of targets, the quality of outputs, and efficiency in task execution. (Wiji Rahayu, n.d.) In the context of local government institutions, improving employee performance is one of the primary focuses to provide better public services and meet the expectations of the community.

According to (Hidayat Waruwu, 2022) West Nias Regency, as one of the regions in North Sumatra, has its own dynamics in the context of bureaucracy and public service. (Gulo et al.,

2021) Various challenges, such as limited resources and differences in employee characteristics, demand the implementation of a leadership style that is not only effective but also ethical. (Liyushiana, 2019) However, in reality, there remains a phenomenon where ethical values in leadership receive insufficient attention, which has the potential to reduce employee motivation and performance.

2. RESEARCH METHOD

This study employs a quantitative approach with a causal associative method to analyze the extent to which ethical leadership (X) influences employee performance (Y) in government institutions in West Nias Regency.

Component	Description
Research Subject	This study involved 70 civil servants from various local government institutions in West Nias Regency. The sample selection was carried out purposively by considering two main criteria: employees must have active status and a minimum of two years of work experience.
Research Procedure	Respondents were given questionnaires, which then served as the primary data source. Data analysis included testing the validity and reliability of the measurement instruments, checking classical assumptions such as normality, linearity, and heteroscedasticity, as well as conducting simple linear regression analysis using SPSS software.
Measurement Scale	It was measured using a five-point Likert scale, namely: 1 Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree, and 5 Strongly Agree.
Research Instrument	The closed-ended questionnaire was developed based on theories of ethical leadership and employee performance. The indicators of ethical leadership include honesty, fairness, responsibility, and integrity. Meanwhile, employee performance was measured through work quality, productivity, discipline, and punctuality.

3. RESULTS AND DISCUSSIONS

The analysis was conducted using simple linear regression to determine the extent of the influence of ethical leadership on employee performance. The data were obtained through questionnaires distributed to employees of local government institutions in West Nias. The following are the data analysis results using SPSS:

Model Summary

Table 1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.612	0.375	0.366	4.189

Source: Researcher, SPSS (2025)

The analysis results show an R value of 0.612, indicating a fairly strong relationship between ethical leadership and employee performance. Furthermore, the obtained R Square value of 0.375 indicates that 37.5% of the variation in employee performance can be explained by the role of ethical leadership. This means that approximately 62.5% of the factors influencing employee performance are attributed to variables other than ethical leadership.

Anova

Table 2. Anova

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	720.421	1	720.421	41.02	0.000

Source: Researcher, SPSS (2025)

The results of the ANOVA test show a significance value of 0.000, indicating that the model is statistically significant since the value is well below the 0.05 threshold. Additionally, the F-value of 41.02 signifies that this model is sufficiently capable of explaining or predicting the primary variables under study.

Coefficients

Table 3. Coefficients

Model	Unstrandardized Coefficients (B)	Std. Error	t	Sig.
1	0.612	0.375	0.366	4.189

Source: Researcher, SPSS (2025)

The regression coefficient (B) value of 0.612 indicates that if ethical leadership increases by one unit, employee performance will also increase by 0.612. Furthermore, the very small significance value of 0.000 signifies that this relationship is very strong and does not occur by chance.

Discussions

The results of the analysis indicate that ethical leadership has a significant positive influence on employee performance. First, Ethical Leadership as a Predictor of Employee Performance. Leadership that upholds ethical values plays a substantial role in influencing employee performance. The regression coefficient of 0.612 and a significance value of 0.000 demonstrate that the better a leader applies ethical principles in their leadership, the higher the quality of work exhibited by their employees. Leaders who demonstrate honesty, responsibility, fairness, and integrity have a positive impact on the enthusiasm and work behavior of their subordinates. This is closely related to the role of the leader as a role model within the organization. (Novitasari, n.d.) When leaders act fairly in distributing tasks, appreciate employees' hard work, and refrain from abusing their authority, the work environment becomes healthier and more comfortable. Employees will feel recognized and motivated to improve their performance. A sense of security and trust in their superiors will grow, thereby fostering a harmonious working relationship. (Dewantoro, n.d.) Ethics in leadership also helps suppress various forms of behavioral misconduct, such as internal conflicts, nepotism, or unfairness in the distribution of rewards and punishments. (Liana & Berima Putra, 2022) Pemimpin yang konsisten menjunjung nilai moral akan mendorong terciptanya budaya kerja yang berorientasi pada pelayanan publik dan profesionalisme. Oleh karena itu, kepemimpinan etis tidak hanya memengaruhi individu secara personal, tapi juga membantu membangun fondasi tata kelola birokrasi yang sehat dan kredibel. Second, the Strength of the Relationship and the Model's Predictive Ability. The results of the regression analysis show that 37.5% of the variation in employee performance can be explained by ethical leadership as one of its determining factors. Meanwhile, the remaining 62.5% is influenced by other factors not analyzed in this model. Although its contribution does not constitute the majority, this figure still illustrates that ethical leadership is an important factor in enhancing employee performance. (Djadjuli, n.d.) There are still many other factors that influence individual performance in the workplace, such as motivation levels, compensation, reward systems, organizational culture, and interpersonal relationships. Nevertheless, ethical leadership remains one of the factors that cannot be overlooked, as it touches on the moral and emotional aspects of employees, not merely technical or structural aspects. Based on these results, it can be concluded that if an organization aims to promote sustainable performance improvement, one of the strategies that can be implemented is to strengthen the ethical character of its leaders. The model developed from this study can serve as a basis for consideration in formulating personnel policies, particularly in the areas of ethical behavior development and performance evaluation. Third, the Significance of the Regression Model. The ANOVA test shows an F-value of 41.02 with a significance level of 0.000. This result indicates that the regression model used is not only statistically valid but also truly relevant in explaining the relationship between ethical leadership and employee performance. In other words, ethical leadership is indeed a suitable predictor variable in the model for improving human resource performance. This statistical strength reinforces the confidence that the relationship found in this study is not a matter of chance. The use of simple linear regression is also considered appropriate, given that the study examines only one independent variable against one dependent variable. This method facilitates direct and accurate interpretation of the results. These findings strengthen the argument that ethics-based leadership is a crucial element in enhancing employee capacity, particularly in government institutions. Therefore, this model can serve as a reference in training, evaluation, and the formulation of human resource development policies aimed at improving the quality of public service delivery. Fourth, Managerial Implications. The findings of this study offer several important considerations for management practices,

particularly in the public sector. First, leaders who consistently apply ethical values are more capable of shaping a positive and constructive work culture. A leader's fairness, honesty, and sense of responsibility contribute to a conducive work environment where employees feel motivated and involved in the work process. Another implication is the importance of integrating ethical considerations into the processes of selection and promotion. It is not sufficient to evaluate candidates based solely on technical competencies; integrity and moral track records should also be key criteria. Organizations should provide leadership training that not only focuses on managerial skills but also strengthens the understanding and application of ethical values in leadership. (Akbar et al., 2024) Furthermore, ethical leadership indirectly influences the public image of governmental institutions. (Zalianty, n.d.) When employees feel they are led with fairness and are valued, they are more likely to demonstrate professional attitudes in serving the public. This, in turn, enhances public trust in the bureaucracy and, over time, contributes to the realization of clean, transparent, and accountable governance. Therefore, ethical leadership should not remain merely a normative discourse, but must be implemented as a practical managerial strategy to improve work effectiveness and foster a healthy and integrity-driven organization.

4. CONCLUSION

The research conducted in the regional government offices of West Nias Regency demonstrates that ethical leadership plays a crucial and positive role in employee performance. The stronger the ethical values such as honesty, fairness, and responsibility are practiced by leaders, the better the employees' work outcomes, including productivity, discipline, and target achievement. Using valid and reliable measurement instruments and a regression model that meets the necessary criteria, this study found that approximately 37.5% of the variation in employee performance can be explained by ethical leadership, while the remainder is influenced by other factors. Therefore, upholding ethics-based leadership is essential for improving the performance of public organizations.

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