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Ethical leadership and authentic leadership for improving innovative work behavior

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Abstract

The purpose of this study was to determine the effect of Ethical Leadership and Authentic Leadership to improve Innovative Work Behaviour of employees of PT. JDDM in Surabaya City, Indonesia. Sampling in this study used a saturated sample in which all members of the population were used as research samples, namely 72 employees. This research is a quantitative research. The analysis technique used is multiple linear regression analysis. The results of this study indicate that the Ethical Leadership and Authentic Leadership Variables have an effect on Innovative Work Behaviour. This study adds to the discourse of scientific discussion related to the discussed Ethical Leadership, Authentic Leadership and Innovative Work Behaviour.

Keywords: Authentic leadership; Ethical leadership; Innovative work behaviour

1. Introduction

The world of work needs people who are accustomed to looking ahead, are intelligent, innovative, and able to work with high zeal despite the changing circumstances in the current period of global competitiveness. Over the past few decades, the significance of human resources has been highlighted in particular. Human resources are reflected in the fact that they are the only "thinking" resource because they are defined by characteristics like knowledge, abilities, experience, etc. The calibre of the human resources employed by the organization, which go beyond just facing competition in the workplace, greatly influences its performance. One way to maintain quality is to increase and maintain innovative work, so that company goals can be achieved optimally [1].

Companies that are successful in satisfying customers and doing this in a sustainable manner are the main capital to make customers loyal and willing to do things that benefit the company. The form of response/feedback from customers that gets the attention of the organization is in the form of the customer's willingness to be positive about the existence of the company. Based on these reasons, the voluntary behaviour of customers (Customer Citizenship Behaviour-CCB) regarding the survey results, research related to innovative work behaviour is still relevant and important today.

Innovative work behaviour means a different way of thinking get better results for employees. Innovative behaviour can include a willingness to acquire in-depth knowledge, identify problems and test various solutions to solve problems.

According to [2] rewards, sacrifices, and benefits are components of social relations that impact one another. Based on this theory, it can be explained that an employee is willing to behave innovatively if he has ethical leadership and authentic leadership.

Leadership is an ability to inspire others to achieve common goals by providing strength, inspiration and motivation to achieve them. Leadership is a rational attitude in making strategies, taking fast, precise actions and being able to carry out a thorough analysis. Currently the business market has developed rapidly, this provides significant demands to be

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observant in capturing market opportunities in order to create their own market opportunities and not wait for opportunities to come by themselves, and this is one of the duties of a leader in a company. Currently most of the success in a company is the result of effective sales. A large number of sales managers around the world are vying to find the best way to weaken their competitors, manage sales territories, improve team performance, hire and retain potential HR.

Innovation is one of the issues that leaders must address since, with innovation, a company under their management will have a defined direction and goals. Etymologically, innovation is the process through which a person creates new things for themselves or their surroundings by using their thoughts, imagination, varied stimuli, and people around them. Meanwhile, according to [3] Innovative work behaviour refers to individual behaviour that attempts to advance to the introduction stage or introduces novel and beneficial concepts, methods, goods, or techniques into the workplace, groups, or organization. The ability to develop fresh viewpoints and ideas that are then translated into inventive ones is referred to as an employee's innovative behaviour [4].

The conceptual framework model involving 3 variables (Ethical leadership, Authentic leadership and Innovative Work Behaviour) was tested at PT JDDM in Surabaya. With this framework model, can Ethical leadership and Authentic Leadership improve Innovative Work Behaviour?

2. Material and methods

2.1. Social Exchange Theory

According to [5], social exchange theory is a social science theory that asserts that aspects of rewards, sacrifices, and benefits impact one another in social relations. According to this hypothesis, people perceive their relationships with others based on how they perceive themselves:

How the relationship is balanced in terms of what is given and what is taken away.

The kind of relationship that is maintained.

Possibility of improving interpersonal relations.

According to [5], in general, social exchange theory analyses relationships between people by comparing interactions between people and marketing activities. Therefore, in social exchange theory there are at least four basic concepts, namely: rewards, costs, results, and levels of comparison.

2.2. Leadership Theory

The art of leadership is to persuade followers to cooperate and contribute to the achievement of organizational objectives [6]. Meanwhile, according to [7] leadership is the process of influencing group activity in an effort to accomplish a specific objective. First, the performance of a unit, agency, or organization can change when a leader is replaced. Second, the findings of the research indicate that leadership, including the process of leadership at every level of the organization, the competencies, and the actions of the concerned leaders, is one of the internal factors that influences organizational success [8]. A leader must be able to provide encouragement to his group members to work with a full sense of responsibility and be able to work together to achieve organizational goals that have been set.

There are several forms of leadership styles that must be possessed by leaders so that the ecosystem within the company runs well. There are several examples of leadership styles such as: ethical leadership, authentic leadership.

The ideas, beliefs, and values of right and wrong serve as the foundation for organizational behaviour, forming the ground for leaders' influence on subordinates in the pursuit of corporate objectives [9]. Based on the definition above, it can be concluded that the primary responsibility for resolving employee disagreements is centered on ethical leadership and providing a guiding foundation to teach them the right thing to do. Ethical leaders thus translate into virtues that lead to making ethical decisions for the wider good. Ethical leadership is an assessment of employee perceptions of ethical behaviour which is inferred from leader behaviour, with indicators [10]:

- Honesty,
- Fairness,
- Integrity,

- Altruism (a person's instinct to prioritize the interests of others),
- Concern for values.

In order for a group or organization to function effectively, authentic leadership is a leadership style that focuses on matching one's character with the ideals present within. [11] Highlights the importance of the process of developing a leader's legitimacy by sincere connections with subordinates, respecting their input, and being founded on an ethical foundation.

According to [11] identifying and validating components to explain Authentic Leadership, including:

2.2.1. Self-Awareness

It is a process by which leaders know themselves, their strengths and weaknesses, their influence on others. This component reflects values, identity, emotions, motivations, and goals, as well as knowing and being aware of their own feelings.

2.2.2. Balanced Processing

Is a way of objectively analysing all relevant information before making a decision. Analyse facts, data, both external and self-referential. This demonstrates that before making judgments, leaders carefully consider all relevant information without exaggerating or ignoring it. This allows the leader to avoid bias. This component is seen as authentic because the leader is open about perspectives and is also objective in considering the perspectives of others.

2.2.3. Relational Transparency

It is an open sharing of the thoughts of the leader, and the feelings of the leader towards his employees. Maintain leader-employee relationship based on sincerity and honesty. Relational transparency occurs when leaders share their feelings, motivations and desires with others in an appropriate way. This includes showing the positive and negative sides of the leader himself to his employees. The essence of this component is open and real communication in a relationship.

2.2.4. Internalized Moral Perspective

In response to peer pressure, societal pressure, or organizational pressure, it refers to self-regulation that is directed by internal standards of morality, ethics, and values. As a result, people behave morally and openly. This element is regarded as genuine because the leader's activities align with their ideals and beliefs.

2.3. Innovative Work Behaviour

According to [12] competitive advantage in a Companies can be created if there is innovative work behaviour and there is a willingness from managers to support it. Innovative behaviour also determines the desire of employees to apply new ideas, products, processes and strategies to the work done, the company or its members. Every company must consider this important to motivate employees so that their performance increases through innovative and creative behaviour [13]. [14] also supports the previous statement that high performance can be achieved due to innovative behaviour. [15] also explain that someone who shows innovative behaviour at work is considered to have shown his performance.

According to (De Jong & Kemp, 2021), innovative behaviour as an individual's actions that lead to the interests of the company, in which employees introduce and apply their new ideas to benefit the company. (Robbins, 2019) suggests innovation as a renewal process, new discoveries in the form of ideas, methods or something else. Innovative behaviour does not just appear, but innovative behaviour at work will arise if employees are faced with challenges in their work and gain broad authority in carrying out their duties and responsibilities. The company is expected to be able to open up opportunities or provide a place for each employee to express their new ideas, so that they can encourage the development of a better company and be able to compete with other companies.

There are four indicators of innovative work behaviour according to [16]:

- Idea exploration (where staff look for opportunities or issues).
- Idea generation (workers can generate creative ideas by coming up with and providing suggestions for new procedures).
- Idea championing (encouraging staff to seek assistance in putting new, innovative ideas that have been created into action).

- Idea Implementation (workers are courageous enough to incorporate a fresh idea into their regular work processes).

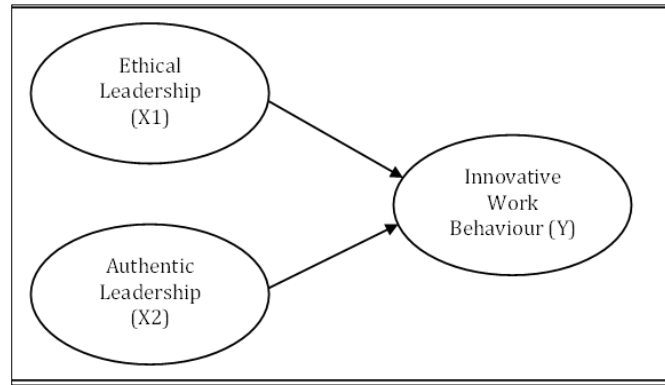


Figure 1 Conceptual Framework

The hypothesis proposed is as follows:

- H1: There is an influence of Ethical Leadership on Innovative Work Behaviour.
- H2: There is an effect of Authentic Leadership on Innovative Work Behaviour.

This kind of study employs a quantitative methodology with SPSS version 26. The sample employed in this study was a saturated sample, meaning that all people in the population were used as research samples. There were 72 people in all who worked for PT JDDM in Surabaya for this study.

All variables will be measured with a Likert scale measurement instrument which will later be in the form of a questionnaire. According to [17] a research instrument is a measuring instrument used to measure observed natural and social phenomena. With the following arrangement: Strongly Disagree (STS) score 1, Disagree (TS) score 2, Undecided (RR) score 3, Agree (S) score 4 and Strongly Agree (SS) score 5.

3. Results

3.1. Validity Test

A validity test is a measurement that reveals the degree of an instrument's validity. A questionnaire's validity is evaluated using a validity test for each variable. With 72 samples and a significance level of 5%, or 0.05, this test was conducted using r tables, yielding a result of 0.228. The statement is considered to be legitimate if $r \text{ count} > r \text{ table}$; otherwise, if $r \text{ count} < r \text{ table}$, the statement is said to be invalid. Table data on the validity test findings can be given as follows based on the research data that was gathered:

Table 1 Result of validity test

Statement Item	r-count X1	r-count X2	r-count Y	r-table	Remark
1	0.807	0.770	0.656	0.228	Valid
2	0.718	0.800	0.792	0.228	Valid
3	0.739	0.606	0.734	0.228	Valid
4	0.765	0.806	0.780	0.228	Valid
5	0.725	-	-	0.228	Valid

In the table above, it is obtained that r-count has a higher value than r-table, namely 0.228. So, it can be seen that the results of the validity test show that all statement items from the three variables are declared valid.

3.2. Reliability Test

A reliability test is performed to gauge how much confidence may be placed in a measurement's findings. By examining the Cronbach's alpha value for each variable in the study, the reliability of the variables was determined. The assertion is deemed credible if each variable's Cronbach's Alpha value is > 0.6 .

Table 2 Result of reliability test

Variable	Min Value	Cronbach's alfa	Remark
Ethical Leadership	0.6	0.813	Reliable
Authentic Leadership	0.6	0.758	Reliable
Innovative Work Behaviour	0.6	0.727	Reliable

Since every statement in the table above has a Cronbach's Alpha of more than 0.6 for the variables Ethical Leadership, Authentic Leadership, and Innovative Work Behaviour, it may be determined that the data is declared to be reliable.

3.3. Classic assumption test

3.3.1. Normality Test

The purpose of the normality test is to determine if the residuals, confounding factors, or both have a normal distribution in the regression model. You can also use the Kolmogorov-Smirnov (K-S) statistical test to check for normality. The following are the testing requirements:

- The distribution of the data is normal if the asymp. Sig is greater than 0.05.
- The data are not normally distributed if the asymp. Sig is less than 0.05.

Table 3 Result of normality test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		72
Normal Parameters	Mean	0.0000000
	Std. Deviation	5.21810205
Most Extreme Differences	Absolute	0.089
	Positive	0.089
	Negative	-0.070
Test Statistic		0.089
Asymp. Sig. (2-tailed)		0.200

The Kolmogorov-Smirnov normalcy test may infer the value of asymp from the table above. The data contributes normally when the sig of 0.200 with this value is over the 0.05 significance level.

3.4. Multicollinearity Test

The goal of the multicollinearity test is to determine whether the independent variables in the regression model are correlated. The tolerance value and the Variance Inflation Factor (VIF) value can be used to determine whether multicollinearity occurs in the regression model. There is no multicollinearity between the independent variables if tolerance > 0.10 and VIF < 10 . Table data might be displayed as follows based on the research results that were found:

Table 4 Result of Multicollinearity test

Variable	Value	Tolerance	Value	VIF	Remark
Ethical Leadership	0.10	0.500	10	1.999	Not Multicollinearity
Authentic Leadership	0.10	0.500	10	1.999	Not Multicollinearity

The Ethical Leadership and Authentic Leadership variables have a tolerance > 0.10 and a VIF < 10 according to the SPSS 26 test findings. Therefore, it may be said that the independent variables employed in the regression model do not have a linear relationship, which is known as multicollinearity.

3.5. Heteroscedasticity Test

To determine if it is present in the model, the heteroscedasticity test is used. Regression happens when the residual of one observation differs from the residual of another observation. When the variance of the residuals varies from one observation to another, it is referred to as heteroscedasticity rather than homoscedasticity. Checking for a pattern between the dependent variable and its residual on the scatterplot graph is one technique to establish whether there is heteroscedasticity. Based on the research data obtained, the table data can be presented as follows:

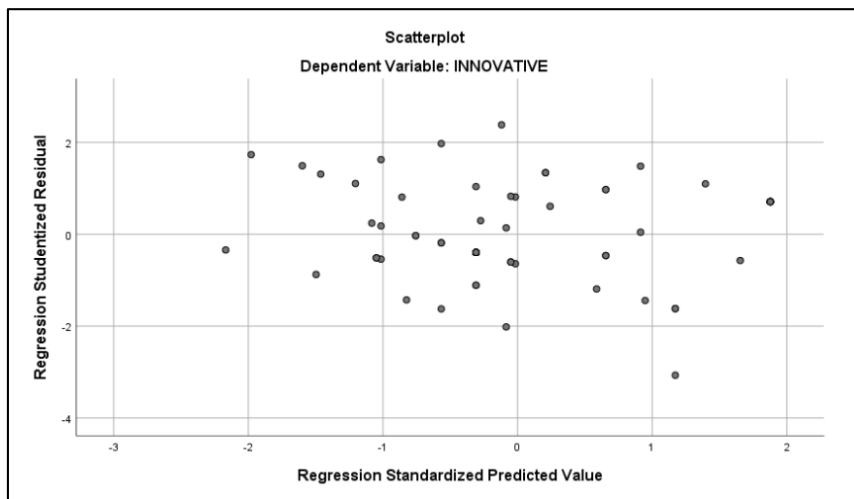


Figure 2 Result of Heteroscedasticity Test

Because the data points are not patterned and evenly distributed, it can be inferred from the image above that this study does not rely on the premise of heteroscedasticity.

3.6. Coefficient of Determination Test

A method for assessing the strength of the relationship between the independent and dependent variables is the coefficient of determination. The results of the coefficient of determination might be presented in the following ways based on the study data attained:

Table 5 Result of Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.633	0.401	0.384	1.408

a. Predictors: (Constant), Ethical Leadership, Authentic Leadership

The results of the coefficient of determination are shown in the table above, and it can be deduced that the coefficient is 0.401. This means that at PT JDDM in Surabaya, the influence of the variables Ethical Leadership (X1) and Authentic

Leadership (X2) on the variable Innovative Work Behaviour (Y) is 40.1%, while the remaining 59.9% is influenced by other variables out of the equation.

3.7. Partial Test (t test)

To determine how much a partial independent variable has on the dependent variable, a partial test is utilized. The t test uses t count and t table as its decision-making criteria. If t count is less than t table, Ho is accepted, meaning that the independent variable (X) partially has no effect on the dependent variable (Y), and if t count is greater than t table, Ha is accepted, meaning that the independent variable (X) partially affects the dependent variable (Y).

Table 6 Result of t-Test

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.462	1.524		4.895	0.000
	Ethical Leadership (X1)	0.453	0.073	0.597	6.233	0.000
a. Dependent Variable: Innovative Work Behaviour (Y)						
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.902	1.385		6.430	0.000
	Authentic Leadership (X2)	0.488	0.084	0.571	5.825	0.000
a. Dependent Variable: Innovative Work Behaviour (Y)						

Based on the table above, it can be explained about the influence of variables partially. The value depends on the magnitude (df) and significant level which will be used for a significant level of 0.05 or 5%. To find t table, using the formula $df = (n - k - 1) = df (72 - 2 - 1) = 69$, then a t table of 1.99495 is obtained so that it can be interpreted as follows:

3.7.1. Testing Ethical Leadership on Innovative Work Behaviour

The Ethical Leadership variable in this study has a strong positive effect on Innovative Work Behaviour, as evidenced by the findings of t count 6,233 > t table 1,995 and a significant value of 0.000 < 0.05.

3.7.2. Testing Authentic Leadership on Innovative Work Behaviour

The Authentic Leadership variable in this study has a strong positive effect on Innovative Work Behaviour, as seen by the t count 5.825 > t table 1.995 and a significant value of 0.000 < 0.05.

3.8. Model Feasibility Test (F test)

To determine whether all of the independent variables in the model have a combined impact on the dependent variable, a model's viability must pass this test. If the F test analysis reveals that every independent variable simultaneously accounts for the dependent variable in a meaningful way.

In the model feasibility test table (F test) above, it can be seen that the significance value for the influence of Ethical Leadership (X1) and Authentic Leadership (X2) on Innovative Work Behaviour (Y) is 0.000 < 0.05 and F count 23.124 > F table value. This proves that Ho is rejected and Ha is accepted. This means that Ethical Leadership (X1) and Authentic Leadership (X2) are able to explain Innovative Work Behaviour (Y) significantly.

Table 7 Result of F-Test

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	91.622	2	45.811	23.124	0.000
	Residual	136.698	69	1.981		
	Total	228.319	71			
a. Dependent Variable: Innovative Work Behaviour						
b. Predictors: (Constant), Ethical Leadership, Authentic Leadership						

4. Discussion

According to [9], ethical leadership is defined as the principles, beliefs, and values of right and wrong that describe the basis of organizational behaviour. This creates the framework for leaders to influence employees to achieve corporate goals. Employee conflict resolution and setting up a basis for teaching them the moral high ground are the main responsibilities of ethical leadership. Therefore, ethical leaders exhibit attributes that encourage them to make moral choices for the greater benefit.

In order for a group or organization to function effectively, authentic leadership is a leadership style that focuses on matching one's character with the ideals present within. [18] emphasize that authentic leadership is the process of developing a leader's legitimacy by open communication with subordinates, valuing their opinions, and being based on moral principles.

When subordinates and their leaders engage in relationships based on admiration and trust, the social exchange approach shows that they are more likely to respond with positive behaviour [19].

'Values' based leadership, which can be defined as the relationship between leaders and co-workers based on internalized shared values that are acted upon by leaders, emphasizes and reinforces ethical values in organizational settings (Daft, 2007). Ethical moral values as a form of action that must be followed by someone to achieve the desired result in the form of the highest value [20].

Ethical leadership behaviour that is in accordance with the abilities and expertise of employees can increase innovative work behaviour at PT JDDM in Surabaya. Authentic leadership behaviour that is in accordance with the abilities and expertise of employees can increase innovative work behaviour.

The results of this research are used as input for related companies and employees of PT JDDM in Surabaya in improving innovative work behaviour to create a conducive work environment.

5. Conclusion

Based on the results of research conducted through data collection, data processing, and data analysis related to Ethical Leadership and Authentic Leadership to improve Innovative Work Behaviour at PT JDDM in Surabaya, it can be concluded as follows:

- Ethical Leadership affects Innovative Work Behaviour.
- Authentic Leadership affects Innovative Work Behaviour.
- Ethical Leadership and Authentic Leadership affects Innovative Work Behaviour simultaneously.

The research results can be used as material for consideration companies in implementing Ethical Leadership (ethical leadership), as well as Authentic Leadership (authentic leadership) in improving Innovative Work Behaviour of PT JDDM employees in Surabaya.

Compliance with ethical standards

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Disclosure of conflict of interest

Authors do not have any conflict of interest to declare.

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