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## Ethical Leadership Trust Effect in Leader, Work Engagement and Burnout Over Turnover Intension

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This study aims to analyze the effect of ethical leadership trust on leader. Here, we analyze the influence of trust in leader over work engagement to obtain on turnover intension effect. We also analyze the influence of ethical leadership on burnout and turnover intension burnout on ICT employees. In this study, we obtain population over distributors or other business companies to fill the questionnaires over ICT Company employees around 375 employees while 30 respondents who were considered to have adequately represented the population studied. The ICT companies selected are located in Jakarta, which is the centre of the ICT industry in Indonesia. Thus, we use Convenience Sampling method based on the convenience factor to meet with the research at the survey location. Furthermore, the descriptive analysis and analysis of Structural Equation Modelling with the Lisrel Program are used in this study. The results show, the Trust in leaders is influenced by ethical leadership (T-Value = 18.93). Here, The better and higher the ethical leadership, the better the trust in leader. Furthermore, the work engagement is not influenced by employee's trust in leaders (T-Value = -0.49). Thus, in ICT industry the other factors can be affected on employee's work engagement. Here, turnover intention is not influenced by work engagement if the value of work engagement is high, the employee will be to leave the company (T-Value = -1.18). Ethical leadership is negatively related to burnout if leadership value is low then the burnout is high (T-Value = -7.35). Turnover intension is influenced by burnout (T-Value = -12.95). This shows that the higher the burnout, the higher possibility of employees will leave the company.

**Keywords:** Ethical Leadership, Trust in Leader, Work Engagement, Burnout, Turnover Intension

### 1. INTRODUCTION

Substitution has become a problem that is often experienced in business and management [1]. Turnover is taken when choosing an organization that is approved to leave the organization in the near future [2]. The loss of employees can cause a decrease in productivity, creativity, efficiency and profit [3]. This can damage the work climate and cause performance degradation in the company [4] and losses that can cause a large increase in the long-term operational of the company [5]. In human resource management literature, there are theories that contribute to Turnover Intension to ethical perspectives called self-concept theories [6]. Thus, in particular self-concept theory provides an overview in relation to the nature of employee turnover that can be questioned by others in the workplace [7]. Others who seek the approval of the company Where they work and the leader who guides them [8]. Ethical leadership entitled to leadership is taken on the types of actions taken to provide an ethical work environment through interpersonal communication,

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reinforcement, and decision making. Ethical leadership is very important for the credibility of leaders and has a significant interest in the trust between leaders and employees [9]. In previous studies outlining how CSR and ethical leadership can influence work engagement, fatigue and turnover intentions. CSR support and ethical leadership can also create a culture based on the values that employees can provide and are enthusiastic about their work [9]. Both CSR and ethical leadership both demonstrate organizational values and characteristics related to turnover influence. This study focuses on the influence of leadership ethics on turnover intention and other variables that influence it. In contrast to previous research in which objects represented the banking industry, this study focuses on the ICT industry where the selected company is located in Jakarta which is the center of the ICT industry in Indonesia. The question is why ethical leadership can influence employees to stop working? Based on the background of the problem and previous research, the problems to be discussed in this study is whether ethical leadership affects trust in leader.

The second is whether trust in leader can also influence work engagement. Then whether work engagement affects turnover intention, ethical leadership can affect burnout and also burnout can affect turnover intention. Based on the background and problems in this study, the aim of this study to analyze the effect of ethical leadership trust on leader. Here, we analyze the influence of trust in leader over work engagement to obtain on turnover intension effect. We also analyze the influence of ethical leadership on burnout and turnover intension.

## 2. METHODOLOGY

### A. Ethical Leadership

Ethical leadership may be explained as the manifestation of normatively suitable behavior by personal acts and interpersonal relations, and the promotion of such behavior to the followers by two-way decision-making, communication, and reinforcement [10]. Leaders who follow an ethical leadership style are more likely to construct an atmosphere, which boosts the behavior and attitude of followers. Two attributes of the ethical leader are reflected from this definition [10]. First, the individual following an ethical leadership style has high ethical values regarded as honesty, motivation, trustworthiness, integrity, and justice [11]. Second, an ethical leader affects the behavior and attitude of his followers through his leadership behavior.

### B. Trust in Leader

Trust in leaders is based on employees' perceptions of the leader's character, such as competency, integrity, and care and concern for others. Here, the trust leaders can be willingness to employee's be vulnerable to the leader's actions, on the basis of a positive expectation of the leader's intentions [12]. There are two types of trust in leaders: reliance-based trust, which is defined as an individual's readiness to place reliance on work-related skills, abilities, and knowledge of another, and disclosure-based trust, which is described as an individual's willingness to disclose work-related sensitive aspects or personal opinions and information to another [13]. In this study, we use these concepts to measure trust in leaders, because they acknowledge the need to reduce the vulnerability and risk that is inherent in trust also were specifically designed to measure trust in leadership [14, 15, 16].

### C. Work Engagement

Work-related state of mind that is characterized by vigor, dedication, and absorption is referred to as work engagement [17]. The literature has suggested several benefits of highly engaged employees to both employers, such as customer satisfaction, performance, less withdrawal intention, etc., and employees, such as greater job and life satisfaction [18, 19]. However, engaging employees especially in the service sector is the main challenge to the managers of today [19].

### D. Burnout

When work-related stress transcends adaptive levels without an effective coping mechanism, it is called burnout or burnout syndrome. This is a predominant disease in professions that deal with people and arises as a consequence of interpersonal and organizational relations [20]. The term "burnout" means "to be consumed". This is a term that designates an individual who has reached collapsing point in his or her adaptive capacity [21].

### E. Turnover Intension

According to Mobley turnover intention is the intention to leave a job on voluntary basis. It is defined as a conscious and deliberate willingness to leave the organization. It is considered as an idea by the employees to leave the organization and is a prelude to turnover. Turnover intention is a psychological variable of the tendency to leave and is closely related to turnover [22]. In the same vein Ma and Trigo opined that turnover intention indicates the extent to which employees intend to quit their employers [23].

### F. The Effect of Ethical Leadership on Trust in Leader

Subordinate trust in leaders will grow when leaders treat the people fairly with attention open in communication and also interact with each other in quality relationships. A worthy leader will pay attention to what is best for his subordinates with open in giving input to make fair decisions and actively manage morality can produce leaders' appeal as a role model. Treating employees fairly is an interest of Ethical Leadership which specifically will enhance the experience as a leader that can be trusted by subordinates. Based on previous research, Ethical Leadership was significantly related to the level of subordinate trust in leaders. Thus, positive relationship between Ethical Leadership and organizational trust. Ethical Leadership behavior as measured by and ELS is positively related to trust in leaders. Based on the detailed explanation of the previous studies, the current study proposes hypothesis 1 as follows:

**(H<sub>1</sub>):** *Ethical leadership affects trust in leader.*

### G. The Effect of Trust in Leader on Work Engagement

Trust in leader is defined as the ability of employees to accept vulnerabilities based on a positive sense of leader intentions. This depends on beliefs, self-feelings and reciprocity. Work Engagement arises when an employee is fully committed to their work through focused energy and positive thinking. Subordinates always want to go beyond the tasks given by leaders through the dedication of their work. Subordinates tend to think of themselves as in a social exchange relationship with leaders because of their trust in the leader. Trust has a direct positive effect on Work Engagement. Employees who experience increased confidence also experience an increase in Work Engagement. Increased trust includes the exchange of knowledge, ideas and information. This trust will lead to

conditions where employees will be actively involved in their work. Based on the detail explanation of the previous studies, the current study proposes hypothesis 2 as follows:

**(H<sub>2</sub>):** *Trust in leader affects work engagement.*

#### H. The Effect of Work Engagement on Turnover Intension

Work Engagement is a condition in which employee motivation is created and is seen based on their energy, dedication, and performance. Engagement produces positive experiences related to work and state of mind health [24]. These experiences and First positive emotions direct employees to show more positive results related to work, making their superiors more respected and less likely to leave the organization. High Work Engagement makes employees very eager to make great efforts and become very attached to their work. Employees will feel an emotional attachment to the current job and tend not to look for other job options [24]. This provides strong evidence of a significant negative relationship between Work Engagement and Turnover Intension. Other studies reveal Work Engagement is negatively associated with Turnover Intension among employees in the Netherlands [24]. Based on the detail explanation of the previous studies, the current study proposes hypothesis 3 as follows:

**(H<sub>3</sub>):** *Work engagement affects turnover intension.*

#### I. The Effect of Ethical Leadership on Burnout

Ethical Leaders tend to motivate employees to create feelings to express themselves by realizing positive values shared by leaders and employees so as to reduce conflict and burnout. In other words, Ethical Leadership is an art to mobilize others to want to struggle with shared aspirations. Ethical Leadership is recognized as a proactive effort by leaders to instill ethical standards in their employees through various approaches such as communication, ethical values and the use of additional systems to create mutually helpful behavior. Based on previous research, Ethical Leadership can prevent the effects of employees who are too emotional and tired with their work. Assisting employees in developing strong interpersonal with leaders in the workplace can reduce Burnout. Based on the detailed explanation on the previous studies, the current study proposes the hypothesis 4 as follows:

**(H<sub>4</sub>):** *Ethical leadership affects burnout.*

#### J. The Effect of Burnout on Turnover Intension

Burnout is a reflection of stress that affects the circumstances and emotions of a person caused by the depletion of energy and mental effort of employees from time to time and leads to emotional and cognitive fatigue [24]. Burnout illustrates the fatigue and fatigue that comes from work turned over to employees and the feelings of disappointment that arise in their workplaces.

Previous literature has shown that Burnout is positively related to Turnover Intension which can be justified in resource conservation theory [24]. Based on the detailed explanation on the previous studies, the current study proposes the hypothesis 5 as follows:

**(H<sub>5</sub>):** *Burnout affects turnover intension.*

Based five hypotheses, we design topology framework in this study (see Figure 1).

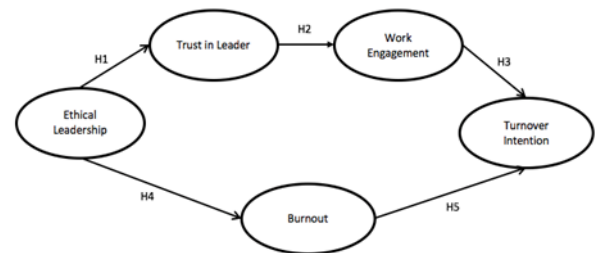


Figure 1. Conceptual Study Model Framework

### 3. RESULT AND DISCUSSION

The design of the current study is an explanatory research. By applying this type of research, the current study will verify the causal relationship between brand communication as the independent variable, brand image and brand trust as the intervening variable, and brand loyalty as the dependent variable. The current study also applies correlational research which examines whether the two variables are correlated to each other or not, and to investigate the strength and the purpose of the correlation. The current study applies structural equation model (SEM) analysis method using LISREL to investigate the significant rate and the correlation between the variables. The research hypothesis described above was empirically tested using employee survey data from the Information and Communication Technologies (ICT) industry in Indonesia. This study chooses the ICT industry because it often has a relatively high turnover. Before conducting the actual survey, more than 375 professional employee respondents working in the ICT industry had conducted a survey in advance as a sample data to test the validity and reliability of the questionnaire made. The selected sample company is located in Jakarta which is the center of the ICT industry in Indonesia. Testing in this study was carried out with the help of software used for structural analysis is Lisrel 8.70 and for descriptive analysis using Statistical Package for Social Science (SPSS) ver. 20.00. Measurement of these variables was adapted from research instruments used using five Likert scales. In this study, we conduct a pretest in two ways, such as validity test and reliability test. Here, validity test uses product moment correlation analysis to speed up the calculation done with the help of the SPSS program package with a significance level of 5%. This test is carried out using a small sample or data tryout of 30 respondents. Significance test is done by comparing the value of r

arithmetic with r table for degree of freedom (df = n-2) and the significance level of Alpha (α) 5%, or r arithmetic > r table. Guided by the total sample of 30 respondents can be seen the value of r table of 0.361. Based on the calculation of the correlation coefficient (r<sub>xy</sub>) all have r arithmetic greater than r table (0.361) and probability <0.05. Thus, it can be concluded that all items are declared valid. Reliability testing using Cronbach's Alpha. Cronbach's Alpha value > 0.6, then the instrument can be declared reliable. The reliability test results can be showed in Table I:

Table I. The Result of Reliability Test

No	Variable	Cronbach's Alpha	Result
1	Ethical Leadership	0.850	Reliable
2	Trust in Leader	0.895	Reliable
3	Work Engagement	0.734	Reliable
4	Burnout	0.967	Reliable
5	Turnover Intension	0.722	Reliable

The results of this study use instrument that have been tested in validity and reliability so that the results of good of fit, where Chi Square / Degree of Freedom = 831.57 / 60 = 13.9 < 3 (close fit), RMSEA = 0.19 < 0.05 (close fit.). ECVI = 2.15; 2.65 is around the EVCI Model = 0.49 (close fit). AIC Model (893.57) compared with AIC saturated (182.00) and AIC independence (5749.06). The AIC model is smaller than the AIC saturated and the difference is much greater than the AIC independence, so the smaller value indicates a good fit. CAIC model (1046.31) is far from saturated CAIC (630.35) and also further from CAIC independence (5749.06), so the smaller value indicates good fit. Normed fit index (NFI) = 0.83 (> 0.90) indicates close fit. Critical N (CN) = 35.27 (> 200) then the model represents the sample size of the data showing close fit. Goodness of Fit Index (GFI) = 0.75, ideal value > 0.90, it indicates close fit. Furthermore, this research produces a T-value diagram as shown in Figure 2. The results of the study show the effect of ethical leadership on trust in leader and burnout, the effect of trust in leader on work engagement, the effect work engagement on turnover intension and to show the effect of burnout on turnover intension of the employees of ICT company.

From the analysis above, close fit is the result of a match that is almost perfect because it is close to the specified value, good fit is the result of a match that matches the required value, while marginal fit is the result of a match below the specified value. Based on the results of group one to group seven, several tests showed adequate compatibility including Chi Square, ECVI, AIC and CAIC, Critical N and Goodness of Fit Index (GFI). In this study, there are five hypotheses tested and based on the results of the test, it is concluded that the five hypotheses are supported by data (see table II).

Table II. The Result of Hypothesis Test

Hypothesis	Hypothesis Description	T-Value	Result
H1	Ethical leadership affects trust in leader	18.93	Data Supports Hypothesis
H2	Trust in leader affects work engagement	-0.49	Data is not Supports Hypothesis
H3	Work engagement affects turnover intension	-1.18	Data is not Supports Hypothesis
H4	Ethical leadership affects burnout	-7.35	Data Supports Hypothesis
H5	Burnout affects turnover intension	-12.95	Data Supports Hypothesis

In the results of testing the first hypothesis (H1), it was found that the influence between ethical leadership 2.68 on trust in leader. This shows that trust in leaders is influenced by ethical leadership. The better and higher the ethical leadership, the better the trust in leader. On the results of the second hypothesis testing (H2), it was not found that the influence between trust in leader -049 on work engagement. This shows that work engagement is not influenced by employee's trust in leaders. This might occur in the ICT industry, where there are other factors that can affect employee's work engagement. On the results of the third hypothesis testing (H3), it was not found that the influence between work engagement -1.18 on turnover intension. This shows that turnover intention is not influenced by work engagement. If the value of work engagement is high, the less likely the employee will be to leave the company. On the results of the fourth hypothesis testing (H4), it was not found that the influence between ethical leadership -7.35 on burnout. This shows that ethical leadership is negatively related to burnout. If the ethical leadership value is low, then the higher the burnout. On the results of the fifth hypothesis testing (H5), it was found that the influence between burnout -12.95 on turnover intension. This shows that the higher the burnout, the higher the likelihood that employees will leave the company. In the results of testing the first hypothesis (H1), it was found that the influence between ethical leadership 2.68 on trust in leader. This shows that trust in leaders is influenced by ethical leadership. The better and higher the ethical leadership, the better the trust in leader. On the results of the second hypothesis testing (H2), it was not found that the influence between trust in leader -049 on work engagement. This shows that work engagement is not influenced by employee's trust in leaders. This might

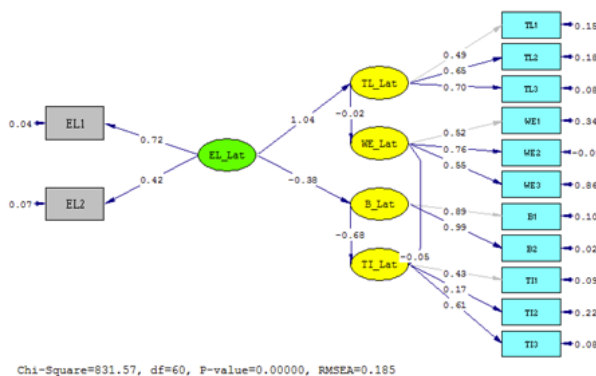


Figure 2. The result of SEM model analysis

occur in the ICT industry, where there are other factors that can affect employee's work engagement. On the results of the third hypothesis testing (H3), it was not found that the influence between work engagement -1.18 on turnover intention. This shows that turnover intention is not influenced by work engagement. If the value of work engagement is high, the less likely the employee will be to leave the company. On the results of the fourth hypothesis testing (H4), it was not found that the influence between ethical leadership -7.35 on burnout. This shows that ethical leadership is negatively related to burnout. If the ethical leadership value is low, then the higher the burnout. On the results of the fifth hypothesis testing (H5), it was found that the influence between burnout -12.95 on turnover intention. This shows that the higher the burnout, the higher the likelihood that employees will leave the company.

#### 4. CONCLUSIONS

The conclusion of this study is based on the analysis, there is a positive influence between ethical leadership and trust in leader. This indicates that the better and higher the ethical leadership, the higher employee trust in the leader. After that, there is a negative relationship between work engagement and trust in leaders, so that the level of employee work engagement is not influenced by the trust in leader. Thus, in the ICT industry there are other factors that can affect employee work engagement. There is a negative relationship between work engagement and turnover intention, where if the value of work engagement is high, employees will not leave the company. In subsequent results ethical leadership was negatively associated with burnout. If the leadership value is low, the burnout value will be higher. Finally, there is a positive influence between burnout and turnover intention. This shows that the higher the burnout level, the higher the possibility of employees leaving the company.

Based on elicited conclusions in the current study, the following are some recommended suggestions. First, organizational systems and structure should encourage and support ethical leadership so as to create a value-based culture in which employees can concentrate on and stay enthusiastic about their job. Second, leaders in an organization should carry the best interests of employees in mind, retrain those who violate ethical standards, and provide emotional support to help alleviate employees' burnout. Third, employees with high self-efficacy are more confident in achieving challenging tasks, consequently reducing their torment of the tasks and turnover intention. Accordingly, management should first try guiding employees to accomplish their tasks and then gradually delegate more challenging tasks to them based on their increased self-efficacy.

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