UNIVERSITI TEKNOLOGI MARA
FACULTY OF ADMINISTRATIVE SCIENCE & POLICY STUDIES

THE IMPACT OF ETHICAL LEADERSHIP ON GOOD GOVERNANCE PRACTICES IN PUBLIC SECTOR ORGANIZATION AMONG EMPLOYEES OF MINISTRY OF DOMESTIC TRADE AND COST OF LIVING, KUCHING SARAWAK.

ANNDRA ANAK NEDDY (2021808934)
FIONA LYNN ANAK NAWONG (2021808868)

JANUARY 2024

ABSTRACT

Our study will be discussed on the current issues regarding ethical leadership and how it impacts good governance practices in the public sector. We have chosen this topic to be our research study because we want to share the knowledge and awareness on the public sector that ethical leadership can influence the good governance practices. This research study focused on the impact of ethical leadership among the public sector and how it contributed to good governance practices. Other than that, we have studied that traits of ethical leadership can be relate on the impact and have a relationship between good governance practice the public sector. We have selected the employees of Ministry of Domestic Trade and Cost of Living in Kuching, Sarawak from the age of 24 and above. The questionnaire was distributed to 150 respondents through google form because it is more convenient and save time.

TABLE OF CONTENTS

THE DECLARATION

ACKNOWLEDGEMENT

ABSTRACT

1.2 Background of Study

The significance of leadership in fostering work ethics among employees cannot be overstated. In order to foster a culture of ethical conduct within the workplace, it is imperative for leaders to model ethical behaviour to their employees. The initial research of ethical leadership was conducted by Trevino and her colleagues, who conducted a series of studies aimed at identifying the essential characteristics that ethical leaders must have and determining the appropriate criteria for labelling someone as an ethical leader (Treviño, Brown, & Hartman, 2003; Treviño, Hartman, & Brown, 2000, cited in Ahmad, Gao and Hali, 2017). Ethical leadership has been found to be an effective approach in motivating employees and has been positively associated with favourable outcomes for employees so that ethical leadership on good governance can be practices daily in the organisation. According to Trevino and his colleagues, that state that ethical leadership necessitates the incorporation of qualities associated with both the "moral person" and the "ethical manager." Therefore, an ethical leadership is important among the employers or employees to maintain the practice of good governance in the organization.

In the current global economy, the ethical dimension has emerged as a crucial concern that demands considerable attention from both public and private entities. This is because ethics is widely recognised as a key driver of organisational productivity in a highly competitive environment (Brown and Trevino, 2006, cited in Zainun et al., 2020). The importance of ethical leadership cannot be overstated in promoting effective governance both within organisations and in society at large. The majority of ethical leadership studies have relied on social learning theory (Bandura, 1977, 1986) to explain the relationship between ethical leadership and follower behaviour. Not only that, Trevino and her colleagues had showed that ethical leadership contributes to the positive outcome of practices of good governance through an effective leadership skill. Leadership entails the adherence to a prescribed set of ethical

2.1 Traits of Ethical Leadership Towards Good Governance Practice

Ethical leadership has its own characteristics that contribute to the elements supported by past research. This component serves as a precursor to subsequent components in this research and can stand alone. Despite the fact that the ethics and morality of leadership have long been explored in normative terms in philosophical work (Ciulla, 1998), new descriptive work in social scientific terms from researchers has encouraged greater research in the field of leadership ethics (Brown, Treviño, & Harrison, 2005; Karianne Kalshoven et.al., 2011, cited in Ahmad, et.al., 2017). Ethical leadership plays a crucial role in shaping effective governance practices within the public sector. An essential aspect of effective leadership is the promotion of ethical behavior, which encompasses principles such as promote integrity, strengthening justice and enhance respect. According to Buye (2021), ethical leadership has been found to have a positive impact on various aspects of an organization, such as organizational commitment, leader effectiveness, and the promotion of the public interest. Therefore, it is crucial for enhancing governance in the public sector.

Scholars and practitioners consistently focus their emphasis on the ethical conduct of leaders. According to Brown, Harrison, and Trevino (2005), ethical leadership can be defined as the demonstration of normatively appropriate conduct through one's own actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" are the definitions of ethical leadership (Mostafa and El-Motalib, 2020). Trevino also felt that ethical leaders should adopt characteristics that ethical leaders need to tackle employees' heart. Trevino and colleagues conducted the first descriptive research on ethical leadership through a number of investigations to determine what qualities ethical leaders should have and who qualifies as an ethical leader (Ahmad, et.al., 2017).