IMPLICATIONS OF ETHICAL LEADERSHIP TO THE CORPORATIONS OF SAUDI ARABIA IN TERMS OF EMPLOYEE PERFORMANCE, TRUST AND COMMITMENT

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ABSTRACT

Ethical leadership is ever more important to a company or organization and lack of ethics would mean unsatisfied employees who are taken advantage of by the company that leads to dwindling of general trust, commitment and employee performance. This study aims to examine the concept of ethical leadership, the characteristics of an ethical leader with focus on female leaders and the impact of ethics and leadership on employee's job performance, trust and commitment towards job in Saudi-Arabia. The variables to an organization such as employee performance trust and commitment is examined in an angle of ethical leadership. A sample of 100 workers was participated in an online survey. The obtained survey result claims that female leaders didn't follow a sound ethical and moral framework. This study suggests that training program such as management trainee scheme for any female should be implemented in order to develop full potential female leadership.

INTRODUCTION

In the 1960's & the 70's, Saudi-Arabia experienced an oil boom that hasn't been expected. The new wealth that flowed in was redistributed to the citizens and businessmen who set-up various companies to meet the ever-expanding demand in the country. The companies that were set-up had many issues and were plagued with unethical leadership practices that played out and violated employee rights as there weren't clear cut guidelines on what an employee's rights were. The international media was reporting that Saudi-Arabia is a country with an utter disregard for employee rights. This led to Saudi Arabia government at that time to create the labour and workmen law of 1969 (Saudiembassy.net, NA). This stated that employees need to be treated justly, humanely and their salaries should be paid on time and given health insurance.

However, such policies were erected but there weren't many government officials to look in to such matters.

Great Leadership from a man or a woman has a significant impact on the employee performance and behaviour as reported by various studies conducted in the past (Kohlberg et al, 1984) (Sims, 1994) (Crawford & Nicklaus, 2000) Many scholars and academics have conducted various studies to prove the link. When leaders, whether female or male, take initiative and act proactively, it was noted that the employees reported a positive boost in their morale and will to work. They were empowered to engage in tasks entrusted to them according to Armstrong (2012). However, immoral and deceitful leadership and management practices have impacted the employee productivity as research by Tu & Lu (2012) reveals. Various media sources from Saudi-Arabia have revealed organizations with bad work ethics and unscrupulous work practices such as making employees work long hours outside their contracted hours, not providing them a habitable place to live as most labourers are forced to live in cramped rooms with more than ten people together; and un-trained labourers being pushed in to operating heavy machinery etc. that they have no idea about and endangering themselves as well as lives of others. Due to this fact, on the 18th of October, 2015, Ministry of Labour law amended 38 articles to include various ethical work practices that need to be maintained by Saudi companies. They include minimum salaries, work privileges, contracts, health insurance, accommodation, hiring women, saudization as reported by the newspaper Saudi Gazette (2015).

Most corporations in Saudi- Arabia prevent women from working as there are cultural and religious implications. But in recent times, corporations have started hiring many female workers and placed in management roles overseeing the many operational aspects. Therefore, this study aims to identify the leadership of female leaders and the impact of ethics and leadership on employee's job performance, trust and commitment towards job in Saudi-Arabia.

METHODOLOGY

This study utilized survey website namely Surveymonkey.com to disseminate the questions to a target audience who reside and work in Saudi-Arabia.

Population & Sample

The sample of population comprised of a mixed demographic of both males and females who work in Saudi-Arabia. The population included Saudi nationals and expatriate employees who working in the private sector for various companies in the Kingdom of Saudi-Arabia. There are 100 workers were participated to an online survey. All the respondents who took part were pre-screened using a convenient sampling method.

Data Collection

The data was collected using an online survey. Online surveys allow the respondents were able to take their leisure time and think about the questions that were posted and answer it in a timely manner. The option to add additional comments and illicit feedback was present but most responded did not utilize the additional comments for the feedback. The survey was designed to be completed in 8 minutes' minimum time.

Survey Construction

The respondents had to answer a few questions to test their eligibility. The screening questions included questions about age, nationality, years in employment, education level and type of employment. Once the respondents answered the first part, they were then asked to complete the second part.

Sections of the survey

The questionnaires are divided into two sections. The first part addressed the questions about ethical leadership of the female leader while the second part focused on the performance of the leader in the eyes of the employees. Section 1 of the survey dealt with the ethical leadership of the female leader /Manager. It addressed questions in regards to adherence to policy & procedures, Proper conduct, ethical behaviour, leading by example etc. Section 2 of the survey dealt with the performance of the female leader / Manager in relation to the thought process of the employees. It addressed key questions such as fulfilment of the roles and responsibilities assigned to the leader, completing tasks and objectives & neglect in relation to many aspects of the job etc.

RESULT AND DISCUSSION

Table 1 tabulates the demographics of 100 participants who participated in the online survey for this study. They are from various private sector companies in the Kingdom of Saudi-Arabia. The gender of participant in this study represents by 89 % males and 11% females. The Age group of the sample population indicated that 60 % of the respondents are in the ages of 20 to 30 age range. About 30 % are in the 30 to 40 age range. There are 7% are in the 40 to 50 age range while 3 % are in the 50 to 65 age range. Most of the Saudis and expat workers who come to Saudi-Arabia are significantly young but this may sometimes prove to be a disadvantage as people who are younger can be exploited to work beyond their job description, quite simply due to the fact that they lack life experience.

Based on Table 1, about 65 % of the respondents had worked in Saudi Arabia for less than 2 years. About 23 % of the respondents had worked in Saudi for 2 to 5 years. There are 6 % of them had worked in Saudi for 5 to 7 years while another 6 % had been here for more than 10 years. If they had worked a lesser number of years, they could be subject to unethical leadership practices as they may be considered beginners in the corporate world. On the other hand, employees who had worked for longer years are not completely safe from unethical leadership practices either as seniority does not mean that they are viewpoints are considered. Majority of the participants have higher education level, about 45% graduated from Master's Degree, 33% graduated from

Bachelor's Degree, 13% from College, 7% from PhD and only 2% from High
School.

Table 1. Demographics of 100 participants

Criteria	Categories	Percentage (%)
Gender	Male	89
	Female	11
Age Group	20 to 30 Years	60
	31 to 40 Years	30
	41 to 50 Years	7
	51 to 65 Years	3
Years of employment	Less than 2 Years	65
	2 to 5 Years	23
	5 to 10 Years	6
	More than 10 Years	6
Education Level	High School	2
	College	13
	Bachelor's Degree	33
	Master's Degree	45
	PhD	7

Results on Ethical Leadership in relation to female section

The respondents were asked, "Do you trust your supervisor?". Fig. 1 shows
about 40% of the respondents stated that they do not trust the supervisor, 12%
maybe, 28% sometimes while a total of 20% of respondents stated that they
trust the supervisor. The aspect of trust is integral and contributes to the
positive performance of the employees. Since 20% of the employees trust
female leaders/supervisor, it means the workings of these organizations are
ineffective and the level of performance is poor because the employees may
not embrace the views of the supervisor and tend to take a different
perspective since these employees do not relate with the supervisors.

Effective communication is an important component in ethical leadership
because the leaders and the employees can engage. Communication enables
discussing the direction in which the organization takes and other components
that determine the effectiveness of the organization. However, only 8% of the
respondents acknowledged that their supervisors listen to their views and
suggestions as shown in Fig. 2. 60% of the respondents stated that the leaders
did not listen at all, while 20% of the respondents stated may be while 12% of
the respondents said sometimes. These responses indicate female leaders do
not appreciate listening and it may be associated with dictatorship type of
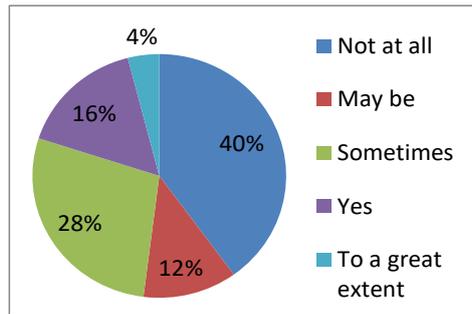leadership.

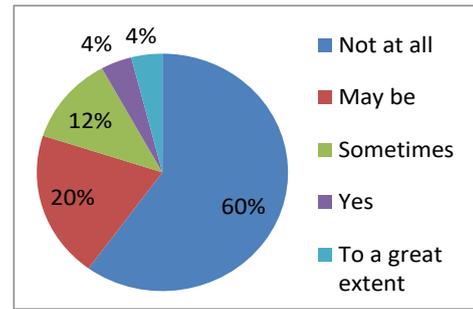**Fig. 1**. Respondent`s answer on "Do you trust your Supervisor?"

Fig. 2. Respondent`s answer on "Does she listen to what you have to say?"

Equitability is important since it is one of the components that define ethical leadership. The company rules and procedures aim to create and advance an equitable working environment but the female leaders do not embrace adherence to company rules and procedures. Fig. 3 indicates 40% of the respondents said the female leaders do not adhere to company rules and procedures, 20% may follow these rules, while 24% stated sometimes the female leaders adhered to rules and procedures. About 8% of the respondents ascertained the leaders adhered to the rules and procedures while only 8% of the respondents appreciated the guidance that leaders provide through adhering to company rules and procedures.

Ethical leadership requires upholding legal, regulatory and legislative requirements. Some of the components associated with legislative include the working hours and the contracts signed. Most of the respondents stated that the leaders observed time requirements. Fig. 4 shows 20% of the respondents said that the leaders asked them to work more than the required hours. A similar sample said that the leaders did not require the employees to work beyond the signed time. Time management is important because a distinction exists between personal time and work time. If the employees understand that the leaders adhere to time regulations, these employees are able to plan for their personal activities such as picking children from school and other social obligations. Hence, observing time scheduling is crucial in ensuring personal time and work time is distinguished, which can motivate the employees to improve productivity and performance.
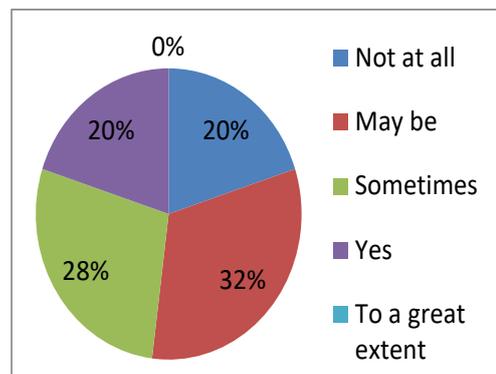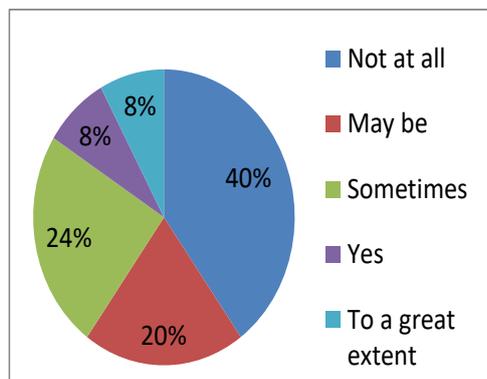
Fig. 3. Respondent`s answer on "Does she adhere to company rules and procedures?"

Fig. 4. Respondent`s answer on "Does she expect people to work more than the required hours as signed in the contract by you?"

The employees are supposed to work in an ethical manner. The ethical aspect includes time management, trustworthiness, reliability, and adhering to policies and rules. Fig. 5 shows 64% of the respondents stated that the female leaders do not conduct their personal life in an ethical manner, which affects the work objectives. About 16% and 8% of the respondents stated maybe and sometimes respectively while 4% of the respondents stated that the leaders observed ethical personal life and 8% of the respondents acknowledged that the leaders conducted their personal life in an ethical manner. The leaders have to lead by example, and personal life sometimes has an effect on professional life and if the leaders do not observe personal life in an ethical manner, it means the leaders do not embrace ethical behaviours.

Leaders have to make fair and balanced decisions. Making unbalanced decisions means that some employees are disadvantaged and can create internal politics that may affect the dissemination of services. Fig. 6 shows 60% of the respondents stated that the female leaders do not make fair and balanced decisions. About 8% of the respondent's state "maybe", and 12% says sometimes. There are 12% of the respondent states that the female leaders make fair and balanced decisions while another 8% of the respondents support the effective decision making to a great extent. These data indicate that the decision making may extend to decisions affecting the business apart from employees. Making unfair and unbalanced decisions affect the morale of the employees, formulate poor strategies, and negate the implementation of organization objectives.
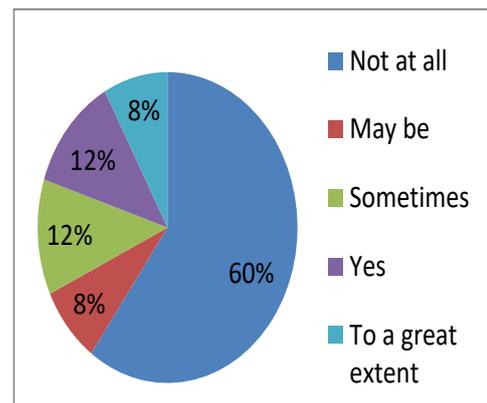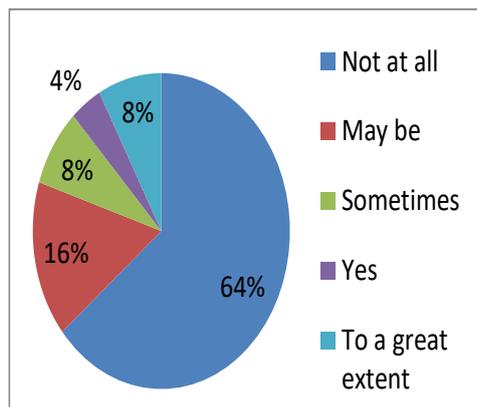

Fig. 5. Respondent`s answer on "Does she conduct her personal life in an ethical manner?"

Fig. 6. Respondent`s answer on "Does she make fair and balanced decisions?"

In many organizations, the employees are important assets. The management should treat the employees fairly since these employees determine the effectiveness of the organization. Fig. 7 shows 64% of the respondents stated that the female leaders did not have the best interests of employees in mind,

12% said maybe the leaders have best interests while 8% said sometimes the employees have the best interest. About 12% of the respondents acknowledged the female leaders have best interests while 4% of the respondents said the leaders have to a great extent best interest of the employees in mind. Ethical leaders have to appreciate the role and responsibilities of employees in contributing to productivity and other output requirements.

As the name indicates, leaders have to lead through example. An individual is given the position to lead because of the experiences and capacities that an individual has. Fig. 8 shows about 68% of the respondents said the leaders do not lead by example while 8% said the leaders may lead while another 8% said sometimes, they lead. 16% of the respondents said the leaders lead by example meaning the leading component of ethical leadership is minimal in the organizations that female leaders lead. The aspects that should be indicated through examples include time management; how to engage customers, communication requirements and other factors that determine the way organizations operate. For example, if the leaders are rude, the example is borrowed by the employees, and the entire organization takes a "rude" approach in addressing the customers' needs and requirements
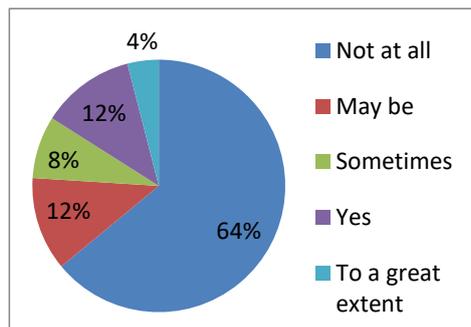

Fig. 7. Respondent`s answer on "Does she have the best interests of employees in mind?"
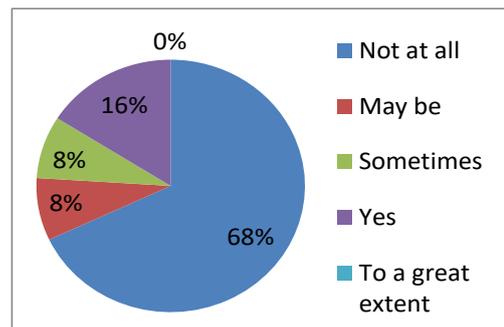
Fig. 8. Respondent`s answer on "Does she lead by example on how things are to be done?"

The aim of any management team is to achieve defined and proposed goals. Achieving the goals requires engagement with the employees, discussing the expected outcome, and provision of general approaches to achieve the goals and objectives. Fig. 9 shows about 62% of the respondents stated that the leadership did not define the success, 18% said maybe while 8% said sometimes. About 8% of the respondents said that the female leaders defined success while also 4% of the respondents asserted that success was defined "to a great extent." The lack of communication about the success means that the employees do not know what to expect and measures. The employees are required to work without knowing the end goals or expected outcomes. Such situations affect employee behaviour because the employees are not able to make appropriate decisions, or provide supportive assistances in the achievement of goals.
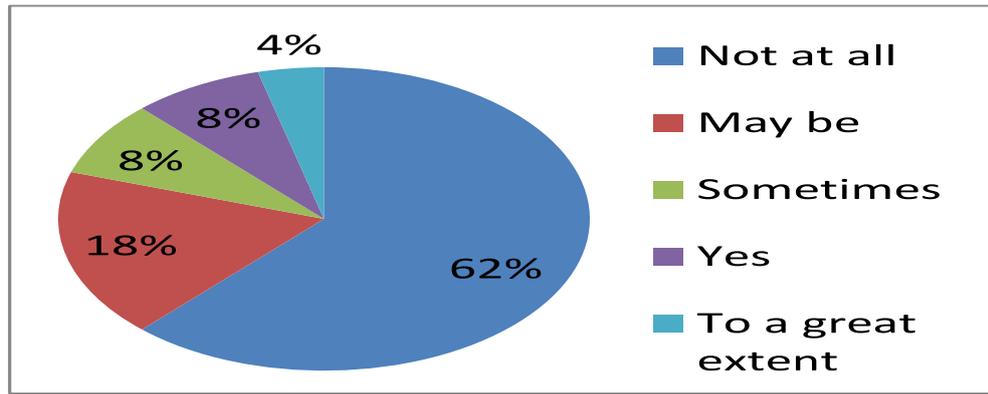
Fig. 9. Respondent`s answer on "Does she define success by the way results are achieved?"

The performance of the employees who worked under the female supervisor

The respondents were asked, "Do you adequately complete the tasks assigned by the supervisor?". Fig. 10 shows about 80% of the respondents said yes while 8% of the respondents said to a great extent and 12% said sometimes. It means that a high percentage of the employees understand their roles and tends to accomplish the assignments in an ethical manner. For example, time scheduling is important especially in the manufacturing industry where the next step relies on the previous step. In addition, customer satisfaction is important and completing the assignments on time means the customers are satisfied. It can be argued the employees follow ethical principles when it comes to completion of assignments.

Fig. 11 indicates all the respondents said that they fulfil responsibilities assigned by the supervisor. 92% of the respondents said yes while 8% said to a great extent. It indicates the employees understand their responsibilities and adheres with the supervisor's directives and proposals. The aspect of ethics requires moral obligations, respect to the leaders and team members, and following the regulations and instructions.
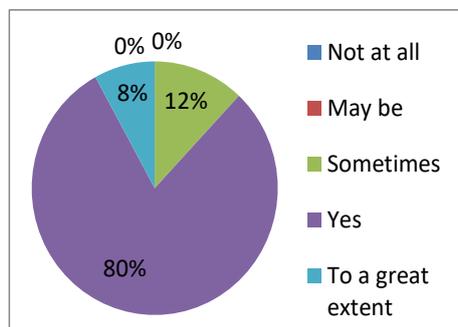

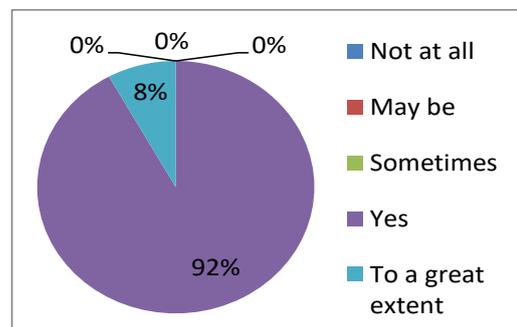**Fig. 10**. Respondent`s answer on "Do you adequately complete the tasks assigned by the supervisor?"

Fig. 11. Respondent`s answer on "Do you fulfil responsibilities assigned by the supervisor?"

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Fig. 12 illustrates all the respondents stated that they performed tasks that are expected from them by the supervisor. About 60% of the respondents said yes while 40% of the respondents said to a great extent. The information indicates that the employees follows instructions, and implements directives from the supervisor. It also indicates the difference from the leaders because the leaders do not want to engage the employees but the same employees follow proposed directives. These differences affect the performance of duties since the employees may not commit their time but aim to complete the assignments without required concentration or motivation.

The respondents were asked, "Do you think decisions would be different if you had a male supervisor?" Fig. 13 shows about 28% of the said not at all, 16% said maybe while 4% said sometimes. About 24% of the respondents said yes while 28% of the respondents said to a greater extent. It indicates the views of the respondents on the role of female leaders and male leaders are the same in lacking in ethical leadership skills. The argument is the presence of unethical leadership is common in Saudi Arabia
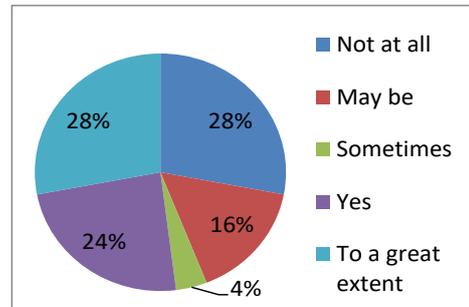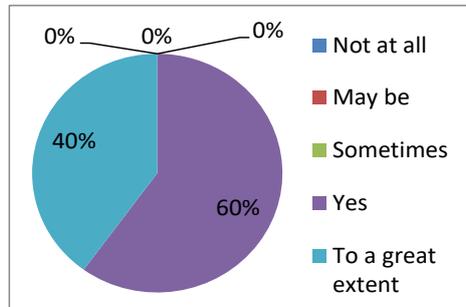

Fig. 12. Respondent`s answer on "Do you perform tasks that are expected from you by the supervisor?"

Fig. 13. Respondent`s answer on "Do you think decisions would be different if you had a male supervisor?"

The survey results are able to determine on whether female leaders are ethical in their behaviour and it found that many respondents thought the female leaders they reported to didn't follow a sound ethical and moral framework. It's apparent that this lack of adherence to an ethical framework can cause job dissatisfaction. It's interesting to note that the respondents rate the female leaders as unethical. It can be deduced that there are major trust issues when it comes to working with a female. Sometimes, female leaders may make others feel less secure and may not trust their work, leading to gaps in delegation. Also, it's indicated that female leaders don't listen and work in accordance to company rules and procedures. This could be because trait theory dictates that some leaders are just authoritative and doesn't want to listen to anyone else's opinion. It could be assumed that this factor probably increases if the female leader/supervisor comes from the family who owns the business. They may think that it's their business and anyone else taking a decision on behalf of it may not be in the best interests even though the person concerned with making a decision would be a well experienced manager who happens to work under

the female supervisor, due to the fact that she is family related person to the business.

It can also be deduced that quite a lot of unethical leadership practices happen inside Saudi-Arabia, especially when it comes to people being asked to work extra hours than what's written in their contract. In this study, many participants answered they are required to put in more hours to get the work done. Saudi-Arabia and corporate culture notes that this practice is quite prevalent in most companies. Such practices disrupt the work-life balance of the employee. Some office workers are even asked to work during the weekends, especially those who work in the accounting, IT & analytics departments due to the large numbers of data they have to process. This is a practice that goes un-noticed and usually people are not paid over-time as this is brushed off as a part of their work routine.

The results are able to show that female leaders in question aren't able to lead by example, this could be a result of the fact that some of them maybe new to the corporate world and aren't probably able to handle certain situations due to lack of experience. Due to this lack of experience, a female leader may not be able to make fair and balanced decisions, thus having to cut corners and go through restricted means of achieving results.

It can be seen in the second section about performance that the trust level is great contributing factor. Most workers will not trust unethical leaders and it will affect the way they work. They might not trust an unethical leader's judgement and prefer to do things their way. This could be because it is identified that many leaders or managers didn't follow standards and led by example. As mangers and leaders do mot tend to trust employees and vice versa, productivity and work suffers and this is a problem that needs to be addressed by HR dept. Ways should be devised to increase trust between each other. Trust is a key determinant of good organizational behaviour. Workers don't tend to trust unethical leaders and this will affect the work and productivity levels as decisions taken can come to penalize the employees as they are quite unaware how a decision would affect them. The second section of the survey reveals that most of the workers/employees who answered the survey adequately complete tasks and responsibilities that are assigned to them. They also complete the tasks that expected of them. Most of the workers will adhere to their training and get the work in hand done even if the strategy in place is taken care of by someone inexperienced and cannot be trusted. Their job depends on getting tasks and responsibilities completed.

Furthermore, most respondents think that decisions would be taken better if it is a male leader rather than a female leader. There is a natural bias when it comes to this question as most of the respondents for the survey are males as revealed in the findings. However, most of the other parameters such as trust, ethical standards, policy and procedures have also seen poor responses despite the gender bias that may occur when the sample as more of one gender than the other.

It should be noted that individuals are differently suited to any environment of work. The culture of organizations that the respondents worked in makes a big difference. In traditional male-dominated workplaces that hasn't embraced change in many years, trying to put a new leader who's a female in place can have dire consequences as employees as people doesn't probably know how to react to it due to various cultural and religious norms. In certain organizations, males aren't allowed to be in the same room as a woman and this leads to a lot of communications breakdowns and lack of trust.

When one looks at the traditionally male dominated, highly masculine organizational structures of Saudi-Arabia such as military, government and even certain private sector corporations such as Franchise operations that need to make quick decisions, male leaders maybe more effective. This can be backed up from the findings as respondents mentioned that they think decisions would be made better if there was a male leader in place. Women could perhaps thrive in more feminine organizations such as education, social work and public relations, journalism and design. But as workplaces are now opening up and more women are joining whether they are related to the family that owns the company or not the issue of ethical leadership remains the same. Whether it's a female leader or a male leader, decisions have to be taken in the most ethical manner that doesn't harm the wellbeing of the employees.

When female workers are given a management position, they must also be given adequate management training on how to treat employee's right and behave and conduct corporate affairs in an ethical way. If this training can't be provided by HR department of the company, an outside company or an institution must be brought in to provide a class on management and ethics. These days, it has become much easier to provide training due to the advent of online training from sites such as Udemy.com, which has various management subjects taught by world's foremost experts on topics. Providing a good training on ethical behaviour must be considered top priority when hiring female managers whether they are related to the family business or otherwise. They shouldn't just be handed a position because of their blood ties to the family that owns the corporation. Providing training such as this will help the female manager/leader to provide time and space for employees to express their views and the leader must be open hearted enough to listen to grievances without dismissing them. Adopt practices that doesn't treat labour as a means to an end and treat everyone with care and respect deserved by all humans.

CONCLUSION

The obtained survey result reveals that the women leader in context wasn't effective or trustworthy. They were further surmised as unethical and inexperienced and no adherence to widely practiced policy and procedures. This study suggests that company or organisation should provide training program such as management trainee scheme for any female who is entering the workforce to take on a management job. A proper and adequate training with ethics that a female worker can realize her full potential to command good employees, treat them right, adhere to company policies and procedures.

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