

ETHICAL LEADERSHIP: DRIVING TRUST, ENGAGEMENT, AND COMMITMENT IN INDONESIAN ORGANIZATIONS

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Abstract

This study aims to analyze the effect of ethical leadership on organizational trust and employee engagement, with organizational commitment as a mediating variable in several companies in Indonesia. This study focuses on the importance of ethical leadership in building employee trust and engagement to improve organizational performance. This research makes a new contribution by examining the relationship between ethical leadership, organizational trust, employee engagement, and organizational commitment in the context of companies in Indonesia. The variables used include ethical leadership as an endogenous variable, as well as organizational trust and employee engagement as exogenous variables, with organizational commitment as a mediating variable. Data analysis was conducted using the Structural Equation Model (SEM) method using Smart PLS 4.0 software, providing valid and relevant results for the context of companies in Indonesia in 2024. This research uses a quantitative descriptive method with a simple random sampling technique. Data were analyzed using the SEM model to test the relationship between the variables studied. The research population involved 400 company leaders in Indonesia, and data collection was conducted through a structured questionnaire. This research uses quantitative descriptive methods with simple random sampling techniques. Data were analyzed using the SEM model to test the relationship between the variables studied. The research population involved 400 company leaders in Indonesia, and data collection was carried out through a structured questionnaire.

Keywords: Ethical Leadership, Organizational Trust, Employee Engagement, Organizational Commitment.

1. INTRODUCTION

In the organization, the leader is one of the people who carries out a mandate so that the organization being led can run smoothly, and is not hampered in its operational implementation, so that later the organization will move its pace in accordance with the ideals and expectations raised by the owner of the organization. Organizations, both those in an agency, and companies must have a leader who has good character, has good behavior, and is able to maintain morale, so that the course of the organization can be directed and run properly (Bavik, Ali, Bavik, Yuen Lam and Tang, 2017).

Leaders who tend to have these traits are called ethical leaders, where the environment controlled by ethical leadership gives followers the impression that the leader makes decisions and acts with integrity and in accordance with moral standards. As a result, trust increases within the company (Saks, 2021).

Employees are more likely to support the organization's vision and goals when they view their leaders as highly moral. Companies benefit from stability and unity when this kind of trust exists. Employees who feel valued, listened to, and treated well, according to him, are more likely to make active and productive contributions to the company or organization in an agency and institution (Bavik, Yuen Lam, 2018). Employees who experience ethical leadership believe that the leader's judgment and actions are based on morality and integrity.

This increases trust within the company in what programs will be done and implemented in the future (Lee, Allan, 2019). By fostering a fair, honest and caring environment in the workplace, ethical leadership encourages employee engagement. Employees feel a sense of value and participation in decision-making. Leading ethically encourages concern for the well-being of the workforce.

This includes creating a safe and healthy work environment and providing assistance in employee development (Lee, Michelle Chin Chin, Idris, Mohd Awang and Delfabbro, 2017). An organizational culture that values honesty, morality, and social responsibility is built by ethical leadership. It establishes principles and conventions that encourage employees to act morally. The likelihood of ethical violations, abuse of power, and unethical behavior can be reduced if the organization has a strong ethical culture. This helps maintain the good reputation of the organization (Monje-Amor, Ariadna, 2021).

Ethical leadership can foster strong trust for all stakeholders, be it to investors, to suppliers, and to shareholders that he can direct this organization in the right direction and not deviate from the vision, mission and goals that have been set, so that the trust of this organization is very expensive, if the leader does not bring his organization to a better direction, then the trust of this organization will decrease significantly and the organizational environment will no longer support this leadership, because it is no longer relevant to be maintained and requires new leadership and is able to translate the vision, mission and goals that have been set previously so that they can be developed by ethical leaders who are worthy and able to maintain the morale and trust of stakeholders in the organization (Alkhateri, Asma Saeed, 2018).

This ethical leadership not only has the knowledge and spirit of leadership that has competence, and is also accompanied by leadership that is subject to and obedient to the rules of God, where, if this leadership is implemented, then it is not only able to have a visionary spirit, but also has a spiritual spirit in order to increase the progress of organizations and companies (Javed, Basharat, 2017). High-caliber talented people may be attracted to an organization because of its ethical leadership. People often seek workplaces that emphasize ethics. Moreover, because they feel valued and included, high-performing individuals are more likely to stay in ethically led companies (Afsar, Bilal, 2019).

Ethical leadership also involves employees to make a decision by first conducting discussions and deliberations to determine the right policy for the sustainability of the company or organization, where the leader must be able to address complaints from employees or members of the organization, so that it is hoped that later the leader can communicate, and find common ground for problems that exist in the field of work and coordination (Shuck, Brad, 2017).

Ethical leaders must also be able to motivate employees or members of the organization so that they can work honestly and continue to be on the right track, do not cheat, and be able to nurture employees or members of the organization well. This will make employees or members of the organization able to work according to mandate, honest funds can be trusted, so that it will make it easier for leaders to increase supervision and supervision and make it easier to coordinate to get the job done properly and correctly (Bailey, Catherine, 2017). To increase organizational success, ethical leadership must have a strong commitment in carrying out its duties and responsibilities properly, where organizational commitment can create high trust and make the organization memorable and trusted by stakeholders (Yue, Cen April,

Men & Ferguson, 2019). The organization's strong commitment to improve its performance well is one form of increasing trust from stakeholders, where not only investor interest is sought, but the increase in value that will make performance more real (Ngoc Su, Diep, 2020). In Indonesia, very few companies and organizations still apply ethical leadership that can create strong trust in the company, where the company does not get strong trust, and full confidence so that it will have an impact on the productivity of companies and organizations.

This makes leaders in several companies in Indonesia unable to determine the right policy, thus forgetting the vision, mission and goals that were originally set (Abou Hashish, 2017). Therefore, there are several companies in Indonesia that have decreased the average revenue earned, where this decrease in revenue is due to the company's low commitment to improving the sustainability of the company and low employee engagement which allows a decrease in overall performance (Canning, Elizabeth A., 2019). The following are the number of companies in Indonesia whose numbers tend to decline, be it INDUSTRIES, or medium and medium enterprises.

To get a complete picture of the condition of the number of companies in Indonesia can be seen in the following table:

Table 1: Number of Companies in Indonesia 2020-2024

Year	Number of Industries (Business Units)
2020	3.135.250
2021	4.127.108
2022	3.909.718
2023	3.956.083
2024	3.840.275

Source : .bps.go.id, 2024

From Table 1 above, it can be explained that the number of companies in Indonesia over the past 5 years has tended to decline, where the decline is caused by the level of trust in corporate organizations that tend to be less good and employee involvement in the implementation of the company's vision, mission and goals has not been done properly so that it can be said that the existing ethical leadership that always carries out procedures and norms is not carried out properly, as a result several companies, both small, medium and medium-sized businesses, have been displaced or out of business.

2. LITERATURE REVIEW

2.1 Ethical Leadership

The focus of ethical leadership is on moral principles, honesty, and truthful values. This means that an ethical leader thinks about how his or her decisions will impact several parties, including his or her team members, the organization, and society at large. (Lai, Fong Yi, 2020).

Leadership that upholds strong moral standards must be demonstrated. Strong moral beliefs, such as truth, justice, and resistance, are upheld by ethical leaders. (Stahl, Günter K., 2019). To lead ethically, one must encourage staff development. Leaders who uphold ethics encourage their team members to reach their full potential and offer

opportunities for personal and professional development. (Bakari, HaroonHunjra, Niazi, 2017).. Here are some of the characteristics of ethical leadership:

1. Leaders with strong morals and ethics always act in accordance with their moral principles. They have a strong reputation for being trustworthy and honest, and are consistent in their words and actions.
2. Ethical leadership involves treating all employees fairly. Leaders who uphold moral principles do not discriminate based on gender, skin color, religion, or other factors. They advocate fairness and equality.
3. Leaders who uphold ethics do not hide important facts from their team or related parties. They speak openly about the state of the organization, both positive and negative.
4. Social responsibility is a component of ethical leadership. Aiming to do the right thing, ethical executives are concerned about how their company will affect society and the environment.
5. Participative strategies are often used by ethical leaders, which include employee participation in decision-making. They promote cooperation and seek to reach agreement.
6. The physical and mental health of employees is a priority for ethical leaders. They foster a work atmosphere that encourages work-life balance and offer assistance in resolving personal and work-related issues.
7. In every choice they make, moral factors are taken into consideration by ethical leaders. They take into account the effect on workers and society in addition to organizational goals. (Jiang, Hua and Men, 2017)..

The indicators of this ethical leadership are:

1. Leaders of integrity, where leaders embrace moral principles and are dedicated to honesty. They show consistency in their words and actions.
2. Transparent and honest, where leadership communication is direct and honest. They encourage free communication and do not hide important facts.
3. Be fair, where leaders ensure that no one is discriminated against because of gender, color, religion, or any other trait.
4. Using employee engagement, where employee involvement in choices that impact them and the organization is facilitated by the leader.
5. Social responsibility, where leaders strive to behave well and are aware of the organization's impact on society and the environment.
6. Adhere to ethical principles, where leaders set an example and uphold the moral principles upheld by the company. (Li, Hui, 2019).

2.2 Organizational Trust

The level of trust that employees have in their organization's competence, moral character, and integrity is known as organizational trust. It is an important foundation for creating a positive and effective corporate culture. Employee engagement, productivity, and organizational image are just some of the organizational components that can be affected by organizational trust, which is the cornerstone of the relationship

between management, employees, and the company. (Inceoglu, Ilke, 2018). As a critical resource, organizational trust affects employee engagement, productivity, and organizational reputation in the eyes of clients, partners, and society at large. As a result, businesses often go to great lengths to build and maintain high levels of trust across the board. (Buil, Isabel, Martínez, Eva and Matute, 2019).

The following are some of the elements that influence organizational trust:

1. Integrity of leaders and management, where the integrity and ethical standards upheld by the management and leaders of a business have a significant impact on the level of trust in it. Moral and honest leadership tends to create a lot of trust.
2. Transparency, where employees and other stakeholders are more likely to trust a company that is open and honest about its goals, plans and results.
3. Fairness and equality, where treating employees fairly and equally is a key component in trust-building practices. Trust in an organization can be damaged by injustice or prejudice.
4. Organizational social responsibility, where socially conscious businesses that care about people, the environment and other stakeholders often receive greater public support.
5. Effective communication, where when employees feel involved, listened to, and valued in their work, trust in the group as a whole will grow.
6. Ethical leadership, where organizational trust can be enhanced by leaders who uphold moral standards and engage in ethical leadership.

2.3 Employee Engagement in the Organization

Employee engagement is a state in which workers are invested, connected, and enthusiastic about the organization they work for. It includes employee participation in these areas-emotional, cognitive, and behavioral. Engaged employees are more productive, happy in their jobs, and stay with the company. (Jehanzeb, Khawaja and Mohanty, 2018).

Employee engagement is a key factor in organizational success and growth. Organizations that have engaged employees tend to be more innovative, productive, and able to retain high-quality talent. Therefore, many organizations invest in strategies and practices to improve their employee engagement. (Phong, Le Ba, Hui, Lei and Son, 2018)..

The following are some of the elements and tactics that support employee engagement in business:

1. Supportive leadership, where a leader is humble and gives clear instructions to followers, may help increase engagement. Ethical, translation and communication experts are increasingly inspiring the younger generation.
2. Involvement in decision-making, where giving workers the opportunity to take part in decisions that may affect their work may make them feel more involved. As a result, the work gains a sense of ownership.
3. Effective communication, which builds solid connections and increases engagement, requires constant and honest communication between management and workers.

4. Strong teamwork, where employee engagement levels can be improved through effective teamwork and collaboration.
5. Employee empowerment, where employee engagement can be improved by empowering them and giving them authority over their work, as this gives them a sense of control. (Su, Lujun and Swanson, 2019)..

2.4 Organizational Commitment

The degree of an employee's attachment, involvement, and loyalty to the company they work for is referred to as organizational commitment.

This includes their opinions about the company's principles, goals, mission, culture, and achievements. (Hoch, Julia E., 2018). Productivity, employee retention, and organizational image can all be affected by organizational commitment.

As a result, many businesses seek to create a culture and work environment that encourages strong employee engagement. (Al-dalahmeh, Mahmoud, 2018).

Organizational commitment can be classified into three categories:

1. Affective commitment, where the employee's dedication extends to the strong admiration the employee has for the company. Workers with high emotional commitment have a strong emotional connection with the company and like their job. They enjoy being a member of the company.
2. Continuance commitment, where this commitment relates to how employees logically weigh the advantages and disadvantages of staying with the company. Employees with continuance commitment may stay longer in the company because they are more attached to the investments and rewards they have made compared to the company as a whole.
3. Normative Commitment, where the kind of commitment known as normative commitment is a commitment based on moral and ethical principles. Even though they have other choices, employees who have a strong normative commitment feel obliged to continue working for the company. (Anderson, Marc H. and Sun, 2017)..

Here are some factors that may have an impact on the level of organizational commitment:

1. Leadership, where the actions and attitudes of the leader may have an impact on the level of organizational commitment. Employee commitment is likely to increase if the leader is encouraging, genuine and open.
2. Fairness, where the degree of organizational commitment can be influenced by treating employees fairly and consistently in terms of compensation, advancement, and development opportunities.
3. Quality of work life, where employee commitment can be improved with the right work environment, employee support, and work-life balance.
4. Recognition and reward, where employee commitment can be strengthened by showing appreciation for good contribution and performance.
5. Development, where employee commitment is usually higher when they see the prospect of advancement within the company. (Coetzer et al., 2017)..

2.5 Conceptual Framework

The description of the conceptual framework can be seen in the following figure:

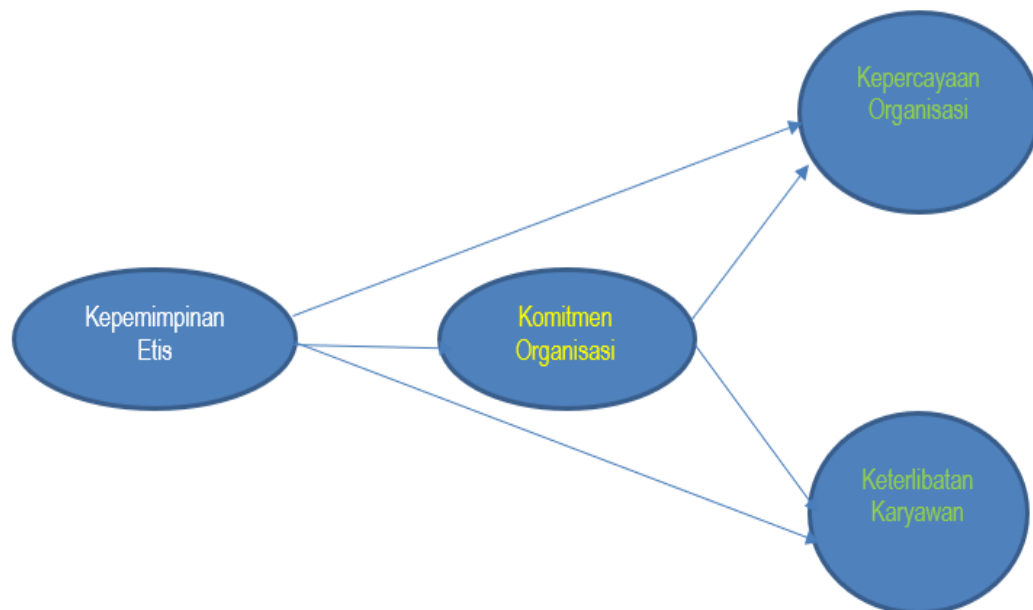


Figure 1: Conceptual Framework

2.6 Hypothesis

1. Ethical leadership affects organizational trust in several companies in Indonesia
2. Ethical leadership affects employee engagement in several companies in Indonesia
3. Organizational commitment affects organizational trust in several companies in Indonesia
4. Organizational commitment affects employee engagement in several companies in Indonesia
5. Ethical leadership affects organizational commitment in several companies in Indonesia
6. Organizational commitment mediated by relationships affects Ethical leadership affects organizational trust in several companies in Indonesia
7. Organizational commitment mediated by relationship affects Ethical leadership affects employee engagement in several companies in Indonesia.

3. SCOPE AND METHODOLOGY

The research method carried out is to use a quantitative descriptive method using the *structural equation model* (SEM) method analysis, where the results of data processing with the SEM method are carried out with the PLS application. According to (Mohamad, Mahadzirah, 2019) To simulate complex relationships between variables, SEM combines factor analysis, regression analysis, and variance analysis. It is a very versatile tool that allows researchers to see the correlation, influence, and influence of latent variables in a unified framework. The subjects of this study are company leaders

in Indonesia in 2024, where the variables in this study are endogenous variables, namely ethical leadership, while the exogenous variables are organizational trust and employee involvement, and the variable that mediates endogenous and exogenous variables is the organizational commitment variable, where the data analysis used uses SEM analysis using SMART PLS 4.0 software. The population in this study were 3,840,275 leaders from various companies in Indonesia, where the sampling method was carried out using the *simple random sampling* method, which according to (Kock, 2018) the sampling method using *simple random sampling* is a sampling technique in which the probability of each member of the population or element being selected as a sample is the same. The sampling formula can use the Slovin formula, where the calculation results are as follows:

$n = N / (1 + N e^2) = 3,840,275 / (1 + 3,840,275 \times 0.05^2) = 399.99 = 400$ company leaders in Indonesia. The form of data analysis can be done with descriptive analysis, *convergent validity* analysis, AVE analysis, composite reliability analysis, as well as R square test and hypothesis testing.

4. RESULT AND DISCUSSION

4.1. Results

4.1.1. Descriptive Testing

Ethical Leadership Variable

Table 2: Descriptive Analysis of Ethical Leadership Variables

Pertanyaan	Skor Jawaban Responden									
	SS (5)		S (4)		N (3)		TS (2)		STS (1)	
	F	%	F	%	F	%	F	%	F	%
Q1	151	37,75	189	47,25	54	13,5	6	1,5	-	-
Q2	150	37,5	187	46,75	58	14,5	5	1,25	-	-
Q3	149	37,25	188	47	59	14,75	4	1	-	-
Q4	147	36,75	185	46,25	57	14,25	11	2,75	-	-
Q5	146	36,5	186	46,5	55	13,75	13	3,25		
Q6	148	37	190	47,5	54	13,5	2	2,5		

Source: Processed with Primary Data, 2024

The amount of data distribution of ethical leadership variables that many respondents answered questions for question 1 was agreed as many as 189 respondents (47.25%), for question 2 the most respondents answered agreed as many as 187 respondents (46.75%), for question 3 many respondents answered agreed as many as 188 respondents (47%), and for question 4 respondents who answered agreed as many as 185 respondents (46.25%), for respondent 5 the most respondents answered agreed as many as 186 respondents (46.5%) and for respondent 6 the most respondents answered agreed 190 respondents (47.5%).

4.2 Organizational Trust Variable

Table 3: Descriptive Analysis of Organizational Trust Variables

Pertanyaan	Skor Jawaban Responden									
	SS (5)		S (4)		N (3)		TS (2)		STS (1)	
	F	%	F	%	F	%	F	%	F	%
Q1	148	37	190	47,5	54	13,5	2	2,5	-	-
Q2	146	36,5	186	46,5	55	13,75	13	3,25	-	-
Q3	147	36,75	185	46,25	57	14,25	11	2,75	-	-
Q4	149	37,25	188	47	59	14,75	4	1	-	-
Q5	150	37,5	187	46,75	58	14,5	5	1,25	-	-
Q6	144	36	191	47,75	52	13	13	3,25	-	-

Source: Processed with Primary Data, 2024

The amount of data distribution of organizational trust variables that many respondents answered questions for question 1 was agreed as many as 190 respondents (47.5%), for question 2 the most respondents answered agreed as many as 186 respondents (46.5%), for question 3 many respondents answered agreed as many as 185 respondents (46.25%), and for question 4 respondents who answered agreed as many as 188 respondents (47%) for respondent 5 the most respondents answered agreed as many as 187 respondents (46.75%) and for respondent 6 the most respondents answered agreed 191 respondents (47.75%).

4.3 Employee Engagement Variable

Table 4: Descriptive Analysis of Employee Engagement Variables

Pertanyaan	Skor Jawaban Responden									
	SS (5)		S (4)		N (3)		TS (2)		STS (1)	
	F	%	F	%	F	%	F	%	F	%
Q1	144	36	191	47,75	52	13	13	3,25	-	-
Q2	151	37,75	189	47,25	54	13,5	6	1,5	-	-
Q3	149	37,25	188	47	59	14,75	4	1	-	-
Q4	150	37,5	187	46,75	58	14,5	5	1,25	-	-
Q5	149	37,25	188	47	59	14,75	4	1	-	-

Source: Processed with Primary Data, 2024

The amount of data distribution of employee involvement variables that many respondents answered questions for question 1 was agreed as many as 191 respondents (47.75%), for question 2 the most respondents answered agreed as many as 189 respondents (47.25%), for question 3 many respondents answered agreed as many as 188 respondents (47%), and for question 4 respondents who answered agreed as many as 187 respondents (46.75%) and for respondent 5 the most respondents answered agreed as many as 188 respondents (47%).

4.4 Organizational Commitment Variable

Table 5: Descriptive Analysis of Organizational Commitment Variables

Pertanyaan	Skor Jawaban Responden									
	SS (5)		S (4)		N (3)		TS (2)		STS (1)	
	F	%	F	%	F	%	F	%	F	%
Q1	150	37.5	187	46,75	58	14,5	5	1,25	-	-
Q2	149	37,25	188	47	59	14,75	4	1	-	-
Q3	144	36	191	47,75	52	13	13	3,25	-	-
Q4	151	37,75	189	47,25	54	13,5	6	1,5	-	-
Q5	148	37	190	47,5	54	13,5	2	2,5	-	-

Source: Processed with Primary Data, 2024

The amount of data distribution of employee involvement variables that many respondents answered questions for question 1 was agreed as many as 187 respondents (46.75%), for question 2 the most respondents answered agreed as many as 188 respondents (47%),, for question 3 many respondents answered agreed as many as 191 respondents (47.75%)., and for question 4 respondents who answered agreed as many as 187 respondents (46.75%) and for respondent 5 the most respondents answered agreed as many as 190 respondents (47.5%). The output of the SEM test can be described from the following Bootstrapping diagram

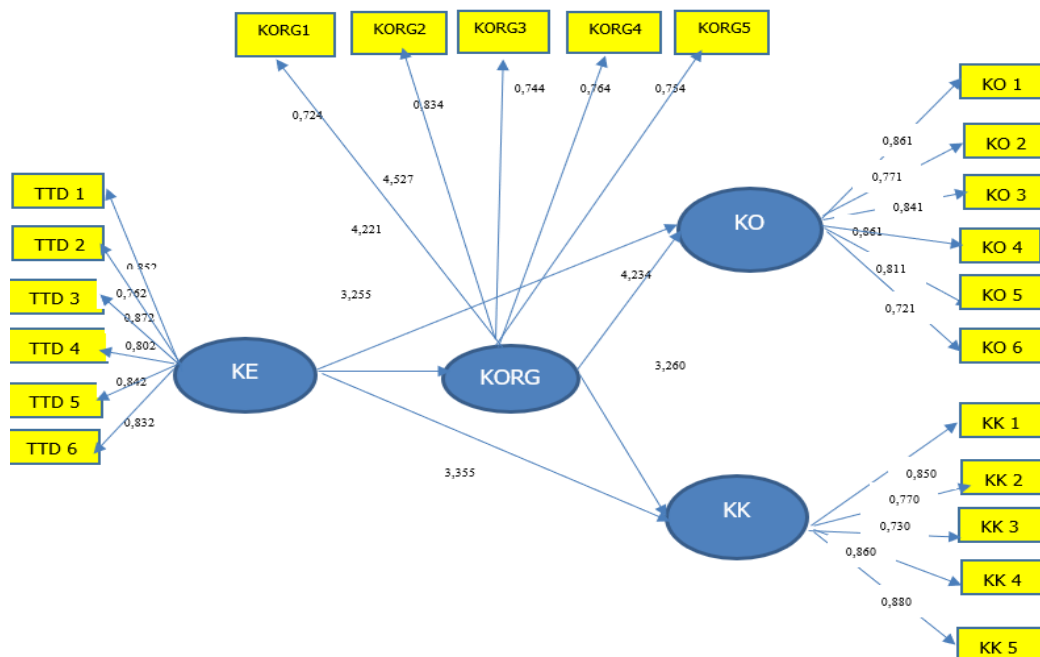


Figure 2: Bootstrapping diagram

4.5 Convergent Validity Analysis

(Kock, 2018) states that the analysis for the convergent validity test in the SEM PLS test is a measurement tool validation step for data instruments, especially those used in quantitative data collection. This convergent validity analysis is carried out by describing the outer loading value.

Table 6: Convergent Validity Test

Variabel	Indikator	Outer Loading
Kepemimpinan Etis (X)	KE 1	0,852
	KE 2	0,762
	KE 3	0,872
	KE 4	0,802
	KE 5	0,842
	KE 6	0,832
Kepercayaan Organisasi (Y ₁)	KO 1	0,861
	KO 2	0,771
	KO 3	0,841
	KO 4	0,861
	KO 5	0,811
	KO 6	0,721
Keterlibatan Karyawan (Y ₂)	KK 1	0,850
	KK 2	0,770
	KK 3	0,730
	KK 4	0,860
	KK 5	0,880
Komitmen Organisasi (Z)	KORG 1	0,724
	KORG 2	0,834
	KORG 3	0,744
	KORG 4	0,764
	KORG 5	0,754

Source: Results of Data Processing with PLS 3.0, 2024

Table 6 above describes that the test results of the outer loading value of several existing variables, namely the variables of ethical leadership, organizational trust, employee involvement and organizational commitment have a valid level of data distribution and are suitable for hypothesis testing.

4.6 Average Variant Extracted (AVE) Analysis

(Mohamad, Mahadzirah, 2019) states that the AVE test is a test result used in principal component analysis in statistics and social research to evaluate the construct validity of a variable data or instrument used for measuring data results. The results of the Average Variant Extracted (AVE) test can be seen in the following table:

Table 7: AVE Test

Variables	AVE
Ethical Leadership (X)	0,807
Organizational Trust (Y) ₁	0,777
Employee Engagement (Y) ₂	0,737
Organizational Commitment (Z)	0,767

Source: Results of Data Processing with PLS 3.0, 2024

Table 7 above explains that the Average Variant Extracted (AVE) test of the ethical leadership, organizational trust, employee involvement and organizational commitment variables has a value greater than the significance value of 0.5, where the existing data is valid and suitable for further testing.

4.7 Composite Reliability Analysis

According to (Mohamad, Mahadzirah, 2019) Composite Reliability testing is a data analysis used in social research, where this data test can be seen in the following table:

Table 9: Composite Reliability Test

Variables	Composite Reliability
Ethical Leadership (X)	0,784
Organizational Trust (Y) ₁	0,824
Employee Engagement (Y) ₂	0,854
Organizational Commitment (Z)	0,834

Source: Results of Data Processing with PLS 3.0, 2024

Table 9 above describes that for composite reliability testing of ethical leadership variables, organizational trust, employee involvement and organizational commitment is greater than 0.6 significance, where the level of data distribution of several variables is appropriate and suitable for further testing.

Path Coefficient Testing

The path coefficient (R Square) test can be seen in Table 10 to Table 14 below:

Table 10: R Square Test

Variables	R Square
Ethical Leadership (X)	0,855
Organizational Trust (Y) ₁	0,701

Source: Results of Data Processing with PLS 3.0, 2024

From table 10, it can be explained that the R Square value of the ethical leadership variable in several companies in Indonesia is 0.855, where the percentage of the emergence of ethical leadership in several companies in Indonesia of 85.5% can be explained by the organizational trust variable in several companies in Indonesia and the rest will be explained by other variables that do not enter the object studied by the researcher by 14.5%.

Table 11: R Square Test

Variables	R Square
Ethical Leadership (X)	0,865
Employee Engagement (Y) ₂	0,732

Source: Results of Data Processing with PLS 3.0, 2024

From table 11, it can be explained that the R Square value of the ethical leadership variable in several companies in Indonesia is 0.865, where the percentage of the emergence of ethical leadership in several companies in Indonesia of 85.5% can be explained by the employee involvement variable in several companies in Indonesia and the rest will be explained by other variables that do not enter the object studied by the researcher by 13.5%.

Table 12: R Square Test

Variables	R Square
Organizational Commitment (Z)	0,835
Organizational Trust (Y) ₁	0,713

Source: Results of Data Processing with PLS 3.0, 2024

From table 12, it can be explained that the R Square value of the organizational commitment variable in several companies in Indonesia is 0.835, where the percentage of the emergence of organizational commitment in several companies in

Indonesia of 83.5% can be explained by the organizational trust variable of leaders in several companies in Indonesia and the rest will be explained by other variables that do not enter the object studied by the researcher by 16.5%.

Table 13: R Square Test

Variables	R Square
Organizational Commitment (Z)	0,805
Employee Engagement (Y) ₂	0,704

Source: Results of Data Processing with PLS 3.0, 2024

From table 13, it can be explained that the R Square value of the organizational commitment variable in several companies in Indonesia is 0.805, where the percentage of the emergence of organizational commitment in several companies in Indonesia of 80.5% can be explained by the leadership employee involvement variable in several companies in Indonesia and the rest will be explained by other variables that do not enter the object studied by the researcher by 19.5%.

Table 14: R Square Test

Variables	R Square
Ethical Leadership (X)	0,822
Organizational Commitment (Z)	0,714

Source: Results of Data Processing with PLS 3.0, 2024

From table 14, it can be explained that the R Square value of the ethical leadership variable in several companies in Indonesia is 0.822, where the percentage of the emergence of ethical leadership in several companies in Indonesia of 82.2% can be explained by the leadership organizational commitment variable in several companies in Indonesia and the rest will be explained by other variables that are not included in the object studied by the researcher by 17.8%.

Hypothesis Test

About the results of hypothesis testing can be seen in the following table:

Table 14: Hypothesis Test

Hipotesis	Pengaruh	T-Statistics	P-Value	Hasil
H1	Kepemimpinan etis di beberapa perusahaan di Indonesia terhadap kepercayaan organisasi di beberapa perusahaan di Indonesia	4,444	0,001	Diterima
H2	Kepemimpinan etis di beberapa perusahaan di Indonesia terhadap keterlibatan karyawan di beberapa perusahaan di Indonesia	3,275	0,015	Diterima
H3	Komitmen organisasi pimpinan di beberapa perusahaan di Indonesia terhadap kepercayaan organisasi di beberapa perusahaan di Indonesia	3,222	0,018	Diterima
H4	Komitmen organisasi pimpinan di beberapa perusahaan di Indonesia terhadap keterlibatan karyawan di beberapa perusahaan di Indonesia	2,355	0,002	Diterima
H5	Kepemimpinan etis di beberapa perusahaan di Indonesia terhadap komitmen organisasi pimpinan di beberapa perusahaan di Indonesia	4,256	0,000	Diterima
H6	Kepemimpinan etis di beberapa perusahaan di Indonesia terhadap kepercayaan organisasi di beberapa perusahaan di Indonesia dengan variabel komitmen organisasi sebagai variabel yang memediasi	3,267	0,000	Diterima
H6	Kepemimpinan etis di beberapa perusahaan di Indonesia terhadap keterlibatan karyawan di beberapa perusahaan di Indonesia dengan variabel komitmen organisasi sebagai variabel yang memediasi	4,560	0,000	Diterima

Source: Results of Data Processing with PLS 3.0, 2024

Table 14 above concludes that partially the variable of ethical leadership in several companies in Indonesia has an effect on organizational trust in several companies in Indonesia, employee involvement in several companies in Indonesia and organizational commitment of leaders in several companies in Indonesia, then the variable of organizational commitment of leaders in several companies in Indonesia has an effect on organizational trust in several companies in Indonesia and employee involvement in several companies in Indonesia. Simultaneously, the variable of ethical leadership in several companies in Indonesia affects organizational trust in several companies in Indonesia through the variable of organizational commitment of leaders in several companies in Indonesia as a mediating variable. In addition, the ethical leadership variable in several companies in Indonesia affects employee engagement in several companies in Indonesia through the organizational commitment variable of leaders in several companies in Indonesia as a mediating variable.

5. DISCUSSION

The results stated that the ethical leadership variable in several companies in Indonesia affects organizational trust in several companies in Indonesia, where according to (Malik, Mohsin, Sarwar & and Orr, 2021) leadership that has a good moral attitude and runs the organization perpendicular to the desired ideals, it will make trust in the organization high from stakeholders related to the company. The results also state that the ethical leadership variable in several companies in Indonesia has an effect on employee engagement in several companies in Indonesia, where according to (Usman, Muhammad, 2019) ethical leadership will always involve employees in running their organization, where employees will be involved in the planning and decision-making process so that no leader feels dictatorial and arrogant. According to the results of the study, it states that the organizational commitment variable of leaders in several companies in Indonesia to organizational trust in several companies in Indonesia, where according to (Pham, Nhat Tan, 2019) a strong commitment from the owner of the organization and the leadership in running the organization according to its vision and mission will increase full organizational trust, so that the organization will be able to run smoothly. The results also state that the organizational commitment variable of leaders in several companies in Indonesia to employee involvement in several companies in Indonesia, where according to (Ling, Qian, Liu, Fang and Wu, 2017) the quota commitment of leaders in companies or institutions to run their business will involve employees in their work arrangements, so that it will have an impact on increasing work productivity on an ongoing basis.

Ethical leadership in several companies in Indonesia affects the organizational commitment of leaders in several companies in Indonesia to employee engagement in several companies in Indonesia. This is in accordance with research (Chordiya, Rashmi, Sabharwal, Meghna and Goodman, 2017) ethical leadership will make leaders have a strong commitment to run the organization in accordance with what is actually done according to the vision, mission and goals set by the organization. The results of the study describe that the ethical leadership variable in several companies in Indonesia affects organizational trust in several companies in Indonesia with the organizational commitment variable as a mediating variable. This is in accordance with research (Sepahvand, Reza, Khodashahri, 2021) which states that leadership carried out according to applicable rules and procedures will increase organizational trust, because with an ethical leader he will definitely be strongly committed to running the

organization as well as possible. The results of the study describe that the ethical leadership variable in several companies in Indonesia affects employee engagement in several companies in Indonesia with the organizational commitment variable as a mediating variable. This is in accordance with research (Bhutto, Tahseen Ahmed, 2021) which states that a good leader who runs the organization correctly will be committed to running it correctly, so that the leader needs employee involvement in accordance with his job and function.

6. FINDINGS

From the results of the study, the conclusions that exist, namely partially partially ethical leadership variables in several companies in Indonesia have an effect on organizational trust in several companies in Indonesia, employee involvement in several companies in Indonesia and organizational commitment of leaders in several companies in Indonesia, then the organizational commitment variables of leaders in several companies in Indonesia have an effect on organizational trust in several companies in Indonesia and employee involvement in several companies in Indonesia. Simultaneously, the variable of ethical leadership in several companies in Indonesia affects organizational trust in several companies in Indonesia through the variable of organizational commitment of leaders in several companies in Indonesia as a mediating variable. In addition, ethical leadership variables in several companies in Indonesia affect employee engagement in several companies in Indonesia through the variable organizational commitment of leaders in several companies in Indonesia as a mediating variable. With ethical leadership that is carried out properly in the organization will foster strong trust that the organization is good, where this trust is not only given to stakeholders, but also given to the community which will have a strong impact on the formation of the leader's commitment to continue to run the organization properly by involving employees who are in accordance with their fields to jointly increase the productivity of the organization.

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