Anchoring Loyalty: Examining the Role of Ethical Leadership and Life Satisfaction in Public Sector Job Embeddedness

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#### Abstract

The purpose of this research is to investigate the relationship between job embeddedness (JE) and turnover intention (TI) in public sector with a focus on mediating effect of life satisfaction (LS) and moderating role of ethical leadership (EL). The study employed quantitative design where 245 employees working in the public sector were surveyed through structured questionnaires. Data was analyzed using Partial least squares structural equation modeling (PLS-SEM) for data analysis and hypothesis testing. According to the findings, JE has a negative impact on TI among public sector employees mediated by LS. Similarly, EL adjusts the connection between JE and TI. These outcomes have implications that require public sector stakeholders to pay attention to both individual as well as contextual factors to manage effectively and retain employees. Public organizations not only need to improve their workers' level of involvement within these entities or communities but also think about hiring, training, promoting ethical leaders. This research highlights how organizational as well as community embeddedness impacts the LSM and TIPSEs in public sector mediated by EL.

Keywords: public sector, turnover intentions, leadership, Punjab, Pakistan

## 1. Introduction

Public employment plays a crucial role in driving social, political, and economic factors in developing countries (Chughtai et al., 2022). To improve the effectiveness, accountability, and efficiency of governments, it is important to attract, develop, and retain competent staff in the public sector. Nevertheless, this often leads to competition with other sectors during the "war for talent" that forces the public sector to engage in recruitment and retention (Yang et al., 2019). In the public sector, turnover intention (TI) is a significant issue because it negatively affects the government's management of public service delivery as well as organizational performance. Even though many Asian countries, notably Pakistan, have implemented diverse talent management strategies to win the war for talent (Saif et al., 2023), personnel turnover challenges among most public organizations still exist alongside talent gaps (Reitz & Anderson, 2011). According to the Ministry of Home Affairs of Pakistan, about forty thousand employees resigned from their positions in the civil service between June 2020 and June 2022, with an average of sixteen thousand leaving every year. Bao and Zhong (2021) often link understanding employee turnover to disruptions in workflow, loss of contextual knowledge, high costs of replacement training, and challenges in recruiting candidates.

Khattak et al. (2022) posited that a fundamental concept for understanding employee turnover is job embeddedness (JE), which encompasses interconnections, fit, and sacrifices. Vesa Peltokorpi and Allen (2023) illustrate JE as a type of network or meshwork that envelops an employee, retaining them in their current workplace. There has been research on how JE affects such job outcomes as TI and employees' readiness to abandon their jobs. Individuals are more likely to stay with a firm if they feel embedded on the job and off it, according to the JE theory. As a result, JE measures include both interactions within the workplace (on-the-job JE) and interactions with people in the community (off-the-job JE) in terms of how someone feels and thinks about their job (Ullah et al., 2024; Ullah & Ali, 2024). Although Setthakorn et al. (2024) initially developed the JE theory to explain employee turnover, its causal mechanism remains underexplored. Anthony Frank Obeng et al. (2024) revealed various roles played by job embeddedness in organizations, concluding that most studies concentrate on predictors of this construct rather than examining intermediary processes. What moderates or mediates the relationship between JE and TI is still not fully understood. Ferreira (2017) insist that we need more conceptual discussion about what connects or links JE with TI.

This study posits that life satisfaction (LS) and ethical leadership (EL) contribute to the association between JE and TI. Kholiq and Miftahuddin (2018) defined LS as "the degree to which a person positively evaluates the overall quality of his or her life as a whole". Life has a significant impact on happiness levels because work is an important aspect of people's lives across all ages. Kholiq and Miftahuddin (2018) wrote the first research article suggesting this connection between LS and embeddedness, finding that highly embedded employees had higher life satisfaction and a lower likelihood of leaving their current workplace. There are numerous antecedents for LS, and this study confirms that JE is one of them. Similarly, other studies have identified LS as a predictor of TI among employees who typically seek alternative employment when their job satisfaction is low. In so doing, the present viewpoint suggests life satisfaction (LS) may mediate the relationship between JE and TI.

EL is another component predicted to influence the association between JE and TI. In the public sector, leadership plays a crucial role as it necessitates followership from leaders (Guo, 2022). However, organizations tend to bolster their labor force retention strategies through ethical leadership. Ethical leaders are those who have integrity, compassion, constitute moral character, support ethics, and discuss these issues with their subordinates (Xi et al., 2022). Highly embedded employees could also choose to leave an organization if there is a lack of ethical leadership, given that EL affects commitment, psychological well-being, and job satisfaction (Yang, 2013).

Most studies on EL, of great importance, take place in a Western context (Lee et al., 2020). Given the rapid pace of development and cross-cultural disparities, generalizing findings from developed countries to developing ones may be challenging (Erkutlu & Chafra, 2017). Therefore, it is necessary to study this subject again from outside the Western world. Therefore, there is room for further research into Pakistan as a developing country with high power distances. This research paper seeks to contribute to the

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existing body of literature on TI among public sector workers by addressing two main questions: (1) How does JE affect TI in the Pakistani public sector? Secondly, how do LS and EL moderate the relationship between JE and TI?

#### 1.1. Hypothesis of Study

- H1. Job embeddedness has the significantly negatively correlated with turn over intentions.
- H2: life satisfaction mediates the relationship between job embeddedness and turnover intentions.
- H3: Ethical leadership moderates the relationship between job embeddedness and turnover intentions.

# 2. Methodology

#### 2.1. Design, sampling and Procedure

We collected data through a cross-sectional survey of individuals employed in Punjab's public sector. We designed a structured questionnaire in English, drawing from prior relevant research, to ensure the measurement scales' content validity. We conducted this official survey with a convenience sample between early October and November of 2023, likely due to the cost-effectiveness and suitability of the developmental questions. The study's objective prompted the target population to respond positively and voluntarily, taking about ten minutes to complete, while ensuring their anonymity. In order to communicate government policies, researchers recruited participants from public-sector training courses held by local governments. All employees of the public sector, including the official staff of various branches of government, organizations and enterprises, and any other legal entity in the public law system that performs tasks in the field of state service delivery, receive these mandatory courses. Organizations select an employee workgroup to undergo training first, and all official employees are required to complete it. As such, the courses attracted participants of various ages, positions, and organizations. This made respondents highly representative of the population because their average tenure at their current organizations was 3.9 years, which would have given them plenty of time to get a grasp on the work environments. We received a total of 236 valid responses (27.0% came online via the web survey and 173 were hardcopies).

# 2.2. Questionnaires

Peterson (2004) designed a six-item scale to measure performance. To model JE, we followed the strategy of Porras (2001). Items such as "I feel like I fit in with my organization" (organization fit) and "I would give up a lot if I had to leave this community" (community sacrifice). We assessed the responses on a 5-point Likert scale, with 1 representing strongly disagree and 5 representing strongly agree. The construct demonstrated very high internal consistency, with a Cronbach's alpha coefficient of 0.941. The developed the five-item Satisfaction with Life Scale (SWLS) to measure Price and Muir (1985) originally developed and validated this scale in past JE and organizational behavior work (Lee et al., 2020), scoring agreement with each item on a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree). This scale has a Cronbach's alpha of 0.957.

Regarding the EL, we modified a six-item scale developed by Brown for adjustment in the Chinese cultural context, which aligns with our study's focus on this organism and turnover (Vesa Peltokorpi & Allen, 2023). We removed items that were not relevant or appropriate for the research context, such as those that referred to individual actions by public officials and specific ethical cases governed by organizational rules. Respondents self-categorized statements about their direct managers on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). This construct's Cronbach alpha is 0.909. We assessed TI using a four-item scale to measure job search intentions and plans to leave the current employer. We used a 5-point Likert scale to rate each item (1 being strongly disagree, and 5 being strongly agree). For this construct, Cronbach's alpha reliability was 0.952.

# 2.3. Data Analysis

In the current study descriptive statistics (frequency and percentage) inferential statistics (regression and PROCESS analysis Model 1 and 4) used to test the hypothesis.

# 3. Results

Table 1: Demographic Characteristics of Respondent (N=236)

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Characteristics	F(%)						
Male	120 (50.8)						
Female	116 (49.2)						
Age Group							
Below 30 year	45 (19.1)						
30-40year	98 (41.5)						
Above 40 year	93 (39.4)						
Marital Status							
Married	165 (69.9)						
Not Married	71 (30.1)						
Tenure in current Organization							
Less than 2 year	62 (26.3)						
2-5 year	105 (44.5)						
More than 5 year	69 (29.2)						
Manager Gender							
Male	145 (61.4)						
Female	91 (38.6)						

Sex, age, and ethnic origin of respondents (see Table 1). The sample included 236 cases, representing almost equal amounts of males (120; 50.8%) and females (116; 49.2%). The age groups included those under 30 years old (45 respondents, 19.1%), those

between 30 and 40 years old (98 respondents, 41.5%), and those over 40 years old (93 respondents, 39.4%). Of the participants, 165 (69.9%) were married, and 71 (30.1%) were not married. As for tenure within the current organization, 62 (26.3%) worked at the current facility <2 years, 105 (44.5%) between 2 and 5 years, and 69 (29.2%) >5 years. Additionally, our analysis revealed that 61.4% (145) of the respondents' managers are male, while 38.6% (91) are female.

Table 2: Regression Analysis (H1)

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Hypothesis	Path Description	ß	SE	t-vale	S1g	Result	
H1	JE $\longrightarrow$ TÎ	-0.23	0.054	-6.821	.001	Supported	

Table 2 summarizes the results of the regression analysis for Hypothesis 1. In the results section of this study, a significant negative association is observed between job embeddedness (JE) and turnover intentions (TI), with a beta coefficient ( $\beta$ ) = -0.23 and a standard error (SE) = 0.054. t-value = -6.821 is a significant result (p = 0.001). H1: Job embeddedness is negatively associated with turnover intentions among employees.

**Table 3: Hypothesis Testing** 

Hypothesis	Path Description	В	t-vale	sig	Result
H1	$JE \longrightarrow TI$	-0.367	-6.821	< 0.001	Supported
H2	$JE *LS \longrightarrow TI$	-0.095	-3.124	0.002	Partial Supported
H3	JE *EL TI	-0.148	-2.421	0.016	Supported

Table 3 summarizes the results of hypothesis testing. For Hypothesis 1 (H1), the result is shown in Table 3, providing support for a strong negative relationship between job embeddedness (JE) and turnover intentions (TI), with  $\beta = -0.367$  resulting in a number greater than  $\pm 2.81$  and a t-value of -6.821 that is significant at p <.001, supporting H1. Hypothesis 2 tests the mediating effect of life satisfaction (LS) on the path between JE and TI. Partial support for H2 was found with a beta coefficient ( $\beta$ ) = -0.095, t = -3.124, and p-value < 0.002 OE, Job Engagement-TI (JE-TI). Hypothesis 3 (H3) relates to the moderation of the JE-JOTP relationship via ethical leadership. All of the findings validate H3, with a beta ( $\beta$ ) coefficient of -0.148, t = -2.421, and p = 0.016.

## 4. Discussion

There is a need for further research on the topic of turnover in the public sector, particularly in Pakistan, where there has been a dearth of studies. Yet, what remains largely overlooked are the mechanisms linking job embeddedness (JE) to turnover intentions (TI) (Khattak et al., 2022). As far as we are aware, no research has delved into the mediation function of life satisfaction (LS) and the moderating influence of ethical leadership (EL) on the understudied JE-TI relationship, indicating a gap in the existing literature. We investigate whether LS mediates the relationship between JE and TI, and hypothesize that high levels of EL foster employees' sense of belonging to their organization, leading to reduced employee turnover. Based on these findings, we finalized our research model by proposing that LS mediates the relationship between JE and TI and that EL moderates the impact of JE on TI. This suggests that in highly educated populations, JE exerted a greater preventive effect on TI through its impact on retention. These findings have important theoretical and practical implications for future research.

#### 4.1. Theoretical Implications

Though the discovery regarding JE and TI is a sensational breakthrough in the scientific world, It contributes to the current literature regarding the JE-TTI relationship by exploring the mediation effect of LS. Although previous studies primarily illustrated the direct effect of JE with TI and also JE with LS, our study supports the role of LS as a mediator. Previous studies connected the three constructs into a meaningful pathway. While a previous study acknowledged the role of affective organizational commitment and work engagement as mediators in this relationship, it discovered no mediation effect (Yang et al., 2019), prompting us to investigate alternative mediators. Our study closes this gap by positioning LS as one of the critical antecedents to worker engagement.

Moreover, this study has further expanded our understanding of the impact of EL on the JE-JI relationship. This study was among the first to explore the role of EL moderation in the JE-TI linkage, drawing inspiration from (Ullah et al. 2024). The introduction calls for more public sector EL research in 2020. The empirical results show that ethical behavior reinforces a JE's retention net in an idea designed to hold on to public-sector employees. The bottom 25% percentile in the EL score has a higher challenge for workplace retention compared to the top 25%. According to the study, ethical leaders are essential for leading public sector workplaces.

Pakistan has studied the association of JE with TI and their interaction with EL to a minimal extent. The state employs coercive mechanisms to extract resources from its population, relying on a limited tax base and engaging in corruption, rent-seeking, mismanagement, patronage politics, bureaucratic overgrowth, nepotism, and power abuse. These practices, as documented in a local 2019 government research project in Pakistan, jeopardize working conditions and pressurize relationships between employers. In contrast to Western connections, which typically revolved around leader-employee relations, the workplace prioritized personal relationships, such as social events. However, our results revealed that EL may reduce the impact of JE on TI in cross-cultural studies. Hence, as per this research paper, raising EL in the public sector in Pakistan is likely to result in a decrease in worker turnover.

## 4.2. Practical Implications

Implications for Public Organizations in Pakistan our findings demonstrate the importance of KE, LS, and EL in retaining employees in public organizations in Pakistan. Public agencies must prioritize strengthening JE without neglecting any of its sub-dimensions. Managers need to foster a supportive working environment that makes employees regret leaving. They should also distribute responsibilities and rotate roles according to employees' skills, provide staff with training to develop their skills,

promote collaboration, and delegate authority. Employee Assistance Programs can significantly enhance JE by assisting employees with their off-the-job challenges and helping them feel more engaged with their work.

Further, the study sheds light on the mediating role of LS in the relationship between JE and TI. The older employees of the highly embedded group believe they have gained companionship and organizational stability, and to lose these would diminish their life satisfaction (Guo, 2022). Pakistan's public bodies are therefore required to increase LS for employees not only to on-the-job sources but also to off-the-job sources. These include encouraging employee participation in unpaid and community services, matching individual abilities with job requirements, and providing personal-life benefits like flextime, long-term service awards, etc. Pakistan's public sector must focus on ethical leaders. By admin EL behaviors encourage active participation and involvement in decision-making. The solution lies in improved selection and training that prioritizes moral thinking and awareness, which will lead to the development of more ethical leaders. Also, organizations should give preference to EL in hiring individuals who have high ethical values (Ferreira, 2017).

#### 4.3. Limitations and Research Directions

This paper focused only on Pakistan's public sector, so we could not generalize it due to the small sample size. Future studies should increase the sample quantity and include other countries. Individuals' life stages National evidence from a cross-sectional study shows that LS differs depending on the age group of subjects. As future studies should test this idea using a longitudinal design, Furthermore, our data did not support the a priori hypothesis for an effect of TI on the manager's own sex, and additional investigations are required.

Despite these limitations, the study addresses a need for theoretical and empirical research on FEA. Conclusions: The results validated the JE-TI link in Pakistan's public sector (PS), mediated by LS and moderated by EL. This study also contributes to the existing literature on EL in the public sector. The results suggest various implications for managers and organizations in designing an environment that helps employees feel embedded. TI is particularly concerning in public bodies because EL significantly decreases TI and encourages organizations to reflect and redesign their approaches to leadership in order to retain talent.

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