

Integrity, Trust and Nigerian Banks' Employee Engagement

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Abstract

The aim of this study was examine the relationship between ethical leadership and trust in a leaders, employee engagement, integrity, trust and ethical leadership of the employee perception in the banking environment. Questionnaire survey collected from the bank employee based on the purposive sample and SPS analysis was done in related to the hypothesis testing. Results shown that the hypothesis of integrity, ethical leadership, trust, employee engagement at work significantly relationship with p value of .000. Human resource/ practitioners/managers rebuild the new concept or model in applying the integrity, trust and ethical leadership value with elements of reward in attracting new generating and flexibly of working environment.

Index Terms— Integrity, Ethical Leadership, Trust and Employee Work Engagement

I. INTRODUCTION

The uncertainty of business environment and the economic instability requires most organization continues to adapt and accommodate the different needs of the employee or workforces workforce. In order to survive in the global market several attempt had been address such as redesigned the workforce downsizing and others. Additionally new approaches to human resource management are to be anticipated in term of employee engagement program rather than focusing on sinking the costs and abundant articles have been published that call for a more positive approach engaging employees but lack of academic evident of research (1;11). The emergence of the concept related to employee Engagement at work has plays important role in employee performance and managerial management theme, though, the meaning and dimension of engagement at work, and more specifically, in banking sector, is inadequately understood. The importance of employee engagement for organizational success is now being realized by most employers as the corporate workplace cultural needs in aligning into organization's mission. The concept of employee engagement was first developed by Kahn (1990) in his ethnographic work on summer camp employees and also employees at an architecture firm. Academic scholars and practitioners hold recognized that the degree of employee engagement is surprisingly correlated with organizational resolution outcomes, which includes greater productiveness and increased in profitability (3).

Considering the shortage of empirical studies on ethical leadership, integrity and trust and work engagement, further research is needed to verify their critical impact. Therefore, the researcher was prompted to investigate the influence of integrity and ethical leadership on trust and employee work engagement in banking sector at Nigeria. Additionally, this study added to the body of knowledge by helping understand what types of ethical leadership produces constructive outcomes towards employee engagement.

II. LITERATURE REVIEW

Integrity is defined as "a belief among employees that the organization leaves its value and that espoused behavioral norms are adhered to, resulting in trust and a sense of integrity" (4). At workplace, trust is fundamental in teamwork; Integrity builds trust. Integrity has to be role modeled not just by senior leaders, but managers throughout the organization. Accordingly, integrity and trust are two important characteristics if positively nurtured, developed and embedded into human capital can be of a great value-added talent and commodities while aligning with the organization's mission. Employers nowadays have realized and recognized the importance of employee engagement as the fundamental for the organizational success. It is vital for the organizations sustainability and growth in identifying the situations which foster work engagement of employees (4). Organizational trust is one of the critical conditions that strengthen work engagement. This is because employees are more likely to engage in their work if they are self-motivated to perform their role where trust on

the part of management is essential. The ability of the employees to engage in their work can be hampered if the management has excessive monitoring and enforcement. It is therefore important to acknowledge the significance of interpersonal trust. The core element in the relationship between subordinates and organizational leaders is trust, and it has an influence on how positively the work environment will be perceived by the employee. Trust is also part of the important outcomes for organizational success is work engagement. This is because a trusting and ethical relationship between subordinates and leaders is likely to positively contribute to the work engagement of employees.

In many organizations trust among employees has arose as a significant concept, since relationships are increasingly becoming important in team-orientated flat, structures where autonomous decision-making is now a responsibility for employees (5). In countries like South Africa for example, mutual trust is a key factor in determining organizational success (6) Thus, both researchers and practitioners are now interested in exploring the significant role of trust in leadership in relationships within organizations, how can it be improved, and the factors that influence the trust relationship between leaders and followers (7).

A research on employee engagement carried out domestically or internationally has supported the concept that employee engagement has an extensive affect over business performance (6). Stronger employee engagement could result in employee retention, improved organizational performance as well as strengthen customer loyalty and stakeholder satisfaction (7). Trust between leaders and subordinates can be significantly influenced by the credibility of ethical leaders (7). Therefore, it is important to consider the ethical values so as to be able to adopt an ethical leadership style. Integrity is one of the ethical values that are essential for ethical leadership and trust (8). Integrity which denotes to the adherence to moral principles encompasses the essence of ethical values and therefore can be seen as an important driver of ethical leadership (9).

III METHODOLOGY

This study was descriptive in nature and using a set of questionnaire. The study was conducted at Access Bank PLC, Sokoto Nigeria, having three branches at metropolis with the total staff of 520. The study considered a total population of 520 as of end 2016 and with Confidence Level = 95%, Margin of Error = 3.5 % total sample size amounted to 320 (12). Out of 320 questionnaires send only 301 returned respondents. The respondents comprise of executive level, top, middle and lower management. , non-probability sample method was used because it is suitable for an interpretive standpoint. Quantitative data was presented in form of descriptive statistics using mean and standard deviations for each of the variables used in the study. Correlation technique was also applied. The correlation technique was based on Pearson’s coefficient (+ or –) to show the direction of the relationship between the variables) and significance tested at 99% and 95% confidence levels based on two tailed correlation and significant more than or equals to 0.05. A positive correlation indicates a direct positive relationship between the variables while a negative correlation indicates negative relationship between the two variables.

III. RESULT

The demographic results reveal that most (22.9%) were aged between 31 years and 35 years compared to 21.3% aged 20 – 25 years. From the results, it can be concluded that the majority of the respondents were able to familiarize and interpret the contents of the questionnaires to be able to complete them. In term of education levels of respondents, employee’s educational background is an important indicator of their knowledge and attitude about outsourcing as a strategy for competitive advantage. Education also enhances the ability of individuals to achieve desired demographic and performance goals. Majority respondents (46.8%) had attained diploma followed by masters (28.9%) and these results indicate that majority respondents had attained at least education up to university level which is always expected as this study was carried out in a big Institution. Gathering all the different views about the influence of integrity and ethical leadership on trust and employee work engagement was so prominent to this study.

The reliability test was done to measure the four variables and results reveal as table 1. Cronbach’s alpha of this subscale was found to be 0.89. This was satisfactory as it is above the recommended value of 0.70 (10).

Variables	Cronbach’s Alpha	No. of item
Integrity	.948	5
Ethical Leadership	.892	5
Trust	.905	5
Employee Work Engagement	.881	5

Table 1 : Reliability test of the construct

Correlations Coefficients

Researcher Guilford's (1956) work was used in this study by looking into the bivariate correlations. Guilford (1956) provide the subsequent scale for the Pearson's correlation coefficient, *r*. If the value of *r* less than 0.20 it indicates almost no relationship, a low correlation; $0.20 \leq r \leq 0.40$ indicates a moderate correlation; $0.40 \leq r \leq 0.70$ indicates medium correlation; and $0.70 \leq r \leq 0.90$ indicates a strong relationship and a high correlation. Table 2 shown the correlation relationship of the dimensions

		Correlations			
		Integrity	Ethical Leadership	Trust	Employee_Work_Engagement
Integrity	Pearson Correlation	1	.743**	.572**	.460**
	Sig. (1-tailed)		.000	.000	.000
	N	301	301	301	301
Ethical Leadership	Pearson Correlation	.743**	1	.673**	.593**
	Sig. (1-tailed)	.000		.000	.000
	N	301	301	301	301
Trust	Pearson Correlation	.572**	.673**	1	.714**
	Sig. (1-tailed)	.000	.000		.000
	N	301	301	301	301
Employee_Work_Engagement	Pearson Correlation	.460**	.593**	.714**	1
	Sig. (1-tailed)	.000	.000	.000	
	N	301	301	301	301

Table 2 Correlation among Integrity, Ethical Leadership, Trust, and Employee Work Engagement

Relationship between integrity and ethical leadership

It was predicted that there was a positive relationship between integrity and manager's ethical leadership. The relationship between integrity and ethical leadership was tested using Pearson product moment correlation and hierarchical regression accounting for the variables. Results of the correlation analysis indicated there was positive correlation between integrity and ethic leadership (($r=.743^{**}$), $p < 0.05$, and as it is higher positive correlation between all the hypotheses. Integrity is apparently higher; the highest rank in banking industry towards ethical leadership. This result reinforced (13) view, supported by social identity theory, that senior managers' perceptions involving integrity are perceived more favorably towards ethical leadership. This indicates that the higher the rank of the individual, the more the integrity for example "our leader's integrity given us a feeling of assurance" and "we trust our leaders because they are reliable and consistent.

Relationship between ethical leadership and trust in leader

The relationship shows a significant positive between ethical leadership and trust in leader, indicated trust was attributed to ethical leadership. This is supported with the Pearson correlation product moment technique with Pearson correlation ($r = 0.673^{**}$), $p < 0.05$. It revealed the positive relationship existed between ethical leadership and trust in leader. This finding was also in agreement with (14) who argued many leaders were seen as trustworthy directly impacted followers with certainty, trust and faith. Ethical leadership is connected to trust in light of the worth driven behavior itself. A leader who values ethics and managed with ethics in the work environment is prone to show honesty, fairness and care towards the employees. An ethical leader is likewise devoted to direct communication and to include others in decision making.

Relationship between trust and work engagement

The hypotheses tested between trust and work engagement were done by looking into correlation between the variables. Trust and work engagement results shown Pearson correlation value of ($r = 0.714^{**}$), $p < 0.05$, that is less than the alpha level of significance of 0.05 which implies that there is a statistically significant correlation. This suggests that the relationship between trust and work engagement are important. The correlation coefficients were significant for each of the trust factors as they related to employee engagement that indicated the increases trust element towards leaders and organization with significant increases in employee's state of engagement. Trust is talented upon a leader "as a result of the workers finding the leader's ability to inspire and motivate followers, training opportunities, accomplishments, flexibility and respected (8).

Employees outline trust as a central mediator in a leader's ability to influence behaviors that drive both engagement and performance.

Relationship between integrity and trust in leadership

There is a significant positive relationship between integrity and trust. This was done with the support of Pearson correlation product moment technique. The table reflects the results that emerged. It comprises of variables; integrity and trust, the Pearson correlation ($r=.572^{**}$), $p < 0.05$, that is less than the alpha level of significance of 0.05. The r value of 0.572^{**} reveals that a positive relationship exists between integrity and trust. This was in line with (9) who noted that workers, business leaders and employees can benefit from integrity in the workplace. Integrity involves feeling of assurance, cope with uncertainty, consistency in decision making and fairness with good characters Individuals who displayed integrity in the workplace not only understand right from wrong but they practice it in all they do. This is beneficial in a banking environment where trustworthy actions set the foundation for successful business relationship.

Relationship between ethical and work engagement

A significant relationship between ethical leadership and work engagement with the Pearson correlation ($r=.593^{**}$), $p < 0.05$, that is less than the alpha level of significance which implies that there is a significant relationship between ethical leadership and work engagement. The r value of 0.593 revealed a positive relationship exists between ethical leadership and work engagement. These supported the findings of (14;15) which revealed that employees, who perceived their leaders as acting ethically, tend to report improved engagement in terms of feeling more vigorous, dedicated and absorptive at work.

IV DISCUSSION

It can be noted that how much leaders are seen as trustworthy will impact the way in which subordinates put their confidence, trust and faith in the leaders. Ethical leadership is connected to trust as a result of the self-esteem (13). A leader who values ethics and oversees ethics in the work environment is probably holding good traits; honesty, fairness and care towards the workers. An ethical leader is additionally devoted to openness and includes subordinates in making decisions. These qualities of ethical leadership are simultaneous with leaders that are trusted by their subordinates.

(13) Pointed out that ethical leadership likewise endeavors to identify with subordinates with openness and honesty. At the point when workers see their leader as somebody with sympathy toward ethical behavior and who will think about workers' needs when critical decisions are made, they will be probably going to show true trust in the leader. In this way, the positive relationship between ethical leadership and trust that was found in this study adds to comparative discoveries by different researchers.

Ethical leadership has a significant relationship with trust meaning that ethical leadership has greatly determined whether trust will be low or high as shown by the results obtained in this study. This showed that organizations should take full responsibility for ensuring that ethical leaders drive management practices and that trust in the leaders is developed through the presence of ethically based business systems and functions. By strengthening these factors, work engagement is promoted amongst employees because of the trust they have in their leaders for taking their interests into consideration and for behaving in a fair and ethical manner when decisions are made in a turbulent work environment.

Practical Implications for the Human Resource Profession

Practically, this study contributed to human resource profession. This study used to be positive through the reason that ethical leaders are often rated greater high quality and promotable than their less ethical counterparts (13). The employees concerning ethical trust their leader, they take for granted that the leader will make decision with the employees' best attention in mind, and the employees will be more enthusiastic to engage in their jobs. Since they be acquainted with that their work-life is in high-quality output comfy then committed according to the organization; more inclined in imitation of add among extra effort in accordance with management; and ultimately extra productive (14). On the other hand, employees pursuit under ethical leaders might stand extra satisfied and greater probably after consider their companies namely effective. Ethical leaders may be considered as transparent; engaging of open communication along followers; clarifying expectations and responsibilities. The leader's own actions provide an example concerning ethical behavior in accordance with imitated through people as a model that can be duplicated to the succession plan of the organization. Top management or leaders need to engage ethical standards because of the organization; focus concerning integrity; brighten moral degree over management decisions; formulate moral ideas which direct decision-making. Top management or leaders ought to also practice according to ethical principles through theirs affect regarding company subculture and effect an excessive dimension over congruence, contributing in accordance with the ethical climate over the organization. This results in applying a primary role model of setting up the values or beliefs that cultivate in the organization (12).

Academic and theoretical implication

Employee trust was shown to be positively related to employee engagement. As a matter of fact, employees are more engaged when their leaders are trustworthy. In a study on how trusted leadership affects employee engagement through employee trust, it showed that both supervisors' consistency between word and actions as well as their moral perceptions are positively related to employee engagement, while only supervisors' consistency between words and actions is positively related to employee trust. Moreover, employee trust was found to have a partial mediating effect between trusted leadership and employee engagement (13). Integrity and authenticity are two of the most important societal values. In banking industry, it is proven that trust have high impact on work engagement due to the significant relationship between them. This study also examined the implications for theory and lookup associated in replication that can contribute rigorously for the next researchers to further investigate in other industry such as hospital, sport and tourism. Conceptually, this study used hypothesizing trust, ethical leader and employee engagement adapting the multiple theories of ethics theory and leader-member exchange theory. Theoretically other types of leadership style can be adapted such as situational theory. Therefore, there appears to be a prospect for future researchers to gain an accurate thoughtful of the moderating role of trust between motivation and employee engagement based on their personal workings environment. This would engage the use of the trust, ethical and work engagement instruments used in this study by adding motivation instrument that is further powerfully related (15).

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