

THE MEDIATING ROLE OF WORK SATISFACTION IN THE EFFECT OF ETHICAL LEADERSHIP ON EMPLOYEE PERFORMANCE

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Abstract

Through the utilisation of job satisfaction as a moderating factor for PT "X" Employess, this research endeavours to investigate and assess the ways in which ethical leadership influences worker performance. This particular study utilised a quantitative research design as its methodology. A total of 112 respondents, which represents the entire population, were included in the sample for the study. The technique for collecting data included the distribution of questionnaires to each individual who participated in the survey. The next step was to conduct testing in order to determine the direct and indirect effects that the research elements had. The findings of the study suggest that ethical leadership does not have a substantial impact on the degree to which employees accomplish their jobs. Taking into account the level of job satisfaction experienced by employees, it was shown that ethical leadership had an effect on performance in just 26.9% of instances. There was only a 26.9% correlation between ethical leadership and employee performance, which was measured by work satisfaction. The remaining percentage of employee performance was explained by criteria that were not included in the study. The findings of the study also indicate that ethical leadership may not directly influence employee performance at PT "X" on its own. It is instead the job satisfaction that emerges as a mediating variable, which helps to mitigate the impact that ethical leadership has on personnel.

Keywords: Ethical Leadership, Employee Performance, Job Satisfaction

INTRODUCTION

One of the most important aspects of human resource management in businesses and organisations is the fact that it involves a wide range of organisational resources. These resources include employees, executives, and processes that are built into the company itself. For an organisation to maintain its level of productivity in the era of Industry 5.0, which is characterised by an infinite amount of competition, the work of human resource management is not only the responsibility of the employees of the firm, but also of the leadership of the company (Ramadhan et al, 2025). The management and empowerment practices that are carried out by the leadership towards the personnel of the company continue to be developed to their full potential to accomplish the objectives of the organisation. According to Indrayani et al. (2023), a good firm grows and evolves with care and has frameworks in place to optimise human resources so that they can carry out their functions in an appropriate manner. This is especially important when considering the rapid technological changes that occur. When it comes to the landscape of Industry 5.0, which is characterised by rapid technology breakthroughs and strong rivalry, the role of human resource management is essential in order to effectively harness the resources of an organisation. This involves not only the employees but also the executives and the processes that are carried out internally. Maintaining productivity in this day and age calls for a deliberate effort on the part of both the employees and the leadership. Taking this into consideration, the research investigates the complex relationship that exists between ethical leadership, job satisfaction, and employee performance within the context of PT "X."

PT "X" is located in the period of Industry 5.0, and the purpose of this research is to investigate the intricate relationship that exists between ethical leadership, job happiness, and staff performance. The primary purpose of this study is to analyse the ways in which ethical leadership influences employee performance through the influence of work satisfaction as a mediator. In order to make a significant contribution to the ever-changing landscape of human resource management, the study intends to explicitly investigate these dynamics.

According to Kia et al. (2019), management courses usually consider leadership to be a core ability and subject matter that requires personal understanding. Astuti et al. (2023) define leadership as the ability to inspire others to work towards a common purpose, as well as the ability to persuade individuals to perform and reach predefined corporate goals. Leadership is also defined as the ability to inspire others to work towards a common purpose. Leadership can be defined as the process of guiding all members of a group in a particular direction. In the meantime, there is a rationale behind the promotion of psychological empowerment by moral leadership. This is done with the intention of enhancing the well-being of employees and reducing emotional tiredness. It is because of these attributes, as well as the fact that they have humanitarian aspirations and moral principles in both their personal and professional lives, that ethical leaders are recognised (Olannye, 2021). The term "leadership ethics" refers to a moral standard that can be of assistance to leaders in the process of decision-making by establishing distinct distinctions between good and evil. According to Ouakouak et al.'s research from 2020, ethical leaders are required to act and think in a manner that is consistent with general social norms. According to Qing et al.'s research from 2020, it is believed that putting an emphasis on ethical leadership will invigorate followers and increase employment happiness (Ma'ruf et al, 2025).

In addition to the importance of ethical leadership, management must also pay attention to the issue of job happiness. In order for management to be successful in retaining workers, they need to be able to inspire human resources to continue being productive in carrying out their obligations, notably by increasing job satisfaction. It has been suggested by Mira et al. (2019) that human resource management (HRM) processes are an efficient method for fostering job satisfaction among employees. According to Singh and Onahring (2019), job satisfaction may be described as the affective orientation of an individual towards the work role that they now occupy. This orientation is related to the behaviour of the individual when they are at work within the organisation. The findings of previous research (Sugianingrat et al., 2019) indicate that the outcomes of ethical leadership do not have a substantial impact on the performance of individual employees. The findings of this research, on the other hand, are significantly different from those of Kia et al. (2019), who discovered that the outcomes of ethical leadership had a significant impact on the performance of workers. In this debate, the inconsistencies between the findings of prior research, particularly those of Sugianingrat et al. and Kia et al., are acknowledged and investigated in depth. The purpose of this study is to provide a nuanced interpretation of the existing literature by investigating potential contributing variables to these disparities. This will add depth to the comparative analysis.

According to Siregar and Nasution (2023a), employee performance is the anticipated outcome that is sought by both the organisation and its employees. It is additionally vital for progressing and beginning all operations inside the organisation in order to meet the goals that have been established. According to Herawati et al. (2021), employee performance is defined as the whole outcome of work activities. This definition encompasses the feeling of satisfaction that an employee experiences both before and after completing a job. One of the most important aspects of this is job happiness, as people who are pleased and happy in their jobs are more likely to create good work. The term "performance indicators" refers to a wide range of aspects, including sequences, the precision of business results, production output, efficiency, future goals, self-discipline, cooperation, and consistency.

Employee performance, in its most fundamental sense, is a reflection of the quality and success of job-related duties, which is determined by the individual's level of happiness as well as the achievement of particular performance metrics. The term "employee performance" refers to the best possible results that may be achieved via the efforts of employees, and it serves as a manifestation of the employees' active participation to the firm. According to Lindawati and Parwoto (2021), this good impact extends to people's personal development as well as the accomplishment of the goals of the firm. The positive result indicates that as job satisfaction increases, so does employee performance, according to Jufrizen and Kandhita (2021), who asserted that job satisfaction is related to employee performance. It is clear that job satisfaction is of great importance because it is one of the most important factors in determining whether or not an organisation is successful in achieving its goals. The awareness that increased job happiness has a significant association with improved employee performance highlights the correlation, highlighting the vital role that job satisfaction has in influencing and improving total work effectiveness.

Within the story, there is a smooth shift from the more general discussion of Industry 5.0 and the significance of human resource management to the specific focus on ethical leadership. The logical flow in this article prepares readers for the deep investigation of the

impact that ethical leadership has on job satisfaction and, as a result, employee performance. This is accomplished by highlighting the role that ethical leadership plays in creating employee well-being. This study gives real instances and methods that illustrate how ethical leadership fosters psychological empowerment and minimises emotional tiredness. It does this by expanding on the concept of ethical leadership. The reader will have a better understanding of the complex dynamics that are at play within the organisational structure as a result of this extensive exposition.

PT "X" has clearly articulated its study objectives, which highlight the significance of conducting an investigation into ethical leadership, job satisfaction, and staff performance. In the context of Industry 5.0, the study promotes itself as a vital contribution to understanding the processes that drive organisational success.

The background presentation indicates that researchers are interested in pursuing the title "Ethical Leadership of Employee Performance through Job Satisfaction as an Intervening Variable" in order to study the ways in which ethical leadership can influence employee performance at PT "X" through levels of job happiness. This title encapsulates the important ideas that were investigated throughout the course of the study and guides the reader in a smooth manner into the research objectives and methods.

REVIEW OF LITERATURE

Within this body of work, we make use of the social learning theory. According to the social learning theory, moral behaviour can affect workers by serving as an example (Kia et al., 2019). Examples can be provided by moral behaviour. The social learning theory, which was developed by Yang and Wei (2017), asserts that individuals have a tendency to watch and mimic the behaviour of those who have a higher social status. Ethical leaders are those who have a feeling of collective direction and accountability, as stated by Yang and Wei (2017). This sense of direction and accountability motivates their subordinates to behave ethically and to help one another through learning and replication. As a result of the subordinates internalising the leader's ideals and developing an emotional tie or relational attachment, ethical leaders are more likely to build a personal identification with their subordinates. This is because the subordinates are more likely to develop a relational attachment. When an ethical leader exhibits values such as fairness, honesty, integrity, and compassion, the identification process may result in a high degree of commitment from subordinates towards the completion of organisational objectives and their leader's vision (Kia et al., 2019). This is because the subordinates will feel confident that their leader is committed to their vision.

Ethical Leadership

According to Seth et al. (2022), ethical leadership (EL) is a style of leadership that is universally recognised as possessing the ability to enhance the quality of performance in either a direct or indirect manner. According to Shemeis (2023), this behaviour is encouraged by subordinates so that they can communicate with one another. According to Eluwole et al. (2022), EL is characterised by the demonstration of human behaviour that is strengthened by positive human relations between superiors and subordinates, which ultimately results in an improvement of personal relationships inside organisations. It is mentioned in the context (Ahmad & Gao, 2018) that ethical leaders are required to conduct themselves in an ethical manner in both their professional and personal life, to make decisions in an ethical manner,

and to do everything in their power to ensure that all employees behave in an ethical manner. (Hoang et al., 2023) Ethical leaders have a significant role in shaping the behaviour of their followers by fostering an ethical environment within the organisation. This environment provides employees with support and helps them feel more at ease while they are on the job. After that, Brown et al. (2005) presented more markers of ethical leadership, which included the following: Living an ethical life; achieving success; listening to coworkers; disciplining coworkers; being fair and balanced; being trustworthy; having a conversation with employees about the ethics or values of the company; providing examples; taking into consideration the interests of coworkers; and Enquire about the perspectives of others.

Job Satisfaction

According to Dziuba et al.'s research from 2020, job satisfaction may be measured by an employee's level of success in achieving their goals. Based on Ahmed et al.'s research from 2021, firms can benefit from increased productivity, employee loyalty, and customer satisfaction when employees are satisfied with their jobs. (Judge et al., 2003) contends that job satisfaction is characterised by cognitive states that appear pleasant or good as a result of individual evaluations or work experiences. This definition is included in one of the research definitions that is used the most frequently. According to the findings of a study (Mittal & Bhakar, 2018), job satisfaction is characterised by a sense of achievements and accomplishments at one's place of employment. It is integrally tied to an individual's health and production, and it results in a sense of satisfaction in terms of acknowledgement, money, and self-recognition or advancement. It is a representation of an individual's spirit and delight while they are working. There are four indicators that are used to quantify job satisfaction, as stated by Hanaysha and Tahir (2016). These indicators are as follows: What the job entails, the compensation, the structure, and the overall work.

Employee Performance

During the course of their work, an individual will generate something, which may take the shape of either products or services. Both qualitative and quantitative methods can be used to evaluate a person's capacity to generate anything; the outcomes that a person accomplishes are referred to as achievements. Employee performance is something that both the firm and its employees require in order to improve and streamline each and every organisational task in order to achieve the goals that have been set (Siregar & Nasution, 2023b).

Hypotheses

Convincing individuals to collaborate towards a shared objective is a facet of leadership. According to ethical decision-making theory, leaders can inspire others by exemplifying their values through their conduct, as individuals tend to emulate what they observe. The ethical decision-making hypothesis posits that individuals are influenced and informed by their social groups. Consequently, followers will adhere to the signals from leaders, including ethical indicators, and replicate the behaviours they witness (Schwepker & Dimitriou, 2021). Ethical leaders are compelled to produce favourable energy and results for employees due to their perception of fairness, justice, and trustworthiness. Consequently, employees who perceive their leaders as equitable are likely to be driven and content (Fan et al., 2021). Consequently, ethical leaders establish the groundwork for role modelling and emulative processes that result in subordinates emulating the committed examples of their ethical leaders (Vasudevan & Aslan, 2022). Oladimeji and Abdulkareem (2023) and Siregar

and Nasution (2023a) assert that ethical leadership positively and significantly influences employee performance. The subsequent theories emerged from this investigation.

H1: Ethical leadership positively influences employee performance

Numerous research have identified a correlation between moral leadership and job happiness, which enhances performance (Freire & Bettencourt, 2020). Employee characteristics can be shaped by ethical leadership using cognitive and emotional approaches. The key objective of this approach is to pinpoint essential roles that will bolster the company's enduring competitive advantage. Moreover, numerous research have determined that moral leadership significantly enhances employee job satisfaction (Schwepker & Dimitriou, 2021). The subsequent theories emerged from this research:

H2: Ethical leadership enhances job happiness.

Job satisfaction is a favourable emotional condition resulting from the evaluation of one's job experience and performance. Job satisfaction is considered one of the most critical factors in evaluating organisational behaviour, attitudes on the influence of work on one's living conditions, and overall life happiness. Job satisfaction refers to the gratification an individual experiences regarding their role or position within an organisation.

H3: Job happiness positively influences employee performance.

Job happiness, employee performance, and ethical leadership are essential elements of any organisation or business. For an organisation to achieve its aims and yield favourable results, its staff must consistently be motivated to perform effectively and accurately (Riswanto, 2014). As stated by Kristianto (2011), an employee's level of job satisfaction is contingent upon their assessment of how well their position provides elements deemed significant. Ethical leadership may impact employee performance through its effect on job satisfaction. Employee performance will deteriorate in the presence of strong ethical leadership coupled with low job satisfaction. However, improved workplace satisfaction and ethical leadership will certainly increase employee productivity.

RESEARCH METHOD

Sample and Procedure

The methodology underpinning this study is known as quantitative research, and the subject of this investigation is PT "X," a company that is active in the sector of tax consultation. The position of PT "X" can be found in Solo, Central Java. According to the findings of this study, PT "X" was selected as the topic of this investigation because it was found that ethical leadership challenges were harming employee performance at PT "X." All of the employees of PT "X" make up the population for this study, and there are a total of 112 people working for PT "X." In order to collect information for this study, questionnaires were sent to all of the workers of PT "X" at the same time. The dissemination of the research questionnaire was carried out through the use of the census method, in which the research questionnaire was distributed to all of the employees of PT "X" in the form of a google form.

Measures

For the purpose of evaluating ethical leadership, indicators are utilised (Brown et al., 2005). Included in the list of question items are statements such as "My boss is trustworthy" and "My boss listens to what employees say." The performance of the crew. Indicators that were created by Mathis and Jackson (2006) are utilised in order to evaluate the performance of employees. Both "quantity of work" and "quality of work" are examples of the indicator

items that are utilised. Happiness in one's work. The researchers Hanaysha and Tahir (2016) established a set of metrics that can be used to quantify job satisfaction. Both "the job itself" and "salary" are examples of the indicator elements that are utilized.

RESULTS AND DISCUSSION

Characteristics of Respondents

This study utilised 112 employees of PT "X" in Solo City, Central Java as respondents. Table I presents the comprehensive characteristics of the respondents. The data in this table indicates that women constitute the predominant majority of respondents employed by PT "X", with 69 persons (61.61 percent) being female and 43 individuals (38.39 percent) being male. This indicates that the majority of positions at PT "X" necessitates women's administrative competencies, while it does not preclude the consideration of men's responsibilities, which are fewer in comparison to female employees.

40% of the workforce is comprised of workers who are between the ages of 25 and 30 years old. This is followed by workers who are between the ages of 25 and 35 years old, who account for 47.32 percent of the workforce, employees who are 25 years old, who account for 27.68 percent, employees who are between the ages of 36 and 45 years old, who account for 19.64 percent, and employees who are over 45 years old, who account for 5.36 percent. This illustrates that the majority of employees at PT "X" are at a very productive age, which is the age at which individuals have the opportunity to guide their own career progress towards their own goals.

As an additional point of interest, 71.43 percent of the respondents have a Diploma I or Diploma II education, 22.32 percent have a Diploma III education, 1.79 percent have a Diploma II education, and 4.46 percent have a Diploma I education. According to this criterion, the work at PT "X" requires one to possess excellent strategic and administrative talents, which can be obtained through the completion of the Diploma level of study. In terms of the length of time spent working, 46.43 percent of workers have been employed for two to five years, 22.32 percent have been employed for six to ten years, 22.32 percent have been employed for two years, and 9.83 percent have been employed for more than ten years. Because of this, it is clear that employees of PT "X" have a level of job attachment to the company that is relatively low during the course of their employment with the company.

Questionnaire's Validity and Reliability

One method that can be utilised to assess the reliability of a variable's indication is known as discriminant validity. To achieve this, the correlation coefficients of the model's other latent variables are compared to the square root of the AVE coefficient (AVE) for each latent variable. This allows for the determination of the correlation coefficients. It is possible that the indicators contained within the variable have significant discriminant validity if the square root of the AVE coefficient (AVE) is higher than the correlation coefficient that exists between the variables in the model. Outstanding is the term used to describe an AVE rating that is more than 0.50. The findings of the discriminant validity computation that was performed in this inquiry are presented in Table 2.

Table 1.
Discriminant Validity

Variable	AVE	Correlation Coefficient		
		EL	EP	JS
Ethical Leadership	0,615	0,784		
Employee Performance	0,607	0,442	0,779	
Job Satisfaction	0,646	0,600	0,500	0,804

Source: Data Processing Results (2025)

According to the findings of the discriminant validity calculation, the square root of the AVE coefficient (AVE) for each variable is higher than the correlation coefficient between the variables in the model. This is clearly demonstrated in table 2, which displays the results of the calculation. The indicator of the variable can be found to have a high degree of discriminant validity, which is something that can be determined. The fact that the correlation coefficients for the other variables, which are 0.517 and 0.597, are not as high as the AVE value of 0.615 for the ethical leadership variable, implies that the other variables are not as well correlated. The square root of the average variance extracted (AVE) with respect to employee performance is 0.779, which is higher than the correlation coefficient that exists between employee performance and other metrics. There is a value of 0.804 for the square root of the AVE for the work satisfaction variable.

Cronbach's alpha is the name of the procedure that is typically utilised in order to evaluate the dependability of indicators that are created from the variables that are included in the composite reliability test. When the dependability and Cronbach composite scores are greater than 0.70, the results are considered to be satisfactory. Table 4 displays the outcomes of the Cronbach and composite reliability measurements that were carried out with the assistance of the SmartPLS 3.0 program respectively.

Table 2.
Composite Reliability Calculations and Cronbach's α

Variable	Composite Reliability	Cronbach's α
Ethical Leadership	0,888	0,843
Employee Performance	0,860	0,784
Job Satisfaction	0,645	0,817

Source: Data Processing Results (2025)

The outcomes from the computations of Cronbach's α and composite reliability are presented in Table 3. These data suggest that every variable has a composite reliability coefficient value that falls within the range of 0.645 percent to 0.888 percent. Based on the reliability of the composite, it may be concluded that the indicators that make up the study variables are reliable. In this particular table, the Cronbach α coefficient has values that range from 0.784 to 0.843. Based on the Cronbach's α criteria, it may be concluded that the indicators utilised in the research variables are reliable.

Hypothesis Testing

The findings of the PLS computations that are displayed in Figure 1 were taken into consideration in order to carry out the hypothesis testing required for this investigation. Numbers are used to represent the p-values in the model; p-values that are less than 0.05 suggest a significant association, but p-values that are more than 0.05% do not indicate a significant association.

The output of the SmartPLS 3.0 The results of the study's test of the direct association between employee performance attributes and ethical leadership are presented in Figure 1. The test yielded a significant value of 0.072 and a coefficient path value of 0.222. On the other hand, the significance value of the direct influence of moral leadership on job satisfaction is 0.000, while the value of the route coefficient between the two variables is 0.600. Furthermore, the path coefficient and significance value for the direct association between job happiness and employee performance are 0.367 and 0.011, respectively. This indicates that the relationship is indeed significant. It is clear from this that moral leadership has no influence whatsoever on the output of workers. The table that follows provides an explanation of the findings about the indirect influence as a result of this investigation.

Table 3.
Indirect Effects of X on Y Through Z

Variable	Path Coefficient	P-Value	Sig. (5%)	Result
Ethical Leadership->Job Satisfaction-> Employee Performance	0,220	2,226	0,05	Positive Significance

Source: Data Processing Results (2025)

According to Table 4 of this research, the influence of ethical leadership on employee performance through work satisfaction has a coefficient path value of 0.220 and a significance value of 0.05. This information is presented in the context of the study. It appears from this that the impact of ethical leadership on employee performance can be positively and significantly moderated by the pleasure of workers in their place of employment.

The Effect of Ethical Leadership on Employee Performance

As a result of the outcomes of the study, the first hypothesis of the investigation was denied, which indicated that moral leadership at PT "X" did not have any apparent effect on the performance of the employees. Previous studies (Alkhadra et al., 2023; Sugianingrat et al., 2019; Ouakouak et al., 2020; Yang & Wei, 2017) came to the conclusion that moral leadership does not have a significant impact, either directly or indirectly, on the performance of workers. The findings of this study provided support for the conclusions reached by those earlier studies.

According to the results of the data processing that was carried out, it is feasible to draw the conclusion that the employees of PT "X" do not perceive the existence of ethical behaviour indicators that are demonstrated by the leadership of the organisation. This conclusion can be reached since the findings of the data processing were carried out. The

reason for this is because the performance of employees at PT "X" itself can be considered to have been operated in such a manner without any ethical conduct being demonstrated by their superiors. This is the reason why this is the case. According to the findings that were presented by (Ayu Putu Widani Sugianingrat et al., 2019), which state that ethical leadership does not have an affect on employee performance, this is compatible with the findings. This is as a result of the fact that the performance of employees has been carried out in a manner that does not necessitate the participation of ethical leadership principles. Consequently, employees at PT "X" have consistent performance regardless of whether or not their supervisors exhibit ethical leadership. This is the case regardless of whether or not there is an effect of ethical leadership. Due to the fact that the majority of workers at PT "X" have been employed there for approximately six to ten years, this is the case. The reasons for this are due to the circumstances that are present at PT "X."

As a result of the indicators that were measured, notably the outer loading value of employee performance indicators, it is possible to draw the conclusion that ethical leadership does not have a significant impact on the performance of employees. It is important to note that this conclusion is in addition to the event that occurred at PT "X." Following the processing of the data in this research, the outer loading values that were obtained for each indication were 0.822, 0.830, 0.712, and 0.746 accordingly. These values were produced after the investigation was completed. This demonstrates that the performance of employees at PT "X" has also reached a very good stage, regardless of whether or not their managers have displayed ethical behaviour. The fact that these outer loading results are there is evidence that this is the case.

The Effect of Ethical Leadership on Job Satisfaction

The hypothesis that was investigated in the second study was accepted as a result of the findings of the second study, which revealed that moral leadership in PT "X" has a positive and significant impact on job satisfaction. This led to the adoption of the hypothesis. The conclusions of this study were in line with those of other studies that were carried out by Ren and Chadee (2017), Aftab et al. (2022), Ahmad and Umrani (2019), and Freire and Bettencourt (2020). These studies all came to the conclusion that ethical leadership has a considerable impact, either directly or indirectly, on job satisfaction.

The findings of the data processing reveal that the degree to which superiors at PT "X" exhibit ethical behaviour in leadership appears to have a substantial influence on the degree to which employees at PT "X" are content with their jobs. This is the conclusion that can be drawn from the research that was conducted. It is clear that this observation is supported by the fact that the value of the path coefficient between ethical leadership and job satisfaction is 0.600. There is a value of 0.600 for the route coefficient that exists between the two variables. Additionally, the value of this route coefficient is the highest value of the path coefficient value among all of the other variables under consideration. As an illustration, the value of the path coefficient link between ethical leadership and employee performance is 0.222, and the value of the path coefficient correlation between job satisfaction and employee performance is 0.367. Both of these values are representative of important relationships. Another way of putting it is that ethical leadership is the single most important aspect that determines whether or not an individual is happy in their employment.

The value of the outer loading of the ethical leadership indicator was also explored in this study. This was in addition to the value of the route coefficient, which was covered

earlier in the discussion of this study. According to the findings of the data processing, it was observed that high outer loading values were discovered in indicators that discussed the following topics: making decisions that are fair and balanced; listening to the words of employees; disciplining employees who violate ethical standards; taking into consideration the best interests of employees; and having an attitude that can be trusted by employees. To put it another way, workers at PT "X" have reported that they are pleased with their jobs as a direct result of the ethical behaviour that has been demonstrated by their superiors in accordance with these standards.

Evaluation of the Impact of Job Satisfaction on the Performance of Employees

In light of the fact that the results of this inquiry revealed that job satisfaction had a positive and significant influence on employee performance at PT "X," the third hypothesis that was the focus of this investigation was accepted. Previous studies, such as those carried out by Harris et al. (2017), Pio (2022), Schwepker and Dimitriou (2021), and Siengthai and Pila-Ngarm (2016), came to the conclusion that there is a direct or partially positive and substantial association between job satisfaction and employee performance. The findings of this study provided support for those findings.

Following the completion of the data analysis, the findings revealed that the level of job satisfaction that employees of PT "X" experienced had a moderate impact on the performance of those employees. This was the conclusion that was reached as a result of the findings. This is demonstrated by the fact that the value of the path coefficient for the link between employee performance and feeling satisfied in their work is 0.367, which indicates that this is the case. It has been determined that the value of the path coefficient for the association between work satisfaction and employee performance is 0.367. The conclusion that can be derived from this is that job satisfaction does, in fact, have a positive influence on employee performance; however, the magnitude of this influence is not very significant.

Furthermore, in addition to the path coefficient values that were stated before, this research explores the indicators of job happiness in order to identify the extent to which job satisfaction impacts employee performance. This is done in order to determine the extent to which job satisfaction affects employee performance. The results that were gathered during the process of analysing the data for this research were that employees at PT "X" were content at work because of the work that they had done, the recognition that they received from their superiors and fellow workers, the amount of wages that they received that were acceptable, and the company that they chose to work for. Because of the availability of pleasure based on these things, employees of PT "X" are more likely to attain even higher levels of performance than they would have otherwise.

The Effect of Ethical Leadership on Employee Performance Through Job Satisfaction as an Intervening Variable

However, the most intriguing aspect of our findings is indicated in the fourth finding, which is that we explored the function that work satisfaction plays as a mediator in the connection between ethical leadership and employee performance. This is the most exciting component of our findings. In contrast to what was anticipated, the figures indicate that ethical leadership may not directly influence employee performance at PT "X" on its own. This is contrary to what was predicted. It is instead the job satisfaction that emerges as a mediating variable, which contributes to the reduction of the impact that ethical leadership has on the performance of staff members. The fact that this is the case shows that the

relationship between ethical leadership and employee performance may be contingent upon the degree to which employees are satisfied with their level of work. In particular, it is essential to keep this under consideration. In essence, our results show that the positive influence of ethical leadership on employee performance is channelled through the mediating effect of job satisfaction, providing a more comprehensive picture of the dynamics at play inside the organisational environment of PT "X".

In order to provide a more comprehensive understanding, it is possible that future research will investigate the specific features of ethical leadership, such as the importance of moral direction, fairness, and transparent communication. The purpose of this study would be to investigate the mechanisms that are responsible for the influence that these aspects have on job satisfaction and, as a consequence, employee performance. Identifying any discrepancies in methodological or contextual elements that may exist between our study and the research that was stated is another way to contribute to a more nuanced understanding of our findings. This can be done by comparing and contrasting our findings with the research that was discussed. Not only do these insights provide a contribution to the academic discussion surrounding ethical leadership, but they also provide practical consequences for organisations that are attempting to navigate the challenges that Industry 5.0 brings.

CONCLUSION

The results of this investigation led to the formation of a number of conclusions, some of which are as follows: In the first place, research has demonstrated that ethical leadership does not have any effect whatsoever on the performance of employees. It is not possible to observe any discernible improvement in the performance of PT "X" when the value of leadership is increased. The second argument is that studies have demonstrated that ethical leadership has a considerable impact on the level of job satisfaction that an individual experiences. It has been established that the quantity of activity or behaviour exhibited by their leaders when they are functioning in their separate roles is proportionate to the possibility of enhanced job satisfaction among workers. This is the case since the correlation between the two is proportional. A higher level of job happiness can lead to increased employee performance, according to the findings of the third study, which discovered that job satisfaction has a substantial impact on employee performance inside an organisation. Employee performance can be enhanced by increasing the degree of job satisfaction. According to the conclusions of the study, the performance of an employee can be increased by an increase in their income, by providing them with an adequate workload, and by ensuring that the business possesses particular characteristics. A number of studies have demonstrated that the degree of job satisfaction serves as a moderator in the connection between ethical leadership and employee performance. This brings us to the fourth point. The results of a study that was carried out on workers under the PT "X" program indicate that ethical leadership roles have the ability to boost employee performance when individuals are content with the professions which they are employed in.

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