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Ethical leadership and Job Insecurity: Exploring Interrelationships in the Egyptian Public Sector

Introduction

Job insecurity is a complicated phenomenon which occurs when the employee is overwhelmed with fears concerning job continuation. The experience of job insecurity is deeply affected by the individual's perception of the severity of negative socio-economic conditions within the organization. The powerlessness to counteract the threat inflates the employee's sense of job insecurity. In this context, it is not surprising that some scholars view job insecurity as a major emotional stressor that reduces the well-being of the individual, increases physical strains and badly affects employee productivity (De Witte, 1999).

Relatively few empirical studies have been conducted to explore the methods which help reduce job insecurity (Reisel, 2003; and Kinnunen *et al*, 2000). Greenhalgh and Rosenblatt (1984) propose that efficient organizational leadership is capable of reducing job insecurity by means of eliminating false rumours and clearly communicating organizational objectives. In leadership studies, these behaviours are closely connected to the character of ethical leaders (Mahsud *et al*, 2010; and Lovisky *et al*, 2007). The ethical leadership derives its charismatic influence from a deeply held set of moral values. The ethical leader is a helpful, determined, and fair individual who pursues the organizational goals with single-minded devotion (Guillen and Gonzalez, 2001). This sort of leader aspires for a trustful organizational climate which motivates employees to get committed to organizational values and objectives (Solomon, 1999). However, in order to be effective, the ethical leader must incorporate these morally accepted values in a strictly defined ethical code of conduct (Brown and Mitchell, 2010). According to this ethical code of conduct, the leader

involves subordinates in goal setting, guides them, and specifies in a simple way what the organization aspires to achieve. Therefore, this study argues that the character of ethical leadership and its empowerment-oriented behaviours are of tremendous impact on employee work-related attitudes (Trevino *et al*, 2000 and 2003). Although some studies have attempted to explicate the relationship between ethical leadership and several employee attitudes, such as affective commitment and satisfaction (Khuntia and Suar, 2004), limited empirical evidence are available to provide sufficient knowledge concerning the relationship between ethical leadership and job insecurity (Loi *et al*, 2011). In order to address this lacuna in research, the paper aims to answer the following questions:

- 1) Is there a relationship between the character of ethical leadership and employee job insecurity?
- 2) Is there a relationship between the empowerment behaviour dimension of ethical leadership and employee job insecurity?

In the context of this study, the middle-level managers and assistant managers in five public organizations have been asked to rate their immediate superiors according to the character and the empowerment behaviour dimension of the superior.

Furthermore, it should be noted that employees differ in their perception of the risks associated with uncertainty (Heany *et al*, 1994). The inherent differences in the personal characteristics of employees can explain their asymmetric perception of the conditions which may lead to the experience of insecurity (Greenhalgh and Rosenblatt, 1984). Besides, individual differences play a vital role in forming employee reactions to ethical dilemmas (Trevino, 1986). In this context, work locus of control (LOC) is reported to have a strong effect on employee's perception of both the ethical behaviour of leaders and feelings of job insecurity (Ashford *et al*, 1989;

and Ling and Ding, 2003). Therefore, this study argues that WLOC mediates the leadership-insecurity relationship. The underlying logic is that in contrary to internals, externals are more vulnerable to their leader's pattern of behaviours because they depend on their leaders for direction. In this context, the study attempts to answer the following research question

- 3) Does LOC mediate the relationship between ethical leadership and job insecurity?

The originality of this paper is grounded on the point that international studies which examine the leadership-insecurity relationship are extremely limited. This study examines this sort of relationship in the Egyptian context which represents a typical Middle Eastern society with moderate Islamic orientation. The findings would be of interest to international businesses that wish to operate in Egypt or co-operate with the Egyptian labour.

Literature Review and Theoretical Framework

Job Insecurity

In the context of this study, job insecurity (JI) is defined as 'perceived powerlessness to maintain desired continuity in a threatened job situation' (Greenhalgh and Rosenblatt, 1984, PP.438). The definition emphasizes that job insecurity is a perceptual phenomenon (Sverke *et al*, 2002). In other words, the feelings of JI are influenced by the subjective evaluation of employees. The individual differences in personality traits and values could be responsible for the asymmetric perceptions and interpretations of threats to job continuation among employees in the same organization. For example, an employee may perceive the management's decision of organizational downsizing as threatening to his/her job continuation, whereas his/her colleague may lightly perceive its impact.

Besides, the definition indicates that the feelings of JI exclusively occur in the case of involuntary job loss. Logically speaking, the employee who decides to lose the current job for the sake of occupying a new post in another organization is not subject to job insecurity because his/her career track is certain and well-determined. On the other hand, insecure employees are those who observe a discrepancy between the preferred and the perceived level of security offered by the employer (Greenhalgh, 1983; and Hartley *et al*, 1991).

Greenhalgh and Rosenblatt (1984) offer a multi-faceted approach to job insecurity which contends that the phenomenon could be experienced not only in declining or changing organizations, but also in stable ones. According to their model, the dimensions of job insecurity are;

- 1) Severity of the threat: the scope and importance of job loss and the subjective evaluation of the probability of loss occurrence play essential roles in intensifying the experience of JI. In contrary to the global views of JI which relate the phenomenon to fears of future job loss (Heany *et al*, 1994 and De Witte, 1999, 2005 and 2012), the authors argue that JI is felt when perceived threats are thought to discontinue the current job or its specific features. However, the fears of losing specific features of a job may not be as intense as that of losing the entire job, because, in the first case, the employee still enjoys other job-related features that are guaranteed by the employer.
- 2) Powerlessness to counteract the threat: This dimension describes a condition which further intensifies the experience of JI. It refers to the employee's inability to control threats which could put his/her job in jeopardy. Powerlessness may be intensified in a business culture which promotes authoritarian leadership styles. The authors argue that superiors who

subjectively evaluate their subordinates and create a business norm of unfairness are highly likely to inflate this negative feeling. Their arguments may further infer that the organizational values of power sharing and empowerment could strongly reduce employee's sense of powerlessness.

Based on the theoretical foundations of JI that are posited by Greenhalgh and Rosenblatt, Ashford *et al* (1989) develop an operationalized scale to measure the phenomenon. In order to measure the building blocks of JI (i.e. the severity of threats and powerlessness), they have defined a five-factor structure of the construct. The first four factors represent the severity of threats. Since an employee may experience a threat to the overall current job or some specific features of it, Ashford *et al* have developed four dimensions which describe:

- 1) The perceived threat to job features such as opportunities for promotion.
- 2) The perceived importance of such job features to an employee.
- 3) The perceived threats to the job continuation such as being laid off for a period of time.
- 4) The perceived importance of the conditions which might threaten an employee's job continuation.

Due to the multiplicative nature of the concept (Greenhalgh and Rosenblatt, 1984), Ashford *et al* (1989) argue that dimensions (1 and 2), and (3 and 4) must be multiplied in order to correctly measure the 'severity' with which an employee perceives the threats to specific job features and the total job respectively. Finally, the authors propose the addition of the powerlessness dimension to the product of the previously mentioned four variables in order to effectively measure job insecurity.

In spite of the fact that Ashford *et al*'s (1989) measure of job insecurity provides the most comprehensive operationalization of the phenomenon, it has received some

noteworthy criticisms. First, the scale consists of 57 items which is deemed too lengthy for respondents to complete with the desired accuracy (Lee *et al*, 2008). Second, the multiplicative nature of the scale may not allow researchers to investigate the differential impact of the dimensions on employee attitudes (Rosenblatt and Ruvio, 1996).

In response to the above objective criticisms, this study adopts the shortened version of job insecurity which has been developed by Lee and associates (2008). Moreover, the study empirically investigates the differential impact of ethical leadership character and the empowerment dimension of behaviour on the employee's perceived threats to 1) job features, 2) total job and 3) powerlessness, individually. This helps in understanding the special effects of ethical leadership on the dimensions of job insecurity. This procedure agrees in substance with Greenhalgh and Rosenblatt's (2010) argument that Ashford *et al*'s (1989) measurement of job insecurity may be used differently when evaluating public and private organizations. Sverke *et al* (2002) have cited a number of psychologists who have adopted this approach to measure insecurity.

According to Lee *et al* (2008), the employee may feel insecure when he/she perceives organizational threats to specific job features. The threats may involve conditions that negatively affect the employee's freedom to schedule his/her own work. They also include fears of being unable to maintain the current pay or receive periodic pay increases. On the other hand, the employee perception of threats to the total job is related to fears of being pressured to accept early retirement or fewer working hours. Besides, it involves being moved to another job at the same level within the organization or at a different geographical location. Furthermore, the

employee perception of powerlessness to counteract threats is related to the inability to control events that might negatively affect his/her job.

The following section tackles the concept of ethical leadership and theoretically investigates the hypothesized associations between the character and empowerment-dimension of ethical leader behaviour on the one hand, and job insecurity on the other.

Ethical leadership

According to Brown *et al* (2005: PP.120), ethical leadership is defined as ‘the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision making’ (Brown *et al*, 2005). This definition does not exactly determine the characteristics of the ‘appropriate conduct’ upon which a leader exhibits ethical actions and decisions. However, it implies that the individual perception of the appropriateness of an ethical conduct is affected by the cultural values embedded within organizations and countries (Beekun *et al*, 2007; Resick *et al*, 2011 and Hunter, 2012).

Giessner and Quaqbeke (2010) argue that the premises of the relational models theory RMT can effectively define when and how leaders’ behaviours are considered normatively ethical. According to the RM theory (Fiske, 2004), individuals build their everyday social interactions on four main mental models, namely; communal sharing, authority ranking, equality matching and market pricing. Communal sharing is a mental model which maintains that the individual believes in the importance of developing and maintaining shared group values. In this context, group members show a caring, loving and an altruistic behaviour to each other. Giessner and Quaqbeke (2010) contend that the ethical leadership literature has attached a great

importance to the altruistic behaviours of ethical leaders and indicate that ethical leaders show a great concern for team members. On the other hand, authority ranking is a mental model which maintains that the individual perceives power differences among individuals in terms of seniority and age. In this mental context, people respect those who occupy higher ranks while protect those who occupy lower ranks. From an ethical perspective, leadership influence is derived from its charismatic character which gains credibility through respecting and protecting followers (Khuntia and Suar, 2004). Next, equality matching represents the individual's perception of the necessity of maintaining equal relationships with others. From a relational models perspective, ethical leaders should promote equal opportunities and treat followers in a manner justified by ethical values (Brown *et al*, 2005). Finally, market pricing is a complicated mental model which describes relationships among people in terms of a contract. In this contract, individuals compare between the costs and profits of engaging in the required job. The perception of fairness is viewed on the basis of the individual's recognition that the profits gained out of implementing the job are suitable in comparison to the costs of doing that job. The procedural and distributive dimensions of leadership justice strongly affect the employee's perception of organization credibility. In conclusion, it is argued that these relational models effectively generalize ethical leadership behaviours in varying degrees according to the societal values widely believed inside the organization.

However, Cumbo (2009) argues that the leader's ability to demonstrate an ethically appropriate conduct is largely influenced by his/her inward virtues which direct the decision-making process. Accordingly, it is argued that an ethical leader is best described along two interrelated dimensions; moral person and moral manager (Trevino *et al*, 2000).

As a moral person, the ethical leader should exhibit strong personal values such as honesty, trustworthiness and determination (Trevino *et al*, 2003). Fairness is also considered an essential quality of ethical leaders who must be able to impose sanctions and provide rewards for efficient subordinates (Khuntia and Suar, 2004). These personal values must be implanted within the leader's inner character and developed through life-time experiences (Frank, 2002).

As a moral manager, the ethical leader should be able to interpret his or her sets of beliefs and values into action-oriented behaviours that guide followers through work. Resick *et al* (2006) identify six key dimensions which define the ethical leadership; character and integrity, ethical awareness, people orientation, motivating, encouraging and empowering, and managing ethical accountability.

In a similar context, De Hoogh and Den Hartog (2008) argue that ethical leadership promotes morality and fairness. The ethical character continuously monitors its actions to make sure that ethics have not been broken and demonstrates a high level of personal integrity and trustworthiness. On the other hand, the authors indicate that ethical leadership normally conducts two behaviours. First, it engages in honest role clarification and clearly communicates with followers regarding their expected roles and responsibilities. Second, ethical leadership engages in power sharing. More specifically, the leader delegates authorities to employees in order to improve organizational flexibility and employee self-efficacy.

Based on the notion that an ethical leader must be evaluated from both a personal and behavioural perspective (Trevino *et al*, 2000, 2003), this study focuses on the impact of ethical leadership character and empowering behaviours on the employee's perception of job insecurity.

The Character Dimension of Ethical Leadership and JI

Character is ‘doing the right thing despite outside pressure to the contrary’ (Barlow *et al*, 2003). It reflects the personal integrity with which an individual is undivided in his or her beliefs and is willing to make the morally right decision even when it is difficult (Gavin *et al*, 2003). Sarros and Cooper (2006; P. 3) define character as the ‘outward expression of personal values and sense of integrity that is intended to achieve morally appropriate outcomes’. They identify three dimensions of character; universalism, transformation and benevolence. In this context, universalism represents the individual’s understanding, appreciation and tolerance for the welfare of society. It resembles the leader’s attributes of respectfulness, fairness and compassion to followers and the society. On the other hand, transformation represents the character attributes of courage and the ability to motivate followers to achieve outcomes. Benevolence represents the character attributes of loyalty to organizational objectives and selflessness.

These moral dimensions of character clearly resemble the character traits of ethical leadership. Khuntia and Suar (2004) define the character of an ethical leader as one who exerts efforts to help subordinates, achieve objectives with determination amidst difficulties, fairly provides rewards and sanctions for worthwhile contribution of subordinates. The authors emphasize that the ethical leadership character goes beyond self-interest for the good of the organization and is willing to take risk to achieve the set goals.

The personal integrity of an ethical leader is expected to create a climate of trust where followers strongly believe that he/she acts in the best interest of the employees and the organization (Dirks and Ferrin, 2002). Indeed, the leader whose moral values truly shape his/her behaviours is an individual worthy of trust. Consequently, the

employee's trust in leader honesty and fairness contributes to the implementation of discipline and satisfaction (Mendonca, 2001; and Calabrese and Roberts, 2002).

Besides, caring about others in terms of paying attention to followers' duties and helping them forms a renewable source of employee comfort (Ciulla, 2009). The eagerness to heighten subordinates desire to succeed (i.e., universalism) (Khuntia and Suar, 2004) is a character virtue which should motivate employees to exert more effort to eliminate any probable job loss.

Therefore, The set of qualities which form the character of the ethical leader is expected to foster employee trust in his/her vision and future actions and, in turn, reduce the employee perception of job insecurity.

H1(a): The character of ethical leadership is negatively associated with the employee's perception of the severity of threats to job features..

H1(b): The character of ethical leadership is negatively associated with the employee's perception of the severity to the total job continuation.

H1(c): The character of ethical leadership is negatively associated with the employee's perception of powerlessness to counteract threats.

The Empowerment Behaviour Dimension of Ethical Leadership and JI

The empowerment behaviours of ethical leaders should not only be understood as a form of power sharing, but also as a strategy for encouraging employees to build personal competencies (Resick *et al*, 2006). Ethical leaders empower their followers in order to help them gain a sense of self-confidence and self-efficacy (Gini, 1997). These empowerment behaviours reflect the universalistic dimension of leadership character which believes in the necessity of respecting, encouraging and appreciating followers. Therefore, it has been reported that the ethical empowerment behaviours are important antecedents of followers' perceptions that the leader's intentions are in the best interest of the group (Kanungo and Mendonca, 1996).

Accordingly, Khuntia and Suar (2004) describe the empowerment dimension of ethical leadership behaviour in terms of involving subordinates in goal setting and decision making, encouraging subordinates to take greater responsibilities and giving subordinates the opportunity to try out innovative methods. Furthermore, the authors also associate this dimension to encouraging behaviours such as guiding and coaching employees, appreciating those who want to perform better and communicating with others about organizational objectives. This description agrees in substance with Kanungo and Mendonca's (1998) argument regarding the affluent interests of ethical leaders and their use of institutional power to achieve objectives. In this sense, ethical leaders conduct task-oriented interventions, provide information on efficacy, and recognize the subordinates' ability to solve problems while engaging in collective activities that benefit the organization and its members.

This study hypothesizes that the empowerment dimension of ethical leadership behaviours can reduce an employee's sense of job insecurity. Zhu *et al* (2004), emphasize that empowerment motivates employees to believe that the work environment demonstrates concern on the part of the leader for their well-being, which boosts their level of trust in the leader. The leader empowerment behaviours also increase employees' responsibility and decision-making authority which, in turn, could improve the employee's power to counteract future threats to the current job (Schalkwyk *et al*, 2010).

Furthermore, the continuous encouragement of employees to work hard and innovate new work methods, coupled with real empowerment behaviours will motivate employees to perceive the organization's procedures as credible one. As a result, employees will depend on these procedures to reduce uncertainty about their jobs (Loi *et al*, 2011).

Additionally, the open communication with subordinates regarding organizational objectives clearly shows the extent to which a leader is honest in clarifying future policies and procedures. In this context, leaders could convey their ethical standards and values which would, in turn, draw the attention of employees towards the fairness and justice of organizational procedures (Brown *et al*, 2005). Therefore, continuous communication with subordinates could play an essential role in eliminating false thoughts concerning future job discontinuation (Greenhalgh and Rosenblatt, 1984).

H2(a): The empowerment dimension of ethical leadership behaviour is negatively associated with the employee's perception of the severity of threats to job features.

H2(b): The empowerment dimension of ethical leadership behaviour is negatively associated with the employee's perception of the severity of threats to total job continuation.

H2(c): The empowerment dimension of ethical leadership is negatively associated with the employee's perception of powerlessness to counteract threats..

The Mediating Effect of Work Locus of Control

Individual differences and personal values greatly influence employee reactions to ethical dilemmas (Trevino 1986). In this context, work locus of control (WLOC) is reported to have a strong effect on employees' perceptions of both the ethical behaviour of leaders and feelings of job insecurity (Ashford *et al*, 1989; and Lin and Ding, 2003). Work locus of control is a 'generalized expectancy that rewards, reinforcements or outcomes in life are controlled either by one's own actions (internality) or by other forces (externality)' (Spector, 1988; PP. 127). Internals are individuals who look into themselves for direction and show high performance in jobs which require proactive behaviours, whereas externals heavily resort to their supervisors for direction and demonstrate high performance in jobs which demand strict compliance to organizational rules (Blau, 1993). Ashford *et al* (1989) emphasize that in contrary to externals, internals generally perceive organizational threats as less important and believe that they can effectively handle them.

In the context of this study, it is argued that work locus of control mediates the relationship between ethical leadership and job insecurity. The underlying logic is that in contrary to internals, externals are more vulnerable to their leader's pattern of behaviours. Externals depend on their leaders for direction. They succeed in jobs which require strict compliance and obedience to their leader's policies and rules. Therefore, the external's perception of leadership ethicality would strengthen that individual's trust in organizational policies and managerial decisions which would, in turn, strongly reduce employee job insecurity. On the other hand, internals strongly believe in their inner motives to succeed and achieve objectives. They do not easily surrender to negative organizational events. Instead, they believe that hard work can change their leader's attitudes regarding possible job discontinuation (Ito and Brotheridge, 2007). Therefore, the study hypothesizes that.

H3(a): Work locus of control mediates the relationship between ethical leadership character and the employee perception of the severity of threats to job features, total job continuation and powerlessness respectively.

H3(b): Work locus of control mediates the relationship between the empowerment dimension of ethical leader behaviour and the employee perception of the severity of threats to job features, total job continuation and powerlessness respectively

Method

Sample

Table (1) reveals the demographic characteristics of the sample.

Please insert table 1 about here

The five public organizations are a bank, a custom authority institution, two secondary schools and a hospital. The respondents are bankers, teachers, medical doctors, nurses and other administrative assistants.

Measures

Job Insecurity

This study depends on the abridged job insecurity measure developed by Lee, Bobko, Ashford and colleagues (2008). It is a shorter version of the original job insecurity measurement developed by Ashford, Lee and Bobko (1989). Their abridged measure is developed to simplify the original one by means of reducing the number of items from 57 items to 25 ones. In order to fulfill their objective, Ashford *et al* (2008) used four different samples which consist of American and Chinese respondents. They conducted a confirmatory factor analysis in all samples and reduced the number of items by creating indicators for four of the five dimensions of *Jl*. They did not apply the same procedure to the three-item powerlessness scale. Based on CFA results, They combined the items with the lowest and the highest loadings for each dimension. Consequently, they applied the same procedures with the items which had lower loadings for each dimension until all the items for each dimension had been assigned to one of the indicators. Next, they computed the scores for each indicator as the mean of the scores on the items that constituted each indicator. They, then, created four aggregate items for importance of job features, four for the likelihood of losing job features, four for the importance of change in total job, and four for likelihood of negative change in total job. Finally, they subjected the aggregated items and the three-item powerlessness scale to further CFA analyses and applied incremental fit and comparative fit indices as indicators of overall model fit. The revealed factor structure of all samples showed a five-factor structure of *Jl* with all items loading onto their underlying dimensions.

However, Greenhalgh and Rosenblatt (1984) argue that these factors are multiplied together to form a fully composite scale for JI. The multiplication process has been performed in the following order:

Fully composite JI = (sum (importance of job feature * likelihood of losing job feature) + sum (importance of negative changes in total job * likelihood of negative changes in total job)) * (perceived powerlessness to resist threat).

However, it has been argued that the multiplicative nature of Ashford *et al*'s (1989) global measure does not enable researchers to examine the unique data associated with each individual dimension of insecurity (Sverke *et al*, 2002). In response to this criticism, this study attempts to examine the differential impact of ethical leadership on the severity of threats to job features, total job and powerlessness individually. In this sense, the severity of threats to job features is evaluated by multiplying the first dimension (importance of job feature) to the second dimension (likelihood of losing job feature). On the other hand, the severity of threats to the total job is examined by multiplying the third dimension (importance of negative changes in total job) with the fourth dimension (likelihood of negative changes in total job). This process has been implemented because dimension 2 weights the first dimension whereas dimension 4 weights the third dimension (Ashford *et al*, 1989). Finally, the study examines powerlessness as it is developed by Ashford and associates without multiplying it with any other dimension.

This study used a 5-likert scale measurement to ask respondents rate their evaluations.

Ethical Leadership

This study applies Khuntia and Suar's (2004) measure of ethical leadership. Their measurements best match the objectives of the study because they evaluate ethical leadership from a basically two-dimensional structure: the character, and the

empowerment dimension of ethical leadership. Besides, the measurement has been applied in India whose cultural values are relatively similar to that of Egypt in terms of power distance and uncertainty avoidance (Hofstede, 1980). A 5-likert scale measurement is used to ask about respondents' evaluation of their immediate superiors.

Work Locus of Control

This study applies Spector's (1988) work locus of control measurement scale. The scale shows a stronger fit to the work context than other comparable scales which measure work locus of control in general life settings (Oliver *et al*, 2006). Therefore, it can effectively predict work-related behaviours (Maram and Miller, 1998). Moreover, Jeanmarie (2002) stress that the WLOC scale act as a strong mediating variable in job stress-related studies and is significantly related to various employee attitudes toward work. Thus, Spector's WLOC scale could satisfy the purposes of this study. The scale consists of 16 items which attempt to elicit information concerning the respondents' orientation toward wealth accumulation, luck, job-related success and career development. A 7-likert scale measurement is used to ask respondents evaluate their 'locus of control'. The measurement includes items such as 'a job is what you make out of it', 'getting the job you want is mostly a matter of luck', and 'to make a lot of money you have to know the right people'.

The English version of the measurement scale has been translated in co-operation with an experienced professor in English language whose native language is Arabic. The author uses a back-translation process where the Arabic version of the measurement is translated back to English in order to make sure that the items in Arabic give the same meaning of the English version.

Demographic Controls

This study uses 'age' and 'organizational tenure' as controlling variables in the main effect regression models. They are expected to control the relationship between ethical leadership and job insecurity because employees who have worked for long years inside the same organization may be more familiar with organizational conditions (Cheng and Chang, 2008) and the true character and behaviours of their leaders.

Procedures

A questionnaire has been used to collect data from employees who work at five public sector service institutions. These institutions are located in Al-Dakahlia and Damietta governorates in the North of Egypt. Both governorates are considered two of the most populous geographical areas in the country. The author applied a snowballing-convenient sampling approach and personally distributed the questionnaire to 200 employees. The author contacted the top managers of these institutions and asked them to motivate the employees to complete the questionnaires. The researcher informed them that responses will be tackled with strict confidentiality. However, it should be noted that the top managers who helped the author collect the data were not the 'focal' leaders the employees were asked to evaluate. Rather, 'focal' leader represents the immediate superiors of the employees. The author received 180 completed and usable surveys. The total number of employees who worked at these institutions is 500 employees. The response rate is 90% of the target responses. The data collection process lasted for one month.

Results

Correlations

Table (2) reveals the means, standard deviations, correlations and the coefficient Alpha scores of the study variables. The Alpha scores of the ‘threats to job features’ and ‘threats to total job’ dimensions of job insecurity can not be calculated since each of them is the product of two dimensions. However, the Alpha scores of the ‘importance of job feature’, ‘likelihood of losing job feature’, ‘importance of negative changes in total job’, and ‘likelihood of negative changes in total job’ are .72, .773, .904, and .854 respectively.

Factor Analysis

Using principal component analysis, table (3) shows a two-factorial structure for the ethical leadership construct as suggested by Khuntia and Suar (2004). Factor one represents the ‘character’ of ethical leadership whereas, the second factor represents the ‘empowerment’ dimension of ethical leadership behaviour. The ‘character’ factor includes items which explain whether the character of leadership is risk-taking, determined, devoted toward achieving goals, and helpful. Moreover, the items investigate whether the character is fair, open to criticism and tends to constructively communicate employee deficiencies. On the other hand, the ‘empowerment’ factor investigates whether the leader allows employees to try new work-related methods, involves subordinates in decision making and encourages them to take greater responsibilities. Furthermore, the items have attempted to reveal whether the leader gladly guides hard workers and protects them from external criticisms.

A factor analysis can not be performed on work locus of control because it is a bipolar uni-dimensional construct (Spector, 1988). In other words, a high score

represents a respondent's tendency toward external locus of control, whereas a low score represents a tendency toward internal locus of control.

Finally, a factor analysis was not performed on job insecurity because the study multiplied the importance of job feature dimension with the likelihood of losing job feature to get the factor 'severity of threats to job features'. Besides, the study multiplied the 'importance of negative changes in total job' dimension with the 'likelihood of negative changes in total job' dimension to get the factor 'severity of threats to the total job'.

In order to address the issue of common method variance, a Harman's single-factor test was conducted by performing an exploratory factor analysis on the ethical leadership and JI variables. This test is regarded one of the most widely used techniques to detect potential problems of common method variance (Malhotra *et al*, 2006).

Concerning ethical leadership, the unrotated factor structure revealed more than a single component. Besides, the first revealed component accounts for only %44 of the total variance, whereas other components, whose eigen values exceed that of one, collectively account for %23.4 of the total variance.

On the other hand, the unrotated factor structure of JI revealed more than a single component. The first component accounts for only %24.7 of the total variance, whereas other components, whose eigen values exceed that of one, collectively account for %56.1 of the total variance.

From the above discussion, a single factor did not emerge from the factor analysis and one general factor did not account for the majority of the covariance among the measures (Podsakoff *et al*, 2003). Therefore, common method variance does not represent a problem for this study.

Multiple Regression Analysis: Testing the Main Effect models

This study employs a multiple regression analysis in order to test hypotheses one and two.

Table (4) reveals that the character of ethical leadership is negatively associated with the employee's perception of the severity of threats to job features ($B = -.15, P < .05$). It also shows that organizational tenure significantly controls the relationship between 'character' and the dependent variable ($B = -.362, P < .01$).

Table (5) indicates that neither 'character' nor 'empowerment' are significantly associated with the employee's perception of the severity of threats to total job. Besides, the controlling variables do not significantly relate to the dependent variable.

Finally, table (6) shows that the 'character' of ethical leadership is negatively associated with the employee's perception of powerlessness to counteract threats ($B = -.311, P < .01$). However, surprisingly, the table shows that the 'empowerment' dimension of ethical leadership behaviour is positively associated with powerlessness ($B = .393, P < .01$). The control variables have no significant impact on the relationship between the independent and dependent variables.

Multiple Regression Analysis: Testing the Mediating effects of WLOC

Barron and Kenny (1986) suggest a four-step process to ensure that a mediated relationship exists. First, the independent variable should significantly predict the dependent one. Second, the independent variable should significantly predict the mediated one. Third, the mediated variable should significantly predict the dependent one. Finally, the independent variable should significantly predict the dependent one when the mediating variable is controlled.

Based on Barron and Kenny's assumptions, a number of regression analyses have been conducted to examine hypothesis 3(a). Table 4 shows that 'character' is the only

independent variable which significantly relates to ‘severity of threats to job features’. Therefore, ‘empowerment’ is omitted from further mediation analysis. Next, table 7 (step 1) shows that ‘character’ is negatively associated with WLOC ($B = -.243, P < .01$). Besides, step 2 in the table indicates that WLOC is positively associated with ‘severity of threats to job features’ ($B = .25, P < .01$). This finding demonstrates that the higher the WLOC score of the employee is (i.e., the tendency toward external WLOC), the higher the employee’s perception of the threats to job features would be. The externals are significantly affected by negative organizational conditions and may perceive threats to job features in a scale higher than that of internals. Finally, by controlling for WLOC table 7, step 4, indicates that the relation between ‘character’ and ‘severity of threats to job features’ are no longer significant ($B = -.11, P > .1$). In this context, WLOC fully mediates the relation between the independent and dependent variables. The ‘character’ of ethical leadership indirectly affects the employee’s perception of the severity of threats to job features through the mediating effect of WLOC.

On the other hand, hypothesis 3b has not been met. Table 5 shows that neither ‘character’ nor ‘empowerment’ predicts the employee’s perception of threats to the total job. This finding violates one of the assumptions of Barron and Kenny (1986) regarding mediation (assumption 1). Therefore, the mediating effect of WLOC can not be tested.

Finally, hypothesis 3c has not also been met because regression analysis indicates that WLOC does not significantly predict the employee’s perception of powerlessness ($B = -.04, P > .1$). It is worth noting that Barron and Kenny’s third assumption has not been met. Therefore, the mediating effect of WLOC can not be tested.

Discussion

The Character of Ethical Leadership and JI

The employee may feel insecure because of the fears of losing important job features such as periodic increases in pay, freedom to schedule one's own work and freedom to perform work in the manner he/she sees fit. The employee may also feel threatened when he/she perceives a negative change in the significance of the job and its impact on other colleagues (Lee *et al*, 2008). In this context, the study findings reveal that the character of ethical leadership can significantly reduce the employee's perception of the severity of threats to current job features (table 4). The character of the ethical leader enjoys qualities and virtues which enhance the employee's trust in organizational justice (Akker *et al*, 2009). Fairness in providing rewards and sanctions for worthwhile contribution of subordinates clearly indicates that the maintenance of current job features is a function of hard work and achieving objectives. Besides, the employee's perception of continuous leadership support strongly signifies the leader's honest motivation to heighten the subordinates' desire to succeed. Further, the perception of leadership determination to achieve organizational objectives, even at the expense of self-interests, should also deliver clear messages about the objectivity and honesty of the leadership character. Therefore, the subjective fears of losing job features are consequently reduced or eliminated.

The study also shows that work locus of control fully mediates the relationship between leadership 'character' and the perception of the severity of threats to job features (table 7). Externals are more vulnerable to the 'character' of their leaders than internals are which means that the virtues of the leader could have a stronger relation to their fears of losing job features in comparison to internals.

On the other hand, Table 6 shows that the character of ethical leadership significantly reduces the perception of employee powerlessness to counteract threats. In Egypt's bureaucratic and managerially centralized public systems (Parnell and Hatem, 1999), many employees may not have any political control over organizational conditions and threats. Therefore, the character of leadership may be perceived as the saviour of employees from uncontrollable conditions and threats provided that it enjoys the good virtues of honesty, objectivity, caring and fairness. From a cross-cultural perspective, the Egyptian society is characterized by high power distance (Hofstede, 1980). In societies with high power distance, the unequal distribution of power is tolerated and the managerial decisions can be made with limited objection on the side of employees. In such an environment, the ethicality of the leadership character may be perceived as an important factor in affecting the employee's sense of job insecurity. When the leader demonstrates the virtues of an ethical character, employees will surely get confident that uncertain threats can be fairly resolved. In this situation, the expected leadership support during troubles could reduce the employee's sense of powerlessness. On the other hand, unethical characters can ignite the employee's sense of insecurity possibly because of the employee's conviction that in time of trouble, the leader will not be of real help.

The Empowerment Behaviour Dimension of Ethical Leaders and JI

The study findings reveal that the empowerment dimension of ethical leadership behaviours does not affect the employee's perception of the severity of threats to job features (table 4). Besides, it is positively associated with the employee's perception of powerlessness to counteract threats to job continuation (table 6). These surprising results may be attributed to differences in the conceptualization of empowerment between Western and Middle Eastern societies.

Abdalla and Al-Hammoud (2001) observe that Arab organizations are managed in a family-oriented/paternalistic style where the manager depends on a socially interconnected network of connections inside and outside the organization. In this context, Shahin and Wright (2004) note that some Egyptian leaders perceive participation in decision making as a matter of leadership weakness. Al-yahya (2008), emphasizes that leaders in Arabia tend to apply a directive management style whilst holding frequent consultations with peers and subordinates. The principle of consultation in the Arab management style originates from the teachings of Islam where the leader must not make a decision unless he/she consults experienced members (Abdalati, 1975). However, Al-Yahya observes that although leaders hold frequent consultations, they finally, make-up their own decisions. Ali (1993) argues that as a matter of principle, many Arab leaders recognize the concept of employee participation in decision making and consultation. However, they actually tend to apply pseudo-participative or pseudo-consultative management styles. These styles of management enable employees to participate in committees without having a real influence on decision making. However, participation is considered a mechanism for achieving social acceptance and support to the decisions made by the manager. Ali (1990; and 1993) harshly criticizes some Arab managers for manipulating the principles of empowerment to make up a democratic organizational image which could adversely lead to employee dissatisfaction and discomfort (Couto, 1992; Ciulla, 1997).

The above discussion leads us to argue that some Egyptian leaders are inclined to instantaneously make use of both the western concept of ‘empowerment’ and the Islamic concept of ‘shura’. According to the Islamic teachings, shura involves consultations with organizational followers in order to help the leader make the right

decision. Muslims consider a leader who abides by this principle as an ethical leader because he/ she conforms to one of the right teachings of Islam. However, the concept of shura differs from that of empowerment in that the latter means the delegation of the authority to make decisions to followers. In this sense, the leader's attempt to *empower* employees while *reserving* the rights to make decisions may confuse employees about their real role inside the organization and, consequently, shake their confidence regarding their ability to counteract threats by themselves.

On the other hand, empowerment entails risk taking. The consequences of failure may impose a severe pressure on employees especially in the Egyptian society which is characterized by high levels of uncertainty avoidance and risk aversion (Hawass, 2013). Therefore, although empowerment may be appreciated, the employee may feel insecure if he/she learns that their decisions are of material impact on business performance. In addition, the empowered employee's knowledge about organizational circumstances and conditions may put further pressures on them. In order to make correct decisions, empowered employees must be able to generate a sufficient magnitude of relevant knowledge concerning current organizational conditions. If the knowledge generated reflects a negative organizational outlook, empowered employees may feel insecure because of the fears that their decisions could not recover the situation.

The Employee Perception of the Severity of Threats to the Total Job

Table (5) shows that ethical leadership character and empowerment are not associated with the employee's perception of the severity of threats to the total job. The Egyptian public organizations usually offer lengthy organizational tenure to the employees (Assaad, 1997). It is not uncommon to find an employee who spends his/her entire life working in one organization. Moreover, the leader in Arab public

organizations experiences legal difficulties in firing one of his/her employees (Iles *et al*, 2012).

Implications

The findings of this study provide some insights that are vital to understanding the leadership-insecurity relationship. First, the individual examination of the three dimensions of job insecurity (i.e., perceived threats to job features, total job, and powerlessness) surely provides an in-depth view of ethical leadership effects. These relationships could not have been detected if the study has adopted the multiplicative ‘global’ scale of job insecurity. In order to understand the difference, table (8) reveals the results of regressing ethical leadership on job insecurity as a global scale. It indicates that ‘character’ is negatively associated with JI ($B=-.26, P<.01$), whereas ‘empowerment’ is positively associated with it ($B= .22, P<.05$). on the other hand, organizational tenure controls the leadership-insecurity relationship ($B=-.17, P<.05$). These findings do not explain the leadership effect in the inherent dimensions of insecurity. Besides by comparing the direction of leadership-insecurity relationships in table (8) and (6), it appears that powerlessness may have badly affected the results of the multiplicative model.

Second, the character of ethical leadership is argued to have a dominant effect on reducing the employee’s perception of job insecurity. The fears of losing particular job features and/or being unable to counteract threats could be eliminated when organizational leadership truly demonstrates an honest, fair, objective and caring character. The author proposes that the deeply-rooted bureaucratic and centralized systems in Egypt’s public system have inflated the impact of leadership character on employee insecurity.

Third, empowerment may be less perceived as a normatively suitable ethical conduct in the Egyptian public sector. This argument substantially agrees with that of Rescik *et al* (2006) who contend that Middle Eastern societies tend to endorse collective motivation and encouragement to a lesser extent than other societies. The argument does not emphasize that Egyptian leaders are unethical. It rather indicates that ‘empowerment’ behaviour may not be considered the most appropriate conduct that Egyptian employees perceive as ethical, in contrary to other societies such as the Nordic Europeans (Rescik *et al*, 2006).

The appropriate ethical conduct in the Egyptian public sector could, in a sense, be attributed to the Islamic ethics which call for the values of shura. In Islam, shura (i.e., consultation) is not only important in strategic decision making but also in everyday situations where an individual opts for a problem solution. In Quran, God revealed the Sauret of ‘Shura’ which emphasizes the role of consultation and described Muslims who abide by the principles of Shura as true believers (script 38). Therefore, the act of consulting subordinates may be perceived as an ethical behaviour in the Islamic context even if empowerment is not maintained. However, managers have to avoid pseudo-consultative behaviours which aim only at achieving a décor-based agreement about pre-determined decisions. The consultative behaviour dimension of leadership should sincerely aim at communicating with subordinates and getting new insights from members to make successful decisions. From an international perspective, consultation fits well within the code of ethical conduct in many Western societies. It is considered an essential element of employee empowerment and effective leadership behaviours (Brown and Trevino, 2005; Hoog and Hartog, 2008).

Future Research

Future Egyptian studies may consider replicating this analysis in the private sector in order to observe the roles which ethical leadership could play to reduce *Jl*. International studies should also cover different geographical areas such as Australia and South America and employ different *Jl* scales to evaluate the consistency of results across cultures.

From a Middle Eastern perspective, this study argues that the future analysis of ethical leadership behaviours should focus more on the principles of ‘shura’ instead of empowerment since this study suggests empowerment could have an adverse impact on job insecurity. In the context of empowerment, qualitative studies are required to explore its dynamics in the Middle East and examine its compatibility with work-related values at both public and private sectors.

From a cross-cultural perspective, future studies may focus on a number of mediating/moderating variables that might interfere with the relationship between ethical leadership and *Jl*. Morrison and Milliken (2000) argue that the organization’s climate of silence could have a negative impact on the employee’s willingness to express ideas or report malfunctions.

Limitations

This study provides a cross-sectional analysis of leadership-insecurity relationships. Therefore, inferences concerning causality may not be maintained. However, it provides an insight into the possible associations between the hypothesized variables.

The study also covers public organizations in Egypt. It does not investigate private organizations which have more flexible managerial systems. The study findings may differ especially in the context of the ‘perceived threats to the total job’ because

private organizations hire employees on the basis of renewable contracts and do not usually offer lengthy tenure.

Conclusions

In the Egyptian public sector, the employee perception of insecurity is reduced when organizational leadership has an ethical character which strongly believes in fairness, integrity, transparency of objectives and caring. On the other hand, the empowerment behaviour dimension of ethical leadership does not relate to the employee's perception of threats to job features, but increases the employee's perception of powerlessness to counteract threats. The study argues that the Arab management styles may not fully apply the principles of empowerment which leave employees confused about their roles inside the organization.

This study reveals that the relationship between ethical leadership character and the employee perception of threats to job features is mediated by the extent to which the employee's personality is more oriented towards external locus of control.

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Notes:

1. <http://www.patheos.com/blogs/camelswithhammers/2010/07/contrasting-muslim-and-western-psychologies-the-locus-of-control/>
2. <http://www.islamweb.net/media/index.php?page=article&lang=A&id=77911>
3. The translation is borrowed from the book of Abdullah Yusuf Ali (1983), "the meaning of the glorious Quran" which is published by Nadim and Co.: London.

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Table (1) : Characteristics of the sample

Characteristic	%
Gender	
Male	58.9
Female	41.1
Age	
20-29	15.6
30-39	19.4
40-49	34.4
50-60	30.6
Education	
High school	30
Bachelor degree	67.8
Post raducates	2.2
Organizational Tenure	
Less than year	5
2-5 years	13.3
6-10 years	10.6
11-20 years	30
more than 20 years	41.1

Table (2): Means standard deviations, correlations and coefficient alphas of study variables :

Variables	α	Man	SD	1	2	3	4	5	6
1- Character	0.913	2.48	5.92		0.61**	-0.24**	-0.17*	-0.4	-0.07
2- Empowerment	0.89	24.2	5.7	0.61**		-0.23**	0.01	-0.9	0.2**
3- WLOC	0.721	57.22	11.2	-0.24**	-0.23**		0.25**	0.35**	-0.04
4- Severity of threats to job features		1.9613E2	71.7	-0.17*	0.01	0.25**		0.28**	0.22**
5- Severity of threats & total job		1.0275E3	51.2	-0.04	-0.09	0.35**	0.28**		0.1
6- Powerlessness	0.69	7.43	1.7	-0.07	0.2**	0.4	0.22**	0.1	

* $P < .05$, ** $P < .01$

Table(3):The ethical leadership construct measurements summary : Exploratory factor analysis :

Construct name	Item description	Variance explained	Eigen values	Standardized loadings
(Ethical Leadership)		44.04	9.7	
F ₁ character				
	1. Encourages to take risks			0.797
	2. Goes beyond self interest to achieve goals			0.768
	3. Moves a head with determination amidst difficulties			0.732
	5. Pursues the goals with devotion			0.674
	6. Goes out of his way to help subordinates			0.662
	7. Appreciate subordinate who wants to perform better			0.621
	8. Provide rewards/sanctions for worthwhile contribution of subordinates			0.619
	9. Does what he says			0.609
	10. Works with subordinate in a satisfactorily was objectives.			0.576
	12. Affectionate to hardworking subordinate			0.508
	13. Open to criticisms and disagreements			0.492
	14. Identifies the employee deficiencies and help remove them.			0.438
F ₂ empowerment		14.5	2.5	
	1. Gives the opportunity to try out new methods			0.789
	2. Gladly guides and directs hard workers.			0.787
	3. Involves subordinate in decision making			0.769
	4. suggests new ways of looking at how we are doing our job.			0.695
	5. Coordinates the activities to achieve goals.			0.688
	6. Heightens subordinates desire to succeed			0.65
	7. Coaches/Councils subordinate			0.642
	8. communicates in simple way about org.			0.566
	9. Encourages subordinate get greater responsibility			0.627
	10. Protects subordinate from external criticism			0.65

Rotation method : Varimax with Kaiser normalization.

Table (4) : Result of MRA :

DV = Severity of threats to job teachers / IV = Character and empowerment

Variable	β		T		Sig. T
Character	-0.15*				0.001
organizational tenure	-0.362**		-2.114		0.036
Multiple R	0.398	Analysis of variance			
R square	0.16		DF	Sum of squares	Mean square
Adj R square	0.15	Regression	2	146063.7	73031.8
Standard error	66.13	Residual	177	774157.1	4373.7
		F =	16.7	Sig. Off=0.000	

* P < 0.05

** P < 0.01

Table (5) : Result of MRA

DV = Severity of threats to total job IV = Character and empowerment

CV = Age and organizational tenure

Variable	β		T		Sig. T
Organizational Tenure	-0.1*		11.71		0.2
Multiple R	0.1	Analysis of variance			
R square	0.01		DF	Sum of squares	Mean square
Adj. R square	0.004	Regression	1	4510.5	4510.5
Standard error	51.01	Residual	178	464699.3	2610.7
		F =	1.73	Sig. Of F=0.2	

P is insignificant

Table (6) : Result of MRA

DV = Powerlessness IV = Character and empowerment

CV = Age and organizational tenure

Variable	β		T		Sig. T
Character	-0.311*		-3.473		0.001
Empowerment	+0.393*		4.4		.000
Multiple R	0.32	Analysis of variance			
R square	0.103		DF	Sum of squares	Mean square
Adj. R square	0.093	Regression	2	51.4	25.7
Standard error	1.59	Residual	177	448.71	2.5
		F =		10.13	Sig. of F=0.000

*P < 0.01

Table (7) Regression Analysis for mediation

Table (7) : Regression Analysis for Mediation

	DV : severity of threats to job teachers			
	Steep 1	Steep 2	Steep 3	Steep 4
	IV→Med β	Med→DV β	IV→DV β	IV/Med→DV β
Independent variable				
Character	-0.243**		-0.17*	-0.11***
Mediator				
WLOC		0.25**		0.22**
Adj. R ²	0.054	0.06	0.023	
F(df)	11.2(179)**	11.63(179)**	5.122(179)*	7.02(179)**

** P < 0.01

* P < 0.05

*** P is insignificant

Table (8) : Result of MRA

DV = The multiplicative "JI"

IV = Character and empowerment

CV = Age and organizational tenure

Variable	β		T		Sig. T
Character	-0.26*		-2.8		0.005
Empowerment	0.22**		2.4		0.019
Organizational tenure	-0.173**		-2.4		0.018
Multiple R	0.3	Analysis of variance			
R square	0.086		DF	Sum of squares	Mean square
Adj. R square	0.07	Regression	3	1.499	49969584
Standard error		Residual	176	1.032	9270033
		F =	5.4		Sig. off=0.001

* P < 0.01

** P < 0.05