

Investigating the Relationship between Ethical Leadership on Employees' Turnover intentions: The Mediating Role of Work Engagement in Small and Medium Enterprises (SMEs) in Liberia

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Abstract

The current study's goal is to investigate how ethical leadership affect employees' intentions to leave SMEs, with a focus on the mediating function of work engagement and a moderating role of corporate social responsibility. This study examines the body of research on employee turnover and turnover intentions in order to create a comprehensive perspective on the topic and offer a corrective action plan to reduce employees' intentions to leave and increase their productivity. This study also aimed to investigate how work engagement functions as a mediator and corporate social responsibility as a moderator in these interactions. In this paper, we examine the impact of ethical leadership on employee turnover intention. Ethical leaders act as role models in the organizations, promoting ethical behaviour among their subordinates. The findings of this research can have important implications for organizations, as managers of SMEs are important sources for organizational success. Our results will demonstrate that a leadership approach which is ethical is likely to create a productive, ethical and trusting work climate conducive to the work engagement of employees and therefore reduce turnover. Information was gathered from 200 workers across Liberian small and medium enterprises (SMEs), and the proposed framework was tested using regression analysis. Each respondent was asked to complete a questionnaire about their work experience and their experiences with their leasers. To accomplish the research goal for this

exploratory study, a quantitative survey methodology was employed. The majority of the data showed that the hypotheses were supported. Overall, the study's findings offer solid proof that ethical leadership is crucial components for SMEs and have a big impact on staff retention, both directly and indirectly. The findings also demonstrated that, as predicted, work engagement acted as a mediator between the impact of ethical leadership on employees' desire to leave.

Keywords: Ethical Leadership, Employees' Turnover Intension, Work Engagement, Small and Medium Enterprises (SMEs)

Introduction

For Liberia's small and medium-sized businesses (SMEs), where keeping qualified workers is essential to the survival and expansion of the company, employees' turnover is a major problem. Although ethical leadership has been associated with better employee outcomes, nothing is known about how it affects employees' inclinations to leave Liberian SMEs. In order to explain how ethical leadership lowers turnover intentions, this study makes a contribution by looking at work engagement as a mediating factor. The results contribute to the literature on organisational behaviour and leadership in emerging economies and offer useful advice to SME executives looking to increase employee engagement and retention through ethical behaviour.

Acquiring, developing, but particularly keeping talented individuals, have become some of the most important organizational goals in the past two decades (Govaerts et al., 2011). Studies have shown that employee turnover can cost around twenty percent of salary in terms of recruiting, training, and lost productivity, although some estimates are much higher (Boushey and Glynn, 2012). Because of these costs, voluntary turnover drivers represent variables of interest for scholars and practitioners and remain an important research topic (Palanski et al., 2014). Although the role of leadership is established in turnover research (Holtom et al., 2008), most of the research has focused upon general supervisory support (Griffeth et al., 2000) and has mainly been conducted in large companies. Examining the impact of newer leadership theories on the turnover process, as well investigating these relationships in different firm sizes, may lead to additional insights into this important topic.

In this paper, we examine the impact of ethical leadership on employee turnover intention. Ethical leaders act as role models in the organizations, promoting ethical behaviour among their subordinates (Brown et al., 2005). Moreover, we contend that investigating ethical leadership in Small and Medium Enterprises (SMEs) matters a lot due to the potential impact on the global economy as they represent about 90% of businesses and more than 50% of employment worldwide (World bank, 2020). Several researchers (Lacerda, 2015; Madanchian et al., 2016) have also claimed that leadership has been receiving greater attention in the SMEs literature, since it has been recognized that SMEs cannot successfully develop new small businesses initiatives without the presence of an effective leader.

The findings of this research can have important implications for organizations, as managers of SMEs are important sources for organizational success. Our results will demonstrate that a leadership approach which is ethical is likely to create a productive, ethical and trusting work climate conducive to the work engagement of employees and therefore reduce turnover. Similarly, Demirtas and Akdogan's (2015) study concludes that

ethical leadership behaviour spreads through the work context and the process of social contagion in order to shape the ethical climate, which, in turn, contributes to organizational members' commitments to their organizations and less turnover intention as a whole. Thus, SMEs may consider hiring more ethical managers, providing training to existing managers or business owners and aligning performance appraisal with ethics. In the family SMEs context this can be even more complicated because the majority of the employees usually face a particularly ambiguous situation, since they are part of the business, but not of the family system (Barnett and Kellermanns, 2006). For instance, by integrating ethical dimensions into their selection techniques, like behavioural / situational questions assessing integrity or psychometric testing (even gamification software) assessing values, SMEs could select ethical leaders. In addition, ethical leadership is behavioural and as such can be developed by creating ethical leadership training programs that better simulate the actual environment where ethical decisions are made is important. Moreover, ethics can also be woven into the design of performance evaluations to highlight their importance to an organization as well to reward and encourage good behaviour (Epley and Kumar, 2019).

These results are especially significant for all those micro and small companies with limited financial resources, which constitute the basis and most significant portion of the Liberia's economy, since ethical leadership is usually related with more value-related and often cost-effective ways that may supplement, to an extent, high-cost work engagement practices or compensation systems that will make people stay in their job. These may include an increased sense of transparency and fairness that can build trust, supportive communication and clarification of work expectations and ethical standards.

Literature Review

Employees' Turnover Intension

Employee turnover can be defined as the voluntary departure of an employee from the company or occupation. Voluntary turnover has been noted to be a multifaceted and interdisciplinary concept. Voluntary turnover is a problem that affects more than just employees and organizations. Only when the idea of voluntary turnover is acknowledged as a confluence of social, economic, and psychological factors can it be explained (Udechukwu et al., 2007). Additionally, research shows that voluntary turnover results from employees ending their association with the company on their own initiative (see Lambert, 2001, for example). For the past 60 years, academics have been interested in employee turnover intention as a predictor of turnover behaviour. According to early research on turnover behaviours, employees would only start the process of ending their relationship with their employer, organization, or profession if they felt it would be desirable to do so and if they thought it would be easy to move (March and Simon, 1958). Turnover intention is the belief that ending the employee-employer relationship is desirable.

Employee Turnover Intention, is an important predictor of actual turnover (Griffeth et al., 2000) and is related to the final stage before employees take the initiative to leave (Zhao and Li, 2012). Employee turnover intention, in few words, refers to "an individual's wilful intention to leave their job in search for a new one" (Wang and Yang, 2016, p. 5). It has been described as a process constituted by stages of psychological, cognitive and behavioural aspects (Shareef and Atan, 2019), thus resulting in actual turnover (Lin and Liu, 2017). Demirtas and Akdogan (2015) argued that the factors that have an impact on employee turnover can be

categorized into three groups: external factors (i.e. unemployment levels), organizational factors (i.e. leadership style) and individual factors (i.e. dissatisfaction of the work).

A five-point Likert scale (1 strongly disagree to 5 strongly agree) was used to record participants' answers to items taken from Meyer et al. (1993) in order to gauge their intention to depart.

Ethical Leadership

As stated by Brown et al. (2005) on page 120, "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" is the definition of ethical leadership. According to Brown et al. (2005), moral leaders utilize rewards and just and balanced punishment to hold followers accountable for their moral behaviour, establish clear standards, and educate people about the advantages of acting morally and the consequences of acting immorally. The moral aspect of leadership styles, whether they are "authentic," "servant," or "value-based," is represented by ethical leadership, which is regarded as a "moral umbrella" in the leadership literature (Ahmad et al., 2018).

Leaders that are ethical integrate morality into their decision-making process, consider the moral implications of their actions, and make every effort to make equitable decisions. Additionally, this explains why a leader who upholds ethics is "effective" (Ciulla, 1995). Ethical leaders influence how employees view their workplace, foster positive behaviours among staff members, and foster high levels of pride and dedication to the company by focusing on fair treatment, shared values, and integrity in common personnel and business transactions (Piccolo et al., 2010). Also, because they are seen as reliable, honest, and credible, ethical leaders are a particularly valuable source of observation and imitation (Miao et al., 2020). Accordingly, leaders that act morally are regarded as genuine and respectable role models (Zhao et al., 2020).

Thorough literature research served as the foundation for the creation of a structured questionnaire. Specifically, the Ethical Leadership scale (ELS), which was taken from Brown et al. (2005), was used to measure ethical leadership. On a five-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree," participants were asked to judge the ethical behaviour of their direct supervisors—their immediate authority figure who sets expectations, models behaviour, and oversees their daily performance.

In summary, new study indicates that ethical leaders are people who are sincere, compassionate, and morally upright and who make decisions that are just and well-rounded. Ethical leaders also often discuss ethics with their followers, establish unambiguous ethical standards, and enforce adherence to those norms through rewards and penalties. Because of the results it is believed to affect, ethical leadership is valued. According to a social learning theory, followers imitate the actions of moral leaders because they are appealing and trustworthy role models who exhibit behaviour that is acceptable in society. Furthermore, moral leaders utilize the performance management system to hold staff members responsible for their actions and emphasize the value of moral principles. According to the social learning theory, workers can get knowledge about rewards and discipline by witnessing the results of

others. They are not required to receive direct instruction on these topics. Therefore, we suggest that moral leaders would largely use modelling and vicarious learning processes to affect ethics-related behaviour, including employee decision-making and prosocial and counterproductive behaviours.

Work Engagement

Work engagement is defined by Truss et al. (2006) as a "passion for work" that encompasses mental, emotional, and physical components. According to Kahn (1990), job engagement results from psychological presence during the occupancy and performance of an organizational role. Kahn (1990) asserts that employee engagement is a complex idea that encompasses emotional, cognitive, and physical engagement. Engaged workers hide their true identities, become physically involved in their work, and have an emotional and cognitive attachment to their jobs, according to Coetzee and De Villiers (2010) and Olivier and Rothmann (2007). According to Rossier et al. (2012) states that a person who is engaged at work feels a strong sense of connection and immersion in their work, is more focused on it, and devotes more discretionary effort to it. Furthermore, the working environment and the individual's power over their work are believed to have an impact on it (Rossier et al., 2012; Schaufeli & Bakker, 2004).

The condensed version of Schaufeli and Bakker's (2004) Work Engagement Scale (WES) was used to measure work engagement. A seven-point Likert scale is used in the scale, and the categories correspond to the respondent's thoughts regarding their work: 0 (never), 1 (nearly never), 2 (rarely), 3 (occasionally), 4 (often), 5 (very often), and 6 (often).

Work engagement has been linked to motivation, prosocial behaviour, job satisfaction, organizational commitment, personal initiative, and life happiness (Vecina, Chacon, Sueiro, & Barron, 2012). Both professional and personal resources appear to have an impact on work engagement, according to Bakker, Schaufeli, Leiter, and Taris (2008). Job resources are those aspects of the job that are helpful in reaching career-related goals, while personal resources are associated with resilience and positive self-evaluations that enable people to control and influence their environment (Demerouti, Bakker, Nachreiner & Schaufeli, 2001; Hobfoll, Johnson, Ennis & Jackson, 2003; Tremblay & Meservey, 2011). Schaufeli and Bakker (2004) define work engagement as a positive, fulfilling mental state related to one's employment that is characterized by vigor, dedication, and immersion. Instead, then being a monetary and particular experience, engagement is a more persistent and pervasive affective-cognitive state that is not focused on any one thing, event, person, or behaviour (Schaufeli & Bakker, 2004). It is believed that the following factors are significant for work engagement.

Corporate Social Responsibility

According to Matten and Moon (2008), p. 405, corporate social responsibility (CSR) "empirically consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good." CSR is a concept that is both fluid and contested (Barnett et al., 2020; Lozano, 2012; Mittnick et al., 2020). Businesses create and carry out a wide range of CSR initiatives and guidelines in an effort to improve both the environment and society. The business case for CSR is strongly supported by the body of research that has been done thus far; in other words, a number of findings indicate that CSR lowers expenses and risks, protects credibility, gives businesses a

competitive edge over rivals, and enables them to pursue profit objectives while attending to stakeholder demands (Asif et al., 2013; Carrol and Shabana, 2010). As a result, the question of "when does it pay to be good?" has become the main emphasis of CSR research in recent years, rather than "does it pay to be good?" placing the context first (Lynn, 2021). As a result, companies' CSR initiatives began to be evaluated according to the environment in which they are used.

CSR reputation, this construct was measured using three items adapted from Du et al. (2015). All three items loaded strongly onto a single dimension. The construct demonstrated a high reliability (composite reliability: 0.94, Cronbach's alpha: 0.90).

Most individuals desire to work for organizations that are socially responsible (Turban and Greening, 1997) because they are good places to work, even though there are occasional exceptions (Carnahan et al., 2017). This encouraging atmosphere aids in luring and keeping workers. CSR is related to a number of institutional, organizational and individual outcomes (for review, Aguinis and Glavas, 2012; Glavas, 2016a). At the institutional level, CSR strengthens a firm's reputation (Waddock and Graves, 1997) and relationships with external stakeholders (e.g. customers; Maignan et al., 1999). At the organizational level, numerous studies have looked at the connection between CSR and financial performance with most finding a positive, albeit modest, effect. Non-financial consequences of CSR on organizations, such as increased demographic diversity in the workforce (Johnson and Greening, 1999) have also been recognized. Relatively less is known about how and why CSR affects individuals (Aguinis and Glavas, 2012); however, the available evidence suggests that CSR positively affects employees (Glavas, 2016a). Socially responsible companies are seen as attractive places to work (Turban and Greening, 1997).

Hypothesis Development

Ethical Leadership and Employees' Turnover Intentions

Both individuals and organizations benefit greatly from EL (for a recent meta-analysis, see Ng and Feldman, 2015). Employee turnover is directly impacted negatively by EL, according to numerous research (Demirtas and Akdogan, 2015; Elci et al., 2012; Kim et al., 2015). Employee turnover is decreased by EL for a variety of reasons. To begin, ethical leaders foster morally supportive work environments for their employees (Schaubroeck et al., 2012). These environments offer a well-defined normative framework that supports employees in carrying out their duties in an ethical and efficient manner. Employees are drawn to an organization with a strong ethical atmosphere because it fosters their growth and, in turn, lessens their desire to quit (Demirtas and Akdogan, 2015). Second, people experience less stress when they work under an ethical leader. According to Brown et al. (2005), ethical leaders care for their employees, set clear expectations, and manage fairly and justly. This lessens possible sources of stress at work. When workplaces are less stressful and more enjoyable, employees are more inclined to stay there (Elci et al., 2015). Third, ethical leaders who convey moral principles to their staff are ethical leaders (Trevino et al., 2000). EL encourages value congruence between leaders and followers. These common ideals create a close relationship between ethical leaders and followers, which minimizes employee's turnover (Kim and Brymer, 2011). In general, ethical leaders show their staff members consideration and support (Brown et al., 2005). Their followers view them as fair and trustworthy, and they foster an ethically beneficial work atmosphere (Trevino et al., 2000) (Ng and Feldman, 2015).

Employees are less likely to wish to leave their current position and look for work elsewhere when they have a pleasant experience working for an ethical leader. The following theory can be put out in light of the theoretical and empirical research mentioned above:

H1: Ethical leadership (EL) is negatively related to Employees' turnover intentions

Ethical Leadership and Work Engagement

Productivity and performance are significantly influenced by work engagement (Den Hartog and Belschak, 2012; Gruman and Saks, 2011). Employees who are truly invested in their work will be productive and perform well for the organization. According to Schaufeli and Bakker (2004), this indicates that workers are more engaged, productive, and enjoy their jobs. Here, managers are essential to maintaining the engagement and retention of their direct subordinates. Line managers are responsible for creating a meaningful and long-lasting relationship between themselves and their direct reports (Bratton, 2007). Consequently, few researches have examined the connection between ethical leadership and work engagement, particularly in SMEs, despite the fact that leadership is thought to be one of the most significant elements influencing work engagement (Zhu et al., 2009).

According to Hansen et al. (2013), ethical leadership implies that followers would reciprocate when leaders treat them with respect. Employees will therefore be more inclined to work harder and become more involved as a result. According to a study by Den Hartog and Belschak (2012), there is a positive correlation between work engagement and ethical leadership. Den Hartog and Belschak (2012) assert that "emphasizing shared moral values and the honesty, caring, and fairness modelled by ethical leaders will foster employees' work engagement." In a similar vein, Engelbrecht et al. (2014) discovered a favourable correlation between job engagement and leadership. Therefore, the following is how the hypothesis might be expressed:

H2: Ethical leadership is positively and significantly related to work engagement (WE)

Work Engagement and Employee Turnover Intension

According to Albrecht et al. (2015), a motivated staff guarantees less employee turnover and makes it easier to draw in talent, develop a knowledge base, and obtain a competitive edge. According to Shuck and Reio (2014), engaged workers are more likely to stick with their current company, whereas disengaged workers plan to quit. Similarly, Swathi (2014) contends that lower absence and attrition rates are a result of employee engagement. The observed behaviour is a result of engaged employees' motivation to do their tasks well. These staff members exhibit a shared conviction or understanding that their efforts impact the performance and results of the company. According to EShahpouri et al. (2015), turnover is directly impacted by work engagement. Halbesleben's (2010) meta-analysis, which found a strong correlation between engagement and intention to quit, further supports this. Therefore, the following is how the hypothesis might be expressed:

H3: Work engagement (WE) is negatively related to employee turnover intention.

Corporate Social Responsibility as Moderator

Work engagement is constantly positively impacted by ethical leadership. A meta-analysis of 86 studies on various leadership philosophies, including ethical leadership, revealed a strong average association between work engagement and $r = 0.47$, which is comparable to transformational and ethical leadership. The social learning hypothesis, which holds that

workers absorb the ethical conduct of leaders who serve as believable role models, provides theoretical support for this beneficial link (Brown, Treviño, & Harrison, 2005). Furthermore, according to social exchange theory, employees reciprocate when they see ethical leaders as fair, trustworthy, and supportive. This is supported by empirical research. For instance, in the healthcare industry, ethical leaders increased organizational trust, which in turn improved employee well-being and work engagement during COVID-19. Similarly, ethical leadership increases engagement, according to Takahashi & Wibawa's (2021) experimental design. This conclusion is consistent with the conservation of resources (COR) theory, which holds that leaders give valuable social and psychological resources that sustain employees' Vigor and dedication. By indicating organizational integrity and shared values, CSR is frequently viewed as enhancing the relationship between ethical leadership and engagement. Workers who believe that CSR is genuine express more pride and alignment, which strengthens the moral influence of leaders.

However, new theory and research, warn that CSR can potentially erode this relationship in some circumstances, particularly when it appears out of alignment or places a burden on motivation, resources, or cognition. It makes sense that the current wave of micro-CSR studies highlights both positive and negative effects, with tiredness, cynicism, and scepticism emerging as the main negative processes. Therefore, CSR may operate as a dampener rather than an amplifier of the effects of ethical leadership.

Ethical leaders run the risk of ignoring their primary responsibilities as leaders, personal coaching, feedback, and emotional support when they focus their energies on CSR projects, especially those that are external. Leaders have limited emotional and cognitive resources, according to the JD-R paradigm. By redirecting resources to CSR, the social exchange pathway that is essential for engagement may be weakened and leader-follower relationships may become of lesser quality. Research on "CSR inconsistency," or when external CSR efforts surpass internal ones, shows that employees view managerial objectives to be neglected and overextended, which results in burnout and diminished trust, despite the paucity of direct empirical assessments.

The result? Engagement fuelled by ethical leadership fades. This section lay out a theoretically grounded and empirically supported portrayal of how CSR can, under certain conditions, negatively moderate the relationship between ethical leadership work engagement.

H4 Corporate social responsibility (CSR) negatively moderates the relationship between ethical leadership and work engagement.



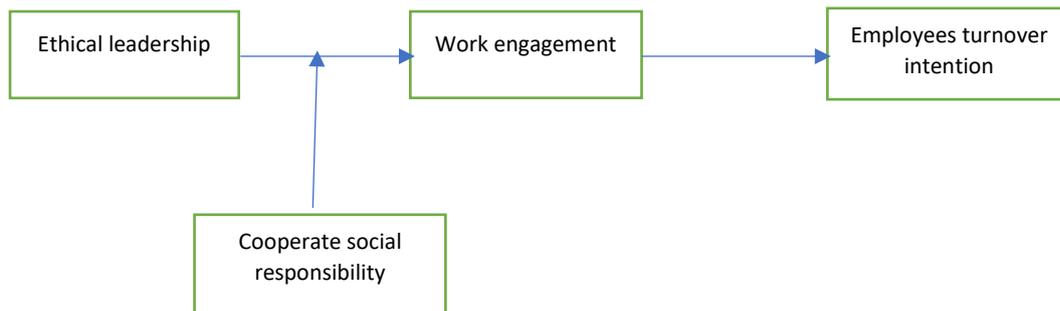


Figure 1. Research Model

Source: Authors

Research Objective

This study's main goal was to investigate how ethical leadership affect employees' intentions to leave through work engagement. This study also aimed to investigate how work engagement functions as a mediator and corporate social responsibility functions as a moderator in these interactions. We used SPSS to test our research hypotheses on a sample of Liberian SMEs' employees. Overall, the study's findings offer solid proof that ethical leadership is a crucial component for SMEs and have a big impact on staff retention, both directly and indirectly. The findings also demonstrated that, as predicted, work engagement acted as a mediator between ethical leadership and employees' turnover intension.

Methodology

The current study is quantitative (including the analysis of quantitative data obtained with the use of a structured questionnaire), deductive (testing research hypotheses), explanatory (examining cause and effect relationships), and empirical (based on primary data). A structured questionnaire given to several Liberian employees was used to test the study's proposed conceptual framework (research model). Because it is anonymous and one of the most popular, legitimate, and trustworthy forms of written contact between researchers and research participants, the questionnaire methodology was selected.

The four (4) parameters examined in the study, the items used to measure them, and the studies from which they were adapted are shown in Table 1.

Table 1
Factor measurement

Factors	Number of items	Adapted from
EL	8	Brown et al. (2005)
CSR	3	Du et al. (2015)
WE	9	Bakker's (2004)
ETI	8	Meyer et al. (1993)

Source: Authors

Table 2

Descriptive statistic

Variable name	Sample size	Range statistic	Minimum value	Maximum value	Std. error	Std. deviation	Variance
Gender	200	1	1	2	.034	.475	.226
Edu.	200	3	2	5	.040	.572	.327
Age	200	3	1	4	.080	1.129	1.274
Work Ex	200	2	1	3	.047	.670	.449

Source: Authors

Table 3

Reliability table

Construct	KMO	Cronbach's coefficient	Number of samples
EL	.762	.709	200
CSR	.807	.768	200
WE	.800	.784	200
ETI	.734	.746	200

Source: Authors

The coefficient of correlation in Table 4 shows how strongly the two variables are related. The contact range differs between -1 and +1, although it is not statistically different between 0 and 1.

Table 4

Correlation Table

	Gender	Age	Edu.	WEx.	EL	WE	ETI	CSR
Gender	1							
Age	.034	1						
Edu.	.246**	.059	1					
WEx.	.146*	.540**	.207**	1				
EL	-.018	.052	-.194**	.076	1			
WE	-.045	.031	-.155*	.075	.483**	1		
ETI	-.087	-.098	.177*	-.046	-.314**	-.369**	1	
CSR	.051	.084	-.108	.073	.338**	.478**	-.222**	1

Source: Authors

Table 5 demonstrates the direct impact of the comprehension results. This table shows that all of the hypotheses are acceptable because the p values fall within an acceptable range.

Direct & Mediation Analysis Results

Table 5

Hypothesis Testing - EL/WE-ETI

	Coeff	SE	t	P	LLCI	ULCI
Constant	4.8753	.3889	12.5364	.0000***	4.1083	5.6423
EL	-.1519	.0750	-2.0238	.0444**	-.2999	-.0039
WE	-.3186	.0843	-3.7818	.0002***	-.4848	-.1525
Gender	-.0954	.0466	-2.0486	.0419**	-.1873	-.0036
Age	-.0593	.0444	-1.3369	.1828	-.1469	.0282
Edu.	.0400	.0203	1.9677	.0505	-.0001	.0802
WEx	.0167	.0391	.4269	.6699	-.0604	.0938
R	.4422					
R2	.1956					

*p<0.05. **p<0.01. ***p<0.001

Source: Authors

Table 6

Hypothesis Testing the moderator - EL/CSR-WE

	Coeff	SE	t	P	LLCI	ULCI
Constant	-	1.2041	-7.5691	.0000***	-	-6.7389
EL	2.9369	.2840	10.3408	.0000***	2.3767	3.4971
CSR	2.8330	.2794	10.1388	.0000***	2.2818	3.3841
Int_1	-.6155	.0657	-9.3745	.0000***	-.7451	-.4860
Gender	-.0459	.0306	-1.4989	.1355	-.1063	.0145
Age	-.0100	.0292	-.3443	.7310	-.0675	.0475
Edu.	-.0007	.0134	-.0489	.9611	-.0270	.0257
WEx.	.0117	.0256	.4575	.6478	-.0388	.0623
R	.7458					
R2	.5563					

*p<0.05. **p<0.01. ***p<0.001

Source: Authors

Discussions

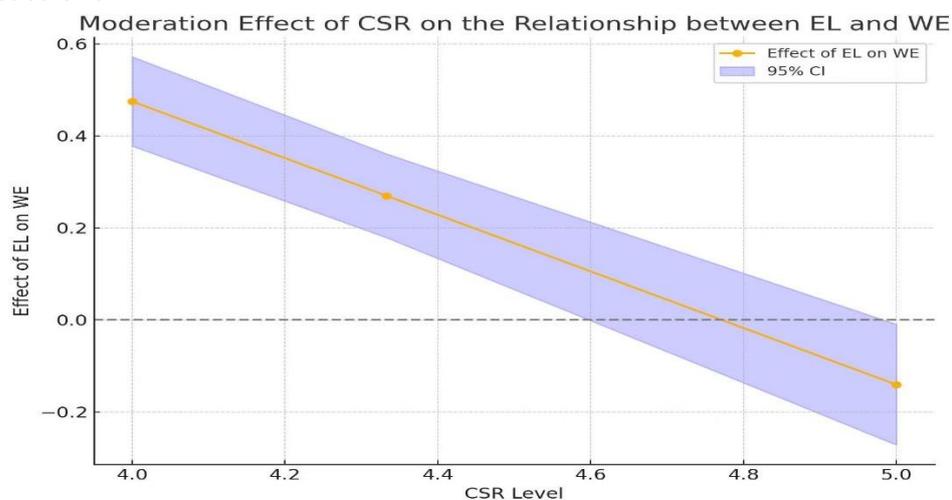


Figure 3: Moderation effect of CSR on the relationship between EL and WE

Source: Authors

Result Discussion

According to Table 5, the association between ethical leadership and employees' turnover intention is reflected in hypothesis H1, which has a t-value of -2.0238 and a p-value of .0444** (i.e., $P < .001$). This indicates a negative relationship. Consequently, hypothesis H1 is approved. Additionally, the study found a positive significant association between ethical leadership and work engagement when hypothesis H2 was evaluated, as evidenced by the 0.000*** p value (i.e., $P < .001$) and t-value of 10.3408. Consequently, hypothesis H2 is approved as shown in table 6. Work engagement has a strong and negative relationship with employees' turnover intention, as seen by Table 5, t-value of -3.7818 and p-value of .0002*** ($P < .001$). Thus, Hypothesis H3 is approved. The moderation analysis revealed a significant interaction between Ethical Leadership (EL) and Corporate Social Responsibility (CSR) in predicting Work Engagement (WE), $F(1, 192) = 87.88$, $p < .001$, with a ΔR^2 of .2031. Conditional effects showed that EL significantly predicted WE positively at low ($\beta = .475$, $p < .001$) and moderate CSR levels ($\beta = .270$, $p < .001$), but had a small, negative effect at high CSR levels ($\beta = -0.141$, $p = .036$). These findings suggest that while EL enhances WE under low CSR, it may diminish engagement when CSR is already high, indicating a potential saturation or overload effect. Consequently, Hypothesis H4 is approved.

This study's main goal was to investigate how ethical leadership affects employees' intentions to leave through work engagement. This study also aimed to investigate how work engagement functions as a mediator and corporate social responsibility as a moderator in these interactions. We used SPSS to test our research hypotheses on a sample of Liberian SMEs' employees. Overall, the study's findings offer solid proof that ethical leadership is a crucial component for SMEs and has a big impact on staff retention, both directly and indirectly. The findings also demonstrated that, as predicted, work engagement acted as a mediator between the impact of ethical leadership on employees' desire to leave.

Practical Implication

Since managers of SMEs are crucial to an organization's success, the research's conclusions may have significant ramifications for companies. Our findings show that a leadership is responsible and more likely to lower turnover by fostering an ethical, trustworthy, and productive work environment that encourages employee engagement. In a similar vein, Demirtas and Akdogan's (2015) research comes to the conclusion that ethical leadership conduct spreads through the workplace and social contagion process to create an ethical climate, which in turn helps to strengthen organization members' loyalty to their companies and reduce turnover intention overall.

Thus, SMEs can think about training current managers or firm owners, employing more ethical managers, and integrating ethics into performance reviews. This can be even more difficult in the context of family SMEs, since most employees typically deal with a particularly confusing situation because they are part of the business but not the family structure (Barnett and Kellermanns, 2006). For example, SMEs could choose ethical leaders by including ethical considerations into their selection methods, such as using situational or behavioural enquiries to gauge integrity or measuring values with psychometric testing (even gamification software). Furthermore, as ethical leadership is behavioural, it is crucial to establish ethical leadership training programs that more closely mimic the real-world setting in which moral decisions are made. Additionally, ethics can be incorporated into performance evaluation designs to emphasize their value to a company and to recognize and reward positive

behaviour (Epley and Kumar, 2019). Managers should also know that creating an ethical environment and valuing and improving ethical decision-making can make them more productive in their companies and give them a significant competitive edge, especially in the SMEs sector that is dealing with economic instability and internationalization of competition. Higher levels of work engagement are the result of ethical leadership combined with cooperative social responsibility. For the simple reason that managers acquire outcomes through people, engaged employees are essential.

These findings are particularly important for all micro and small businesses with limited funding, which make up the majority of Liberia's economy. This is because ethical leadership is typically associated with more cost-effective and value-related methods that can somewhat offset expensive work engagement strategies or pay plans that encourage employees to stay on the job. These could include more openness and justice, which can foster trust, encouraging dialogue, and elucidation of ethical norms and work expectations.

Limitation and Future Research

The suggested links can be tested with larger companies in future studies, which could lead to different findings. Additionally, even though this study aims to highlight some of the elements that contribute to ethical leadership outcomes, it makes sense that it cannot provide a comprehensive picture. It is important to look at other contextual factors to see if ethical leadership influences turnover intention in ways other than work engagement. For instance, other elements such as identity, trust, motivation, and workplace spirituality should be investigated. Furthermore, it is important to recognize cultural variations in how people view and react to moral leadership on a global basis.

Conclusion

An organization's employees are a valuable resource that can significantly impact the firm's competitive advantage. To a certain degree, employee turnover is welcomed and desirable since it results in positive organizational changes. However, it is bad if a large number of employees plan to depart the company. Businesses always aim to prevent dysfunctional turnover, which is the voluntary departure of high performers. One can learn a lot about a person's perspective, judgement, and behavior from their intentions. Research indicates that employees' intentions to leave the company come before their actual actions. Understanding the variables that lead to employees' intents to leave or reduce turnover is crucial for businesses looking to lower employee attrition.

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