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Article

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The Impact of Ethical Leadership on the Intention to Stay among the Generation-Y Workforce of MNCs in Penang, Malaysia: Mediating Role of Employee Rewards

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Abstract

The purpose of this study is to examine the determinants of the intention to stay for Gen-Y employees of multinational corporations (MNC) in Penang, Malaysia. Specifically, this research aims to assess the impact of ethical leadership as the independent variable on employees' intention to stay as the dependent variable. In addition, the influence of employee rewards as mediator in these correlations is also examined. The survey was conducted among 138 Gen-Y employees currently employed in various MNCs in Penang, Malaysia. Data analysis is done via IBM SPSS for respondent profiling and SmartPLS for the construct variable analysis of goodness of data, reliability analysis, and the hypothesis testing of independent and mediating variables. The results show that the independent variable of ethical leadership has no positive correlation to the intention to stay of Gen-Y employees of MNCs in Penang, Malaysia. At the same time, the independent variable of employee rewards observes its dimension of pay and recognition (work appreciation) positively correlated to the dependent variable, while the dimension of promotion is surprisingly not. Accordingly, pay and recognition were found to mediate the relationship of ethical leadership to intention to stay. The subject of employee retention and turnover has been a common area of research in the field of social science, yet most of the studies have been done outside the Malaysian context. Further, most of the older studies have become irrelevant due to the dramatic demographical changes in the workforce, where the transition of the generation cohort has become more apparent in recent years. This study brings value in that the findings will close the gaps related to the dimensions proposed and is expected to help formulate a robust human capital retention strategy, critical to business sustainability.

Keywords: generation-Y, ethical leadership, employee rewards, intention to stay, human capital, workforce

1. INTRODUCTION

Human capital is without doubt an important asset in determining the success of business organizations all around the world today (Valenti & Horner, 2019). To sustain their competitive advantage, companies must look beyond factors typically regarded as critical, such as technology, economies of scale, and product offering, as these can be imitated easily. Rather, they should focus on retaining quality workforce or the people, which would ultimately be the differentiating factor in enhancing the organization's core competitiveness.

A study published in 2018 on the intended turnover of Asia Pacific countries by Singapore Business Review put Malaysia second at 38%, behind only Singapore at 46%. Keni et al. (2013) found that issues of employee turnover in Malaysia have surfaced since early 1991 and the trend has gradually increased owing to the high demand for workforce and better opportunities in the market. This suggested that the employee retention effort has not been successful, perhaps due to factors that have not been understood, although many researchers have attempted to discover the reasons. Among the conclusions from academic research done on this topic in earlier times include correlations on job satisfaction, organizational commitment, alternative jobs, and job searches (Price, 1975, 1977; Mueller & Price, 1990; Iverson & Roy, 1994; Mueller et al., 1994; Mitchell et al., 2001). While researchers believe they have a good understanding of the antecedents of employees leaving or staying through extensive data collection, organizations today are still not on top of the problem.

To add to the dimension of the problem statement, the biggest generation demography in the workforce worldwide today is Generation-Y (Gen-Y, also known as Millennials), as identified by Gursoy et al. (2013). In Malaysia, Gen-Y accounts for around 50% of the workforce, with age group participation between 17 and 37 years old according to data published by Khazanah Research Institute and the Department of Statistics Malaysia in 2017. It is accurate to conclude that Gen-Y is now the core of the country's workforce. As noted by Tay in 2011, Gen-Y will become the main pillar of the workforce, and hence, the transition towards a knowledge-based economy as a goal of Vision 2020 lies on their shoulders.

The biggest issue, as put forward by Goh (2012), is that Gen-Y employees are one of those least committed to remaining in the same organization compared to the other generations as investigated by other previous researchers. She went on to say that many MNCs in Malaysia observed that job hopping is a trend, especially among the Gen-Y workforce, mainly due to job dissatisfaction. This observation is supported by the studies of Al Battat & Mad Som (2013), and Zulbahari & Alias (2014) among others. Wan Yusoff et al. (2013) used the word "unprecedented" to describe the turnover rate associated with the Gen-Y workforce in Malaysia.

The subject of ethical leadership, meanwhile, has been gaining traction especially in Malaysia in the recent years. The magnitude of the financial scandal on our very own 1MDB dwarfs those of world-renowned cases like Enron and WorldCom. The common threat underlying these corporate scandals is the failure of corporate leadership to demonstrate ethical leadership, leading to a negative impact on employee outcomes and, worse, the country's financial loss in the case of 1MDB. Brown & Trevino (2006) stated that this topic has great potential for academic research. The positive relationship of ethical leadership to positive behaviours at work are all significantly reported (Mayer et al., 2009; Brown & Mitchell, 2010; Loi et al., 2012, Nejati et al., 2019). Improved employee performance, job satisfaction, trust in leaders, organization commitment, and affective commitment are the positive outcomes of ethical leadership behaviour according to Avey et al. (2011), Walumbwa et al. (2011), and Kuo (2013).

A review of the literature on Gen-Y retention shows that there are many factors influencing this activity. Some of the factors in this long list are management initiatives, work-family balance, job satisfaction and leadership style in their organization (Rubel et al., 2017; Schwepker & Schultz, 2015; Madden et al., 2015). As in recent years many companies have faced issues about the intention to leave in their Gen-Y employees (Nabi et al., 2017; Wiggins, 2016; Lyons et al., 2015; Hassan et al, 2020) there is a crucial gap to be filled on Gen-Y employee retention (Hom et al., 2017). What is more, most of the studies in this field have been done in a western context and there is a gap on doing more research in non-western countries as well (Wiggins, 2016; Kang et al., 2015; Hom et al., 2017; Graen & Grace, 2015).

The context of Malaysia meanwhile is interesting considering its diverse racial composition and multiculturalism, presenting cross-cultural conflicts that are predominant in the workplace (Montesino, 2012). This is accentuated by the economic disparities between the different racial groups. Montesino (2012) added that the manifestation of multi-culturalism in the Malaysian workplace can represent a challenge for the management, as well as an opportunity for the future.

In view of the limitation of pragmatic evidence pertaining to Gen-Y (specifically) employees' intention to stay in a job or organization to the relative competitive economic advantage to retain them, this study seeks to provide an empirical justification for the impact of ethical leadership, while also investigating the role of employee rewards as a moderating factor. The fundamental idea is to further close the gap, to identify new variables and relationships that may assist human resource (HR) organizations in devising a strategy to retain Gen-Y talent whenever possible.

This study seeks to answer the following: whether perceived ethical leadership leads to Gen-Y employees' intention to stay; whether employee rewards play a role in mediating the relationship of perceived ethical leadership and intention to stay; or whether employee rewards are the more critical variables in predicting Gen-Y employees' intention to stay in the context of MNCs in Penang, Malaysia.

2. LITERATURE REVIEW

2.1 The Gen-Y Workforce

Gen-Y is generally defined as people born from 1980 to 2000, according to Queiri et al. (2015). This approximately matches the range provided by the Department of Statistics Malaysia. Gursoy et al. (2013), Stillman & Stillman (2017) and Twenge (2010) remarked that employees of this generation have a positive reputation for their energy, drive and demands on their work environment. They are comfortable with change, value personal development, and enjoy challenging work. On the negative side, Gen-Y is said to be over-confident, highly achievement-oriented, narcissistic and often criticized for having a short attention span and less commitment to their employing organization (Mastrolia & Willits, 2013). Queiri & Madbouly (2017) wrote that Gen-Y enters the workforce with desirable traits, better education, and an ability to multi-task. They are technology savvy, technically skilled, achievement oriented, culturally diverse, and have a sense of empowerment. They noted that Gen-Y employees grew up in a collective society, causing them to be more committed to a work-life balance. Gen-Y's time is not only committed to work, but also to friends and family. Queiri & Madbouly (2017) went on to say that Gen-Y needs to cope with rapid inflation and a high cost of living, and are therefore likely to have high preference towards extrinsic values due to increased financial commitments. Guillot-Soulez & Soulez (2014) pointed out that Gen-Y are fast learners at work, with expectations for clear task descriptions from their managers and colleagues. They like challenging tasks and value jobs that provide training and a long term career (Twenge, 2010). They also seek a supportive and positive work environment and tend to be more sociable. Gen-Y employees are optimistic, cheerful and rational (Hassan et al, 2020). Their turnover rate has even influenced the overall turnover rate in the private sector when we compare them with the previous generations, to the extent that in some cases their characteristics are counted as unfavorable for some organizations. Gen-Y employees are interested in contributing to all different departments and all different organizational levels of their companies (Story et al., 2016). Gen-Y employees are, therefore, by their inherent nature prone to job switching or increased job mobility. Naim & Lenkla (2016) wrote that for this generation of employees, job security and life-time employment are being replaced by multitasking, flexibility, and employability skills – in what is described as the changing nature of the psychological contract. Queiri & Wan Yusof (2014) argued that Gen-Y will trigger an intention to quit if their preferred work values are unmet, or the experience is less organization-fit. This observation is aligned to the finding of Kim et al. (2009), who concluded that loyalty is not a Gen-Y characteristic.

Therefore, it is clear that their retention needs to be a concern for HR managers all around the world. As usual, measuring the costs of their turnover is not an easy task for organizations (Aboobaker & Edward, 2017; Ashton, 2018; Tanwar & Prasad, 2016; Kour & Sudan, 2018).

2.2 Intention to Stay

Reasons why employees choose to display loyalty in their job are typically related to career advancement opportunities, a competitive salary and reward system, compensation and benefits, and the work culture (Rai et. al, 2019, Ghosh et. al, 2013). Employee turnover happens when the employee becomes unsatisfied with their current job because of the environment at the workplace (Al Battat & Mad Som, 2013). Agarwal et al. (2012) found that employees have the tendency for positive emotions when they are engaged with work, and are therefore less likely to quit. A superior providing adequate guidance and support allows employees to display dedication, whereby the intention to leave never crosses their minds (Tse, Huang & Lam, 2013). Slavich et al. (2014) concluded that many employees have an intention to stay driven by the work environment, especially in terms of team spirit. It also helps that there is no hierarchy when it comes to treatment of the employees. In other words, all employees are treated equally. Rai et al. (2018) cited past research concluding that actual turnover is strongly predicted by turnover intentions. The evidence is clear from an increased research trend to

examine employees' intentions to quit or stay in an organization instead of the actual employee turnover. Intention to stay can therefore be said to be a robust predictor of employee retention.

2.3 Ethical Leadership

The theory of ethical leadership, which has been a subject of academic studies from the likes of Brown et al. (2005), Trevino et al. (2000), and Kalshoven et al. (2011), has seen increased attention in the last decade. Brown et al. (2005, p.120) conceptualized ethical leadership 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". There are two parts to ethical leadership according to Brown and Trevino (2006) – the first relates to the "moral person" facet, which defines the leader's personality in terms of moral characteristics and traits such as fairness and honesty, and second, the "moral manager", who enables leaders to influence subordinates and guide ethical behaviors by communicating and setting standards, making principled decisions, and acting as a role model. The moral manager facet is considered unique to the ethical leadership construct (Mayer et al., 2012). Most researchers consider ethical leadership to be a separate leadership style rather than an element of other established leadership styles like transformational, authentic, and servant leadership.

Palanski (2014) identified integrity as an important driver to ethical leadership, and it is defined generally as adherence to moral principles. Ethical leaders embrace the value perspectives of integrity, trustworthiness, honesty, fairness, and caring. Ethical leaders are also considerate of their employees' needs. Brown et al. (2005) concluded that ethical leadership influences the increase of employee motivation and positive work attitudes. Ethical leaders have the power to reward and discipline employees, while employees will perform to the outcome desired based on their observations of the ethical leaders' behaviors (Mayer et al., 2012).

In the context of Malaysia, Ponnu and Tennakoon (2009) concluded that there is a significant relationship between ethical leadership behavior and the employee's organizational commitment. This finding mirrors that of Trevino et al. (2000) and is consistent with Brown et al. (2005). The study also found that ethical leadership behavior is positively associated with the employee's trust in the leader.

2.4 Employee Rewards

Gulyani & Sharma (2018) summarized employee rewards as the return that employees recognize as fair exchange for the efforts and time spent at work. Organizations offer rewards as an appreciation in the form of financial and non-financial incentives after the accomplishment of assigned tasks. There is common agreement amongst researchers that there are extrinsic and intrinsic elements involved in employee rewards. Hoole & Hotz (2016) wrote that organizations have shifted their focus to total reward packages as a means of motivating employees and raising engagement levels, as it has become evident that traditional reward systems are no longer sufficient. Individuals want to be rewarded for the value they add to the organization instead of for their work alone.

Milkovich & Newman (2005) put forward the idea that total rewards can be divided into two categories – the first category includes direct and indirect pay incentives, and the second category includes recognition, challenging work, job security and learning and growth opportunities. De Gieter et al. (2006) group total rewards into three major categories – financial rewards (monetary payments), material rewards (benefits, training and growth opportunities), and psychological rewards (recognition). This categorization is also consistent with that of Hulkko-Nyman et al. (2012). Total rewards are described as the components of base pay, contingency pay, quality working environment, integration between work and home, and management of performance and career benefits according to Nienaber's (2010) Rewards Preference Model. WorldatWork (2006), which is recognized as the pioneer of this concept, proposed a model that includes remuneration, benefits, career and development opportunities, performance and recognition, and work life balance to positively change employee behavior, individual performance and overall organizational results.

2.5 Hypothesis Development

The relationship between ethical leadership and Gen-Y employees' intention to stay

There may not be any disagreement with the notion that employees are more likely to stay at their job if they are working for leaders who are ethical. The leading studies on this topic by Brown & Mitchell (2010) and Brown & Trevino (2006) suggested that leaders' ethical values (e.g. achievement of common goals, unselfish acts, and the interests of the broader society) and characteristics (e.g. fairness and trustworthiness) lead to lower turnover intentions of their subordinates. Loi et al. (2015)

concluded that employees' intentions to stay are likely to increase as a result of encouragement by leaders to commit themselves to workplaces with strong ethical cultures and climates. In contrast, employees may choose to increase job search and trigger intentions to quit when they perceive their leaders to be unethical, immoral, or acting illegally (Palanski et al., 2014; Brown & Mitchell, 2010). Neubert et al. (2013) argued that the promotion of positive conduct to subordinates through decision-making reinforcement, stressing the importance of ethics, and communicating in an open manner by ethical leaders, actually lead to lower employee turnover intention. Employees appreciate leaders that listen. Ahmad et al. (2018) suggested that the negative association of ethical leadership with intention to leave is implied. They continue to speculate that ethical leaders' support, consideration and helpfulness is strongly related to employee intentions to stay, rather than leave.

In fact, employees' perception of their leaders' behavior shapes their attitude towards their workplace (De Carlo et al., 2016; Bonner et al., 2016). Working in an ethical context and under ethical leadership makes employees more proud of their activities, which in turn ends in lower intention to leave the organization (Pettijohn et al., 2008). Researchers from different sectors, such as for-profit and not-for profit sectors, have shown that ethical leadership affects the intention to stay among employees (ie. Bang, 2011; Schneider and George, 2011; Benevene et al., 2018).

In the context of Gen-Y, as described by many studies, this generation appreciates working for an organization that promotes fair treatment, and honors its promises (Luscombe et al., 2012), compared to older generations, who sought lifetime employment and show a high degree of loyalty (Lee & Tay, 2012). At the same time, Cennamo & Gardner (2008) proposed that Gen-Y will trigger an intention to quit if their preferred work values are unmet. This generation is unlike previous generations, which are viewed as loyal, respectful towards the higher hierarchy, and willing to wait in line for career advancement (Chi et al., 2013).

In the bigger perspective, it is still believed that the literatures suggesting a positive relationship between ethical leadership and employees' intention to stay holds true in the context of Gen-Y in this country. Hence, it is proposed that:

H1. Perceived ethical leadership increases Gen-Y employees' intention to stay.

The relationship between ethical leadership and employee rewards

Ethical leadership behaviors projected high moral standards to employees, allowing an open culture to inputs and fair treatment, according to Walumbwa & Schaubroeck (2009). Cheng et al. (2014) proposed that ethical leaders emphasize altruistic orientation to support the personal growth and career development of their employees. As noted earlier, career growth is considered a type of employee reward. Employees perceive ethical leadership as serving their needs in the context of career growth. They go on to say that employees with a promotion focus will be motivated by ethical leadership and be more willing to engage in their work. Ethical leaders are perceived to be fair in the distribution of rewards, thus increasing employee-leader trust (Engelbrecht et al., 2017; Buckley, 2011).

While discussing Employee rewards, considering both intrinsic and extrinsic rewards guides us to use the three main dimensions of pay, promotion (more extrinsic) and recognition (more intrinsic). There are many studies which have put rewards and recognition together to show a more comprehensive perspective about rewards (Hassan et al., 2020; Hansen et al., 2002; Murari, 2011; Maslach and Leiter, 2008; Ruiz-Palomino et al., 2013) and we have used the same approach in our research.

Therefore the hypotheses below have been formulated:

H2a. Perceived ethical leadership positively impacts employee rewards in terms of pay.

H2b. Perceived ethical leadership positively impacts employee rewards in terms of promotion.

H2c. Perceived ethical leadership positively impacts employee rewards in terms of recognition.

The relationship between employee rewards and Gen-Y employees' intention to stay

Rai et al. (2019) in their literature review pointed out that the exact relation between total rewards and employees' intention to stay is yet to be explored extensively, although some researchers have concluded that there is a positive association between them. They wrote that total rewards are important in attracting, motivating and retaining technology workers, while affective commitment, job satisfaction and innovative behavior at the workplace are also positively affected as a result of a total rewards strategy that includes base pay, positive work environment and training and development opportunities. Job satisfaction is also predicted due to both intrinsic and extrinsic rewards being established. The remuneration package is considered to be a vital factor which influences employees' plan to continue working with their current employer, as argued by Bachkirov (2018). WorldatWork

(2010), in a survey of professional accounting students, also concluded that there is a positive correlation between total rewards and retention, while Prouska et al. (2016, p. 1263) argued that a total rewards system offers "a value proposition which embraces people's values regarding employment relationships."

Wan Yusoff et al. (2013) concluded that Gen-Y consider extrinsic values as a major factor in their intention to stay. Walker (2001) identified seven factors as an encouragement to job retention, two of which are compensation and work appreciation, and recognition of capabilities and performance contributions. On the other hand, Guillot-Soulez & Soulez (2014) stated that Gen-Y seeks a work life balance and emphasizes personal enjoyment, and they added that Gen-Y may consider salary les and take into consideration other attributes in determining their intention to stay with a job. However, it was also noted that while some researchers found that Gen-Y consider the salary less and take other attributes into account, some concluded that this generation take extrinsic value as one of the big factors in staying in an organization (Zulbahari & Alias, 2014). With that we propose to study the effect of employee rewards in its three critical dimensions as reviewed in the literature earlier and propose the following:

H3a: Employee rewards in terms of pay increase Gen-Y employees' intentions to stay.

H3b: Employee rewards in terms of promotion increase Gen-Y employees' intentions to stay.

H3c: Employee rewards in terms of recognition increase Gen-Y employees' intentions to stay.

Raad & Tarik (2018) reported that studies on this topic from different geographical areas may see a correlation between ethical leadership and intention to stay. However, there may be different mediating factors. For example, one study in the United States found that ethical leadership directly and negatively relates to turnover intentions, mediated by organizational identification. Another study from Turkey also indicated that ethical leadership negatively relates to turnover intentions, but adds that work stress partially mediates the relationships. Demirtas & Akdogan (2015) reported that ethical leadership impacts turnover intentions but only through the mediation of an ethical climate. That leads to our final hypotheses on the mediation role of employee rewards in the relationship of ethical leadership to employee intention to stay:

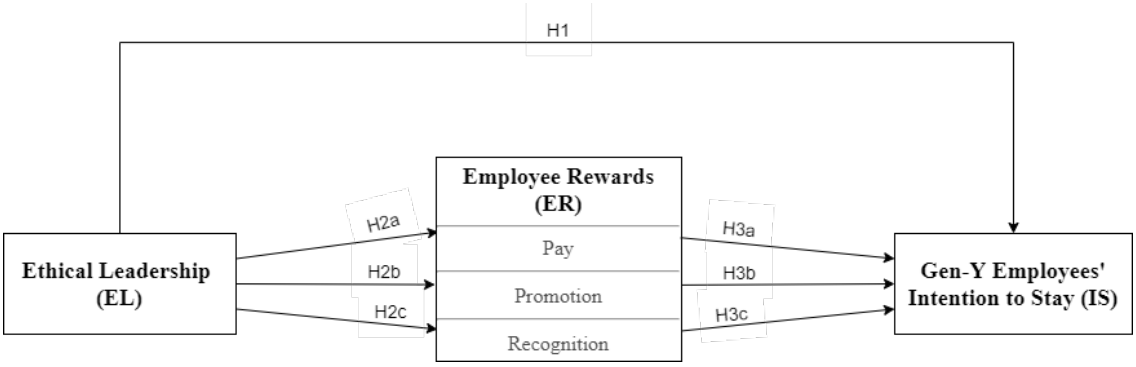
H4a. Employees' pay positively mediates the relationship between ethical leadership and Gen-Y employees' intention to stay.

H4b. Employees' promotion positively mediates the relationship between ethical leadership and Gen-Y employees' intention to stay.

H4c. Employees' recognition positively mediates the relationship between ethical leadership and Gen-Y employees' intention to stay.

All our hypotheses are summarized in figure 1 as below.

Figure 1. Theoretical framework



3. RESEARCH METHOD

3.1 Procedure and sample

This study employed a quantitative research method using both descriptive data analysis and hypothesis testing based on survey results. Questionnaires help researchers standardize the questions asked as well as the information received from respondents. Rowley (2014) wrote that a questionnaire

has the big advantage that it is easier to get responses from a large number of people, and that data gathered is able to generate findings that are more generalizable. The survey is designed to be anonymous in order to encourage a high response rate. Questionnaires were administered using online survey forms that are randomly distributed. Convenience sampling, a type of non-probability sampling relying on data collected from the population of participants who are conveniently available, is used due to limitations of time and budget. We also encouraged respondents to introduce others to participate in this survey, a method referred to as snowball sampling.

Participants are Gen-Y employees born from 1980 to 2000 currently employed by MNCs in Penang, Malaysia. The context of the study of MNCs in Penang is chosen considering this type of organization typically has strong ethics programs. As suggested by Godiwalla (2012), prominent and large firms generally have a greater social responsibility focus than smaller firms do. Ethical conduct and socially responsible MNCs' performance are good business practices in the long run, as they improve the MNC image and public reputation. The focus on Penang aligns to the fact the fact that the state has been consistently ranked among the top investment destinations in the country over the last five decades. From 1980 to 2018, total investments worth RM129.1 billion were approved, of which 70 percent is foreign investment, creating over 516,600 job opportunities (MIDA, 2019). Tan et al. (2018) claimed that Penang is one of the states in Malaysia where most Gen-Y are attracted to start their careers since most established MNCs are located there.

The sample size of 138 was calculated based on a 90% confidence level, 7% margin of error, with a population size of 400,000 Gen-Y workforce, which is an estimated ~50% of the total 822,300 professional workforce in Penang (MIDA, 2019). The minimum sample size sufficient to test the model is 129, calculated using G*Power. The data collection period was set to 1 week and we started the snowball sampling with 25 available samples.

3.2 Demographic Profile of Respondents

A total of 138 responses were received within the period of one week with respondents' age group well distributed across the Gen-Y spectrum. The 26-30 year old age group makes up 39.9%, followed by 28.3%, 23.2%, and 8.7% from 31-35, 36-39, and under 25 years old groups respectively. Female and male response are closely balanced at 51.4% and 48.6% each. In terms of ethnicity, Chinese respondents contributed 50.0% followed by Malays and Indians at 31.2% and 17.4%. These figures align to the race distribution of Penang, especially in the island where most MNCs' operations are located. 55.1% respondents are married while 42.0% are still single. In terms of academic qualifications, the majority at 65.9% are bachelor's degree holders, while participants with the lowest qualification of SPM certificate stand at 8.7%. This indicates that respondents possess an adequate knowledge and level of understanding to be able to provide quality survey responses. On the aspects of employment, almost all (93.5%) are permanent employees, with close to half of the population (47.8%) in under 5 years of current employment. 37.7% and 31.2% of them hold senior executive and junior executive positions respectively, while 13.8% are in senior management and 17.4% in junior management positions. From the job industry perspective, we obtained the largest response rates from manufacturing & engineering (42.8%), and banking & finance (37.0%). This is in line with both industries being the major sectors for MNC players in Penang. The remaining respondents state sales & marketing, transportation & logistics, and education among others as their job industry. Finally, the home country of the respondents' company saw 47.1% are from Malaysia, largely driven by the banking and finance sector, followed by United States (33.3%), Asia (11.6%), and Europe (8.0%). The demographic profile of respondents obtained is observed to be a good representation of the unit of analysis, with no distinct skew in demographic variables that may affect the goodness of the data obtained.

3.3 Measures

All constructs were measured on a five-point Likert-type scale anchored with 1 (strongly disagree) and 5 (strongly agree) and were adopted from established sources. The references of the questionnaire items are summarized in Table 1. The questionnaires were distributed in English, as all our respondents are familiar with this language.

Ethical leadership was measured using a ten-item scale developed by Brown et al. (2005). There are other measures developed for ethical leadership but the ethical leadership scale (ELS) developed by Brown et al. (2005) remains one of the most widely used measures (Bedi et al., 2016). According to Brown et al. (2005), the survey items are applicable to both formal and informal leaders, and are designed to tap the full domain of ethical leadership. The sample items include "My manager makes fair and balanced decisions" and "My manager sets example of how to do things the right way in term of ethics".

Employee's intention to stay with the organization consisted of four items adopted from Veloutsou & Panigyrakis (2004). The items are "I am not thinking of moving to another company", "I would like to work for this company for at least five years", "I would like to stay in the same job for at least five years", and "I intend to remain with this company to advance my career".

Employee rewards items were adopted from the Satisfaction and Motivation Questionnaire developed by De Beer (1987), where the author outlines nine dimensions as having a significant impact on an employee's job satisfaction and motivation. The dimensions adopted are payment, promotion, and recognition. Among the items are "my salary is satisfactory in relation to what I do", "everyone has an equal chance to be promoted", and "I am praised regularly for my work".

Table 1. Measurement of variable instruments

Variable	Questionnaires Adopted from Previous Authors	5 Points Likert Scale
Ethical leadership	Brown et al. (2005).	1 (Strong Disagree) 5 (Strongly Agree)
Intention to stay	Veloutsou & Panigyrakis (2004).	1 (Strongly Disagree) 5 (Strongly Agree)
Employee rewards	De Beer (1987)	1 (Strongly Disagree) 5 (Strongly Agree)

Questionnaire items are attached as appendix A to the article.

3.4 Analysis

This study mainly uses the structural equation modeling (SEM) based SmartPLS as the statistical tool for results analysis, which, compared to first generation techniques, is capable of assessing and correcting measurement errors, and can use both unobserved (latent) and observed variables. In addition, it has an advantage over IBM SPSS in term of steps simplification in analyzing the structural model to obtain the same results. Urbach & Ahleman (2010) pointed out that, among others, the reasons for choosing partial least square (PLS) as the statistical means for testing structural equation models are the fact that it requires a low sample size with non-normally distributed data and that it can be applied to complex structural equation models. It is especially useful for prediction and theory development.

Two parts of data analysis were performed. The first is the analysis of participants' demographics, and the second the construct variables. Frequency analysis and descriptive statistics for respondents' demographic profiling is performed using IBM SPSS, before data collected on the construct variables is subjected to a series of reliability and validity testing procedures using SmartPLS. Among standard measurements required are collinearity statistics, outer loadings, construct reliability and validity, and discriminant validity.

Factor loading (outer loading) shows the variance explained by the variable of the particular factor. PLS-SEM introduces new metrics and takes into account the different outer loadings of the composite reliability on the variables indicated. In a way similar to Cronbach's alpha, a composite reliability (CR) value of $\geqslant 0.7$ is considered adequate and acceptable (Hair et al., 2017). However, there are many reputable studies which concluded that values $\geqslant 0.4$ (Hulland, 1999); $\geqslant 0.5$ (Byrne, 2016); and $\geqslant 0.6$ (Chin et al., 2008) are equally acceptable. Sekaran (2000) meanwhile argued that CR <0.6 is considered bad, agreeing that 0.7 is an acceptable value while $\geqslant 0.8$ is considered good in ensuring reliability and internal consistency of the questionnaire. A similar conclusion applies for outer loading assessment. Hulland (1999) stated that reflective indicators should be eliminated from measurement models if their loadings within the PLS model are <0.4. Average variance extracted (AVE) should exceed 0.5 to suggest adequate convergent validity (Fornell & Larcker, 1981; Bagozzi & Yi, 1988). Assuming AVE calculated is still <0.5, proceed to remove items with outer loading less than or around the 0.4 range and recalculate. The Heterotrait-Monotrait ratio of correlations (HTMT) is used to suggest discriminant validity between constructs with a desired value <0.85. Result >0.85 tells us that the two constructs overlap greatly and they are probably measuring the same thing. Next, a non-parametric bootstrapping procedure is performed to test the significance of path coefficients, Cronbach's alpha, HTMT, and R^2 values (Efron & Tibshirani, 1994; Davison & Hinkley, 1997). Hair et al. (2017) explained the process of bootstrapping as randomly drawn subsamples from the original set of data (with replacement), which is then used to estimate the PLS path model. This process is repeated until a large number of random subsamples has been created (in the case of this study, 2000 subsamples). Standard errors for the PLS-SEM results are derived from estimations of the bootstrap

subsamples – which is then used to calculate t-values, p-values, and confidence intervals for assessing the significance of the PLS-SEM results.

4. RESULTS AND FINDINGS

This section summarizes the measurement model and the structural model on the independent, dependent, and mediating variables. Descriptive statistics for the construct variables are as presented in table 2.

Table 2. Descriptive statistics

Construct	*Items*	*N*	*Min*	*Max*	*Mean*	*Std. Deviation*
Ethical Leadership	EL1	138	1	5	3.79	0.985
	EL2	138	1	5	3.59	1.002
	EL3	138	1	5	3.64	1.053
	EL4	138	1	5	3.69	1.031
	EL5	138	1	5	3.77	1.089
	EL6	138	1	5	3.77	1.103
	EL7	138	1	5	3.82	1.041
	EL8	138	2	5	3.78	0.920
	EL9	138	1	5	3.70	0.985
	EL10	138	1	5	3.91	1.024
Employee Reward: Pay	ER1	138	1	5	3.25	1.059
	ER2	138	1	5	3.04	1.042
	ER3	138	1	5	2.95	1.056
	ER4	138	1	5	3.32	0.896
Employee Reward: Promotion	ER5	138	1	5	2.96	0.992
	ER6	138	1	5	3.46	1.054
	ER7	138	1	5	3.36	1.059
Employee Reward: Recognition	ER8	138	1	5	3.34	1.014
	ER9	138	1	5	3.43	0.943
	ER10	138	1	5	3.67	0.931
	ER11	138	1	5	3.48	0.930
Intention to Stay	IS1	138	1	5	2.94	1.344
	IS2	138	1	5	3.12	1.335
	IS3	138	1	5	2.81	1.365
	IS4	138	1	5	3.22	1.283

4.1 Measurement Model

The analysis of the measurement model for the reflective constructs involves internal reliability, convergent validity and discriminant validity criteria, Hair et al. (2017). Table 3 below summarizes the values of factor loading (FL), composite reliability (CR), and average variance extracted (AVE) for each of the construct items.

Table 3. Measurement model results

Constructs	*Items*	*Factor Loading*	*CR*	*AVE*
Ethical Leadership	My manager/s listens to what employees have to say.	0.812	0.957	0.690
	My manager/s has the best interest of employees in mind.	0.822		
	My manager/s makes fair and balanced decisions.	0.876		
	My manager/s can be trusted.	0.850		
	My manager/s discusses business ethics or values with employees.	0.846		
	My manager/s sets an example of how to do things the right way in terms of ethics.	0.871		
	My manager/s disciplines employees who violate ethical standards.	0.792		
	My manager/s conducts his/her personal life in an ethical manner.	0.798		
	My manager/s defines success not just by results but also the way that they are obtained.	0.810		
	My manager/s when making decisions, asks, "What is the right thing to do?"	0.825		
Pay	My salary is satisfactory in relation to what I do.	0.847	0.893	0.676
	I earn the same as or more that other people in a similar job.	0.822		
	The basis of payment, for example overtime payment, is reasonable.	0.797		
	Salary increases are decided in a fair manner.	0.822		
Promotion	I will be promoted within the next two years.	0.707	0.869	0.691
	Everyone has an equal chance to be promoted.	0.897		
	Staff are promoted in a fair and honest way.	0.876		
Recognition	I am praised regularly for my work.	0.821	0.872	0.630
	I receive constructive criticism about my work.	0.727		
	I get credit for what I do.	0.806		
	I am told that I am making progress.	0.817		
Intention to Stay	I am not thinking of moving to another organization/ company.	0.866	0.936	0.784
	I would like to work for this organization/company for at least another 5 years.	0.904		
	I would like to stay in the same job for at least another 5 years.	0.846		
	I intend to remain in this organization/company to advance my career.	0.925		

Note: CR: composite reliability, AVE: average variance extracted

All constructs have a CR value ranging from 0.869 to 0.957, surpassing the recommended value of 0.7 by Hair et al. (2017). This indicates adequate convergence or internal consistency. AVE obtained

varies from 0.630 to 0.784, while FL for all items ranges from 0.707 to 0.925 – both measurements >0.5 indicating good convergent validity.

HTMT measurements for all the constructs against each other yield values <0.85 (Table 4 below), suggesting that no two constructs lack discriminant validity. On the other hand, discriminant validity using Fornell & Larcker in table 5 indicates satisfactory validity when each construct's AVE is greater than the correlation. Therefore, the measurement model proposed has shown adequate reliability and validity to pursue structural model assessment and hypothesis testing.

Table 4. Discriminant validity

	Ethical Leadership	***Pay***	***Promotion***	***Recognition***	***Intention to Stay***
Ethical Leadership					
Pay	0.389				
Promotion	0.659	0.694			
Recognition	0.789	0.515	0.712		
Intention to Stay	0.348	0.608	0.512	0.526	

Table 5: Discriminant Validity using the Fornell and Larcker Criterion

	EL	***ER1***	***ER2***	***ER3***	***IS***
EL	0.831				
ER1	0.366	0.822			
ER2	0.589	0.565	0.831		
ER3	0.695	0.446	0.566	0.794	
IS	0.333	0.537	0.415	0.466	0.886

Note: Diagonals = square root of the AVE; Off-diagonals = the correlation

EL: Ethical Leadership; ER1: Employee Rewards: Pay; ER2: Employee Rewards: Promotion; ER3: Employee Rewards: Recognition; IS: Intention to Stay

After checking for lateral collinearity assessment, as shown in table 6 below, all VIF values for independent variables are less than 5, indicating that lateral multi-collinearity is not a concern in the study.

Table 6: Lateral Collinearity Assessment

	EL	***ER1***	***ER2***	***ER3***	***IS***
EL		1.000	1.000	1.000	2.177
ER1					1.527
ER2					2.005
ER3					2.162
IS					

4.2 Structural Model

This study tests the hypotheses by using the structural model once the validity assessment of the measurement model is completed. R-square is used to identify the determination of the coefficient. Hair et al. (2011) argued that the R-square evaluation is very important to examine the effective value of the structural model. R-square increases as more variables are added to the model because it measures the strength of the least-squares fit to the training set activities.

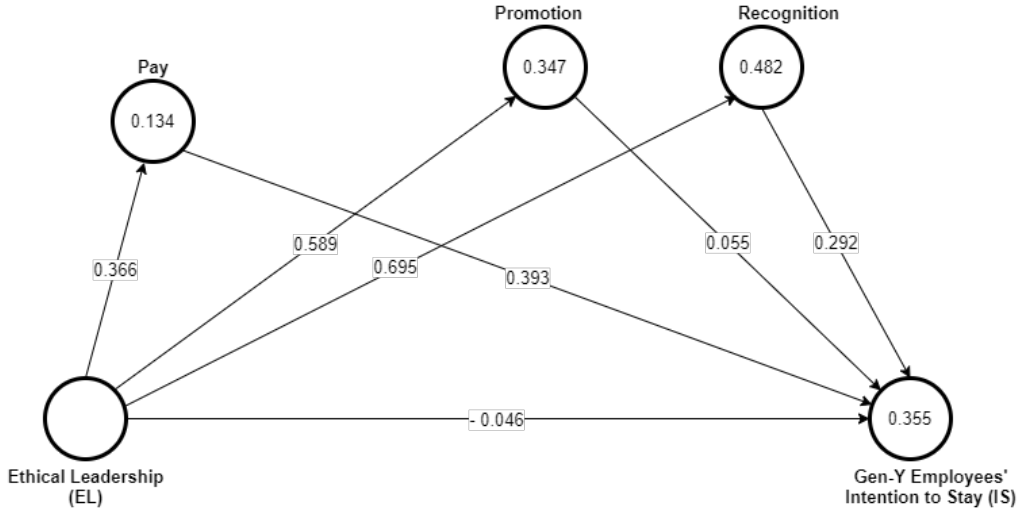
The R-square value for Intention to Stay (IS) at 0.335 implies that 33.5% of the variance of the variable can be explained by the variable of Ethical Leadership (EL), and the three variables of Employee Rewards: Pay (ER1), Promotion (ER2), and Recognition (ER3). In the same way, the R^2 values of ER1, ER2, and ER3 at 0.134, 0.347, and 0.482 respectively suggest 13.4%, 34.7%, and 48.2% of the variance respectively can be described by EL. In addition, effect size, f-square recognizes whether the specific independent construct has an applicable impact on dependent construct. Cohen (1988) suggested that effect size values of 0.02, 0.15, and 0.35 correspond to small, medium, and large effects respectively. The results of this study suggest that EL and ER2 have a small effect on IS, with an f-square value of 0.002. Similarly, the ER3 effect on IS, with a value 0.061, is also considered a small effect. Meanwhile, EL to ER1 and ER1 to IS recorded values of 0.154 and 0.156 respectively, suggesting a significant medium effect. Finally, variables with a large effect are EL to ER2 (0.532), and EL to ER3 (0.932). This is aligned to the largest R-square values in the constructs as noted above.

On the other hand, predictive relevance, Q-square, is also a criterion of predictive accuracy (Geisser, 1974; Stone, 1974). A Q-square value greater than zero indicates that the exogenous constructs (independent variables) have predictive relevance for the endogenous constructs (dependent variables) under consideration (Chin, 2010). The general guideline of Q-square value for the effect assessment corresponds to the number proposed by Cohen (1988). It is noted that while comparing the Q-square value to zero is indicative of whether an endogenous construct can be predicted, it does not imply the quality of the prediction (Rigdon, 2014; Sarstedt et al., 2014).

This study reveals a satisfactory predictive relevance, with Q-square for IS = 0.251, ER3 = 0.281, ER2 = 0.220, and ER1=0.075.

The structural model of our research analysis is shared in figure 2 below.

Figure 2. PLS Structural Model



All Hypotheses are deemed to be supported based on the p-value <0.05. To examine the significance level, the t-values for the paths are also calculated via the SmartPLS bootstrapping function, with 2000 subsamples, one tailed, and with a significance level of 0.05. The results from this study are summarized in Table 7 below. All hypotheses of direct effects are supported, except H1 and H3b, where we conclude that perceived ethical leadership does not increase Gen-Y employees' intention to stay; and employee rewards in terms of promotion do not positively impact Gen-Y employees' intention to stay. Hypotheses H2a, H2b, H2c, H3a, and H3c are computed with p<0.05 and are therefore supported. The following are therefore concluded – perceived ethical leadership positively impacts employee rewards in terms of pay; perceived ethical leadership positively impacts employee rewards in terms of promotion; perceived ethical leadership positively impacts employee rewards in terms of recognition; employee rewards in terms of pay increases Gen-Y employees' intentions to stay; and employee rewards in terms of recognition increases Gen-Y employees' intentions to stay.

On the indirect or mediating effects, H4b, in which the hypothesis that employees' promotion positively mediates the relationship between ethical leadership and Gen-Y employees' intention to stay, is found not to be supported. Hypotheses H4a and H4c meanwhile resulted in p=0.001 and 0.015 respectively and are therefore supported. It is noted that H4a has higher significance compared to H4c. Therefore, this study finds that employees' pay positively mediates the relationship between ethical leadership and Gen-Y employees' intention to stay, and that employees' recognition positively mediates the relationship between ethical leadership and Gen-Y employees' intention to stay.

Table 7. Structural model results

Hypothesis	*Relationships*	*Path Coefficient*	*t-Values*	*p-Values*	*Decision*
Direct Effects					
H1	EL -> IS	-0.046	0.373	0.355	Not supported
H2a	EL -> ER1	0.366	4.720**	0.000	Supported
H2b	EL -> ER2	0.589	11.447**	0.000	Supported
H2c	EL -> ER3	0.695	13.066**	0.000	Supported
H3a	ER1 -> IS	0.393	4.591**	0.000	Supported
H3b	ER2 -> IS	0.055	0.623	0.267	Not supported
H3c	ER3 -> IS	0.292	2.299*	0.011	Supported
Indirect Effects					
H4a	EL -> ER1 -> IS	0.143	3.255**	0.001	Supported
H4b	EL -> ER2 -> IS	0.032	0.616	0.269	Not supported
H4c	EL -> ER3 -> IS	0.203	2.174*	0.015	Supported

*Note: *p<0.05; **p<0.001*

EL: Ethical Leadership; ER1: Employee Rewards: Pay; ER2: Employee Rewards: Promotion; ER3: Employee Rewards: Recognition; IS: Intention to Stay

5. DISCUSSION

As presented, seven of the 10 hypotheses proposed are supported, with three not supported in the context and scope of this study. In H1, it is acceptedthat perceived ethical leadership does not positively impact Gen-Y employees' intention to stay. This is clearly opposed to the general convention that assumes employees have the tendency to stay in an organization if their leaders are ethical (Elçi et al., 2012; DeConinck, 2015; Raad & Tarik, 2018). One possible explanation for this observation is that ethics has been considered an expectation and taken as a norm in the operations of MNCs. Employees assume that ethical leadership is an essential condition in organizations, and it will not have enough effect on their intention to stay. As pointed out earlier, the application of ethics as a guiding principle in MNCs helps to deal with the complex and varied cultural and operational environments (Godiwalla, 2012). MNCs ethics programs are driven at a corporate level and implemented for all employees. This includes yearly business ethics and code of conduct mandatory training sessions, and regular ethics compliance case sharing. In such an environment, the effect of the ethical conduct by the leaders may lose its strength as it is seen as an instinctive action due to top level direction. In contrast, leaders that promote ethics based on their conscious thought are seen as more genuine. Yukl (2006) drew up the following criteria in judging the ethical behavior of a leader – values, conscious intentions, freedom of choice, stage of moral development, types of influence used, and use of ethical, as well as unethical, behavior. For almost a similar reason, Lin & Liu (2017) concluded that the moderating effect of ethical leadership is unlikely to occur given the high corporate social responsibility (CSR) in many firms since they have a variety of programs embedded in their organizational systems. This is because most employees would have worked under ethical rules instinctively, even without the influence of their leaders.

Across H2a, H2b and H2c, the positive relationship of ethical leadership to employee rewards is further enforced regarding the elements of pay, promotion, and recognition or work appreciation. This is understandable as ethical leaders are deemed to be someone possessing integrity, honesty, credibility, and demonstrating consideration and care for employee welfare (Yukl et al., 2013). That said, these values help managers make fair and balanced decisions about employees, such as designing jobs, evaluating performance and considering promotion (Brown & Trevino, 2006). Due to the special characteristics of Gen-Y employees, there are studies which show that this generation harbors a sense of immediacy, shown as a willingness and desire for quick promotion (Lowe et al., 2008) and it is clear that promotion usually cannot happen in the very short term. Therefore, as a result of their short attention span and lower loyalty to their employers (Mastrolia & Willits, 2013), it can be concluded that promotion cannot work as a factor in increasing their intention to stay in an organization.

The relationship of employee rewards and intention to stay is not supported, surprisingly, while the support for H3a (pay) and H3c (intrinsic recognition) is not surprising. The finding on H3a aligns to the many studies already discussed. Acceptance of H3c is supported by Gulyani & Sharma (2018), who

found that there is a positive influence of non-monetary rewards (such as appreciation of work) on job engagement and work happiness, which in turn leads to intention to stay. More on the intrinsic value of work appreciation, positive messages of caring will help with employee retention (Peluso et al., 2017), as employees like to be associated with progressive companies that invest in new HR solutions to sustain workers' motivation and well-being. Nazir et al. (2016) found that some employees expect a return on efforts spent at work in the form of monetary rewards (pay, fringe benefits, etc.), while some expect a return in the form of non-monetary rewards that motivate them to engage in assigned tasks. Why do promotion opportunities not impact on employees' intention to stay? Unfortunately, past research that supports this conclusion is limited. This is because researchers generally look at total rewards or most commonly only the element of pay in their studies (Rai et al., 2019; Bachkirov, 2018; Prouska et al., 2016; WorldatWork, 2010). Based on empirical observation, however, we speculate that Gen-Y employees in Malaysia particularly appreciate short term rather than long term rewards. Looking at the responses obtained, the mean score of 2.96, 3.46, and 3.36 for the 3 questions asked on the "Promotion" construct seem to suggest that respondents were neutral about their promotion prospects.

On the indirect effects, we have found support in terms of H4a and H4c, although H4b is not supported. The research of Lindblom et al. (2015) pointed out that ethical leadership indirectly decreases turnover intentions. There is no direct effect, and mediation is quoted as the reason. Additionally, as previously cited, Raad & Tarik (2018) and a host of other researchers have concluded that ethical leadership has an impact on employee turnover intentions only through mediating factors. This conclusion about the role of mediators aligns to this study. With that said, it is only sensible that the direct effects of pay and recognition on intention to stay, in which the hypotheses are supported, act as the mediation for the relationship of ethical leadership to employees' intention to stay. In contrast, the direct effect of promotion with hypothesis H3b is not supported, hence there is no significance in the mediation of ethical leadership to employees' intention to stay.

Acceptance of mediation explains the weak relation of the relationship we are proposing. We argue that advocating moral values alone is not sufficient in an organization, that there is also a need to implement a total rewards system for this purpose. This study has established that employee rewards encapsulate all the motivating forces required to engage employees and drive job satisfaction, which in due course can induce them to stay with their organization. The basic benefits, such as salaries, do not necessarily ensure employees are happy and satisfied (Lambrou et al., 2010). Ultimately it is back to basics – like it or not, the objective of engaging in a job is to earn income to support oneself, while recognition according to Herzberg (1966) is a higher need of employees to keep them satisfied in their job.

5.1 Theoretical and Practical Contributions

This study is motivated by the increasingly concerning issues relating to ethics in business decisions and the worrying trends of job-hopping, especially by the younger generation who has recently joined the workforce. General sentiments in Malaysia suggest that young employees' decisions to stay with a job are largely driven by monetary factors, and rarely about how morally compliant the employer or organization is. Prior research focused on employee turnover intention related to factors like job satisfaction, and affective commitment, which are not relevant to ethics (Lin and Liu, 2017). Therefore, this study is intended to fill the gap and test the assumption that when employees are subjected to the acts of ethical leaders, they respond positively with a higher intention to stay in their jobs. In addition, the mediating role of employee rewards has been examined in the said relationship. Our findings in the Malaysian context could be among the first studies in this field in developing countries, whose context is different from developed ones. The findings of this research also could help practitioners to know where they need to concentrate in developing human capital strategies to control the intention to leave among the new generation of their employees. Our results, on one hand, show that having some mediator variables can increase the impact of ethical leadership on intention to stay, and on the other, show that in this relationship we need to consider different dimensions of the mediator variables and we cannot assume they are an integrated package when we plan to use them.

5.2 Limitations and Suggestions for Future Research

This study has its limitations as is the case with any research. As far as the research scope is concerned, due to time and budget limitations, the research was conducted focusing only on Penang with the justification this is one of the top states in Malaysia with the highest MNC operations. One valid argument is whether the outcome can be generalized to other cities or states in the country. But would a study on Gen-Y employees in Kuala Lumpur and the Klang Valley yield a similar outcome?

Future investigations on employee outcomes should ideally draw from more diverse sectors and geographical locations. As regards the sampling strategy, the convenience sampling and snowball sampling technique, both non-probability methods, are said to be potentially not representative due to the haphazard manner by which the respondents are chosen or because of self-selection bias. However, based on the objectivity of this study, we agree these are the best and most convenient methods to use. There are of course more accurate techniques, such as stratified sampling, but this would have been too complex and strenuous with the available resources. Self-administered questionnaires potentially create discrepancies in that they are subject to respondents' interpretation. For example, questions asking for an assessment on the employees' current employment may be misinterpreted as asking for an assessment of any of the previous jobs. Linblom et al. (2015) suggested keeping in mind that respondents may tend to be over optimistic in their scoring in this type of survey. It is therefore critical to carefully design the questionnaires and leverage one from past research with a high reliability score.

In the context of ethical leadership, Ponnu & Tennakoon (2009) proposed that the 10-item ELS scale can be split into two components, the "demonstration of ethical conduct" comprising 6 items, and the "promotion of ethical conduct to followers" with 4 items. This will allow more refined research findings, delving deeper into the sub-dimensions of ethical leadership itself. Meanwhile, the relatively limited literature on the relationships between constructs proposed in this study would allow future researchers to explore more variables, as well as the mediation-moderation relationships especially in relation to ethical leadership in Malaysia. Variables suggested for future research are team dynamics, employee performance, work-values fit, and organizational climate, among others.

Another suggestion for future researchers is to investigate the theories more, since they are more suitable for studying intention to stay and ethical leadership: concepts such as ethical leadership theory, social exchange theory or causal spiritual leadership theory. In this way, more expansion on the theoretical aspect could happen.

We also suggest future researchers consider the issue of socially desirable responding and other types of biases that are widespread in organizational contexts.

Finally, it would be interesting to expand this study to companies of smaller proportions like small medium enterprises (SME) and local businesses. Madanchian et al. (2018) suggested that SMEs are gaining importance in the economic growth of Malaysia and concluded that ethical leadership is an important element for SMEs with positive and significant effects on leadership effectiveness. A key question then is – how well is it influencing Gen-Y employees' intention to stay? Would we expect similar outcomes to the MNC context observed in this study?

6. CONCLUSION

This research on ethical leadership, stay or turnover intention, and the employee rewards system bridges the gap in related work by studying the relationship of the three components put together. This study found that the effect of ethical leadership alone may not be significant in MNC firms in Penang to entice its Gen-Y employees to stay. We therefore confirm that the outcome can be totally different and opposite to many available studies. Employee rewards act as intermediary mechanisms that mediate the relationship between ethical leadership and intention to stay. The attractiveness of pay and monetary rewards, as well as the level of work appreciation and recognition shown by organization leaders, are likely to stimulate this generation of employees to better identify with their job, leading to intention to stay. Ethical leaders can increase employees' intention to stay by leading them to fair monetary rewards and continuously fulfilling their higher-level psychological needs through intrinsic recognition. This finding contributes to the literature by suggesting exploratory answers, especially in the context of Malaysia, to further develop HR strategies to effectively retain Gen-Y employees. More importantly, this study may provide an early indication and prediction of the behavior of the next generation Gen-Z, who are likely to join the workforce in the next 5 years.

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Appendix A. Questionnaire items

ETHICAL LEADERSHIP **The purpose of the following questions is to assess the culture of ethics within leaders of your group/organization.**		**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
EL1	My manager/s listens to what employees have to say.	**1**	**2**	**3**	**4**	**5**
EL2	My manager/s has the best interest of employees in mind.	**1**	**2**	**3**	**4**	**5**
EL3	My manager/s makes fair and balanced decisions.	**1**	**2**	**3**	**4**	**5**
EL4	My manager/s can be trusted.	**1**	**2**	**3**	**4**	**5**
EL5	My manager/s discusses business ethics or values with employees.	**1**	**2**	**3**	**4**	**5**
EL6	My manager/s sets an example of how to do things the right way in terms of ethics.	**1**	**2**	**3**	**4**	**5**
EL7	My manager/s disciplines employees who violate ethical standards.	**1**	**2**	**3**	**4**	**5**
EL8	My manager/s conducts his/her personal life in an ethical manner.	**1**	**2**	**3**	**4**	**5**
EL9	My manager/s defines success not just by results but also the way that they are obtained.	**1**	**2**	**3**	**4**	**5**
EL10	My manager/s when making decisions, asks, "What is the right thing to do?	**1**	**2**	**3**	**4**	**5**

EMPLOYEE REWARDS **The purpose of the following questions is to assess the impact of rewards/recognition practice in your organization to your job satisfaction.**		**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
ER1	My salary is satisfactory in relation to what I do.	**1**	**2**	**3**	**4**	**5**
ER2	I earn the same as or more that other people in a similar job.	**1**	**2**	**3**	**4**	**5**
ER3	The basis of payment, for example overtime payment, is reasonable.	**1**	**2**	**3**	**4**	**5**
ER4	Salary increases are decided in a fair manner.	**1**	**2**	**3**	**4**	**5**
ER5	I will be promoted within the next two years.	**1**	**2**	**3**	**4**	**5**
ER6	Everyone has an equal chance to be promoted.	**1**	**2**	**3**	**4**	**5**
ER7	Staff are promoted in a fair and honest way.	**1**	**2**	**3**	**4**	**5**
ER8	I am praised regularly for my work.	**1**	**2**	**3**	**4**	**5**
ER9	I receive constructive criticism about my work.	**1**	**2**	**3**	**4**	**5**
ER10	I get credit for what I do.	**1**	**2**	**3**	**4**	**5**
ER11	I am told that I am making progress.	**1**	**2**	**3**	**4**	**5**

INTENTION TO STAY **The purpose of the following questions is to assess your intention to stay at your current job/company.**		**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
IS1	I am not thinking of moving to another organization/ company.	**1**	**2**	**3**	**4**	**5**
IS2	I would like to work for this organization/company for at least another 5 years.	**1**	**2**	**3**	**4**	**5**
IS3	I would like to stay in the same job for at least another 5 years.	**1**	**2**	**3**	**4**	**5**
IS4	I intend to remain in this organization/company to advance my career.	**1**	**2**	**3**	**4**	**5**