Why Ethical Leadership Matters: A Case Study to Improve Military Specialists' Employee Retention Rates

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Background

In 2014, I completed my dissertation that focused on retention issues of military intelligence specialists. These specialists were in the US Air Force as airborne cryptologic language analysts. For the remainder of this paper, the airborne cryptologic language analysts will be referred to as specialists. I used a phenomenological research design to gain a deeper understanding of why the specialists left the military. As I am now an educator who studies and teaches ethics, I believe that my findings can be used as a case study for both leadership practitioners and academics. This article adds to the limited body of research that focuses on ethical leadership or lack thereof affecting employee retention rates. The findings from my study transcend multiple job sectors and may promote the need for ethical leadership.

Introduction

Employee turnover negatively affects for-profit, nonprofit, and U.S. government organizations including the military. Employee turnover raises employee recruitment and training costs and conversely lowers employee morale, job satisfaction, and customer's perceptions of service quality (Cho, Johanson, & Guchait, 2009; Cloutier, Felusiak, Hill, & Pemberton-Jones, 2015). Employee loss can cost a company up to one and a half times the employee's annual income from loss of productivity, loss of tacit knowledge, and the time taken to train a new employee to a level of proficiency compared to the employee who left the company (Saradhi & Palshikar, 2011). Leaders attempting to increase their competitive advantage through intangible assets and globalization also have placed emphasis on employee retention (Longo & Mura, 2011). Further, the decisions of employees who quit yield psychological consequences for the individual and economic consequences for the organization through the probability of increased

work stress and unfinished work practices (Proudfoot, Corr, Guest, & Dunn, 2009).

Employee turnover is a human issue that can be mitigated through effective leadership. Thinking about how leadership is practiced is important, as the leaders' decisions and actions directly affect their followers. Leaders who better understand why employees decide to leave an organization may save businesses millions of dollars and lost productivity (Lee & Way, 2010). After developing a strategy on what style of leadership is needed to meet employee expectations, the next step is becoming a leader-practitioner. Leaders who implement an effective leadership style increase the success level of all types of companies (Galli & Muller-Stewens, 2012). Leaders who treat their employees with respect and dignity may achieve a competitive advantage by retaining their star talent and saving capital. Researchers discovered that employees are more committed to an organization when they are treated fairly (Huhtala, Kangas, Lamsa, & Feldt, 2013; Trevino & Weaver, 2003). Ethical leadership may improve the work environment and employee retention rates by treating employees in a fair and just manner.

The simply stated question "What is ethical leadership?" demands a complex response, and rightfully the response should be complex as ethics applies to humans, and humans are adaptive actors. My argument here is that unlike problems that are either simple or complicated, complex issues are difficult to solve because they do not have one root cause. "Ethical leadership is the demonstration of normatively appropriate conduct through personal actions, and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown, Trevino, & Harrison, 2005, 120). Researchers here argued that the core of effective leadership is comprised of ethical behavior for long-term impact (Bedi, Alpaslan, & Green, 2015; Toor & Ofori, 2009). A personal morality from the leader should be demonstrated for subordinates as a model to follow (Palmer, 2009). Ethical leadership is especially important as it provides a framework for employees to conduct business with each other and reinforces positive behaviors. Ethical leadership exhibits "a fundamental respect for those being motivated to act" (Palmer, 2009, 531). Further, ethical leadership promotes ethical conduct by practicing and consciously managing ethics and ensuring everyone within the organization is held accountable (Toor & Ofori, 2009; Treviño & Brown, 2004). Benefits from ethical leadership include higher levels of job satisfaction, and lower levels of counterproductive work behaviors (Bedi et al.,

2015). Leaders are essential toward ensuring that ethical practices are not only applied, but are intrinsic within an organizational culture. Further, actions of top management, actions of supervisors, and actions of coworkers were three indices of ethics in the workplace used in the National Business Ethics Survey conducted in America to address the relationship between self-organization, ethical fit, and satisfaction (Coldwell, Billsberry, van Meurs, & Marsh, 2008). These three indices of ethics in the workplace are crucial at all levels when it comes to the Department of Defense and national security issues.

Why the Department of Defense (DoD)?

Retaining star talent is important and especially paramount when it comes to defending the nation. Intelligence professionals are one group within the DoD who defend the nation. Within the United States, 4.2 million individuals possess a security clearance for intelligence work (Young, 2013). One facet of military intelligence includes the airborne cryptologic language analysts. These specialists are responsible for protecting national security interests by operating, analyzing, and managing signals intelligence and operations activity. Security ethics is often covered when discussing the Just War, and commonly referred to in Latin as *jus ad bellum*. "The value of security is linked to the value of life and disvalue of violence and injury" (Sorell, Guelke, & Hadjimatheou, 2017, 1). Just War Theory has capability implications for leaders to understand both leadership and ethics. Retaining these intelligence specialists are crucial for decision makers as they provide fidelity to address security concerns by filling previously unknown knowledge gaps. Their work helps leaders make more informed decisions.

In the military, subordinates are expected to follow the orders of their seniors. This guide of followership is specifically written in the Oath of Enlistment (an oath that all individuals who want to join the military must take prior to enlistment). If trust is the currency of leadership, there is then an expectation that leaders will treat their subordinates with ethical standards and moral conduct. Ethics is a strong companion to trust, and provides the foundation of an individual's character (Gensler, 2015). "When you think about what goes into military professionalism, frequently the first word that comes to peoples' mind is ethics" (Klein, 2014, 1). However, what are the implications when the leader acts in an unethical manner?

A Business Ethics Survey cited the following key factors that are most likely to cause individuals to compromise ethical behavior: pressure to

meet unrealistic business objectives/deadlines; desire to further one's career; desire to protect one's livelihood; working in an environment with cynicism or diminished morale; and improper training/ignorance that the act was unethical (Hamrog & Forcade, 2006). There is a perception that military leaders place emphasis on competence over character, and now there is an effort to help correct the imbalance (Allen, 2015). When ethical leadership wanes, the leader's actions and decisions may negatively affect an organization that may take decades to correct. Between 2001 and 2015, "The Army vice chief of staff has issued 100 memoranda of reprimand, 147 memoranda of concern and conducted 45 verbal counselings of general officers for myriad behaviors contrary to good order and discipline in the Army" (Allen, 2015, 69). The Army made strides in correcting leadership issues over the fourteen-year period. In some instances, leaders may not understand how their actions and decisions affect their employees. The below study may be used as a case to demonstrate how ethical leadership may improve retention issues.

The Study

While there are numerous negative aspects that derive from employee turnover, it is hard to argue a more serious consequence than those relied upon to help defend the nation. The obstacles toward effective warning to include overcoming enemy deception remain relatively unexplored (Zegart, 2012). Employee turnover is negatively affecting the airborne cryptologic language analysts' career-field, as they had an approximate 25% retention rate within Air Force intelligence organizations once the member's first-term contract was complete (Kritz, 2014). Employee loss affects the Air Force as they help shape the U.S.'s ability to collect and distribute intelligence (Young, 2013).

Four major themes emerged from the airborne specialists' retention study: (a) not optimizing employee skills, (b) poor organizational culture, (c) employee perception of uncaring leadership, and (d) poor job satisfaction (Kritz, 2014). Phenomenology was used as a research method to help gain a deeper understanding of the reasons the airborne specialists left their career-field. Twenty participants (ten male and ten female) who left the career-field for at least five years prior to the study answered semi-structured questions.

Not optimizing the analysts' skills was the most common detriment of job satisfaction. Sixty percent of the participants stated their language skills were underutilized. Participants perceived they were not given an

opportunity to effectively use their trained language, and stated that they wanted to have a career that allowed them to reach their full potential. The participants also struggled to maintain language proficiency as they perceived there were organizational obstacles that hampered their effort.

A poor organizational culture was the second theme discovered. The participants stated mistreatment, busywork, not knowing or seeing their supervisors due to deployments were all factors that created a poor organizational culture and were determining factors in employee retention. Twenty percent of the participants wanted to have a stable family life. Fifteen percent of the participants experienced burn out from the workload and having too many responsibilities. The participants also served during the period (between 1993 and 2011) when the Department of Defense Directive 1304.26 (Don't Ask, Don't Tell) policy was the official policy to military members. Five percent of the participants left the career-field because they either wanted to have a relationship or get married to someone of the same sex. Further, the participants stated lack of engagement and the idea of not belonging to a team as invariant constituents when they described the organizational culture.

The participants' understanding of leadership was the third theme. The management style of an organization affects employee turnover when unfair management practices, frequent policy changes, and a hostile work environment occur within the work environment (Yang, Wan, & Fu, 2012). The results revealed that 35% of the participants thought that leadership was poor and uncaring. Twenty percent of the participants stated lack of quality leadership was the reason they decided to leave their career field. Applied leadership is not simply an act, but a continuous process. An essential part of being an effective leader consists of developing and maintaining an affective connection (Palmer, 2009).

The fourth theme was low job satisfaction. Previous researchers found four organizational factors that affect turnover including lifework, job support, salary/benefits, and job satisfaction (Williams et al., 2010). Forty percent of the participants mentioned poor job satisfaction as primary reason for leaving the career field. Fifteen percent of the participants stated having job satisfaction as a favorable condition for career retention. Five percent of the participants mentioned poor job satisfaction as a barrier for influencing the analysts to stay in the career field. An additional 40% of the participants resonated with this common theme. Employee perceptions of organizational work-life support affect organizational commitment, organizational citizen-

ship behaviors, job satisfaction, mental well-being, decreased work–family conflict, and turnover intentions (Valcour et al., 2011).

Implications

Employee turnover causes many negative consequences affecting the departing employee, the remaining employees who remain within the organization, and the leaders. The implication for positive social change includes the potential to assist organizations to establish retention strategies to preserve specialized employees. Further, leaders and managers within an organization will gain new insight toward applying ethical leadership. Leaders who exercise leadership theory may challenge negative states of emotion and tip the balance of an individual who wants to leave the job. Positive relationships were found in previous research between follower's perceptions of ethical leadership and attitudes associated with the leader, including affective trust in the leader, honesty, receiving fair treatment, leader effectiveness, and leadership satisfaction that then correlated to employee loyalty (Bedi et al., 2016; Lee & Way, 2010; & Williams et al., 2010). It appears that ethical leadership mitigates retention issues after analyzing the results from the airborne specialists' retention study. The outcomes from this study could help provide a better understanding of what makes for effective leadership.

Determining processes for maintaining human capital is essential for an organization to maintain talent, keep tacit knowledge, and the means to reduce spending on training new employees fulfilling vacant positions. As effective leadership is a continuous process, so too is process refinement for managers. Like most complexities that involve people, leadership is often the component to settle concerns. Employees value leaders who can change the work atmosphere (Walumbwa, Wu, & Orwa, 2008). The behavioral approach is another aspect worthy of consideration. The behavioral approach theory suggests that followers are much more interested in what leaders' do versus the qualities they possess (Yassir & Mohamad, 2016). This argument places an increased emphasis on an individual's character than on competence. Leaders can change their behaviors if the want is present.

Ways that positively affect employees' mindsets toward organizations include adequate training, an autonomous work environment, and a supportive supervisor (Valcour, Ollier-Malaterre, Matz-Costa, Pitt-Catsouphes, & Brown, 2011). At the senior leader level of the military, the former Defense Secretary Chuck Hagel acted by appointing Rear Admiral Margaret Klein as his Special Advisor for Military Professionalism and "to report directly

to him on issues related to military ethics, character, and leadership . . . and competence in all activities at all levels of command . . . [as] a top priority for DoD's senior leadership" (Hagel, 2014, 1).

Theories are effective to help us understand an issue and then grapple with critical thinking that may produce a solution. In this case, affective events theory adds insight to the factors that either motivate or demotivate an individual in the workplace. Affective events theory is evident when work events affect and alter an individual's emotional state (Panaccio & Vandenberghe, 2012). Leaders who create a work environment promoting affective commitment can be done by forming strong employee–supervisor relationships. As affective commitment causes an emotional attachment to the target, supervisors can also experience the desire to strengthen the relationship with the employees who seek mentorship based on connection (Landry & Vandenberghe, 2012). Affective commitment may mitigate retention issues as the airborne specialists perceived their leadership as uncaring. Unfortunately for many employees, the perception of uncaring leaders is not unique to the airborne specialists.

Conclusion

Previous research on employee loss within the airborne cryptologic language analysts' career field found four main emerging themes that caused retention loss which were (a) not optimizing employee skills, (b) poor organizational culture, (c) employee perception of uncaring leadership, and (d) poor job satisfaction (Kritz, 2014). As the airborne specialists' retention rates declined, the tasks the specialists were responsible for did not. More responsibility was bestowed to junior people. "Ethical leadership can fail when it is centered upon a mission that is inherently unsupportable" (Palmer, 2009, 533). My argument is that this case was more unsustainable for long-term execution than it was unsupportable. Additional tasks and responsibilities were thrust on junior (both in age and experience) special-ists as the others transitioned out of the military. What is inarguable is that airborne specialists left the community because they perceived they were not treated well within the organization.

Researchers discovered that the importance of studying ethics and lead-ership improved the central understanding of leadership (Ciulla, 2001; & Huhtala et al., 2013). Employees may be treated better in the work environment as leader practitioners, and academics continue to improve their understanding of leadership. The results from the phenomenological

study may be used as a case to ponder the implications of ethical leadership toward the betterment of employee treatment. Further, the themes are not unique to the intelligence community nor the U.S. government. Employee retention issues will occur without applied leadership theory. At first, star talent will leave as they realize their employment opportunities outside the organization. Great employees will leave the organization, and so will good workers. Careers that have the privilege and the burden of dealing with intelligence need talented people to defend the nation. Learning from the retention issues that the intelligence specialists experienced transcends across job sectors to include for-profit, nonprofit, and the military.

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