



# The Impact of Values-based Leadership on Ethical Loyalty in Saudi Arabian Health Organizations

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## ABSTRACT

The study aims to achieve the following objectives: Know the degree of practice of values-based leadership of Saudi health organizations, know the level of ethical loyalty of Saudi health organizations and know the level of relationship between values-based leadership and ethical loyalty in Saudi health organizations. The results of the test and analysis of the main hypotheses and sub-hypotheses indicated the acceptance and confirmation of all studies hypotheses (main hypotheses and sub-hypotheses). There is also a positive statistical significance relationship between values-based leadership and ethical loyalty. The level of employee's values-based leadership perception in Saudi health organizations under study is high. The level of employee's values-based leadership application in Saudi health organizations under study is high.

**Keywords:** Values-Based Leadership, Ethical Loyalty, Health Organizations

**JEL Classifications:** M5, M12

## 1. INTRODUCTION

Al-Saqqaf and Abu-Sin (2015) considered administrative leadership the most important administrative issue at all. Al-Alaq, (2010) defines administrative leadership as “a process of influencing the behavior of others, in order to achieve common and desirable goals.” Sadler (2008) defined it as: “The process of persuasion or exemplification used by an individual or a leadership team to serve a group of individuals, to achieve common goals between the commander and his followers.” Northouse (2010) defined leadership as “a process whereby an individual influences a group of individuals to achieve a common goal.” The importance of leadership stems from its effective role in life in all its aspects and its need to manage the regular life of any organization. Suwaidan and Al-Adlouni (2001) identified the reasons for the importance of leadership by: Achieve the desired goals, it represents the link between individuals and the plans, representing strategic thinking and strategic vision and outlook for the future, and stimulate and support individuals. Barrett (2014) Define values in a more pragmatic way: “Values are the energetic drivers of our aspirations and intentions.” Values are a shorthand method of

describing what is important to us individually or collectively (as an organization, community or nation). Al-Yamani, (2011) defined the value as: That ideal structure of principles through which the individual perceives what his behavior and the behavior of others should be. Asfour (2008) defined it as: The sum of principles, visions, beliefs and determinants of governance for workers. Gallad (2010) defines organizational values as: The set of values that are frequently applied to the organization. Al-Sakarna (2009) that guides our ethics and behavior in dealing with things or with others around us. From sources of values and work ethics, El-Nasr (2005) identified values and ethics resources in the following: Religious beliefs, values and ethics of society, values and ethics of the organization's families, legislation, laws, regulations and regulations. Al-Akkawi (2009) points to many elements of the importance of values, including: They determine what can be considered true, acceptable and ethical or not, they help in evaluating the different types of behavior and individual actions, and determine the quality of individuals that can be compatible with them or the organization, Individuals towards many different areas. Malhimma (2015) points to the importance of values by values being crucial in enhancing our self-responsibility and self-

esteem, and values help us to identify things that are important to us in life. Kouzes and Posner (2005) note that what distinguishes most of the great leaders and the most admirable leaders are the owners of the principles and their deep belief in their values. Al-Suwaidan and Al-Adlouni (2012) stated that values are the most important pillars of the institutional work of any organization through the establishment of the system of values and principles of the organization. Abu-Bakr (2010) highlighted the importance of values in organizations by: The ethical and ethical framework is an honest indicator and conclusive evidence of the progress and progress of the Organization, the activation of the moral and ethical framework is one of the most important factors in achieving the efficiency and effectiveness of using the resources available to the Organization.

Ethics does not apply to only those at the top; all individuals no matter the level in the organization should abide by ethical rule. Kanter (2010) argue the face of turbulence and change, culture and values become the major source of continuity and coherence, of renewal and sustainability. Leaders must be institution-builders who imbue the organization with meaning that inspires today and endures tomorrow. Freeman and Stewart (2006) describe an ethical leader as person with “right values” and “strong character” that set examples for others and withstand temptations. Ethical leaders are always making efforts to incorporate ethical principles in their beliefs, values and behavior; they are committed to higher purpose, prudence, pride, patience, and persistence (Khuntia and Suar, 2004). Piccolo et al. (2010) argue that the Ethical leaders help give meaning to their employees’ work and ensure that organizational decisions are based on sound ethical values. Ethical leaders should focus on ethical values and fairness in decision making, consider the impact of organizational decisions on the outside world (Bello, 2012).

The leader is distinguished by values from other leaders with many characteristics. Najm (2011) showed the most important characteristics, which distinguish leaders: Ethical vision, having an ethical senses and the possession of ethical values. This will at the long run assist organizations to achieve their goals and objectives optimally. Resick et al. (2006) Identified six key attributes that characterized ethical leadership which includes character and integrity; ethical awareness; community/people-orientation; motivating; encouraging and empowering; and managing ethical accountability. O’Connell and Bligh, (2009) identified the following characteristics of an ethical leader from a synthesis analysis of past researches. (1) Uses an ethical lens (2) makes ethical decisions. (3) Considers the long-term implications of business decisions.

## 2. LITERATURE REVIEW

### 2.1. Values-based Leadership

It is very important to combine values-based leadership and principles so that the values-based leadership becomes a guarantee of success at all levels and aspects, which includes human and ethical considerations in the leadership of employees. Values and principles are the cornerstones of success, motivate, make ethical loyalty and high job satisfaction, as a result of this effective

leadership method. Brown et al. (2005) has defined 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.” Badarneh (2009) considered values-based leadership a distinct leadership style and an administrative philosophy that stems from the need for the attention of leaders in any organization with all its employees. Employees respond positively to the ethical leader’s principled leadership, altruism, empowerment, and reward systems, suggesting that improved employee attitudes and work-related behaviors may follow (Brown and Trevino, 2006).

### 2.2. Organizational Loyalty

Organizational commitment is defined as a state in which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization. Attari et al. (2006) points to organizational loyalty as: A state of association between an individual and his or her institution, the individual accepts according to it, values and objectives of the institution and adopt and proud of, and works hard to achieve it, It is also preferred to continue working on them to move to others. Organizational loyalty is divided into three types: Emotional loyalty, continuous loyalty and ethical loyalty (normative).

### 2.3. Ethical Loyalty (Normative)

The entrance to ethical loyalty emerged as one of the entrances to organizational loyalty in the 1980s, According to this approach, ethical loyalty is an ethical obligation to remain in the organization, But this commitment is not necessarily due to an agreement between the parties, it is a fictional contract supported by business ethics, where business absolutes are a set of principles, norms and values that govern the behavior of an individual or group, these principles are related to determining what is wrong or true in a particular situation. Ethical loyalty is the sense that is generated by workers commitment to survival in the organization, this feeling is reinforced by good support from the facility for its employees, and allow them to participate and interact positively with the procedures for the implementation of work, and more importantly contribute to the development of goals and plans and the formulation of the Organization’s general policies.

According to Manouba (2013), ethical loyalty reflects the individual’s sense of ethical loyalty to the organization, the primary source of this feeling is often the result of the values acquired by the individual prior to joining the organization, of the family or social normalization or after joining the organization from the organization’s impression. Thus, individuals’ behavior is a reflection of what they feel and what they believe to be business ethics. Ethical loyalty is an obligation to remain with an organization for moral or ethical reasons. Al-Lozi (2012) defines ethical loyalty as a situation in which the individual represents the values and objectives of the organization, and the individual wishes to maintain his membership in order to facilitate the achievement of his objectives. Yates (2014) sees ethical leaders not only display ethical traits such as honesty and integrity, but they reinforce ethical behavior in the accepted practices and policies of their organizations. It is plausible that this constancy of behavior

and positive environment found in ethical leadership is consistent with increased employee organizational commitment. Frederick et al. (2010) Ethical commitment builds upon duties and values, and the degree to which an employee stays in an organization out of a sense of obligation. There are times in small companies, when payments are delayed, and the employees have to suffer pay cuts or deferred pay, but they stay on, because they do not want to leave an employer during bad times. Ethical loyalty refers to the employee's ethical and ethical sense of survival and his fear of leaving a bad impression on his colleagues if he leaves the organization and therefore feels the need to stay and pay for the services provided by the organization (Huang, 2000).

#### 2.4. Values-based Leadership and Ethical Loyalty

Ethical commitment is an obligation to remain with an organization for ethical or ethical reasons. However, studies have shown relationship between ethical leadership behavior and employee's organizational commitment (Bello, 2012). Values-driven organizations are the most successful organizations on the planet (Barrett, 2014). Ponnu and Tennakoon, (2009) and Upadhyay and Singh, (2010) stated that high levels of perceived ethical leadership behavior are associated with higher levels of employee's organizational commitment. Zhu et al. (2004) and Mize et al. (2000) showed that there was a positive relationship on the impact of leader's ethical behavior on the employee's level of commitment to the organization.

Ethical loyalty is defined as: Feelings of ethical commitment, sense of commitment, and staying in the organization. Ethical loyalty is based on the behavior of individuals and transcends ethical expectations (Marchiori and Henkin, 2004. p. 12). Al-Lozi (2003) asserts that ethical loyalty is expressed by the individual to the degree of compatibility and harmony of values that the employee believes in with the values and principles that leadership believes in (p. 84). In the view of Zenina (2013). Hijazi (2013) proved that there is a strong positive relationship between the leadership that depends on good practices, and organizational loyalty with its different dimensions (p. 88). Robins and Judge (2009) discussed the possibility and need to look for recent terms of association between different dimensions of organizational loyalty. It is therefore important, given the recent calls in this regard, to abandon the model that includes the dimensions of organizational loyalty as a fundamental principle in carrying out studies on this subject (Solinger, et al. 2008). The employee may have continued loyalty, or effective but does not feel ethical loyalty to the direction of the organization. Another employee may have less loyalty and commitment to work, although he is emotionally and ethically linked to the organization (Roxenhall and Andreson, 2012. p. 89). A positive correlation between the dimensions of organizational loyalty does not necessarily mean the availability of ethical loyalty in the organization, even if organizational loyalty is high in the organization (Mayer, et al. 2008). There are some factors that have a weak correlation with ethical loyalty and are strongly associated with other dimensions of organizational loyalty, although there is a strong positive correlation between ethical loyalty and organizational loyalty (Lau, 2011). In the view of Al-Shamlan (2014) the high confidence of staff in leadership leads to an increase in the sense of personal attachment to the

psychological direction of the organization, and their willingness to make greater efforts to help the Organization to achieve its goals. And that the relationship between the behavior of the ethical leader on the one hand, and ethical loyalty on the other (p: 38). He made recommendations on the importance of adherence to values and ideals, because they have a strong impact on the rise of ethical loyalty such as values of honesty, altruism, integrity, justice and credibility (p. 39). Hijazi (2013) considers normative allegiance to be based on a sense of commitment to the organization, which is generated by the organization's support for its employees (p: 83). The more personal values are consistent and compatible between the employee and the leadership, the greater the ethical commitment of the employee towards the organization (Al-Lozi, 2003. p. 84). Therefore, the person acquires the ethical loyalty and ethical belonging of the organization, which automatically ensures the compatibility of the employee's personal decisions with the objectives of the organization, without the need for external engines to guarantee this (Badarneh, 2009).

#### 2.5. Previous Studies

The researchers studied several previous researches related to the subject of the study, which had a significant role in enriching the subject. The following are the most important previous studies. Study of Al-Saqqaf and Abu-Sin (2015) concluded that there is a direct positive relationship between the values-based leadership and the level of ethical loyalty of workers from the point of view of workers. Ibn-Saad study (2015) found that the level of organizational loyalty is average, varies according to the age of the respondents, and that the pattern of leadership behavior positively affects the level of organizational loyalty of the respondents. Elci et al. (2012) found that Ethical leadership affect work related turnover intention negatively. This implies that an ethical leadership helps reduce turnover. Trevino et al. (2000) found that Ethical leadership provides employee commitment and loyalty. When employees are confident and loyal to their leaders, then they do not have a strong intention to leave their organizations. Vandenberg and Nelson (1999) Leader behavior has an important effect on employee behavior, such as job satisfaction and organizational commitment. Knippenberg and Schippers (2007) found that leader behavior has an important effect on employee behavior, such as job satisfaction and organizational commitment.

Aronson (2001) said it is essential for leaders to earn the confidence and loyalty of their followers. This can be realized thorough ethical leadership and leader effectiveness. Fathi (2007) concluded that the concept of loyalty became more appropriate and more applicable if the following conditions were met: Strong belief in the values and objectives of the Organization, great desire to remain a member of the organization, and the willingness and inclination to make an effort to achieve the objectives of the Organization. Al-Khashali study (2003) concluded that there was a negative relationship between autocratic leadership style and ethical loyalty, and that there is a positive relationship between the pattern of democratic leadership and ethical loyalty, and that there is a negative relationship between a pattern of lenient leadership and ethical loyalty. The John and Taylor Study (1999) concluded that there was a strong relationship between the leadership style of the principal and the school climate, and organizational loyalty. Yates (2014)

notes that Ethical leadership demonstrated a positive and moderate correlation with organizational commitment. Al-Shawawra study (2009) concluded that there is a significant relationship between organizational loyalty and all personal characteristics of the study sample.

Al-Hamdaniyah Study (2006) concluded that the academic qualification, years of experience, university, and nationality have a significant positive impact on ethical loyalty. Al- Ma’ayouf study (2002) concluded that the level of loyalty differs according to the differences between personal and organizational variables. Al-Omari study (1999) concluded that the democratic pattern is the most common pattern in the study sample of department heads followed by serial and autocratic style, and that there is a significant negative relationship of statistical significance between the leadership and organizational loyalty, and the existence of a positive relationship between the democratic leadership style and organizational loyalty. Al-Otaibi and Al-Sawat (1997) study concluded that the members of the sample are characterized by a medium degree of loyalty in its three dimensions, and that there is a relationship between age and social status, and ethical loyalty, the characteristics of the work, the work environment, and the rewards of the organization have a strong influence on ethical loyalty. Al-Otaibi study (1993) found that there are statistical differences due to nationality: Egyptian, Jordanian and Kuwaiti in the level of organizational loyalty and job performance.

### 3. RESEARCH GAP AND HYPOTHESES DESIGN

Some research has dealt with identifying the level of organizational loyalty of employees in different organizations either separately or in association with other factors. And Organizational loyalty was linked to different leadership styles (autocratic, democratic, and ethical). These studies attempted to identify the effect of these patterns on the organizational loyalty of workers in the organizations under study (Al-Saqqaf and Abu-Sin, 2015; Ibn-Saad, 2015; John and Taylor, 1999; Al-Omari, 1999; Yates, 2014; Elci, et al. 2012; Al-Khashali, 2003; Aronson, 2001; Trevino et al., 2000). Some studies dealt with the impact of organizational loyalty with its different dimensions on job satisfaction, performance of employees, Or sales volume (Fathi, 2007; Al-Shawawra, 2009; Knippenberg and Schippers, 2007). And some studies aim was to identify the impact of demographic factors on organizational allegiance (Al-Otaibi, 1993; Al-Ma’ayouf, 2002; Al-Hamdaniyah, 2006). Other studies aimed at identifying the relationship among dimensions of organizational loyalty (Al-Otaibi and Al-Sawat, 1997).

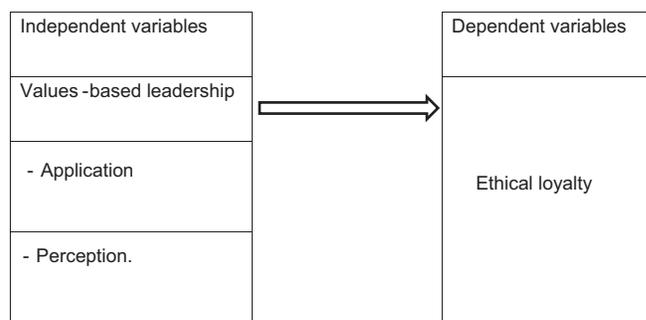
All previous studies did not address moral loyalty apart from other dimensions of organizational loyalty (emotional loyalty and continuous loyalty). As all studies agreed to address the three dimensions of organizational loyalty (emotional loyalty, continued loyalty, moral loyalty). The results of the studies also indicated a difference in the level of organizational loyalty with its different dimensions. Which varied between medium and high or strong and regular relationship. What distinguishes this study

from previous studies? It dealt with moral loyalty separately from the dimensions of other organizational allegiance (continuous and emotional loyalty) according to the increasing recent calls for the need to look for recent terms of engagement between the dimensions of organizational loyalty and other factors (functional or non-functional) and this is what this study seeks. This study is the first study in this aspect, according to the researcher and after reviewing the references, books and various studies, as well as through browsing the websites. The problem of the study is to answer the following questions: Does leadership depend on values in Saudi health organizations? Is the level of ethical loyalty high among employees of Saudi health organizations? And is there a relationship between the values-based leadership and the ethical loyalty of workers in Saudi health organizations?

This study aims to achieve the following objectives: Know the degree of practice of Values-Based Leadership of Saudi health organizations, know the level of ethical loyalty of Saudi health organizations and know the level of relationship between values-based leadership and ethical loyalty in Saudi health organizations. To answer the question and achieve the objective next hypotheses was designed as follow:

- Values-based leadership perception of Saudi health organizations is high.
- Values-based leadership application in Saudi health organizations is high.
- There is no relationship between values-based leadership and ethical loyalty in Saudi health organizations.

Model



### 4. RESULTS

#### 4.1. The Reliability Test and Demographic Characteristics of Study Sample

The reliability test (Cronbach’s alpha) was used to measure the reliability of the study instrument ( $\alpha = 88.1\%$ ), which is higher than the acceptable percentage (70%). Descriptive statistics, correlation analysis, and multiple regression were used to analyze data using the Statistical Package of Social Sciences (SPSS) (Table 1).

The majority of the sample was men (79.2%). The percentage of womens was 20.8%. The researcher attributed the reasons for this to the lack of acceptance of womens to work in the field of health professions, so that the men dominated the jobs in the Saudi health sector. For the age variable, the majority of the sample are under

40 years of age, with the percentage of 86.8%, the age group (40 to <50), with the percentage of 13.2%, (50 years and more) by their percentage (0%). These percentages indicate that the health human resources in the Saudi health sector is one of the young productive capacities. For the scientific qualification variable, the results showed that (3.8%) of the respondents were Master’s degree holders, holders of bachelor’s degree (32%) and (64.2%) diploma holders. This diversity is compatible with the supervisory and administrative functions in the Saudi health organizations. For the experience variable, 49.1% of the respondents had 10 years of experience, 43.4% had experience of (10- <20 years) and 7.5% had experience (20 years or more). These results indicate that the human resources working in the Saudi health organizations have appropriate expertise in their field of work, which is reflected positively on achieving the goals of the Saudi health organizations efficiently and effectively (Table 2).

**4.2. Hypothesis Testing**

First main hypothesis H<sub>1</sub>: Values-based leadership perception of Saudi health organizations is high. From Table 3, it is indicated that

**Table 1: Reliability test for study variables**

Variable	Cronbach’s Alpha
Values perception	0.833
Values application	0.845
Ethical loyalty	0.666
All variables	0.881

\*Source: Prepared by Researcher

**Table 2: Percent distribution of sample members by demographic characteristics**

Variable	Categories variable	n (%)
Gender	Male	126 (79.2)
	Female	33 (20.8)
	Total	159 (100)
Age (year)	Less 30	60 (37.7)
	30 less 40	78 (49.1)
	40 less 50	21 (13.2)
	More than 50	0 (0)
	Total	159 (100)
Qualifications	Graduate	6 (3.8)
	Bach	51 (32)
	Diploma	102 (64.2)
	Total	159 (100)
Experience	Less 10	78 (49.1)
	10 less 20	69 (43.4)
	More than 20	12 (7.5)
	Total	159 (100)

\*Source: Prepared by Researcher

**Table 3: Arithmetic averages, SD, t values and significance levels related to the values-based leadership perception and values-based leadership application**

Variable	Arithmetic average	SD	t-value	Observed significance level
Values-based leadership perception	4.48	0.529	4.418	0.000
Values-based leadership application	4.24	0.718	4.706	0.000

\*Source: Prepared by Researcher. SD: Standard deviation

**Table 4: Regression analysis summary of variance to measure ethical loyalty with values-based leadership perception**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard error of the estimate
1	0.333 <sup>a</sup>	0.111	0.105	0.795

<sup>a</sup>Predictors: (Constant), values-based leadership perception.\*Source: Computer output based on the questionnaire

independent variable (values-based leadership perception) have got an arithmetic average (4.48) >3.00 and significance level <0.05, which means that it is statistically significant, so, the first main hypothesis is accepted, implying that values-based leadership perception is high.

Second main hypothesis H<sub>2</sub>: Values-based leadership application in Saudi health organizations is high. From Table 3, it is indicated that independent variable (values-based leadership application) have got an arithmetic average (4.24) >3.00 and significance level <0.05, which means that it is statistically significant, so, the second main hypothesis is accepted, implying that Values-based leadership application is high.

Third main hypothesis H<sub>3</sub>: There is a statistically significant positive relation between the independent variable (values-based leadership) and the dependent variable (ethical loyalty) from the point of view of employees in health organizations under study.

First sub-hypothesis H<sub>3a</sub>: There is a statistically significant positive relationship between the independent variable (values-based leadership perception) and the dependent variable (ethical loyalty) from the point of view of employees in health organizations under study. The simple linear regression model was used to measure the correlation between the independent variable (values-based leadership perception) and the dependent variable (ethical loyalty). After analyzing the data using SPSS, the model parameters were estimated as follows:

Table 4 shows that the correlation coefficient value (R = 0.333), and the value of the coefficient of determination was (R<sup>2</sup> = 0.111). This value expresses the percentage of changes in the dependent variable (ethical loyalty) that is interpreted in terms of the independent variable (values-based leadership perception).

Table 5 shows the calculated value (F = 19.329) and the significance level (α = 0.000) which is lower than the significance level (α = 0.05). These results confirm the existence of a linear correlative relationship between the independent variable (values-based leadership perception) and the dependent variable (ethical loyalty).

The relationship model is highly efficient and can be used to represent the relationship between study variables. t-test used for the purpose of determining the significance and strength of the relationship between the independent variable and the dependent variable, the results of the t-test showed in Table 6, the significance

of the regression coefficient of the independent variable, the impact ratio ( $B = 0.528$ ) and the calculated significance value ( $\alpha = 0.000$ ) which is lower than the significance level ( $\alpha = 0.05$ ).

Based on the previous results, the model passed all statistical tests, and the relation between the independent variable (values-based leadership perception) and the dependent variable (ethical loyalty) was positive and correlation coefficients ( $R = 0.333$ ), where the ratio of the relative impact of the independent variable on the dependent variable is about ( $B = 0.528$ ) and positive sign, which means that the increase in the value of the independent variable (values-based leadership perception) by about one point will reflect this increase on the dependent variable (ethical loyalty) of the relationship by (0.528). And that the relationship model interprets about (0.111) through the value of the determination factor ( $R^2 = 0.111$ ), these results realize the first sub-hypothesis of the study, so, we accept the first sub-hypothesis. Many researchers stressed that employees' awareness of the availability of ethical leadership positively affects their organizational commitment (Al-Omari, 1999; Al-Ma'ayouf, 2002; Al-Otaibi and Al-Sawat, 1997).

Second sub-hypothesis  $H_{3b}$ : There is a statistically significant positive relationship between the independent variable (values-based leadership application) and the dependent variable (ethical loyalty) from the point of view of employees in health organizations under study. The simple linear regression model was applied to measure the correlation between the independent variable (values-based leadership application) and the dependent variable (ethical loyalty). After analyzing the data using SPSS, the parameters of the model were

obtained as follows: Table 7 shows that the correlation coefficient value ( $R = 0.352$ ), and the value of the coefficient of determination was ( $R^2 = 0.124$ ). This value expresses the percentage of changes in the dependent variable (ethical loyalty) that is interpreted in terms of the independent variable (values-based leadership application).

Table 8 shows the calculated value ( $F = 22.184$ ) and the significance level ( $\alpha = 0.000$ ) which is lower than the significance level ( $\alpha = 0.05$ ). These results confirm the existence of a linear correlative relationship between the independent variable (values-based leadership application) and the dependent variable (ethical loyalty).

The relationship model is highly efficient and can be used to represent the relationship between study variables. t-test used for the purpose of determining the significance and strength of the relationship between the independent variable and the dependent variable, the results of the t-test showed in (Table 9) the significance of the regression coefficient of the independent variable, the impact ratio ( $B = 0.412$ ) and the calculated significance value ( $\alpha = 0.000$ ) which is lower than the significance level ( $\alpha = 0.05$ ).

Based on the previous results, the model passed all statistical tests, and the relation between the independent variable (values-based leadership application) and the dependent variable (ethical loyalty) was positive and correlation coefficients ( $R = 0.352$ ), where the ratio of the relative impact of the independent variable on the dependent variable is about ( $B = 0.412$ ) and positive sign, which means that the increase in the value of the independent variable (values-based

**Table 5: Analysis of variance summary to measure ethical loyalty with values-based leadership perception**

Model	Sum of squares	df	Mean square	F	Significance
1					
Regression	12.329	1	12.329	19.329	0.000 <sup>a</sup>
Residual	99.164	157	0.632		
Total	111.493	158			

<sup>a</sup>Predictors: (Constant), values-based leadership perception. <sup>b</sup>Dependent variable: Ethical loyalty. \*Source: Computer output based on the questionnaire

**Table 6: Estimated model results**

Model	Unstandardized coefficients		Standardized coefficients	t	Significance
	B	Standard Error	Beta		
1(constant)	1.611	0.538		2.992	0.003
Values-based leadership perception	0.528	0.119	0.333	4.418	0.000

<sup>a</sup>Dependent variable: Ethical loyalty. \*Source: Computer output based on the questionnaire

**Table 7: Regression analysis summary of variance to measure ethical loyalty with values-based leadership application**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard error of the estimate
1	0.352 <sup>a</sup>	0.124	0.118	0.789

\*Source: Computer output based on the questionnaire

**Table 8: Analysis of variance summary to measure ethical loyalty with values-based leadership application**

Model	Sum of squares	df	Mean square	F	Significance
1					
Regression	13.784	1	13.784	22.184	0.000 <sup>a</sup>
Residual	97.709	157	0.622		
Total	111.493	158			

<sup>a</sup>Predictors: (Constant), values-based leadership application. <sup>b</sup>Dependent variable: Ethical loyalty. \*Source: Computer output based on the questionnaire

**Table 9: Estimated model results**

Model	Unstandardized coefficients		Standardized coefficients	t	Significance
	B	Standard error	Beta		
1					
(Constant)	2.229	0.376		5.934	0.000
Values-based leadership application	0.412	0.087	0.352	4.706	0.000

\*Source: Computer output based on the questionnaire

leadership application) by about one point will reflect this increase on the dependent variable (ethical loyalty) of the relationship by (0.412). And that the relationship model interprets about (0.124) through the value of the determination factor ( $R^2 = 0.124$ ), these results realize the second sub-hypothesis of the study, so, we accept the second sub-hypothesis. This result is supported by Al-Khashali (2003), which emphasizes the existence of a positive relationship between the application of leadership styles and moral loyalty in organizations. John and Taylor (1999) also emphasizes a strong correlation between the leadership style of managers and organizational loyalty. Yates (2014) stressed that the application of moral leadership would raise the organizational commitment of workers.

Based on the earlier results of the sub-hypotheses, we accept the third main hypothesis, that is, there is a statistically significant positive relationship between the independent variable (values-based leadership) and the dependent variable (ethical loyalty) from the point of view of employees in health organizations under study. This result is consistent with the study of Al-Saqqaf and Abu-Sin (2015). Trevino, et al. (2000) see employee loyalty is influenced by ethical leadership and employees do not intend to leave their jobs if they have organizational loyalty to leaders. Attari et al. (2006) see that the Organizational loyalty in general is related to functional and non-functional variables. Previous studies have shown a large number of personal factors which this study suggests trying to identify its impact on organizational loyalty and many of research showed the impact of demographic factors on organizational loyalty (e.g., Al-Hamdaniyah, 2006; Ibn-Saad, 2015; Al-Otaibi, 1993).

## 5. CONCLUSION

The study also suggest educating employees about ethical values in Saudi health organizations and Consolidation of ethical values among employees through inclusion in the strategy of Saudi health organizations. Attempt to introduce the style of values-based leadership and focus on the adoption of it as a basic driving style in Saudi health organizations. Involvement of employees in Saudi health organizations with lectures, courses and workshops in terms of values-based leadership style. Adopting an ethical constitution for all employees in Saudi health organizations. Strengthen the reliance on ethical values in dealing with various administrative functions. Conducting studies of the level of organizational loyalty with its various components.

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