

ABSTRACT

Employee performance is a key factor in the success of modern organizations. However, increasing complexity and work pressure may hinder the achievement of optimal performance. Although ethical leadership is considered to play a role in encouraging employee performance, previous empirical findings remain inconsistent, creating a research gap that requires further investigation. At PT Pegadaian Regional Office XI Semarang, several key performance indicators (KPIs) have not been achieved, indicating the need to evaluate leadership effectiveness within the organization. Organizational Citizenship Behavior (OCB), as a form of voluntary behavior that exceeds formal duties, is believed to serve as a crucial mechanism in bridging the relationship between ethical leadership and employee performance.

This study aims to analyze the effect of ethical leadership on employee performance, with OCB as a mediating variable. The research was conducted on 72 permanent employees who had worked for at least one year using a census technique. Data were collected through an online questionnaire distributed via Google Forms. This study employed a quantitative methodology and used Partial Least Squares Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS 4 for data analysis.

The results show that ethical leadership has a significant positive effect on OCB, and OCB has a significant positive effect on employee performance. However, the direct effect of ethical leadership on employee performance is not significant, indicating that OCB fully mediates the relationship between the two variables.

Keywords: *ethical leadership; organizational citizenship behavior; employee performance; PLS-SEM*

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