The influence of business ethics and community outreach on faculty engagement: the mediating effect of legitimacy in higher education

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Abstract
Purpose – The aim of this paper is to measure the effects of universities’ ethical management and positive impact on society affect the faculty engagement through the mediating effect of organizational legitimacy.
Design/methodology/approach – Engaged employees are characterized by better performance, increased productivity and by generating higher customer loyalty as well greater economic profit. The commitment to the organization they work for is affected by internal and external inputs. Among these, business ethics and corporate community outreach are key factors for improving employee engagement. The authors developed a survey that was distributed to professors of Spanish universities. To treat the data and test the proposed hypotheses, the authors applied structural equations through PLS-SEM.
Findings – This research contributes to the organizational management field literature and advises university administrators to adopt an ethical management style based on information transparency, accountability and faculty member involvement in the decision-making process in order to improve their engagement and, therefore, increasing student satisfaction, academic results and positive impact on the common good.
Originality/value – The novelty of the authors’ research stands in the inclusion of legitimacy as a mediation effect between business ethics and community outreach that affect employees’ engagement and, specifically, faculty engagement.
Keywords Ethics, Legitimacy, Engagement, Community outreach, Higher education
Paper type Research paper

1. Introduction
The ethical management of an institution is key to generate positive relationships with internal and external stakeholders as well as to guarantee their cooperation and commitment (Egan, 2019; Hudson et al., 2017). Business ethics defines the pillars for sustainable and responsible corporate governance, designing the moral structure of the entire organization (Rezaee, 2008). Organizations, that are managed taking into consideration the ethical impact and consequences of their activities, are able to engage with their stakeholders and, therefore, to gain a sustained competitive advantage (Porter and Kramer, 2006).

JEL Classification — M14, M31
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One of the most important stakeholders are the employees, and responsible managers focus their efforts in taking care of them (Carroll et al., 2019). Employees tend to mirror the behavior of their supervisors, so ethically managed companies are more likely to have more responsible workers (Afsar et al., 2020). An ethical management influences positively the attitudes and behaviors of employees (Hur et al., 2019; Lee and Chen, 2018; Testa et al., 2018) and ethical leadership favors and increases employee engagement (Furlotti and Mazza, 2020). Engaged employees are characterized by higher performance, greater productivity and by generating superior customer loyalty as well as greater economic profit (Decuypere and Schaufeli, 2020; Harter, 2018).

Engaged employees consider their job as a meaningful activity. They care about the impact of their actions on society and they feel fulfilled by improving and cooperating for the common good (Afsar et al., 2020). The community outreach component of their job is important for their satisfaction and identification with the organization they work for (Cycyota et al., 2016).

Employee engagement generates a competitive advantage in many industries (Decuypere and Schaufeli, 2020; Harter, 2018). Higher education (HE) institutions are experiencing a competitive environment and they are adapting themselves to an increasingly global and demanding context. They compete for financial resources, but also for students and top faculty members. Universities administration is comparable with corporate business strategy and it is ruled by competitiveness, quality assurance, effective budget allocation, fundraising and employee management (Miotto et al., 2018). HE institutions must identify a competitive advantage to stand out in a crowded marketplace (Ali-Choudhury et al., 2009; Judson et al., 2007) and, at the same time, to positively impact the common good (Akrivou and Bradbury-Huang, 2015). Students’ quality perception is influenced by professors’ attitudes and capabilities. Committed professors deliver a better service, improving students results, satisfaction and sense of belonging to the institution (Van Maele and Van Houtte, 2011). Within the demanding HE environment, faculty engagement can be a valuable source of competitive advantage (Marken and Maton, 2019). Professors’ engagement may be generated internally, thanks to their identification with their managers’ ethical behavior and good governance, and externally, thanks to the positive community outreach of their job (Kim et al., 2010).

Because of the intangible nature of the HE sector, quality is hard to perceive and communicate. Universities have understood the importance of intangible assets such as the legitimacy to manage internal and external stakeholders (Alves and Raposo, 2010; Del-Castillo-Feito et al., 2019; Helgesen and Nesset, 2007). According to Suchman (1995, p. 574), corporate legitimacy is “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructive system of norms, values, beliefs and definitions.” By fulfilling stakeholders’ needs and expectations, organizations acquire legitimacy that provides them with an easier and more sustained access to the necessary resources to survive (Díez-Martín et al., 2020; Miotto et al., 2020). Legitimacy comes from the societal perception of the positive impact of an institution (Alajoutsijarvi et al., 2015; Deephouse and Carter, 2005; Khurana and Nohria, 2008; Patriotta et al., 2011; Scherer et al., 2013). University legitimacy improves faculty identification and acceptance and, therefore, also students’ likability and satisfaction (Dzimińska et al., 2018).

The objective of this paper is to analyze which are the most important dimensions that affect employee engagement, specifically in the HE industry. We defined four hypotheses to better understand faculty engagement, suggesting that business ethics and community outreach influence professors’ commitment and that organizational legitimacy has a mediating effect. Since legitimacy has a clear benefit for institutions and it reinforces the relationship with stakeholders, we found it relevant to analyze the potential mediating role that this variable can have on enhancing faculty engagement. Our objective is to understand whether the positive impact of business ethics and community outreach on faculty
engagement are related or not to the legitimacy grade held by the considered institutions. There are few studies focused on behavioral context, and generally they explore the effects of social responsibility (SR) on employee’s attitudes and behaviors (Hur et al., 2019) but they do not include the mediation of legitimacy. The novelty of our research stands in the inclusion of legitimacy as a mediation effect between business ethics and community outreach that affect employees’ engagement and, specifically, faculty engagement. To achieve these objectives, we developed a survey that was distributed to professors of Spanish universities. To treat the data and test the proposed hypotheses, we applied structural equations through PLS-SEM.

The paper is organized as follows: first we define a theoretical framework for faculty engagement, business ethics and community outreach in the HE environment. Second, we propose the four hypotheses and explain the mediating role of organizational legitimacy. Third, we describe the quantitative methodology used. Finally, we discuss our findings, their implications and the research limitations.

2. Theoretical framework
2.1 Business ethics
Business ethics is a concept that has a philosophical background and it is related to the ethical dimension of organization management (Crane et al., 2008). It is a subset of applied ethics that deals with the morality of the business decision-making processes and effects. This concept describes the decision-making process that a manager should adopt according to society’s perception of good and evil and common sense. “Business ethics may be defined as the study of business situations, activities and decisions where issues of right and wrong are addressed” (Crane et al., 2008, p. 56). The judgment on morality and justice in the behaviors, practices and policies that are implemented in the business context are considered part of business ethics (Dierksmeier, 2013). Organizational ethics includes conscious stakeholders management, taking into consideration all the possible consequences for all the involved groups of people, trying to increase the positive impacts and decrease the negative ones, in order to improve the “common good” (Zadek, 1998).

Scholars often combine the construct of SR and business ethics. Nevertheless, the second concept is more related to philosophical theories based on right or wrong decisions or moral principles than to doing well or wrong. From a normative perspective, business ethics relates to principles and values. From a descriptive perspective, it refers to codes of conducts and compliance policies. Ethical decision-making is linked to individuals’ or business units’ practices which affect internal and external stakeholders’ interests (Ferrell et al., 2018). Business ethics is focused on the individual role of the management activity since it underlines the individual responsibility and not the collective and abstract corporate context (Fisher, 2004).

The business policies that guide organizational behaviors and respectful conducts towards all the stakeholders are described in SR strategies. However, the attitudes that each professional, regardless of their position and role, assumes when deciding if their actions will have a positive or negative impact for the company or for society as a whole, depend on the ethics of each individual (Davidson and Griffin, 2000).

It is not the companies that act in an ethical or unethical way, but the people who work in them. “Most Business decisions or statements about business have some ethical content or an implicit ethical view. Most ethical decisions or statements about ethics have some business content or an implicit view about business” (Freeman et al., 2010, p. 7). In fact, it makes no sense to talk about business without talking about ethics. Responsible managers are required in all kinds of industries, including private, public and third sector to implement ethical, responsible and sustainable practices (Laasch et al., 2020).
Nevertheless, integrating social and sustainable strategies into corporate governance are mandatory factors in the organizational management (Porter and Kramer, 2006) to gather legitimacy (Vidaver-Cohen, 2007) and to develop a sustained competitive advantage (Beddewela and Fairbrass, 2016; Hemsley-Brown et al., 2016; Honig et al., 2017). The implementation of socially and environmentally responsible strategies is crucial for institutions’ legitimation, and it will increase access to key resources and, therefore, will guarantee organizations’ survival and success (Beddewela and Fairbrass, 2016; Bitektine and Haack, 2015; Deephouse and Carter, 2005; Miotto et al., 2018; Scherer et al., 2013; Zimmerman and Zeitz, 2002).

A network of relationships has to be created within the organization, since each individual needs to count on others to receive the necessary resources to operate. These relationships are based on socially responsible and ethical behaviors (Kleinrichert, 2008). A socially responsible firm’s management requires the respect and appropriate ethical administration of the needs of all its stakeholders (Freeman, 2010; Freeman et al., 2010; Garriga and Melé, 2004). This relationship is based on ethical principles that refer to the respect for mutual benefits, justice, cooperation, fairness and common good (Garriga and Melé, 2004), and they are closely related to the variables presented in this study.

### 2.2 Employee engagement

Engaged employees are more productive and loyal, they perform better, have less intentions to leave and are an asset for their organizations (Welch, 2011). Besides performing a higher economic output, engaged workers also have better health and psychological wellbeing (Harter, 2018). Employee engagement is the simultaneous employment and expression of a person’s preferred self in task behaviors that promote the relationships to work and to others (Kahn, 1990). Saks (2006) establishes that engagement is the level to which an individual is attentive in the performance of their job. Ewing et al. (2019) determine that engaged employees are connected to organizational values and mission (Ewing et al., 2019).

Employees connect to their work roles emotionally, expressing the feeling they have for the employers, and cognitively, through their perception of the organization’s management and the workplace, and physically, by the energy they use to fulfill their working duties and tasks (Kahn, 1990). Employees may be engaged with the organization and with their job in different ways and to different levels, these two conditions are related but not necessarily overlapping (Saks, 2006). This positive and fulfilling work-related state of mind is a long term and persistent perception (Decuyper and Schaufeli, 2020). Engagement is very difficult to generate and keep (Knight et al., 2017; Zhou et al., 2018), and only the 15% of the working population worldwide defined themselves engaged in their job (Gallup, 2017).

Knight et al. (2017) determine that pride, reputation, attractiveness, work environment, and image of an organization increase employee engagement and, therefore, responsible organizations are the ones with higher levels of work engagement. Employees that work for organizations with a high level of economic, legal and ethical best practices feel grateful and willing to repay them with a higher grade of engagement (Michailides and Lipsett, 2013). The norms of reciprocity boost employees willingness to work harder in order to achieve the organization’s goals and, according to the social learning theory, ethical business practices act as a role model for employees who, inspired by the managers’ positive example, feel more committed and engaged (Afsar et al., 2020).

Employee engagement increases when the organization they work for shows willingness to disclose relevant and truthful data, to share accountable information, and to involve stakeholders in the decision-making process. Transparency, considered as the creation and the distribution of relevant and faithful information and knowledge, generates credibility and trust that foster employee engagement (Rawlins, 2008). When employees have a clear idea of the
company’s mission, vision, values and goals (Berggren and Bernshteyn, 2007), they feel their image and positive impact enhanced (Madsen, 2016). Employees identify themselves with ethical, transparent and accountable entities, therefore this sense of communality increases their belonging and engagement. Ethical management positively influences the attitudes and behaviors of employees (Hur et al., 2019; Lee and Chen, 2018; Testa et al., 2018). Ethical leadership favors and increases employee engagement (Decuyper and Schaufeli, 2020).

Stakeholder’s involvement and active participation is also a key factor for employee engagement, since being part of the organization strategy and narrative helps the employee identification and feeling of belonging, which are important intangible assets for all kinds of organizations. Employee engagement is positively linked to better performance, higher customer loyalty, well-being and lower turnover (Decuyper and Schaufeli, 2020).

Gallup (2017) shows that engaged faculty and staff members are critical to student success, since being emotionally and psychologically committed to their work helps students overcome the difficulties and anxiety they face. Professors who are engaged at work produce better student outcomes than their less-engaged peers (Marken and Maton, 2019). Engaged faculty members enhance students’ experience, satisfaction, and academic results, since a committed professor is able to engage in a trustful and productive relationship with students. Besides, engaged faculty members trust their organizations and therefore are more willing to develop positive attitudes, behaviors and organizational commitment (Van Maele and Van Houtte, 2011).

Universities’ role is crucial for society since they act as knowledge broadcasting agents and they are responsible for training future leaders in social values and sustainability (Dzimińska et al., 2018). In the last decades, the most prestigious academic institutions of the world have been criticized for forging and training professionals on knowledge but not on values and ethics. These institutions have been requested to improve their ethical orientation and to base their internal management on transparency and accountability in order to regain public trust and social acceptance (Khurana and Nohria, 2008; Khurana and Spender, 2012; Wigmore-Alvarez et al., 2020).

Under these circumstances, HE institutions have become more socially embedded: they engage in relationships with relevant agents who can provide resources, support, commitment, trust, and legitimacy (Christensen and Gornitzka, 2017). They have been investing more resources with the aim of building strong relationships with these actors (Lafuente-Ruiz-de-Sabando et al., 2018). HE institutions have a civic mission to produce and to spread new knowledge, and faculty engagement is a core value to fulfill this responsibility of the twenty-first century universities (Sandmann, 2008).

Considering the previously discussed arguments, universities that behave ethically, show commitment to their stakeholders, and are transparent and trustworthy, will be able to enhance their employee engagement.

Therefore, the following hypothesis is proposed:

**H1.** Business ethics positively and significantly affects faculty engagement.

### 2.3 Community outreach

Universities’ mission has changed, and it now goes far beyond simply teaching and researching (Wigmore-Alvarez and Ruiz-Lozano, 2012). Universities have the responsibility to work to improve people’s lives and to find answers to globally important issues (Martínez-Usarralde et al., 2017; Setó-Pamies et al., 2011). Universities’ main mission is to provide society with knowledge and solutions for the common good (Martínez-Usarralde et al., 2017; Miotto et al., 2018). Community outreach is a partnership through which the university opens itself up to the society, adding to the teaching and research tasks the responsibility to deliver a public service (Sandmann, 2008).
The importance of the teaching staff engagement and commitment can be considered as a key factor for universities success. Engaged faculty members work in contact with administrations, local communities and firms in order to transfer and adapt their academic knowledge to improve people’s daily lives (Figueiró and Raufflet, 2015; Salvioni et al., 2017). Universities that fulfill this public service through outreach activities are considered ethical and aligned with social values, therefore, isomorphically legitimate (Chedrawi et al., 2019).

Having a positive impact on their communities will increase faculty members’ engagement with their organization, since they will feel more connected with the university’s values and behavior (Collier and Esteban, 2007). Many authors have supported the relationship between positive impact on society and employee commitment (Albinger and Freeman, 2000; Alrowwad et al., 2016; Backhaus et al., 2002; Gupta, 2017).

Taking into consideration this theoretical framework, the following hypothesis is presented:

\[ H2. \text{ Community outreach positively and significantly affects faculty engagement.} \]

2.4 The mediating effect of legitimacy

Stakeholders’ expectations have determined the need for organizations to justify their right to exist and to explain the positive impact they have on society (Simcic Brønn and Vidaver-Cohen, 2009). Service organizations need to satisfy demanding stakeholders, providing benefits, and delivering a product whose quality might be difficult to objectively evaluate.

Deephouse et al. (2017, p. 9) defined organizational legitimacy as “the perceived appropriateness of an organization to a social system in terms of rules, values, norms and definition.” It depends on the perceptions of the audience and it is granted when behaviors, values and beliefs are shared and coincident (Diez-Martín et al., 2020). Legitimacy is affected by the evaluation and judgment based on stakeholders’ perceptions on the organization’s behavioral response (Bitektine, 2011). An organization is considered legitimate when it fulfills stakeholders’ expectation and complies with the actual social system, norms, values and beliefs (Diez-Martín et al., 2020).

Legitimacy is a critical factor (Suddaby et al., 2017) to reach the necessary resources that foster and organizations’ success and growth (Zimmerman and Zeit, 2002). Legitimacy grants higher levels of trust and support from stakeholders (Alajoutsijarvi et al., 2015; Bitektine and Haack, 2015; Deephouse and Carter, 2005; Diez-Martín et al., 2013; Patriotta et al., 2011), since most groups are only willing to engage with legitimated institutions and will avoid maintaining relationships with those that are questioned and criticized within their social system (Deephouse et al., 2017).

For HE institutions, legitimacy has become critical to receive social support since some institutions have lost their focus and are perceived as not pursuing their original missions of serving the public good (Blanco-Gonzalez et al., 2020; Khurana and Nohria, 2008). Only legitimated universities will have the competitive advantage to count with valuable business and institutional partners, to be able to adapt to the complex regulatory environments, to benefit from new educational partnership arrangements and to positively manage a global market (Low, 2019).

In this attempt, organizations must consider that ethical behavior is a determinant factor to maintain or increase an institution’s legitimacy (Baumann-Pauly et al., 2016; Scherer et al., 2013). Universities may increase their legitimacy through internal management based on business ethics principles and by positively impacting the society. Business ethics-based administration improves employee engagement and loyalty, and community outreach promotes social acceptance and legitimacy (Castelló and Lozano, 2011; Yang and Ji, 2019). Legitimacy has been related to positive perceptions of employees (Blanco-Gonzalez et al.,...
and it is linked with employee’s commitment level toward their organization (Lee et al., 2018; Morin et al., 2016). Universities have to manage their legitimacy level to build lasting relationships with their faculty members and earn their commitment. According to the above literature review and theoretical framework, business ethics has been considered as an antecedent of legitimacy and legitimacy has been empirically proven as a critical factor to strengthen the relationships with internal stakeholders and, more precisely, with faculty members. Therefore, we propose that the mediating effect of legitimacy in the relationship between business ethics and faculty engagement is important and it will highlight relevant implications to the academic and management fields, demonstrating that the relationship between these two variables is affected by the legitimacy level of the institution. Therefore, the following hypothesis is proposed:

**H3.** Legitimacy mediates the effect of business ethics on faculty engagement.

Legitimated institutions have better access to necessary resources to survive and succeed because stakeholders will be willing to engage only with legitimated organizations (Deephouse et al., 2017). Organizations, that are able to align with ethical norms and values, engaging in substantial relationships with their internal and external stakeholders through transparency, accountability, positive impacts and participation will be the ones with better outcomes (Kostova and Zaheer, 1999). To acquire legitimacy and a competitive advantage, universities need to focus on developing ethical behavior but also on positive community outreach through knowledge transfer, solving global and relevant issues and caring for the common good (Dyllick, 2015; Schensul, 2010). Legitimacy, influencing the sense of belonging and identification of the employees, affects the impact that community outreach has on faculty engagement. Therefore, testing the mediating role of legitimacy on this relationship is important to analyze the determinant role that legitimacy has on how community outreach affects faculty engagement.

Based on these arguments, we propose the following hypothesis:

**H4.** Legitimacy mediates the effect of community outreach on faculty engagement.

Figure 1 presents the measurement model applied to this research paper.

### 3. Sample and methodology

The research setting for this analysis is defined within the Spanish public universities due to the complex environment in which they operate. These institutions have been working to improve their management approach and business ethics practices. They have increased the level of transparency and accountability, providing information and sharing data with all stakeholders and involving them in the decision making-process as active participants (Wigmore-Alvarez and Ruiz-Lozano, 2012).

A survey was designed and then distributed to faculty members of the business departments of 47 Spanish universities (Table 1). In a first stage, a pre-test was launched to verify the questions and scale. After analyzing the results, some questions were updated, and others removed to shape the final version of the questionnaire. We collected 509 effective responses from faculty members across Spain throughout May and June of 2018.

All the considered variables were measured through adapted items from existing scales using an 11-point Likert scale (Table 2). The items used to measure community outreach and business ethics were defined combining different existing scales (Vidaver-Cohen, 2007; Vidaver-Cohen and Brønn, 2015). For measuring legitimacy, we considered the definition provided by Suchman (1995) and for faculty engagement, the research developed by several
Figure 1. Proposed model

Source(s): Own elaboration

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Responses</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>248</td>
<td>49%</td>
</tr>
<tr>
<td>Women</td>
<td>261</td>
<td>51%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18–22</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>22–30</td>
<td>48</td>
<td>9%</td>
</tr>
<tr>
<td>30–45</td>
<td>169</td>
<td>33%</td>
</tr>
<tr>
<td>45–60</td>
<td>248</td>
<td>49%</td>
</tr>
<tr>
<td>&gt;60</td>
<td>40</td>
<td>8%</td>
</tr>
</tbody>
</table>

Table 1. Sample profile

<table>
<thead>
<tr>
<th>Factor</th>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business ethics</td>
<td>GOV1</td>
<td>There is a clear vision of the objectives that guide my university</td>
</tr>
<tr>
<td></td>
<td>GOV2</td>
<td>It is managed with ethics and transparency</td>
</tr>
<tr>
<td></td>
<td>GOV3</td>
<td>It takes into consideration its stakeholders in their management decisions</td>
</tr>
<tr>
<td>Community</td>
<td>COMOUT1</td>
<td>Exerts positive influence on society</td>
</tr>
<tr>
<td>outreach</td>
<td>COMOUT2</td>
<td>Supports good causes</td>
</tr>
<tr>
<td></td>
<td>COMOUT3</td>
<td>My university cares about their stakeholders’ well being</td>
</tr>
<tr>
<td>Legitimacy</td>
<td>LEGGLOB1</td>
<td>My university is an essential institution for society’s development</td>
</tr>
<tr>
<td></td>
<td>LEGGLOB2</td>
<td>The actions and activities developed by my university are appropriate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(consistent with social norms, values and believes)</td>
</tr>
<tr>
<td>Faculty</td>
<td>FACENG1</td>
<td>I am committed in my relationship with my university</td>
</tr>
<tr>
<td>engagement</td>
<td>FACENG2</td>
<td>I would defend this university if others criticized it</td>
</tr>
<tr>
<td></td>
<td>FACENG3</td>
<td>If had to do additional courses or studies, my university would be my first</td>
</tr>
<tr>
<td></td>
<td></td>
<td>choice</td>
</tr>
<tr>
<td></td>
<td>FACENG4</td>
<td>If someone asked for advice, I would recommend my university</td>
</tr>
<tr>
<td></td>
<td>FACENG5</td>
<td>I will encourage friends and family to study in my university</td>
</tr>
</tbody>
</table>

Table 2. Measurement instruments
authors (Castañeda-García and Luque-Martínez, 2008; Hennig-Thurau et al., 2001; Morgan and Hunt, 1994).

To prove the hypotheses, we applied structural equations using SmartPLS system. This methodology was chosen due to the benefits it provides for this type of research (Hair et al., 2014), since it applies a statistical analysis of the relationships, through the prediction of the dependent variables and we could calculate and quantify the effects that some variables have on others (Hallak et al., 2018). Furthermore, PLS is appropriate for measurement models with both formative and reflective items, such as this one (Diamantopoulos and Winklhofer, 2001).

4. Data analysis and results

In Table 3, we present the descriptive analysis and show the values of all variables and items considering the professors’ perceptions. The lowest value was “business ethics” with 6.54 over 10, then, “community outreach” as well as “legitimacy” held values close to 7 over 10 (7.38 and 7.87 respectively). Finally, “faculty engagement” presented the highest value with 8.06 over 10.

4.1 Reliability and validity evaluation

Table 4 shows information regarding the model’s reliability and validity. Considering legitimacy and faculty engagement’s reflective items, all Cronbach’s alphas (CA) surpassed the recommendation of 0.70 (Nunnally and Bernstein, 1994). Regarding the composite reliability (CR), every item is within the scope since they are all over 0.60 (Bagozzi and Yi, 1988). All items present average variance extracted (AVE) values over 0.50 which is considered correct (Fornell and Larcker, 1981). Moreover, the standardized loadings of the reflective items are presented as well as their significant value ($p < 0.01$) showing that every item is significant within its variable.

Regarding discriminant validity, Table 5 shows the HTMT ratio method (Henseler et al., 2015). Since every ratio was lower than 0.85 (Clark and Watson, 1995), no problems appear in the model. The collinearity (VIF) value is presented for the formative constructs and every item is under the appropriate level of VIF < 5 (Hair et al., 2011). Also, the standardized weights and their significant values ($p < 0.01$) are presented, supporting the significance of every item of the formative constructs of business ethics and community outreach.

Considering the previous analysis, we concluded that the proposed model offers appropriate evidence of reliability, convergent and discriminant validity of the reflective

<table>
<thead>
<tr>
<th>Factor</th>
<th>Item</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Average factor value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business ethics</td>
<td>GOV1</td>
<td>6.36</td>
<td>2.42</td>
<td>6.54</td>
</tr>
<tr>
<td></td>
<td>GOV2</td>
<td>6.64</td>
<td>2.55</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GOV3</td>
<td>6.62</td>
<td>2.51</td>
<td></td>
</tr>
<tr>
<td>Community outreach</td>
<td>COMOUT1</td>
<td>7.90</td>
<td>1.92</td>
<td>7.38</td>
</tr>
<tr>
<td></td>
<td>COMOUT2</td>
<td>7.33</td>
<td>2.07</td>
<td></td>
</tr>
<tr>
<td></td>
<td>COMOUT3</td>
<td>6.92</td>
<td>2.06</td>
<td></td>
</tr>
<tr>
<td>Legitimacy</td>
<td>LEGGLOB1</td>
<td>8.07</td>
<td>1.85</td>
<td>7.87</td>
</tr>
<tr>
<td></td>
<td>LEGGLOB2</td>
<td>7.68</td>
<td>1.83</td>
<td></td>
</tr>
<tr>
<td>Faculty engagement</td>
<td>FACENG1</td>
<td>8.47</td>
<td>1.77</td>
<td>8.06</td>
</tr>
<tr>
<td></td>
<td>FACENG2</td>
<td>8.29</td>
<td>2.04</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FACENG3</td>
<td>7.41</td>
<td>2.42</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FACENG4</td>
<td>8.09</td>
<td>2.11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FACENG5</td>
<td>8.05</td>
<td>2.22</td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Descriptive analysis
constructs, as well as in terms of collinearity, weight-loading relationship and significant levels of the formative constructs.

4.2 Hypothesis testing

The obtained results (Table 6) show that the proposed hypotheses established considering the literature review can be confirmed except for the direct relationship between business ethics and faculty engagement (H1).

Finally, regarding the mediating effects of legitimacy, the complete model was designed following the approach proposed by Hair et al. (2014). The results (Table 7) confirm the complete mediation in the case of the relationship between business ethics and faculty engagement and partial mediation for the relationship between community outreach and faculty engagement.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Item</th>
<th>Weights/loadings</th>
<th>t-value</th>
<th>VIF</th>
<th>CA</th>
<th>CR</th>
<th>AVE</th>
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<tbody>
<tr>
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<td>GOV1</td>
<td>0.274</td>
<td>2.498</td>
<td>1.833</td>
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<td></td>
<td>GOV2</td>
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<td>2.317</td>
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<td></td>
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<td>2.277</td>
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<td>7.953</td>
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<td>LEGGLOB1</td>
<td>0.886</td>
<td>47.885</td>
<td>0.777 0.899 0.817</td>
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<tr>
<td></td>
<td>LEGGLOB2</td>
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<td>Faculty engagement</td>
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<td>29.892</td>
<td>0.924 0.943 0.769</td>
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<tr>
<td></td>
<td>FACENG2</td>
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<td>29.033</td>
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<td>FACENG3</td>
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<td>37.729</td>
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<td></td>
<td>FACENG5</td>
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Table 4.
Measurement model reliability and validity

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<tr>
<th>Factor</th>
<th>Faculty engagement</th>
<th>Legitimacy</th>
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</thead>
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<tr>
<td>Faculty engagement</td>
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<tr>
<td>Legitimacy</td>
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<td></td>
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Table 5.
Discriminant validity

<table>
<thead>
<tr>
<th>Hypothesis testing</th>
<th>Beta</th>
<th>t-value</th>
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</thead>
<tbody>
<tr>
<td>H1: Business ethics - Faculty engagement</td>
<td>0.109</td>
<td>1.726</td>
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<tr>
<td>H2: Community outreach - Faculty engagement</td>
<td>0.584</td>
<td>9.444</td>
</tr>
<tr>
<td>H3: Mediating effect of legitimacy: Business ethics - Faculty engagement</td>
<td>0.227</td>
<td>3.651</td>
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<tr>
<td></td>
<td>0.386</td>
<td>5.166</td>
</tr>
<tr>
<td>H4: Mediating effect of legitimacy: Community outreach - Faculty engagement</td>
<td>0.569</td>
<td>9.072</td>
</tr>
<tr>
<td></td>
<td>0.386</td>
<td>5.166</td>
</tr>
</tbody>
</table>

Table 6.
Hypothesis testing

Note(s): Legitimacy: $R^2 = 0.563; Q^2 = 0.432$; Faculty engagement: $R^2 = 0.511; Q^2 = 0.367$
5. Discussion and implications

According to the literature review, engaged employees are more motivated, more productive and profitable for the organization they work for and they provide a competitive advantage (Decuyper and Schaufeli, 2020; Harter, 2018). Universities are facing difficult times, being pressured by a highly competitive environment and coping with difficulties to get enough resources to attract the best faculty members, the most promising students and the most helpful corporate partners (Hemsley-Brown et al., 2016). These institutions are asked to build strong relationships with their stakeholders and to achieve students’, faculty members’ and staff’s loyalty by providing a high quality service (Dzimińska et al., 2018). Engaged faculty members are key for building strong, long-lasting and profitable relationships with students and the community, generating a sense of belonging, trust and commitment (Van Maele and Van Houtte, 2011; Marken and Maton, 2019).

The objective of this research is to analyze which dimensions affect employee engagement in the HE sector, specifically focusing on faculty members. We defined two possible aspects that may affect employee engagement: internally, the business ethics principles that guide the institutions’ administrators and, externally, the impact of the university’s activities in society. According to the results, the surveyed faculty members declared that they feel committed and engaged with their institutions. They would recommend them to their networks and they feel proud to work there. Confirming the literature review, professors consider that their universities have a positive impact on society and the effects of the community outreach of their activities increases the meaningfulness of their job as well as the engagement with their institutions (Asaf et al., 2020; Cycoyota et al., 2016). Faculty engagement improves when professors perceive that they are positively impacting the society through the university’s community outreach (Albinger and Freeman, 2000; Alrowwad et al., 2016; Backhaus et al., 2002; Gupta, 2017).

Nevertheless, according to the results, faculty engagement and business ethics management are not strongly related. Professors do not feel that their institutions are managed ethically, and they perceive that transparency and accountability are not main characteristics of their universities. According to the literature review, business ethics highly affect employee engagement (Castelló and Lozano, 2011; Yang and Ji, 2019). Ethical leadership, transparency and accountability shape committed employees, since they tend to mirror their managers’ behavior and become more emotionally and professionally involved with their tasks, responsibilities and companies (Hur et al., 2019; Lee et al., 2018; Testa et al., 2018). In the analyzed universities, professors feel engaged despite their perception of lack of ethics in their institutions’ management. Following these results, we propose a new contribution to the theoretical framework, stating that ethical management improves faculty engagement, but the perception of a lack of ethics does not necessarily impede professors’ commitment to their job.

Universities’ mission has changed, and it now goes far beyond simply teaching and researching (Wigmore-Alvarez and Ruiz-Lozano, 2012). Universities have the responsibility to work to improve people’s lives and solve important global issues (Martínez-Usarralde et al., 2017; Setó-Pamies et al., 2011). Professors feel aligned and committed with their universities’ mission to solve social issues and to help the corporate context. They, therefore, consider the

<table>
<thead>
<tr>
<th></th>
<th>Total effects</th>
<th>Total indirect effects</th>
<th>VAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business ethics</td>
<td>0.109</td>
<td>0.087</td>
<td>80.5%</td>
</tr>
<tr>
<td>Community outreach</td>
<td>0.584</td>
<td>0.219</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

Table 7. Mediating effect
social positive impact rewarding, empowering and self-representing (Afsar et al., 2020; Cycyota et al., 2016).

The literature supports the benefits of being legitimate since it helps organizations obtain resources, grow and survive (Deephouse et al., 2017; Miotto et al., 2020; Suchman, 1995). Results show that legitimacy has a partial mediating effect on the relationship between community outreach and faculty engagement. When professors consider their institutions as legitimate, they then feel more engaged thanks to their positive impact on the society. The institutions legitimation reinforces the benefits of their community outreach (Dyllick, 2015; Schensul, 2010).

6. Conclusions, limitations and future research lines

Our research contributes to the organizational management literature by providing a new and interesting point of view introducing the mediating effect of legitimacy in the relationship between internal and external sources of employee engagement. If we consider the internal source of engagement, professors believe that their universities’ managers are not able to fulfil the main requirement of business ethics, especially since they do not share valuable and relevant information and they do not involve them in the decision-making process. Considering the mediating effect of legitimacy, we observe a full mediation. Professors feel that the source of their engagement may come from the inside of their institutions when they work for a legitimate university, even though their internal management does not reflect an ethical behavior. Considering the results, if a university is perceived by the professors as legitimate, then the internal ethical management and the external positive impacts on society encourage faculty members to feel more motivated, aligned with the institutions’ values and engaged.

Our research provides interesting implications for universities administrators. We prove that faculty members improve their engagement when they can cooperate with society, through research, knowledge transfer and teaching. Universities should provide professors with the option to dedicate their efforts not just on purely academic research and on teaching time in the classrooms, but also on creating and transferring knowledge useful for companies and for the society in general.

Nevertheless, the perception of an external positive impact is not enough to fulfil professors’ need to commit with their institutions, they ask for ethical leadership and active involvement in the universities’ administration. Managers have to create a trustful internal atmosphere based on business ethics, where professors may feel that they have access to information, and they may actively participate to define the institution’s strategy and priorities. This ethical and trustworthy behavior will increase the institution’s legitimacy level and these efforts will positively impact professors engagement.

Universities administrators should improve internal communication, providing more information and the option to involve professors in their decisions. Besides, professors should perceive that their impact on society is as important for their career as their theoretical academic impact. Engaged professors are key to improve universities’ performance in the actual competitive environment, so administrators should act to improve both the internal and the external sources of faculty engagement.

The main limitation of this research lies in the fact that we analyze one internal stakeholder group (faculty members) and we do not take into consideration non-teaching personnel which is very important for universities’ success. Besides, we considered only one country (Spain). Future research projects should focus on including non-teaching personnel and on replicating the study in other countries. Besides future projects should include studies about how faculty engagement impact the perception of the university legitimacy from the point of view of the students, the corporate partners and the society in general.
References


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