Ethical Leadership in organisation

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Abstract

This research study highlights the critical significance of ethical leadership within organizations and business institutions, particularly considering the increasing number of scandals that have occurred across various sectors. The researcher’s motivation to investigate the need for ethical leadership stems from the widespread concerns surrounding unethical leadership, which has garnered significant attention due to scandals in both business organizations and religious institutions. Numerous studies have concluded that ethical leaders are characterized by their fairness, balanced decision-making, honesty, kindness, and principled behaviour. These leaders not only establish clear ethical standards but also utilize incentives and punishments to foster compliance. Moreover, ethical leaders consistently engage their followers in discussions about ethics.

1. Introduction

To gain a comprehensive understanding of the origins and impacts of ethical leadership, it is crucial for organizations, businesses, and educational institutions worldwide to engage in its study. Ethical leaders serve as role models for their subordinates by embodying qualities such as honesty, integrity, and selflessness. Peers highly value individuals who exhibit integrity and respect. As a result, ethical leaders have the potential to foster positive interactions among individuals, teams, and the organization, leading to exceptional outcomes and rewards. Discrimination should never be tolerated in the behavior of ethical leaders. They ensure that their followers adhere to principles of honesty, transparency, fairness, efficiency, logic, diligence, and dependability in their work and interactions.

This paper aims to thoroughly examine ethical leadership to prevent further instances of ethical scandals and questionable practices that have sparked debates among scholars and practitioners in various domains, including business, government, sports, non-profit, and religious organizations. Given the limited exploration of ethical leadership thus far, this paper presents an opportunity to contribute to the existing knowledge on the subject. The prevalence of scandals within organizations raises the question: what is wrong with our leaders? Therefore, the core focus of this research paper revolves around defining ethical leadership. Kanungo (2001) suggests that ethical leaders are driven by a desire to serve others and abstain from causing harm. Considering the numerous ethical scandals and moral decay observed globally in society and companies, the need for ethical leadership and ethical organizational conduct has become increasingly evident. The Enron and National Bank of Scotland crises serve as glaring examples of how unethical decisions can harm corporations financially, culturally, and behaviorally. Consequently, these controversies have spurred extensive studies on business ethics and leadership, underscoring the urgency of this investigation and the significance of ethical decision-making within our cultures. Colvin (2003) emphasizes the pivotal role of leadership in ethical behavior, citing a recent business ethics scandal that has raised pertinent questions. According to Brown et al. (2005), leaders bear the responsibility of ethically guiding their employees. Grojean et al. (2004) assert that leaders should set an example and provide moral guidance through the implementation of ethical decision-making. Ethical controversies are prevalent today, as noted by Eluka and Chukwu (2013). Köbis et al. (2016) reveal that high-ranking corporate executives have been implicated in corruption scandals, highlighting the fact that some individuals prioritize profit and personal gain over ethical considerations.
These corporate catastrophes have accentuated the ethical dilemmas within the realm of business, as highlighted by Trevino and Brown (2005). Many experts have pointed to the Enron scandal as an illustration of a major US company engaging in corrupt practices, shielded by a lengthy code of conduct aimed at preventing unethical actions by senior executives. Ethical leadership is indispensable for all organizations, as ethics must form the foundation of any company. Piccolo et al. (2010) argue that leaders must establish ethical guidelines and provide training, thereby setting an ethical example. Brown and Mitchell (2013) posit that leaders' promotion, evaluation, and strategic decisions have a profound impact on employee behavior and an organization's ultimate goals and outcomes. Trevino (1986) demonstrates that employees often seek ethical advice from others. According to Trevino et al. (2000, 2003), ethical leaders are those who make decisions based on their moral convictions, regardless of the consequences. Observers' evaluations of a leader's character, demeanor, and selflessness constitute the moral person aspect of ethical leadership. The scarcity of leaders with strong moral convictions presents a widespread problem in organizations. It is only during crises or leadership failures that people start to question the ethical conduct of their leaders in the workplace. Nights and O'Leary (2005) observe that concerns regarding business ethics have emerged due to recent scandals involving companies such as Enron, WorldCom, Parmalat, and major Irish banks like NIB and AIB.

According to Bello's research (2012) on ethical leadership, it is crucial to learn from recent events such as the credit crisis, which triggered the most severe global recession since the 1930s, and the numerous scandals involving prominent firms in the past. CEOs of various firms in industrialized nations, including Enron, Arthur Andersen, WorldCom, Tyco, Parmalat, and HealthSouth, have succumbed to moral failure due to the pressures to excel, perform, and pursue victory at any cost. Kelleman (2019) have also highlighted that Americans have been unable to ignore the erosion of standards in civic life, particularly when such attacks originate from the nation's chief executive. For him the institutions that were once believed to uphold high standards of personal and professional conduct have been exposed as illusory. Kelleman (2019), therefore argues that individuals in positions of power within industry and government should be obliged to demonstrate their attainment of formal leadership education. The idea that an individual could become the President of the United States without prior experience in politics, government, or the military would astonish future generations. Previously, such a scenario would have been considered unimaginable and incomprehensible. Similarly, Brown and Trevino (2006) assert that the corporate ethics scandals in the United States and across the globe, along with their devastating consequences, have sparked a quest for and an urgent need to investigate and research ethical leadership. Therefore, we need leaders who are entirely driven by a desire to act morally right in the eyes of God/Allah. Ethical leaders must possess exceptional moral character, and ethical leadership must be based on an understanding of what is right and wrong in one's interactions with others. As Ciulla (1995, p.3) eloquently states, "the more flawed our leaders are, the stronger our yearning for highly ethical leaders becomes." Integrity in leadership is paramount, and it is hoped that this moral compass will guide future scientific endeavors and hence the interest in conducting this research paper.

Den Hartog’s (2015) in his research studies indicated a growing focus on ethical leadership in organizations due to high-profile cases of ethical misconduct by leaders across various contexts and industries. These scandals, occurring over the past 15 years or more, have brought moral and ethical aspects of leadership to public attention, increasing pressure on firms and leaders to act ethically. The prevalence of corrupt and fraudulent activities among leaders and senior management employees has raised widespread concerns about the morality of our leaders. As a result, the visibility and significance of ethics in organizational and institutional settings have been heightened. Nights and O'Leary (2005) argue that many ethical problems in capitalism can be attributed to leadership failures. The same sentiment is echoed by Suifan et al. (2020) who assert that ethical leadership and moral deficiencies, prevalent in societies and organizations worldwide, have become prominent topics dominating news headlines and causing global unrest. Hansen et al. (2013) cite numerous instances of global executives being accused of unethical conduct, including data breaches, embezzlement controversies, bribery, and harassment. Den Hartog (2015) notes that the ethical dimensions of organizational leadership are currently receiving significant attention, and these attentions are growing day by day. This is because ethical leaders inspire ethical behavior among their followers and demonstrate fair, transparent, and socially responsible use of authority. Piccolo et al. (2010) suggests that leaders’ reputations and their ability to
influence followers at all levels of an organization depend on their ethical conduct. Due to ethical leadership failures in various political, economic, social, developmental, and educational organizations, scholars and practitioners are examining ethical leadership practices. Motivated by this context, the researcher conducted a study on ethical leadership, evaluating existing literature and current leaders through a survey of respondents.

In the Kingdom of Saudi Arabia, where this research is conducted, morality plays a crucial role in organizational leadership. The rise of moral and ethical leadership within organizations is a direct response to unethical conduct in the workplace, which has sparked the researcher’s interest in conducting this study. The findings of this research are expected to contribute to the existing body of knowledge on ethical leadership in organizations. Furthermore, the researchers strongly argues that the way many scholars and practitioners define leadership acts as a barrier to ethical leadership. The researchers proposes that leadership should be defined as selfless service dedicated solely to the pleasure of Allah/God. Leaders and followers are seen as representatives of Allah/God on Earth. Through the democratic process, citizens, leaders, and followers elect or appoint individuals to serve their interests, with the condition that they adhere to the teachings of Allah and the prophets from Adam to Prophet Mohammad (PBUH). Ethical leaders prioritize selfless service for the pleasure of Allah/God, promoting community values and solidarity rather than pursuing self-interest at the expense of their followers or communities. Ethical leaders foster employee commitment by exemplifying honesty, respect, fairness, integrity, transparency, and democracy. According to Brown et al. (2005, p. 120), ethical leadership is defined as "demonstrating behavior that is normatively appropriate through personal actions and interpersonal relationships, and promoting such behavior among followers through two-way communication, reinforcement, and decision-making." Eisenbeiss (2012, p. 793) questions whether it is sufficient to define ethical leadership as “normatively appropriate conduct” without establishing a minimum set of normative reference points to evaluate the ethicality of conduct and its underlying values. According to De Hoogh and Den Hartog (2009), ethical leadership involves guiding a group toward socially acceptable goals. They emphasize the methods and objectives of leaders, asserting that ethical leaders should benefit their followers, organizations, and society. Tracy (2016) suggests that ethical leadership inspires accountability, tolerance, integrity, and honesty among employees. Zhu et al. (2004) define an ethical leader as someone who is impartial and unbiased, acts ethically, considers the needs of others, and safeguards the rights of employees. Khalili (2017) argues that leaders must shape their environment and behave like thermostats rather than thermometers to foster growth and innovation. Qing et al. (2020) highlight the benefits of leaders who listen to their subordinates’ concerns and work to build rapport with them, leading to increased job satisfaction and organizational commitment. Finally, Hansen et al. (2013) suggest that leadership bears responsibility for many ethical issues, and ethical lapses by leaders significantly impact the attitudes of their subordinates.

2. Theoretical framework and literature review

2.1 Theoretical framework

Dickson et al. (2001) suggest that organizations led by ethical leaders tend to encounter fewer controversies, and various studies have demonstrated the influence of ethical leadership on businesses. These findings have practical implications for managers as they assist in selecting and training employees who adhere to ethical standards and have the potential to become successful ethical leaders. Early ethical leadership paradigms proposed by De Hoogh and Den Hartog (2009), Brown et al. (2005), and Trevio et al. (2003) focused on equity, power distribution, and clear delineation of responsibilities. Ethical leaders prioritize fairness (Trevio et al., 2003) and consistently do what is right. They value leadership and genuinely care for their team members (De Hoogh and Den Hartog, 2008), creating an environment where subordinates feel valued and encouraged to express their opinions. Leaders also promote employee participation in decisions affecting the workplace (Brown, 2005). Effective communication of vision, values, and strategies is another important aspect emphasized by ethical leaders in role definition (De Hoogh and Den Hartog).

This study is grounded in Bandura’s (1977) Social Learning Theory, which posits that learning is a cognitive process that occurs in a social context and can be facilitated through observation and instruction. According to this theory, individuals acquire new abilities and knowledge by observing and imitating others around them. Bandura’s social learning theory integrates attention, memory, and motivation, highlighting the dyna-
mic interplay between internal cognitive factors and external behavioral and environmental factors. Ethical leaders shape the ethics of their followers by modeling and rewarding ethical behavior, thus fostering moral conduct among employees (Brown et al., 2005). Observational learning, imitation, and identification are key components of modeling, which ethical leaders can employ to positively influence their followers’ actions and perspectives (Brown et al.).

Additionally, Mayer et al. (2009) propose examining ethical leadership through the lens of social exchange theory. Reciprocity is emphasized as a central concept by proponents of this theory, such as Kalshoven et al. (2011). When leaders treat their followers fairly and respectfully, it is expected that the followers will reciprocate in kind (Kalshoven et al., 2011). According to Mayer et al. (2009), appropriate treatment of subordinates by superiors increases the likelihood of subordinates performing in ways that benefit the team and the supervisory team’s work.

2.2 What is ethical leadership?

The significance of ethical leadership in today’s global landscape cannot be overstated, considering the prevalence of unethical behaviors that continue to plague numerous companies. The pervasiveness of scandals involving unethical conduct across various industries highlights the need to further explore ethical leadership and draw insights from existing literature to understand its impact on organizational success.

Qing et al. (2020) extensively explored business ethics and its role in fostering desirable traits among individuals for the betterment of organizations. They emphasized the leaders’ responsibility to instill ethical values in their followers and cultivate a sense of dedication to the collective group. The Ethical Leaders Work Behaviors (ELWB) model by Kalshoven, Den Hartog, and De Hoogh (2011) and the organizational Commitment (OC) model developed by Meyer and Allen (1997) provide a comprehensive overview of the theoretical and empirical foundations of ethical leadership. Mitonga-Monga et al. (2023) suggest that leaders with ethical competence and skills are perceived as trustworthy, fair, and principled in their decision-making. Khuong and Nhu (2015) argue that ethical leadership influences social interactions and creates a highly motivated work environment where employees strive for high-quality output. Grace and Grace (1998) define ethical leadership as adhering to core values and embodying them for the greater good. Yukl et al. (2013) define ethical leadership as encompassing altruism, trust and integrity, fairness in reward distribution, honesty in dealings, support, open communication, emphasis on ethical values, establishment of clear ethical standards, and accountability for unethical practices. Gini (1998) highlights refraining from causing harm and upholding the rights of all parties involved as crucial aspects of ethical leadership. Kanungo (2001) argues that ethical leaders must embody virtue, avoid harming others, and be driven by altruism rather than ego. Toor and Ofori (2009) stress the criticality of ethical leadership for business success, showing that followers are more likely to offer their full support and cooperation to ethical leaders. Brown et al. (2005) assert that leaders’ ethical standards significantly impact employee dedication and job satisfaction. De Hoogh and Den Hartog (2008) emphasize the importance of ethical leadership in considering subordinates’ thoughts and feelings and involving them in decision-making. They also highlight a strong association between entrusting employees with decision-making authority and ethical management.

Furthermore, ethical leadership focuses on a leader’s moral development and the confidence they instill in their followers’ ability to make autonomous choices. Zhu et al. (2004) describe ethical leadership as translating good intentions into ethical behavior and involving employees in decision-making, promoting their well-being and growth potential. Trevino et al. (2003) define ethical leadership as establishing behavioral standards and ethical principles to enhance performance. Resick et al. (2006) identify character, honesty, ethical awareness, concern for society, the ability to inspire and motivate followers, and a commitment to ethical responsibility as defining traits of ethical leaders. Brown and Mitchell (2010) argue that leaders profoundly influence morale, motivation, performance, and behaviors of their followers, emphasizing the need for leaders to model ethical behavior and provide clear explanations. Kapur (2017) asserts that ethical leaders should consider norms, beliefs, expectations, and ethics in various activities and effectively communicate them to others. Brown et al. (2005) identifies two core tenets of ethical leadership: being a moral person and practicing moral management. Ethical leaders embody these traits and inspire others to do the same, acting as moral managers who establish
ethical standards and ensure adherence. Al-Aidarous (2021) demonstrates that ethical leadership enhances team morale, productivity, and employee commitment. Qing et al. (2020) find that ethical leaders, provide direction by establishing long-term goals. Connock and Johns (1995) define ethical leadership as setting and enforcing conduct standards aligned with shared values within a community. Cuila (1998) asserts that ethical leaders spread goodness by respecting others, practicing honesty, dependability, objectivity, fairness, advocating democratic decision-making, promoting tolerance and civility, and having a strong sense of right and wrong. Dirks and Ferrin (2002) observe that a leader’s position can influence subordinates’ attitudes and actions. Jiang et al. (2017) find that moral leadership significantly improves productivity. Ronald et al. (2010) report that ethical leaders’ convictions enhance their organizations’ credibility, legitimacy, and respect, benefiting employees in terms of characteristics, cognitive abilities, and job satisfaction. Yunanto et al. (2021) discover a positive correlation between ethical leadership and organizational citizenship behavior, as well as work satisfaction. Chandrajeet (2018) highlights the need for businesses to address ethical concerns proactively. Ethical leaders prioritize the well-being of all parties involved and foster an atmosphere that encourages ethical conduct. They raise awareness, led by example, and implement measures to cultivate responsible team members. Ethical leaders prioritize the needs and rights of their people, exhibiting care and fairness. CEOs have an ethical responsibility to create an ethical and responsible work environment, recognize and reward honest work, and address unethical behavior. Priya (2016) investigates the relationship between ethical leadership and employee engagement, finding that leaders who encourage commitment and performance improvement are perceived as ethical role models. Laurie (2014) examines how ethical leadership influences employee happiness, loyalty, and workplace citizenship. However, the study does not find a significant correlation between the presence or absence of ethical leadership and levels of corporate citizenship behavior. Trevino et al. (2000) posit that ethical leadership rests upon moral management and a moral leader. They argue that if an employee considers their manager a “moral person,” the manager likely possesses exceptional character. Trevino et al. (2003) emphasize the importance of leaders modeling appropriate behavior, rewarding it, and holding individuals accountable for unethical conduct to facilitate vicarious learning. Ethical leaders attract and retain followers by elevating the ethical message above workplace noise, drawing employees’ attention to ethical standards through explicit communication. Ko et al. (2018) state that ethical leaders act as role models, influencing and inspiring their staff to adopt similar ethical practices. Ethical leaders have the power to instill enthusiasm for doing good.

3. Methodology

This research adopts a quantitative methodology, utilizing a survey questionnaire to evaluate ethical leadership. The questionnaire consists of two parts: demographic questions and statements that assess ethical leadership behaviors. The demographic section includes queries about respondents’ gender, age, and educational level. The second section consists of ten statements derived from Brown et al.’s (2005) leadership behavior scale, which serve as indicators for measuring ethical leadership. Alongside the survey questionnaire, a descriptive analysis, and an extensive review of pertinent literature in the social science field are undertaken to deepen the knowledge of ethical leadership and promote continuous enhancement.

3.1. Instrument.

3.1.1. Ethical leadership.

The assessment of ethical leadership (EL) involved the utilization of a 10-item scale created by Brown et al. (2005). The scale adopted a 5-point Likert scale, ranging from 1 to 5, where 1 represented strong disagreement and 5 represented strong agreement. This Likert-scale format enabled participants to indicate their degree of agreement with the given statements. For example, one statement expressed the idea that my supervisor emphasized the importance of evaluating success not only based on outcomes but also considering the involved process.

3.2. Data collection and sampling

Data collection for this study involved the utilization of both Google Forms and the messaging application
WhatsApp, with a total of 193 participants completing the survey. Google Forms is a valuable tool for collecting and analyzing data, as highlighted by Hsu and Wang (2017). It offers a cloud-based solution for creating collaborative data collection forms and includes spreadsheet features that facilitate data evaluation in various formats. Similarly, Shahabadkar et al. (2019) emphasize the usefulness of IT technologies like Google Sheets and Google Forms for collecting data in an impartial and timely manner. Following these best practices, the current study employed Google Forms to gather participants' opinions over a two-month period, reaching individuals from diverse geographical locations. The survey form was distributed via WhatsApp, resulting in 193 respondents who completed and submitted their responses for subsequent analysis.

Examining the demographic characteristics of the participants, the majority were women (51.3%), closely followed by men (48.7%). Furthermore, the age distribution indicated that a significant proportion (91.2%) fell within the 18-25 age range, while the second largest group (4.7%) consisted of individuals aged 26-35. Participants aged 46-60 accounted for 3.1% of the sample, and the 36-45 age group made up 1% of the respondents. Regarding educational attainment, the majority (85%) held a bachelor’s degree, while the remaining participants had diplomas, master’s degrees, or Ph.D. degrees.

3.3. Data Analysis.

This study utilizes a quantitative methodology that incorporates a survey questionnaire, descriptive analysis, and a comprehensive evaluation of the existing social science literature on ethical leadership. By combining these research techniques, the study aims to enhance understanding and contribute to the ongoing advancement of ethical leadership studies. Descriptive analysis plays a crucial role in gaining a deeper understanding of the collected data and serves as a foundation for more advanced analyses (Polonsky & Waller, 2005). In this study, descriptive analysis is conducted on the data obtained from participant questionnaires, which focus on demographic factors and perceptions of ethical leadership. The analytical outcomes involve summarizing the participants’ responses, as the numerical data itself tends to be self-explanatory. Pie charts and percentage breakdowns are utilized to illustrate the distribution of responses across demographic characteristics such as age, gender, and education level. Descriptive investigations, as emphasized by Sloan (2010), allow for the observation of phenomena in their natural environments. The literature recognizes the manifold applications of descriptive analysis, including the integration and comparison of descriptive and functional analyses, quantitative analysis of behavior and environmental events, and the description of naturalistic observations of these phenomena. Descriptive analysis provides baseline rates of problem behavior through direct observation in real-world settings, facilitating the evaluation of intervention success. Additionally, it helps develop operational definitions of behavior through direct observation, supplementing caregivers’ verbal accounts. Descriptive studies also aid in identifying relevant factors for consideration in functional analyses by observing common antecedent and consequent events in real-world contexts. Furthermore, descriptive analysis can serve as an assessment procedure when conducting functional analyses is impractical due to the nature of the target behavior, such as extremely low rates or dangerous problem behavior. Slowman (2010) highlights that descriptive research not only measures behavioral function but also provides further insights into real-world contexts. The primary focus of this research is on participants’ perceptions of ethical leadership, organizational commitment, and job satisfaction.

4. Result analysis

4.1 Demography of the respondents.

The study’s findings reveal that males constituted 51.3% of the sample, while females accounted for 48.7%. Most respondents (91%) fell into the young adult category, specifically aged 18-25. Adults aged 26-35 comprised 4.7% of the sample, adults aged 46-60 made up 3.4%, and middle-aged individuals (36-45) represented 1.1%. Regarding educational attainment, the participants predominantly held bachelor’s degrees, followed by master’s degrees, doctorates, and diplomas. These characteristics indicate that the respondents possess the desired qualities for participation in the study.

Gender.
The respondent of this study in terms of gender is (51.3%) male and (48.7%) female.

Age.

In this study, the age distribution of the respondents is as follows: 91% of the participants fall within the age range of 18-25, 4.7% are aged between 26-35, 3.4% are in the 46-60 age group, and 1% are within the 36-45 age range.

Educational level.

Most of the respondents in this study, accounting for 85%, possess a bachelor’s degree. This is followed by individuals holding Ph.D. degrees, master’s degrees, and diplomas, respectively.

4.2. Ethical leadership [instrument result.]
Regarding the ethical behavior of leaders in their personal lives, 30.7% of the respondents strongly agree that their leaders demonstrate ethical conduct, while 30.2% agree, 26.6% remain neutral, and 8.3% strongly disagree.

A significant portion of the respondents, specifically 34.9%, strongly agree that their leader defines success based on both the results achieved and the way they are achieved. Similarly, another 34.9% of the respondents agree with this perspective. On the other hand, 17% of the respondents remain neutral in their assessment of how their leader defines success.

A substantial proportion, specifically 39.6%, of the participants in this survey express complete agreement that their leaders demonstrate attentiveness to the opinions of employees. Additionally, 31.8% of respondents agree with the statement that their bosses actively listen to what employees have to say. In contrast, 16.1% of respondents remain neutral, indicating a lack of strong opinion on the matter. Lastly, 7.8% of respondents do
not agree with the statement, implying a disagreement with the perception that their leaders value employee input.

A considerable proportion, specifically 30.9%, of the participants strongly agree that their leaders take disciplinary action against employees who breach ethical standards. Conversely, 9.4% of respondents strongly disagree with this notion. Furthermore, 30.4% of respondents agree that their leaders do enforce disciplinary measures in such cases, while 22% remain neutral, indicating a lack of strong opinion. Interestingly, another 30.9% of respondents agree with the statement, reinforcing the perception that leaders indeed uphold ethical standards by disciplining employees who violate them.

42% of the participants wholeheartedly agree that their leader consistently makes decisions that are fair and balanced. Additionally, 30% of respondents express the belief that their leader always ensures fairness and balance in their decision-making. On the other hand, 15.3% of respondents remain neutral or uncertain about the leader’s decision-making fairness, while 8.4% firmly disagree with the idea that the leader incorporates fairness and balance in their judgments.
Based on the responses from the study participants, it is evident that a considerable proportion, specifically 34.7%, strongly agree with the statement that their leaders consistently inquire about the right course of action when making decisions. Furthermore, 28.9% of respondents agree that their leaders have sought their input on determining the right course of action when making decisions. However, it is worth noting that a notable portion, accounting for 19.5%, remain neutral or uncertain regarding this matter, while 8.9% express strong disagreement.

49.2%, express complete agreement when it comes to trusting their leaders, indicating a high level of confidence in their credibility and reliability. Additionally, a substantial portion, amounting to 26.2% of respondents, confirm having faith in their leaders.

According to the findings, 35% of participants indicate that their leaders engage in discussions regarding
business ethics and principles, and out of this group, 33% express a strong agreement with this practice. However, a comparatively smaller proportion of employees, specifically 17.8%, believe that their leadership consistently addresses matters pertaining to company ethics and values. On the other hand, a minority of 8.9% strongly disagree with the notion that their leaders engage in such discussions.

The data reveals that 31% of individuals strongly agree that their leaders effectively exemplify ethical behavior by consistently adhering to the right approach. Similarly, 35% of respondents hold the belief that their leaders effectively model ethical behavior by consistently following the appropriate standards. On the other hand, 11.6% of participants remain uncertain about their leaders’ demonstration of ethical conduct, while 7.9% express strong opposition to the idea that their leaders exhibit ethical behavior in their business practices.

Merely 29% of employees express unequivocal agreement that their leaders consistently prioritize the welfare of their team members. In addition, 37% of respondents hold the belief that their leaders consistently prioritize the interests of their team. Conversely, a small minority of 7.3% strongly reject the notion that their employers genuinely consider their best interests, while a significant portion of 20.4% remain uncertain or undecided.
Among the participants in this study, a considerable 29.3% strongly express their agreement that they actively discuss their workplace with friends, regarding it as a remarkable organization to be employed in. Furthermore, 35.6% of the study participants hold the belief that the organization they are associated with is indeed an excellent place to work. On the other hand, a notable 23% maintain a neutral stance on this matter.

5. Conclusion

The literature review conducted for this study highlights the critical significance of ethical leadership within organizations and business institutions, particularly considering the increasing number of scandals that have occurred across various sectors. The researcher’s motivation to investigate the need for ethical leadership stems from the widespread concerns surrounding unethical leadership, which has garnered significant attention due to scandals in both business organizations and religious institutions. Numerous studies have concluded that ethical leaders are characterized by their fairness, balanced decision-making, honesty, kindness, and principled behavior. These leaders not only establish clear ethical standards but also utilize incentives and punishments to foster compliance. Moreover, ethical leaders consistently engage their followers in discussions about ethics. According to Trevio et al. (2000, 2003), ethical leaders go beyond mere rhetoric and actively exemplify ethical conduct, serving as proactive role models. The concept of ethical leadership aligns with social learning theory and is supported by existing literature, which suggests that a company’s leadership style significantly influences the ethical behavior of its employees. When leaders uphold ethical standards, they are more likely to be followed, as they demonstrate moral integrity, emphasize the importance of doing what is right, and employ incentives to ensure adherence to ethical commitments. Furthermore, ethical leaders, with their honesty and integrity, serve as compelling role models. By fostering a culture of open communication and accountability, organizations can mitigate unethical actions. The exchange hypothesis posits that ethical leaders place great value on reciprocity in their interactions, ensuring that subordinates treat superiors with the same respect and decency extended to them. Research by Kalshoven et al. and Mayer et al. (2009) demonstrates that when employees are treated well by their supervisors, they are more inclined to engage in behaviors that benefit both the group and the organization, while refraining from actions that could be detrimental. These models collectively highlight the positive impact that ethical leadership can have on businesses.

The study successfully achieved its goals and effectively addressed the research questions at hand. The following is a summarized presentation of the survey results pertaining to ten aspects of ethical leadership as demonstrated by the study participants:

1. Personal Life Ethics: Most respondents (30.7%) highly agree that their leaders handle their personal lives ethically, while 30.2% agree, 26.6% remain indifferent, and 8.3% strongly disagree.

2. Definition of Success: A substantial proportion of respondents (34.9%) strongly agree that their leaders define success based not only on outcomes but also on the ethical way they are achieved. Similarly, 34.9% agree, while 17% remain neutral on this perspective.
3. Attention to Employee Input: Findings indicate that 39.6% of respondents completely agree that leaders in their organizations pay attention to employee feedback. Additionally, 31.8% agree, 16.1% remain neutral, and 7.8% disagree with this statement.

4. Discipline for Ethical Violations: Regarding the discipline of employees who violate ethical standards, 30.9% of respondents agree, 30.4% express general agreement, 22% remain neutral, and 9.4% strongly disagree.

5. Fair and Balanced Decisions: A significant proportion (42%) of respondents completely agree that their leaders consistently make fair and balanced decisions, while 30% feel that their leaders always exhibit this trait. However, 15.3% remain neutral, and 8.4% adamantly oppose the notion of fair and balanced judgments.

6. Right Thing to Do: Respondents’ views indicate that 34.7% completely agree that their leaders consider the question “What is the right thing to do?” when making decisions, while 28.9% agree. Meanwhile, 19.5% remain neutral, and 8.9% strongly oppose this perspective.

7. Trust in Leaders: A substantial number of respondents (49.2%) are in complete agreement that they can trust their leaders, while 26.2% agree.

8. Discussions on Ethics: Findings reveal that 33% of respondents strongly agree that their leaders engage in discussions about business ethics and values with employees, and an additional 35.6% agree. On the other hand, 17.8% remain undecided, while 8.9% strongly oppose the notion of such discussions.

9. Demonstrating Ethical Behavior: Respondents’ perspectives indicate that 31% strongly agree that their leaders demonstrate how to behave ethically in the conduct of business, while 35% believe that their leaders show them the appropriate way to behave. In contrast, 11.6% are undecided, and 7.9% strongly oppose this notion.

10. Consideration for Employee Success: The results show that 29% of respondents strongly agree that their leaders prioritize the success of their workforce, while 37.7% also express a strong agreement. Conversely, 20.4% remain neutral, and 7.3% strongly oppose the idea of leaders prioritizing employee interests.

The comprehensive findings from the various aspects of ethical leadership underscore the positive impact that ethical leaders have on organizations and institutions. Ethical leaders play a vital role in achieving organizational goals and preventing scandals that have plagued institutions, including religious organizations. It is crucial to have leaders who uphold moral principles and serve as role models within their respective institutions.

In conclusion, ethical leadership holds immense importance for all types of companies, be it political, cultural, or developmental. In the modern world, ethical leadership, transparency, and accountability have become increasingly critical for businesses. The literature consistently supports the idea that ethical behavior is beneficial, making it worthwhile for organizations to adopt an ethical approach. Therefore, the researcher recommends further research through quantitative and qualitative studies to examine the impact of ethical leadership on businesses.

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Ethical approval

The research process and outcomes comply with the ethical standards of the National Research Council, the 1964 Helsinki declaration and its subsequent amendments or similar ethical standards, ensuring that all participants have no any mental or physical harm, nor harm their safety and rights from the study.
ORCID iD:

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