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Developing ethical leadership for business organizations

A conceptual model of its antecedents and consequences

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Abstract

Purpose – The purpose of this paper is to understand the growing construct of ethical leadership and its related concepts that focus on the importance of the moral aspect of leadership. It focuses on the idea of ethical leadership, personality attributes of ethical leaders and develops a conceptual framework including various propositions related to the antecedents and outcomes of ethical leadership.

Design/methodology/approach – This is a review paper based on a synthesis of leadership literature from existing research journals and articles on ethical leadership. Authors analyzed selected papers on ethical leadership to propose a conceptual framework that shows the antecedents and outcomes of ethical leadership. Findings – An ethical leader is one who strongly believes in following the right set of values and ideals in their decisions, actions and behavior. One has to be honest with high integrity, with people orientation and communicates assertively. Among the other attributes of an ethical leader, one needs to be responsible for taking unbiased decisions in benefit and overall interest of people and organization. This ethical leadership plays a vital role in developing positive outcomes such as followers' organizational commitment and organizational identification. Trust in leadership can moderate this relationship.

Practical implications – This paper offers opportunities for researchers to explore discoveries in leadership style and also helps to understand the ways the organizations can develop ethical leaders at the workplace. An effective and efficient leader integrates ethics with leadership and thus makes its presence felt and emerges as a role model to play a more positive and valuable role in an organization.

Originality/value – This paper helps the strategist and educators to conceptualize ethical leadership and its framework including leaders' ideal traits, similarities and differences of ethical leadership with other leadership styles and its role in developing positive outcomes in an organization. It presents a framework of ten testable propositions about ethical leadership that are relevant for both the practitioners and the scholars.

Keywords Personality, Leadership styles, Antecedents, Consequences, Ethical leadership

Paper type Conceptual paper

Introduction

The efficiency of a business, its performance as well as the success of an organization are closely associated with quality, effectiveness, and ethical attitude and approach of the leader of the particular organization. On the contrary, the corporate world has witnessed, in the past, a number of organizational scandals mainly on account of irresponsible and unethical behavior, attitude and approach of the leaders at the helm of the affairs, so-called leaders of an organization. The instances of Enron and Satyam computers in India are well-known lessons of corporate frauds that put a strong question-mark on the role and performance of leaders in the organizations (Ponnu and Tennakoon, 2009).

Across the world, few of the highly discussed scandals and frauds like Sanlu Milk, WorldCom and Lehman Brothers have motivated leadership researchers to study the ethical behavior of business leaders and their ethical decision making. These scandals and corporate frauds caused companies to redress their ethical misdemeanor and to be



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conscious of their social responsibility and ethical behavior (Ahmad and Gao, 2018; Tu and Lu, 2016).

Further, the number of studies on leadership advocate about the significant role being played by an effective and efficient leader in planning organizational strategies, policy decisions, motivating the people down the line, executing and controlling organizational activities with the objective of maintaining smooth survival and incessant growth of the organization (Bass, 1985a). Effective leaders fundamentally believe that acting and behaving with honesty, integrity, parity, justice and consideration result in enduring success (Bass, 1985b). Effective leaders teach their people the significance of sticking to standards for business conduct and treating everyone with respect, sincerity and honesty (Duggan, 2018).

Salas-Vallina and Fernandez (2017) stated that leaders have concern for the other's welfare are likely to generate a climate of collaboration and develop trust, which results in happiness at work. In-fact a leader as an inspirational guide enhances organizational engagement, job satisfaction and affective organizational commitment.

A study done by Ozcelik *et al.* (2008) revealed a positive relationship between specific leadership practices and a cheerful organizational climate which encourages a positive perception toward the job conditions. A leader's role is essential to enhance employees enthusiasm and optimism (Bass, 1985a), employees' confidence (Malhotra *et al.*, 2007) and promote emotional contagion (Haver *et al.*, 2013).

Leaders should devote sufficient time and work in developing their intellect, which creates inspiration (Salas-Vallina et al., 2018; Mistry and Hule, 2015) and as inspirational leaders; they develop a vision and superior goals for their subordinates and organization and encourage the employees participation which helps to gain respect from everyone. Personality traits of transparency, dialogue and positive energy are often connected with inspirational leadership. In the comparison of ethical leadership (Salas-Vallina et al., 2018: Riivari and Lämsä, 2014; Walumbwa et al., 2017), inspirational leadership not only reveals respect and good behavior toward others, but also gives positivity, energy and higher motivation for their followers. In this context, earlier research has shown that leaders play a crucial role in developing employee well-being through the development of physical and psychosocial work environment (Gilbreath and Benson, 2004; Salas-Vallina et al., 2018). Hence, inspirational leaders are expected to build followers' competence (Salas-Vallina et al., 2018; Baas et al., 2008). Leaders who continuously inspire are expected to enhance followers' identification with their work and feeling of job involvement, as a result increasing more positive attitudes (Sosik, 2006) and thus fostering followers' happiness at work (Salas-Vallina et al., 2018; Kabiru, 2014 Murnieks et al., 2016, Bass and Avolio, 1990).

It is essential for every organization to develop leadership effectiveness for creating higher job involvement, job satisfaction, organizational commitment and for improving a positive outlook of stakeholders toward the organization. These all are essential ingredients of organization growth and prosperity (Karakose, 2007).

If perceived from the normative and philosophical perspective, the available literature on the subject focuses on the leader's personality, functional styles, strategies and their leadership role in the respective organizations. However, some studies indicated that a descriptive social scientific move toward ethical leadership remains unexplored and therefore the researchers need to explore a suitable explanation of the concept and focus on significance and role of ethical leadership in the organizations (Brown and Trevino, 2006).

The research established the fact that ethical leaders are perceived as very effective leaders; that is why firms should inspire their professionals to be more ethical. Few research instances revealed that many times effective leaders had been found behaving and acting unethically and dishonesty which reveal severe leadership deficiencies (Copeland, 2014, 2015, 2016; Kalshoven *et al.*, 2011; Neider and Schriesheim, 2011; Avolio and Gardner, 2005; George, 2003).

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Leadership researchers have proposed the idea for additional research and insights for understanding the role of ethical leadership in enhancing the leader's effectiveness and process of developing and mentoring leaders on ethical conduct.

Treviño *et al.* (2014) stated that this story of immoral behavior in organizations is universal, and the unethical leaders demolish organization's reputations, discourages employees and ultimately humiliate stakeholder value (Brown and Mitchell, 2010).

A lot of investigations are done about ethical leadership (Brown *et al.*, 2005; Chen and Hou, 2016), so it is time to concentrate our energy and attention for developing ethical leaders in the organizations. An in-depth study and insights about ethical leadership behavior are desirable because it makes effects on employee attitudes and behavioral outcomes such as organizational commitment, deviance, job satisfaction, employee happiness, role performance and creativity (Lindblom *et al.*, 2015; Chughtai *et al.*, 2015; DeConinck, 2015). Hunter (2012) highlighted the intricacy in the relationships of ethical leadership and different outcomes and argued for the identifying mediating variables that can help to spot and explain the mechanism which underlies the observed relationships (Valle *et al.*, 2018).

This paper is an attempt to focus on different perspectives and personality characteristics that influence ethical leadership and also to study antecedents and consequences of ethical leadership. The effort is made to elucidate the relationships of ethical leadership construct with the other leadership constructs like transformational, authentic and spiritual leadership, all of which somehow denotes the moral dimension of leadership. This review paper will reveal several similarities and significant differences between ethical leadership and other leadership constructs, the dark side of different leadership constructs and the main goal is to offer propositions to precede future research (Refer Figure 2). These propositions consider different antecedents as well as consequences of ethical leadership. This review paper builds upon and broadens previous research work conducted in the area of ethical leadership and encourages interest in empirical investigation.

The paper has been organized into three parts. The first part focuses on different perspectives, ethical leaders and their personality, whereas the second part deals with the conceptual framework consisting of ten propositions representing antecedents and outcomes of ethical leadership. The third part of the paper includes implications, conclusion and scope of future research depending on present reviews.

Ethical leadership – a perspective

Ethics can be explained in terms of a tool that guides the conduct, attitude and behavior of a person. In organizations, ethics play a vital role in developing a sense of honesty (Ponnu and Tennakoon, 2009; Yukl, 2006), sincerity, equality, transparency and the trust-worthy relationship of an individual with colleagues and others working in the same organization (Karakose, 2007). A leader may act as a role model for his/her followers and motivates them to adopt the right approaches and path to achieve predefined goals. The leaders demonstrate an appropriate style of functioning to achieve excellence in performance in their functional areas. Thereby, they represent a role model for others to emulate in an organization.

Darcy (2010) highlighted that the working environment of organizations nowadays is such that people are doubtful about the implementation of true values and ethical standards. In a qualitative study, it emerged that 66 percent of people question the presence of ethics in leadership behavior, implying that there is a "crisis of trust" in leadership (Frank, 2002).

The study concluded one of the most significant challenges for current day's leaders is developing trust and building trustworthy relationships at the workplace.

Frank (2002) developed another situation known as "shadow side of leadership," which includes the harmful use of privilege and power, inconsistent and irresponsible behavior, and absent loyalties. Based on qualitative research and existing literature, Brown *et al.* (2005) performed a formal construct development and validation process and designed a

leadership for

Ethical

ten-item instrument, i.e., ethical leadership scale to assess the followers' perceptions toward ethical leadership.

These researchers conducted multiple construct validation studies to validate the scale and concluded that supervisory ethical leadership is positively connected with fairness, integrity, idealized influence dimension of transformational leadership and affective trust in the leader (Bass and Avolio, 2000).

Brown et al. (2005) explained ethical leadership as "an expression of normatively suitable conduct through personal actions and interpersonal relationships and encouraged such conduct to followers through two-way communication, viz., reinforcement, and sound decision-making." Ethical leadership includes normatively accepted behavior of leaders which is similar and consistent among subordinates (Brown et al., 2005):

Ethical leadership is a leadership that is directed by respect for ethical beliefs and values and the dignity and rights of others. It is thus related to concepts such as trust, honesty, consideration, charisma and fairness. (Brown *et al.*, 2005)

Based on the review of literature, we have explored the different perspectives to describe the concept of ethical leadership in detail (Table I). These perspectives help to understand the philosophy of ethical leadership builds on diverse behavioral characteristics.

Ethical leaders and personality

Positive leaders stay grounded in ethical values and use a human growth mindset. They are fixed and flexible at the same time, never straying from ethics but always willing to change with the times. (Thornton, 2015)

The executives working with great organizations conceptualized ethical leadership as a substance of leaders having bright and robust character and the right set of values (Freeman and Stewart, 2006). Most of the executives confess that pursuing the law and regulations and their compliance does not make ethics complex. They even reveal that persuading others for doing the correct thing is not the problematic element of ethical leadership. Instead, this leadership gets complicated when it has to be decided who should be accountable when problems occur (Plinio, 2009). It means ethical leaders carry responsibility for people and situations around them and take decisions and actions that benefit all.

Cumbo (2009) mentioned that a leader is treated as ethical when inner qualities guide the leader's decision-making process, and followers reap the benefits of a leader and thus breathing an honorable life. He believes that leadership qualities are enlarged when the leader demonstrates "imagination, consideration, empathy, sensitivity, and discernment" Greenleaf (1977), who visualized servant leadership, believed that service to the followers and keeping the spirit of ethical leadership is the prime responsibility of leaders. An ethical leader is having the bright qualities such as excellent decision maker, not to take advantage of political issues, never think of taking the benefit of religious matters, understands and carries out his duties with sincerity, undertakes decisions efficiently and does not possess pessimistic behavior (Brown and Trevino, 2006).

Ethical leaders exhibit a high level of truthfulness. This assumes significance for inspiring a sense of leader honesty and trustworthiness and accepting the leader's vision. The integrity and character of leader are the most crucial personality characteristics that guide a leader's moral beliefs, decisions and value system (Trevino *et al.*, 2003). Leader's own opinions and values force their ethical component and decision making in organizations (Papa *et al.*, 2008).

Northouse (2007) stated that following ethics is the core of leadership values, and followers prefer to work with such leaders who believe in practicing ethical leadership. In his leadership studies, the author mentioned important personality attributes of ethical



LODJ	Authors	Perspective
40,6	Steven Mintz (2016)	"The ethical leader understands that positive relationships are the gold standard for all organisational effort. Good quality relationships built on respect and trust – not necessarily agreement, because people need to spark off each other – are the single most important determinant of organisational
716		success. The ethical leader understands that these kinds of relationships germinate and grow in the deep rich soil of fundamental principles: trust, respect, integrity, honesty, fairness, equity, justice and compassion"
	Giessner et al. (2015)	"Morality must be an important part of the ethical leader self-concept as well as the guiding principle for the leaders' every course of actions"
	Viet (2015)	"Ethical leadership is focused on compliance with the rules-of-the-game through performance evaluation systems and reward systems and requires self-control. As far as, the interface with society is concerned, leadership is responsible for the return on investments of the shareholders and the
	Brown and Mitchell (2010)	compliance of the organization with the law" "Ethical leadership behavior deals with how leaders use their managerial power and leadership position to encourage and promote ethical standards and ethical behaviors in the workplace. Ethical leaders must be both strong moral manager and moral person"
	De Hoogh and Den Hartog (2009) Theresa Watts(2008)	"Ethical leadership is defined as the process in which a leader influences group activities to the organizational goals attainment in a socially responsible way" "Ethical leadership is leadership that is directed by respect for ethical beliefs and values and maintains the dignity and rights of others"
	G. Yukl (2006)	"Ethical leadership is a construct that appears to be ambiguous and includes various diverse elements"
	Michael E. Brown (2006)	"It is related to concepts such as trust, honesty, consideration, charisma and fairness"
	Freeman and Stewart (2006)	"Ethical leaders speak to us about our identity, what we are and what we can become, how we live and how we could live better"
	Brown and Trevino (2006)	"Ethical leadership must include the characteristics of both the 'moral person' and 'moral manager"
	Kanungo (2001)	"An ethical leader must engage in the righteous acts and avoid harmful acts to others, and their actions must be based on altruistic motives rather than on self-centered"
	Thomas (2001)	"An ethical leader is a person living up to principles of conduct that are crucial for him. To be an ethical leader, one needs to adhere to a universal standard of ethical behavior"
	Gini (1997)	"A leader would be considered ethical when he/she does not intent to harm others and always respects all the affected parties' rights"
	Kouzes and Posner (1992)	"Ethical leadership can be viewed in terms of healing and energizing powers of love, recognizing that leadership is a reciprocal relation with followers. Leader's mission is to serve and support, and his passion for leading
Table I. Various perspectives on ethical leadership	Guy (1990)	comes from compassion" "Leading ethically is believed to be a process of inquiry –asking questions about what is right and what is wrong and a mode of conduct –setting the example for followers and others about the rightness or wrongness of particular actions"

leaders, including giving respects to others, serving others, showing honesty in behavior and actions they take, justice and equality and building community that helps them to win their followers' confidence and trust at the workplace.

Northouse (2007) affirmed five key personality attributes, including behaving honestly, making justice and impartial decisions while dealing with others, respecting others, serving others first and building community. These altogether helps to build a strong personality of ethical leaders in the organizations (Figure 1).



For developing the in-depth understanding of ethical leaders' personality, Mihelic *et al.*, (2010) and Zanderer, (1992) also stated a list of dominant personality traits which differentiate the ethical leaders from unethical leaders as shown in Table II. Out of different ethical leaders' personality traits, values and ideals, honesty and integrity, people orientation and responsibility and decision making and communication taken into consideration for developing the conceptual model in this paper (Figure 2).

Development of the conceptual framework

In this section, researchers have identified few essential characteristics to establish their relationship with ethical leadership. From the study perspective, these characteristics provide an idea and learning opportunity about "what makes an ethical leader and how ethical leadership contributes to developing positive organizational goals, i.e., organizational commitment and identification."

The objective of the study is to submit formal propositions to understand the notion of ethical leadership for advance research in the future (Figure 2). These propositions are based on individual characteristics and their influences on ethical leadership and the consequences of ethical leadership. These propositions are built up based on available literature on ethical leadership behavior. Therefore, this work may stimulate leadership scholars to develop an interest to explore the construct of ethical leadership better. The important propositions are discussed next.

Values and ideals

Nystrom (1990) explained values as "Normative beliefs about proper standards of conduct and desired results." Lewis (1944) stated that a man must be trained for understanding the

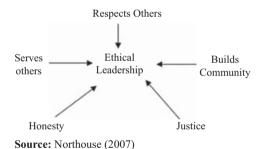


Figure 1. Five attributes of ethical leadership

Ethical leaders

Concerned with the greater good of people Honest and high on integrity Fulfill promises and commitments Behave fairly Believe in humanity Serve and help others Modest Differentiate between right and wrong Strong character Sincere, loval and transparent

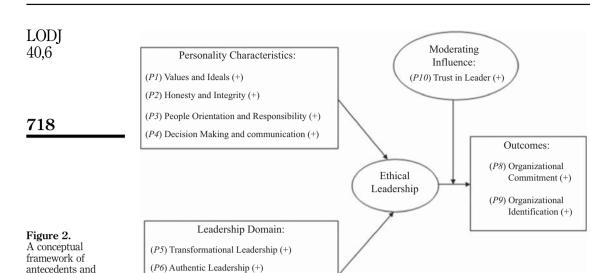
Sources: Mihelic et al. (2010) and Zanderer (1992)

Unethical leaders

Self-interest is the primary interest
Dishonest and practice trickery behavior
Violates promises and commitments
Unfair in approach
Go against humanity
Do not help and support others
Arrogant
Promote unfair acts
Weak character
Unreliable and opaque

Table II. Personality traits of ethical and unethical leaders





meaning and importance of values in life. The author mentioned that a corrupt man is always born blind about the importance of ethics and values in life. It is vital that one must be taught to sense gratification, fondness, disgust and loathing regarding those aspects that are pleasing, likable, disgusting and unbearable. Research says that ethical behavior must be learned through experience and training. An ethical leader is one who learns values through his experience and knowledge in organizational matters and then applies cheerfully correct values to his daily life decisions and actions (Lewis, 1944). Malphurs (2004) emphasized on the importance and practice of values and ideals inside an ethical leader's life. Values can best be taught through practice only. He also mentioned that an ethical leader could actively build intrinsic values by their application only. It is believed that a person is nurtured through the actions taken in life and in the same way; an ethical leader emerges by practicing the values only.

King (2008) studied several managers across various industries and highlighted eight common values of ethical leaders. The author proposed that for the ethical development of leadership, eight values are essential, which include integrity, reliability, commitment to purpose, kindness, social justice, strong character, humbleness and endurance. These varieties of leadership values can be termed as final (personal and ethical-social) and instrumental values (ethical-moral and values of competition). Among all these set of values, ethical-moral values of leadership are considered as the most essential values for being truly an ethical leader at the workplace (Table III).

The propositions are described hereunder:

P1. Values and ideals are positively related to ethical leadership.

Honesty and integrity

(P7) Spiritual Leadership (+)

Ethical leadership behavior is based on characteristics of faith, respect, honesty, integrity, caring and elegance (Marcic, 1997; Bass and Stogdill, 1990).

According to Moorhouse (2002), ethical values should include faithfulness, honesty, integrity, respect, broadmindedness, responsibility and courage. Among these, honesty and

consequences of

ethical leadership

integrity are the most pleasing qualities of leaders that are appreciated by the followers in the organizations (Karakose, 2007). Honesty is defined as the quality of being fair, open and truthful to others, whereas integrity talks about the soundness of one's character and feeling of being very fair in all circumstances, i.e., behaving truthfully in the presence or even in the absence of others (Karakose, 2007). Ethical leaders are supposed to be very honest and reliable in terms of their behavior and actions, ahead of that, they were considered as fair and moral decision-makers who really care and have concern for people and the broader society and who also act ethically in both, their professional and personal lives (Karakose, 2007; Brown and Trevino, 2006). It is believed that if leaders behave honestly and work with integrity; their followers also act responsibilities in the organization:

P2. Honesty and integrity are positively related to ethical leadership.

People orientation and responsibility

Being ethical includes living fairly, thinking about others' welfare and understanding the consequences of one's own actions. One must have an excellent understanding of good or bad, i.e. ethical sense. Ethical leaders think about the weaknesses and advantages of their decisions and their long-term effects (Mihelic *et al.*, 2010). Ethical leadership develops positive results for followers and organizations in the form of perceived effectiveness of leaders, followers' job satisfaction, higher commitment, greater job involvement and pragmatic solutions to workplace problems (Brown *et al.*, 2005).

Various research studies highlighted that ethical leaders are those who care and have concern for their people and emphasize on their needs, interests and expectations before considering their self-interests (Bello, 2012). The true organizational leaders cheer followers by adopting effective leadership practices like leading by examples. They fulfill responsibility by defining workplace values to followers, live-up to their expectations, and also pursue followers to behave and act responsively (Bello, 2012).

Many organizational surveys claimed that employees aspire to be connected with bosses who are truthful, believable, courteous and fair in their approach (Bello, 2012; Collins, 2010; Kouzes and Posner, 2007). Organizations can better attract and retain employees when employees find the opportunity to work truly conscientious and employers being principled (Bello, 2012; Collins, 2010; Upadhyay and Singh, 2010; Bower, 2003). If a leader does not act truthfully, this can enhance employee attrition and thus reduce the possibility of attracting new talent. An ethical leader serves as a responsible stakeholder in the organizations who strives to attain the purpose and vision of his kingdom without compromising values and people interest (Bello, 2012). They symbolize the vision, objectives and strategies of the organization within the boundary of ethical norms and conduct. They believe in aligning the

Personal values: identify most significant things in one's life

Ethical-social values: define your wish to perform for the world around you

Ethical-moral values: help to determine and think about your behavior towards people that surround you

Competitive Values: help to identify your faith and belief which is necessary to compete in life

Source: Dolan et al. (2006)

Feeling of pleasure, health, family, success, recognition, status, friends, achievement at work, and feeling of love etc.

Harmony, environmentalism and social justice etc.

Honesty and integrity, seriousness, accountability, reliability, harmony and value for human rights etc.

Money, thoughts, reason, beauty, intellect, affirmative thinking and flexibility etc.

Table III.
Different examples
and types of
leadership values



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interest of the organization with the benefits of their employees and other stakeholders (Bello, 2012):

P3. People orientation and responsibility are positively related to ethical leadership.

Decision making and communication

Brown *et al.* (2005) clearly stated that "ethical leaders are those who express normatively appropriate conduct through their actions and cultivating good quality interpersonal relationships with followers and promoting good conduct among followers through the means of two-way communication, reinforcement, and decision-making" (Brown and Trevino, 2002).

In many leadership studies, there had been a significant focus toward ethical decision making, where leaders believe in taking those personal and professional decisions which are morally right, transparent, consider the benefits and welfare of all and contribute toward fulfilling followers' feelings and organizational development (Toor and Ofori, 2009; Butterfield, Trevino, and Weaver, 2000; Jones and Ryan, 1998; Trevino and Weaver, 1996; Trevino, 1986).

Frankena (1973) summarized two major theoretical viewpoints in the area of ethics, including deontological and teleological theories. Deontology theory defined the study of moral obligations in an individual life where researcher highlighted the importance of behavioral characteristics, whereas the teleological perspective emphasized on the result of an action in terms of its morality. One more perspective was discussed in social science literature about the righteousness of a particular decision taken by the organizational leaders (Weiss, 2003). Organizational justice is also categorized into two categories in terms of decision making, including distributive and procedural. Distributive justice talks about the equality dimension of a leadership decision based on the distribution of outcomes including pay increase, rewards, recognition, and encouragement concerning employee's inputs and contribution in the organization. Procedural justice talks about the fairness of the methods used to rate employee's performance against standards as an essential leader's decision (Toor and Ofori, 2009).

Karakose (2007) described the importance of communicative ethics for organizational leaders. The researcher observed that communicative ethics of leaders could be seen when they participate in discussions fruitfully and thoughtfully and motivate team members also in expressing their feelings, opinions and thoughts fearlessly. As a result of communicative ethics, a leader becomes full of patience, humble, kind-hearted and starts behaving equally to all. while adapting communicative ethics, leaders do not demonstrate selfish behavior, show respect to others, act sincerely and have a feeling of gratitude for others too (Karakose, 2007; Yilmaz, 2006). Effective and unbiased decision making and assertive communication are essential qualities for being truly an ethical leader:

P4. Decision making and communication are positively related to ethical leadership.

Relationship of ethical leadership with other leadership constructs

There are three leadership domains, namely, transformational, spiritual and authentic leadership which overlap with ethical leadership. These theories and leadership styles talk about the morality of leadership behavior and ethical potential of leadership in different aspects. In this case, the objective is to outline the comparison of these leadership domains with ethical leadership (Table IV). A brief explanation is offered about the relationship of ethical leadership with the leadership constructs since the detailed description is already available with earlier research (Brown and Trevino, 2006). A brief about these domains is discussed here.



Type of leadership	Similarities with ethical leadership (key similarities)	Differences from ethical leadership (key differences)	Ethical leadership for
Transformational leadership	Concern for others (humanity) Ethical decision-making believes in honesty and Integrity	Ethical leaders put more stress on following ethical standards and moral management principles Transformational leaders give emphasis to vision,	business organizations
Authentic leadership	work beyond self-interest Values and concern for others (selflessness) Ethical decision-making Integrity and share a social motivation and	values and intellectual stimulation of their followers Ethical leaders give emphasis to moral management and have high sense of awareness towards others Authentic leaders lay emphasis on authenticity and self-awareness	721
Spiritual leadership	perform humanity based leadership style Concern for others (Altruism) Integrity, honesty and humbleness Act as a good role model	Ethical leaders give emphasis to moral management and ethical standards Spiritual leaders emphasize more on vision, hope/ faith and value based approach to leadership	Table IV. Similarities and differences between ethical, transformational, authentic and spiritual leadership

Transformational leadership

According to Burns (1978), transformational leadership is a kind of ethical leadership where leaders motivate their followers to look ahead of self-interest and work mutually to attain a common purpose. Kanungo and Mendonca (1996) believed that transformational leadership includes an ethical persuade process, which never appears in transactional leadership case. However, Bass (1985b) argued that transformational leaders sometimes could be ethical or unethical, depending on their interest and motivation.

Bass and Steidlmeier (1999) defined and differentiated between authentic and pseudo-transformational leaders. Their research indicates that authentic transformational leaders are better moral leaders because they practice moral values including honesty, integrity and fairness, and avoid any bullying and manipulative influence, while pseudo-transformational leaders are very self-centered and politically involved (Brown and Trevino, 2006):

P5. Transformational leadership is positively related to ethical leadership.

Authentic leadership

Researchers defined authentic leaders as leaders who are conscious of the ways they think, behave and perceived by others. They are very aware about personal values and others' values, strengths and knowledge. They also appear to be very confident, hopeful, positive, flexible and high on ethical fiber (Avolio *et al.*, 2004). Authentic leaders have positive characteristics, including trust, hopefulness and resiliency (Brown and Trevino, 2006). Like other leadership domain, authentic leadership also overlaps with ethical leadership based on individual characteristics as both types of leaders work with social motivation and adopt a humanity based leadership approach. They both behave morally as principled leaders and are aware of the moral consequences of their decisions (Brown and Trevino, 2006):

P6. Authentic leadership is positively related to ethical leadership.

Spiritual leadership

Spiritual leadership is conceptualized as religious, ethical and value-based approaches to leadership (Fry, 2003). It took place when a person as a leader symbolized spiritual values such as honesty, humbleness, integrity, developing trust and admired. Researchers believe



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that spiritual leadership is established through behavior and includes empathetic and courteous treatment of others (Reave, 2005).

Spiritual leadership emphasizes self-sacrifice, integrity and a deliberate leadership style and also consistent with ethical, transformational and authentic dimension of leadership. Additionally, spiritual leaders are inspired by service to humanity and God. Such kind of religious intentions might influence a person to become an ethical leader (Brown and Trevino, 2006). Table IV reveals similarities and differences of ethical leadership with above-mentioned leadership style:

P7. Spiritual leadership is positively related to ethical leadership.

The dark side of Leadership styles. Effective leaders whether transformational, authentic and spiritual are those who inspire their employees and teams to develop honesty and integrity; work beyond self-interest to end seeking personal benefits and lead higher ethical good that builds as a team. Although one can create enormous benefits through transformational, authentic and spiritual leadership style, still one need to be aware of the dark sides, i.e. negatives and possible problems these leadership styles potentially brings at the workplace (Leonard, 2019).

Transformational leaders are real transformers of people and organizational life and also big-picture thinkers. They influence followers' performance, motivation and ambidexterity at the team level (Salas Vallina *et al.*, 2019; Nemanich and Vera, 2009). Researchers argued that inspiration is the engine that promotes employees' positive behaviors, such as individual ambidexterity. Leaders with the facilitating, coaching and inspiring ability can encourage creativity and innovation (exploration) (Salas Vallina *et al.*, 2019; Maladzhi and Yan, 2014) and improve extra effort (exploitation) (Salas Vallina *et al.*, 2019; Howell and Avolio, 1993). Subsequently, the inspirational dimension of transformational leadership has a significant effect on individual ambidexterity. The inspirational aspect of leadership that influence the intellect or emotions (Downton, 1973), and use emotional dialogue to inspire followers (Bass, 1985b), build a scenario of dialogue and communication essential for organizational learning (Salas Vallina *et al.*, 2019).

Transformational leaders bring enormous benefits to the organization and take care of critical issues that influence the success of the company. They sometimes can create some small negative things which can lead to more significant problems in the working system; that's why self-awareness is considered as very essential for a leader (Leonard, 2019).

Transformational leaders love to spend their time with those enthusiastic employees who believe in honest hard-work to achieve the big vision. This means that they are pleased to guide and coach those who strive to make a higher goal. However, not each employee is so passionate about putting genuine efforts and working so hard toward the goals which could lead to the formation of an in-group and an out-group, where some employees are given additional preference, time and opportunity to succeed as compared to others. This can result in a potential faction in the team (Leonard, 2019).

Sometimes transformational leaders can bring long working hours toward achieving a collective goal while paying no attention to personal needs, which can lead to burning out cases. They must push a sensible lifestyle for employees to stop burnout.

Leonard (2019) stated that transformational leaders could also encourage bad decisions and failure for working organizations. They are considered as innovators in organizations and society, but sometimes can be blinding to others ideas and suggestions. They become incapable of collecting positive criticism and do not engage their employees in brainstorming meetings, which could build innovation better. This is something which needs to be taken care of while being in the role of a transformational leader.

Authentic leaders can create an influential and affirmative impact upon their subordinates and organizations. Research shows that employees desire authenticity in their workplace.



business

leadership for

organizations

As per the *Harvard Business Review*, 75 percent of employees look for more genuineness in the workplace (Vanessa Buote, 2016) and believe that authentic leaders can carry impressive benefits to their organizations (CommsMasters, 2019).

It is believed that most of the successful leaders express appropriate authentic behavior and they keep self-awareness high, and also remain very genuine in terms of their sharing and dealing with others, but sometimes their authenticity in terms of sharing everything can harm workplace relationships, corrode trust and destabilize people's confidence in them and their capability to lead. Every employee wants to work for an authentic leader, who does not appreciate in-authenticity at the workplace. But at the same time, they do not desire to work with a leader who is controlled by their emotions or either who shares too much, which is not required at all (CommsMasters, 2019). Research also indicates that authentic leaders have little connection with reality (Alvesson *et al.*, 2016):

Spiritual leadership deals with essentially motivating and stimulating workers to develop their hope/faith in a vision of service to key stakeholders and develop a corporate culture based on the values of selfless love to create a highly committed, motivated and productive workforce. (Reddy, 2016)

Although, there is lot of benefits of spiritual leadership in the workplace as a comparison to disadvantage, still these cons cannot be neglected. Research indicates that spirituality is one of the crucial parts of company welfare programs and must be encouraged in various forms. But sometimes this spirituality and spiritual leadership can develop religious conflicts and clashes between people coming from different religions in the workplace. Reddy (2016) stated that spiritual leaders could promote spiritual activities like meditation, spiritualist prayers, etc. during business hours; which may hamper the normal working of the business and hurt the sentiments of people coming from diverse cultures. This has to be regulated to promote a strong mutual understanding among the employees at the religiously diverse workplace. Sometimes blind trust in religious people might lead to abusive behaviors and manipulation.

Outcomes of ethical leadership

It is necessary to know that ethical leadership is advantageous to practice in the organizations because of the outcomes it generates and influences it have in an organization. Ethical leaders discuss the benefits of ethical norms with their followers to make them aware and responsible for their behavior and performance (Brown and Trevino, 2006).

If leaders follow ethics and healthy value system, they can win the confidence of their followers and encourage them to perform their best into the allocated jobs (Tasneem, 2015). Ethical leaders motivate their followers to generate positive behavior and favorable outcomes in the benefit of the organization. This study proposes that ethical leadership behavior influences ethics-based outcomes, i.e., followers' organizational commitment and organizational identification.

Organizational commitment

The concept of organizational commitment received wider attention in the existing literature on industrial psychology and organizational behavior (Mathieu and Zajac, 1990). A research study stated that employee commitment is essential for the success and stability of an organization (Ponnu and Tennakoon, 2009). There are a number of viewpoints on the thought of employee commitment in an organization. Generally, organizational commitment is defined as "an individual attachment/affection to their organization. It is replicated in identification of individual's abilities and participation with the working organization" (Ponnu and Tennakoon, 2009; Jaramillo *et al.*, 2006).

The term commitment is categorized as an attitudinal commitment and behavioral commitment (Staw, 1977). Attitudinal commitment is defined as a practice through which



employees recognize themselves with the organizational goals and values and keen to uphold membership, while behavioral commitment is described as a method by which an individual's precedent behavior helps to bind them to the organization (Ponnu and Tennakoon, 2009). Researchers believe that it is the leaders who perform the leading role in developing and preserving ethical climate in the organizations through the introduction and application of healthy value system and morals, which results into employee organizational commitment (Ponnu and Tennakoon, 2009; Grojean *et al.*, 2004). Mathieu and Zajac (1990) stated that dimensions of leadership including initiating structure, employee empowerment, selflessness, communication and participative style, etc. are identified antecedents of organizational commitment at the individual and organizational level (Ponnu and Tennakoon, 2009). Some of the studies revealed that there is a positive relationship between ethical leadership behavior and employee organizational commitment (Zhu *et al.*, 2004). This commitment helps to decrease employee absenteeism and employee turnover and relates to improved quality of products, lower operation costs and high customer lovalty:

P8. Ethical leadership is positively related to followers' organizational commitment.

Organizational identification

Mael and Ashforth (1992) defined "organizational identification as the perception of oneness with or belongingness to an organization, where an individual defines him or herself in terms of the organization in which he or she is a member." Employee organizational identification is positively related to different leadership styles such as transactional, transformational, ethical and paternalistic (Cheng and Wang, 2015; Weichun *et al.*, 2015; Epitropaki and Martin, 2005).

The research studies also indicate that trust in leaders' behavior helps to promote followers credentials with the workgroup and organization. Trustworthiness and right interpersonal treatment given to individuals are appreciated and valued in the organization and considered as antecedents of employee organizational identification (Tyler, 1997). In particular, it is believed that ethical leaders are proactive which help to increase followers' cooperation (Walumbwa et al., 2011; De Cremer and Van Knippenberg, 2002, 2003; Dukerich et al., 2002) which, sequentially, should encourage organizational identification. Mael and Ashforth (1992) stated that employee organizational identification is likely to occur in the nonappearance of unfair workplace practices and competition within the organizations, which is managed by ethical leadership behavior. A good number of studies, including investigational research, have revealed that few significant ethical leaders' characteristics, including honesty and trustworthiness, are positively related to employee organizational identification (De Cremer et al., 2008; Sluss and Ashforth, 2008; Smith et al., 2006; McAllister, 1995). Followers, who find their leaders as ethical in their behavior, treatment and actions, also identify themselves emotionally connected with their work and working organization. Leader's ethical behavior provide psychological support to employees that makes organizational identity more attractive (Zhang and Chen, 2013), results in a higher level of employees' organization identification (He and Brown, 2013):

P9. Ethical leadership is positively related to followers' organizational identification.

Moderating influence

As per social learning theory, value-based leadership such as responsible leadership may influence employees' attachment with organizations (Bandura, 1977). Responsible leadership is defined as a "leadership practice where leaders become able to respond to stakeholders' needs including internal stakeholder such as employees by using their capability and applying accountability" (Haque et al., 2019; Salancik and Meindl, 1984; Brown, 1986).



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Responsible leadership may influence organizational outcomes such as employee commitment, employee performance, intention to quit and organizational effectiveness (Haque et al., 2019; Doh et al., 2011; Doh and Quigley, 2014). Leader's responsible behavior may influence positive change in employees and develop trust in leaders, which can affect employees' affective commitment (Haque et al., 2019). Responsible leaders can promote a true character through their decent actions, which help to builds their trust with employees. Leader's ability to sanction rewards and punishments to employees can enhance employees' attraction with their leaders and organizations which may result into a reduced level of their intention to quit (Haque et al., 2019; Haque et al., 2017). Employees' trust in a leader may increase their attraction to a leader and organization, and as a result, there is an increased feeling of belongingness and reduced intention to quit (Bandura, 1986).

This part explains about the role of trust as a moderating influence for influencing the followers' outcomes like organizational commitment and identification. It is believed that higher level of trust in leaders' behavior and actions will increase the followers' enthusiasm to perform their best in the given jobs resulting into a higher degree of job involvement and satisfaction, followers' organizational commitment and identification (Ponnu and Tennakoon, 2009; Toor and Ofori, 2009).

Trust in leader

Trust is explained as a belief that a person is trustworthy, fine and useful. George and Jones (2006) defined "trust as a person's confidence and faith in another person goodwill." Robinson (1996) described trust an individual's belief about the likelihood that others' future actions will be advantageous, or at least not harmful, to other's interest. The leaders cannot sustain their long-term relationship with the followers without an adequate level of trust (Ponnu and Tennakoon, 2009).

Trust at the workplace is responsible for making the leaders bond tight and sustainable with their followers. The research observes that higher the degree of trust, greater will be the level of confidence, understanding, faith and involvement of followers with their leaders (Ponnu and Tennakoon, 2009). The trust is recognized as an essential component of followers' perceptions toward effective leadership (Ponnu and Tennakoon, 2009; Hogan et al., 1994). Dirks and Ferrin (2002) proposed that trust toward the leader is essential for developing mutual relationships and better emotional understanding (Dirks, 2000). Research says that trust has its positive impact on organizational commitment and communication (Güçel et al., 2012; Rodriguez et al., 2008; Laschinger et al., 2001) similarly, Pillai et al. (1999) also exposed that trust has a positive influence on organizational commitment. This study stated that affective trust plays an essential role in developing job satisfaction and employees organizational commitment (Güçel et al., 2012). The available literature on trust has congregated on the viewpoint that trust is a crucial ingredient of mutual relationships and very fundamental for influencing followers' outcomes such as their degree of commitment and identification with the organization (Butler, 1991). Thus it is proposed that the level of trust enhances the relationship between ethical leadership and followers' outcomes:

P10. Trust in leader enhances the relationship between ethical leadership and followers' outcomes.

Based on above-mentioned propositions and discussion, a conceptual model has been designed on antecedents and consequences of ethical leadership (Refer Figure 2).

Implications of the study

Developing followers' organizational commitment and identification is not only essential for organizational success, but also it has important implications for the organizational leader. Ethical leaders, who work on the principles of trust, honesty, integrity, selflessness and



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fairness, help to develop followers' job satisfaction, happiness, commitment, creativity and organizational identification. This study identifies the following contributions concerning ethical leadership:

- (1) It helps to recognize the logical connections between ethical leadership and personality attributes including values and ideals, honesty and integrity, people orientation and responsibility, decision making and communication. Organizational leaders must possess all these characteristics that empower their role as ethical leaders. It suggests four propositions for empirical assessment of the relationship of these personality characteristics with ethical leadership.
- (2) It defines the relationship of ethical leadership with other perspectives of leadership, including transformational, authentic and spiritual leadership. The study identifies similarities and differences of these leadership constructs with the ethical leadership and suggests three researchable propositions for empirical assessment.
- (3) It also affirms the significance of ethical leadership in generating organizational outcomes. Ethical leadership behavior in organizations results in followers' organizational commitment and organizational identification. Therefore, it suggests two propositions for empirical assessment of the relationship of organizational outcomes with ethical leadership.
- (4) Trust plays a vital role as moderator in influencing the association of ethical leadership with organizational outcomes. As a moderating variable, it manipulates the intensity of relationship of ethical leadership with organizational outcomes. The author suggests one proposition for empirical evaluation of this relationship.

In all, this paper helps in developing the understanding of nature of ethical leadership for both scholars and practitioners and encourages the scholars to make an in-depth survey of above-mentioned leadership characteristics and different constructs to test propositions and validate their practical value.

Concluding remarks and future research

In the present competitive business environment, effective leadership style and behavior assume much significance to an organization to sustain and survive incessantly. Effective leaders can be considered as role models as they provide the right direction to followers and impart them the lessons of ethics and values for living honorably in personal and professional life. Ethical leadership programs can be designed to equip employees with the basics of ethical governance and decision making. The focal point of ethical leadership development should be to produce leaders with personal ethical proficiency as good role models for people around them.

This paper discusses the relevant social scientific literature related to ethics, leadership and ethical leadership. Further it investigates the antecedents and consequences of ethical leadership and builds up a chain of propositions to test various relationships.

It has been observed that values and ideals, honesty and integrity, people orientation and responsibility and decision making and communication are important characteristics of ethical leaders and are positively related to ethical leadership.

It recognizes various similarities and differences between ethical leadership and other leadership styles which somehow represent the ethical dimension of leadership. Thus this paper proposed that transformational, authentic and spiritual leadership are positively associated with ethical leadership.

An organization cannot think of its survival and success without developing higher employees' organizational commitment and organizational identification which are resulted



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due to practicing ethical leadership at the workplace (Cheng and Wang, 2015; Lindblom et al., 2015; Weichun et al., 2015). Hence as consequences of ethical leadership, it is proposed that ethical leadership is positively related to employees' organizational commitment and organizational identification.

Trust is another essential dimension which tightens the bond of leaders with their followers. It builds the positive perceptions of employees toward their leaders. Literature proved that when employees trust their leaders, it helps to develop their organizational commitment and boost the feeling of organizational identification. That is why; this paper also proposed that trust in a leader enhances the relationship between ethical leadership and followers' outcomes.

Although developing a study on ethical leadership in social science is very difficult because of complexities and practical difficulties in studying the phenomenon involved in various aspects. However, this area has immense potential for new academic scholars and researchers. Ethical leadership has been a concern for everyone whether an individual and institution and recently some ethical shame and frauds in government, business, non-profits and in religious organizations have generated substantial interest in the concerned topic in the literature. Indeed, such a conceptual framework and proposed models are scanty, mainly on antecedents and consequences of ethical leadership.

At present, every organization is in the dilemma of developing and retaining ethical leaders (Brown and Trevino, 2006). Developing ethical leadership in an organization is a lengthy process that requires enough time, resources and processes to set up. Educational institutions are also in search of the ways and methods to develop the teaching instruments and mechanism to enable their students so as to emerge ethical and value-based leaders. Leadership scholars can adopt this construct and its conceptual framework as their future research agenda to test it empirically. The world leading organizations can also take the lead and dedicate time and other resources to train their staff to develop ethical leadership behavior and to adopt ethical practices at the workplace (Brown and Trevino, 2006).

Somehow, ethical leadership and effective leadership are logically interrelated; therefore, this study helps leadership scholars to understand the development of effective leadership at the workplace. This topic of ethical leadership can benefit the researchers with varied motivations and interests in their future research.

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