

The Influence of Ethical Leadership on Organisational Culture and Employee Behaviour; The Adopted Rore, a Posiitive Impact

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ABSTRACT

In today's complex and dynamic business world, the significance of ethical leadership in shaping employee behavior and company culture has received a lot of attention. The study employed a quantitative design using questionnaires to gather data, and the statistical software (SPSS) version 16 was utilized for data analysis to examine the impact of ethical leadership on employee behavior. Purposive sampling was employed in a deliberate and random selection process to identify 50 people from various industries in Accra for the research population. Ethical leaders set an example for their employees by acting morally and upholding the company's values. Employees who follow moral role models are more likely to do prosocial actions, such as helping colleagues, becoming good corporate citizens, and demonstrating loyalty to the organization.

The study came to the conclusion that moral leadership has an effect on both business culture and employee behavior. Ethical leadership, defined by its dedication to moral principles, honesty, and principled judgment, has been demonstrated to be essential to the establishment and maintenance of a strong workplace culture. Leaders who uphold moral standards act as role models, affecting the attitudes and actions of those under them.

Organizations were advised to keep emphasizing the need of holding staff members accountable for unethical actions. Organizations should strategically place and empower leaders to function as ethical role models in light of the projected effect that ethical leadership has on employee behavior. Programs for developing leaders should include a strong emphasis on the value of moral leadership conduct and how it influences workers' behavior.

By recognizing the significance of ethical leadership, organizations may actively cultivate a culture that is consistent with ethical standards. In the long run, this will improve worker conduct and help the company succeed as a whole. The structure for further study is given by this abstract.

Keywords: ethical leadership, organizational culture, employee behavior, organizational citizenship, organizational policies.

INTRODUCTION

In the contemporary landscape of business and management, the concept of ethical leadership has emerged as a pivotal force in shaping the ethos of organizations and steering the behavior of employees. The profound impact of ethical leadership on organizational culture and employee behavior is a subject of

extensive research and increasing interest among scholars and practitioners alike. This article answered the following questions: What are the perception of workers on their immediate supervisor's ethical leadership behaviors? How would you describe the prevailing organizational culture in your workplace? And what are the recommended factors that promote organization's culture and employee behavior? This study aims to explore the intricate dynamics of how ethical leadership, characterized by principled decision-making, integrity, and a commitment to moral values, influences the culture within organizations and the conduct of their workforce.

In recent years, scholarly attention has increasingly turned towards understanding the multifaceted impact of ethical leadership on organizational culture and employee behavior. Ethical leadership, characterized by moral integrity, transparency, and a commitment to ethical values, has emerged as a critical determinant in shaping the dynamics of contemporary workplaces. This reviews provides an overview of key findings and insights from recent studies, shedding light on the intricate relationship between ethical leadership, organizational culture, and employee behavior.

Brown and Treviño's (2020) research emphasizes how important ethical leadership is as the cornerstone of corporate culture. An organization's shared values and beliefs that define its culture are shaped by ethical leaders, who are viewed as the architects of a positive ethical climate within the organization. Leaders are essential in creating a culture that values integrity and accountability by setting an example of ethical behavior and creating an atmosphere that encourages ethical decision-making (Brown & Treviño, 2020).

Den Hartog and Belschak's (2012) research explores the mutual relationship that exists between corporate culture and ethical leadership. According to their research, a culture that is defined by transparency, trust, and a common commitment to moral values is greatly aided by ethical leadership. According to the study, leaders' ethical principles actively influence the norms and behaviors that are ingrained in the organizational culture, rather than being purely symbolic (Den Hartog & Belschak, 2012).

The study conducted by Den Hartog and Belschak (2012) investigates the reciprocal relationship between ethical leadership and organizational culture. Their findings indicate that moral leadership plays a critical role in fostering a culture that is characterized by openness, trust, and a shared commitment to moral principles. The study finds that, rather than being merely symbolic, leaders' ethical beliefs actively shape the norms and behaviors that get embedded in the organizational culture (Den Hartog & Belschak, 2012).

The focus of recent literature is on comprehending the mechanisms by which ethical leadership influences others. The significance of communication and decision-making processes is emphasized by Treviño et al. (2018). Transparent decision-making combined with ethical leaders' effective communication upholds moral norms and helps incorporate moral principles into company culture (Treviño et al., 2018).

The impact of ethical leadership is examined by moderating factors in a recent study by Restubog et al. (2019). The study emphasizes how important it is to customize moral leadership behaviors to the particular organizational setting, taking into account elements like leadership style, industry dynamics, and organizational size. This sophisticated approach acknowledges that different organizational circumstances may have differing effects from ethical leadership (Restubog et al., 2019).

As organizations operate in an increasingly interconnected and transparent global marketplace, the need for ethical leadership has never been more pressing. Ethical lapses can lead to reputational damage, legal repercussions, and erosion of stakeholder trust (Weaver et al., 2015). Therefore, understanding the influence of ethical leadership on organizational culture and employee behavior has become not only academically intriguing but also practically imperative.

This study endeavors to contribute to this burgeoning field of research by synthesizing existing literature,

and shedding light on the mechanisms and factors that mediate or moderate the relationship between ethical leadership, organizational culture, and employee behavior. By comprehensively exploring these intricate linkages, we hope to provide valuable insights that can guide organizations in fostering a culture of ethics, thereby promoting not only the well-being of their employees but also their long-term success and sustainability

METHODOLOGY

This design aims to provide more robust and detailed data than either approach could provide alone. The study will adopt the quantitative design. The study population comprises of 50 workers from different industries in Accra. The respondents in this study were chosen using a random and purposeful selection procedure where purposive sampling will be used in selecting the participants. The study will collect data through primary source by the use of a questionnaire.

The questionnaire serves the purpose of keeping the study focused and directed towards the main research questions. This practice is accepted to allow for diverse perspectives and to extend maximum respect to the respondents thereby winning their trust throughout the data collection process.

For uniformity and accuracy, data collected will first be edited. The edited data will be analyzed using the Statistical Package for Social Sciences (SPSS) the version 16. The final result will then be presented and discussed with the aid of tables reflecting the responses from various respondents expressed in percentages.

RESULT INTERPRETATION

Socio Demographics profile of respondents

Table 4.1: Age of Respondents

| | Frequency | Percentage |
|--------------|-----------|------------|
| 31-51 | 15 | 30% |
| 61-69 | 35 | 70% |
| Total | 50 | 100 |

Source: Fieldwork, 2023

The table provides information about the age distribution of respondents based on two age groups, 31-51 and 61-69. The total number of respondents in the survey is 50. 30% of the respondents fall in the 31-51 age group and 70% of the respondents fall in the 61-69 age group.

The majority of respondents (70%) belong to the 61-69 age group. The 31-51 age group represents a smaller portion, comprising 30% of the total respondents. The higher percentage in the 61-69 age group shows that the focus or interest in an older demographic in the survey who are the target audience for the study.

QUESTION 1: What are the perception of workers on their immediate supervisor’s ethical leadership behaviours?

Table 4.2 Perceptions on supervisor’s ethical leadership behaviour

| Responses | Frequency | Percentage |
|--|-----------|------------|
| My supervisor consistently demonstrates ethical behaviour. | | |
| Strongly Disagree | 10 | 20% |

| | | |
|--|----|-----|
| Disagree | 9 | 18% |
| Neutral | 8 | 16% |
| Agree | 12 | 24% |
| Strongly Agree | 11 | 22% |
| Total: | 50 | 100 |
| My supervisor is a role model for ethical conduct. | | |
| Strongly Disagree | 9 | 18% |
| Disagree | 10 | 20% |
| Neutral | 8 | 16% |
| Agree | 11 | 22% |
| Strongly Agree | 12 | 24% |
| Total: | 50 | 100 |
| My supervisor communicates and reinforces the importance of ethics in the workplace. | | |
| Strongly Disagree | 6 | 12% |
| Disagree | 8 | 16% |
| Neutral | 12 | 24% |
| Agree | 13 | 26% |
| Strongly Agree | 11 | 22% |
| Total: | | |

Source: Fieldwork, 2023

From table 4.2 on perception of supervisor’s ethical leadership behaviour, 23 out of the 50 respondent where 24% representing 12 participants and 11 representing 22% agreed that their supervisor understands and demonstrate ethical behaviour. 27 out of the 50 respondents also disagree that their supervisor exhibit ethical behaviour at work. 46% also agree that their supervisor is a role model for ethical leadership and lastly 48% also agree to the fact that supervisors communicate and reinforces the importance of ethics in the work environment. This data shows that there should be more education on ethical leadership at various industries.

QUESTION 2: How would you describe the prevailing organizational culture in your workplace?

Table 4.3 Prevailing of organizational culture

| | Frequency | Percentage |
|---|-----------|------------|
| The organizational culture promotes open communication. | | |
| Strongly Negative | 5 | 10% |
| Negative | 6 | 12% |
| Neutral | 9 | 18% |
| Agree | 10 | 20% |
| Strongly Agree | 20 | 40% |
| Total : | 50 | 100 |
| There is a strong sense of trust among employees. | | |

| | | |
|--|----|-----|
| Strongly Negative | 6 | 12% |
| Negative | 5 | 10% |
| Neutral | 9 | 18% |
| Agree | 20 | 40% |
| Strongly Agree | 10 | 20% |
| Total | 50 | 100 |
| Ethical values are integrated into the culture of the organization | | |
| Strongly Negative | 9 | 18% |
| Negative | 7 | 14% |
| Neutral | 10 | 20% |
| Agree | 13 | 26% |
| Strongly Agree | 11 | 22% |
| Total | 50 | 100 |

Source: Fieldwork, 2023

Evaluating the best way to characterize the dominant organizational culture at work is one of the study’s other goals. According to Table 4.3’s data collection, workplace open communication is a result of organizational culture (60%), and 30 respondents, or 60% of the participants, agreed that workplace trust is fostered by organizational culture because ethical values make up an organization’s culture (48%).

QUESTION 3: what are the recommended factors that promote organization’s culture and employee behavior?

Table 4.4 Recommended Organizational culture and employee behaviour

| | Frequency | Percentage |
|--|-----------|------------|
| The organization encourages employees to voice ethical concerns. | | |
| Strongly Negative | 5 | 10% |
| Negative | 6 | 12% |
| Neutral | 9 | 18% |
| Agree | 18 | 36% |
| Strongly Agree | 12 | 24% |
| Total | 50 | 100 |
| Ethical behaviour is consistently rewarded and recognized. | | |
| Strongly Negative | 5 | 10% |
| Negative | 7 | 14% |
| Neutral | 6 | 12% |
| Agree | 20 | 40% |
| Strongly Agree | 12 | 24% |
| Total | 50 | 100 |
| Employees are held accountable for unethical behavior. | | |
| Strongly Negative | 10 | 20% |
| Negative | 9 | 18% |
| Neutral | 8 | 16% |

| | | |
|---|----|-----|
| Agree | 12 | 24% |
| Strongly Agree | 11 | 22% |
| Total: | 50 | 100 |
| In your opinion, to what extent does ethical leadership influence your behavior as an employee? | | |
| Not at all | 6 | 12% |
| Weakly | 5 | 10% |
| Neutral | 9 | 18% |
| Moderately | 20 | 40% |
| Strongly | 10 | 20% |
| Total | 50 | 100 |

Source: Fieldwork, 2023

Data from the above table shows significant proportion of respondents (60%) expressed either a neutral or positive stance towards the organization encouraging employees to voice ethical concerns. The highest percentage of respondents (36%) agreed that the organization supports and encourages the expression of ethical concerns.

A majority of respondents (64%) expressed a positive view regarding the organization’s consistent recognition and reward for ethical behavior. The highest percentage of respondents (40%) agreed that ethical behavior is consistently rewarded and recognized.

Also, majority of respondents (46%) held either a neutral or positive view regarding the accountability of employees for unethical behavior. The highest percentage of respondents (24%) agreed that employees are held accountable for unethical behavior.

A significant portion of respondents (60%) indicated a moderate to strong influence of ethical leadership on their behavior as employees. The highest percentage of respondents (40%) felt that ethical leadership had a moderate influence on their behavior.

This results suggest a generally positive perception of organizational culture and its impact on employee behavior. The encouraging aspects include the organization’s support for voicing ethical concerns, recognition of ethical behavior, and the perception that employees are held accountable for unethical behavior. The findings highlight the importance of ethical leadership, with a considerable percentage of respondents acknowledging its influence on their behavior.

DISCUSSION OF THE RESULTS/IMPLICATIONS OF THE FINDINGS

The implications of the findings on the influence of ethical leadership on organizational culture and employee behavior can have significant ramifications for organizations aiming to foster a positive workplace environment and enhance overall effectiveness. Here are some key implications based on the presented findings:

The positive correlation between ethical leadership and favorable organizational culture and employee behavior underscores the importance of investing in the development of ethical leadership skills. Organizations should prioritize leadership training programs that focus on instilling ethical principles, integrity, and moral decision-making among leaders at all levels.

The study suggests that organizations should continue to encourage employees to voice ethical concerns. This requires fostering an open communication culture that allows employees to express their ethical dilemmas without fear of reprisal. Recognition and reward for ethical behavior should be institutionalized to reinforce and sustain a positive organizational culture.

Organizations should place a continued emphasis on holding employees accountable for unethical behavior. This involves clear communication of ethical standards, transparent processes for reporting unethical conduct, and consistent enforcement of consequences for violations.

Implementing effective mechanisms for monitoring and addressing unethical behavior fosters a culture of accountability. Organizations should strategically position and empower leaders as ethical role models, emphasizing the importance of ethical leadership behaviors in shaping employee conduct. The positive relationship between ethical leadership and employee behavior suggests higher engagement and well-being. Organizations should leverage this connection to create a workplace where employees feel motivated, valued, and connected to the organization's mission.

CONCLUSION

The study on the influence of ethical leadership on organizational culture and employee behavior has revealed a complex yet highly significant relationship that holds profound implications for contemporary organizations. Through a comprehensive examination of existing research and empirical investigations, this study has illuminated the pivotal role that ethical leadership plays in shaping the ethical fabric of organizations and guiding the conduct of their employees.

What are the perception of workers on their immediate supervisor's ethical leadership behaviours?

Result from this article revealed that organizational culture lead to open communication at the workplace. It was agreed that organizational culture encourage trust among workers because ethical values constitutes the culture of an organization.

Ethical leadership, characterized by its commitment to moral values, integrity, and principled decision-making, has been shown to be a cornerstone in creating and sustaining a positive organizational culture. Leaders who embody ethical principles serve as role models, influencing the beliefs and behaviors of their employees. As a result, they foster an environment characterized by trust, transparency, and accountability, where ethical norms are not merely articulated but consistently practiced.

How would you describe the prevailing organizational culture in your workplace?

This article revealed that one benefit of organizational culture is to make worker bring out their ethics. It was also believed that ethical behaviour lead to reward and recognition where employees are held accountable for unethical behaviour which portrays that ethical leadership influence their behavior as an employee.

what are the recommended factors that promote organization's culture and employee behavior?

The study results recommended a generally positive perception of organizational culture and its impact on employee behavior. The encouraging aspects include the organization's support for voicing ethical concerns, recognition of ethical behavior, and the perception that employees are held accountable for unethical behavior. The findings highlight the importance of ethical leadership, with a considerable

percentage of respondents acknowledging its influence on their behavior.

The impact of ethical leadership extends beyond the confines of organizational culture, profoundly influencing employee behavior. Employees working under ethical leaders are more likely to exhibit prosocial behaviors, such as helping colleagues, engaging in organizational citizenship activities, and demonstrating a heightened commitment to the organization. These behaviors contribute not only to individual well-being but also to organizational effectiveness and performance.

Specific recommendations based on the findings.

In an era where ethical considerations are increasingly vital to an organization's reputation and success, the findings of this study have practical implications. Organizations that recognize the importance of ethical leadership can strategically cultivate a culture of ethics, promoting long-term sustainability and enhancing stakeholder trust.. Below are some recommendations from the study:

1. There should be Leadership Development Programs: Organizations should invest in leadership development programs that emphasize ethical leadership skills. Leaders should design and implement training programs that educate leaders on ethical decision-making, communication, and the impact of their behavior on organizational culture.
2. There must be Communication Strategies: Transparent and open communication channels are crucial for creating an ethical climate. Leaders must develop communication strategies that emphasize the importance of ethical values, articulate expectations, and encourage employees to voice ethical concerns without fear of reprisal.
3. Recognition and Reward Systems: Ethical behavior should be acknowledged and rewarded. A system should be established for recognizing and rewarding employees who consistently demonstrate ethical behavior. This could include acknowledgment in meetings, performance appraisals, or tangible rewards.
4. Leadership Evaluation and Succession Planning: Ethical leadership should be a criterion for leadership evaluation and succession planning. Evaluate leaders not only on performance metrics but also on their commitment to ethical leadership. Incorporate ethical leadership qualities into leadership competency frameworks for succession planning.

Implementing these practical implications can contribute to the creation of an organizational environment where ethical leadership is valued, organizational culture reflects ethical principles, and employees exhibit positive ethical behaviors. It requires a comprehensive and sustained effort from leadership to embed ethical considerations into the fabric of the organization.

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