The Congruence of Ethical Leadership: An Examination of Leadership and Organizational Ethical Climate in Nigeria

Chikelu Okey Felix. PhD, Bala Aliyu Kardi, Mustapha Shehu

Waziri Umaru Federal Polytechnic, Birnin Kebbi, Kebbi State. Nigeria

Abstract :Nowadays, organizations that ignore the importance of leadership ethicality and role might yield negative and imprecise results. Thus, leaders are required not only to develop but equally nuture a strong ethical organizational climate and internalise other moral values in modern organization. Against that backdrop, very little studies were able to integrate leadership values with organizational ethical climate and other moral values. though much have been written on ethics, moral values and leadership styles. Consequently, this study explored the development and validation of a theory and an instrument to explain the structural relationship between the itemized variables in the context of Nigeria business organization. Findings indicated that altruism positively influences and affects ethical leadership while ethical leadership equally has a significant positive effect on organizational ethical climate. Furthermore, integrity was observed to significantly moderate the positive effect of ethical leadership on organizational ethical climate. Against the above backgroud therefore, and based on findings, it is advocated that simultaneous application of multiple leadership styles in enhancing subordinates' and organizational general ethicality. Thus, this requires further exploration and might lead to reconceptualization of ethical leadership and its dimensions.

Keywords: Ethical leadership, Ethical climate, Nigeria Business Organization.

I INTRODUCTION.

Ethics and moral are different ball-games in the domain of Nigeria business organization, while ethical climate acts as a moral work compass (Kimberley, 2008). Thus, management leadership actions and organizational commitment including antecendents and consequences are emmmbedded within organizational ethical climate (Abrhiem, 2012). Against the above backdrop, actions or lack of it, directed or misdirected by organizational leadership or the top management are very essential in strenghtening organizational ethical climate. Ethical leaders and transformational leadership are reported by some scholars to have the capacity to enhance subordinates'mental, ethical, satisfaction, commitment and even attracting the best hands to the organization and equally in retaining them (Trevino, Hartman & Brown, 2000). Leadership with ethical dimensions has been proved to relate to followers' performance and general ethicality. Ethical leadership adhere to ethical and moral standard and equally lead by example (Trevino, 1986).

Much have been written on this, leadership, moral values as crucial to organization as a societal issue. These variables are equally vital to organization and business success, but little integration has been achieved with ethical leadership. Blending all these variables together in Nigerian contest is non existent. Corruption and unethical conduct in Nigerian business organization are so rampant that an urgent solution are highly necessary and inevitable (Northouse, 2015). Literature highlighted the role of leadership and this paper examines conceptual relationship between ethical leadership behaviour and its effects on organizational ethical behaviour. Organizational ethical climate are influenced by variables and factors favourable to her ethical climate, thus, developing and testing a model that will x-ray variables that influence organizational ethical climate by examining ethical leadership values which remains the major objective of this paper. Literature acknowledges integrity, altruism, and ethical leadership has been variously defined as the demonstration of normative appropriate conduct through personal actions and inter-personal relationships and promotion of such conduct to followers through a two way communication, reinforcement and decision making (Avolio, Gardner, 2005: Chikelu, 2017). Therefore to determine whether a relationship exists between ethical leadership and the growth of organizational ethical climate remains a specific objective of this study. On the other hand, whether there is a direct relationship between altruism and ethical leadership and whether integrity has a moderating role on their relationship either ethical leadership or organizational climate.
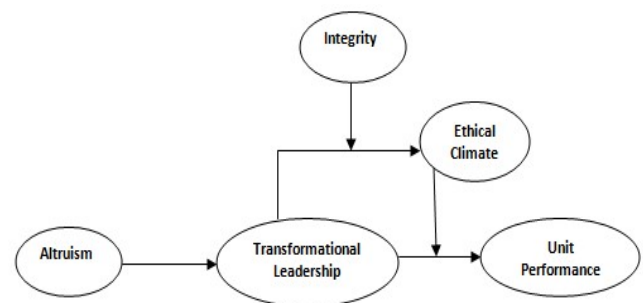

Fig 1. Structural relationship between Ethical leadership and Organizational ethical climate

Ethical Leadership And Altruism

Leadership still evokes different meaning to different people and it seems to be dynamic and its activities evolve in complexity of modern organizations. Brown and Trevino, 2006 posited that maintaining effective work situation in sync with ethical standard, ethical leaders impact on surbodinates by selfless services and altruistic attributes (Yukl, & Mahsud, 2010: Felix,. Ahmad, & Arshad, 2016). Thus an ethical leadership integrity serves a wider individual interest affect surbodinate positively as a transformational leader. By sacrificing individual or personal interest for others, it highly motivate surbodinates to greater action for organizational ethical climate.

Ethical leaders blends their own interest with organizational and surbodinate values manifesting in altruistic values and general ethicality within an organization. The harmmonization of these ethical and moral values blends convivally into congruence of ethical leadership and organizational ethical climate which leads to greater bonds between leaders and followers (Eisenbeiß, & Brodbeck, 2014). Literature indicates or shows that ethical leadership values as altruism,collectivism, benevolence, justice and equity surpasses other values as achievement and advancement. Therefore, altruism is central to both ehical leadership an organizational ethical climate (Ciulla, 2004: Felix *et al..*, 2016). Against the backdrop, the following assumption or postulation is made.

Hypothesis 1 : Altruistic values positively affects ethical leadership .

Organizational ehical climate and ethical leadership:

Ethical climate of an organization includes the moral fabric or the moral atmospheric condition of right and wrong perception and the manner they are addressed. Thus, organizational leaders handles issues as functional responsibility, account, registration, justice, social system and equity. Moreoval, viable organizational climate are usually leadership role and function which manifest in leadership values and general organizational climate. Ethical ledership through its dimentions elevate surbodinate and organizational collective effort for ethical and moral change and transformation. Ethical leaders are not selfish or myopic but trancends personal goals for organizational advancement (Yukl, 2012).

Ethical leadership like leadership generally relates a leader and surbodinate in an organization and situational context. It connotes power, value of mutual perspective embedded in intentions, purpose and goals. The ambigueous nature of ethical leadership is based on various diverse elements (Ugoani, 2014: Batmanghlich, 2015). Ethical leadership enables surbodinates to do the right thing but deffinately not preventing followers from doing the wrong thing (Bandura, 1993: Butcher & Milner, 2002). An ethical leader operates on a universal principle and standard of moral behaviour. Ethical

reasoning and judgement are his mode of conduct. His practices depends on quality organizational climate. Ethical leaders share love, affection which makes surbodinate reciprocate. Generally, ethical leaders role displays conducts and behaviours that reinforces ethical behaviour by taking ethical decision that requires will character which enhances organizational ethical climate. Organizational ethical climate often results when ethical reasoning is at the post conventional stage of reasoning which trancends to commitment of both followers, organizational ethical climate as they show moral examples that guides and motivate surbodinates to reciprocate and align to all other centered initiatives (Yukl, 1999: Wright & Quick, 2011). Against the backdrop, ethical leadership vision propels individual moral values through a process that filter down to the surbodinate and organizational ethical climate and outcomes (Triandis, 1993: Veríssimo, & Lacerda, 2015). Ethical leadership is about fairness, walfare of others and responsible for the concequence of his action.

Hypothesis 2

Ethical leadership has a positive effect on organizational ethical climate

Ethical leadership and integrity

An enabling institutional and structural system are good yard stick for the growth of organizational ethical climate. However, leadership style is crucial to organizational policies and practices and ethical climate, which is the results to leadership commitment to codes and values (Turner, Barling, Epitropaki, Butcher, & Milner, 2002). Ethical leadership trust is earned through consistency with ethical judgement and moral behaviour. This will motivate the surbodinates to percive him as having integrity which affects organizational ethical climate that helps in internalization of moral values leading to general ethical behaviour (Avolio, B. J., Zhu, Koh, & Bhatia, 2004).

Integrity is blending ethical principles and moral action, the rightness of an ethical judgement. Thus, an incompatable moral virture coupled with honesty and sencerity of purpose (Key, 1995: Felix, Ahmad & Arshad, 2015). Ethical leadership usually aspire to higher moral and ethical reasoning in their conduct and action. Thus, consistency and integrity display of values in routine work situation, organizational goal buttresses unquestioned integrity of ethical leadership which is the core value of the leadership style. Integrity is one vital aspect of ethical leadership and to be effective, consistency is the watch word that earns surbodinate trust and commitment.

Ethical leadership emphasises individual values as integrity, moral reasoning and ethical judgement which is a process of infuencing ethical behaviour in an organization (Fulcayam, 1992). However, integrity, moral reasoning and judgement have conceptual link with ethical leadership but the extent of the relationship has not been fully explored (Trevino, 1986).

Moreoval, integrity and trust are crucial ingredient of an effective ethical leadership (Felix et al.., 2016).

Hypothesis 3

The interaction between integrity and ethical leadership moderates organiztional ethical climate and ethical leadership.

II. METHODOLOGY

A total of 360 questionnaire was administered with a 203 respondong accordingly bringing the response rate to 56% which could be considered as very adequate to this study. The target population remains the business organizations both large, meduim and small scale enterprises in Nigeria with varieties of activities. Demographically, males and females were fully represented with about 61.5% and 35.5% respectively. The questionnaire was well structured and the MLQ, developed by (Trevino *et al..,* 2003) was used. Ethical leaders has to be honest, trustworthy, show credibility and demonstrate high sense of integrity, courageous and being of strong will character. Literature has provedd the MLQ analysis to be reliable and valid in most studies and the organizational ethical climate scales were equally adequate while altruism was measured based on Langley's (1992) value scale. Integrity on the other hand was measured using Butler's Condition of Trust Inventory (Engelbrechl & Cloete, 2000), items as honesty, consistency and promises kept were tested.

III. DISCUSSIONS AND RESULTS

The results of the tested hypothesis are reported with regards to the correlation and regression. Imputation method was used to take care of the missing values giving about 200 cases. SPSS, (1990) was used for dimensionality. For ethical leadership, all factors had satisfactory factor loadings (0.50 < n < 0.86). The Caring Climate subscale was used and all the items loaded accordingly (0.89 < n < 9.93). Integrity scale was divided into parts and all items allocated loaded properly (0.48 < n <0.91) at single factor.

Altruism and Ethical leadership Linkage:

Hypothesis 1 and 2 was tested using simple correlation Coefficient posited by Guilford. Against that backdrop, H1 indecated that Altruism to have a positive significant effect on ethical leadership (r = 0.63) and (p < 0. 001). Thus, H1 justifies earlier literature showing that leaders perceived as ethical usually display altruistic values as seen by subordinates. Furthermore, altruism andd ethical leadership linkage dimensions were tested. A statistical significant relationship was found to exist between altruism and ethical reasoning (r =0.53: p < 0.001). Thus, ethical leadership carry followers along through ethical reasoning and judgement which motivates subordinates to higher moral standard or post conventional reasoning. These propels laedeship, subordinates' and organizational ethical climate and mutual satisfaction (Ugoani, 2014: Felix *et al,* 2016). Similar to idealized influence of transformational leadership, honesty, trustworthy, credibility, demonstration of high integrity,

strong will character, being courageous and most conventional reasoning and judgment.

The above research supports earlier works (Kimberling, 2008 : Felix *et al..,* 2016), as leaders characters propels its ethical values and performance. Therefore some criterial of evaluating ethical leadership are individual values, conscious intension, freedom, level of mutual development, methods of influencings used on subordinates (Yukl, 2006, 2012)

Ethical Leadership Linkage With Ethical Organization And Climate

Some individual values and characteristical behaviour of ethical and unethical leardership are as follows:

ETHICAL LEADER	UNETHICAL LEADER
Ecourages and develop others. Humility. Fairness. Respect for individual dignity. Serves other. Concerne for general good. Courageous for what is right .	Neglects subordinate development. Arrogant and self centered. Unfairly. Diminishes other's dignity. Serves self, with hold self. Self interest. Lack courage for what is right.

Source (Zanderer, 1992)

Hypotensis 2 states that Ethical Leadership has significant positive effect on organizational ethical climate (r = 0,48) and (p < 0, 001) between Ethical Leadership and organizational Ethical Climate, the relationship was further examined which indicated statistical moderate but significant relationship between the dimension of Ethical Leadership and the dimension of organizational Ethical Climate (0,14 < r < 0,49, p < 0,05).

The results revealed that Ethical Leadership exhibits the following:

	Honesty	Trustworthy	Credibility	Ethical Reasoning
Altruism	0,53**	0,65**	0,50**	0,54**
Integrity	0,30**	0,32**	0,33**	0,22**
Law and Code	0,24**	0,26**	0,22**	0,14**
Rules Climate	0,15**	0,20**	0,33**	0,22**
Independence	0,41**	0,49**	0,46**	0,39**
Caring Climate	0,57**	0,59**	0,49**	0,64**

Source :- *p < 0,05

**p < 0,01

The above shows that the more the leader exhibit ethical leadership the more and stronger the organizational climate which is consistent with earlier studies that reported ethical leadership style influencing the creation of an enabling organizational ethical climate (Yukl, 2002).

Integrity as a moderator on the relationship between Ethical leadership and Organizational Ethical Climate

Hypotensis 3 posited that interaction between integrity and Ethical leadership produces a variances not linked to the influence of Ethical Leadership.

Leaders that exhibits integrity are parcieved to be honest with themselves and subordinates. They lead by example, take responsibility for moral reasoning and blends confliting interests. Integrity guides values, patterns of reasoning and individual and organizational cooperation and conduct.

Regression result of organizational Ethical Climate on Ethical Leadership, with interaction between Ethical Leadership and integrity.

prediction	F	P
Ethical leadership	59,652	0,00
Ethical leadership x integrity	4,039	0.046
$R^2 = 0,244$		

The above shows that the interaction between Ethical leadership and integrity shows statistical significant explanation of the variances in organizational Ethical Climate ($p < 0,05$) which contains the hypothesis relationship between Ethical Leadership and integrity.

Evaluation of Ethical leaderdship

Critirion	Ethical leadership	Unethical leadership
Power and influence use	Serves subordinate and organization	Satisfies selfish interest
Interest of multiple stakeholders	Behaves and blends and integrete them for mutual benefits	Favours cronies or partners
Vision and organization mission	Develops based on mutual agreement	Sells personal vision as only way out
Integrity	Consistent with values	Personal objective guides him
Decision	Post conventional reasoning	Aviods decision of personal risk
Communication	Discloses facts or information of events	Deception and distorts information
Criticisms	Encourages critical reasoning for better solution	Suppression of contrally opinion
Self confidence and skill	Coaching, mentoring and training	De-emphasizes development for followers

The Regression Analysis of ethical leadership on altruism and integrity

rediction	T	P	Partial
Altruism	8,221	0,000	0,0505
integrity	6,503	0,000	0,420

F = 99, 603

P = 0,000

$R^2 = 0, 503$

The above clearly shows that altruism predicts more of ethical leaderdership which supports earlier studies (Ugoani, 2014: Felix *et al..,* 2016). Therefore, it was agued that ethical leadership influences organizational ethical climate based on leadership integrity and this aligns with the hypothesis that leadership integrity significantly mioderates the linkage of leadership on organizational ethical climate. Thus, integrity plays a crucial role on organizational ethical climate development through ethical leadership. Therefore, ethical leaderships' trustworthyness, honesty, credibility and the demonstration of strong will character and integrity propels the development of the type of organizational ethical climate envisaged thereby enhancing subordinates' to perceive them as ethical leaders which equally builds general ethicality in an organization.

IV. CONCLUDING REMARKS

Ciulla (2004) posited that competitiveness and ethics are identical twins as organization compete with one another for market shares. Thus, running a successful organization in competitive environment requires more than leadership qualities (Felix *et al..,* 2016). This study explored the linkages between altruism and ethical leadership and ethical leadership and organizational ethical climate while the moderating influence of integrity on their relationship was equally examined. One objective was the examination of few theoretical relationships between ethical leadership values, organizational ethical climate in the context of Nigeria business organization.

Through statistical analysis, some major in-road was made with regards to preious knowledge. Most items measured indicated statisfactory internal consistency used in measuring the latent variables. Significant statistical evidence was found on the linkage between ethical leadership, integrity and organizational ethical climate. On direct role of ethical leadership in developing organizational ethical climate, the study equally gave an insight into such relationship. Furthermore, statistical positive influence of altruism and integrity on ethical leadership evidenced that leaders are perceived as ethical leaders if they exhibit altruistic actions and strong will character, show unwavering credibility, trustworthyness and motivates subordinates' to become ethical in action and behaviour.

Moreover, ethical leadership relationship and organizational ethical climate reveals the essence of credibility in leadership actions and behavour which equally develops organizational ethical climate. Ethical leadership enhances organizational ethical climate and performance which supports earlier studies (Felix, Ahmad, & Arshad, 2015). Thus, leaders are responsible to develop Codes of ethics, organizational values and norms. It is suggested that attracting ethical leaders to an organization requires clear Code of conduct, through the recruitment and selection of leaders with core moral values and strong will character by the top management with training in moral and ethical skills (Yukl, 2002, Felix *et al..,* 2016).

Findings equally indicated that leadership behaviour exerts tremendous influence on ethical work situation and organizational ethical climate in Nigeria.

It is suggested that more studies be carried out to validate the theoritical model adopted in this study (Ugoani, 2014). This will be able throw more light on their effect on the variables of the study by applying alternative structural model.

Against the above backdrop, this study has expanded our knowledge on theoring the movement and its application in a multi dimensional discipline of leadership, psychology with regards to Nigeria business organizational ethical climate. On ethical conduct and behaviour are becoming rampant and some organizations are heading to do while some have gone into extinction. Based on the findings of this study, an organization without ethical leadership to develope organizational ethical climmate cannot favourably compete in todays global market, hence the need to inbibe the culture of ethical leadership development and organizational ethical climate to address or reduce unethical conduct and general ethical decline in Nigeria business organization.

REFERENCES

[1]. Abrhiem, T. H. (2012). Ethical leadership: Keeping values in business cultures. Business and Management Review, 2(7), 11-19.

[2]. Avolio, B. J., & Gardner, W. L. (2005) Authentic leadership development: Getting to the root of positive forms of leadership. *The Leadership Quarterly, 16*(3), 315-338.

[3]. Avolio, B. J., Bass, B. M., & Jung, D. I. (1999) Re-examining the components of transformational and transactional leadership, using the Multifactor Leadership *Journal of occupational and organizational psychology*, 72(4), 441-462.

[4]. Avolio, B. J., Bass, B. M., & Zhu, F. W. W. (2004) *Multifactor leadership questionnaire: manual and sampler set*. Menlo Park^ eA CA: Mind Garden

[5]. Avolio, B. J., Zhu, W., Koh, W., & Bhatia, P. (2004) Transformational leadership and organizational commitment: Mediating role of psychological empowerment and moderating role of structural distance *Journal of Organizational Behavior, 25*(8), 951-968

[6]. Bandura, A. (1993). Perceived self-efficacy in cognitive development and functioning. *Educational psychologist, 28*(2), 117-148

[7]. Batmanghlich, C. A. (2015). What is Leadership? In *Why Leaders Fail Ethically* (pp. 5-32) Springer International Publishing

[8]. Chikelu, O. F., (2017). Demoratic Government: The Common Good, Nation Building in nigeria Public Sector, International Journal of Novel Research in Humanity and Social Sciences Vol. 4, Issue 2, pp: (63-70), Month: March – April 2017, Available at: www.noveltyjournals.comJ

[9]. Ciulla, J.B. (2004). Ethics, the Heart of Leadership. Westport, CT: Greenwood Publishing Group.

[10]. Eisenbeiß, S. A., & Brodbeck, F. (2014). Ethical and unethical leadership: A cross-cultural and cross-sectoral analysis. *Journal of Business Ethics*, 122(2), 343-359..

[11]. Felix, C. O. Ahmad, A. H. B., & Arshad, R. B. (2015). Examining Ethical Reasoning and Transactional Leadership Style In The Nigerian Public Sector. *Journal of Humanities and Social Science*, 20(6), 88-94

[12]. Felix, C. O. Ahmad, A. H. B., & Arshad, R. B. (2016). Examining Ethical Reasoning and Transformational Leadership Style in Nigeria Public Sector *SAGE Open*, 6(2), 2158244016635256

[13]. Felix, C. O., Ahmad, A. H. B., & Arshad, R. B. (2015). Individualismand collectivism as moderators of moral reasoning and transformational leadership style in the Nigerian Public Sector.*Journal of US-China Public Administration*, 12, 568-577.

[14]. Felix, C.O, Ahmad, A. H. B. & Arshad, R. B. (2015). The moderating Effect of Religiosity and Vertical Individualism on Transformational Leadership Style and Ethical Reasoning in the Nigerian Public Sector (IOSR Journal of Humanities and Social Science (IOSR-JHSS) Vol, 20, Issue 10,

[15]. Fulcayam, F. (1992): *The Ent of History and the Last Man*, London, Penguim Books Ltd.

[16]. Key, Jr. V. O. (1995): "A Theory of Critical Election" Journal of Politics, Vol. 17.

[17]. Kimberling, L. S. (2008). *Ethical reasoning and transformationalleadership: An investigation of public sector leaders*. Available from ProQuest.

[18]. Northouse, P. G. (2015). Leadership: Theory and practice. Thousand Oaks, CA; Sage publications.

[19]. Trevino, L. K. (1986). Ethical decision making in organizations: A person-situation interactionist model. *Academy of management Review*, 11(3), 601-617.

[20]. Triandis, H. C. (1993). Collectivism and individualism as cultural syndromes *Cross-Cultural Research, 27*(3-4), 155-180

[21]. Turner, N., Barling, J., Epitropaki, O., Butcher, V., & Milner, C. (2002) Transformational leadership and moral reasoning *Journal of Applied Psychology, 87*(2), 304

[22]. Ugoani, J. N. N. (2014). Power of Emotional Intelligence on Good Governance. Journal of Public policy and Governance, 1(2), 57-71.

[23]. Veríssimo, J., & Lacerda, T. (2015). Does integrity matter for CSR practice in organizations? The mediating role of transformational leadership. Business Ethics: A European Review, 24(1), 34-51.

[24]. Wright, T. A., & Quick, J. C. (2011). The role of character in ethical leadership research. *The Leadership Quarterly*, 22(5), 975-978.

[25]. Yukl, G. (1999). An evaluation of conceptual weaknesses in transformational and charismatic leadership theories *The Leadership Quarterly, 10*(2), 285-305

[26]. Yukl, G., & Mahsud, R. (2010). Why flexible and adaptive leadership is essential. *Consulting Psychology Journal: Practice and Research*, 62(2), 81.