CHARLES WESLI BLAKE

# AN INVESTIGATION INTO THE MPACT OF ETHICAL LEADERSHIP ON EMPLOYEE PERFORMANCE IN AN ORGANIZATION

NICOSIA FEBRUARY, 2023



DEPARTMENT OF BUSINESS ADMINISTRATION

# NEAR EAST UNIVERSITY INSTITUTE OF GRADUATE STUDIES

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**MBA THESIS** 

**CHARLES WESLEY BLAKE** 

**Nicosia** 

February, 2023

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#### **MBA THESIS**

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Nicosia February, 2023

### Approval

We certify that we have read the thesis submitted by Charles Wesley Blake titled "An Investigation into the Impact of Ethical Leadership on Employee Performance in an Organization" and that in our combined opinion it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Business Administration.

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**Declaration** 

I hereby declare that all information, documents, analysis, and results in this

thesis have been collected and presented according to the academic rules and ethical

guidelines of the Institute of Graduate Studies, Near East University. I also declare that

as required by these rules and conduct, I have fully cited and referenced information and

data that are not original to this study.

**Charles Wesley Blake** 

..../2023

Day/Month/Year

#### Acknowledgments

First and foremost, all thanks to the Almighty God for providing me with the strength and wisdom I needed to overcome adversity. My strong faith in the almighty God has kept me going and will keep me going until the end. I am also grateful to everyone who assisted me in finishing my MBA dissertation and keeping my enthusiasm and ambition to do more.

I express my sincere gratitude to my supervisor, Prof. Dr. Serife Eyupoglu, to whom I owe my growth as a researcher. I am grateful to her for her deep interest in me at every research stage. She provided substantial assistance, guidance, and motivation to me during this research study, with her varied recommendations, encouragement, and unwavering excitement keeping me involved with my study work at all times. She is an exceptional human being in addition to possessing unrivaled scientific ability. Her humble demeanor, candor, genuineness, and encouragement greatly aided me in achieving my research aim.

Thanks to all the professors at Near East University for assisting me in honing my research skills and laying the groundwork for my future research career. I want to express my gratitude to my lovely wife, Mrs. Mariam Cegbe Blake. She is the one who offers me the most strength and assistance. I have never met another woman who is as strong and inspiring as my wife. She has shown me unwavering love, which has taught me to be kind and generous. I would also like to thank my parents, Mr. Samuel A. Blake and Mrs. Esther M. Toby, for showering me with unconditional love, support, and trust and always believing in me.

Finally, I would like to thank the organization's employees for providing me with the data. I cannot find the right words to express my gratitude, but my heart is overflowing with the kindness shown to me by everyone mentioned.

#### **Abstract**

# An Investigation into the Impact of Ethical Leadership on Employee Performance in an Organization

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#### MBA, Department of Business Administration

#### February, 2023, 96 pages

This study aims to explain how ethical leadership can improve employee performance. Managers of a firm cannot afford to do things that are not appropriate in today's fast-paced commercial world, where communication travels quickly. It will not only harm the company, but it will also generate negative news, lowering the company's value. The relevance of ethical leadership at the top of many firms stems not only from how it influences the company's worth but also from how it affects the workforce. This is due to the fact that unethical leadership can harm employee job satisfaction and performance. As a result, a company's leadership is seen as a crucial aspect that has an unmistakable impact on how successfully people perform their duties in any type of organization. The study's purpose was to investigate the impact of ethical leadership on employee performance at Gardnersville, Liberia-based Sethi Brothers Inc.

The study employed both a quantitative and descriptive approach. The study used the probability sampling method and the convenience sampling technique to select the population and sample size. The study used primary data that was collected through a structured questionnaire according to the objectives. The information gathered was examined utilizing illustrative insights, measures of focal propensity, and measures of varieties and presented using tables and figures. The study's findings revealed that ethical leadership has a significant impact on job performance and job satisfaction for employees at Sethi Brothers, Inc. This study provides a number of practical implications for Sethi Brothers Inc. First, it highlights the role of ethical leadership in improving employee performance. Second, management at Sethi Brothers Inc. must encourage listening to their employees' thoughts and initiatives and to allow them to participate in

decision-making, as this motivate them to accomplish their tasks and fulfill their responsibilities. Ethical leadership is critical to the success of any organization. Ethical practices of leaders, such as clarifying roles, sharing authority, and acting equitably, provide the message that these leaders can be considered ideal representatives of the group, which in turn implies that these leaders can be trusted. Therefore, in order to increase their overall performance, the leaders of the firm as well as the employees working for the organization need to collaborate with one another in order to enhance productivity.

*Keywords:* ethical leadership, employee performance, job satisfaction, ethics, task performance

#### ÖZ

## Bir Organizasyonda Etik Liderliğin Çalışan Performansı Üzerindeki Etkisinin İncelenmesi

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**Subat, 2023, 96 sayfa** 

Bu çalışma, etik liderliğin çalışan performansını nasıl iyileştirebileceğini açıklamayı amaçlamaktadır. Bir firmanın yöneticileri, iletişimin hızla yayıldığı günümüzün hızlı ticari dünyasında uygun olmayan şeyleri yapmayı göze alamazlar. Sadece şirkete zarar vermekle kalmayacak, aynı zamanda olumsuz haberler üreterek şirketin değerini düşürecektir. Pek çok firmanın tepesindeki etik liderliğin önemi, yalnızca şirketin değerini nasıl etkilediğinden değil, aynı zamanda işgücünü nasıl etkilediğinden de kaynaklanmaktadır. Bunun nedeni, etik olmayan liderliğin çalışanların iş tatminine ve performansına zarar verebilmesidir. Sonuç olarak, bir şirketin liderliği, insanların herhangi bir organizasyon türünde görevlerini ne kadar başarılı bir şekilde yerine getirdikleri üzerinde açık bir etkiye sahip olan çok önemli bir unsur olarak görülmektedir. Çalışmanın amacı, Gardnersville, Liberya merkezli Sethi Brothers Inc.'de etik liderliğin çalışan performansı üzerindeki etkisini araştırmaktı. Çalışma hem nicel hem de tanımlayıcı bir yaklaşım kullandı.

Çalışma, popülasyonu ve örneklem büyüklüğünü seçmek için olasılıklı örnekleme yöntemini ve kolayda örnekleme tekniğini kullanmıştır. Çalışmada, amaçlara göre yapılandırılmış bir anket yoluyla toplanan birincil veriler kullanılmıştır. Toplanan bilgiler, açıklayıcı içgörüler, odak eğilimi ölçüleri ve çeşit ölçüleri kullanılarak incelendi ve tablolar ve şekiller kullanılarak sunuldu. Çalışmanın bulguları, etik liderliğin Sethi Brothers, Inc. çalışanları için iş performansı ve iş tatmini üzerinde önemli bir etkiye sahip olduğunu ortaya koydu. Bu çalışma, Sethi Brothers Inc. için bir dizi pratik çıkarım sağlıyor. verim. İkincisi, Sethi Brothers Inc.'deki yönetim, çalışanlarının düşüncelerini ve inisiyatiflerini dinlemeyi teşvik etmeli ve görevlerini yerine getirmeleri ve

sorumluluklarını yerine getirmeleri için motive edeceğinden karar verme sürecine katılmalarına izin vermelidir. Etik liderlik, herhangi bir organizasyonun başarısı için kritik öneme sahiptir. Liderlerin rolleri netleştirmek, otoriteyi paylaşmak ve adil davranmak gibi etik uygulamaları, bu liderlerin grubun ideal temsilcileri olarak kabul edilebilecekleri mesajını verir ve bu da bu liderlere güvenilebileceğini ima eder. Bu nedenle, genel performanslarını artırmak için, firma liderlerinin yanı sıra organizasyonda çalışan çalışanların verimliliği artırmak için birbirleriyle işbirliği yapmaları gerekir.

Anahtar kelimeler: etik liderlik, çalışan performansı, iş doyumu, etik, görev performansı

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#### **List of Abbreviations**

EB	Ethical Behavior
EL	Ethical Leadership
EP	Employee Performance
JP	Job Performance
JS	
SBI	
SPSS	Statistical Package for Social Sciences
TP	Task Performance

#### **CHAPTER I**

#### Introduction

Ethical Leadership is vital for an organization and serves as the basis for building and growing institutions. Ethical leaders support good organizational ethics, which are the rules, norms, morals, values, and virtues that must follow in the workplace. Morally-right leaders significantly impact the organization, its employees, stakeholders, investors, customers, and society. Ethical Leadership seeks to enhance the common good of people and an organization, improve their company and culture, and makes a difference in the community and beyond by doing what is right. It is based on respecting the moral views and ideas of others, as well as their rights and sense of worth. So, ethical Leadership is linked to things like trust, honesty, thoughtfulness, charisma, and doing the right thing. However, the corporate sector has earned a reputation for being unethical.

Sethi Brothers Inc. was founded in 1989 and is the market leader in building materials, steel, electrical and plumbing, roofing, zinc, and other products in Monrovia, Liberia. Sethi Brothers Inc. is a Liberian importer and distributor. The company imports a variety of products, including office equipment made of base metal, such as filing cabinets and desks, men's or boys' clothes, self-adhesive plates, sheets, film, and so on, made of plastic, and padlocks, locks, clasps with locks, and keys. Sethi Brothers Inc. has established and maintained a large customer base due to its ethical Leadership. As a result of ethical Leadership in Sethi Brothers Inc. Liberia's management, the company has been successful in satisfying its corporate social obligations as well as appreciating and supporting the rights and dignity of its employees, which has resulted in a significant increase in employees' job performance. The following are a few examples of Sethi Brothers Inc. Liberia's code of ethics. The Sethi Brothers Inc. -Liberia Code of Ethics codifies the fundamental values and gives standards and critical ideas for all employee stakeholders to understand and adhere to. It applies to all of our staff members and partners, as well as anybody at any level who works for us or does business with Sethi Brothers Inc. -Liberia. Every decision-making process that affects Sethi Brothers Inc. -Liberia's workers and the company itself is governed by the code. Sethi Brother Incorporated, Liberia, is the number one building material company in Liberia and has contributed immensely to the country's economy growth. Sethi Brother has employed over 1,000 Liberians and empowered many small businesses with building materials. They are also involved in humanitarian aid. With this significant contribution and the quality services provided over the years, it was on this basis that Sethi Brother Incorporated was selected for this research. Numerous studies have shown the beneficial impact of ethical Leadership in limiting the damages caused by employee behavior and deterring immoral workplace practices (Mayer et al., 2009). However, a small study has been done on the linkage among ethical Leadership, employee job performance, and the desire to leave the organization. This situation has propelled the importance of this research (Piccolo et al., 2010). This research is cardinal to the current and future research environment as Sethi Brothers Inc. is debatably the most prominent building material company in Liberia.

According to Ogbonna and Harris (2000), ethical leadership in an organization improves employee performance because it is presumed to determine the organization's capacity to define the association's objectives and procedures and to create structures, systems, controls, and center abilities for the association, which in turn determines the organization's capacity to adapt to changes in the business environment. Oates and Dalmau (2013) say that a company's claim to be more moral depends on how well its policies follow ethical business principles.

According to Wang, Y.D. and Yang, C, little research has explored Brown, Trevio, and Harrison's social learning context as a significant model to explain how and why ethical Leadership is related to and influences employees' job performance. This model's core premise is that ethical Leadership influences employee behavior via role modeling and by implementing ethical management practices, such as promoting ethics and rewarding workers based on ethical agreements. An ethical leader may serve as a role model to encourage colleagues to refrain from engaging in actions that might hinder their job performance.

Ethical Leadership is seen as an essential factor that undeniably affects how well employees do their jobs in any organization. Wu and Shiu (2009) said that ethical

Leadership is a crucial factor in influencing how members of an organization do their jobs and promoting ethical Behavior in the organization (Brown & Mitchell, 2010).

Today, performance and productivity have reached a point where they work in every aspect of life and have broadened the gap between developed and third-world countries. In every organization, worker performance is seen as one of the essential ideas. So, one of the biggest challenges for every organization should be to improve and boost the performance of the organization and its employees (Mousakhani et al., 2012).

The fact that individual performance in administrative or industrial organizations in our country is much lower than global standards makes it more important to study organizational and individual performance. With the help of the results of this study, hope organizations can avoid a drop in performance, such as a drop in output, profits, or the quality of products and services (Faghihi Farahmand, 2009).

There is a need to look into the relationship between a manager and an employee because this relationship can affect both people and organizations. For example, Giberson et al. (2005.) asserted that the personalities and values of top organizational leaders and members affect each other. Their research showed that top leaders shape an organization's environment and that leaders' values are responsible for shaping an organization's culture.

Ethical Leadership significantly impacts firms' ethical Behavior (Zhu et al., 2019). Furthermore, Brown and Trevio (2006) found that a leader's ethical Behavior impacts workers' ethical performance. Because of this, there has been a lot more written about ethical Leadership in the last ten years (KO et al., 2017; Ng, & Feldman, 2015), especially in social studies area (Brown, & Mitchell, 2010).

Studies have proven ethical Leadership is one of the most successful approaches for motivating employees to do their best work and complete their responsibilities. Evidence from a variety of studies demonstrates that highly effective leaders share a dedication to ethical ideals. By treating their employees fairly and justly, these leaders inspire their teams to perform better, be more open to new ideas, and come up with more innovative solutions to problems (Padash et al., 2010). By defining ethical leadership as

the "encouraging of superiors and managers to help employees make decisions" as well as "the promotion of good normative behavior and conduct through interpersonal measurements and interactions," Brown, Trevino, and Harrison (2005) use the social learning theory to support their definition (Brown et al., 2005). According to Yates (2011), ethical Leadership positively impacts employee performance, engagement, and satisfaction. Malik (2016) argues that when joined with strong principles, it creates a solid basis and boosts an organization's effectiveness. In addition, Jajuk (2015) has shown that ethical Leadership affects performance and organizational commitment. Ethical Leadership has also been shown to improve performance in the workplace by Yang and Wei (2018). When workers are more invested in their work, they're more likely to feel fulfilled in their roles and achieve their goals.

Given that these metrics are of interest to the organization, they may serve as a yardstick for evaluating employee performance. The performance also benefits from the increased achievement of organizational objectives. This efficiency may serve as a yardstick to assess the state of the business. Because of this, the organization needs to make adjustments to boost productivity.

Even so, not enough research has been done on how ethical Leadership leads to good performance (Byun et al., 2018) and the tie among ethical Leadership and employee task performance has not been given adequate focus and careful attention.

(Kluemper, DeGroot, & Choi, 2013), Also, there have been very few studies on how the link connecting ethical Leadership and organizational citizenship behavior works (Park et al 2015).

As a result, the impact of ethical leadership on employee performance was examined.

#### **Statement of the Problem**

Organizations or companies are created to achieve a certain degree of productivity, and the concept that leads to their growth is good ethical Leadership. Some

organizations' structures and guiding concepts are widely followed, although Leadership is only sometimes made mandatory (Yidong & Xinxin, 2013). Before a business can evaluate its Leadership to make it more financially stable and prosperous in the long run, it must solve the problem. To determine how ethical Leadership affects employees' ability to come up with creative solutions to problems on the job, you need to look at how the company runs daily. (Avey et al., 2012). According to De Hoogh and Den Hartog (2008), when a leader acts ethically and creates a system of rewards and sanctions for staff, they essentially dictate the norms of conduct. Ethical Leadership has been shown to positively affect individuals and organizations (Wang, Xu, & Liu, 2018). As a result, many studies have looked into how ethical Leadership might boost productivity in the workplace. Walumbwa, Morrison, and Christensen, to name a few, looked into how ethical Leadership affected employee performance. As proposed by Piccolo and colleagues in 2010, ethical Leadership is thought to influence employee productivity by influencing the importance and level of effort they put into their jobs. Byun et al., Ko et al. (2017), and Walumbwa et al. have all analysed how ethical leadership leads to high performance. However, there are still several open questions and holes in the literature. Therefore, scholars are calling for more investigation into how ethical Leadership inspires employees to do well on the job (Koopman, Scott, Matta, Conlon, & Dennerlein, 2019). Several studies have shown that there is a lack of research on ethical Leadership in both the public and private sectors in Liberia, and this is especially true in the context of Sethi Brothers Inc. - Liberia (Ko et al., 2017). The problem is identifying ethical Leadership's impact on employees' job performance in Sethi Brothers Inc. Liberia. Since much research has yet to be conducted on this subject in Liberia, this is the only issue identified. The study's focus is to examine the effects of ethical Leadership on employee performance. This study explores the factors that inspire employees and how ethical leadership affects how well employees do their jobs to fill these knowledge gaps. The results of this study are a valuable addition to the body of work examining how ethical Leadership affects employee job performance in Sethi Brothers Inc. in Liberia (Byun et al., 2018).

#### **Purpose of the Study**

Ethical Leadership is critical for firm functionality. It serves as the foundation for institutional framework structures, strategies, and components, allowing them to increase innovation, adopt and engender ethical road maps, attract customers and market shares, and reduce expenses through employees' moral and fair treatment.

There have been ethical scandals in the business industries (Colvin, 2003). Such matters underscore disastrous repercussions of unethical leadership and the crucial role of management in building a company's ethical culture (Eisenbeiss & Brodbeck, 2014). As a result, in today's chaotic and ethically problematic commercial environment, studying how leaders behave ethically is a rapidly increasing field of study (Trevio, Weaver, & Reynolds, 2006). Several studies attempted to unearth the link between ethical leadership and excellent performance (Byun et al., 2018).

This dissertation is dedicated to this topic, focusing on the consequences of ethical leadership on organizational performance. Employees are being researched explicitly regarding the Sethi Brothers Inc. in Liberia since they are critical to the success of any organization, notably the Sethi Brothers Inc. (Coelho et al., 2011); Ilhan and Buyruk (2010); Singh (2000).

Because of the importance of employee performance for service organizations such as Sethi Brothers Inc., researchers have been interested in determining the factors that influence employee success (Singh, 2000; Zeithaml, Berry, & Parasuraman, 1988). Scholars believe a manager's actions can impact employee productivity (Buil, Martnez, & Matute, 2019). Terglav et al. (2016), for example, said that managers' roles are essential to the performance of an organization. This is likely because they affect the actions, feelings, and cooperation of staff members and customers (Avolio et al., 2004; Wallace et al., 2013).

According to Ko and colleagues (2017), followers are more likely to be drawn to leaders who act ethically when faced with ambiguity. This issue is crucial because Sethi

Brothers Inc. employees engage with customers from various cultural backgrounds daily.

However, prior research has demonstrated that ethical leadership is related to several favorable outcomes for organizations and individuals. A study by Mo and Shi (2018) found a correlation between ethical leadership and increased workplace productivity. The present study, on the other hand, takes a more comprehensive approach by assessing not one but two types of performance: task performance (or "inrole performance") and civic organizational behavior (OCB; i.e., extra-role performance). The study also creates an integrative model to describe how ethical leadership might improve organizational performance. Using this paradigm, we can better understand the significance of ethical leadership.

Furthermore, because scholars have only recently begun to investigate the topic of ethical leadership (see, for example, Brown, Trevio, & Harrison (2005) and Trevio, Brown, & Hartman (2003)), the purpose of this study is to (1) determine the impact of direct managers' ethical leadership on employees' use of their voices in the workplace and (2) identify the factors that contribute to an increase in employee performance.

Many recent papers have addressed the topic of ethical Leadership and employee performance Bonner et al. These are the foundations of this study, but its emphasis is on the influence of ethical Leadership on employee performance. Therefore, this study investigates how ethical Leadership impacts employee performance in Sethi Brothers Inc. in Liberia and what factors play a role.

#### **Research Questions**

- 1. How does ethical Leadership impact employee performance?
- 2. What is the relationship between ethical Leadership and employee performance?
- 3. What is the link between job satisfaction and job performance?

#### Significance of the Study

This study will be valuable to the top executive leaders of organizations and enterprises, as well as anybody who uses influence from a position of authority and Leadership to influence the performance of employees inside an organization. It will also assist firms, corporate leaders, and Sethi Brothers Inc. - Liberia; this research will be used as a case study in comprehending the relationships between various variables and how they connect to Ethical Leadership.

Understanding the ethical leadership approach taken by Sethi Brothers Inc. will provide arrangement producers, the government, regulatory bodies, and other partners to plan focused strategies and projects that will effectively fortify the development and execution of the business companies in Liberia. It will also assist those strategy creators with supporting, energizing, and advancing the foundation of appropriate approaches to control the organization. The research's results will help the management and staff of commercial companies because they will show them how their companies can handle their ethical leadership responsibilities.

The findings will assist company administrators in understanding the link between ethical Leadership as seen by employees and employee performance. The study will provide executives and managers with the tools they need to determine the significance of relationship building, which will improve the company's long-term performance.

#### **Definition of Key Terms**

**Sethi Brothers Inc. - Liberia:** imports a variety of products, including office equipment made of base metal, such as filing cabinets and desks, men's or boys' clothes, self-adhesive plates, sheets, film, and so on, made of plastic, and padlocks, locks, clasps with locks, and keys and provide services.

**Ethical Leadership:** means making choices, holding oneself and others accountable and upholding one's ideals based on principles such as justice, equality, honesty, respect, and accountability.

**Employee performance:** is how your employees act and how successfully they do their tasks when on the clock.

**Organizational citizenship behaviors:** are activities undertaken by workers on their initiative that are beyond the bounds of their job description.

**Ethics:** moral principles that state how one should act or how something should be done.

**Job Satisfaction**: the pleasure and sense of accomplishment you have in your work when you know it is worthwhile or the extent to which your profession offers you this sensation.

**Ethical Behavior:** how workers react or respond to certain occurrences or scenarios while on the job.

#### **CHAPTER II**

#### Literature Review and Hypothesis Development

Ethical leadership became a field of study after many business scandals got the attention of media outlets around the world. The Enron affair is one of the most wellknown instances (Trevio et al., 2003). According to Trevio et al. (2003), Enron's bankruptcy was a fundamental failure of leadership and management. The Enron example illustrates the impact of leadership on corporate behavior and the expression of ethical business ideals. In addition, he contends that the beliefs, attitudes, and emotions of workers are greatly influenced by the actions of their leaders. (Trevio et al., 2003). Leaders set the tone at the top, which has a significant impact on the organizational atmosphere and strategy. According to Trevio et al. (2003), the moral aspect of leadership is crucial due to the leader's influence on employee and organizational behavior. The case of Enron suggests that the company's leaders created a culture that led to the conflicts of interest and bad accounting practices that led to the company's downfall (Trevio et al., 2003). The Enron case suggests that leaders built a culture that paved the way for the conflicts of interest and improper accounting techniques that precipitated the company's demise (Treviño et al. 2003). To summarize, a new study classifies leaders as ethical if they make balanced judgments while being compassionate, honest, and principled leaders. Leaders are individuals who transmit ethical norms to their followers and use techniques of incentives and punishment to guarantee that those ethical standards are followed. Ethical leaders are people who practice what they preach and do not rely on a reactive approach to get people to behave ethically.

This chapter outlines all the research variables in terms of the theories of the framework and describes the theoretical frameworks that were employed. This chapter emphasizes the gaps in the body of knowledge that this study aims to fill.

#### **Definition of Ethical Leadership**

Brown et al. (2005) defined ethical leadership as conduct congruent with prevalent values and norms via personal and interpersonal ties between leaders and workers. Brown and Trevino (2006) assert that moral leaders are sincere, compassionate, and reliable. Additionally, they behave appropriately in their personal and professional lives and make wise decisions. It enforces ethical conduct, rewards those who work ethically, and applies punishments. Furthermore, they constantly talk about ethics, behave ethically, and serve as role models. According to Malik et al. (2016), ethical leadership communicates ethical norms and ensures that they are followed by rewarding and punishing. Leaders model ethical conduct at work and in their personal lives. Yates (2011) says that ethical leadership also affects the positive attitudes and actions of followers, which can be measured by employee performance, engagement at work, and satisfaction.

People have been interested in ethical leadership since the turn of the century because of its positive effects on organizations, groups, and individuals (Avatefi et al., 2012). This field of study has not received the coordinated and rigorous approach required. Thanks to the work of Brown et al., the first step towards building a separate theory of ethical leadership was taken in 2005. (Dion, 2012). He proposed that social transactions and social learning explained the relationship between an ethical leader and the behavior of his followers. According to social learning, this form of leadership is illustrated by behaviors, choices, and the imposition of consequences and rewards for ethical and unethical behavior inside an organization. Leaders and managers are frequently seen as role models by their employees because of their formal power and influence, as well as their positions of authority in the workplace, and this researcher and other theorists focus on the social learning viewpoint to explain this phenomenon (Mayer et al., 2012; Zhan et al., 2013).

Only ethical leadership can ensure that moral management and ethical principles are prioritized through open communication and individual accountability. It is also the sole method through which managers influence their employees' ethical and unethical behavior on the job (Brown & Trevio, 2006). According to Khuntia and Suar (2004), ethical leaders incorporate morality into their acts, attitudes, and values. Ethical leaders offer a moral example for their followers. Ethical leaders are usually fair, reliable, and

disciplined. They also encourage their followers to act in a moral way by making moral principles and goals clear, giving moral direction, and holding followers accountable for their right and wrong actions (Ahmed et al., 2020; Brown and Trevio, 2006; Trevio, Brown, and Hartman, 2003; Zaim et al., 2020).

Ethical leaders are those with correct principles and strong personalities; they provide moral models for their followers and resist temptations (Freeman and Stewart, 2006). Recent facts concerning leadership also reveal that leaders of many public organizations often fail to apply the organizations' stated ethical norms (Hassan et al., 2014; Kacmar et al., 2016). Currently, ethical leadership is demanded not just by sports, political, and business optimists, but also by the media, the regular citizen, and even the worldwide community (Eisenbeiss and Knippenberg, 2015). The majority of leadership ideas and studies have been performed from a western perspective (Pellegrini and Scandura, 2008). Literature also indicates that ethical leadership has distinct connotations in various communities (e.g., Keating et al., 2007; Martin et al., 2009). Resick et al., 2006, found that aspects of ethical leadership like motivating the group as a whole, being honest, giving people power, and not caring about you were seen as signs of good leadership in many different cultures, but to different degrees.

According to Trevino, Brown, and Hartman, an ethical leader is open to new ideas, trustworthy, truthful, and committed to moral standards. Resick, Hanges, Dickson, and Mitchelson stress the following traits of an ethical leader: moral character, concern for the welfare of others, inspiring and encouraging workers, and taking care of ethical concerns. In addition, O'Connell and Bligh identify nine traits of an ethical leader: 1) Ethical leaders can see the big picture. A trustworthy leader always takes the right course. A leader with integrity constantly makes decisions with the future in mind. Fourth, ethical leader respects their employees with dignity. A trustworthy leader offers a positive example for others to follow. Sixth, an ethical leader emphasizes the importance of ethics to his or her team. 7) Authentic leader is aware of their own and the strengths of those around them. 8) An ethical leader guarantees that all staff members undergo ethical behavior training. Finally, a moral leader focuses on accountability from subordinates.

Ethical leadership behavior makes people less worried about their jobs or how they act in organizations by being kind, open, trustworthy, and honest, and by emphasizing how important it is to follow high ethical standards (Trevino et al., 2003).

#### Ethics and Ethical Behavior

According to Fraedrich (1993), ethics is a direction or the correct action among humans in specific situations. Ethical standards have been defined as established social norms such as fairness and justice (Zabriskie & Browning 1993). Ethics is the fundamental relationship between parties (e.g., members) in an organization, such as managers, employees, stakeholders, competitors, and others. This relationship is based on the exchange process, and each of these members has responsibilities and duties that must be carried out correctly (Akaah 1992).

The necessity for ethical behavior in an enterprise arises from the likelihood that workers will see their employer as the official arbiter of what is good and wrong in the workplace. As a result, ethical conduct will be decided upon by the organization as the standard-bearer for what is ethically right (Fraedrich 1993). By measuring deviation from organizational norms using Ferrell and Skinner's (1988) ethical behavior construct, Fraedrich (1993) showed that certain retail managers who are rule deontologists seemed to score higher on the ethical behavior scale than other philosophy types tested

Research by Akaah (1992) on unethical practices in the marketing industry relied on a scale developed in 1975 by Newstrom and Rush, which included 17 items. She categorized the unethical actions as follows: wasting corporate time or resources such as money or supplies; covering up errors; cheating on time or rules; paying for favors; inflating expenses, or leaking information. Akaah's (1992) research found that marketing professionals were less likely to act ethically in warm businesses compared to cold ones. All businesses need to address the social challenge of assuring ethical behavior. Stead et al. (1990) note those employees' decisions on whether or not to behave ethically are influenced by a wide variety of circumstances, so it's crucial to have a firm grasp on all of them.

Leadership Styles Influence Ethical Decision. The leadership style of people in control influences how much workers accept and adhere to the organization's laws and principles. The leader of a firm or group is responsible for shaping the intended future of the organization or community. Managers should understand the company's long-term goals. Strategic leadership practices that help business leaders make ethical decisions in the face of uncertainty and turmoil in the competitive marketplace may benefit them (Emery, 2015).

Styles that focus on instilling strong organizational values in employees serve to establish a standard of behavior that everyone adheres to. They also have an impact on how an organization shares and maintains its beliefs, conventions, and codes of ethics. In short, how a firm is operated is influenced by how its leaders perform their duties. Although CEOs and other senior executives are frequently seen as the most essential leaders in an organization, the board of directors is also a crucial aspect of leadership and governance. "Leadership is not limited to CEOs, boards of directors, and managers." "A coworker can also be a leader." (2011, Ferrell, Ferrell, and Fraedrich) To be an ethical leader, a CEO must understand the firm's vision and values, as well as the challenges and dangers associated with attaining organizational goals. Even people with great principles can make ethical leadership mistakes. This is especially true if they regard the ethical culture of the company as distinct from how people make decisions at home, in their families, and in their communities. (Ferrell and colleagues, 2011)

To make decisions, ethical leaders need to know a lot and have a lot of experience. Strong moral leaders must have the right kind of moral integrity, and that integrity must be clear. Ethical leaders must be proactive and ready to leave the organization if its corporate governance system makes it impossible to make the right choice. The ethical leader must make decisions that are fair to everyone involved now and in the future. At the same time, he or she must care about both shareholders and the lowest-paid worker. Experience has shown that no leader can always be right or judged to be ethical by all of their stakeholders. Admitting this may be seen as a weakness, but in reality, it supports integrity and makes it easier for people to talk about ethics and debate different points of view. (Ferrell et al., 2011)

Daniel Goleman (2000) identifies six styles of leadership based on emotional intelligence and the capacity to effectively manage oneself and one's relationships.

Commanding-The leader wants everyone to immediately follow him or her and emphasizes accomplishment, initiative, and self-control. This style can be very helpful in a crisis or when trying to turn things around, but it can hurt the effectiveness of an organization in other ways.

Visionary-This leadership style is regarded as one of the most effective since it inspires people to follow a goal, makes things easier to change, and fosters a very happy work environment. When change is needed or clear direction is needed, a manager with vision inspires employees to work towards a goal.

Affiliative – the affiliative leader brings people together and makes them feel connected. This kind of leader cares about people, how they feel, and what they need. He or she uses friendship and trust to encourage flexibility, creativity, and taking risks within an organization. A manager who is good at building relationships tries to fix problems in the team and keep people going when things are tough.

Democratic – is to make a decision, the democratic leader relies on participation and teamwork. To create a good work environment, the managers focus on communication and participation.

Pacesetting- the managers set such high standards, this type of leadership may create a negative environment. However, this technique works best with highly driven and qualified individuals who are eager to get things done and are willing to take the initiative.

Coaching-this leadership style fosters a positive environment by teaching skills that lead to long-term success, assigning difficult tasks, and distributing authority. This type of boss seeks to help people improve their work or develop long-term strengths.

The most effective leaders, however, don't stick to one method but instead adapt their strategies according to the circumstances. Depending on the manager's risk assessment and the intention to produce a favorable climate and organizational performance, different leadership styles may be beneficial in building an ethical culture and a healthy working environment inside an organization. Based on research from (Ferrell et al., 2011) and (Goleman, 2000),

Leadership styles can also be classified based on whether they are transactional or transformative. A transformational leader attempts to enhance employee engagement and trust, while a transactional leader seeks to achieve worker satisfaction by bartering for specific behaviors or levels of output. This means that when it comes to establishing an ethical company climate, both transactional and transformational leaders have something to offer.

Conceptualizing Ethical Leadership. Only two of the many ideas used in the study of ethical leadership are social learning theory (SLT) and social exchange theory (SET). Ethical leadership theory mainly depends on the social learning theory proposed by Bandura and Walters (1977) to describe the inner workings of organizations. (Davis and Luthans, 1980).

Our attitude is influenced by a combination of our environment, cognitive abilities, and personality. This indicates that there is a two-way interaction between people and their environment (Davis & Luthans, 1980). Again, in accordance with the social learning theory, a worker watches other people's behaviors and the results they get while at work. These consequences have the potential to be educational, motivating, and reinforcing since the worker learns from their mistakes and works to improve. You can use this knowledge to predict the employee's future behavior. The basis of social learning theory is modeling, sometimes referred to as the vicariously experiencing, unconsciously thinking, and consciously regulating one's behavior are all mental processes (Bandura, 1978). Modeling takes into account the idea that people develop new habits through either experience or observation. However, the social learning theory states that learning occurs through virtual observation when one sees the effects of other people's activities in a social setting (Bandura, 1978).

Multiple researchers have found out that people quickly adopt the attitudes, behaviors, and emotional responses of a role model when they witness them acting out (Bandura et al, 1969). The essentials of capturing and maintaining people's attention, according to Bandura (1969), are to focus on them and use attention, repetition, reinforcement, and retention. Emotions, images, and symbols are examples of subconscious processes are thought to be at the center of the cognitive process and to mediate the outwardly observed sequences of events throughout the social learning process (Davis & Luthans, 1980). Contrarily, exercising self-control entails examining one's own behavior objectively in response to one's own decisions and deeds, particularly when one's own standards or intended results are not met (Davis & Luthans, 1980).

Due to these reasons, experts have put forth the theory that every action has both internal and external effects. Internal consequences are those that individuals cause for themselves (Bandura, 1968; Mahoney & Thoresen, 1974). Therefore, workers usually exercise restraint when they are unhappy with the results.

As part of social learning theory, Brown et al., 2005 developed ethical leadership. They explained how an ethical leader can be an excellent example for the people who follow him or her. Obviously, via his or her own behaviors and emotions, he or she might instruct followers about the moral behavior of their organization. Generosity, honesty, and openness might be used as sources of motivation, and a person could use formal processes like policies and rewards to encourage these traits.

The social exchange theory, which Blau established in 1964, is another one that makes use of ethical leadership. In the field of organizational psychology, this is a popular theoretical framework (Cropanzano & Mitchell, 2005). Social exchange theory says, in the words of Emerson (1976), that "many interactions are seen as interdependent and dependent on the actions of others." This makes it possible for people to have good relationships.

In 1971, Meeker created the exchange model. He listed six things that may be traded: status, love, knowledge, services, products, and money. Economic and socio-

emotional consequences are provided by these six resources, Foa E et al, 1980. Furthermore, Meeker (1971) claimed that interpersonal interactions are equivalent to solitary choices. Excellent communication abilities interactions as a whole need norms to direct choice. According to Emerson (1976), the conditions that are accepted by the parties to an exchange connection are defined normatively by the norms of trade. In this instance, the trade process is governed by the norms of exchange. For this reason, researchers (Cropanzano & Mitchell, 2005) have built their model of social exchange theory on these criteria for studying how organizations work.

Meeker outlines six rules: status, consistency, logic, generosity, competitiveness, collective benefit, and giving back (1971). According to Cropanzano and Mitchell (2005) coined the phrase "status consistency" to refer to the practice of allocating gains according to a specific group's social standing. Therefore, it's likely that having a particular race or ethnicity has advantages for some people. The second principle, rationality, entails using logic to choose the most practical path to the desired outcome. Altruism was added as a new trade rule as a result of Shafir and LeBoeuf's (2002) assertions that individuals aren't always rational. Selflessness means making an attempt at one's own expense to assist others. Competition is rule four, and it necessitates harming others even if it means giving up personal gain. For the benefit of the group, nothing is exchanged between individuals, and nothing belongs to anyone (Meeker, 1971). Last but not least, reciprocity, which effectively implies paying back, is the most often used trading standard. Therefore, in social exchange theory models used in the field of organizational study, the reciprocity principle has been disregarded in favor of the other five. According to Cropazzano and Mitchell (2005), academics are passing up chances to apply several norms at once.

According to Cropanzano and Mitchell (2005), who discussed this idea regarding ethical leadership, workers may form unique social exchange relationships with their superiors at work, which may have an impact on their conduct. They used the action of someone who repays each participant in this social interaction is expected to return the kindness shown to them connection to support their argument. Strong support is required for this way of thinking, and the social exchange connection acts as a catalyst for

favorable outcomes. Strong connections may thus lead to optimistic attitudes and productive performance at work.

*Effects of Ethical Leadership.* The significance of ethical leadership on followers has been the subject of research in the area of ethical leadership. When talking about these effects, some people have mentioned negative things like unethical behavior and misconduct, while others have talked about positive things like job performance, innovation, and job satisfaction (Koopman et al., 2019).

KO and associates separated the impacts into five categories (2017). The first category of outcomes is for the leader, and it includes things like the leader's performance being praised by subordinates, the leader being viewed as more capable and reliable, and the leader's career prospects improving Rubin et al., 2010). The second category talks about the moral behavior that Christians should exhibit, such as protesting when they see injustice or abuse. Since most people spend their waking hours at work, moral leadership should affect employees' general well-being (Yang, 2014). (2015) Liao et al. research's team of scientists the fourth effect is the firm's result. According to Brown and Trevio (2006), a leader's impact on a company's ethics increases with their position. As a result, an organization's ethical leadership can be significantly influenced by its top managers' example. The outcome is improved corporate social responsibility and worker productivity (Shin, Sung, Choi, and Kim, 2014).

Followers are expected to achieve citizenship results (Avey et al., 2011); job satisfaction (Avey et al., 2012; De Hoogh & Den Hartog, 2013); and organizational outcomes (Yang, 2014). Ethical leadership reduces job stress, turnover, inefficiency at work, and injustice. (Ng & Feldman, 2015). This is something that Demirtas and Akdogan (2015), and all agree with, Hoch and co. (2018).

*Leader-Subordinate Relationship.* According to Popper and Mayseless (2003), leaders such as politicians, teachers, military officers, and chiefs frequently serve as

connection statues or perform connection functions for their followers. Leaders, like guardians, are people whose jobs are to manage, coordinate, take responsibility, and deal with people who are less capable than they are but whose fates depend on them a lot.

In particular, it is commonly assumed that leaders will act as a "safe base," which involves giving a sense that all is well with the world when the appended individual isn't bothered, thus encouraging exploration, innovation, and self-awareness; and act as a "place of refuge," which involves providing solace, support, consolation, and security when the appended individual is experiencing difficulties.

Ethical Leadership–Performance Relationship. According to Ko et al. (2017), ethical leadership influences people's general behavior and job performance. According to Ko et al. research, several things are happening behind the scenes of this relationship, and the researchers have attempted to unravel them. The research on ethical leadership methods has been separated into two groups by these experts: organizational and personal. Ethical leadership is the deciding factor between the two tiers in this context. Ko et al stated that results have shown that the working environment and organizational culture are connected to ethics and are two processes that operate within the setting of the company. The aforementioned is broken down into the following four subcategories: organizational fairness, political perception, ethical atmosphere and culture, and group conscientiousness. The other includes workload, working environment, and collective voice in addition to teamwork.

Under ethical leadership, worker performance (Walumbwa et al., 2012). According to a 2010 study (Stouten et al.) As a result, ethical leadership reduces stress and immoral behavior while increasing productivity, morale, and organizational citizenship.

On an individual level, three separate classifications exist. The first group consists of behavioral and ethical variables, including a sense of security, confidence in one's own abilities, the conviction that one's actions have moral significance, and so on. The second element is the bond between the group and its leader, which necessitates a

strong sense of belonging and mutual respect. The third type of follower attitude encompasses a range of beliefs and actions pertinent to the followers' jobs, such as your demeanor, amount of participation, and sense of job satisfaction. As a result, they open the door for more ethical leadership to develop (Ko et al., 2017). Ethical leadership influences how people behave, which in turn impacts their productivity at work, happiness at work, loyalty to the organization, and engagement with their work (Avey et al., 2012).

Other researchers have discovered that ethical leadership can alleviate stress among followers due to their ties to the leader and the organization. It can improve employee performance, workplace engagement, and organizational citizenship Bouckenooghe et al.

People have also stated that while ethical leadership enhances morale and increases the possibility of reporting unethical behavior, it reduces productivity and makes employees less inclined to desire to leave their current jobs. Numerous techniques have been demonstrated to measure workplace attitudes Piccolo et al., 2010; Podsakoff N, Podsakoff P, MacKenzie, Maynes, & Spoelma, 2014.

Previous research has found that ethical leadership benefits individual workers in two ways. The follower's emotional investment in the leader or the organization and his or her sense of accomplishment are two of these factors at work here. A moral leader can elicit more effort from their employees by giving positive reinforcements such as a sense of community and trust. Similarly, when a leader earns a follower's trust and fair treatment, that follower's effort to improve their performance is boosted. This is because a follower looks up to the leader as a model of correct behavior.

Employees and followers are proud to be associated with a leader that makes moral decisions and acts ethically. As a result, individuals are motivated to do better work. In 2017, (Ko et al.) As a result, the mechanism used in this analysis is the job-related attitude mechanism at the individual level. Employees are more satisfied with their jobs, according to Avey et al. (2012), when their ethical leaders show support for

them and encourage them to speak up (also known as "voice behavior"). Again, job happiness is directly related to production Palanski et al., 2014; Yang, 2014).

*Employee Performance.* Performance is a multifaceted concept and it is a crucial factor that influences organizational

achievements or failures. Employee performance is an important component of an organization and is crucial to the company's success. Even though an institution is significantly reliant on its employees, just a few employees cannot alter the organization's trajectory. The combined effort of an institute's employees determines its performance. The intended primary multi-character factor is performed to achieve results that have a significant relationship with the intended institutional aims Ahmad and Shahzad (2011).

It is essential for the leaders and employees of the institution to perform to the best of their abilities in order for the institute to realize its objectives; this is true regardless of the workers' grades. A lot is expected not just of the leader but also of the employees in an organization. However, in many different contexts, the employees are largely dependent on the pertinent instructions given to them by their higher-ups in order for them to support the goals and objectives of the company.

According to Aguinis (2009), the notion of performance does not contain the outcomes of an employee's actions, but simply the actions themselves. Performance is based on how employees act or what they do, not on what they make or what results they get.

The worker's performance is a reflection of their labor and work-related behavior and contributes to the success of the institution. Declarative, procedural, and motivational knowledge are the three types of knowledge variables that make a worker's performance superior to the others (Ahmad and Shahzad, 2011).

According to Gibson et al. (2012), performance is success in completing tasks and reaching organizational objectives. Jajuk (2015) added that performance is the work done to complete the tasks given to workers based on their experience, sincerity, and time. According to Obicci (2015), an employee's performance is measured by their

efforts to meet established criteria for objectives. Goal accomplishment might be immediately witnessed as an activity or mental output, such as a response or choice, yielding organizational or corporate outcomes. Agustinus (2015) described it as a reflection of the work outcomes. Performance was defined by Suryadi (2012) as the work outcomes attained by a person or group inside the organization through their distinct roles and responsibilities. They seek to accomplish business objectives morally and ethically while abiding by the law. According to Arik (2016), employee performance includes actions that help the company achieve its objectives. Also, according to the professional definition, an employee's performance is based not only on how well they do their job but also on how honestly and on time they do it. It helps the organization or business accomplish its aims. The outcome serves as a gauge of whether workers adhere to corporate norms.

Task Performance. Task performance comprises following the procedures necessary to supply goods or services as well as engaging in activities that are intricately related to organization-centered specialized practices. Employees participate in task performance when they use their technical expertise and knowledge to complete a task (Van Scotter et al., 2000). The beneficial effect of ethical leadership on performance has been made clear by theoretical underpinnings (such as social exchange theory and social learning theory). According to the social learning theory, the majority of behavioral patterns have only been learned through imitation. Human behavior has been mostly learned through observation, imitation, and modeling; therefore, addressing these kinds of questions is essential to learning new things (Mayer et al., 2010; Wang et al., 2019). Learning can occur through an indirect fortress, which is necessary for educating someone but is not accountable. People are required to act autonomously and communicate with their social and role models through indirect learning (Bandura, 1977). According to the social exchange theory, interpersonal relationships are mostly based on replacement comparison and feasibility analysis (Cropanzano et al., 2017; Homans, 1958). Researchers have used ethical leadership as an example to show how ethical leaders inspire followers to uphold their moral principles and fundamental leadership behaviors. Following this, followers emulate their leaders by enforcing these moral practices throughout the organization (Bormann, 2017). According to Batool et al. (2013), there is a correlation between moral leadership and better job performance, which motivates followers to work more and contribute more to the organization. Leaders who uphold moral principles establish themselves as the go-to authority and information hub. By helping followers learn to follow their leaders' instructions and developing a shared understanding of acceptable behavior, ethical leaders can eventually improve task performance (Walumbwa et al., 2011). The in-role account of employees is favorably correlated with ethical leadership (Ahn et al., 2018). By valuing followers' good reasons, ethical leadership may enhance in-role work performance (Bouckenooghe et al., 2015). Through consideration and fairness, a moral leader forges a strong bond with their team members. Employees work harder and are more inclined to assist a coworker in reaction to caring and fair treatment. Thus, moral leadership can encourage effective task completion.

Measures of Employee Performance. Ahmad and Shahzad (2011), state that an employee's outward performance demonstrates their dedication to the organization's mission and the results of their efforts. Similarly, the procedures for determining a worker's pay, evaluating their performance, and promoting them were highlighted as examples of what constitutes acceptable performance in the workplace. Anitha (2013) argued the same thing, saying that an employee's performance is a measure of the employer's success. Anitha (2013) says that a worker's output depends on several factors, such as the nature of the work environment, the quality of their relationships with supervisors and coworkers, the nature of their teams, the nature of their pay, and how much they care about their work.

On the other hand, Alagaraja1 and Shuck (2015) reveal that frequent training and improvement can be used to gauge employee performance. Furthermore, Thomas and Feldman (2010) define employee performance measures as core job performance, which includes in-role performance, security performance, and inventiveness, followed by citizenship performance, which is defined as both targeted-specific and all-

encompassing organizational citizenship. However, in terms of this investigation, the employee performance measurement criteria offered in the study by Liao et al. (2012) were selected. This is because the dimensions in those studies used to measure employee performance were taken into account from the perspectives of the organization, the employee, and the job itself; i.e., organizational objectives, employee objectives, performance development, and employee satisfaction are used as measures of employee performance, which makes it more broad-based.

So, employee performance makes room for employee innovation as well as firm-wide innovation, so that the work of skilled, inspired, and passionate ethical leadership produces ground-breaking ideas for new products or services while also improving performance quality and customer satisfaction (Sadikoglu & Cemal, 2010).

Job Performance. The process of establishing whether or not an employee is successful at the tasks assigned to them by their employer is referred to as employee job performance. Furthermore, it is a rating system that is used by the majority of firms to determine and evaluate an individual's talents and output. Employees' position within the organization would rise in proportion to the quality of their performances, as judged by how well they performed their tasks. Furthermore, employee performance entails efforts to guarantee that goals are frequently completed effectively and efficiently, which adds to the overall success of the firm. Performance on the job is defined as the total value intended to be generated by employees' actions carried out over a predefined period Motowidlo, M. J.Schmidt and W. C. Borman (1997).

According to H. Aguinis has claimed, "The idea of performance does not take into account the implications of an employee's conduct; rather, it only considers the activities themselves." Performance is not based on what people produce or the consequences of their labour, but rather on employees' actions or behaviors. Performance on the job is considered a variable at the individual level, meaning that it is the sole responsibility of a single individual. This is due to more comprehensive concepts, such as organisational performance or national performance, which are both

examples of variables at a higher level (J. P. Campbell). In addition, J. P. Campbell, R. A. McCloy, S., emphasize in their citation that performance encompasses particular behaviors (such as having sales conversations with customers, teaching statistics to undergraduate students, scheduling computer software, and assembling components of a product). This comment suggests that only actions that can be made bigger count as performance J. P. Campbell, have also shown that the notion of employee work performance has grown into a model with eight separate variables.

When everyone in an organization has a specific responsibility that contributes to the achievement of the organization's overall goals or the goals of a specific department within the company, we speak of that contribution as "job performance" (Ferris, Lian, Brown, Pang, & Keeping, 2010). As time goes on, it becomes increasingly important to detail the performance, outcomes, or consequences of each person's actions (Shahzad, Sarmad, Abbas, & Amanullah Khan, 2011). Improvements in job performance, grounded in two broader classes of employee behaviors known as duty-oriented performance and implied performance, have been the primary focus of all traditional organizational and industrial psychology activities (Kahya, 2007). In 1993, Borman and Motowidlo made a distinction between task performance and contextual performance. The term "task performance" is used to refer to the component of an employee's work that is specified in their job description. The ability to accomplish tasks as required by a job description is considered the backbone of any enterprise and has been characterized as a skill that employees must possess in order to be hired. This is more akin to the way a teacher would instruct a class in a classroom setting. To rephrase the definition from (Jahson et al., 2008): "task performance" encompasses either (a) behavioral patterns directly engaged in the production of products or (b) activities that provide immediate and intermediary-free support for technically-driven processes.

However, contextual performance should be defined as the individual efforts that are not directly related to the individuals' occupational tasks and duties but are nonetheless important because they shape the psychological and social context of an organization in which the task-oriented activities and processes are carried out, much like a vital catalyst (Kahya, 2007). Individuals' psychological, social, and organizational

environments are brought together through what is known as "contextual" or "implied" performance, which is not directly related to the completion of one's job but is nonetheless crucial (Kahya, 2009). If you can tell the difference between task performance and context performance, you can come up with a theory about how task performance and context performance vary from person to person (Jawahar, 2007).

According to A. Bandura, social learning theory provides a comprehensive model for determining how ethical managers influence employee work performance. According to this view, ethical leaders use their influence on employees' behavior, especially through role modeling. F.O. Walumbwa and J. Schaubroeck Thus, role modeling provides employees with a foundation for learning the behaviors required to perform well on the job D. Bouckenooghe, A. Zafar, and U. Raya Ethical leaders are smart and authentic role models that capture their colleagues' attention and successfully influence them by supporting them in reaching their full potential at work (A. Bandura). Overall, it is emphasized that ethical leaders use reward and punishment to positively affect employees' job performance and guide people in the proper method to accomplish the job, (A.H. De Hoogh and D.N. Den Hartog). Ethical leaders also emphasize two-way communication with employees, which makes employees feel more responsible and motivated to do a good job, S.J. Wayne and S.A. Green Employees believe that their leaders have their best interests in mind and care about them. Employees, in turn, work harder and strive to enhance their performance, (J. Ahn, S. Lee, and S. Yun).

Job Satisfaction. The significance of feeling fulfilled in one's work has been steadily growing over the last several years. The term "job satisfaction" has been interpreted quite a few different ways across the available literature. Some people believe that happiness should be directly proportional to one's occupation. "Satisfaction" refers to a person's inner state of contentment and joy after achieving their aims (Mercer, 1997).

To be happy at work, one must believe that one's needs and desires have been met (Tang & Talpade, 1999). Instead, job satisfaction arises when employees appreciate

what they do (Park & Deitz, 2006). Job satisfaction refers to an employee's level of contentment with their working environment and personal life. Benefits pay, working conditions, progress, direction, organizational procedures, and connections with coworkers, according to Misener et al. (1996), all contribute to total job satisfaction. Retirement plans, pay, perks, promotions, recognition, autonomy, appreciation, working conditions, atmosphere, job security, and scheduling flexibility are all elements that influence how satisfied an employee is with his or her job (Gigantesco et al., 2003).

According to Lounsbury et al. (2012), employees are more satisfied with their occupations when they are given opportunities to make decisions and the freedom to perform their own work. Job satisfaction can be divided into intrinsic and extrinsic categories (Kalleberg, 1977). People's feelings about their jobs and the activities that make them up are referred to as "intrinsic job satisfaction." Job enjoyment derived from variables other than one's real duties is "extrinsic" (Kalleberg, 1977; Mercer, 1997).

Job satisfaction is tied to how people feel about their work and what issues they prioritize. Positive and passionate appraisals of one's job or function within one's job characterize the job satisfaction experience (Locke, 1976; Smith et al., 1969). According to James and Hannah (2013), a happy workplace is one in which employees feel valued and appreciated, increasing productivity and loyalty. Academics and scholars have been interested in employee happiness for quite some time. Various agencies have been impacted by high levels of absenteeism and personnel turnover. Due to the failure to see the unique opportunity that exists in front of them, very few organizations have made employee happiness a priority (Orute, Mutua, Musiega, & Masinde, 2012).

Job satisfaction is the perception of employee accomplishments and successes. It is often regarded as having a direct relationship with productivity, job performance, and personal happiness (Kaliski, 2007; Aziri, 2011) To love one's employment, one must do work that interests them, do it properly, and be compensated. Employees may have differing opinions about many aspects of their jobs, including the nature of the work, their superiors and coworkers, and the amount of money they are paid (George & Jones, 2008).

Each worker can benefit from numerous forms of motivation and leadership, which boost productivity and job satisfaction. As a result, one of the essential methods to motivate individuals to work more and achieve more is to guarantee that they are pleased where they work (Raziq & Maulabakhsh, 2015).

According to Ostroff (1992), it is in the corporation's and its employee's best interests to develop a healthy work environment. On the other hand, employees who are unhappy with their work environment will not be motivated by their managers and will find their daily responsibilities dull and uninteresting. They will do anything to avoid being held accountable, including not returning to work (sick leave, days off, etc.). If employees are happy and fulfilled in their professions, the company may expect strong output from them (Judge et al., 2001).

Employee satisfaction is a vital aspect of a company's success. The new management paradigm, which claims that employees should be primarily considered unique individuals with their preferences and objectives, is an excellent example of the importance of workplace pleasure in current organizations. According to research on the subject, productive workers express high levels of job satisfaction (Aziri, 2011).

Keeping an eye on employees and interacting with them are important aspects of supervision, among other things. Speaking with a manager when necessary, connecting people, promoting innovative thinking, and understanding concepts are all important. Many studies have shown that when a supervisor is knowledgeable and effective, worker satisfaction rises; nevertheless, when a supervisor lacks good communication skills, worker satisfaction falls (Schroffel, 1999; Raziq & Maulabakhsh, 2015). Schroffel (1999) and Raziq and Maulabakhsh (1999) revealed similar findings (2015).

According to Rotze, four elements influence employee satisfaction: one's immediate supervisor, the nature of one's work, the business culture, and the emphasis placed on individual contributions. According to Brenninger's (2015) research, while supervisor/leader quality has little impact on motivation, it is critical to job design satisfaction and substantially impacts performance reward.

As a result, managers' leadership styles can influence staff morale, devotion, and output. A leader's style comprises numerous attitudes, behaviors, skills, and talents that are all impacted by the leader's personal and organizational principles (Mosadegh Rad et al, 2006).

According to Brenninger 2011, supervisors can boost morale and productivity by allowing employees to participate in decision-making and develop a sense of ownership in the company's success. A leader must take this step if they care about the well-being of employees. Managers should involve as many employees as possible. Motivate employees to go above and beyond by applauding their efforts solo or in groups and fostering information exchange among staff. Superior managers devote time and effort to both vertical and horizontal domains. They manage the coordination of activities, initiatives, and time and resource allocations that cross traditional organizational boundaries.

Factors Influencing Job Satisfaction. According to Rue and Ryaes (2003), compensation, advancement chances, working environment, and coworkers all have a role in whether or not a person is satisfied with their job. While discussing job satisfaction difficulties, Aziri (2011) states that the impact of the determining factor serves as a meter for contentment or discontent and what the consequences would be. Even if angry employees do not formally resign, Squires, Hoben, Carleton, and Graham (2015) observe that they are less likely to be productive and treat their coworkers poorly.

Workplace satisfaction is influenced by five elements, according to Bos, Donders, and Bounman-Bowner (2009): autonomy, agency over one's work, supervisor support, possibilities for growth, and positive relationships with coworkers. The study aimed to discover how people felt about their jobs.

It is necessary to gauge an employee's happiness with their work environment to determine their value and performance in the workplace. A first-person decision-making model is a valuable tool for determining the importance of job satisfaction in modern organizations. According to this paradigm, employees should be recognized and treated as unique persons with desires and needs (Usman & Jamal, 2013). When analyzing job

satisfaction, it is critical to remember that "a happy worker is a happy worker" and that "an engaged worker is a happy worker" (Aziri, 2011).

#### **Theoretical Framework**

For decades, the area of leadership studies has dominated the domains of management and organizational behavior (Yukl 2002). A considerable corpus of leadership research supports the notion that top management has a significant impact on an organization's success. Leaders have a significant impact on the productivity of their teams, departments, and entire organizations (Ilies et al., 2007). Leaders must be able to build and communicate a vision for their organizations, and their followers must believe in that vision and their leader (Emery and Barker 2007).

Role modeling is an excellent technique to teach employees what kind of behavior will get them promoted or dismissed (Brown et al. 2005). According to social learning theory, followers take cues on appropriate behavior from the actions of people they admire (Bandura 1986). As a result of their status as role models, leaders are critical in this regard. Furthermore, they should be acceptable and appealing to a broader audience. The current leadership approach emphasizes morality and ethical practices.

Here, we examine the study's theoretical underpinnings (shown in Figure 1) and the numerous notions and theories that served as the foundation for our assumptions. According to Koopman and colleagues (2019), 14 studies investigated the impact of ethical behavior on productivity by combining Bandura's (1977) social learning theory with Blau's (1964) social exchange theory. As a result, the authors use social learning theory and social exchange theory to show how ethical leadership affects organizational performance. Aural cues motivate employees to repay the favor after learning the correct behavior. A leader who leads ethically acts as a role model and a source of inspiration and motivation for others around them (Walumbwa et al., 2012; Walumbwa & Schaubroeck, 2009). A strong link between a leader and his or her followers strengthens ethical leadership. It makes it easier for both the leader and the follower to comprehend

and connect, making everyone happier and more productive on the job. A quantitative technique will be used to test the proposed framework.

Ethical leadership influences employees' performance. According to Zehir, C., and Erdogan, E. (2011), leader's impact employees' views about whether or not to express their ideas, indicating that leadership inside an organization is very important (C. Zehir and E. Erdogan). In this case, ethical leadership strongly encourages free speech. This gives employees the confidence to speak up and accept constructive criticism, which leads to a rise in performance.

According to Jajuk (2015), ethical leadership has a favorable and considerable impact on employee performance. The findings of this study demonstrate, however, that ethical leadership also has an impact on organizational performance (Q. I. Yang and H. Wei). This indicates that more ethical leadership and increased organizational commitment both contribute to higher levels of performance. According to Obicci (2015), employee performance is positively impacted by ethical leadership when leaders place a greater emphasis on moral ideals and goals in the decision-making process (P. A. Obicci), In addition to this, they make it clear to their staff members how their contributions help the company meet its major goals and improve its overall performance.

Awais, Timsal, and Qureshi (2016) demonstrated that ethical leadership had a significant positive effect on employee performance. This effect had a value of and a significance of 0.000. (M. S. Malik, M. Awais, A. Timsal, and U. H. Qureshi). Employees are expected to uphold moral standards and be able to distinguish between those standards and immoral behavior. This is because ethical leaders are unwilling to praise unethical behavior, even if it results in success. This implies that the method by which something is accomplished is more significant than the result itself in judging whether or not it was successful. As a result, ethical leadership positively impacts how successfully employees perform their tasks. According to Malik et al. (2016), when combined with firmly held corporate beliefs, it not only builds a stable foundation but also increases performance (M. S. Malik, M. Awais, A. Timsal, and U. H. Qureshi).

According to Brief, A.P., and Roberson, L., research has found a correlation between ethical leadership and beneficial business outcomes and employees' proclivity for ethical decision-making. Because of their moral behavior and readiness to discuss moral concerns openly with followers, ethical leaders have high self-esteem (Brown, M.E., Trevio, L.K., & Harrison, D.A.) (Bouckenooghe, D.; Zafar, A.; and Raya). Workers with a shared understanding of their obligations perform better (Piccolo, R.F., Greenbaum, R., den Hartog, D.N., and Folger, R.). We gain a more thorough understanding of how ethical managers might influence their employees' performance by embracing the concept of social learning (Bandura, A). This school of thought contends that ethical leaders' activities can impact organizational culture, mainly when they serve as role models for their teams (Walumbwa, F.O., and Schaubroeck, J.). Ethical leaders are good role models because they instill trust and involvement in their employees and encourage everyone to work to their maximum potential. The sincerest form of flattery is imitation (Bandura, A). Ethical leaders improve employee performance through rewards, deterrents, and direct training in good practices (De Hoogh, A.H., and Den Hartog, D.N.).

Furthermore, leaders who prioritize ethics prioritize two-way communication with their employees. As a result, employees take their tasks more seriously and strive harder to achieve organizational goals (Wayne, S.J., and Green, S.A.) S.J.Wayne and S.A.Green. Employees feel their managers have their best interests in mind. Workers respond by putting in more effort and striving for excellence (Ahn, J.; Lee, S.; and Yun, S.).

Based on this statement, the hypothesis is formulated:

### **H1:** Ethical leadership positively effect on job performance

Ethical leadership is often associated with excellent employment outcomes (Ruiz Palomino et al., 2013). Narrative evidence suggests that ethics and job satisfaction are linked (Koh and El' Fred, 2001). Furthermore, ethical leadership is strongly linked to employees' job satisfaction with their managers, and it is argued that subordinates have a higher degree of job satisfaction in the direction of an ethical leader who disciplines

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wrongdoers, handles their employees decently and thoughtfully, and exhibits a

transformational authority style (Kim and Brymer, 2011).

Mustafa and Lines, 2014, discovered that leader characteristics and behaviors

play an important role in increasing employee job satisfaction and assisting them in

developing a positive attitude towards their work. As a result, when leaders show

individualism without being controlling, people tend to do great work.

Yates, 2011, compared the effects of low and high levels of ethical leadership on

employee job satisfaction. According to the findings, ethical leadership has a positive

and moderate link with job happiness, and employees in the group of highly ethical

leaders reported better job satisfaction than individuals in the group of less ethical

leaders. According to Okan and Akyüz, 2015, discovered that ethical leadership had a

significant and positive association with intrinsic and extrinsic satisfaction as work

satisfaction sub-dimensions. Also, research shows that both apparent ethical leadership

and trust in leaders make people happier at work. This means that trust in leaders is a

good way to connect apparent ethical leadership and job satisfaction (Yozgat and

Meşekran, 2016).

Recent research shows that when leaders use ethical leadership strategies in their

companies, work performance and job satisfaction will go up, and the case for high

ethical leadership perceptions will also be made (Byk et al., 2017). In summary, it is also

possible that an ethical environment may enhance job satisfaction (Vitell and Davis,

1990), and ethical leadership is categorically linked to favorable employee views in that

it influences employees' total job satisfaction (Kim and Brymer, 2011).

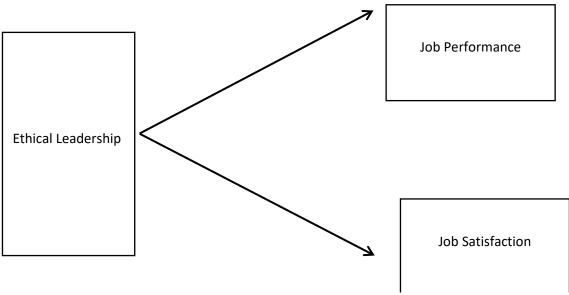
Based on this statement, the hypothesis is formulated:

**H2:** Ethical leadership has a positive effect on job satisfaction

# **The Conceptual Framework**

Figure 1

Research Framework



Source: This study

**H1:** Ethical leadership positively effect on job performance

**H2:** Ethical leadership has a positive effect on job satisfaction

# **Summary**

Based on the literature review completed in chapter II of this study, there is a link between the four concepts of ethical leadership, employee performance, work performance, and job satisfaction. It also emphasized the link between moral leadership and productive workforce performance. Much research has been conducted to investigate how ethical leadership affects performance outcomes (Byun et al. An additional study is required to determine the mechanism that links ethical leadership to organizational citizenship behavior (OCB), as indicated by Park et al., and Yang and

Wei (2019). (2017). Furthermore, Rotze and Brenninger (2015) linked ethical leadership to increased worker satisfaction and output. This study fills knowledge gaps identified by previous studies.

#### **CHAPTER III**

### Research Methodology

#### Introduction

In this chapter, the researcher presented the methodology and procedures used to conduct the research. This chapter also highlights the Research Design, Sampling & Sample, the Data Collection Procedures, Data Collection Tools, and Data Analysis Plan.

## **Research Design**

A research design is a strategy or plan for carrying out research to answer research questions and problems (Blanche, Durheim, & Painter, 2006). The research design for a study is the overarching strategy for conducting the necessary research. The research plan will outline methods for collecting data, such as when, where, and who (McMillan & Schumacher, 2006).

The design of the research for this study is a quantitative research method. Quantitative methods emphasize objective measurement and statistical, mathematical, or numerical data analysis. Quantitative studies explain phenomena by gathering numerical data and analyzing it using a mathematically-based strategy. Furthermore, quantitative research is regarded as social research incorporating empirical methodologies, assertions, formal aims, and a systematic process. Therefore, a quantitative method was suitable for this study because the study involved analyzing numerical data. The quantitative research method may result in a clear understanding of this study's relationship between ethical leadership and employee performance. In other words, this study will provide a more explicit justification for the dependency of employee performance on ethical leadership (Hendriks, 2011).

This research made use of a descriptive design as its methodology. A descriptive survey, according to Patricia and Nandhini (2013), is the ideal choice when a complete description of the features of the population or the circumstance under research is required. The descriptive survey enabled the researcher to provide extensive reports of

actual environmental behaviors. A descriptive research survey is best used to enhance understanding and knowledge about people's behavior and thought processes. Descriptive surveys aim to glean as much concrete, factual information as possible about an existing phenomenon. The data collection process was guided by the concepts outlined in the study model and the hypotheses put to the test. Because a questionnaire was used to determine how much of an influence ethical leadership has on employee performance, this study will be classified as a descriptive survey.

### **Population and the Sample**

According to Ogula (2005), the term "population" describes a collection of things, people, or organizations that share specific characteristics. Cases, individuals, or something that serve as the focus of the study are collectively referred to as a population (Pacho, 2015). Mugenda and Mugenda (2003) said that the target population should have some things in common that make it easier to observe and let the researcher make a general observation based on the research results.

The people of this study were 1,699 employees of Sethi Brothers Inc. from various departments.

According to Bryman (2008), a sample is a subset of a population chosen for research. Leedy and Ormrod (2005) said that sampling is selecting a small part of a population to represent the whole population in a study. The researcher utilized scientific instruments such as the probability sampling method, and the convenience sampling technique was employed to select the population and sample size, where each participant had the opportunity of being selected to form part of the process, thereby cleaning the process of biasness to some extent and observing research ethic and scientific principles in a research thesis. The probability sampling method states that every participant has an equal chance of being selected for the survey. The non-probability convenience sampling technique is based on participants who are accessible to complete the study, and this sampling technique is quick and easy. Due to time and resource constraints, it is challenging to collect data from the entire population; thus, convenience sampling is a

commonly used data collection approach. A specific group of people who are true representatives of the relevant population is chosen for this purpose. As a result, the study's sample accurately represents the required population and includes all of the characteristics required to yield the desired results. Because the current study will contribute to innovative factors in increasing employee performance, Sethi Brothers Inc. will be the primary focus. Because the sample consists of employees from several departments at Sethi Brothers Inc., data will be acquired through structured questionnaires tailored to the objectives. According to Krejcie and Morgan, 1970, at a 95% confidence interval and a 5% margin of error, the sample size for a 1,699 population is 313, which will comprise employees in various positions in Sethi Brothers Inc., employees, and contracted staff. The respondents were clustered into upper, middle-, and lower-level management and workers.

#### **Data Collection Tools**

Data collection strategies are the various methods by which a researcher might obtain information from participants in a study. There are two primary methods for obtaining the information you require. They are quantitative and qualitative data. Quantitative data is mainly composed of numbers and can be analyzed statistically. Qualitative data is more detailed, employs words and descriptions, and cannot be analyzed statistically (Gelo, Braakmann, and Benetka, 2008). There are two types of data sources: primary and secondary. "Primary data" refers to information gathered directly and analyzed by a researcher for a study. Secondary data, on the other hand, is information that has already been collected and is available to the present researcher (Lohr, 2010). This study relied on primary data. The information for Sethi Brothers Inc. was to be acquired using a structured questionnaire, which included a sequence of questions and other prompted actions to gather information from research participants (Neuman, 2002).

For this particular research, a set of structured questionnaires was created concerning ethical leadership and employee performance variables. The sources of the questionnaires are Dr. Lyse Langlois's Development and validity of the Ethical

Leadership Questionnaire, Journal of Educational Administration (Published online September 10, 2013) and N. Gökhan Torlak, Leadership, job satisfaction and performance links in private education institutes of Pakistan, International Journal of Productivity and Performance Management (published online August 18, 2018). Employees' Satisfaction on the Job Performance- International Journal of Academic Research (1, June 2014). Therefore the research was a survey based on a paper and pencil questionnaire. A total of 310 questionnaires were distributed to employees of Sethi Brothers Incorporated at the beginning of November 2022, along with the purpose of the study. The questionnaire consisted of open and closed-ended. The indicators were measured on a scale (ranging from 1–5, where 1 is disagree and 5 is strongly disagree). The research adopted questionnaires based on the statement of the problem as it relates to the literature review for this study. These questionnaires were drawn in order of structure and compositional significance. The first section focuses on the impact of ethical leadership; the second segment centers on employee performance, and the third part addresses how ethical leadership affects employee job performance and job satisfaction in Sethi Brothers Inc. In this study, a primary data source was used.

#### **Data Collection Procedures**

The data was gathered for the respondents at Sethi Brothers Incorporated, Liberia. The researcher obtained a letter from the Near East University ethics committee and took it to Sethi Brothers Incorporated, Liberia, and requesting permission to collect data from the entity's employees. The researcher also explains the study's goal to each participant and addresses any questions or concerns they may have. The researcher informed the workers that their participation was voluntary, that they were free to decline at any time throughout the completion of the questionnaire, that their responses were strictly secret, and that no identifying information was required on the questionnaire. The completed surveys were then delivered to the respondents on November 20, 2022, and collected within three weeks.

### **Data Analysis Plan**

Marshall and Rossman (2006) described data analysis as providing meaning, structure, and organization to the massive amounts of data gathered for a project. Data analysis aims to comprehend data to define current and historical trends, make sound judgments, and anticipate future events. The research was carried out using the Statistical Package for Social Sciences (SPSS). For this investigation, descriptive statistical analysis was performed. The relationship between two variables is described using descriptive statistics (Argyrous, 2005).

Simply put, descriptive statistics are data summaries that describe what happened in the sample. The descriptive statistics employed were frequencies, percentages, means, standard deviations, and verification of the data's normal distribution. Regression analysis was utilized to develop predictions about the study variables by simulating the independent variable's impact on the dependent variable. Correlation (Allua & Thompson, 2009) was used to determine how the independent and dependent variables were related. The pearson's correlation and regression analysis was used using to examine the data. The correlation coefficient offers a way to gauge the degree of strength. This research aims to demonstrate a linear link between ethical leadership and employee performance. Regression analysis was employed to calculate the possible connection between ethical leadership and employee performance.

### **CHAPTER IV**

#### **Data Presentation**

#### Introduction

This chapter presents, analyses, interprets and discusses the results or findings from the data collected from the respondents who participated in the survey at the Sethi Brother Incorporated (SBI) located in Liberia. Employers and contractors at SBI had been complaining of an unethical leadership/Management which is imposing bad labour practices upon them and they are really demotivated on the job. And frustratingly, those who should be advocating their case are seemed to be compromised in the Liberian Government. Based upon this situation, chapter four captures responses from these respondents and examines them carefully through descriptive and regression methods of data analyses. Findings from the data are presented in frequency and percentage and structured in tables. Additionally, the regression and correlation aspects are employed to examine the effects and relationship between and among the independent variable and dependent variable. Excels and SPSS (Statistical Package for Social Science) are the statistical tools used to run the data analysis.

#### **Data Presentation**

Respondents were identified as either employees or contractors at the Sethi Brother Incorporated. Three hundred ten (310) questionnaires were distributed to the respondents but fortunately, 309 copies were returned and used for the data analysis process. It was based on the 99% response rate of the returned questionnaire that the below generated findings from the data are identified and described in the tabular formats.

### **Demographics**

**Gender of the Respondents:** Table 4.1 shows the gender rate of respondents who participated in the survey. Statistically, out of 309 respondents, 116 females made

up 37.5% and 193 males amounted to 62.5%. The results from this table depict that the number of males exceeded females in the population of employees and contractors at the Sethi Brothers Incorporated in Chicken Soup Factory, Gardnersville.

Table 4.1

Gender of the Respondents

		F	%	Valid %	Cumulative %
Valid	Female	116	37.5	37.5	37.5
	Male	193	62.5	62.5	100.0
	Total	309	100.0	100.0	

Source: Field Research, 2022

Age Range of Respondents: Table 4.2 captures the different ages of respondents who availed themselves to respond to the questionnaire. From the data analysis, the results prove that 81 respondents were between the age group of 20-29 years (26.2%); the age category 30-39 years (42.1%) shows 130 respondents; and those who institute the age group of 40-49 years (23.3%) were 72 respondents and the age group comprised of 50 years and above generated 26 respondents, presenting 8.4% of the total response rate. From the findings, it is recorded that majority (N=130) of the respondents of this survey were young adults who fell between the age ranges 30-39 years.

Table 4.2

Age Range of Respondents

		F	%	Valid %	Cumulative %
Valid	20 – 29	81	26.2	26.2	26.2
	30 – 39	130	42.1	42.1	68.3
	40 – 49	72	23.3	23.3	91.6
	50 and Above	26	8.4	8.4	100.0
	Total	309	100.0	100.0	

Source: Field Research, 2022

**Education Background of Respondents:** Table 4.3 presents the education level or background of everyone who participated in the survey. According to the results, 166 respondents claimed to have obtained high school diploma, presenting 53.7% and 143 respondents, amounting to 46.3% have received vocational certificate. However, the findings thus prove that majority of the employees or contractors have completed and obtained a minimum high school education.

Table 4.3

Education Background of Respondents

		F	%	Valid %	Cumulative %
Valid	High School Diploma	166	53.7	53.7	53.7
	Vocational Certificate	143	46.3	46.3	100.0
	Total	309	100.0	100.0	

Source: Field Research, 2022

Work Tenure of Respondents: Table 4.4 depicts the work tenure of respondents who participated in the survey. Out of 309 respondents, 185 making up 59.9% of the total percentage had been working at SBI for less than 4years; 5 respondents (1.5%) disclosed that they had been working for more than 10 years but less than 14 years; 2 respondents, representing 0.6 mentioned 15years and above (0.6%); work tenure between 5-9 years accounted for 77 respondents (24.9%) and those who had been working with company for less than a year were 40 representing 12.9% of the total response rate. From the table, majority of the respondents, amounting to 185 (59.9%) had been working at SBI between 1-4 years.

Table 4.4

Work Tenure of Respondents

					Cumulative
		F	%	%	%
Valid	1- 4 years	185	59.9	59.9	59.9
	10 – 14 years	5	1.6	1.6	61.5
	15 years and above	2	.6	.6	62.1
	5 – 9 years	77	24.9	24.9	87.1
	Less than 1 year	40	12.9	12.9	100.0
	Total	309	100.0	100.0	

Source: Field Research, 2022

Workshop Departments at Sethi Brothers Incorporated (SBI): Table 4.5 presents the number or departments or workshops created the Sethi Brothers Incorporated for the work specification of both employees and contractors. Respondents who participated in the surveyed claimed to have belonged to these workshop

departments. Basically, majority of the workers were part of the following departments: construction (30:9.7%); continue casting machine (38:12.3%); oxygen plan (31:10%); production (62:20.1%) and transport (25:8.1%). Based on these results, most of the respondents were working in production

Table 4.5

Workshop Departments at SBI

		F	%	Valid %	Cumulative %
Valid	Construction	30	9.7	9.7	9.7
	Continue Casting Machine (CCM)	38	12.3	12.3	22.0
	Electrician	1	.3	.3	22.3
	Furnace	38	12.3	12.3	34.6
	Maintenance	47	15.2	15.2	49.8
	Orion	1	.3	.3	50.2
	Oxygen Plant	31	10.0	10.0	60.2
	Pollution	1	.3	.3	60.5
	Powerplane	1	.3	.3	60.8
	Production	62	20.1	20.1	80.9
	Rolling Mill	1	.3	.3	81.2
	Scrap Maintenance	2	.6	.6	81.9
	Scrlbe	15	4.9	4.9	86.7
	Security	16	5.2	5.2	91.9
	Transport	25	8.1	8.1	100.0
	Total	309	100.0	100.0	

Source: Field Research, 2022

### **Correlation and Regression Results**

The following results are ascribed to the correlations and regressions conducted through the Statistical Package for Social Sciences (SPSS) to test the hypotheses of the study. Based on the two (2) proposed hypotheses, the researcher intended to evaluate the relationship between the independent variable and the dependent variables. Drawing from these results, the researcher has observed whether or not the proposed hypothesis of each problem is accepted or not. The null and alternative hypotheses thus present the nature of the case, from which, the data are correlated and regressed to establish the statistical outcomes of these variables or predictors.

### Descriptive Statistics Analysis

Table 4.6

Ethical Leadership

	N	Minimum	Maximum	Mean	Std. Deviation
1. My Manager establishes trust in his/her relationships with others	309	1	5	3.68	1.109
2. My Manager tries to ensure harmony in the organization	309	1	5	4.18	.556
3. My Manager doesn't tolerate arrogance	309	1	5	4.23	.573
4. My Manager follows procedures and rules	309	1	5	4.03	.755
5. My Manager tries to preserve employee's safety and well-being	309	1	5	3.81	.968

Table 4.6 (continued)

6. My Manager tries to make employees aware that some situations are disproportionately privileged for some groups	309	1	5	4.03	.709
7. My Manager speaks out against unfair practices	309	1	5	4.13	.591
8. My Manager actively listen to employee issues and suggestions	309	1	5	3.36	1.242
9. My Manager seeks to protect each employee's dignity	309	1	5	3.95	.750
10. My Manager expects employees to make mistakes (it's human nature)	309	1	5	3.11	1.356
11. My Manager speaks out against injustice	309	1	5	4.16	.617
12. My Manager is concerned when employees or group have advantages compared to others	309	1	5	4.12	.592
13. My Manager listens to the employee's voice	309	1	5	3.32	1.321
14. My Manager recognizes and acknowledges each employee's work	309	1	5	4.12	.575
15. My Manager checks the legal and regulatory clauses that might apply	309	1	5	4.14	.584
16. My Manager considers the organization's unwritten rules	309	1	5	3.60	1.182

Table 4.6 (continued)

ruble 1.0 (continued)					
17. My Manager conducts an investigation in order to resolve ethical dilemmas	309	1	5	4.28	.588
18. My Manager sanctions mistakes in proportion to their seriousness	309	1	5	4.25	.764
19. My Manager tries to oppose injustice	309	1	5	4.21	.534
20. My Manager takes time to listen to employees involved in a situation	309	1	5	3.37	1.321
21. My Manager seeks to preserve bonds and harmony within the organization	309	1	5	4.11	.568
22. My Manager avoids hurting employee's feelings by maintaining their dignity	309	1	5	3.76	.988
23. My Manager pays attention to employees	309	1	5	4.08	.614
24. My Manager promotes dialogue about contentious issues	309	1	5	4.29	.587
25. My manager uses the statutory and legal framework when resolving ethical dilemmas	309	1	5	4.16	.631
Valid N (list wise) 309				3.94	
Total Average Means					

Source: Research Field Data 2022: 5 strongly agree, 4 agree, 3 neutral, 2 disagree, 1 strongly disagree. (The mean is very significant. From 1 to 1.8, it means strongly disagree. From 1.81 to 2.60, it means disagree. From 2.61 to 3.40, it means neutral; from 3.41 to 4.20, it means agree; from 4.21 to 5, it means strongly agree).

Based on the provided means, it appears that the respondents generally agreed with the options related to ethical leadership at Sethi Brothers. The means for each option are all relatively high, with the lowest being 3.11 and the highest being 4.29. This suggests that the majority of respondents had a positive perception of ethical leadership at the company.

Table 4.7 *Job Satisfaction* 

	N	Minimum	Maximum	Mean	Std. Deviation
1.Employees are satisfied with the top management	309	1	5	3.46	1.213
2. Top management involve employees in decisions making process	309	1	5	3.18	1.262
3. Work is allotted according to the qualification and skills of the employees	309	1	5	3.82	.924
4. Employees have necessary authority to perform their duties effectively	309	1	5	4.21	.556
5.Target accomplishment facilitates appreciation and rewards to the employees	309	1	5	4.01	.679
Valid N (list wise)  Total Average Means	309			3.736	

Source: Research Field Data 2022: 5 strongly agree, 4 agree, 3 neutral, 2 disagree, 1 strongly disagree. (The mean is very significant. From 1 to 1.8, it means strongly disagree. From 1.81 to 2.60, it means disagree. From 2.61 to 3.40, it means neutral; from 3.41 to 4.20, it means agree; from 4.21 to 5, it means strongly agree).

Based on the provided means, it appears that the respondents generally agreed with the options related to job satisfaction at Sethi Brothers. The means for each option are all relatively high, with the lowest being 3.18 and the highest being 4.21. This suggests that the majority of respondents had a positive perception of job satisfaction at the company.

Table 4.8

Job Performance

	N	Minimum	Maximum	Mean	Std. Deviation
6. Employees have the tools and resources needed to do their job	309	1	5	3.66	1.113
7. Working hours that allow employees enough time with family and time to pursue other strong interests	309	1	5	3.90	1.011
8. Employees are satisfied with how often they take part in problem solving	309	1	5	3.21	1.264
<ul><li>9. Employees are</li><li>enthusiastic about your job</li><li>10. Employees do a</li></ul>	309	1	5	4.04	.865
variety of tasks during their working time per day	309	1	5	4.12	.688
11. Employees go beyond the requirements of the job	309	1	5	4.07	.854
12. Employees Produce volume of work that the position requires	309	1	5	4.33	.553
Valid N (list wise)	309				
Total Average Means				3.904	

Source: Researcher Field Data 2022: 5 strongly agree, 4 agree, 3 neutral, 2 disagree, 1 strongly disagree. (The mean is very significant. From 1 to 1.8, it means strongly disagree. From 1.81 to 2.60, it means disagree. From 2.61 to 3.40, it means neutral; from 3.41 to 4.20, it means agree; from 4.21 to 5, it means strongly agree).

These means suggest that the respondents generally agreed with the options related to job performance at Sethi Brothers. The means are all above 3.0, which implies that the respondents had a positive view of the job performance at the company. The highest mean of 4.33 implies that the respondents had a very positive view of the job performance at Sethi Brothers, while the lowest mean of 3.21 suggests that there was still a general agreement among respondents about the at the company. Overall, these means indicate that the respondents had a favorable perception of job performance at Sethi Brothers.

#### **Correlations**

A Pearson correlation coefficient was performed to evaluate the relationship between ethical leadership and job satisfaction and ethical leadership and job performance. On account of the first relationship, there was a strong positive relationship between ethical leadership and job performance and r([309]) = [.77], p = [<.001]; while the second relationship (ethical leadership and job satisfaction) proved that there was a strong positive association and r([309]) = [.74], p = [<.001]. By implication, since the coefficient is positive, the variables are directly related, meaning that as the value of one variable increases, the value of the other would increase. The results show the cause and effect analysis of ethical leadership that when practiced correctly, workers will be satisfied as a way of motivation which will produce quality performance.

Table 4.9

Correlations

		Ethical Leadership	Job Performanc e	Job Satisfaction
Table 4.9 (continue	d)			
Ethical Leadership	Pearson Correlation	1	.779**	.744**
	Sig. (2-tailed)		.000	.000
	N	309	309	309

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

# **Hypothesis Testing**

# Regression

A simple linear regression model was employed to predict the effect of an independent variable on a dependent variable. Hypothetically, the study has proposed to regress one independent variable (ethical leadership) against two dependent variables (job performance and job satisfaction). Therefore, the independent variable is paired with each dependent variable in the simple linear regression model. Based on the outputs from SPSS regressions, the statistical report constitutes the model summary, ANOVA and the Coefficient tables.

**The Problem:** to investigate if Ethical Leadership has a significant impact on job performance.

**Hypothesis: H1:** There is a significant impact of ethical leadership on Job Performance.

The hypothesis tests if ethical leadership carries a significant impact on job performance. The dependent variable Job Performance (JP) was regressed on predicting variable Ethical Leadership (EL) to test hypothesis  $H_1$ . EL significantly predicted JP, F(1, 126.564) = 380.107, p < .001, which indicates that the EL can play a significant role in shaping JP (b = .932, p < .001). These results clearly direct the positive effect of the EL. Moreover, the  $R^2 = .606$  depicts that the model explains 55.3% of the variance in JP. The table shows the summary of the finding.

Table 4.10

Impact of Ethical Leadership on Job Performance

Hypothesi s	Regressio n Weights	Beta Coefficie nt	$\mathbb{R}^2$	F	t- value	p- valu e	Hypothese s Supported
H2	$EL \rightarrow JP$	.932	.60 6	473.16 2	21.75 2	.000	Yes

*Note*: \*p < .05. EL: Ethical Leadership, JP: Job Performance

# Model Summary

	D	R	Adjusted R	Std. Error of the
Model	R	Square	Square	Estimate
1	.779ª	.606	.605	.51719

a. Predictors: (Constant), Ethical Leadership

 $ANOVA^a$ 

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	126.564	1	126.564	473.162	.000 <sup>b</sup>
Residual	82.118	307	.267		
Total	208.682	308			

a. Dependent Variable: Job Performance

b. Predictors: (Constant), Ethical Leadership

# Coefficients<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		В	Std. Error	Beta		
1	(Constant)	.162	.088		1.855	.065
	Ethical Leadership	.932	.043	.779	21.752	.000

a. Dependent Variable: Job Performance

**The Problem:** to investigate if Ethical Leadership has a significant impact on Job Satisfaction.

**Hypothesis:** H2: There is a significant impact of ethical leadership on job satisfaction.

The hypothesis tests if ethical leadership carries a significant impact on job satisfaction. The dependent variable Job Satisfaction (JS) was regressed on predicting variable Ethical Leadership (EL) to test hypothesis H2. EL significantly predicted JS, F (1, 115.125) = 380.107, p < .001, which indicates that the EL can play a significant role in shaping JS (b = .579, p < .001). These results clearly direct the positive effect of the

SL. Moreover, the R2 = .553 depicts that the model explains 55.3% of the variance in JS. The table shows the summary of the findings.

Table 4.11

Impact of Ethical Leadership on Job Satisfaction

Hypothesi s	Regressio n Weights	Beta Coefficie nt	$\mathbb{R}^2$	F	t- value	p- valu e	Hypothese s Supported
H1	$EL \rightarrow JS$	.889	.55	380.10 7	19.49 6	.000	Yes

*Note*: \*p < .05. EL: Ethical Leadership, JS: Job Satisfaction

# Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744 <sup>a</sup>	.553	.552	.55034

a. Predictors: (Constant), Ethical Leadership

# $ANOVA^a$

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	115.125	1	115.125	380.107	.000 <sup>b</sup>
Residual	92.983	307	.303		
Total	208.107	308			

a. Dependent Variable: Job Satisfaction b. Predictors: (Constant), Ethical Leadership

# Coefficients<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		В	Std. Error	Beta	•	
1	(Constant)	.268	.093		2.878	.004
	Ethical Leadership	.889	.046	.744	19.496	.000

a. Dependent Variable: Job Satisfaction

### **Summary of Findings**

According to Ng and Feldman (2015), ethical leadership can have far-reaching consequences for individuals and businesses. Many academics, notably Buil et al. (2019), have determined that a manager's behaviors affect the performance of their subordinates. The study conducted at the Sethi Brothers Incorporated investigated the impact of ethical leadership on employee's performance depicted that ethical leadership has a significant bearing on job performance F(1, 126.564) = 380.107, p < .001, which indicates that ethical leadership has a significant impact in shaping employee's response to task (b = .932, p < .001). These results clearly direct the positive effect of the EL. Moreover, the R2 = .606 depicts that the model explains 55.3% of the variance in JP. Due to the study and to answer RQ2, "What is the relationship between ethical leadership and employee performance?" is positive

Both social learning theory and social exchange theory can be used to explain these findings. According to SLT's definition of an ethical leader, this person serves as both an example and a teacher for subordinates. Work performance improves as employees mimic their manager's approaches to completing tasks, responding to customer complaints, and resolving issues (Brown et al., 2005). When a leader exhibits ethical values (such as fairness, integrity, and caring), it has a positive effect on

subordinates, who feels obligated to do good by working harder (Brown & Trevio, 2006). Both SEL and SET agree with these findings.

Many people are interested in the relationship between ethical leadership and workplace efficiency Zhu et al. In response to a recent demand (Koopman et al., 2019) for more significant research on how ethical leaders affect workers' work behavior in organizations, the study's primary aim was to test the hypothesis that when employees see acts of ethical leadership, they are more inclined to follow suit respond by doing better work. The results concur with the hypothesis concerning extra-role performance and provide evidence that this reactionary behavior may be accounted for by levels of job satisfaction. The current study investigated the impact of ethical leadership on employee's performance depicted that ethical leadership has a significant influence on job satisfaction F(1, 115.125) = 380.107, p < .001, which indicates that the EL can play a significant role in shaping JS (b = .579, p < .001). These results clearly direct the positive effect of the EL. Moreover, the R2 = .553 depicts that the model explains 55.3% of the variance in JS. Hence, the answer to RQ1, "How ethical leadership impact employee performance?" is positive.

Sethi Brothers Incorporated works in a global market where competition and regulations have expanded recently, making ethical leadership even more critical to the company's success. Sethi Brothers, Inc. values ethical leadership because of its impact on organizational culture, employee morale, and productivity. The opposite is true for ethical leadership, which requires complete openness from top to bottom. As a result, employees at Sethi Brothers Incorporated can benefit from management's transparent disclosures. Finally, how managers behave will determine how their subordinates behave. That is why managers must conduct themselves ethically in front of their employees. Workers will lose trust in their leaders' ethical standards if they do not uphold them themselves. The findings indicated that when leaders set an example of ethical behavior for their staff to emulate, work performance improves dramatically.

Companies and organizations worldwide are always attempting to improve their efficiency and effectiveness to compete in today's fast-paced and globally interconnected market. Nothing inspires people more than open communication between management

and staff, which is why Sethi Brothers Incorporated places such a high value on having leaders with integrity. The presence of ethical leadership was found to have a strong association with job satisfaction. Having dedicated employees is critical to the success of any organization. Ethical leadership is most effective when it assists others in realizing and developing their potential. Ethical management has improved manager-employee interactions, reduced dishonesty and communication failures, and boosted employee morale and satisfaction.

#### **CHAPTER V**

#### **Discussion, Conclusion and Recommendations**

#### Introduction

This chapter presents a discussion, conclusions, recommendations for further research, and theoretical and practical implications. It is split into three sections: the first discusses the hypothesis's outcomes, the second examines the implications for theory and practitioners, and the third addresses the limitations.

#### **Discussion**

The primary goal in this regard was to explore the grey area of ethical leadership, which still needs to be discussed and researched in the public and private sectors. This study investigated the impact of ethical leadership on employee performance. The first hypothesis, which stated that ethical leadership has a positive and substantial relationship with job performance, was supported by the data. By increasing ethical leadership behavior at Sethi Brothers Incorporated, the probability of job performance also increases. The management team at Sethi Brothers Inc. would do well to model ethical leadership behavior in their interactions with employees. This would help foster a climate of trust inside the company, which in turn would boost employees' job performance. The investigation's findings shows that ethical leadership positively influences job performance F (1, 126.564) = 380.107, p < .001, which indicates that ethical leadership has a significant impact in shaping employee's response to task (b = .932, p < .001). These results clearly direct the positive effect of the EL. Moreover, the R2 = .606 depicts that the model explains 55.3% of the variance in JP. The result agreed with the study conducted by Awais, Timsal, and Qureshi (2016) demonstrated that ethical leadership had a significant positive effect on employee job performance. This effect had a value of and a significance of 0.000. Employees who view their leaders as trustworthy and morally upright are more ready to remain loyal to and emotionally connected to them. Leadership based on ethics enables increased communication, knowledge, fair treatment, and trustworthiness, all of which improve employee productivity on the work. This, in turn, increases employee job performance. Ethical leadership helps to foster a sense of shared uniqueness among employees of an organization, as well as increases the degree of involvement, as well as levels of trust with employees, all of which contribute to increases in the performance of employees and the organization as a whole. Nothing inspires workers more than open communication between management and staff, when this is done it will boost performance of employee significantly. Leaders who deal ethically with their employees will instill a stronger sense of responsibility and productivity in the workplace. Individual employees will be able to think for themselves and act independently, leading to better job performance. According to research, when leaders provide an example of ethical leadership, it positively impacts employee productivity. Previous research has linked ethical leadership to increased self-sufficiency, stronger employee motivation, and more independent thinking. Ethical leadership is a powerful tool for attracting the best personnel. . Ethical Leader must improve manager-employee interactions, reduced dishonesty and communication failures, and boosted employee morale and satisfaction all of which contribute to the high increase of employee performance. As a result, employees encouraged to do so through ethical management may increase the organization's productivity.

Adopting an ethical leadership style has become more common in recent years, resulting in increased levels of trust between employees and their superiors and, as a result, higher levels of productivity on the job. According to the study's findings, ethical leadership significantly influences job satisfaction. The results showed that ethical leadership has a significant influence on job satisfaction F (1, 115.125) = 380.107, p < .001, which indicates that the EL can play a significant role in shaping JS (b = .579, p < .001). These results clearly direct the positive effect of the EL. Moreover, the R2 = .553 depicts that the model explains 55.3% of the variance in JS. When employees were satisfied at work, they were more motivated to work hard, do a good job, and be loyal to their employers. Therefore, this research findings agreed with a study conducted by Ali, Sidow, and Guleid (2013), Kooskora and Mgi (2010), and Mehrad and Fallahi (2007) all found similar results (2015). To improve performance and productivity, you need to be satisfied at work. Employees who are happy with their jobs do their best at work.

The findings of this research demonstrated that ethical leadership significantly impacts employee performance at Sethi Brothers Incorporated.

#### **Theoretical Implication**

This study contributes to the field of ethical leadership on employee performance at Sethi Brothers Incorporated. Prior studies rarely examined ethical leadership in the public and private sectors. Even though ethical leadership places a great emphasis on people's well-being and positive energy justice as vital parts of long-term sustainability and connections, few studies have examined the relationship between these outcomes and ethical leadership conduct. Yet, more emphasis must be dedicated to the concurrent mechanisms by which ethical leadership influences employees to achieve desired results (Kark & Van Dijk, 2007). Walumbwa et al. (2011)'s study stands out as a rare exception; they attempted, for the first time, to examine the interplay between LMX and organizational identity as mediating mechanisms that deepen our understanding of how ethical leadership influences employee performance. The current study focuses only on the impact of ethical leadership on employee job performance. This research adds a lot to this body of knowledge because it builds on what has already been done in the field. Firstly, the current study results showed that ethical leadership positively impacts job performance. Leaders who conduct themselves appropriately when interacting with their employees will inspire the workforce with a greater sense of responsibility and enhanced productivity. Employees' greater capacity for individual thought and action, enabled by enhanced employee freedom, will result in higher output at work. Ethical leadership may help employees do their jobs better by motivating them. Secondly, the study findings indicated that ethical leadership significantly influences job satisfaction. When workers felt happy in their jobs, they had a greater desire to put in long hours, perform well, and remain dedicated to their companies. It would be best if you felt fulfilled in your work to see gains in performance and productivity. Employees who are happy in their jobs put forth their best effort on the job.

#### **Practical Implication**

This study may have real-world ramifications advantageous to Sethi Brothers, Inc. Even though ethical leadership is a critical issue, insufficient attention is paid to it. The study's primary findings indicate that having an ethical leader will boost productivity. There are many possibilities for Sethi Brothers, Inc. As a consequence of our research, we have determined that supervisors must conduct thorough investigations into any complaints of unethical activity by their staff. It is common knowledge that a company's leadership serves as its skeleton and that its employees are its most valuable assets. Most companies view their employees as a liability instead of a source of strength. Leaders in the public and private sectors frequently view their employees and subordinates as cost centers instead of strategic assets. This results in employee exhaustion, low attendance, tardiness, laziness, and poor overall job performance. It decreases productivity by making people extremely harmful, uncreative, and incompetent, undermining their sense of self-worth. In any organization, ethical leadership is not the only instrument that aids in achieving desired objectives, but it should be considered. Marketing, warehouse management, production, and delivery are all employee responsibilities in that organization. Therefore, a leader can address these challenges so that the organization's operations work smoothly. A leader's ethics can have an even higher impact on organizational performance because an ethical leader takes care of their employees, listens to them, treats them with respect regardless of race, gender, or nationality, and ensures that good work is recognized. An ethical leader asks employees what the proper course of action is; for the ethical leader, success is measured by the quantity and how it is attained. This research concludes that ethical leadership has a significant impact on employee performance.

#### Conclusion

There has been little research on the causes and consequences of ethical leadership on employee performance (Elsetouhi et al., 2018; this study goal was to fill that gap Byun et al. The results indicated that ethical leadership considerably impacts the workers' productivity.

Ethical leadership is critical to the success of any organization. Ethical practices of leaders, such as clarifying roles, sharing authority, and acting equitably, provide the message that these leaders can be considered ideal representatives of the group, which in turn implies that these leaders can be trusted. In addition, followers view such trustworthy leaders as more effective. For there to be ethical leadership, there must first be ethical leaders. If the leaders of an organization have high ethical standards, they will be able to ensure that everyone follows such criteria in the organization. An ethical leader can provide workers with the happiness and motivation they need to accomplish their jobs well, improving productivity. The findings demonstrated that ethical leadership plays an essential part in determining the level of employee performance. As a result, managers ought to be concerned about enhancing ethical leadership in areas such as discussing corporate ethics or principles with employees, providing employees with an example of how to conduct themselves ethically, and keeping the employees' best interests in mind at all times.

The ethical ideals a firm upholds are good predictors of influence when it comes to the instillation of ethical standards and a feeling of aspiration in both leaders and followers of that company. Therefore, the firm's fundamental values serve as the cornerstone of ethical leadership and effective employee performance. Because of this, the administration of Sethi Brothers Incorporated should have the ethical views, interpersonal traits, and talents necessary to carry out the numerous tasks that the company requires appropriately. The atmosphere at Sethi Brothers Incorporated, which encourages employees to continue their education, must be preserved. Therefore, to increase their overall performance, the firm's leaders and the employees working for the organization need to collaborate to study the ethical rules of behavior. These are the most significant aspects that impact how successfully the organization achieves its ethical aims.

#### **Recommendations for Further Research**

It is generally acknowledged that the organization's most essential elements are its ethics and moral principles. Employee performance is impacted when ethical leadership is established. As a result, one of the most crucial findings from our research is that initiatives to enhance ethical leadership at Sethi Brothers Incorporated must start at the top of the organization and be apparent to everyone below. Therefore, to significantly impact employee performance, ethical leaders who possess the mentality of acting ethically may be required to a greater extent. The idea that employees might not play the roles typically assumed to be crucial in ethical behavior at their places of employment is yet another significant contribution that this study has made. One of the most critical factors that must be eliminated to improve the organization's poor performance is the promotion of ethical leadership practices. This must be prevented.

The study's findings suggest that a leadership group at Sethi Brothers Incorporated will be more effective at swaying their supporters and employees. As a result, it is crucial for the organization's trendsetters to emphasize the company's ethical principles by sharing this information with the workforce. To create a more moral and just workplace, Sethi Brothers Incorporated should actively seek out candidates with ethical character traits rather than just hiring them when they are available. These factors increase employee trust, which increases employee engagement with their work and leads to increased and better worker productivity.

The findings also suggest that managers should include employee input while making decisions. As a result, individuals are more likely to carry out their duties and fulfill their obligations. On the other hand, employees benefit from speaking out and sharing their ideas with their supervisors and coworkers, and the workplace climate should encourage this. Upper management may use social networking platforms to facilitate communication between personnel and management. As a result, employee productivity will rise.

This study investigated the impact of ethical leadership on employee performance at the Sethi Brother Incorporated, Chicken Soup Factory Gardnersville, Liberia. Similar research ought to be done in other sectors, and comparisons made on the effect of ethical leadership on employee performance at Sethi Brothers Incorporated in Gardnersville, Liberia.

#### **Limitation of this Research**

In light of the limitations, the researcher's thesis data collection process is likely to be busy since the researcher was not be able to get the results he wants based on the sample size and availability. Also, this research thesis says that the sample size comprised a small number of employees. Time, money, and limited resources on ethical Leadership in Liberia; it may be complex or challenging to collect the information for Sethi Brothers Inc. because of the study's sensitivity are all significant problems to the research.

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#### **APPENDICES**

#### Appendix A

#### **Data Collection Tool**



#### **Near East University**

## Faculty of Economics and Administrative Science Department of Business Administration

#### Dear Participant,

You are invited to take part in a research study to understand how ethical leadership affects employees' performance in an organization. The data collected through this study will be used to know how ethical leadership has influence employees' job performance and productivity. Please be informed that your participation in this study is entirely voluntary and you are free to withdraw at any time. The survey will take between 20-30 minutes and will be done privately. Please note that there is no right or wrong answers in this survey. Your responses based on your thoughts are welcome and highly appreciated. The data collected during this period of the study is being used strictly for academic purposes only, and it may be presented only at national or international academic meetings or be published in a journal. Your participation in this study will not be associated with you in any way, and any information you provide will be kept strictly secret and not share with anyone else.

Please don't hesitate to get in touch with me if you have any questions. Please contact me below:

CHARLES WESLEY BLAKE (Student Researcher)

Department Of Business Administration, Near East University

Contact number +231886105911

E-mail: 20215432@std.neu.edu.tr Prof. Dr. SERIFE Z EYUPOGLU (Supervisor) Dean, Chair Business Administration Department, Near East University Tel: +906751000 Ext: 3102/03 E-mail: serife.eyupoglu@neu.edu.tr **QUESTIONNAIRE PART 1. Demographics** A. Gender: 1) Male \_\_\_\_\_ 2) Female \_\_\_\_\_ B. Age: 1) 20-29 2) 30-39 3) 40-49 4) 50 and Above C. Educational Background: 1) High School Diploma 2) Bachelor's Degree 3) Master's Degree 4) **PHD** 5) Vocational Certificate D. Tenure: 1) Less than 1 year 2) 1-4 years 3) 5-9 years 4)10 - 14 years 5) 15 years and above

### PART 2.

#### **ETHICAL LEADERSHIP**

E. Department:

Indicate (x) your level of agreement for each statement below in regards to your manager's behaviour at work;

		Disagree	Strongly Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	My Manager establishes trust in his/her relationships with others					
2	My Manager tries to ensure harmony in the organization					
3	My Manager doesn't tolerate arrogance					
4	My Manager follows procedures and rules					
5	My Manager tries to preserve employee's safety and well-being					
6	My Manager tries to make employees aware that some situations are disproportionately privileged for some groups					
7	My Manager speaks out against unfair practices					
8	My Manager actively listen to employee issues and suggestions					
9	My Manager seeks to protect each employee's dignity					
10	My Manager expects employees to make mistakes (it's human nature)					
11	My Manager speaks out against injustice					
12	My Manager is concerned when employees or group have advantages compared to others					
13	My Manager listens to the employee's voice					
14	My Manager recognizes and acknowledges each employee's work					
15	My Manager checks the legal and regulatory clauses that might apply					
16	My Manager considers the organization's unwritten rules					

17	My Manager conducts an investigation in order to resolve ethical dilemmas			
18	My Manager sanctions mistakes in proportion to their seriousness			
19	My Manager tries to oppose injustice.			
20	My Manager takes time to listen to employees involved in a situation			
21	My Manager seeks to preserve bonds and harmony within the organization			
22	My Manager avoids hurting employee's feelings by maintaining their dignity			
23	My Manager pays attention to employees			
24	My Manager promotes dialogue about contentious issues			
25	My manager uses the statutory and legal framework when resolving ethical dilemmas			

#### **Source:**

Dr Lyse Langlois Development and validity of the Ethical Leadership Questionnaire, Journal of Educational Administration vol.52 no 3,2014 pp. 310-331 (Published online 10,spetember 2013)

#### **EMPLOYEE PERFORMANCE**

Indicate (x) your level of agreement for each of the statement below in regards to employee job satisfaction and performance in the organization

JOB SATISFACTION		Disagree	Strongly Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	Employees are satisfied with the top management					
2	Top management involve employees in decisions making process					
3	Work is allotted according to the qualification and skills of the employees					
4	Employees have necessary authority to perform their duties effectively					

5	Target accomplishment facilitates appreciation and rewards to the employees					
JOB PERFORMANCE:		Disagree	Strongly Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
6	Employees have the tools and resources needed to do their job					
7	Working hours that allow employees enough time with family and time to pursue other strong interests					
8	Employees are satisfied with how often they take part in problem solving					
9	Employees are enthusiastic about your job					
10	Employees do a variety of tasks during their working time per day					
11	Employees go beyond the requirements of the job					
12	Employees Produce volume of work that the position requires					

#### Source:

- 1) N. Gökhan Torlak, Leadership, job satisfaction and performance links in private education institutes of Pakistan, International Journal of Productivity and Performance Management Vol. 68 No. 2, 2019 pp. 276-295(published online 18 August 2018
- 2) Employees' Satisfaction on the Job Performance- International Journal of Academic Research h ISSN: 2348-7666 Vol.1 Issue. (1, June, 2014) academia edu.

#### Appendix B

#### **Ethical Committee Approval**



#### SCIENTIFIC RESEARCH ETHICS COMMITTEE

25.10.2022

Dear Charles Wesley Blake

Your application titled "An Investigation Into the Impact of Ethical Leadership on Employee Performance in an Organization" with the application number NEU/SS/2022/1383 has been evaluated by the Scientific Research Ethics Committee and granted approval. You can start your research on the condition that you will abide by the information provided in your application form.

Prof. Dr. Aşkın KİRAZ

A. 5

The Coordinator of the Scientific Research Ethics Committee

# AN INVESTIGATION INTO THE IMPACT OF ETHICAL LEADERSHIP ON EMPLOYEE PERFORMANCE IN AN ORGANIZATION

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