The Relationship Between Ethical Leadership and Organizational Success, the
Mediating Role of Employees’ Job Satisfaction

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The Relationship Between Ethical Leadership and Organizational Success, the Mediating Role of Employees’ Job Satisfaction

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Dedication

To you, my dear friend, your support on this journey was phenomenal.
Abstract

Leadership matters. Ethical leadership matters most. Unethical and ineffective leaders have been a leading cause of calamities, chaos, and confusion. Fraudulent and unethical leadership has eroded public confidence in the genuineness of organizational leadership in engendering common good and organizational success.

This mixed methods study investigated the relationship between ethical leadership and organizational success through the mediating role of employees’ job satisfaction in a utility corporation in the Northwestern part of United States of America. Ethical leaders, who are moral persons and moral managers, create an ethical climate in their organizations through social learning, social exchange, and role modeling. This organizational ethical climate promotes employees’ job satisfaction as the fulcrum on which long-term organizational success depends. Satisfied, committed, loyal, and productive employees are pivotal to the satisfaction of the customers and financial profitability.

Using a sample of 123 employees of the utility corporation, data was collected with two validated instruments and a demographic questionnaire. The result of the quantitative analyses revealed that ethical leadership positively correlated with and predicted employees’ job satisfaction. For the qualitative part of the study, content analysis was used to examine the archival sources of this corporation, supported through Service-Profit Chain. It was discovered that employees’ job satisfaction promoted the satisfaction of the customers and financial profitability.

Keywords: ethical leadership, social learning theory, social exchange, ethical climate, role modeling, employees’ job satisfaction, organizational success, service profit chain
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Chapter One Introduction

In the best of times, we tend to forget how urgent the study of leadership is. But leadership always matters, and it has never mattered more than it does now. . . Leadership affects the quality of our lives as much as our in-laws or our blood pressure. In bad times, which have been plentiful over the millennia, twisted leaders have been the leading cause of death, more virulent than plague (Bennis, 2007, p. 2).

Leadership is central to the human condition and essential to its flourishing (Levine & Boaks, 2014; Wren, 1995). Leadership is not a fad; it is a concept that is both current and timeless, much as it has been central to human interaction since the dawn of human society (Wren, 1995). Leadership does matter (Bennis, 2007; Waldman, Ramírez, House, & Puranam, 2001). It is contingent upon the existence of individuals who, as a result of inclination or pressure, are willing at least in part, to surrender the powers to share and define their own reality within a social context (Smircich & Morgan, 1982). As such, every leadership situation is comprised of the leader and the led, the followers or the collaborators, and the leadership process. As a process, leadership is a vehicle of social and organizational change. Cronin (1995) explained, “Leadership can be exercised in the service of noble, liberating, enriching ends, but it can also serve to manipulate, mislead and repress” (p. 27). These twofold spectrums of leadership, which are the dual consequences of leadership, necessitate ethics to midwife the noble, liberating, and enriching ends of leadership.

One of the major threats humanity faces is the unethical leadership of her institutions; without exemplary leadership, resolving other possible threats that might eclipse our human community will be a pipedream (Bennis, 2007). As such, most leadership scholars and practitioners genuflect at the altar of ethics and speak with hushed reverence about the importance of ethics to leadership (Ciulla, 1995). Ethics is a
prerequisite for human life and social engagement (Vadastreanu, Maier, & Maier, 2015). Leadership is intrinsically interwoven with ethics as to depend on it for effectiveness (Eubanks, Brown, & Ybema, 2012). Levine and Boaks (2014) maintained that leadership requires that the leader subsumes all other goals to that of human flourishing, which is the critical qualification that emphasizes the nature of the connection between leadership and ethics as well as how high the bar is set. Leadership cannot be decoupled from ethics without sabotaging its essence and effectiveness (Ciulla, 1995). Ethics remains the credible checkmate of twisted and ineffective leaders.

Despite whatever conceptual challenge that may have plagued leadership as a construct, it is not an indescribable and mysterious activity (Gardner, 1995). Significant in leadership activity is the leader, just as the followers are critical to the process of leadership. However, the leaders are the key source of the ethical guidance in the social engagement, they set the ethical tonality and determine the ethical ambiance of the organization (Brown, Treviño, & Harrison, 2005; Kar, 2014; Mulki, Jaramillo, & Locander, 2008; Treviño, Hartman, & Brown, 2000). The desire for leadership exists because if ethical and effective, offers a sense of meaning, morale, values, and direction; it gives people a sense of purpose and guarantees the attainment of the common good (Alvesson & Spicer, 2011). Ethical leadership implies that the leader is well-grounded in a set of values that would enhance the common good and being an ethical leader demands developing a reputation for ennobling values (Treviño et al., 2000). As the magnitude and complexity of global issues, problems, and challenges increases, the need for ethical leadership is more critical than ever, and impactful change in the 21st Century will be
predicated on the marriage between ethics and leadership as expressed through ethical leadership (Souba, 2014).

**Background of the Study**

Leadership is a relational and interactional construction of social reality that impinges on the common good and organizational well-being (Berger & Luckmann, 1966; Burns, 2010; Drath, 2001; Grint, 2011; Johnson, 2015; Kakabadse & Kakabadse, 1989; Maxwell, 2008; Rost, 1991; Schein, 2010). Despite the challenges of defining and conceptualizing ‘leadership,’ it is essentially a relational construct with the intention of meaningful change for the leaders and the followers (Antonakis & Day, 2018; Baker, 2001; Bass, 2008; Bennis, 2009; Burns, 2010; Crawford, Brungardt, & Maughan, 2005; Crevani, Lindgren, & Packendorff, 2010; Kouzes & Posner, 2012; Maxwell, 2008; Reicher, Haslam, & Hopkins, 2005; Robbins & Judge, 2013; Rost, 1993; Northouse, 2016; Zaccaro & Klimoski, 2001). As Katz and Kahn (1978) explained, “Every instance of leadership involves the use, interpolation, or origination of organizational structure to influence others. When people are influenced to engage in organizationally relevant behavior, leadership has occurred” (p. 309). Leadership implies followership since no one leads without followers. Thomas and Rowland (2014) emphasized, “Leadership by definition is an activity involving groups, it is not a solitary activity and at its most basic, leaders have to have followers” (p. 99).

Critical to the definition and significance of leadership is the nature of its influence, for the leader is expected to effectively guide the mutual destiny of the leader and the led (Rondinelli & Heffron, 2009). In this regard, Brown and Mitchell (2010) observed, “Within a work environment, leaders set the tone for organizational goals and
behavior. Indeed, leaders are often in a position to control many outcomes that affect employees” (p. 583). As suggested by Watson (2015), leaders are like gardeners, who have to prepare the soil through tilling and fertilizing before planting the seed. Excitedly, they watch the seed germinate and become a plant; they will remove weeds regularly that would choke the plant and tenderly care for the plant; despite their regular care and concern, they cannot force the plants to grow and become fruitful. As much as leaders are thought to inspire, drive, motivate, and galvanize the organizational resources for the good of all, they are not problem-solvers or magicians. Nonetheless, by setting the tone of organizational engagement, leaders become enablers and catalyzers of organizational life (Burns, 2010; Kouzes & Posner, 2012).

Leadership is a process of change that may begin with an individual or a group of individuals as leaders but will involve recursive interactions with the followers rooted in a context (Avolio, 2007; Vroom & Jago, 2007; Zaccaro, 2007). Leadership signifies a relation between the leader and the followers within a situational context, with its telos as the positive transformation of the mutual goal and purpose of both the leader and the followers (Mihelič, Lipičnik, & Tekavčič, 2010; Rost, 1993). Leading is not a momentary activity. Instead, it happens over time, changing continuously in relation to the place, time, context, and those involved (Carroll, Ford, & Taylor, 2015). Yet, there is a way of looking at leadership as a mere bricolage of social actions or a potpourri of relational activities that does a disservice to progressive development of human communities and the common good that effective leadership should promote (Baker, 2001; Bass, 2008; Kalshoven, Den Hartog, & De Hoogh, 2011; Northouse, 2016; Rost, 1991). For instance, Bennis and Nanus (1985) maintained, “... no clear and unequivocal understanding
exists as to what distinguishes leaders from nonleaders, and perhaps more important, what distinguishes effective leaders from ineffective leaders” (p. 4). There is a difference between leaders and nonleaders and ethics makes leadership effective. Leaders often have a substantial influence on organizational performance (O’Reilly, Caldwell, Chatman, Lapiz, & Self, 2010). Ineffective and unethical leaders cause serious problems for the followers, organizations, and the society (Schyns & Schilling, 2013).

The ability to influence the thinking and behavior of others to achieve a shared objective that is ethical and value-oriented is at the heart of leadership (Knights, & O’Leary, 2006; Kovanic & Johnson, 2004; Rondinelli & Heffron, 2009; Kouzes & Posner, 2012). Leadership is the exercise of influence in a group context and is visible wherever humans associate with one another (Johnson, 2015). This influence is fundamental to what leadership is and remains critical in distinguishing it from any related concept of social interaction and engagement. When leaders are ethical, this influence becomes that which promotes organizational good and human flourishing. As such, leaders of organizations are critical agents in establishing organizational climate (Hitt, 1990). The decisions and examples of the organizational leaders affect not only the employees of their organizations, but also all the stakeholders. Leaders who model ethical behavior inspire employees to do likewise, thus promoting the overall good of the organization (Fryer, 2007). In fact, Grant and McGhee (2013) explained that there is a relationship between the moral identity of an organizational leadership and the ethicality of the members within the organization and that of the organization in general. In a study, involving the CEOs of 2,000 small to medium-sized firms throughout the United States, Hood (2003) discovered that the values and leadership styles of the CEOs influenced the
ethical practices in the organization. Therefore, as suggested by Sims and Brinkmann (2002), the ethical considerations and behaviors of the organizational leaders affect the tone of social engagements inside and outside the organization.

The leadership factor is strategically a requisite for a transformative organizational change (Mirkamali, Thani, & Alami, 2011). Leadership still matters; there are still effective and ineffective leaders, and ethics figures greatly in effective leadership (Alshammari, Almutairi, & Thuwaini, 2015; Baker, 2001; Bass, 2008; Burns, 2010; Crawford, Brungardt, & Maughan, 2005; Çelik, Dedeoğlu, & İnanir, 2015; Crevani, Lindgren, & Packendorff, 2010; Elçi, Sener, Aksoy, & Alpkan, 2012; Eisenbeiß & Brodbeck, 2014; Giessner & van Quaquebeke, 2011; Kalshoven, Den Hartog, & De Hoogh, 2011; Kouzes & Posner, 2012; Kirkpatrick & Locke, 1991; Lawton & Páez, 2015; Maxwell, 2008; Mayer, Kuenzi, & Greenbaum, 2010; Northouse, 2016; Reicher, Haslam, & Hopkins, 2005; Robbins & Judge, 2013; Rost, 1991; Treviño, et al., 2000; Walumbwa & Schaubroeck, 2009; Yates, 2014). McCann and Holt (2013) emphasized that leaders typically set the standards for organizational life and behavior in the workplace, and employees rely on their guidance when faced with ethical dilemmas, ethical questions or problems. Ultimately, what differentiates effective from ineffective leadership is ethics (Ciulla, 1995; Eisenbeiß & Brodbeck, 2014; Hitt, 1990; Leigh, 2013; Mendonca & Kanungo, 2007; Rost, 1993; Seidman, 2004; Shapiro & Stefkovich, 2016; Strike, 2007). Ethics is where the leader’s character, integrity, authenticity, strength, and vision are most severely tried, tested and revealed (Leigh, 2013). Seidman (2004) contended, “Ethical leadership starts with a vision that making ethics essential . . . within the fabric of an organization will enable it to achieve its aspirations. Ethics is at the core
and as a constant underpinning will channel abilities . . . to sustainable, appropriate activities” (p. 136). Divorcing ethics from leadership and interactive engagement has wreaked colossal damage to organizational well-being and the common good.

Several cases involving business fraud and alarming statistics on scandalous behaviors among people in authority or leaders have precipitated much concern about how the deficit of values and ethics damages the common good and hampers organizational progress (Brown, Trevino, & Harrison, 2005; Frisch & Huppenbauer, 2014; Eisenbeiß, 2012; Heifetz & Linsky, 2002; Mayer, et al., 2011; Mulki, Jaramillo, & Locander, 2008; Mullane, 2009; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009; Ogunfowora, 2014; Resick, Martin, Keating, Dickson, Kwan, & Peng, 2011; Seidman, 2004). Stories abound of what should not have happened but did happen. Tales of fraudulent and unethical behaviors pervade the media cycles, while ethical organizations and leaders are not adequately recognized and/or rewarded (Brown, Trevino, & Harrison, 2005; Eisenbeiß, 2012; Eisenbeiß & Brodbeck, 2014; Mayer, Kuenzi, Greenbaum & Bardes, 2009; Sims & Brinkmann, 2002; Walumbwa, & Schaubroeck, 2009). It is as if ethical organizations are exceptions to the calculus of profit maximization and organizational sustainability. Even with much hype and headlines of corporate scandal, unethical leadership practices and behaviors remain unabated (Lašáková, & Remišová, 2015; Sim, 2016). With unethical leadership, companies have collapsed, economies have been eroded, employment exterminated, human lives destroyed, and consciences corrupted and crushed.

For instance, the global financial crisis of 2006-2009 was ignited by improvident and unethical decisions in the lending and investing organizations in the United States
The crisis adversely impacted employment, consumer spending, home ownership, retirement portfolios, finances of governments, and the global economy; almost $11 trillion in household wealth vanished, 26 million Americans were put out of work, and four million people lost their homes (McCann & Holt, 2013; McCann & Sweet, 2014; Muldowney, 2015). The unethical behavior of the manager at GlaxoSmithKline in China, Mark Reilly, did not just cost him his job, but he was also jailed, and GSK had to pay a fine of $492 million (deBruyn, 2014).

Much of the negative publicity, misery, economic stagnation, widespread destitution and social degradation associated with Africa are attributable to the failure of leadership; there is nothing wrong with the land, climate, the people or their culture (Achebe, 1987; Meredith, 2005). In this regard, Achebe (1987) insisted, “The Nigerian problem is the unwillingness or inability of its leaders to rise to the responsibility, to the challenge of personal example which are the hallmarks of true leadership” (p. 20). In the public and private sectors of most African nations, the problem militating against the socioeconomic development and progressive advancement of the society is one of credible and ethical leadership. Afegbua and Adejuown (2012) emphasized this:

In fact, most constituted governments in Africa have been undergoing serious and deepening politico-economic crisis. These problems generated by political, social and economic instability and the prevalence of ethnic, communal and religious crises, which have bedeviled Africa, call our attention to the problems of leadership and governance in the continent . . . the staggering wave of violence, insecurity, increasing crime wave, economic recession, coupled with the break in
law and order are the attributes to the problem of leadership and governance in Africa. (p. 142)

Mallory (1995) echoed the above, “Most Africans fought hard to liberate themselves from colonial rule only to be used and abused; their nations ruined by their own leaders. Today Africa has very little to show for its independence because of inhumane and incompetent leadership” (Mallory cited in Ayittey, 2005, p. 173). What is happening at the national level in many African countries is indicative of what is happening at the organizational level. Ogbor (2009) argued that more than any other part of the world, Africa has suffered the most from unethical leadership, corrupt business practices, and lack of social responsibility by business organizations. He insisted that at the base of this bane are:

(i) a pervasive culture of bribery, favoritism, and corruption, (ii) an inefficient and corrupt bureaucratic system of governance, (iii) a corrupt political system, (iv) a corrupt class of bureaucrats and business elites, (v) a corrupt, ill-equipped and unmotivated law enforcement system, and (vi) an inept and corrupt judicial system. (p. 551)

On April 24, 2013, the deadliest building collapse in human history (Rana Plaza garment complex) sank the lives of 1,134 people, and more than 2,500 survivors were pulled from the debris in Dhaka, Bangladesh (Hoskins, 2015; Yardley, 2013). According to Dietz (2013), central to the calamity were unethical practices and corrupt leadership. Schwier (2013) explained, Sohel Rana, like some building owners in Bangladesh, used his power, money, and political connections to cheat the system, acquire illegal permits and ignore professional opinions which culminated in unethical decisions that put
thousands of people in harm’s way. These few examples draw attention to the urgency of effective and ethical leadership. Toor and Ofori (2009) insisted, “Leadership ought to be ethical in order to be effective and successful over the long term” (p. 533).

This dissertation, therefore, assessed the impact of ethical leadership on organizational success, an impact not limited to financial gain or profitability. Profitability or the bottom-line of business is indubitably the soul of business. Nothing that undermines or is inimical to the profitability of corporate organization deserves consideration in the calculus of organizational success. However, organizational success is not synonymous with profitability or financial values alone. It may be the case that excessive profiteering or unbridled chase of profits and vainglory are what lure some organizations and their leaders into unethical behavior. This raises some important questions: Can a sincere and ethical pursuit of the bottom line push some organizations to the edge of unethical behavior? How are ethical considerations tied to the promotion of the bottom-line? Are ethical leadership or ethical considerations and the promotion of the bottom-line mutually exclusive?

Organizations need statistical evidence, and pragmatic demonstration that pursuing ethical goals or values does not necessarily undermine financial considerations or the growth of the organization. Though there has been a surge in providing empirical evidence about the outcomes of ethical leadership, most studies have focused on the relationship between ethical leadership and followers’ or employees’ outcomes (Bedi, Alpaslan, & Green, 2016). For instance, Studies have demonstrated a positive relationship between ethical leadership and employees’ job satisfaction (Attar, Çağlıyan, & Ajdarovska, 2017; Avey, Wernsing, & Palanski, 2012; Bedi et al., 2016; Dinc &
Empirical findings equally show a positive relationship between ethical leadership and organizational commitment (Agha, Nwekpa, & Eze, 2017; Benevene, Dal Corso, De Carlo, Falco, Carluccio, & Vecina, 2018; Damini, 2017; Celik, Dedeoglu, & Inanir, 2015; Demirtas & Akdogan, 2015; Dinc & Nurović, 2016; Hashish, 2017; Khuong & Nhu, 2015; Kim & Brymer, 2011; Kooskora, & Mägi, 2010; Rizwan, Mahmood, & Zeeshan, 2017). However, there is sparse empirical research on the relationship between ethical leadership and organizational success. Such evidence and pragmatic demonstrations would help corporate organizations understand that long-term organizational success that would include profit or financial considerations and the satisfaction of the customers are inextricably tied to ethical considerations.

This study added to the empirical findings on the positive correlation between ethical leadership and organizational outcomes. The study further demonstrated that organizational and human well-being is fostered when organizational leaders, their behaviors, and dealings are swaddled in ethical values. The study drew from extant literatures on ethical leadership to determine the value and benefits of promoting ethical leadership through enthroning an ethical climate. Ethical climate made possible by ethical leadership, enhanced employees’ job satisfaction, and promoted organizational success. As highlighted above, there has been a gap in addressing the relationship between ethical leadership and organization success through employees’ job satisfaction. This justified the rationale for the study, indicating the reasons for the objective or purpose of the
This informed the conceptual framework for the study, which guided the research questions, and the hypotheses of the study.

**Statement of Problem**

Thornton (2009) observed, “The headlines are full of stories about unethical leaders. We know from following those stories that unethical leadership can ruin a company” (p. 58). She then asked: Why is the promotion of ethical leadership and ethical organization difficult? There are several myths identifiable with ethical leadership, making ethical decisions, and creating ethical organizations (Driscoll, Hoffman, & Petry, 1995; Trevino & Brown, 2004; Toor & Ofori, 2009). Some of these myths suggest: (1) It is easy for organizations to be ethical. (2) Ethical leadership is mostly about leader integrity (3) Ethical organizations can be promoted through formal ethics codes and programs (Trevino & Brown, 2004; Toor & Ofori, 2009). As expressed by Frisch and Huppenbauer (2014), frantic efforts have been made to articulate strategies or present toolkits that could promote ethical or prevent unethical behavior in the organization and the society. Examples of such effort are the Sarbanes-Oxley Act of 2002, U.S. Federal Sentencing Guidelines and leaders being coaxed to sign ethical codes upon accepting their jobs (Brown & Trevino, 2006; Vitell & Singhapkdi, 2008). Webley and Werner (2008) warned that these efforts are often knee-jerk reactions. They argued that such attempts would be a futile endeavor without a concerted effort towards the institutionalization of ethical climate in the organization through the ethical behavior of organizational leaders. For instance, Copeland (2015) pointed out:

Research suggests that [Sarbanes-Oxley Act] SOX compliance has had a cost to the American economy of as much as $1.4 trillion dollars; yet, there is little
evidence that SOX has been or has the potential to be successful in changing the mindset, characters, or unethical behaviors of some corporate leaders. (p. 62)

Brumback (1991) emphasized, “Law and regulations are not the answer to keeping behavior above the bottom line of ethics” (p. 354). Much as such laws, codes and guidelines can facilitate, enhance and reinforce ethical culture or ethical climate in organizations, ethical leadership or ethical organization goes beyond external laws, codes and guidelines. Driscoll, Hoffman, and Petry (1995) stressed that ethical business or organization is not the same as compliance with the law; the codes and guidelines essentially provide the floor, or the lowest bar, which standards should not fall to. They maintained, “While laws are intended to be ethical and to be based on some consensus of what is right, ethics is a much broader category . . . It is about doing only what you would be willing to have done to you” (p. 6).

Given the impact of leaders in organizational life, building ethical organizations essentially begins with, and has to be demonstrated by the leadership of the organization. Ethical behaviors or characters appear to be more caught than taught as people learn what it means to be virtuous by observing and imitating exemplary leaders (Johnson, 2015). In this regard, Sims and Brinkmann (2002) contended, “Failure by top leaders to identify key organizational values, to convey those values by personal example, and to reinforce them by establishing appropriate organizational policies demonstrates a lack of ethical leadership on their part that fosters an unethical organization” (p. 327). Creating ethical organizations is a necessary consequence of ethical culture or climate that goes beyond an ethical leader or ethical leadership; ethical culture or climate is the resultant effect of ethical leadership (Brown et al., 2005; Choi, Ullah, & Kwak, 2015; Mayer, Kuenzi, &
Greenbaum, 2010). Though, Holbeche (2005) maintained that culture should be distinguished from climate, it is not within the scope of this research to dwell on this distinction. Certainly, climate will be assumed as both the result of and the shaper of people’s behavior and is considered to have a greater bearing on an organization’s ability to stimulate high performance (Holbeche). Effort will be made to adhere to the use of climate. But where culture is used, it will still signify the meaning of climate as characterizing the assumptions, feelings, behaviors and values of people within the social setting, especially as can be initiated and reinforced by a leader. Hence, organizational leaders set the ethical tone for the organization by enacting practices, policies, and procedures that facilitate the display of ethical behavior and reduce the likelihood of misconduct in the organization (Mayer et al., 2010). Nevertheless, beyond enacting policies and procedures, the ethical behavior of organizational leaders would more likely foster ethical climate within the organization (Leigh, 2013; Levine & Boaks, 2014; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Trevino, Brown, & Hartman, 2003; Treviño & Nelson, 2014; Walumbwa & Schaubroeck, 2009; Yates, 2014).

An organization can be considered ‘ethical’ when an ethical climate becomes the functional outcome of the ethical leader and the organization. This means that ethical behaviors, principles, and standards become the overarching milieu espoused by not just the organizational leaders, but also by the employees of the organizations (Deshpande & Joseph, 2009; Elçi & Alpkan, 2009; Lu & Lin, 2014). Ethical leadership has to permeate the organizational fabric of an institution and be seen by the members (or the employees) of this institution as a way of being and acting before an organization can be considered ethical. Therefore, an ethical climate as initiated by and promoted through the ethical
leader to becoming organizational depends on the employees—as any sustained organizational progress or growth hinges on the employees (Cullen, Parboteeah, & Victor, 2003; Mayer, Kuenzi & Greenbaum, 2011; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009).

In connection with the foregoing, Piccolo, Greenbaum, Den Hartog and Folger (2010) pointed out that ethical leaders have significant impact on the way their employees perceive their own job, their satisfaction with their job, and their commitment to this job. They maintained that winning the wholehearted cooperation of the employees through credible organizational culture, suitable recruitment, encouragement, development, and management of the workforce is crucial to organizational performance. As acknowledged by Sims (2002), organizations are realizing that their likelihood of sustained success is most dependent on learning how to get the maximum out of their employee human capital. “A stable workforce is good for morale, productivity, and profit. High turnover disrupts the remaining team of employees while increasing their workload. The cost of training a new employee can be up to 150% of that position’s salary” (Johnson & Fahsholtz, 2010, p. 17). In the twenty-first century corporate world, well-managed and motivated human resource is the major source of competitive advantage that will occasion organizational success (Bennis, 1997; Holbeche, 2005; Stangis & Smith, 2017). Rizwan, Zeeshan, and Mahmood (2017) affirmed, “The organizations these days strive for high performing employees without which they are unable to compete in a competitive market. The high performance of the employees cannot be achieved if they are not pleased with their jobs” (p. 76).
If the employees are the primary source of competitive advantage and a leveraging value in the organizational progress, then the more ethical they are, the more assured organizational success will be. The quest for such overarching organizational success makes it crucial to have ethical leadership. An ethical leader will get the attention of the employees, and in turn, they will seek to pattern their organizational behavior according to this leader (Trevino, 1986). As the employees pattern their organizational behavior according to that of the ethical leader, there would be a higher tendency for ethical climate to eventually become the operationalized procedure in the organization (Mulki, Jaramillo, & Locander, 2008; Lu & Lin, 2014; Trevino, 1986). Kar (2014) emphasized, “Ethical leadership is thought to be important because of the outcomes it is thought to influence” (p. 115). This influence, when focused on the employees and it informs their organizational engagement, the long-term progressive development of the organization will be assured.

Ethical leadership by itself, without the cooperative support of the employees in establishing ethical climate in the organization, will fail to yield the expected good, since the employees are the fulcrums of organizational success (Neubert, Carlson, Kacmar, Robert & Chonko, 2009; Piccolo et al., 2010). Unless ethical leadership promotes ethical organization through the concerted and collaborative effort of both the leader and the led, the expected organizational success or improved organizational performance may be a pipedream. The ethical organizational climate, much as it has to be initiated and encouraged by an ethical leader, is dependent on the employees. Given the important role of the employees in fostering ethical climate, exploring the relationship between ethical leadership and employees’ job satisfaction remains expedient, especially given that the
employees are equally important organizational assets (Hom & Griffeth, 1995; Elçi, Şener, Aksoy, & Alpkan, 2012; Kalshoven & Boon, 2012). A high rate of employee contentedness and commitment is directly related to lower turnover rates, which positively affects productivity, general cost, and indeed, financial profitability (Gregory, 2011).

There are burgeoning studies on the impact of ethical leadership on employee performance, satisfaction, and commitment (De Hoogh & Den Hartog, 2008; Ogunfowora, 2013; Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011). These studies revealed a positive correlation between ethical leadership and employees’ job satisfaction, employees’ performance, organizational commitment and organizational citizenship (Bello, 2012; Kalshoven & Boon, 2012; Kelidbari, Fadaei, & Ebrahimi, 2016; Mayer et al. 2010; Mulki, Jaramillo, & Locander, 2008; Piccolo et al., 2010; Fu, Deshpande & Zhao, 2011; Rizwan, Mahmood, & Zeeshan, 2017; Toor & Ofori, 2009; Vitell & Singhapakdi, 2008; Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011; Zhu, May, & Avolio, 2004). Elçi, Şener, Aksoy, and Alpkan (2012) further investigated the impact of ethical leadership on employee turnover intention. Ogunfowora (2014) even investigated the impact of ethical leadership within the context of job recruitment. His study showed that job seekers were more likely to apply for jobs and were desirous of working in ethical organizations.

Yet, this burgeoning research on ethical leadership has predominantly focused on leadership behavior towards the subordinates, or employees (Brown, Trevino, & Harrison, 2005; Frisch & Huppenbauer, 2014). Rubin, Dierdorff, and Brown (2010) emphasized that the extant ethical leadership literature reveals that research has
predominately focused on the effects of leadership on the employees. Yang (2014) argued, “Although ethical leadership has been studied with relevant studies growing due to the interest of both empirical and research area, there is still much to learn about ethical leadership and its outcomes and influences” (p. 513). Research investigating the impact of ethical leadership on overall organizational success or organizational performance, however, is still needed. As such, Alshammari et al. (2015) recommended for more investigative studies into the impact of ethical leadership on organizational well-being. They maintained,

The focus on the organizational success as opposed to the personal ego is a key dimension for ethical leadership in understanding their place in the extensive network of stakeholders and constituents. Ethical leaders should emphasis on something bigger than their person as individuals. This is notably the dreams and goals of the organization. In view of this, the realization of the value of business excellence rests on the success of employees as a core competent derivative in ethical leadership. Ethical leadership should identify and act on the lever that increases the loyalty of the employees, their satisfaction and channel it to driving organizational success. (p. 115)

Therefore, the employees are important organizational assets to the extent that they are instrumental in the attainment of organizational goals, the achievement of which leads to organizational success. It is only when the employees are poised to help in attaining organizational success that they become that important organizational asset. When the employees are satisfied with their jobs, they will more readily enhance organizational performance or success. If ethical leadership cannot promote
organizational success or improve the performance of an organization, then all attempts to establish ethical organization will be futile and ethical leadership in itself will be unavailing. The desire for ethical leadership lies in the good it can help organizations attain, which is organizational success, and that good will be made more possible through the employees’ job satisfaction. Ascertaining the relevance of ethical leadership as it relates to organizational performance and success is important, but not without the role of the employees. This investigation is even more necessary given the nuanced ways of expressing organization success that go beyond the bottom-line considerations.

Therefore, in the light of the damaging impact of unethical leadership on organizational growth and productivity, there is a need to show that ethical leadership, through employees’ job satisfaction, is not antithetical to organizational success in which financial profitability and satisfaction of the customers are subsumed (Brown & Mitchell, 2010; Freeman & Stewart, 2006; McCann & Sweet, 2014; Pyngavil & Narula, 2011; Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011). Though the relationship between ethical leadership and employees job satisfaction necessarily requires attention, Freeman, Harrison, Wicks, Parmar, and de Colle (2010) have argued for and called attention to the need to go beyond the interests and impact of ethical leadership on the employees to include the relationship and impact of ethical leadership on other organizational stakeholders; such as, customers, stockholders and suppliers. Still, the interests of the host community of an organization, along with environmental considerations have recently surfaced to be some of the elements deserving attention and consideration in organizational life, which ethical leadership should foster. As such, an investigative study on the impact of ethical leadership on all the elements of
organizational life, beginning with but not limited to the employees, organizational stakeholders, to include the host community and environmental concerns, become expedient. However, this dissertation, focused on financial profitability, employees’ job satisfaction and the satisfaction of the customers as promoted by ethical leadership.

**Purpose Statement**

The purpose of this study was to investigate if and how ethical leadership, through the mediating role of employees’ job satisfaction, promoted organizational success or improved organizational performance. Using mixed methods, the study investigated to what degree ethical leadership engendered employees’ job satisfaction and through that process promoted organizational success or improved organizational performance. The qualitative slant of the research was driven through content analysis supported by the Service Profit Chain framework, while the quantitative part of the research was conducted by surveying the employees of a utility corporation. Ethical leadership served as the independent variable and organizational success the dependent variable. Employees’ job satisfaction was the mediator variable; it played the intervening role between ethical leadership and organizational success and therefore was the dependent variable in the quantitative slant of the study. In sum, the purpose of the study was to ascertain the relationship between ethical leadership and organizational success if the employee were satisfied with their job. So, the study sought to find out whether ethical leadership, through its characteristic features, fostered an ethical climate, and whether such climate enhanced employees’ job satisfaction; and if the employees, satisfied with their job, engendered organizational success.
The rationale of the study

Ethical leadership is not an intrinsic good. If it does not promote organizational success or improve organizational performance, ethical leadership will not be a desired good in and of itself. Ethical leadership is vital in specifying the direction that organizations may undertake towards fulfilling their mission and perhaps attaining long-term organizational success through the employees (Mihelič, Lipičnik & Tekavčič, 2010; Kanungo & Mendonca, 1996). As Alshammari et al. (2015) explained, “… ethical leadership shows a dimension of organizational leadership, behavior, and culture with the primary role of leading the organization by making ethical decisions to inherently influence the attitudes and interactions of employees” (p. 108). Many studies have shown a positive correlation between ethical leadership and job satisfaction (De Hoogh & Den Hartog, 2008; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011). However, it has to be shown that ethical leadership can promote organizational success or improve organizational performance, which should be the long-term desired effect of ethical leadership.

In the wake of alarming statistics exposing the unethical behaviors of organizational leaders and the ethical turpitude of organizations, the trend and the times suggest a need for further research on ethical leadership with the goal of discovering whether it promotes overall organizational good and sustainability (Mayer, Kuenzi & Greenbaum, 2010). Organizations have to be assured that ethical leadership is not just an abstract theoretical construct, with inconsequential implications for the success and sustainability of business as a whole. Hence, this study investigated the necessity of ethical leadership as an organizational leadership construct that could promote
organizational success through employees’ job satisfaction. The desire for ethical leadership should be fostered because it would promote organizational success, and the presupposition is that ethical leadership would better promote organizational success through employees’ job satisfaction. This investigative study was necessary to underscore the essence of ethical leadership irrespective of the barrage of unethical behaviors that constantly greet the corporate world and the human community. Ethical leadership is of unique importance on account of the impact that ethical leaders have on the employees, and ultimately on organizational performance and success (Elçi et al, 2012; Kanungo, 2001). Research on how ethical leadership promotes organizational success through its impact on employees’ job satisfaction remains sparse and understudied. Much of the investigation linking ethical leadership with organizational success has been anecdotal. The focus has been on investigating the impact of ethical leadership on employee job characterizations. So, there was a need to further test and connect ethical leadership and employees’ job satisfaction to overall organizational success.

**Conceptual framework**

A conceptual framework can be interpreted as a graphic and/or textual model or map of what is out there that the researchers plan to study; that is, the main things to be studied, the key factors, variables or constructs and the presumed relationship among them (Miles, Huberman & Saldana, 2014). This helps the researcher to generate a tentative theory of the phenomena that are being investigated, which in turn will inform the research design. As defined by Ravitch and Riggan (2017), “a conceptual framework is an argument about why the topic one wishes to study matters, and why the means proposed to study it are appropriate and rigorous” (p. 5). It is a coherent and coordinated
scheme that situates a research in its intellectual and disciplinary framework, indicating the relevance and rigor of the study. The conceptual framework reveals the components of the phenomena to be studied, the logical relationship between or among them, and the assumptions that inform such relationship, helping the researcher to address the purpose of the study. Just as a research is unique, the conceptual framework is unique; it is to be constructed by the researcher by incorporating ideas or views from related fields that will enable a systematic and logical presentation of the phenomena to be studied (Maxwell, 2013).

The overarching conceptual framework for this study, as indicated in Figure 1 below, revolved around three main categories: (1) Leadership, (2) Ethics and (3) Organizational performance. Under these umbrella categories, there were three other components: (1) Ethical leadership, (2) Employees’ job satisfaction, and (3) Organizational success. Though the definition, nature, and significance of leadership remain inconclusive and controverted, leadership is a relational construct with its telos as the promotion of the general well-being of the leader and his/her collaborators (Boamah, Spence, Laschinger, Wong, & Clarke, 2017; Rost, 1991; Yidong, Xinxin, Tu, & Lu, 2013). Based on the first three umbrella categories, the study essentially explored if there were arguments for the relevance of leadership, and ethics to leadership in relation to organizational performance (Bruce, 1994; Francis & Armstrong, 2008; Levine & Boaks, 2014; Palmer, 2016; Trevino, Hartman, & Brown, 2000; Singhapakdi, Vitell, & Franke, 1999). Then for the second category, the study examined the relationship between ethical leadership (employing virtue ethics) as the leadership construct and employees’ job satisfaction in relation to organizational success.
Therefore, in line with the conceptual framework, ethical leadership is desirable for the ethical climate it promotes, which will foster employees’ job satisfaction and organizational success (Choi, Ullah, & Kwak, 2015; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009; Rubin, Dierdorff, & Brown, 2010; Seidman, 2004). The theoretical foundation and the assumptions about ethical leadership as the independent variable were examined. Bandura’s (1971) social learning theory, Merton’s (1970) concept of role modeling and social exchange theory (Blau, 1964; Horman, 1961) were crucial in showing how ethical climate could be fostered in an organization through ethical leadership. Ethical climate was considered as the permeable membrane through which ethical leadership got filtered into the organization’s life. As the leaders of the organization became the interpretative
filter of the organizational culture by setting the ethical tone and embodying ethical standards of the organization, ethical climate became the *modus operandi* of the organization (Agarwal & Malloy, 2002; Dickson, Smith, Grojean, & Ehrhart, 2001; Mayer, Kuenzi, & Greenbaum, 2010; Toleikiene, Slaboseviciute & Sapiegiene, 2014; Torabian & Davoudi, 2016; Victor & Cullen, 1987). Ethical climate created through ethical leadership stimulated employees’ job satisfaction (Toleikiene, Slaboseviciute, & Sapiegiene, 2014; Torabian & Davoudi, 2016), and employees’ job satisfaction played the mediating role between ethical leadership and organizational success.

The underpinning epistemological foundation for the study was social constructionism, while the theoretical perspective of the study was post-positivism. Social constructionism is the understanding or perception that knowledge or realities are contingent upon social relation and human interaction; as such, meaning making is contextualized (Honderich, 2005). Post-positivism, against the positivist’s assumption of achieving the objective account of reality, maintains that only partially objective accounts of the world are possible; so, though reality exists, it can only be imperfectly known and articulated (Guba, 1990). These philosophical foundations informed the use of mixed methods, drawing from both quantitative and qualitative methodological processes in collecting and analyzing data (Creswell, 2013). In the light of the utility company that was employed in this study, the organizational theory is rooted in the rational systems perspective. Rational system theory was important in conducting the study within the institutions, given that attention was on the normative structures of the organization that were informed by the specificity of goals and the formalization of rules and roles (Scott & Davis, 2003). This organizational theory, the epistemological paradigm and the
theoretical perspective influenced the methodology and method of the study just as they
gave insight into the guiding research questions and the hypotheses of the study. The
result generated from this study revealed that leadership indeed matters, and ethical
consideration cannot be decoupled from effective leadership and organizational success.
The result further stressed the benefits of ethics and ethical leadership to organizations
and as a surety to improved performance and organizational sustainability.

**Research Questions**

Given that this study adopted mixed methods as the methodological paradigm, the
overarching research question was: How does ethical leadership relate to organizational
success through employees’ job satisfaction? For the qualitative part of the study, the
sub-questions consisted of:

1: Does employees’ job satisfaction as promoted by ethical leadership result in
satisfied customers?

2: Does employees’ job satisfaction as promoted by ethical leadership lead to
financial profitability?

The quantitative slant of the study was also guided by two hypotheses:

H₀: Ethical leadership is not related to employees’ job satisfaction.

H₁: Ethical leadership is related to employees’ job satisfaction.

**Conclusion**

As has been explored above, leadership is desperately crucial (Bennis, 2007). Leadership
is a social activity. No one can be a leader in isolation (Rustow, 1970). Leadership by its
nature is relational and processual (Antonakis & Day, 2018; Baker, 2001; Bass, 2008;
Bennis, 2009; Burns, 2010; Drath, 2001; Grint, 2011; Kakabadse & Kakabadse, 1989;
Maxwell, 2008; Rost, 1991; Schein, 2010). As such, how leadership impacts on the entities and context of this relationship become crucial to its effectiveness and appreciation. Unfortunately, over the millennia, unethical and ineffective leaders have portended unnerving and infelicitous consequences for the human community (Bennis, 2007). Ethics cannot be decoupled from leadership without more of these unnerving and infelicitous outcomes.

To sum up, this study investigated how ethical leadership, through the mediating role of employees’ job satisfaction, promoted organizational success. Organizational success focused on customers’ satisfaction and financial profitability. Informed by the conceptual framework of the study and the research questions, the subsequent chapter is a review of related literature on first, the three main components of the study namely, leadership, ethics, and organizational performance. Then, ethical leadership was appraised in the context of organizational leadership with variant styles such as Trait leadership, Transformational leadership, Leader-Member-Exchange, and Servant leadership. The uniqueness of ethical leadership was reviewed in the light of its characteristics, historical development, and its theoretical foundation. Employees’ job satisfaction was examined to understand how it could facilitate in promoting customers’ satisfaction and financial profitability.
Chapter Two Literature Review

*If I have seen further than others, it is by standing on the shoulders of giants.* (Isaac Newton, 1642-1727)

In literature review, researchers build upon the scholarship of those who have come before so as to provide an up-to-date understanding of the subject and identify significant issues that present themselves for further research and by so doing, bridge the gap in current understanding of the subject (Gary, 2018). Progressive development in human knowledge builds on a prior knowledge. The field of academic research is dominated by the Newtonian idea of seeing further by standing on the shoulders of giants. The perceptive acuteness of any research is rooted and enhanced by the magnitude of the giants’ shoulders a researcher/research stands on. Understanding these giants and their related context becomes very important in a research. A literature review is an explorative engagement that allows the researcher to better understand and appreciate the giants on whose shoulder a researcher/research stands on.

Machi and McEvoy (2012) posited that a literature review logically presents a written argument that promotes the position of a research project by building a case from credible evidence based on previous research. Gray (2018) maintained that to advance human collective knowledge, researchers have to understand what has gone before in the area of their investigation. “The literature review, therefore, describes the history of the topic and key literature sources, illustrating major issues and refining the focus of the research in a way that can ultimately lead to one or more research questions” (Gray, p. 56). Reviewing prior knowledge in a field of research becomes the way researchers understand the essence and relevance of their research so as to answer the research
question or fill the noticed vacuum in their area of investigation. Machi and McEvoy (2012) defined literature review as the written argument that logically presents a case based on a comprehensive knowledge of the current state of the topic of study to establish convincing thesis that will answer the research questions. In this chapter, I examined related literatures regarding the topic of the research to better address the research questions and attain the purpose of the research.

The purpose of the study as examining how ethical leadership, through the intervention of employees’ job satisfaction, enhanced organizational success, I reviewed literatures relevant to ethical leadership, employees’ job satisfaction and organizational success. However, to create the foundational background for this review, I examined the construct “leadership,” the domain of ethics, and formal organizational focusing on organizational success. I then reviewed four value-based and contemporary organizational leadership styles which ethical leadership is part of. This built into the exploration of the features and theoretical foundation of ethical leadership as related to employees’ job satisfaction and organizational success.

**The Construct “Leadership”**

Leadership discourse and literatures are characterized by several constellations of competing conceptualizations, theories and approaches that emphasize a disarray and deficient valuation of the essence and urgency of leadership (Küpers & Weibler, 2008). Some leadership literature, leadership scholars, and even practitioners assume leadership is anything anyone wants to say it is; as such, leadership has come to mean all things to all people (Rost, 1991). The corollary of this predisposition is that sometimes, little effort is made to define or articulate what precisely leadership is. As such, leadership becomes
whatever a scholar or practitioner terms it, resulting in multiplicity of unaligned conception of what leadership means (Bass, 1990; Bligh, Kohles, & Pillai, 2011; Burns, 2003; Daskal, 2016; Küpers & Weibler, 2008; Northouse, 2016; Podolny, Khurana, & Besharov, 2010; Prentice, 2004; Rost, 1991; Stone & Patterson, 2005; Stogdill, 1974). Roach (2004) exclaimed, “Leadership is difficult to explain” (p. 12). Meindl, Ehrlich, and Dukerich (1985) claimed, “The concept of leadership remains largely elusive and enigmatic” (p. 161). Perhaps this is part of definitional permissiveness and relativity of most social science constructs like leadership (Bolden, 2010; Rost, 1991). Washbush (2005) affirmed, “. . . if everything is leadership, then logically nothing is leadership” (p. 1078).

Furthermore, literatures are questioning whether leadership is not a misnomer and if leadership is not the romanticizing of social engagement within an organization or a social group and, as such, deserves less attention (Alvesson, 1996; Baker, 2001; Bligh et al., 2011; Bolden & Gosling, 2006; Crevani, Lindgren, & Packendorf, 2009; Erickson, Shaw, Murray, & Branch, 2015; Lieberson & O’Connor, 1972; Meindl & Ehrlich, 1987; Meindl, Ehrlich, & Dukerich, 1985; Schneider, 2002; Schyns & Schilling, 2013; Uhl-Bien, Marion, & McKelvey, 2007; Washbush, 2005). Barker (1997) explained, “We have become mired in an obsession with the rich and powerful, with traits, characteristics, behaviors, roles, styles, and abilities of people who by hook or by crook have obtained high positions, and we know little . . . about leadership” (p. 434). It appears that at the root of this dubiety and debate is the focus on the effectiveness of leadership as a social reality with less effort at critically evaluating the ontological reality of leadership, the essence of leadership and the urgency in cultivating an effective leadership for the good
of the human community (Thomas, 1988). The ontological nature of leadership explains its importance. The effectiveness of leadership or otherwise in a context does not obliterate its overall essence.

In a well cited critique of the leadership construct, Lieberson and O’Connor’s (1972), stated in the purpose of their study: “A key research issue is simply to determine the relative importance of leadership and organizational environment for organizational outcomes. How much variance in organizational performance can be attributed to persons in top leadership roles” (p. 118)? Meindl et al. (1985) maintained, “In our view, the social construction of organizational realities has elevated the concept of leadership to a lofty status and level of significance . . . The imagery and mythology typically associated with the concept is evidence of the mystery and near mysticism with which it has been imbued” (p. 78). In the same vein, Bligh et al. (2011) asked, “When does leadership matter? How influential are leadership behaviors? What biases emerge in the perception of leadership? . . . [R]omance of leadership . . . offered an unconventional, even radical approach that challenged us to critically examine the prevailing evidence for the importance of leadership” (p. 1058). Meindl (1995), in a later work, explained that the notion of the romance of leadership has been misconstrued as a justification for abandoning the study of leadership or as an anti-leadership approach. He clarified, “The romance of leadership notion embraces the phenomenological significance of leadership to people’s organizational experience” (p. 330). He further insisted, “It loosens traditional assumptions about the significance of leaders to leadership phenomena. Despite recognition of the importance of leadership, however, there remains a certain mystery as to what leadership actually is or how to define and consume it” (p. 330).
Therefore, an attempt at the conceptualization of leadership is necessary to buttress the ontological nature of leadership as a relational, contextual, and processual construct. It is the process of leadership that makes leadership what it is and not the leader (Baker, 2001; Heifetz & Linsky, 2002; Hollander, 1978; Rost, 1991; Northouse, 2016). In an indefatigable defense for the definition and conceptualization of the concept ‘leadership’ against the eclectic and amorphous description of this construct, Rost (1991) insisted, “It is time for a reconceptualization of leadership based on clear, consistent, and easily identifiable criteria that can be used by scholars and practitioners alike in assessing whether some process or activity qualifies as leadership” (p. 17). Though it may be an illusion to have an all-embracing and unanimously accepted definition and conceptualization of this construct, an attempt in this direction was fittingly worthwhile for this study. Baker (1997) rhetorically asked, “How can we train leaders if we do not know what leadership is” (p. 343)? How would one investigate a particular style of leading and being without a conceptualization of what leading entails; that is, without understanding what leadership is and the nature of leadership? Antonakis, Cianciolo, and Sternberg (2004) captured this dilemma as they contended, “Analogously, leadership researchers have struggled for most of the last century to put together an integrated, theoretically cohesive view of the nature of leadership, invariably leading to disappointment in those who studied it” (p. 4). However, Antonakis et al. insisted, “Nowadays, our accumulated knowledge allows us to explain, with some degree of confidence, the nature of leadership, its antecedents, and its consequences” (p. 4). Therefore, the conceptualization of leadership is possible.
Meaning of Leadership

Etymologically, the root word of leadership, “lead,” has a history of progressive transmutation both in form and meaning, from its origin around 800 A.C.E. to “leadership” in the mid-19th Century (Grace, 2003). According to Kelly (2014), the etymology of the word “leadership” is fairly modern; its first known use was in 1821 when the suffix “ship” denoting the position of a leader was added to the Old English word *lædere*, as one who leads, from the noun *lædan*. Kelly maintained that the closest Latin etymological equivalent of the word “leadership” is *ducere*. In this ancient relative sense, *ducere* would connote words like direction, guidance, transformation, facilitation, orchestration, servitude; and most of these connotations can be traced to a leadership theory. Tracing the etymological root of the word, Rost (1991) maintained, “The verb ‘to lead’ comes from the Old English word *leden* or *loedan*, which meant ‘to make go,’ ‘to guide,’ or ‘to show the way,’ and the Latin word *ducere*, which meant ‘to draw, drag, pull; to lead, guide, conduct’” (p. 38). Grace pointed out that Oxford English Dictionary’s first entry of the word *lead* was in 825 A.C.E., with its meaning, “to cause to go along with oneself, to bring or take (a person or an animal) to a place” (p. 64) but the definition of lead that is closer to the modern sense of *leadership* appeared in 1225 A.C.E. with the meaning, “to guide with reference to action and opinion; to bring by persuasion or counsel to or into a condition; to conduct by argument or representation to a conclusion; to induce to do something – said of persons, circumstances, evidence . . . ” (Grace, p. 64). Discernible from these etymological analyses is that leadership as a concept involves an initiation of an action by an agent towards another agent, the
receiver; it is a transitive verb and has implication outside the actor-agent. Again, leadership is a word with multiplex meaning; it does not have a singular semanticity.

In a meta-analytic study, Rost (1991) examined the lexical background of the different dictionary definitions of leadership from 1755 to the late 20th Century. He arrived at the conclusion that historical events correlated to the introduction, definition, delineation, and recursive redefinition of the concept “leadership”. However, he argued that at the root of these definitions was the association of leadership with specific traits. Therefore, leadership, instead of being a relational and processual event, was defined in relation to an office and ability to lead. As such, the concept of leadership as it is understood today, that is, as a descriptive expression of a lived experience, emerged in the 20th Century. Nevertheless, as a lived experience, leadership has been the evidence of human gregariousness and the ordering of divergent and sometimes, conflicting human interests within a social group (Seligman, 1950). “Leadership, as we experience it, is a continuous social process” (Baker, 2001, p. 472). Bass (2004) argued that leadership is a universal phenomenon built into the psyche of human beings as dependent beings. As such, we enter the world depending on our parents for survival and support, for protection and provision. We grow out of that to become dependent on our leaders and our social structures as means of survival and support, and for our protection and provision. Mumford (1909) argued that leadership originates wherever there are interactions of individuals or groups notwithstanding the aim of this interaction. Leadership is understood by some as a universal function of association and a social process that is basic to all living organisms (Antonakis, Cianciolo, & Sternberg, 2004; Bass, 2008; Mumford, 1909).
Van Vugt (2006), synthesizing evolutionary and psychological literatures on leadership, maintained that evolution theory offers an integrative framework for the origin of leadership. Leadership and followership, he argued, is the product of adaptation that have emerged in human evolution history. King, Johnson, and Van Vugt (2009) demonstrated with examples drawn from literatures on animal and human behaviors that leadership originated as a solution to the problem of collective action and it is central to the evolution of human cooperation and coordination. They argued that there is a phylogenetic consistency between the human and the non-human, showing that leadership emerged as a mechanism to solve group coordination problems and out of the need to foster collective action when there is significant conflict of interests. Regarding human beings, the social complexity of societies warranted a more formalized and robust leadership to manage complex intra and inter group relations. “Thus, leadership probably has a long evolutionary history. It may have emerged as a solution to specific group coordination challenges – group movement, intragroup conflict, and intergroup competition are prime candidates” (Van Vugt, Hogan, & Kaiser, 2008, p. 184). As concerns the origin of leadership from the studies of non-human interaction, the above cannot be hastily generalized to the complexity of human interaction. However, leadership as a social process may have originated or emerged in the quest to better align and coordinate conflicting human interests for the harmonious existence of all within a social configuration.

**Origin of leadership**

Much as it may be traced to have emerged and functioned as the fulcrum of human cooperation, coordination, and social interactions, leadership has been part of
human history and has existed in all cultures (Dorfman & House, 2004; Grint, 2011; Rost, 1991; Stones & Patterson, 2005). Grint (2011) maintained, “... all organizations and societies of any significant size and longevity have had some form of leadership, often, but not always, embodied in one person...” (p. 3). For a non-literate culture, preservation of leadership literature was challenging given that what tended to survive for a long time were material texts and artifacts rather than oral narratives (Antonakis, Cianciolo, & Sternberg, 2004; Bass, 2008; Grint, 2011; Yammarino; 2013). Yet, the vestiges of preliterate narratives from archeological evidence and aphoristic statements dating back to ancient and classical times give credence to the ubiquity and the universality of leadership engagement across cultures and time-periods (Antonakis et al., 2004; Bass, 2008; Grint, 2011; Van Vugt et al., 2008). Egyptian hieroglyphs, Sun Tzu’s aphorism as contained in *The Art of War*, Plato’s *Republic*, Machiavelli’s *The Prince*, Kautilya’s *The Arthasasatra*, are manifestations of the existence of leadership consciousness and discourse prior to the 20th Century (Grint, 2011).

Leadership as a subject of study and investigative analysis began in the early 20th Century (Grint, 2011; Hogan, Curphy, & Hogan, 1994; Northouse, 2016; Smircich & Morgan, 1982; Stone & Patterson, 2005). Carlyle’s (1841) *Heroes and Hero Worship* extolled the traits and role of Great Leaders of his time; in that way, Carlyle became the first thinker and contributor to the corpus of leadership literature in modern times (Grint, 2011). Galton’s (1892) *Hereditary Genius* examined leadership traits in the families of powerful and influential people of his time and concluded that leadership was a consequence of hereditary constitution. Subsequently, the conceptualization of leadership as a domain of intellectual discourse received a boost with the works of Mumford (1909)
who addressed the origin of leadership; and then Gantt’s (1916) work that explored industrial leadership through Taylor's scientific management theory (Friedman, 2010). In tandem with the logical and systematized approach to the reality of the modern era, an era where scientific breakthroughs were changing the world and the eugenics philosophy started to hold sway, much of this early literature focused on traits, the rule of thumb and perceivable characteristics of leadership (Grint). It was not until the global crisis ignited by bad leaders and leadership beginning with First World War, followed by fascism, dictatorship, authoritarianism and the Second World War that attention started to shift from leadership traits, and charismatic leaders, great leaders and born leaders to the processual, relational and contextual aspects of leadership, focusing on common good (Rost, 1991). A loose compartmentalization, logical presentation and streamlining of the trajectory of leadership discourse does not reflect the very complex nature of leadership discourse; but there was indeed, a paradigm shift in the late1940s, when articulating and defining leadership beyond the individual’s traits became expedient (Rost). This struggle to capture and encapsulate what exactly leadership is, remains a nagging one (Bennis, 2009).

**Definition of Leadership**

Syrett and Hogg (1992) observed that leadership as a concept and a subject is endless and endlessly interesting too; one can never fully get his or her conceptual arms around it. Antonakis et al. (2004) insisted that despite the absence of a unanimously accepted and all-embracing conceptualization, a broad definition of leadership is necessary before introducing leadership as a domain of scholarly investigation. As defined by Tannenbaum, Weschler, and Massarik (1961), “Leadership is an interpersonal
influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals” (p. 24). For Stogdill (1974), “Leadership is the initiation and maintenance of structure in expectation and interaction” (p. 411). According to Hersey and Blanchard (1988), “Leadership is the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation” (p. 86). Bass (1990) maintained, “Leadership is an interaction between two or more members of a group that often involves a structuring or restructuring of the situation and the perceptions and expectations of the members. Leaders are agents of change . . .” (p. 19). Bass further explained, “Leadership occurs when one group member modifies the motivation or competencies of others in the group” (p. 20). Cohen (1990) stated, “Leadership is the art of influencing others to their maximum performance to accomplish any task, objective or project” (p. 9). Defined by Rost (1991), “Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes” (p. 102).

In a well-researched analytical review and evaluation of major theories of leadership that summarized the findings from empirical research on leadership, Yukl (1989) defined leadership as “influencing task objectives and strategies, influencing commitment and compliance in task behavior to achieve these objectives, influencing group maintenance and identification, and influencing the culture of an organization” (p. 253). The Globe defined leadership as “the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization” (House & Javidan, 2004, p. 15). Yukl and Uppal (2017) maintained that leadership is the process of influencing, motivating, and enabling others to continue toward the
effectiveness and success of the organization or social group to which they belong.

Schermerhorn, Hunt, Osborn, and Uhl-Bein (2010) conceived leadership to be a process of influencing others to understand and agree on what needs to be done; facilitating individual and collective efforts to achieve common goals. Robbins and Judge (2013) saw leadership “as the ability to influence a group toward the achievement of a vision or set of goals” (p. 368). According to Northouse (2016), “Leadership is a process whereby an individual influences a group of individuals to achieve common goal” (p. 6).

Antonakis and Day (2018) maintained,

Leadership is a formal or informal contextually rooted and goal-influencing process that occurs between a leader and a follower, groups of followers, or institutions. The science of leadership is the systematic study of this process and its outcomes as well as how this process depends on the leader’s traits and behaviors, observer inferences about the leader’s characteristics, and observer attributions made regarding the outcomes of the entity led. (p. 5)

There are connecting threads and underpinning themes in most of these definitions: (1) Leadership is a process. (2) Leadership necessitates influencing others. (3) Leadership gears towards the better attainment of a mutually shared goal. (4) Leadership is a relational affair. As a process, leadership is a methodical engagement; it eschews anarchy and arbitrariness (Baker, 2001; Bass, 2008; Bennis, 2009; Burns, 2010; Crawford, Brungardt, & Maughan, 2005; Crevani, Lindgren, & Packendorff, 2010; Kouzes & Posner, 2012; Maxwell, 2008; Reicher, Haslam, & Hopkins, 2005; Robbins & Judge, 2013; Northouse, 2016). However, being a process does not imply that leadership is a mechanized, recipe-like construct. It is not simply a matter of leaders, or even of
leaders and followers but an interactive social engagement (Reicher, Haslam, & Hopkins, 2005). As a process, leadership goes beyond the positional role of the leader; it is a construct relevant to the context and to all involved in the engagement (Schermerhorn, Hunt, Osborn, & Uhl-Bein, 2010). Leadership seems to be based on influence in multidirectional ways that are noncompulsive and noncoercive between the leader and the collaborators (Cohen, 1990; House & Javidan, 2004; Hersey & Blanchard, 1988; Yukl & Uppal, 2017; Rost, 1991). Leadership deals with how the leader inspires, motivates, and persuades the followers or collaborators towards a purposeful action (Greenleaf, 1996; Northouse, 2016). The connecting cord between the leader and the followers or collaborators is the influence that gets the collaborators to align their will and action with that of the leader. According to Rost (1991), leaders and followers develop mutual purposes that become common as they are forged in a noncoercive influence relationship. This common or mutual purpose under the influence of leaders, inspires, influences, and motivates the collaborators towards its attainment (Baker, 2001; Bass, 2008; Bennis, 2009; Burns, 2010; Daft, 2008; Oc & Bashshur, 2013; Rost, 1991; Kirkpatrick & Locke, 1991). Leadership is a relational affair (Baker, 2001; Bass, 2008; Bennis, 2009; Burns, 2010; Crawford, Brungardt, & Maughan, 2005; Crevani, Lindgren, & Packendorff, 2010; Kouzes & Posner, 2012; Kirkpatrick & Locke, 1991; Maxwell, 2008; Northouse, 2016; Reicher, Haslam, & Hopkins, 2005; Robbins & Judge, 2013; Rost, 1991). Ladkin maintained that leadership does not exist apart from the individuals who are engaged and involved in any leadership dynamics, it does not exist outside a particular community or history. She insisted that leadership is best described as a moment of social relations.
These characteristics informed the nature and understanding of leadership as was employed in this study.

**The Domain of “Ethics”**

Exploration into ethical leadership calls for an understanding and appreciation of how ethics is pivotal to social engagement and human flourishing. This understanding and appreciation necessarily require the examination of the origin, meaning and historical development of ethics as the background field from which the emergence of ethical leadership has to be understood. Beginning with the Greeks, ethics and ethical concerns have captivated all human histories and epochs.

**Origin and Meaning of Ethics**

Etymologically, ethics originated from the Greek word *ēthos* (noun) meaning ‘custom,’ ‘manner,’ ‘character,’ ‘habit,’ and *ēthikos* (adjective) (Etymonline.com, 2018). This refers to enduring character that calls an individual as a moral agent to appropriate and prudent action, relating to standards for judging the rightness or wrongness of human conduct (Benn, 1998; Garvin, 1956; Moore, 1965; Pepper, 1960; Thiroux, & Krasemann, 2017). Lillie (1961) defined “ethics as the normative science of the conduct of human beings living in societies – a science which judges this conduct to be right or wrong, to be good or bad, or in some similar way” (p. 2). Taylor (1975) maintained that ethics could be defined as the philosophical inquiry into the nature and grounds of morality. Navia and Kelly (1980) avowed that ethics starts with the decision to look upon actions and events from the standpoint of right and wrong, good and evil, moral value and moral disvalue; it involves the resolution to seek the truly valuable in life and conduct one’s life accordingly. Maguire (2010) stated, “Ethics is the art/science that seeks to bring
sensitivity and method to the discernment of moral values” (p. 67). For Rich (2013), “ethics is a systematic approach to understanding, analyzing, and distinguishing matters of right and wrong, good and bad and admirable and deplorable as they relate to the well-being of and the relationships among sentient beings” (p. 4). Trevino and Nelson (2014) defined ethics as “the principle, norms, and standards of conduct governing an individual or group” (p. 18).

Ethics is often used interchangeably with morality (Johnson, 2015; Lillie, 1961; Maguire, 2010; Pojman, 1998; Rich, 2013; Taylor, 1975). “Morality” as a word, was coined by Cicero to translate the Greek ethikos (ethics) into Latin and was used to mean character or temperament, which may be good or bad and that is attributable to a person within a society (Etymonline.com, 2018). According to Navia and Kelly (1980), the term ‘morality’ is used as an embracing name for moral judgments, standards, and rules of conduct. Morality deals with values relating to human conduct, with respect to the rightness and wrongness of actions, and the goodness and badness of motives and ends; while ethics pertains to or is concerned with the principles of right conduct or the distinction between right and wrong which transcends culture, religion, and time (Sheraton, 2017). There is a sense that ethics refers to rules or standards provided by an external source while morality refers to an individual’s principles or standards regarding what is right and wrong. As emphasized by Johnson (2015), the distinction is usually drawn between these concepts based on their etymology. In line with this distinction, ethics has been conceived to be a systematic study of general principles of right and wrong behavior while morality describes specific, culturally transmitted standards of right and wrong (Bracci & Christians, 2002). But Johnson explained, “Maintaining this
distinction is becoming more difficult, however. Both ethics and morality involve
decisions about right and wrong” (p. xxix). Therefore, I employed both terms
interchangeably to mean the same thing; but where differentiation was necessary for
clarity and emphasis, it was indicated. Ethics, when considered broadly is about how we
ought to live our lives and this will entail both self-regarding and other-regarding
practical concerns and principles about right and wrong (Shoemaker, 2016).
Consequently, ethics or morality in this study signified a virtuous act or life that would
elicit from the individual the desiring and acting favorably towards others. It is essentially
about the appropriateness of human acts and good living within a social milieu.

Classification of Ethical Theories

The lack of acceptable ethical frameworks to facilitate social interaction and enact
policies for communal engagement has challenged ethicists to initiate conceptualizing
ethical models and frameworks (Rost, 1995). There is no all-embracing categorization of
ethical frameworks, which is acceptable to all ethicists; every classification is legitimate
enough as long as it serves a purpose (Gibson, 2014; Hudson, 1910). However, ethical
theories or frameworks can be broadly categorized into three main subgroups; namely,
normative ethical theories, applied ethical theories and meta-ethical theories.

Normative ethics articulates ethical codes and provides justifiable and reliable
principles and reasons to ascertain what is morally good or bad; it provides general
principles that have relation to valid ethical values (Brandt, 1959). According to Pepper
(1960), “Ethics is a normative study simply because it explicitly includes, and, in fact,
stresses, the study of the norms or criteria by which human decisions are distinguished”
(p. 4). Normative ethics is an inquiry aiming to state and defend as valid or true a
complete set of general ethical principles that are essential and foundational for the
effective functioning of human institutions (Brandt). Normative ethics is an expression of
standards and acceptable moral behavior (Spier, 2002).

Metaethical ethicists do not make any moral claims; rather, they rationally engage
in moral narratives to ascertain the correctness or cogency of moral convictions (Copp,
2006). Metaethical ethics is an analytical exploration of the moral values, concepts, and
principles, to ascertain the nature and characteristic components of morality (Spier,
2002). It examines the nature of moral language, how it is employed, and it questions the
meaning of moral utterances; it equally employs epistemological tools to question the
knowledge claims involved in ethical issues (Gibson, 2014). So, it looks at the overall
meaning of moral language and how it is employed as an ethical concept.

Applied ethics focuses on how different moral problems, practices, and policies of
human living, social engagement, and the inhabited world are treated and dealt with
through the lens of ethics (Oderberg, 2000). Applied ethics, sometimes called practical
ethics, applies the principles of ethical theory to a given area, situation, or case; it makes
an argument about how we ought to behave in specific situations (Gibson, 2014).

Ethical theories can also be categorized as consequential and non-consequential
(McGlynn & Toner, 1962). This categorization of ethical theories focuses on the outcome
and source of the moral theory. Consequential ethical theories consider the outcomes or
the end in determining the morality of an act, while non-consequential ethical theories
define morality based on the source; for instance, whether morality is God’s law, natural
law, or a sense of duty (Thiroux & Krasemann, 2017). Ethical theories can equally be
categorized into deontological and teleological; deontological ethical theories focus on
duty, on the rightness or the wrongness of ethical decisions irrespective of the consequences, while teleological ethical theories look at the purpose, the end or ultimate goal of an ethical decision (Traer, 2013). In the light of this categorization, deontological ethical theories may be considered as non-consequential ethical theories while the teleological theories could be seen as consequential ethical theories. Figure 2 below represents these classifications of ethical theories.

Source: Traer, 2013, p. 17

Figure 2. Branches of ethical theories

This Traer classification of ethical theories was the preferred categorization in this dissertation. This categorization better aided the appreciation of ethical leadership as a domain of leadership theories. Still, it will be interesting to point out that ethical leadership is now a distinctive theoretical consideration; it has become a unique way of leadership that involves the intersection of ethics and leadership. In as much as the questions of leadership are questions of ethics, ethical leadership might be considered as an offshoot of ethics and within the purview of applied ethics (McCoy, 2007). Leadership concerns cannot be decoupled from ethical considerations, given that ethics is inherently at the background of human living and social interaction (Bellingham & Cohen, 1990;
Ethical leadership has emerged from becoming an intersection between ethics and leadership to be a distinctive and unique domain in leadership theories, as a way of being and leading (Mendonga & Kanungo, 2007). Ethical leadership is essentially a leadership theory that employs and applies ethical concepts and considerations in leading and influencing others towards the attainment of organizational goals (Martins, 2016). Ethical leadership employs and adheres more to universal standards of moral action (Hitt, 1990; Mihelič, Lipičnik & Tekavčič, 2010; Piccolo, Greenbaum, Den Hartog, & Folger, 2010). It goes beyond subjective and relativistic ethical standards to incorporate meta-ethical considerations that stand irrespective of culture, context, sex, sexual orientation, race, and religion (Hitt, 1990).

**Historical Development of Ethics**

Ethics, as a systematic study of what is morally right and wrong, could have come into existence when human beings began to reflect on the best way to enhance human living and social coexistence (Singer, 2011). The idea of good and bad has been filtered through multiple perspectives (Downs, 2012; Rich, 2013; Taylor, 1975). As explained by Dennett (2007), morality began as human communities started conceptualizing beneficial customs, norms, and practices that will ensure their survival and flourishing. This process of conceptualization is antecedent to ethics as the reflection on the customs, norms, and practices since such reflection presupposes the existence of morality (Dennett, 2007; Rich, 2013). Ethics as a reflection on right and wrong conduct could not have come into existence until human communities or social groups had developed some level of morality (Rich, 2013). Morality could have emerged and became reified as social groups
gradually became aware of behaviors or acts that would enhance their survival and militate against death (Dennett, 2007; De Quiros, 2000, Downs, 2012). Subsequent to this understanding was the realization that mutual aid preserved an individual much as it preserved his or her fellow (Kropotkin, 1922). Yet, morality has equally been thought to be of a divine origin; moral instinct in human beings has divine origin (Kropotkin, 1922; Pojman, 1998; Rich, 2013; Sacks, 2016). In fact, the two-prong arguments as regards the origin of morality are (1) Divine origin, for the preservation of order and (2) Human origin, as means of greatest satisfaction and the preservation of life (Kropotkin, 1922; Rich, 2013).

The Greeks and Ethics

The formalization of ethics as an intellectual corpus and as a discipline can be traced to the Greek philosophers, beginning with the patchy works of the Sophists, and the ethical discourse of Socrates, Plato, and Aristotle (Collins-Chobanian, 2005; Keyser, 1918; Kropotkin, 1922; Pojman, 1998; Sterba, 2000; Taylor, 1975). The Sophists in fifth century B.C may be regarded as the pioneers of ethical discourse (Keyser, 1918; Rogers, 1911). One of their members, Protagora, is credited with the saying “Man is the measure of all things”, which became a dictum for expressing the ethical relativism or the principle of subjectivity of moral principles (Rogers, 1911). The Sophistic movement is important in the history of ethics because it (ethics) started as a way of challenging conventional theories of knowledge and morality and the Sophists also were the first to distinguish ethics as a methodical search for the highest human good from other inquiries (Rogers).
Socrates. Against the Sophistic principle of subjectivity, Socrates taught that virtue and human well-being are subject to immutable laws independent of the changing choices of individuals (Rogers, 1911). Socrates grounded ethics in knowledge, maintaining that virtue is knowledge and ignorance is the source of all vice; as such, rational knowledge leads to virtuous living (Keyser, 1918; Navia & Kelly, 1980). Socrates essentially taught that social good was an end worth pursuing for its own sake, and his devoted life and death epitomized that conviction (Rogers, 1911; Keyser, 1918). One obvious criticism of Socratic ethics is “To identify knowledge and morality, or to make the former the sole basis of the latter, is manifestly wrong, for experience teaches that mere intellectual culture is not sufficient to ensure a truly ethical life” (Keyser, 1918, p. 44). Perhaps Socrates did not fathom the enormity of human perversity and the danger of a lawless will (Keyser, 1918; Kropotkin, 1922).

Plato. Inspired by Socrates, Plato brought to the fore the conflict between social good as emphasized by Socrates and individual good or interest rooted in the Sophistic movement (Rogers, 1911). Also, he bequeathed the world of ethics with its fourfold classification of the virtues; namely, wisdom, courage, temperance, and justice, in which justice is the highest of the cardinal virtues (Keyser, 1918; Marino, 2010; Navia & Kelly, 1980; Rogers, 1911; Sterba, 2000). His philosophical and political thoughts, as made evident in his Republic and Euthyphro, emphasized his ethical position. The Republic is a perfect State where universal justice may find expression, and this universal justice should be the desire of all, because with it comes the well-being of all. As such, the ideal ruler is a possessor of wisdom since justice is wisdom realized in the society (Rogers, 1911).
Aristotle. Aristotle held that the proper goal or the ultimate end for human beings is happiness (eudaimonia), and the only way to attain this is to cultivate moral virtue (Rogers, 1911; Kenny, 1998; Keyser, 1918; Marino, 2010; Navia & Kelly, 1980; Sterba, 2000). Moral virtue makes it possible for an individual to choose and act well; choosing and acting well is the mean or middle ground between excess and defect (Collins-Chobanian, 2004; Inwood, 2014; Kenny, 1998; Marino, 2010). So, for Aristotle, ethics “. . . is about feelings and actions, in which excess and deficiency are in error and incur blame, whereas the intermediate condition is correct and wins praise . . . Virtue then, is a mean, insofar as it aims at what is intermediate” (Aristotle, #13, p. 24). He ascribed tremendous significance to reason in the development of an individual, for it is the reason that restrains the passions, and it is still through reason that we understand that striving for the good of society gives a much higher, more beautiful happiness than striving for the satisfaction our own impulses (Kropotkin, 1922). It was the view of Aristotle that obedience to the laws of the state is the perfection of social virtue, which promotes justice for in remaining submissive to the state laws the individual good is attained; so, the state takes preeminence over the individual (Marino, 2010). Political science is to be revered because it deals with the good of the state, which is greater, more perfect, and crucial than the good of any single individual (Rogers, 1911). Perhaps one of the significant contributions of Aristotle to ethical discourse lies in his virtue ethics as expounded in the Nicomachean Ethics. Therein, Aristotle laid out a system of virtue ethics that remains the launching pad and model for most virtue ethicists (Solomon, 1999). Virtue, areté, translated as excellence, is the mean between extremes. It is the state in which someone, an item, or an object, etc. performs the function well so as to achieve its good; as such,
every virtue puts the possessor in a good state and causes the possessor to perform its function well (Irwin, 2007). Virtue allows individuals to live well in communities so as to achieve *eudaimonia* – happiness (Pojman, 1998). Virtue ethics, then, considers ethics from the dimension of excellent moral character individuals ought to possess, that would allow them to function well and honorably in the face of ethical challenges so as to attain happiness (Tännsjö, 2009).

After Aristotle came the Stoics and the Epicureans in the third century B.C., as contributors to Greek ethical discourse. For the Stoics, founded by Zeno of Citium, human beings must live in accord with their intelligence and abilities, for in such lies the greatest happiness; inner freedom, not the pursuance of external benefits like wealth and honors (Kenny, 1998; Kropotkin, 1922). The maxim of Stoicism was, ‘virtue for virtue’s sake’; virtuous character and conduct was the highest good and sorrow, if it occurs in the pathway of duty and rectitude, is to be borne with heroic and uncomplaining fortitude (Kropotkin). The Stoics maintained that whatever cannot be avoided must be endured (Keyser, 1918). They held that a happy life necessitates inner courage, the loftiness of soul, heroism and social solidarity (Kropotkin).

The Epicureans founded by Epicurus aimed at making happiness possible by removing the fear of death; and for them, at the basis of human conduct, should be that which gives the highest satisfaction (Kenny, 1998; Kropotkin, 1922). They spurned the illusory role of religion in instilling fear of death on human beings, as it presents the prospects of suffering and punishment after death (Kenny). For the Epicureans, “Happiness is freedom from evil; but this freedom cannot be attained unless the life of each individual is in accord with the interests of all” (Kropotkin, 1922, p. 65).
The Greeks not only set the stage for ethical discourse but made enormous and lasting contributions to our current understanding of ethics (Downs, 2012; Rich, 2013; Rogers, 1911; Keyser, 1918; Marino, 2010; Navia & Kelly, 1980; Sterba, 2000; Trevino & Nelson, 2014). Central to their phenomenal contribution is what guarantees human goodness, fulfillment, and happiness. The ethical portal was opened by the Sophists’ emphasis on the principle of subjectivity, which gave credence to ethical relativism with the good of the individual being given an overriding preeminence over the interest of the community. The three subsequent ethicists – Socrates, Plato, and Aristotle – opposing Sophists’ principle of subjectivity, made a concerted effort to locate goodness and satiation of individuals’ interests in the context of their community. Important to the Greeks was the correlation between human knowledge or reason and virtue or morality. So, the Greeks saw the sources of ethics in the natural tendencies of human beings, especially in their reasoning capability; they never saw the source of ethics or morality as external to the human person or through the supernatural forces (Kropotkin, 1922).

**Religious ethics rooted in divine absolutism (Middle Ages – Renaissance)**

Some ethicists believe that at the root of morality is religion and that religion and morality or ethics are inextricably connected (Gibson, 2014; Navia, Kelly, 1980; Vaughn, 2015). After subjecting ethical principles or morality to the bar of human knowledge and reason by the Greeks, an era came where morality was entwined with religion. So, another epoch in the discourse on morality or ethics was ushered in, wherein ethical theories were grounded in the will of God; it was an era of divine absolutism, some scholars argued (Kenny, 1998; Kropotkin, 1922; Marino, 2010). From the perspective of Christianity, Christ did not teach ethics or morality as such (Vaughn, 2015). He modeled
his life on eternal values that won the admiration of his generation, much as his critical challenge and profound reinterpretation of the Judeo-religious moral status quo merited his death (McQuilkin & Copan, 2014). Christian religious ethics and reflection on morality began after the death of Christ, due to the controversies, misunderstanding, and misinterpretation of what Christ stood for (Kenny, 1998; McQuilkin & Copan, 2014). Justin Martyr, Irenaeus, Tertullian, Jerome, St. Augustine, Duns Scotus, and Thomas Aquinas adopted and adapted the philosophical and ethical principles of the Greeks to Christian faith and perhaps exploited the loopholes in their philosophical discourse (Long, 2010; McQuilkin & Copan, 2014).

Prominent among the Christian intellectuals who engaged in this integrative effort were Duns Scotus, St. Augustine, and Thomas Aquinas. Marino (2010) contended, “Substitute God for Plato’s form of the Good, and you have cracked the door open to Augustine’s ethics. As part of His creation, God’s moral law is written into our hearts. Evil stems in part from a disorder in our hearts . . .” (p. 109). In *The City of God*, Augustine articulated his ethical views. For him, “God made all things, yet He did not make evil; and this is because evil is not a thing. Evil is entirely negative. It is not a substance but the corruption of substance, the privation of being” (Pratt, 1903, p. 223). According to Augustine, all human beings desire happiness, and immortality ranks high among the prerequisites for true happiness since nobody can attain happiness in the present life; but if one accepts the present life with a firm hope of afterlife, happiness in the now is attainable (Kent, 2006). Augustine defined virtue as ‘the perfect love of God’, which is manifested in temperance, fortitude, justice, and prudence; God is the core good of humanity, and to reach God is happiness itself (Navia & Kelly, 1980). He insisted on
the autonomy of the will; nothing is good apart from the will, and the highest good for anyone is that which satisfies his or her most fundamental will (Pratt, 1903). Augustine made efforts to both save human freedom and determinism, which can be contradictory terms; to save happiness, which he declared as human supreme good, and God, which he declared as supreme being (Kent, 2006 Pratt, 1903). Essentially, the ethics of Augustine is based on faith in God, for nothing is good in itself but God. Evil for Augustine is because we follow our unruly desires not submitting to the will of God (Marino, 2010).

Like Augustine, the ethical views of Aquinas are a re-adaptation and recalibration of Aristotelian ethical views and perhaps that of Plato (DeYoung, McCluskey, & Van Dyke, 2009; Marino, 2010; Navia & Kelly, 1980; Robinson, 2015). Aquinas’ ethical views are Aristotelian ethics in a Christian cloak. For instance, Aquinas agreed with Aristotle that ethics should have a practical goal and that the life of happiness is the end goal for human beings, but he differed with Aristotle about the nature of the ultimate goal or end of human beings (DeYoung et al., 2009). Whereas Aristotle talked about the flourishing of human rationality as the ultimate end, Aquinas claimed that the ultimate end is the life of intimate union with God.

Aristotle believes that having the right moral character is necessary for the flourishing human life and that the right use of reason will show us what counts as the right sort of moral character. Aquinas believes that we are created in God's image and that we flourish most when our likeness is closest to that image – that is, when we most closely resemble God in the ways appropriate to human beings. (DeYoung, et al., p. 4)
The centrality of Aquinas’ ethical views are his insistence on human conscience as the key to morality as it evaluates the motivation and moral quality of our actions; and his “Golden Rule”: Do unto others as you would have them do unto you (DeYoung et al., 2009; Kropotkin, 1922; Marino, 2010; Robinson, 2015). The four cardinal virtues of Aquinas are prudencia, which helps an individual to employ moral reasoning in decision-making so as to obviate irrational desires and egoism; justitia, that invites us to give others what they have a right to; courage (fortitudo), which is a restraint from fears so as to act rightly; and temperantia, which is moderation according to the golden mean (DeYoung et al., 2009; Kropotkin, 1922).

One of the contributions of Scotus to ethical discourse is his emphasis on human goodness and the importance of focusing on the ethical values rather than the specification of a rule or a behavior (Shannon, 2013; Vos, Veldhuis, Dekker, den Bok, & Beck, 2003). Scotus advocated the contingency of natural law; for him, there is only one absolute moral value, the love of God. For instance, none of the transgressions of the commandments of the Second Table of the Decalogue would constitute an absolute moral evil unless it undermines the love of God (Shannon, 2013). Scotus claimed that there was no reason for God’s willing one thing to be good and another evil; any contingency must come from an undetermined cause which can only be the will itself; that is, the will is the cause of its own freedom (Kenny, 1998). Scotus proposed four divisions of human acts: (1) the natural, which expresses the relationship to the potency that freely elicits the act; (2) the virtuous, which adds to this relationship the virtue that

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1 The Second Table of the Decalogue focuses on the commandments concerning the relationship with the neighbor.
inclines to such an act; (3) the charitable that expresses a relation to charity which
inclines the will to such an act; and (4) meritorious adds a relationship to the divine will
which accepts the act in a special way (Shannon, 2013). Scotus insisted on univocity of
being – that human existence is the same with her essence; in that way, he affirmed that
human person is intrinsically good (Vos et al., 2003). Without undermining God’s will,
Scotus maintained the principle of voluntarism, the free agent and volition of the human
being (Shannon, 2013).

The ethical perspective of this epoch seemed to be rooted in divine absolutism. In
God are to be found the power which brought things into existence, the rationality which
made things intelligible, the purpose which gave moral order to life and the will which
made humans free (Kropotkin, 1922; Navia & Kelly, 1980; Vaughn, 2013). Human
reasoning became a religious tool, but this same tool exposed the ambiguity and
inconclusiveness inherent in religion, making religious truth and claims that which can be
appreciated more through faith (Vaughn, 2013). However, some philosophers, employing
human reasoning, were observing the treacherous trajectory that religion was navigating
with keen interest. The persecution, abuse, and severe oppression the Church meted to the
opposition to her power and her religious cum ethical standards raised serious doubt
about her ethical principles and foundation (Kropotkin). At the end of the Middle Age,
the institutional Church and her leaders were thought to have become an antithesis of
what Christ preached and stood for, and a shift in paradigm was inevitable; reformation
was imminent (Bokenkotter, 1979).
The Modern Era

It may be inexpedient to consider events of human progress or development in a linear historiographical timeframe since different historical epochs usually take place at different speeds in different spheres and at different times in different regions; history follows no clear line (Kenny, 1998). Nonetheless, the modern era is estimated to be a period in history after the middle ages; that is from A. D. 1450 to the present day (Agnes & Guralnik, 2008). Whenever and wherever the modern era took hold, there was usually a manifest rejection of mysticism in favor of materialism; of superstition in favor of science; leadership by divine right in favor of government based on contractual legal principles; of human inspiration and originality in favor of method and repeatability; of moral agency in favor of reflex action; of oral traditions in favor of the printed word, and conditioning as the determinants of behavior (Connelly, 2008). The Scientific Revolution, that began around 1543 with the Copernican Revolution, looked to natural science, mathematics and rationality as the key to the secrets of nature and of understanding the universe; nature came to be interpreted in terms of quantities rather than qualities; whatever that is outside the frame of natural science, mathematics and rationality was considered as secondary, often as irrelevant or unreal (Gilbert, 1998). Science and rationality replaced religion as the conveyor of truth that held more veracity with profound impact in the life of the people.

The Wars of Religion, informed by the 16th Century Christian Reformation, had a more damaging effect on institutionalized religion (Connelly, 2008). The birth of the Enlightenment was not startling, therefore. Scientific methods had already employed science and reasons to explain the universe, against the use of religious doctrines and
dogmas or deference to political authority (Kropotkin, 1922; Outram, 2006). The philosophical contributions of Bacon, Descartes, Rousseau, Locke, Hume, Kant, Voltaire, and many others gave a firm foundation and provided an intellectual pathway for the Enlightenment (Duignan, 2014; Outram, 2006). This periodization had profound permeating ethical effects (Kenny, 1998; Connelly, 2008; Outram, 2006). Three of the most impactful ethical theories within this era and beyond remain Hobbes’s theory of social contract, Kant’s categorical imperative, which emphasizes deontological ethics, and Bentham’s and Mill’s utilitarianism (Outram, 2006).

**Hobbes’ ethical theory.** Hobbes (1588 – 1679) lived during the time of English Civil War and other wars instigated by religious affiliation (Gibson, 2014). Hobbes (1651), in an effort to emphasize the essence of sovereign authority, premised his thesis on human hostilities and feuding in our primitive stage, the state of nature (Piirimäe, 2006). He declared that in the state of nature, human beings are at war with one another and there is continual fear and danger of violent death (Marino, 2010; Pojman, 1998). Hobbes succinctly articulated this state of nature thus: “So that in the nature of man we find three principal causes of quarrel. First, competition; second, diffidence; third, glory. The first makes men invade for gain, the second for safety, and the third for reputation” (Hobbes, 2016, p 68). He went further to posit the dual-composite nature of the human person; the good and evil, which are two realities that do not exist independent of our desires, but they are simply what we like and dislike (Marino, 2010). Hobbes believed that humanity is naturally self-interested, belligerent, and competitive (Gibson). Human beings, Hobbes argued, are naturally selfish, pushing nothing but their interest; and without law or contractual
agreement and structural security provided by the state, the individuals would collide with their neighbor in pursuance of their interests (Kenny, 1998). He maintained,

For the laws of nature (as justice, equity, modesty, mercy, and (in sum) doing to others as we would be done to) of themselves, without the terror of some power to cause them to be observed, are contrary to our natural passions, that carry us to partiality, pride, revenge, and the like. And covenants without the sword are but words, and of no strength to secure a man at all. Therefore, notwithstanding the laws of nature (which every one hath then kept, when he has the will to keep them, when he can do it safely), if there be no power erected, or not great enough for our security, every man will, and may lawfully rely on his own strength and art, for caution against all other men. And in all places where men have lived by small families, to rob and spoil one another has been a trade . . . (Hobbes, 1651, *Leviathan*, Part II, Chapter XVII, No. 2, cited in Marino, 2010, p. 145)

For Hobbes, all human beings are egoistic and the only way to cure our destructive egos which occasion fear and violence will be to give up our individual freedom and enter in a social contract with others so as to enthrone a central authority that will cater for everyone (Marino, 2010; Pojman, 1998). In the light of his views about human selfishness, his ethical theory is seen as ethical egoism (Birsch, 2014; Gibson, 2014; Graham, 2004; Pojman, 1998; Taylor, 1975 Vaughn, 2015). Ethical egoism is a normative ethical theory that insists that we ought to do whatever is in our self-interest: Self-interest is the sole valid standard of right conduct (Gibson, 2014; Taylor, 1975). In the state of nature, human beings are egoistic and the motive for entering into Hobbes’s social contract still remains self-interest. Sovereignty in the state or territory exists as
contractual agreement involving individuals within it as a way of satisfying their greater common interests (Birsch, 2014; Gibson, 2014; Graham, 2004; Piirimäe, 2006; Pojman, 1998; Taylor, 1975 Vaughn, 2015). Hence, we enter into a social contract where we all agree to cede our rights to a ruler with absolute power to enforce the protective laws for the good of all; and even a tyrannical ruler, is judged by Hobbes as preferable to a lawless state of human nature (Marino, 2010). Moral imperatives are dependent on us for their realization; we obey the law because we want a peaceful and orderly society (Pojman, 1998).

Hobbes’ argument for the establishment of the state is premised on his idea of the state of nature that is indeed characterized by war, conflict, and competition (Caditz, 2016). Though living during Europe’s troubled times may have informed Hobbes’ ethical view, the state of nature is too primitive and pessimistic (Birsch, 2014; Caditz, 2016; Graham, 2004; Taylor, 1975). If human beings were rational but not civic enough to engage one another in peaceful coexistence without organized governance structure, is there any credible evidence that they would be rational and civilized enough to abide and respect the decision and enabling laws instituted by this governance structure even with the threat of punishment (Kropotkin, 1922)? Furthermore, since Hobbes claimed that human beings could be coerced or incentivized to act against their perceived self-interest through their social-contract obligation, it seems that non-egoistic behavior is impossible. If human beings are inherently war loving, will this inherent nature cease to have a commanding influence on them just because they have entered into a social contract (Caditz)? Hobbes seemed to be resolving an ugly situation – the state of nature, with another ugly situation – an absolute, tyrannical leader. Too much-unchecked power in the
hand of one person or institution has shown to be annihilating and destructive (Taylor). It seems Hobbes social contract subsumed morality and positive image about the human nature. Nevertheless, situating Hobbes in his time, social agreement, laws, and structured governance may be a primary pragmatic formula for irreconcilable human differences and self-interests that often ignite conflict. With the understanding that ethics is about human goodness, living and being, Hobbes’s ethical egoism is still a fundamental ethical theory necessary for the functioning of human society. Yet, morality has to go beyond Hobbes’s social contract.

**Kant’s Categorical Imperative.** Kant’s categorical imperative may be one of the two major far-reaching ethical principles (Gordon, 2018; Marino, 2010; Navia & Kelly, 1980; Pojman, 1998; Sterba, 2000; Vaughn, 2015). In fact, many would even assert that Kant was the greatest moral philosopher of the modern era (Vaughn). Stating his three versions of the categorical imperatives, Kant argued that ethics is not contingent but absolute, and it makes unambiguous demands on us (Birsch, 2014; Pojman, 1998; Sterba, 2000; Vaughn, 2015). Ethics for Kant is based on reason, not feelings, because human beings are essentially rational beings and our moral responsibility depends not on feelings but reason (Birsch, 2014; Pojman, 1998). He maintained that ethics are not conditional, subjective or relative; they are universally valid, and necessary irrespective of their impact on our inclinations (Birsch, 2014; Gibson, 2014; Pojman, 1998; Sterba, 2000; Vaughn, 2015). The first version of the moral imperative is, “Act only on that maxim through which you can at the same time will that it should become a universal law” (Kant, 1964, p. 88). Applying this categorical imperative ought to help us decide if an act is morally permissible or not. “If we could consistently will that everyone would do some
type of action, then there is an application of the categorical imperative” (Pojman, 1998, p. 289). The second version of the categorical imperative is, “Act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end” (Kant, p. 96). Human beings, by virtue of their reasoning capability, have dignity and profound worth, which entails that they should not be exploited, manipulated, or merely used as means to conceivable good whether personal or general (Pojman). This imperative helps us not to regard human beings as cogs in the wheel of socioeconomic progress. The third version of the imperative is, “Act on maxims which can at the same time have for their object themselves as universal laws of nature” (Kant, p. 97). Sterba (2000) restated these maxims thus:

1. The Formula of Universal Law: Act only on that maxim whereby it were to become by your will a universal law of nature.

2. The Formula of Humanity: Act so that you treat humanity, whether in your own person or in that of another, always as an end and never as a means only.

3. Formula of the Kingdom of Ends: Act as if you were by your maxims in every case a legislating member in the universal kingdom of ends. (p. 176)

These categorical imperatives describe ethical principles that are grounded in actions based on legitimate moral rules and moral reasoning (Birsch, 2014; Gibson, 2014). They are regarded as deontological because they invoke a sense of duty that every rational human being ought to obey (Birsch, 2014; Gibson, 2014; Pojman, 1998). For Kant, good and moral action is done because it is one’s duty to do it, not out of self-interest, personal preference, or the need to attain a certain end; and if all act in this way, it will make
morality universal and unconditional (Birsch, 2014; Sterba, 2000; Vaughn, 2015). Moral
duty is the obligation each human being has to act out of respect for the moral law. Moral
law informs human beings on how they ought to live; to be ethical is to respect the moral
law, and the categorical imperatives enlighten human beings who are rational beings on
how to respect and live according to the moral law (Birsch, 2014).

Kant’s categorical imperative places emphasis on the will or intention to do our
duty and not on the good or bad consequences of our actions. This may be wrong because
the complete separation between intention, action and outcome is impossible (Graham,
2004). It will be difficult to judge the wrongness or the rightness of an intention without
considering whether the consequence of such intention is good or bad. Next, even with
intention forming a large part of our moral assessment, the universalizability of reason is
not an effective evaluation of the rightness or the wrongness of an intention (Graham). It
is possible for evil action to emerge from right reasoning just as good action can equally
emerge from wrong reasoning. Still, Kant’s second imperative (means-ends principle)
captures the essential truth about the intrinsic worth of every human person. However,
more often than not, human beings have been seen not as ends in themselves rather as
means to ends, means to organizational profitability, means to satisfying social and
economic needs; and societies have categorized human beings in terms of the good they
can generate (Vaughn, 2015). The categorical imperatives preclude the complexities and
the uniqueness of human situations (Gibson, 2014). Furthermore, the idea of absolute
duties can be enslaving. Is it the case that there are absolute duties; are there certain kinds
of action that we can clearly define such that we must perform, or must not perform,
irrespective of their consequences in the individual case (Tännsjö, 2008)? Kant’s
categorical imperative sounds imperious, not involving the creative freedom of a moral agent. Morality can hardly be when we do what is obligatory (Gibson, 2014). Schiller (1793) argued,

[T]he moral perfection of a person can be manifest only in the share which his inclination takes in his moral action. That is to say, it is not man’s purpose to accomplish individual moral acts, but to be a moral creature. Not virtues, but virtue is his precept, and Virtue is nothing else than ‘an inclination to duty’. As much as deeds performed from inclination and deeds performed from duty stand opposed to each other, this is not so in the subjective sense, and the person not only may, in fact he must bring desire and duty into connection: he should obey his reason with joy. (p. 364)

Moreover, Kant, in suggesting that good should be done not as a means to some other end such as personal pride or political ambition, idealized human reality and situations. It will be hard to work with or motivate someone who does not see his or her interest or good in what he or she is doing (Graham, 2004; Vaughn, 2015). Despite these weaknesses, Kant’s deontological ethics remains one of the dominant ethical theories (Thiroux, & Krasemann, 2017).

Utilitarianism. Two ethical systems, the deontological (from the Greek deon, which means ‘duty’ or ‘that which is binding’, or ‘what has to be’) focusing on the act, and the teleological (from the Greek telos, which means ‘end’ or ‘goal’) focusing on the outcome or consequence, have dominated the field of ethical discourse (Pojman, 1998). Utilitarian ethics, as a teleological ethical theory, is one of the most influential moral theories in history (Vaughn, 2015). Utilitarianism as a concept came to prominence in the
early nineteenth century, not as an ethical or philosophical ideology but as a descriptor for English social reformers who insisted that the utility or usefulness of social institutions, not the religious significance or traditional function, should be the yardstick by which they are assessed (Graham, 2004). Yet, Hutcheson (1725) first used the phrase ‘Greatest Happiness’ as a principle connoting utilitarianism in his essay ‘An inquiry into the origin of our ideas of beauty and virtue’ (Graham).

As an ethical concept, utilitarianism is accredited to Jeremy Bentham as the one to employ it in describing social institution as a place where pain should be minimized and pleasure maximized for all affected by it (Birsch, 2014; Graham, 2004; Sterba, 2000; Vaughn, 2015). His usage of it was extended to signify a morally good life that will involve minimizing pain and maximizing happiness; especially, in view of his conception of ‘hedonic calculus’, as a system for distinguishing and measuring different kinds of pains and pleasure (Graham). In the light of this, Bentham’s utilitarianism has been characterized as “hedonist utilitarian” distinguishing it from the utilitarianism later articulated by Mill (Birsch, 2014; Pojman, 1998; Tännsjö, 2008; Vaughn, 2015). The fundamental norm of hedonistic utilitarianism is that an act is right if it brings about pleasure or prevents pain and an act is wrong if it brings about pain or prevents pleasure (Taylor, 1975). For Bentham, the aim of ethics is happiness and all happiness corresponded to pleasure, but Mill distinguished higher pleasures of the mind and lower pleasures of the senses and body (Marino, 2010). Mill’s utilitarianism, regarded as *eudaemonistic* utilitarianism, substitutes happiness for pleasure and unhappiness for pain (Taylor). Mill (1879) explained,
The creed, which accepts as the foundation of morals, Utility, or the Greatest Happiness Principle, holds that actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness. By happiness is intended pleasure, and the absence of pain; by unhappiness, pain, and the privation of pleasure. (p. 10)

Utilitarianism is about the useful, the beneficial; there is no absolute law of right or wrong as such; it is regarded as ‘the good theory’ because it looks for some good or benefit (Keyser, 1918). Therefore, in a decision-making process, the utilitarian will specify all the alternatives and consider all probable consequences that would ensue and then compare those consequences to find out which one leads to a greater amount of pleasure or happiness than any other alternative and a smaller amount of pain or unhappiness (Taylor). “The act that in this way is found to maximize intrinsic value and minimize intrinsic disvalue is the act we morally ought to do. To do any other act in the given situation would be morally wrong” (Taylor, 62).

Utilitarianism is often classified as act-utilitarianism or rule-utilitarianism in relation to the function of moral rules of conduct (Birsch, 2014; Graham, 2004; Pojman, 1998; Taylor, 1975). Act or unrestricted utilitarianism insists that right actions are those that directly produce the greatest overall good; the consequences of a particular act is examined before ascertaining if it is morally right or wrong, as the consequences are all that matter (Vaughn, 2015). Act utilitarianism will, therefore, consider the following “(1) the extent or the number of people made happy or unhappy, (2) the intensity of the happiness and/or unhappiness, (3) the duration of the happiness and/or unhappiness, and (4) the certainty of happiness and/or unhappiness” (Birsch, p. 81). In other words, the act
is right if it conforms to a valid rule of conduct within a system of rules and if followed, will result in the best possible state of affairs, but it is wrong if it violates such a rule even with best possible state of affairs (Birsch, 2014; Pojman, 1998; Vaughn, 2015). Rule utilitarianism considers as legitimate moral rule that which is recognized as binding on everyone in the social group, which would maximize happiness and minimize unhappiness (Birsch). As such, morally right action is the one covered by a rule that if generally followed would be beneficial (Vaughn, 2015).

Confusing righteousness and utility in ethics creates enormous danger. What is wrong cannot suddenly become right because it benefits the greater number of people (Birsch, 2014; Graham, 2004; Keyser, 1918, Vaughn, 2015). In this regard, rule utilitarianism might become an ethically justifiable position since it first ascertains the moral validity of an act before judging its utility. Nevertheless, utilitarianism subverts the law of cause and effect. No doubt, what is right has to be that which is most useful, but what is most useful cannot always be what is right. The exploitation of the minority by the majority might be useful and beneficial to the majority, but exploitation of anyone cannot be justified as something right (Keyser, 1918, Vaughn, 2015). So, the pleasure, happiness, or intrinsic good for someone’s family, friends, folks, his or her nation, tribe, race, religion or gender might institute an ethical system in which the interest of some people are understood to have a greater claim to its fulfillment than the interests of others (Taylor, 1975). Greater happiness, pleasure or intrinsic good to a greater number of people can sometimes mean greater pain to a lesser number of people (Ryder, 2001). Again, utility or beneficence cannot be the final norm of ethicality, otherwise why the rightness or wrongness of an action in ethics (Glover, 1990)? Furthermore, utilitarianism
is based on the principle of the interest of many or selfishness of many, which can be as damaging as the selfishness of one or few (Keyser). If the greatest numbers of people in a social group consider what is of the greatest advantage to them, how can that decide the rightness or wrongness of their consideration and would that not be the tyranny of the majority (Graham, 2004; Taylor, 1975)? How universal and all-inclusive is a value if it is only a value for the greatest number of people in the group? Utilitarianism in its utility calculation does not require that everyone get equal consideration (Ryder, 2001). Also, the incalculability of pleasure or happiness makes utilitarianism too impracticable to be real (Vaughn, 2015). Despite these weaknesses, utilitarianism still remains an appealing ethical theory and is constantly being nuanced to accommodate some of its objective criticisms (Glover, 1990).

**Post-Modern Ethics**

According to Turnbull (2010), postmodernism has been one of the most controversial yet influential ideas of the last few decades; it has drawn proponents and detractors in the battle of asserting its meanings and relevance. For its detractors, postmodernism is a cynical attack on rationality and human progress through the methodological, scientific, and structural approach to reality; for its supporters, postmodernism is an important critique of the Western scholarly tradition, particularly of those who promote unbalanced power relations and domineering tendencies (Turnbull). Walton (2013) maintained, “Postmodernism became popular among philosophers in the 1970s, although the word was first used in 1917 by Rudolf Pannwitz, a follower of Nietzsche. By ‘postmodern’ Pannwitz meant the New Man whom Nietzsche extolled – nationalistic, militaristic, and physically hardened” (p. 286). In an interview with
Stephanson (1987), Jameson argued that historically postmodernism as an ideology began as a reactionary philosophy, a reaction against the institutionalization of modern worldviews and the oppressive yoke of modern values. Duignan (2014) emphasized that postmodernism as an ideology is essentially a reaction against the philosophical assumptions and values of the modern period of Western history, beginning from around the time of the scientific revolution of the 16th and 17th Centuries to the mid-20th Century; it is a denial of the general philosophical viewpoints that the Enlightenment stood for.

Defining postmodernism is a perilous enterprise since a definition threatens the project of postmodernism and emphasizes the power play that is behind any attempt to box it (Butler, 2003). Jameson (1991) stressed that any effort at conceptual unification or definition is inconsistent with the spirit of postmodernism itself; defining it will be to dominate it, reduce and undermine the very plurality and differences that postmodernism encompasses. Any effort to understand or explain the tenets of postmodernism might just be to describe what it stands against as a philosophical worldview, or perhaps what it epitomizes (Mirchandani, 2005). Postmodernism is characterized by skepticism, subjectivism, or relativism; it manifests a general suspicion of reason and expresses distrust about the role of ideology, especially in maintaining political and economic power (Duignan, 2014). Essentially, postmodernism is against the modern notions that the mode of knowledge produced by science provides a universalistic truth about the world; that reason is the ultimate judge of all truths; that all human institutions and practices can be analyzed by science objectively and improved on; that there is a stable, coherent, knowable self which is possible to access through reason; that freedom consists of obedience to the laws that conform to the knowledge discovered by reason; and that
language must be rational and transparent in communicating knowledge (Klages, 2012). By its very name, postmodernism situates itself in contrast to modernism. This does not imply that there aren’t aspects and tendencies of modernism that persist in postmodernity, but the emphasis is placed on the areas of difference (Lindas, 2013). Given that there are different and divergent viewpoints and approaches to postmodernism, a more accurate way of describing it is a sensibility, or disposition to certain lines of inquiry rather than a specific and cohesive theory or ideology (Gibson, 2014). Perhaps the corollary of this is that most of the postmodern ethicists have no central or unified body of ethical principles; rather with them, there is a bricolage of thoughts, which have ethical implications.

Ethics in the postmodern era, or postmodern ethics, essentially embraces a project of rejection of morality in its Kantian sense of being a systematized process; it is in favor of an ethics that replaces formality with practicality and focuses on the autonomous individual as the source of those ethics; it is a movement towards a more applied ethics (Mirchandani, 2005). Also, the ethics challenges how we think about our social relations in a new, risky, time-spaced, distanced consumer society, and unequal power structure (Mirchandani). Post-modern ethics emphasizes ethical pluralism over ethical monism, encouraging a broader examination of ethical perspectives before making judgments in a particular situation; it has revived interest in virtue ethics (Walton, 1993). As Gibson (2014) argued,

Significantly, the postmodernists do not want to discard critical reasoning and logic. Instead, they want to broaden our understanding to embrace a discourse that cannot always be reduced to true/false statements or subjected to the scientific method . . . Thus they are not posing that there is a super-theory that would
resolve issues between, say, deontology and consequentialism, rather they accept that there will be inevitable conflicts in ethical, cultural, and religious discourse, and seek to find what we can learn from them. (p. 134)

Some of the protagonists of the postmodern ethical viewpoint are Jurgen Habermas, Michel Foucault, Richard Rorty, Emmanuel Levinas and Alasdair MacIntyre. One of the major contributions of Habermas to postmodern ethics is his conceptualization of ethics through a communicative interaction. Through his Discourse Ethics, Habermas insisted on the essence of engaging in real discourse with all those affected by an ethical issue in question (Bohman, 2014). Ethical claims must be situated in their contexts and cannot be examined in isolation from the justificatory norms of argument and the social structures in which they take place; we must look not only at the content of ethical discussions but also at the way society legitimizes some types of argument and condemns others (Gibson). The underpinning assumption of Habermas’s discourse ethics is the capacity of human beings to engage in a moral dialogue. Discourse ethics insists on incorporating the voices of all concerned, the social realities and concrete practices of all stakeholders are put into consideration (Gibson).

**Michel Foucault.** Foucault is significant for postmodern ethics largely because of his original insights on the nature of human freedom. Power is an important feature in the ethical discourse of Foucault (Ladelle, 1994). He examined ethics in the light of dominant power relations and the societal structures we have developed. “He lays bare a modern system of power, which is both more all penetrating and more insidious than previous forms. Its strength lies partly in the fact that it is not seen as power but as science or fulfillment, even liberation” (Taylor, 1984, p. 152). According to Foucault, the
whole idea of rescuing, defending and espousing truth is a power game; it is an illusion, because each system defines its own variant of truth (Taylor). Foucault (1991) declared,

> Contrary to a myth whose history and functions would repay further study, truth isn’t the reward of free spirits . . . nor the privilege of those who have succeeded in liberating themselves. Truth is a thing of this world: It is produced only by virtue of multiple forms of constraint. And it induces regular effects of power.

Each society has its own regime of truth, its “general politics” of truth: that is, the type of discourse which it accepts and makes function as true. (p. 131)

Foucault set out to liberate the postmodern world from the stereotypical way of conceiving power, as he argued that power is everywhere (Ladelle). He maintained,

> We must cease once and for all to describe the effects of power in negative terms: it ‘excludes,’ it ‘represses,’ it ‘censors,’ it ‘abstracts,’ it ‘masks,’ it ‘conceals.’ In fact, power produces; it produces reality; it produces domains of objects and rituals of truth. The individual and the knowledge that may be gained of him belong to this production. (Foucault, 1991, p. 194)

In the light of his conceptualization of power, Foucault considered the central question of ethics to be how individuals should act within a social group, since people cannot think of themselves as independent and autonomous beings but are in relationship with others who seek to influence them and their social setting (Gibson, 2014). Individuality, Foucault claimed, can be achieved only in relation to others and our social setting. The individual lives in a social context that he or she recreates by being part of it (Taylor, 1984). Foucault insisted that ethical life requires significant self-examination; the individual has to constantly be in the process of self-redefinition, improvement and
making overall decision on certain modes of beings that serve our goal in line with moral precepts that will make the actualization of this goal possible (Gibson, 2014).

**Richard Rorty.** As a pragmatist, Rorty was more concerned with what makes a good life, the behaviors, and actions that will bring about this good life or enhance human welfare; and not with a theoretical conception of good and bad or about what exists and does not exist (Gibson, 2014). For him, the practical and ethically useful question is what is useful and not what is real or rational (Asghari, 2015). Rorty (1989) maintained,

> All inquiry – in ethics as well as physics, in politics as well as logic – is a matter of reweaving our webs of beliefs and desires in such a way as to give ourselves more happiness and richer and freer lives. All our judgments are experimental and fallible. Unconditionality and absolutes are not things we should strive for . . . To say that moral principles have no inherent nature is to imply that they have no distinctive source. They emerge from our encounters with our surroundings in the same way that hypotheses about planetary motion, codes of etiquette, epic poems, and all our other patterns of linguistic behavior emerge. Like these other emergents, they are good insofar as they lead to good consequences, not because they stand in some special relation either to the universe or to the human mind. (p. 190)

Rorty was very skeptical of the view that we somehow reflect rationally on our own morality and assess it against any sort of eternal truth; for him, we first have moral intuitions and then we employ theory to rationalize our intuition (Gibson, 2014). Rorty denied the universality of moral principles and human nature; he rather argued for the contextualization of moral judgment; every judgment is made within a specific historical
and cultural context and so certainty and truth are illusions (Asghari). For Rorty, the focus is on the community rather than on the individual as the body that achieves morality. Rorty (1991a) argued,

Pragmatists would like to replace the desire for objectivity – the desire to be in touch with a reality which is more than some community with which we identify ourselves – with the desire for solidarity with that community. They think that the habits of relying upon persuasion rather than force, of respect for the opinions of colleagues, of curiosity and eagerness for new data and ideas, are the only virtues scientists have. They do not think that there is an intellectual virtue called ‘rationality’ over and above these moral virtues. (p. 39)

Still, another centerpiece of Rorty’s ethical view is our sympathetic interest in others and our solidarity with others (Voparil, 2016). We must be ethically oriented toward the other, listening and learning from them in ways that make us become more aware of different forms of cruelty and suffering that they may be going through that we may not have noticed before (Rorty, 1991a). We find our moral meaning in the context of others. As a moral imperative, Rorty urged us to be expanding our acquaintance (Rorty, 1989), which will not only be instrumental in healing our prejudices and biases but will also make us aware of the suffering of others around us, and our part in that (Voparil, 2016).

Emmanuel Levinas. As expressed by Bergo (2011), Levinas’ philosophical ethics is constructive discourse in which borrowing from Husserl and Heidegger, he employed phenomenological description and hermeneutics of the human experience of living with others. His effort was to attenuate the incursion Western philosophy has made on ethical relation to the Other by placing persons within a unifying system of ontology,
hence denying persons their otherness, their alterity, and their unsurpassable
transcendence (Clifton-Soderstrom, 2003). With his idea of alterity, Levinas was very
radical in his critique of traditional ethical stands; ethics begins through interpersonal
relations, at the point we recognize the Other as our alter ego (Gibson, 2014). He argued
unswervingly and persistently that ethics is the original relationship of absolute
responsibility in which the “I” finds itself as “being-for” its neighbor (Van Der Merwe &
the synthesis of knowledge, the totality of being that is embraced by the transcendental
ego, presence grasped in the representation and concept” (p. 198). His ethics is about the
encounter with another person, the alter ego, an encounter that is very impactful given
that through it I can see that another human being is like me and acts like me (Bergo,
2011). The fundamental truth for Levinas is that we live in an intersubjective world; as
such, what matters most is our immediate response to others (Gibson). For Levinas, one’s
relation to the Other is the foundation for human knowing, for once the Other appears, I
experience a difference between the Other and myself (Clifton-Soderstrom). He asserted
that the awareness of oneself is less important than becoming aware of the other person,
and in that awareness, there is an ethical awakening that makes us recognize our
responsibility to the Other since our prime obligation is to the Other, not to ourselves
(Gibson). Relationship with the Other is the means through which experience occurs, and
because the Other cannot be fully captured in thought, the experience with the Other is
always an infinite relationship (Clifton-Soderstrom, 2003).

Alasdair MacIntyre. MacIntyre may not be a proponent of postmodern ethical
enterprise in the way that postmodern ethics is about deconstructing modern ethical
paradigms, or in the way that the proponents of a postmodern ethical position emphasize relativistic ethical propensities (Brewer, 1997). However, MacIntyre (2007) critiqued the generalizations strategy within social science but acknowledged the predictability of the scientific mode of knowledge. He invariably offered his ethical discourse in the light of the perceived maladies of the modern epistemological paradigm. Critiquing the Western ethical theorists, MacIntyre maintained,

But what those philosophers in fact provided were several rival and incompatible accounts, utilitarians competing with Kantians and both with contractarians, so that moral judgments, as they had now come to be understood, became essentially contestable, expressive of the attitudes and feelings of those who uttered them, yet still uttered as if there was some impersonal standard by which moral disagreements concerned not only the justification, but also the content of morality. (p. x)

So, his project was much the same as the disparagement of post-Enlightenment moral philosophies by the ethical discourse of postmodernism, except that he employed Aristotelian virtue ethics as his launchpad (Marino, 2010; Pojman, 1998; Sterba, 2000). In After virtue, MacIntyre (2007) presented a case for a broadly Aristotelian account of virtue, without making use of or appealing to Aristotle’s metaphysical biology but leaning towards Aquinas’s account of human good. Although Ethics in the conflicts of modernity: An essay on desire, practical reasoning, and narrative represents the updated version of MacIntyre’s ethical thoughts, the ethical corpus reflected in After virtue perhaps represents his foundational and overarching ethical position (McPherson, 2016). Resolved to recapture and resuscitate Aristotelian virtue tradition, MacIntyre critiqued
the modern ethical and philosophical discourse that emerged out of the Enlightenment for how it has alienated human beings from their telos and moral context (Hursthouse & Pettigrove, 2016). MacIntyre (2007) maintained,

My explanation was and is that the precepts that are thus uttered were once at home in, and intelligible in terms of, a context of practical beliefs and of supporting habits of thought, feeling, and action, a context that has since been lost, a context in which moral judgments were understood as governed by impersonal standards justified by a shared conception of the human good. Deprived of that context and of that justification, as a result of disruptive and transformative social and moral changes in the late Middle Ages and the early modern world, moral rules and precepts had to be understood in a new way and assigned some new status, authority, and justification. (p. ix)

MacIntyre maintained that searching for universal and impartial principles where human beings become distanced from their particular situation derailed philosophy and indeed ethics (Gibson, 2014). For MacIntyre, such universal and impartial principles are impossible because we define ourselves by our multiple relationships (Gibson). “I confront the world as a member of this family, this household, this clan, this tribe, this city, this nation, this kingdom. There is no ‘I’ apart from these (MacIntyre, 2007, p. 172). So, we live in our world in reference to our individual stories, personal experiences and unique societal institutions, which form the arenas for our practices. A practice, for MacIntyre, is:

[A]ny coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the
course of trying to achieve those standards of excellence that are appropriate to and partially definitive of that form of activity, with the result that human powers to achieve excellence, and human conception of the ends and goods involved, are systematically extended. (p. 187)

And after defining virtue as “... an acquired human quality the possession and exercise of which tends to enable us to achieve those goods which are internal to practices and the lack of which effectively prevents us from achieving any such goods” (p. 191), MacIntyre then argued that practices are where our virtues are perfected and we realize our best potential. Then relating virtue to practice, MacIntyre maintained, “We have to accept as necessary components of any practice with internal goods and standards of excellence the virtues of justice, courage and honesty” (p. 191). These virtues, the possession and exercise, will enable us to achieve those goods that are internal to practices and the lack of which prevents us from achieving any such goods (Pojman, 1998). Essentially, MacIntyre maintained that contemporary ethics are too individualistic; we cannot think of ourselves in isolation from a community (Marino, 2010). For MacIntyre, every society has practices in which virtues are exhibited and become defined, a core set of virtues is necessary for the successful functioning of any practice and without such virtues, the practice itself is dead and our human community is in peril (Pojman, 1998). According to MacIntyre, “We are of us inescapably inhabitants of advanced modernity, bearing its social and cultural marks” (xi). As such, morals or virtues can only be understood and appreciated through their relation to a particular social context, which they come from. If there has to be the preservation and protection of the
common good and social unity, cultivation of virtue remains expedient and virtue requires embodiment in practice, MacIntyre maintained.

Despite the evidence of no convergence in the ethical discourse and that there was no enduring prominence of a particular ethical strand, ethical school or ethicist, ethics has been and will always remain a topical issue. It will remain crucial to leadership discourse as long as human interactions and social engagement will remain a constant; ethics and ethical discourse will remain important else the human community will be characterized by ‘dog-eat-dog’ confusion, the mighty will always be right and the fittest or the strongest will perdure.

**The Construct “Organization”**

*“Take away all our factories, take away all our trade, our avenues of transportation, our money. Leave us nothing but our organization, and in four years we shall have re-established ourselves”* (Andrew Carnegie cited in Kilduff, 1923, p. 94).

**Meaning of Organization**

These words of Carnegie buttress the essence of organization in the growth, development, and progress of human society. Organizations are crucial instruments of growth, development, and human flourishing; they ought to serve human needs and ends. As instruments, they are not ends in themselves but are created to achieve other ends (Morgan, 2006). Anything that undermines this instrument of human accomplishment undermines the common good, which they are supposed to minister. The term “organization,” adjudged to have originated from Medieval Latin, *organizatio*, meaning a system or an establishment (Etymoline.com, 2018), evolved from a Roman medical term to be considered as a concept possessing some characteristic qualities of societies. It then evolved to be seen as indicating both diverse social systems and a medium-sized social system with structures (Starbuck, 2003). As a generic nomenclature, “organization”
encompasses all social collectives namely; groups, associations, institutions, and societies that have enduring structure and a common pattern of social interaction or social relationships (Zey-Ferrell, 1979). However, as a specific entity, it includes a large structure and secondary social groups like business corporations and government agencies, different from families and neighborhoods but less than institution in their impersonality and their formally planned atmosphere, organized to achieve their goals efficiently (Macionis, 2012). “Structure”, as described by Steers (1977), refers to the relatively fixed relationships, including the extent of decentralized control, the amount of task specialization and the extent to which interpersonal interactions are formalized.

Structure exists in an organization as the unique way the organization fits its people together (Starbuck). For each of the social forms (groups, organizations, institutions, and societies) listed in ascending order according to size and complexity, the ultimate actor is the individual (Starbuck, 2003; Zey-Ferrell, 1979). The common thread among all the social forms that is perdurable and immutable remains the progressive interest and critical development of the individual members of each of the social forms (Macionis, 2012; Starbuck, 2003; Zey-Ferrell, 1979). Though organization is one of the social forms, none of the social forms functions in isolation; they interrelate and interdepend on one another for effective functioning and attainment of the common good (Zey-Ferrell, 1979).

Though the focus of this study was on organization, it is important to point out that institution and organization are related yet they are different. North (1991) explained, “Institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs), and formal rules (constitutions, laws) . . . institutions have been devised to create order
and reduce uncertainty in exchange” (p. 97). Both institution and organization involve a pattern of sequenced interaction supported by specific mechanisms of control (Lawrence & Suddaby, 2006; Jepperson, 1991). However, institutions are much more enduring, they are receptive organization, performing those functions and activities that add value to the larger society; as such, they come into existence due to social needs or pressure and are a part of a larger society or community (Surbhi, 2017). Organizations are microcosmic relative to institutions and are more tailored to providing specific services or goods.

**Definition and characteristics of organization**

The definition of “organization” is essential in appreciating the nature, complexities, structures, and goals of organizations (Robbins, 1990). Definitions, though abridged descriptors of a phenomenon, are useful pointers and helpful indicators. Scott and Davis (2007) argued, how we define “organization” influences how we think about the phenomenon, what we perceive to be important and what we consider to be irrelevant. The conceptualization of organization in its contemporary understanding is assumed to have taken root in the work of Max Weber (Hall, 2002; Morgan, 2006). Weber (1947), distinguishing between organization as a corporate entity and other social organizations, defined corporate organization thus:

A social relationship which is either closed or limits the admission of outsiders by rules, … so far as its order is enforced by the action of specific individuals whose regular function this is, of a chief or head and usually also an administrative staff. These functionaries will normally also have representative authority. The incumbency of a directing position or participation in the functions of the administrative staff constitute ‘governing authority’. (Weber, 1947, p. 146)
Dunlop (1944), inferring from the meaning in biology and biochemistry, especially from the cytological implication of the word “organization”, concluded that as a sociological concept organization is a term which applies primarily and almost uniquely to the purposive processes of association, integration, and specialization among living individual units. Etzioni (1975) saw organizations as social units or human groupings that are deliberately formed to seek specific goals. Zey-Ferrell (1979) defined organizations as “goal-oriented collectives that consist of groups of individuals . . . Organizations have relatively identifiable boundaries that are open to the environment, and they possess technologies, structures, process, and perform activities with varying degrees of effectiveness and efficiency” (p. 11). According to Miles (1980), an organization is “A coalition of interest groups, sharing a common resource base, paying homage to a common mission, and depending upon a larger context for its legitimacy and development” (p. 5). As defined by Robbins (1990), “An organization is a consciously coordinated social entity, with a relatively identifiable boundary, that functions on a relatively continuous basis to achieve a common goal or set of goals” (p. 4). Hall (2002) maintained,

An organization is a collectivity with a relatively identifiable boundary, a normative order (rules), ranks of authority (hierarchy), communication systems, and membership coordinating systems (procedures); this collectivity exists on a relatively continuous basis, in an environment, and engages in activities that are usually related to a set of goals; the activities have outcomes for organizational members, for the organization itself, and for society. (p. 31)
For Robbins and Judge (2013), organization is “A consciously coordinated social unit, composed of two or more people who function on a relatively continuous basis to achieve a common goal or set of goals” (p. 5).

Some organizational researchers, instead of giving a definition of few sentences, have presented a descriptive outline of the features of an organization (March & Simon, 1993; Morgan, 2006; Tosi, 1975; Scott & Davis, 2007). For instance, Tosi (1975) itemized some of the characteristic features of organizations as: (1) Formalization of procedure, which implies that it often has written and documented guides for action and behavior of members that provides a degree of stability to interactive patterns irrespective of the position. Organizations are characterized by impersonal relationships. (2) Large size, which is implicit in the concept of organization. (3) Hierarchical structure, which is the existence of different degrees of authority at the various levels of the organization related to the goal of the organization. (4) Rationality, an attribute allowing for the logical and systematic coordination of the different structural configuration of the organization, for effective and efficient attainment of goals. (5) Specialization, ensuring that individuals with a specific skill are assigned to a particular activity that may be more repetitive but is necessary to achieve the expected goal. Similarly, Scott and Davis (2007) examined some features that organizations have in common: Diverse sizes and shapes, structured control and authority, increase in the demand for human and material resources and pursuance of specialized goals. Starbuck (2003) in examining the origin of organizational theory, mentioned features like size and formalized activities; bifurcation of activities; specialization and mass production. Macionis (2012) pinpointed the characteristic features of organization: (1) Bureaucracy, which implies a rational and
systematic process designed to enhance efficiency, (2) Hierarchy of positions, which in some organizations is pyramidal, (3) There are enabling rules and regulations that guide organizational operations, (4) Technical competence – members are hired based on certain standards that can be monitored and evaluated, (5) An impersonal and unbiased standard which allows that both customers and employees are treated alike, (6) Formalized communication, which is a common phenomenon in organization.

Still, in what some authors (Hall, 2002; Morgan, 2006; Stark, 2004; Tosi, 2009) have regarded as approaches to studying organization or typologies of organizational theories, Scott and Davis (2007) considered as ways of defining organizations. For them, there are three ways of defining organizations; namely, the rational system definition, the natural system definition, and the open system. The rational system definition focuses on the normative structure of organizations. Scott and Davis maintained, “Organizations are collectives oriented to the pursuit of relatively specific goals and exhibiting relatively highly formalized social structures” (p. 29). As a natural system, “organizations are collectivities whose participants are pursuing multiple interests, both disparate and common, but who recognize the value of perpetuating the organization as an important resource” (p. 30). This definition looks at organizations as immersed in a web of social relationship that might sometimes be conflictual and contradictory but through which social consensus is reached (Scott & Davis, 2007; Tosi, 2009). As open systems, “organizations are congeries of interdependent flows and activities linking shifting coalitions of participants embedded in wider material-resource and institutional environments” (Scott & Davis, 2007, p. 32). Here, the organization is seen as an association of participants with varying interests in a wider socioeconomic environment.
In the light of the above definitions and descriptions, it remains the case that organization is different from any other kind of social grouping or form. An organization exists with a specific intention or objective that will be spelled out in its mission and vision. Organizations cannot easily maintain an amorphous or amoebic form or structure. The structure of the organization gives ardor to the objectives, mission, and vision of the organization. Organizations need to articulate means towards the attainment of their objectives or goals. There have to be boundaries that delineate what remains acceptable and standard behavior within the organization. There has to be an appreciable level of commonality in dealing with members of the organization in a way that justice, fairness, and charity will not be undermined. These characteristics informed the type of organization that was explored in this study.

**Origin of formal organization**

The Greek origin of the word organization, *organon*, meaning a tool or instrument, gives evidence of the ubiquity of organization in every historical epoch and society (Morgan, 2006). However, organization as formalized social grouping dates back to the second millennium BCE (Starbuck, 2003). Instrumentality is evident in the practices of the earliest formal organizations that built great pyramids, empires, churches, and armies (Morgan). By 1200 -1100 BCE, there were indications that rulers who controlled early empires depended on organized structures, work procedures, impersonal relations and functional specialization to collect taxes, undertake military campaigns and build monumental structures (Macionis, 2012; Morgan, 2006; Starbuck, 2003). As explained by Starbuck, large, formalized organizations existed, but they were rare; yet, many nations had well-organized governments that spanned several thousand miles and
hundreds of administrative subunits and some of the early organizations had very long lives. Preindustrial organizations were advanced in formalization, division of labor, and production, but they were limited by communication, movement, mechanization, and even mass production (Macionis, 2012; Robbins, 1990; Starbuck, 2003). The Industrial Revolution introduced a new structure for formal organizations that focused on efficiency and effectiveness (Macionis, 2012, Morgan, 2006). In the light of this new understanding of organization, it now exists to achieve goals; these goals are often broken down into tasks as the basis for jobs; the jobs are grouped into departments, within each department, more distinctions can be found between the jobs people perform; departments are linked to form the organizational structure (Lunenburg, 2012).

The use of machines necessitated that organizations be adapted to the needs of machines with a strong emphasis on bureaucratization and routinization (Morgan, 2006). As such, division of labor became intensified and manufacturers sought to increase efficiency by favoring machine control of productive process and the discipline of workers so as to accommodate the new and rigorous routine of factory production (Morgan). Productive process, organizational life and the response of human beings became regularized and routinized; gradually behavior in organizations became organizationally, not individually or interactionally regulated (Hall, 2002). Eventually, not only did the organization become an entity and assumed real existence distinct from the individual; organization became a major determinant of the individual actions (Hall). Though organizations may have a life cycle that includes birth, maturation and death, many dominant organizations have persisted across changing generations of members; such organizations persisted, regardless of personnel turnover (Hall). Organization thus
considered maintains an objective reality independent of the individual, and an investigation into such organization will necessarily have a positivist or post-positivist philosophical undertone and character (Hall).

**Types of organizations**

There are different ways of categorizing organizations. Organizations can be grouped into for-profit and not-for-profit; they can be categorized according to the different sectors they belong to; they can also be classified according to their levels of liability and ownership; and organizations can equally be classified according to their structural systems (Hall, 2002). However, two forms of categorizations were meaningful to the study – Chester's (1975) classification of formal and informal organization and Etzioni's (1975) compliance theory classification.

When classified into formal and informal organizations, informal organizations are natural social systems such as the family, a community, and the society that the individuals by birth or association find themselves belonging to (Pugh & Hickson, 1993). Informal organizations are indefinite and less structured associations that are pivoted on personal commitment and voluntary relationships (Pugh & Hickson). Formal organizations are born with deliberate and coordinated activities that are governed by explicit objective and logical thinking, requiring rules and regulations with a defined structure, responsibility, authority, and liability (Starbuck, 2003). Formal organizations, sometimes regarded as rational organizations, are organizations that are the product of formalized and regularized relationship that have specific goals and articulated structures on how to attain the organizational goals (Stark, 2004). They require established procedure for coordinating their activities in the interest of achieving specified objectives.
or goals; they formulate procedures that govern the relations among the members of the organization and the duties each is expected to perform (Blau, 1964). In this way, formal organizations are characterized by a clear statement of goals; articulation of principles and procedures for pursuing the goals; selection and training of leaders to implement the principles and procedure for the attainment of the goals; establishment of an effective line of command and chain of authority; and an organized documentation of the important proceedings of the organization is ensured (Stark, 2004). Formal organizations are large secondary social groups organized to promote the interest of the members and attain their objective in an efficient way (Macionis, 2012). Formal organizations rely on the predictability of behaviors through standardizations. However, the fact that an organization has been formally constituted or has regularized, structured and articulated principles and procedure for the attainment of the goals, does not mean that all activities and social interactions of its members conform strictly to the official blueprint, structured procedure, or regularized process (Blau & Scott, 1962).

Based on secondary analysis of large variety of organizations, Etzioni (1975) developed the compliance theory in which he classified organizations according to the type of participant and the form of power they use in directing the behavior of their members. The three classifications are utilitarian organizations, normative organizations, and coercive organizations. Utilitarian organizations use remuneration or extrinsic reward to elicit and control the compliance and participation of employees or the lower-level members of the organization (Lunenburg, 2012). Membership is usually voluntary but motivated by the possibility of the personal gain of the participants (Macionis, 2012). Most of the corporate organizations belong to this category of organizations since the
membership of such organizations is motivated by salary, rewards, return on investment, and attractive working conditions. People leave such organizations when their interests are no longer part of the organizational calculation.

The participants in normative organizations are driven by intrinsic rewards and people join such organizations, not for income but to pursue some intrinsic goals they think are worthwhile (Lunenburg, 2012; Macionis, 2012). The management of such organizations relies on their ability to use the sense of belonging, patriotism, symbolic rewards, prestige, and feel-good disposition of the members to elicit and control response and participation (Lunenburg, 2012). Organizations in this category are sometimes called voluntary associations; and these include Red Cross, Lions Club, churches, political organizations, and professional associations (Knoke & Prensky, 1984). However, it is not always the case that the members of these organizations do not draw some financial gain or remuneration. But the central reason for joining is not to be paid unless one joins such organizations as their employee.

In coercive organizations, membership is involuntary; people are forced to join these organizations as a form of punishment, treatment, or social reformative efforts (Macionis, 2012). Examples of these types of organizations are remand homes, mental hospitals, psychiatric homes, and prisons. Coercive organizations are often characterized by physical restrictions, strict supervision, and limitation on the freedom of members. Yet, such organizations or institutions have employees who are not regarded as members as such; they depend on the organization for salaries, benefits, and remunerations. Therefore, the categorization of organization in this way is not an absolute delineation.
Organizational performance

Organizations represent extensions of the human community; they can achieve goals that are quite beyond the reach of any particular individual (Hall, 2002). Whether in government, business, education, recreation, sports, information technology, once an organization is formed, it has a specific reason for existing, a goal or purpose. Sequel to the fact that organizations have this characteristic of having a goal or purpose, it becomes important to measure how well they are doing with respect to their goals or purpose (Pugh & Hickson, 1993). As explained by Nash (1983), the word, ‘perform,’ means to do, to accomplish, to carry out a goal or responsibility, to discharge one’s function, to carry out a command or duty. Organizational performance is an encompassing expression for effectiveness and efficiency of organizational process, but efficiency is often used to measure effectiveness while organizational success emphasizes an improved organizational performance (Zey-Ferrell, 1979). Effectiveness is sometimes measured in relation to the characteristics of an organization, both structural arrangements, and activities; it is the result of structure and process, mediated by organizational climate (Kanter & Brinkerhoff, 1981). The leitmotif of organizations is the attainment of organizational success (Pugh & Hickson). The achievement of goals through individual and functional members is, *sui generis*, the essence of organizations (Nash, 1983). Organizational performance is rooted in the understanding that organizations are established for a purpose; they galvanize human and material resources towards the attainment of their goals (Alchian & Demsetz, 1972; Barney, 2001; Kanter & Brinkerhoff, 1981; March & Sutton, 1997). Organizational performance assesses the transformation of inputs into outputs while achieving the intended outcomes or goals of
the organization (Danisman, Tosuntas, & Karadag, 2015). It explains the ratio of outputs (returns, benefits) to inputs (costs, effort) or the organization’s cost/benefit ratio or cost per unit volume of production; it reveals the relation between input and output as a result of effective and efficient utilization of resources (Zey-Ferrell, 1979).

Carton (2004) maintained that the essence of formal organization is the promotion of shared interests and values; and the essence of performance is the assessment of the shared interest and values. Inasmuch as values are being created and shared, and interests are being enhanced (by the use of the contributed assets, to the extent that created values equal or are greater than contributed assets or shared interests), assets will always be made available to the organization and the organization will continue to exist and thrive (Carton). Carton insisted that value creation in relation to resources provision is the essential overall performance criterion for any organization, without which the organization cannot exist. Thus, organizational performance shows the correlation between an organization’s objectives and their attainment; it measures how and when the organization has attained its objectives especially in creating and adding values to the resources provided for the organization (Daft & Marcic, 2013). As explained by Bass (1985), organizational performance measures the degree to which organizations have attained organizational success in relation to their objective and the resources provided. Organizational success then becomes a way of describing organizational performance in the broader spectrum of an organization attaining its objectives.
Organizational success

The basic conceptualization of organizational success focuses on organizational self-maintenance and continuity or expansion (Caplow, 1953; Friedman & Friedman, 1988; Georgopoulos & Tannenbaum, 1957; Kotler, 1984; Maltz, Shenhar & Reilly, 2003; Solomon & Hanson, 1985). According to Caplow (1953), “successful organization is one which shows, . . . a minimum of inconsistency . . . so that the effective achievement of organizational goals contributes to the self-maintenance of the group, the minimization of spontaneous conflict, and the satisfaction of individual needs” (p. 9). Price (1972) maintained that the traditional way of defining organizational success and organizational performance was in terms of the degree of its goal achievement; the greater the degree to which the organization achieves its goals, the greater its effectiveness and the more successful it is. However, Price asked, who determines these goals and at what expense are the goals achieved? Becker and Stafford (1967) insisted that different social scientists have different explanatory variables in considering and determining what organizational success is. For the economist, profits, organizational size, market structures and marginal productivity are yardsticks for determining organizational success; for the sociologist, it is about the relational structure, bureaucratization, administrative size, and innovation; for the psychologist organizational success is about intergroup and intragroup behavior as it is enacted in an organization (Becker & Stafford). As such, organizational success remains very fluid and can have different implications for different interest groups (Flamholtz & Aksehirli, 2000; Maltz, Shenhar, & Reilly, 2003; Weinberg & McDermott, 2002). For the environmentalists, the stockholders, the customers, the suppliers, the employees and the host community of the organization, organizational success will
certainly have different shade of meaning and significance, just as this meaning and significance will differ from place to place and will not remain the same over time (Weinberg & McDermott, 2002). Therefore, organizational success is dynamic and contextual. Because of the dynamic and contextual nature of organizational success, defining it based on growth, expansion, efficiency in production and profit seems to be inadequate.

Though defining organizational success has become increasingly challenging given the inadequacy of the traditional financial framework that focuses on growth, expansion, self-maintenance, efficiency and profit (Georgopoulos & Tannenbaum, 1957; Maltz, Shenhar, & Reilly, 2003), organizational success is no longer identified solely by high-profit margin or an increase in productivity or even the attainment of organizational goals (Kotler, 1984). It can broadly be considered as “the extent to which an organization as a social system, given certain resources and means, fulfills its objectives without incapacitating its means and resources and without placing undue strain upon its members” (Georgopoulos & Tannenbaum, p. 32). Still, this conception of organizational success focuses on the internal progress of the organization without due consideration to the impact of this progress on the human community and the environment.

Furthermore, Friedman and Friedman (1988) articulating an integrative framework for organizational success maintained that the marketing concept that was introduced in the mid-nineteenth century, which focused on the customers’ needs as the yardstick for measuring organizational success, is deficient. They argued that even Kotler’s (1984) model of a societal marketing concept that considered and integrated the present and future interests of the society in addition to customers' needs are equally
inadequate as the customers’ needs often conflict with that of the society and most often, the needs of the customers override the long-term interests of the society. Friedman and Friedman equally maintained that the management model of organizational success is still unsatisfactory as a paradigm for measuring organizational success. The management paradigm of organizational success focuses on managing the employees so that they are satisfied, and they are able to increase performance or output. Friedman and Friedman argued for an integrative model that would involve both the marketing concept model and the management concept model. This total and integrative model of organizational success has ethics central and embedded in the organizational operation. The integrative model of organizational success ensures “that the marketing concept, the management concept, and ethical business practices all work together to satisfy the needs and wants of the various publics of the organization and, in the long run, ensure the satisfaction of the needs of the organization itself” (Friedman & Friedman, 1988, p. 221). Solomon and Hanson’s (1985) reiterated this view, “The most powerful argument for ethics in business is success. Ethical businesses are successful businesses; excellence is also ethical” (p. 22). This integrative model puts into consideration the interests of the customer, the employees, the society, and the supplier. Figure 3 below is a representation of this integrative model of organizational success.
The only shortfall of the above (Friedman and Friedman) model of organizational success is the presupposition that environmental concerns ought to be subsumed in the interest of the society.

As such, beyond the profit, productivity and growth model of organizational success, came the necessity to actively put people first in the matrix of organizational success (Pfeffer & Veiga, 1999). Putting people first began with a focus on the employees as strategic in productivity and increased organizational performance (Huselid, 1995). The sinking of many organizations because of unethical practices and leadership made clear the integral role ethics plays in the formulation and formalization of organizational success (Eisenbeib & Brodbeck, 2014; Vitell, Ramos, & Nishihara, 2009). In a quantitative research involving 180 senior managers across telecommunications industries, electronic companies, financial services, construction companies and engineering services dedicated to finding out how to assess the
Organizational success of commercial firms, Maltz, Shenhar, and Reilly (2003) discovered that organizational success suggests the attainment of a complex set of goals, which cannot exclude financial success, the care of the customers, the legitimacy of business process, the development of people and the care for the future. They suggested that these goals are better attained in an ethical organization. Organizational success involves the actualization of the organizational goals and mission through increased productivity, high financial performance, sensitivity to environmental concerns and the guaranteeing of the stakeholders’ interests but not without ethics (Barr, 2017; Bennis, Parikh, & Lessem, 1994). As inferred by Johnson (2015), organizational success goes beyond the narrow view of profit margins to include many other ethical strategies and actions like empowering employees, creating a sense of shared mission and values, demonstrating concern for honesty and sincerity, rewarding moral behavior which will invariably improve employee commitment and productivity. So organizational success necessarily involves ethical process through which these objectives are attained. Organizational success as was employed and measured in the study essentially focused on financial profitability, employees’ job satisfaction and the satisfaction of the customers within the parameter of ethical leadership.

**Organizational leadership**

The nature and meaning of leadership as explored above concluded with these conceptualizations:

1. Leadership is a process.
2. Leadership implies influencing others.
3. Leadership gears towards the better attainment of the mutually shared goal.
4. Leadership is a relational affair. These descriptions or conceptualizations do not negate the fact that leadership is a dynamic construct; what was once an unalloyed description of leadership continues to give way to new ways of understanding this reality, just as leaders and leading situations keep evolving in time and context (Bertocci, 2009). Yet, much as these descriptions or definitions limit, they constitute a frame of reference in understanding the relevance of leadership to the growth and sustainability of the organization.

Also, the examination of the meaning and implication of formal organization above accentuated the following insights:

1. An organization exists with a specific intention or objective that will be spelled out in its mission and vision.

2. Organizations cannot easily maintain an amorphous or amoebic form or structure. The structure of the organization gives ardor to the objectives, mission, and vision of the organization.

3. Organizations need to articulate means towards the attainment of their objectives or goals.

4. There have to be boundaries that delineate what remains acceptable and standard behavior within the organization.

5. There has to be an appreciable level of commonality in dealing with members of the organization in such a way that justice, fairness, and charity will not be undermined.
Organizations come into existence with a specific purpose and mission, which makes them remarkably different from other informal and primary social institutions. Shafritz, Ott, and Jang (2011) argued,

In contrast to the social organization that emerges whenever men are living together, there are organizations that have been deliberately established for a certain purpose. If the accomplishment of an objective requires collective effort, men set up an organization designed to coordinate the activities of many persons and to furnish incentives for others to join them for this purpose. . . .

the distinctive characteristic of these organizations is that they have been formally established for the explicit purpose of achieving certain goals. . . . And this formal establishment for an explicit purpose is the criterion that distinguishes formal organization from social organizations in general. (p. 208)

Organizational success or improvement becomes the way of assessing how organizations attain the explicit purpose for which they were established, which eventually aids in and advances human flourishing.

In the light of these conclusions about leadership and organization, leadership in organizations or organizational leadership will have certain characterizations that reveal its uniqueness and significance. Zaccaro and Klimoski (2001), maintained that the central defining elements of organizational leadership remain:

1. It involves processes.

2. It depends on proximal outcomes like employee commitment and employees’ job satisfaction that will contribute to the development and achievement of organizational purpose.
3. Organizational leadership is identified by the application of nonroutine influence on organizational life.

4. Leader influence is grounded in cognitive, social, and political process.

5. Organizational leadership is inherently bounded by system characteristics and dynamics.

6. Organizational leadership is contextually defined and caused.

Therefore, leadership in a formal organization is about how leaders make a difference in measures of organizational effectiveness, performance, and success; it is about productivity, efficiency, quality, satisfaction, competitiveness, development, values and standards (Bertocci, 2009). This effectiveness, performance or success depends on the relationship among leaders, followers, and the circumstances involved in this interaction.

The plethora of theories or models of organizational leadership makes their classification challenging (Bass, 2008; Northouse, 2016; Yukl & Uppal, 2017). However, few of these models or theories have dominated the research community and many of them are a restatement of what may have been articulated in another theory or simply an elucidation of what is obvious (Bass, 2008). DiMaggio (1995) emphasized that theories or models worth exploring ought to form “a set of categories and domain assumptions aimed at clearing away conventional notions to make room for artful and exciting insights” (p. 391). Generally, two extreme positions are identifiable in organizational leadership.

On one side of the spectrum are the ‘personalists’ – researchers who argue that specific personality variables determine leadership effectiveness. On the other side of the spectrum are the ‘situationists’ – those who deny the influence of individual differences and attribute all variations in leadership effectiveness to
environmental constraints. While personalists view leaders as heroic helmsmen, in control of whatever situation they find themselves, situationists . . . claim that it makes little difference who is in charge; societal forces determine whatever actions need to be taken. (Kets de Vries, 2001, p. 4)

Gibson, Ivancevich, Donnelly, and Konopaske (2013) proposed another useful way of categorizing leadership models or styles in relation to organizational engagement. They suggested three categorizations that focus on the leader’s traits, the leader’s behavior, and the situational variables of leadership and then they added a fourth category of emerging leadership perspectives or styles. According to this categorization of leadership styles, transformational leadership and servant leadership are examples of the leader’s behavior; leader-member exchange and situational leadership are examples of a situational style of leadership; and charismatic leadership and ethical leadership are examples of the emerging leadership perspectives (Gibson et al., 2013).

Antonakis and Day (2018) classified leadership theories or models into nine categories namely, trait, behavioral, contingency, contextual, skeptics, relational, new leadership, informational-processing and biological/evolutionary model. Their categorization indicates when perhaps each of the theoretical classifications emerged, whether it is still functional, and its prospects. Out of the nine classifications, trait theory of leadership that emerged in the early 20th Century is it still very active and has bright prospects, Antonakis and Day maintained. They pointed out that behavioral emerged in the 1930s, lasted till 1970s but it is no longer popular as a leadership theory; the contingency theory emerged in the early 1960s remained functional till the early 21st Century and it is currently not prevalent or in vogue. They further maintained that
contextual theory emerged in the early 1960s and remains a functional leadership theory; skeptics, relational and new leadership theories emerged in the 1970s. While relational and new leadership theories are still functional and have brighter prospects, skeptics theory is currently not prevalent; informational-processing emerged in the 1980s and is still functional; and biological/evolutionary theory emerged in the early 2010 and it is still functional as a theory of leadership (Antonakis & Day, 2018). For the purpose of this study, I examined an example of a leadership style under the categorizations of trait, contextual, relational and new leadership theories given that these are still functional theories and are relevant to organizational leadership as was analyzed in this study. These styles are also in sync with both the categorization of Gibson, et al., (2013) as well as that of Antonakis & Day, (2018).

Before focusing on ethical leadership, I examined trait leadership style as foundational and the earliest attempt in explaining leader role occupancy and leadership effectiveness (Antonakis & Day, 2018; Bass, 2008; Kirkpatrick & Locke, 1991; Northouse, 2016; Yukl & Uppal, 2017; Zaccaro, 2007; Wille, Wiernik, Vergauwe, Vrijdags, & Trbovic, 2018). I subsequently examined leader-member exchange as a relational leadership style. Building up to the exploration of ethical leadership, I examined transformational leadership and servant leadership as part of value-based leadership theory. Value based leadership theories are leadership styles that are rooted in ethical and moral foundations (Copeland, 2014).

**Trait leadership style**

Long before Carlyle (1840) declared, “In all epochs of the world’s history, we shall find the Great Man to have been the indispensable saviour of his epoch; - the
lightning, without which the fuel never would have burnt” (p. 17), Plato (381 BC) had insisted, “Until philosophers rule as kings, . . . until political power and philosophy entirely coincide, while the many natures who at present pursue either one exclusively are forcibly prevented from doing so, cities will have no rest from evils, . . . [or] will the human race” (Book V, 473c). These understandings and assertions like them paved the way for trait style of leadership. Galton (1892), applying his psychometric expertise, pioneered the work that suggested there are some enduring traits that leaders possess which are hereditary and cannot be developed. From the early 20th Century, this theory of leadership drew lots of attention. According to Bass (2008), “Until the 1940s, much research about leaders and leadership focused on individual traits. Leaders were seen as different from nonleaders in various attributes and tested personality traits” (p. 50). Thus, the trait theory holds that there are identifiable traits akin to leadership. Gill (2011), for instance, argued that leadership is to be associated with superior intelligence. This conception, Gill maintained originated in the teachings of Socrates, Plato, and Aristotle; it became popular during the Age of Enlightenment. The claim is that leadership should be reserved for certain people with the trait. Meaning, leaders were born with certain heroic leadership traits and natural abilities of power and influence. The leader is the ‘Great Man’ who puts everything together and influences others to follow along (Daft, 2008). This implies that the great man or woman possesses naturally endowed traits that make him or her ideal for leadership.

During the 1930s and 1940s, much research was devoted to the trait leadership theory, to discover these traits that could be universalized (Bass, 2008; Northouse, 2016; Yukl & Uppal, 2017). It went on without much success. The studies of Stogdill (1948)
suggested there is no unique and consistent set of traits that differentiated leaders from nonleaders in every situation (Antonakis & Day, 2018; Bass, 2008; Crawford, Brungardt, & Maughan, 2005; Northouse, 2016; Yukl & Uppal, 2017). Against the trait theory, Conger (1990) pointed out, a particular trait that made a leader phenomenal in a context can, with a different leader, have a devastating effect in a different context. As such, traits speak well of what are required by the role of a leader in particular context than what are innate qualities. A leader acquires the traits because they are expedient for the position of leadership in a particular context. Therefore, leadership exists in the context of an organization and this gives credence to leadership trait necessary for the context. Still, Gill (2012) maintained that as important as traits of leadership are to effective leadership, it cannot be assumed that effective leaders have all the traits that are associated with effective leadership and ineffective leaders have none. Nevertheless, it is the case that leaders are different from the led and their difference is in the unique traits they possess (Northouse, 2016). Whether these traits are innate or teachable is another issue. If leadership is a role essentially played not by many but by one person, then there must be some traits, which give this one person the leverage over the many.

**Empirical studies**

Bono and Judge (2004) indicated that 12% (1,738) of 15,000 leadership articles in peer-review journals between 1990 and 2004 included keywords “personality” and “leadership”, revealing a strong and renewed interest in the trait and character component of leadership. Antonakis and Day (2018) maintained that the reemergence of trait leadership was given impetus by the works of Mann (1959) and that of Lord, De Vader, and Alliger (1986). Through their meta-analytical studies, they confirmed that there is a
correlation between intelligence and leadership effectiveness. Renewed and bourgeoning researches have recently examined the correlation between trait, personality and leader effectiveness and performance (Boe & Holth, 2015; Judge, Bono, Ilies, & Gerhardt, 2002; Kirkpatrick & Locke, 1991; Peterson, Smith, Martorana, & Owen, 2003; Sturm, Vera, & Crossan, 2015; Zaccaro, 2007; Wille, Wiernik, Vergauwe, Vrijdags, & Trbovic, 2018).

In a quantitative study, McCrae and Costa (1987) used peer ratings of 275 respondents to argue for the adoption of the Five Factor model in personality research as a nuanced format and universalized framework of traits leadership theory. In their analytic investigation, Hogan, Curphy, and Hogan (1991) suggested that the underlining essence of procedural effort in selecting leaders is to identify leadership traits that relate to effectiveness and improved performance within the leadership context. They contended that if organizational performance and success are to be assured, the selection of leaders based on identifiable leadership traits becomes expedient. They insisted that arguing there is no such thing as leadership; that leadership has little impact on group, team, and organizational effectiveness; or that personality and leadership are unrelated, are efforts in futility and a disservice to the human community. In a qualitative study, Zaccaro (2004) pointed out some of the challenges against trait leadership theory as limited, unorganized, and incoherent number of traits and lack of scholarly research into the situational impact on trait leadership theory. He, therefore, argued for a conceptualization of multiple leadership attributes that will account for situation as a source of important variance in leadership. In this renewed effort to reposition trait leadership theory, Zaccaro defined leader traits as relatively coherent and integrated
patterns of personal characteristics that reflect a range of individual differences, which foster consistent leadership effectiveness across the different group and organizational situations.

In a meta-analytic research, Bono and Judge (2004) used 5-factor – (1) Neuroticism, (2) Extraversion, (3) Openness, (4) Agreeableness and (5) Conscientiousness – personality traits as an organizational framework to ascertain the association between personality and eight dimensions of transformational and transactional leadership. They discovered that these leadership dimensions were valid predictors of followers’ job performance and satisfaction. The ratings of transactional leadership behaviors were less strongly related to the Big Five traits but there was a strong association with transformational leadership. In a quantitative study drawn from employees of a retail company in Bucharest, Romania, Mihalcea (2013) investigated the impact of the leader’s personality on employees’ job satisfaction. Using transformational leadership theory as a leadership style, the study discovered that job satisfaction correlated with personality characteristics of transformational leaders. In a later quantitative study, Mihalcea (2014) expanded the initial investigation to other retail companies in Bucharest and examined the impact of leadership personality on job satisfaction and job performance. The study discovered that there was no correlation between the transformational leadership personality traits and job satisfaction, but transformational leadership led to higher profitability. In a quantitative study, involving 144 participants drawn from Marine Business Administration Department of Kocaeli University in Turkey, Özbag (2016) investigated the correlation between five-factor personality traits and ethical leadership. The study discovered that there was a negative
correlation between ethical leadership, and neuroticism and extraversion, while there was a positive correlation between ethical leadership and openness, agreeableness, and conscientiousness. As such, three of the Big Five personality traits – agreeableness, conscientiousness, and openness were positively related to ethical leadership and agreeableness was the most powerful trait that correlated to ethical leadership.

In a meta-analytical study, Sturm, Vera, and Crossan (2017) argued that organizational performance increases when there is a high level of connection between the character of a leader and the competence of the leader. In other words, combining high character and high competence will lead to high performance. The study assumed competence as the ability to do something, whether that is due to natural talent, acquired skill or both, while character is a result of habitual behaviors rooted in virtues that influences not only how competence is exercised, but whether it is exercised at all. In a quantitative study, Wille, Wiernik, Vergauwe, Vrijdags, and Trbovic (2018) examined the personality characteristics of male and female executives to ascertain whether differences in gender has any relations to organizational success. Using the sample of 577 European executives consisting of 434 males and 143 females, and of 52,139 non-executive employees consisting of 43,496 males and 17,643 females, they discovered that though there was a similarity in the relation of both genders to organizational success, there was gender difference with regard to conscientiousness, emotional stability, and extraversion among executive. The difference was not obvious with regard to non-executives.

Consequently, there is renewed interest in the trait theory of leadership especially as traits remain significant in emerging theories of leadership. However, the effectiveness
of trait theory of leadership within an organization is still dubitable since its effectiveness is measured in terms of the perception of the employees instead of the overall effectiveness of the organization (Judge, Piccolo, & Kosalka, 2009). Leadership effectiveness is about a leader’s behavior within an organizational setting not about the trait possessed by the leader (Derue, Nahrgang, Wellman, & Humphery, 2011; Judge, Piccolo, & Kosalka, 2009; Zaccaro, 2007). In an investigative analysis, Day and Zaccaro (2007) acknowledged that the renewed efforts in revitalizing the trait leadership style is in the right direction but cautioned that researchers risk making the same mistakes that led to this theory of leadership being jettisoned in the 20th Century – description was confounded with explanation and traits were considered as motive forces of leaders. They emphasized that traits are merely semantic labels or descriptors of recurring behavioral tendencies that we use to make sense of the behavior of others and ourselves, not some magical qualities that fix leadership problems in organizations. The greatest challenge of this theory or style of leadership is that undue and unnecessary attention is given to the leader, excluding the followers and/or the situation of leadership that makes leadership a relational process, which cannot be effective with a focus on the leader exclusively (Northouse, 2016). In sum, leadership is a complex social engagement which situational variance impacts greatly; traits or skills alone can hardly be adequate to explain it (Crawford, Brungardt, & Maughan, 2005; Northouse, 2016).

**Leader-Member Exchange**

Another leadership theory or style that was meaningful to this study and is still functional or active in the contemporary framework of organizational leadership was Leader-Member Exchange, often regarded as LMX (Antonakis & Day, 2018). This
theory sheds light on leadership as a process of interactions between leaders and followers; it is a relational theory of leadership (Northouse, 2016). Though it is often considered a relational theory of leadership, it is not out of place for LMX theory to also be categorized as a situational theory of leadership. Bertocci (2009) argued that Leader-Member Exchange presents a situational theory in which leaders consciously or unconsciously categorize the followers into in-group members and out-group members. Importantly, LMX focuses on the dyadic relationship as its level of analysis, though this has been modified since the theory emerged in the mid-1970s (Gerstner & Day, 1997). In a longitudinal study, Dansereau, Graen, and Haga (1975) challenged the traditional models of leadership theory and presented an alternative model of leadership that approached leadership as an exchange relationship, which develops within the vertical dyad over time during role-making activities. They examined the degree of negotiating freedom a leader gives to his or her members as it relates to the commitment of the members to the organization and to the leader. As the leader gives members more negotiating freedom, the members become more committed to the leader and the organization. This reciprocal engagement and interaction explain the way a leader interacts with his or her members that allows both the leader and the members to move from a situation of near strangers to the stage of established incumbents. As such, they maintained that in the vertical dyad of leader-and-member exchange, the degree of negotiating freedom that the leader gives to his or her members would impact on the level of their engagement and commitment to the organization.

From their interview results of 60 managers, Dansereau et al. (1975) discovered that the in-group members of the organization who enjoyed greater negotiating latitude
spent more time and energy in communicating and administering activities than the out-group members who were not given greater negotiating latitude. Therefore, the way the leaders mediate negotiating freedom to their members, impacts on the members’ disposition to their job. Using assistants working under these managers who may be casual employees (hired hands/out-group with little negotiating latitude) or permanent employees (cadre/in-group with greater negotiating latitude), they discovered that the level of freedom and support offered the members of either of these groups by their manager impacted on how ready and willing they are to offer more to the organization and the manager. Though members of the cadre, the in-group members, were given higher negotiating freedom in performing their functions, they did not abuse this negotiating freedom but rather exercised their function in a dependable fashion. “Without a good deal of confidence that one’s superior will support innovative approaches to problems and tasks on the job, the assumption of such risk as an exercise of latitude is not likely to occur” (Dansereau, et al., p. 71). Therefore, according to their study, to elicit an unalloyed commitment and dedication, leaders must go beyond their formal authority to offer followers more freedom in their roles, more leadership attention, greater support, and greater influence in the organization; and offering such freedom will allow the leader to gain much needed assistance, commitment and dedication needed for success in the organization and the survival of such leadership.

Dansereau et al. (1975) maintained that leaders can establish two forms of relationship with their members: One which is a formal and official leadership relationship with some members, in which little negotiating freedom is offered them in their roles; the other with members of the organization, who are given a supervisory role,
as they are granted more autonomy or negotiating freedom in their roles. This freedom and trust reposed on these in-group members will elicit a reciprocal reaction of support, commitment, and dedication to the leader by these in-group members. So, at this first stage in the development of the LMX theory, the VDL stage, the leaders, and followers develop dyadic relationships in which leaders treat individual followers differently, leading to two groups of followers – an in-group and an out-group (Dienesch & Liden, 1986). The in-group consists of a small number of trusted followers with whom the leader usually establishes a special and higher quality exchange relationship; while the out-group includes the remaining followers, with whom the relationship of the leader remains more formal (Krishnan, 2005). This stage of LMX endures partly because of the leaders’ inability to give equal attention to all members of the organization (Gerstner & Day, 1997).

Graen and Uhl-Bein (1995) argued that 25 years after the introduction of LMX as an alternative to the traditional leadership style, beginning with the conceptualization of the vertical dyad linkage (VDL), the theory has undergone four stages of refinement and modification in its evolving to be a theory of leadership. The first stage (dyads within units) was the work socialization and vertical dyad stage where focus was on the discovery of the differentiation of in-group and out-group; in the second stage of its development, the focus was to investigate the nature of the relationship and organizational implication; the third stage (dyadic partnership building) was the prescriptive approach to the theory through partnership building and then the final stage (collectives as aggregation of dyads) focused on moving from differentiated dyads into
larger group and network levels (Gerstner & Day, 1997; Graen & Uhl-Bien, 1995).

Figure 4 below is a pictorial description of these stages of development of LMX theory.

![Figure 4](image)

**Source:** Graen and Uhl-Bien (1995, p. 226)

*Figure 4. Stages of development in LMX theory*

So, at the second stage in the development of the theory was the attempt to validate this relationship with regard to organizational outcomes. Studies were carried out to examine the correlation between LMX and organizational outcomes and performance. Most of the studies found LMX to be positively related to followers’ job satisfaction, organizational commitment, leaders’ performance rating and negatively related to role conflict and attrition rate (Bauer & Green, 1996; Gerster & Day, 1997).

**Empirical studies**

Initially, in the investigations, the focus was on leader behavior as described by the leader-member dyadic. Then this was followed by an investigation seeking to assess the implications of this relationship for the organization. For instance, as a validation of Dansereau, Graen and Haga’s work, Liden and Graen (1980) carried out a similar
investigation aimed at testing the relationship between job performance and Vertical Dyad Linkage and discovered that unit differentiation by leaders has important implications for task performance, team building and unit functioning. The study also showed that VDL positively impacted on employee attitude toward the job. Then Graen, Novak, and Sommerkamp (1982) conducted a field experiment involving 106 employees of a large, public service organization and demonstrated that employee growth need moderated the LMX effect and that work outcomes showed a significant positive relation with VDL. From this point, the name changed from VDL to LMX to embrace the new reality of this relationship.

In a quantitative study, Vecchio and Gobdel (1984) tested hypotheses that examined the relationship between vertical dyad linkage (VDL) and performance. The study yielded results congruent with the prediction of a positive correlation with subordinate in-group status and performance. In a quantitative study with 152 participants of a large urban hospital, Dunegan, Duchon, and Uhl-Bien (1992) discovered that there was a significant positive link between LMX and performance, such that a higher quality leader-member exchange correlated with higher levels of performance. With regard to job satisfaction, there were the studies of Turban, Jones, and Rozelle, (1990) that examined job satisfaction with public service employees and that of Stepina, Perrewa and Hassell (1991) that used a laboratory simulation method to investigate into the correlation of job satisfaction with LMX. Yammarino and Dubinsky (1992) investigated the correlation between LMX and organizational citizenship; and there was a significant correlation between organizational citizenship behavior and leader-member exchange. The findings at this stage of the theory demonstrated that effective leadership processes occurred when
leaders and followers develop and maintain high-quality social exchange relationships (Gerstner & Day, 1997; Graen & Scandura, 1987; Graen & Uhl-Bien, 1995; Krishna, 2005).

The third stage in the development of the theory was characterized by a shift in the focus from leader-member relationship or superiors-subordinates relationship to leadership as a partnership among dyadic members; leaders rather than treat some employees more favorably than others, all employees were part of this dyadic relationship (Bauer, Green, & Bauer, 1996; Graen & Uhl-Bien, 1995). “Thus, rather than the descriptive approach that comprised the second stage of development, this third stage (Leadership Making) provides a prescriptive, and hopefully a more practically useful, model of leadership development” (Graen & Uhl-Bien, 1995, p. 229). Therefore, at this stage, unlike the Vertical Dyadic Linkage that focused on selected few, the leaders provided the opportunity for a high-quality relationship to all their followers.

The final stage in the development of this theory brought the recognition of the complexity of organizational leadership. At this stage, the theory went beyond dyadic relationship within groups and independent dyads to consider complex organizational relationships, which are characterized by a leader and multiple members working together in an interacting collectivity (Graen & Uhl-Bien, 1995; Scandura & Graen, 1984; Van Breukelen, Schyns, & Le Blanc; 2006). The theory became operationalized at a system level; at this level, the differentiated dyadic relationships combine to form larger systems of network assemblies, which constitute the leadership structure within the organization (Graen & Uhl-Bien, 1995). “Therefore, Stage 4 involves investigating patterns of relationship quality within the leadership structure, taking into consideration
the criticality of relationships for tasks performance, as well as the effects of
differentiated relationships on each other and on the entire structure” (Graen & Uhl-Bien,

Consequently, about 25 years after the conceptualization of the construct, the key
proponents of this leadership theory, Graen and Uhl-Bien (1995), reviewed and
recapitulated the quintessential characterization of the theory, tracing its trajectory from
review of the theory, addressing issues of measurement and data analytic procedures
about LMX. Ever since then, this theory has attracted the investigative gaze of
researchers. For instance, in a quantitative study Kim and George (2005) examined the
relationship between Leader-Member exchange (LMX) and psychological empowerment
among restaurant employees. Based on the data collected from 173 employees of 20
restaurants in the United States, the study discovered that LMX had a significantly
positive relationship with psychological empowerment. Using surveys from leaders-
subordinates and archival data from six Chinese companies, Ma and Qu (2010)
hypothesized that leaders’ personal universalistic values negatively correlate with
LMX differentiation. The study found support for the hypothesis. Volmer, Niessen,
Spurk, and Abele (2011) conducted a quantitative research that not only explored the
importance of Leader-Member exchange to job satisfaction but also looked at how
employees’ job satisfaction can enhance high-quality supervisor-employee
relationship. Using a data collected from 279 employees of a large information
technology company, the study discovered that there was a positive relationship
between LMX and job satisfaction and that employees’ job satisfaction increased
leader-member relationship. Dulebohn, Bommer, Liden, Brouer, and Ferris (2012), in a meta-analytical study, examined the antecedents and consequences of LMX, using 247 studies, with 290 samples, 21 antecedent and 16 consequences of LMX quality. They discovered that leader variables explained the most variance in LMX quality in relation to the interpersonal relationship and contextual variables. The study equally revealed that LMX frequently played a mediating role in the relationship.

Le Blanc and González-Romá (2012) carried out a quantitative study among 269 Dutch secondary school teachers to test the hypotheses that the relationship between LMX differentiation and team commitment, and team performance is moderated by LMX-quality median. The study discovered that LMX differentiation was positively related to both outcome variables of team commitment and performance with a low LMX-quality median. Zhao (2014) in a quantitative study using data from 358 employees examined the supervisor-subordinate dyads in a large Chinese company with regard to commitment and employee voice and discovered a positive correlation with LMX theory. Chen, Yu, and Son (2014), in a quantitative study, investigated the connection between the Leader-Member exchange and the Chinese idea of guanxi (relationship). Using a sample of 60 groups and 228 employees, they examined the effect of Leader-Member guanxi (LMG) on employees’ job satisfaction, organizational commitment, turnover intention and helping disposition among workers. They discovered that LMG perspective of LMX accentuated the positive relationship between LMG and job satisfaction, organizational commitment, and co-worker helping behaviors. Kim, Liu, and Diefendorff (2015), in a quantitative study, tested the relationship between Leader-Member Exchange and job performance using
data collected from 212 employee-supervisor pairs from eight Chinese companies. They discovered that LMX quality had an indirect and positive relationship to job performance and taking charge. They equally discovered that organizational tenure significantly moderated the relationship between taking charge and job performance: The impact of taking charge on job performance weakened as organizational tenure increased.

Chan and Yeung (2015) conducted a research using a sample of 314 supervisor-subordinate dyadic exchanges collected from a manufacturing firm in China. The result of this quantitative study supported the view that LMX and empowerment were both significantly associated with employee voice behavior, and the positive relationship between LMX and employee voice behavior was stronger when employees received higher level of empowerment. In a quantitative survey from nine Chinese firms based on data collected from 295 employees and their supervisors, Wang, Gan, and Wu (2016) examined the role of employee psychological empowerment in LMX employee voice relationship to find out if role clarity moderated the effect. The study discovered that the hypothesized moderated mediation model used in the study was supported.

Leader-Member Exchange has metamorphosed into a leadership theory that occupies a significantly unique position among leadership theories, especially with its focus on the relationship between the leaders and their followers (Dienesch & Liden, 1986; Krishnan, 2005; Volmer, Niessen, Spurk, Linz, & Abele, 2011; Van Breukelen, Schyns, & Le Blanc, 2006). Yet, Van Breukelen et al. (2006) have insisted that the operational definition of LMX is not clear and that even some of the proponents of the theory like Gerstner and Day (1997) maintained that there is little agreement on what
LMX is about, what to measure about LMX and how to measure that. It seems LMX theory, in measuring commitment, performance and job satisfaction, befuddles characteristic relational expectations in an organization, like trust, loyalty, and respect, with leadership qualities of delegation, consultation and supervision that are demanded of every organizational leader (Van Breukelen et al., 2006; Yukl & Van Fleet, 1992).

An organizational relationship is pivoted on trust, loyalty, and respect, without which the effective functioning of the organization will be in jeopardy, just as leadership cannot preclude consultation, delegation, and supervision if such leadership is to be impactful (Gerstner & Day, 1997). When assessing organizational outcomes like job satisfaction, commitment, and performance, features of organizational relationship should be measured differently from leadership behaviors. Another challenge with regard to LMX as a leadership theory is whether it is a multidimensional relationship or a unidimensional relationship (Dienesch & Liden, 1986). It is unclear whether LMX theory is aggregating the followers’ relationship with the leader or it is measuring the relationship between the leader and each of the followers. Still, if LMX is accepted as a multidimensional construct, it is important to ascertain the dimensions (trust, loyalty, respect, or mutuality) that LMX relationship is to be categorized (Dienesch & Liden). Also, if LMX theory maintains a multidimensional slant, how might it relate to the complexities of contemporary work environments with their multifaceted and multicultural nature? Again, the model has focused on the impact of social exchange process between leaders and members with much less attention on the nature and content of the exchange (Van Breukelen, Schyns, & Le Blanc, 2006). The context and situational factors are still important in any leadership construct. The gray areas in the process of
establishing a high-quality relationship and mutuality between the leader and the followers may be heightened and healthy boundaries blurred.

Despite these challenges, LMX theory remains a dynamic leadership theory that has continually elicited the interest of researchers. LMX has gathered momentum in recent years since its conceptualization in 1975 (Chan & Yeung, 2016; Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Van Breukelen et al., 2006). With such attention, misinterpretation and misconception cannot be obviated, especially given the way LMX theory has evolved (Schriesheim, Castro, & Cogliser, 1999).

**Transformational leadership**

Though popularity does not equate effectiveness; Díaz-Sáenz (2011) maintained that for the past 30 years, transformational leadership has been the most studied leadership theory within the field of leadership studies, and an ideal leadership style for turbulent times. Transformational leadership as a construct can be traced to Downton (1973); its wide-reaching significance was precipitated by the work of Burns (1978); while Bass (1985), through his empirical studies, popularized this leadership style among researchers and practitioners (Antonakis & Day, 2018; Bass, 2008; Crawford, Brungardt, & Maughan, 2005; Díaz-Sáenz, 2011; Gibson, Ivancevich, Donnelly, & Konopaske, 2013; Northouse, 2016; McCleskey, 2014; Yukl & Uppal, 2017). For Burns (2010), transformational leaders raise the consciousness of their followers about the value and relevance of a desired goal and the ways of attaining such goals. Contrasting transformational leaders with transactional leaders - those who lead through social exchange, Burns maintained,
Such leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. . . . transforming leadership ultimately becomes moral in that it raises the level of human conduct and ethical aspiration of both leader and led, and thus it has a transforming effect on both . . . most important by far, leaders address themselves to followers’ wants, needs, and other motivations, as well as to their own, and thus they serve as an *independent force in changing the makeup of the followers’ motive base through gratifying their motives.* (p. 20)

As defined by Díaz-Sáenz (2011), “Transformational leadership is the process by which a leader fosters group or organizational performance beyond expectation by virtue of the strong emotional attachment with his or her followers combined with the collective commitment to a higher moral cause” (p. 299). Within organizations, transformational leadership occurs when leaders broaden and heighten the interests of their employees, generating awareness and acceptance of the purpose and mission of the group, and consequently, the employees are stirred to look beyond their own self-interest as they focus on the good of the group and the organization (Bass, 1990). Bycio, Hackett, and Allen (1995) affirmed that in contrast to transactional leadership, transformational leadership increases the level of followers’ awareness for valued outcomes by expanding and inspiring them to transcend their self-interests in accommodating and pursuing the common good and valued outcomes. Transformational leaders are people who make a positive difference in organizations and in the lives of others; they reach beyond the ordinary, the predictable, and the average, charting new territories and possibilities (Keegan & Den Hartog, 2004). Bass (1998) argued that transformational leadership is an
expansion of transactional leadership, as it goes beyond simple exchanges or agreements to inspire and encourage the followers to meaningful accomplishments as a group. He maintained that transactional leadership emphasizes exchange that takes place among leaders, colleagues, and followers, an exchange that is rooted in specifying the goals to be attained, condition, and rewards attached to the fulfillment of the goals.

Transformational leaders, unlike transactional leaders that focus on the exchange of resources, offer a long-term purpose that transcends short-term goals and focuses on higher-order, intrinsic needs of the followers and the organization (Judge & Piccolo, 2004). Bass (2008) added, “Transformational leaders motivate their followers to do more than the followers originally intended and thought possible. The leader sets challenging expectations and achieves higher standards of performance. Transformational leadership looks to higher purposes” (p 618). According to Northouse (2016), transformational leadership involves the process whereby the leader engages with the followers, creating a relational interaction that raises the level of motivation and morality in both the leader and the follower; the leader is always attentive to the needs and motives of followers and tries to help followers reach their fullest potential. As expressed by Bass and Reggio (2006), transformational leaders are those leaders who stimulate, inspire, and empower followers to achieve extraordinary outcomes and, by so doing, develop their own leadership capacity; they help followers to grow and develop into leaders. They respond to the needs of the followers and ensure that their needs and goals are aligned with that of the organization.

Judge and Piccolo (2004) pointed out that though Bass (1985) based his theory of transformational leadership on that of Burns (1978), his conceptualization has a nuanced
modification and elaboration. For instance, Bass did not accept Burns’ (1978) idea that transformational is a contrast to and opposite of transactional leadership. Bass argued that transformational leadership is a more effective and improved leadership construct, declaring, “Organizations whose leaders are transactional are less effective than those whose leaders are transformational . . .” (Bass, 1990, p. 21). So, Burns contrasted transformational leadership to transactional leadership, but Bass demonstrated empirically that transformational and transactional leadership are two positively related theories and that transformational leadership adds to the good effects of transactional leadership (Bass, 2008). Transformational leaders go beyond rewards to create and communicate vision that will empower the employees to perform beyond expectation (Mirkamali, Thani, & Alami, 2011).

Articulating unified identifiable behaviors that can be employed in measuring transformational leadership has been a challenge. Podsakoff, MacKenzie, Moorman, and Fetter (1990) emphasized that while there are different approaches in the specific behaviors associated with transformational leadership, the common understanding is that this style of leadership transforms or changes the basic values, beliefs, and attitudes of the followers so that they are willing to perform beyond the ordinary level stipulated by the organization. Bass (2008) identified three correlated transformational behaviors; namely, idealized influence, intellectual stimulation, and individualized consideration. Later, another cluster of three items was added; namely, inspirational motivation, contingent reward, and management by exception. These behaviors form the standards for measuring transformational leadership (Díaz-Sáenz, 2011).
Characteristic behaviors of a transformational leader

In a quantitative study using data from employees of a diversified petrochemical company, Podsakoff et al., equally categorized these behaviors into six forms that are somewhat similar to that of Bass. These behaviors are: (1) identifying and articulating a vision, (2) providing an appropriate model, (3) fostering the acceptance of group goals, (4) high-performance expectations, (5) providing individualized support, (6) intellectual stimulation.

**Identifying and articulating a vision.** Transformational leaders identify and articulate new opportunities for their organizations and inspire others with this vision about the future (Podsakoff et al.). This categorization may be identified with Bass’ (1998) inspirational motivation. “Transformational leaders behave in ways that motivate and inspire those around them . . . Leaders get followers involved in envisioning attractive future states; they create clearly communicated expectations that followers want to meet and also demonstrate commitment to goals . . .” (Bass, p. 5). In this way, transformational leaders are imaginative and foresighted and inspire others to identify with their vision. Transformational leaders provide followers with clear sense of purpose that is energizing (Avolio, Bass, & Jung, 1999).

**Providing an appropriate model.** Transformational leaders behave in ways that set appropriate examples for the followers that are consistent with the values they espouse (Podsakoff et al.). The leader is a model of the behaviors, beliefs, and attitudes that are necessary for accomplishing the shared vision of the organization (Bertocci, 2009). Transformational leaders behave in ways that result in being role models for their followers. Bass (1998) explained, “The leaders are admired, respected, and trusted.
Followers identify with the leaders and want to emulate them . . .” (p. 5).

Transformational leaders model what they intend to be the organizational behavior. Such exhibited behaviors become pointers for the followers towards the attainment of the shared vision and goals.

**Fostering the acceptance of group goals.** Transformational leaders galvanize the followers and promote cooperation among the followers so as to ensure that they work together towards the common goal and shared vision (Podsakoff et al., 1990).

Transformational leaders get followers involved in envisioning an attractive future; they create clearly communicated expectations that followers want to meet and are committed to shared goals and visions (Bass & Reggio, 2006).

**High-performance expectations.** Transformational leaders manifest behaviors that demonstrate their expectations for excellence and high performance from the followers (Podsakoff et al.). The transformational leader clarifies what is expected from followers and what they will receive as they attain the expected level of performance (Avolio et al., 1999). Such behavior might entail setting standards for organizational performance, creating enabling structures for such performance, recognizing, and rewarding high performance. Transformation leaders make expectations known; ensure that performance is measurable; provide rewards that people value; obviate obstacles towards the attainment of goals; and ensure that followers receive rewards that are consistent with their performance (Bertocci, 2009). The followers understand from the transformational leaders what needs to be done and the reward likely in exchange for satisfactory performance (Bass, 1998).
Providing individualized support. Transformational leaders pay attention to each follower, his or her need for achievement, growth, and development; they recognize individual differences with regard to needs and desires (Bass, 1998). The leader provides a climate supportive to the individual needs of each follower, treating each follower in a unique and caring way: To some followers, the leader may give strong affiliation; to others, the leader may give specific directives according to the structure of the organization (Northouse, 2016). Bass and Reggio (2006) elaborated that where individualized consideration is practiced, there is a supportive climate and individual differences with regard to needs and desires are recognized in the organization. The leader’s behavior demonstrates acceptance of individual difference. Transformational leaders manifest behaviors that demonstrate respect for the individual followers and concern for their needs and feelings (Podsakoff et al.).

Intellectual stimulation. This characteristic behavior of transformational leaders invites them to stimulate the followers to be imaginative and creative in a way that the followers will identify with the values of the organization as espoused by the leader (Northouse, 2016). Expressed by Bass (1998), “Transformational leaders stimulate their followers’ efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways” (p. 5). The leader challenges followers to re-examine some of their assumptions about their work and rethink alternative and suitable ways of attaining high organizational performance (Podsakoff et al., 1990). Transformational leaders solicit new ideas and creative solutions; their followers are part of the process of addressing problems and finding solutions with new ideas and approaches (Bass & Reggio, 2006). Thus, the transformational leaders get the
followers to question and reexamine tried and trusted ways of solving problems so as to chart a new course of guaranteeing the progressive development of the organization (Avolio, et al., 1999).

**Empirical studies**

In a meta-analytic study, Lowe, Kroeck, and Sivasubramaniam, (1996) examined literatures that used Multifactor Leadership Questionnaire (MLQ) to measure the effectiveness of transformational leadership style in promoting social and organizational well-being. In the 38 research studies that employed this scale from 1985 to 1995, there was a reliable and significant positive correlation between transformational leadership and work unit and organizational effectiveness. However, MLQ does not measure the components of transformational leadership as a unique leadership construct. Podsakoff et al. (1990) developed Transformational Leadership Behavior Inventory (TLI) and it is the second most widely used instrument to assess transformational leadership (Díaz-Sáenz, 2011). Carless and Mann (2000) developed and tested the Global Transformational Leadership scale (GTL) with seven component features of transformational leadership. Using a sample of 1,440 subordinates who assessed the leadership behavior of 695 branch managers in an Australian financial institution, the study concluded that the scale is an effective testing instrument with satisfactory reliability. Transformational leadership style has been applied at different contexts and fields yielding theoretically expected results (Díaz-Sáenz, 2011). Transformational leadership is one of the leadership theories most researched on.

In a quantitative research, Griffith (2004) examined the impact of transformational leadership on employees’ job satisfaction, turnover and school
performance. Using data from elementary school staff, students’ and the school’s Aggregated Student Achievement test scores, the study showed that transformational leadership style of the principal was not associated directly with either school staff turnover or school Aggregated Student Achievement progress. However, there was an indirect effect through job satisfaction and reduced rate of staff turnover. Using the data from 168 Spanish firms, García-Morales, Jiménez-Barrionuevo, and Gutiérrez-Gutiérrez (2012) investigated the influence of transformational leadership on organizational performance through organizational learning and innovation. It was discovered from the study that transformational leadership influenced organizational performance positively through organizational learning and innovation. In a quantitative research to determine which leadership character teachers view as most desirable and valuable in principals of public schools in Alberta, Canada, Hauserman and Stick (2013) used a randomly generated sample of 135 public schools and ten teachers selected randomly from each participating school for the study. The result revealed that teachers strongly preferred behaviors that are aligned with transformational leadership. Braun, Peus, Weisweiler, and Frey (2013), in a quantitative research drawn from a sample of 360 employees from 39 academic teams, through a multilevel analysis, explored the relations between transformational leadership, trust in supervisor and team, job satisfaction, and team performance. The result demonstrated that transformational leadership was positively related to followers’ job satisfaction and to team performance.

In a study to understand the underlying process through which transformational leadership influences creative behavior and organizational citizenship, Tse and Chiu (2014) conducted a quantitative study using data from 250 front-line employees and their
immediate managers working in five banks in China. The result of the study affirmed that transformational leadership behavior impacted on individual differentiation and group identification within the organization. It provided insight into how transformational leadership influences the motivation of work behavior in organizations. In a quantitative study, Astrauskaite, Notelaers, Medisauskaite, and Kern (2015), investigated how transformational leadership deters work harassment. Using findings from a sample of 320 employees, the study demonstrated that the probability to report work harassment was negatively related to transformational leadership. Transformational leadership facilitated autonomy among the employees, which helped to deter work harassment. In quantitative study based on survey from 142 participants, Anderson and Sun (2015) examined the negative effect of transformational leadership in encouraging followers to develop their social capital through engaging in network behavior. The study revealed that networking behavior is more effective when leaders are seen as less transformational, since that will allow the followers not to depend on or benefit from the social capital of the transformational leader; they were spurred to develop their own. Based on the study, the followers engaged in greater networking behavior when encouraged to do so, and when the leader displayed less transformational leadership style or behavior. In a quantitative study, Boamah, Laschinger, Wong, and Clarke (2017) investigated the effect of transformational leadership behaviors of nurse managers on the job satisfaction of nurses and patient safety outcomes. Using a randomized sample of 378 nurses, they discovered that transformational leadership had a strong positive influence on workplace empowerment, which increased job satisfaction of nurses. And the job satisfaction of the nurses positively related to the satisfaction of the patients. They concluded that the use of
transformational leadership style is a useful strategy in creating workplace conditions that ensure the safety of the patients and the satisfaction of the nurses with their jobs.

From the meta-analysis of articles related to transformational leadership, Ng (2017) identified 389 empirical articles related to transformational leadership. The analysis of the year of publication of these articles showed that 3% were published in 1999 or earlier, 13% between 2001 and 2005, 30% between 2006 and 2010, and 55% in 2011 or later. The investigation showed that, with regard to location, 36% of the studies were conducted in the United States or Canada, 23% in Europe, 31% in Asia Pacific regions, and 4% in the Middle East, with the remaining 6% conducted in other regions (e.g. Africa) or covering more than one region. According to this analysis, 79% of the studies examined transformational leadership at the individual level, 11% at the team or unit level, and 10% at the organization level. In line with the studies, Ng maintained that transformational leadership has been shown to affect employee job performance and identifiable factors that mediated transformational leadership performance relationship as (1) affectivity, (2) motivation, (3) identification, (4) social exchange, and (5) justice enhancement. Then the study tested these mechanisms and discovered that support was found for each of these mechanisms in relation to transformational leadership. The study suggested these as the social and psychological processes transformational leaders promote employee job performance.

Eberly, Bluhm, Guarana, Avolio, and Hannah (2017), in a quantitative research to ascertain the effectiveness of transformational leadership in an extreme context of military combat, conducted a two-tier study that surveyed 564 Army soldiers before deployment and 314 after deployment, so as to know how to retain the soldier after they
have been exposed to stressful and extreme situations. The study discovered that transformational leadership had an indirect effect on reducing followers’ turnover intention through on-the-job embeddedness of the soldiers. The result of the study also supported the research that job embeddedness\(^2\) decreases turnover intentions. In a quantitative study, Ding, Li, Zhang, Sheng, and Wang (2017) used a sample of 162 employees working in infrastructure projects located in China to examine the association between transformational leadership and subordinate work engagement and project turnover intention. The study demonstrated that transformational leadership is positively related to subordinates’ work engagement and negatively related to subordinates’ project turnover intention.

In a quantitative study conducted among 176 nurses in Ogun State in Nigeria, Olu-Abiodun and Abiodun (2017) assessed the perception of transformational leadership in relation to staff retention, job satisfaction, commitment, work climate and customers’ satisfaction with nursing services. They discovered that transformational leadership is positively related to job satisfaction, job commitment and customers’ satisfaction with nursing services. Hetland, Hetland, Bakker, and Demerouti (2018), using data drawing

\(^2\) According to Mitchell, Holtom, Lee, Sablynski, and Erez (2001), job embeddedness represents the cluster of influences on employee retention. It explains the factors that influence the employees to remain in their jobs. Job embeddedness is the extent that an employee’s remaining in a job or a related system is due to numerous external or contextual forces labeled as links, fit, and sacrifice act on the employee (Lee, Burch, & Mitchell, 2014). As considered by Mitchell et al., the critical aspects of job embeddedness are (a) the extent people have links or are connected to others or activities in the organization, which stands for the links, (b) the extent to which their job and community are related or fit with the other aspects of their life, this represents the fit criterion, and (c) the ease with which links can be broken, that is, how does what they would give up if they move to another city, home or job matter to them. This criterion is the sacrifice aspect of job embeddedness.
from 107 participants from a Norwegian knowledge-based organization, conducted a multilevel analysis of followers’ perception of their leader’s transformational behavior on their job crafting\(^3\) effort that will increase structural and social resources. The results of the study revealed that the employee perception of their leader’s behavior as transformational was positively related to followers’ job crafting tendencies. So, from the study, they concluded that transformational leaders encourage their followers’ use of job crafting, and this influences the promotion of the employees. In a qualitative study, Hamdani (2018) argued that although transformational leadership is more effective than transactional leadership across a wide range of situations, most managers in practice used transactional leadership style in relating to their followers. The study therefore maintained that it would be important to provide the students with the opportunity to learn and apply specific influence tactics that are characteristics of transformation leadership through a role-playing exercise. This process, the study argued, could be part of leadership class and it could be used for executive training and coaching.

As evidenced from these studies, transformational leadership has a positive correlation with employees’ job satisfaction, commitment, and improved performance (Tse & Chiu, 2014). Transformational leadership theory developed in 1978 by Burns has captured and captivated the interests of researchers in the field of organizational leadership for three decades, though the initial studies were descriptive and qualitative, focusing on characteristics behaviors, traits and influence processes of transformational leadership.

\(^3\) Job crafting is the physical and cognitive change, redesigning and customization of job demands and resources that the employees make on their jobs so as to foster job satisfaction, preferences, engagement, resilience and resourcefulness (Wrzesniewski & Dutton, 2001).
leaders (Bass & Avilio, 1994; Hater & Bass, 1988; Krishnan, 2005; Yukl, 1989). In line with the statistics presented by Ng (2017), many of the empirical studies that have focused on transformational leadership and its outcome on organizations and social interactions have been conducted after 2011. This might be due to the fact that the earlier decades were devoted to foundational framework and conceptual disputation. Yukl (1989) argued that several early studies after the dawn of transformational leadership focused on interviews with leaders previously identified as transformational based on questionnaire responses, peer nominations, or because their organization has been known to have undergone major transformation. The later decade was devoted to articulating the measuring instruments and scales for assessing transformational leadership (Givens, 2008). As reformational efforts and improvement on the construct and theory of transformational leadership continued, empirical examination and testing of the theory began essentially in the 21st Century (Deinert, Homan, Boer, Voelpel, & Gutermann, 2015; Ng, 2017).

According to Northouse (2016), despite the attention that transformational leadership has generated, it is still plagued by several weaknesses. First, transformational leaders often see themselves as heroes, saviors and reformers with magical powers and luring traits; people who can transform organizations and institutions single-handedly to edifice of success (Dennis, 2013). This illusion often degenerates to abuse of power and a narcissistic attitude. This style of leadership legitimizes the concentration of power into the hands of the few, who often see their mission as that of transforming others (Walton, 2013). Second, the validity of the essential instrument (MLQ) for measuring transformational leadership has been challenged.
Furthermore, some of the transformational factors correlate with transactional leadership and laissez-faire factors, which implies that MLQ is not a unique testing instrument for transformational leadership (Northouse). If this is the case, how can an empirical testing decipher or infer that the organizational outcomes were due to transformational leadership, not of transactional or laissez-faire factors? Again, Northouse maintained that studies have revealed that there is a high correlation among the major characterizations of transformational leadership; this may suggest that they are not different factors, after all. In their quantitative research, Tejeda, Scandura, and Pillai (2001), using survey response from 782 employees of a major health care provider in the United States, discovered that the data failed to support the hypothesized structure of the MLQ scale with regard to its factors, though a reduced set of items from the scale showed evidence of predictive validity.

Nonetheless, due to long usage, feedbacks, and criticisms, MLQ has been refined into MLQ version 5X that includes four transformational leadership behaviors that are known as the four I’s: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Díaz-Sáenz, 2011).

Furthermore, as pointed out by Dennis (2013), transformational leaders are presented as those who change and transform the organizational goals; once transformed, the goals are supposed to represent the collective good or pooled interests of the leaders and followers. However, this is too good an assumption since there is no evidence to show that the goals proposed, initiated and instituted by the transformational leaders represent a deeper mutual interest among the organizational partners and the leaders. Dennis further stressed, if leaders are powerful enough to change the common goals and
encourage the followers to embrace such goals, such power could also be employed
towards the promotion of a sectional interest, which the leaders represent or for their own
selfish interests. Díaz-Sáenz insisted that transformational leadership gives an idealized
imaged of leadership and the leader. Much credit is given to the leader without due
consideration to other contributory factors to organizational performance or success; the
leader become superheroes and super-heroines who is impeccable, coming from outer
space to fix human problems (Dennis, 2013; Díaz-Sáenz, 2011). Again, as emphasized by
Beyer (1999),

This search for relevant traits is reminiscent of what happened decades ago during
the search for a universal set of traits and behaviors that would discriminate
leaders from non-leaders. The only obvious difference seems to be that
researchers are now trying to discriminate charismatic or transformational leaders
from those who are not charismatic or transformational. Such a search makes no
sense unless it is assumed that people everywhere are attracted by the same
personal traits and behaviors. (p. 312)

The research and empirical studies on transformational leadership have employed more
of quantitative and meta-analytic approach with less of qualitative methodological
research approach; they use surveys and reports from the followers with little effort to
ascertain qualitatively whether and how these assumed changes impact positively on the
entire organizational (Beyer, 1999; Díaz-Sáenz, 2011). Despite these criticisms,
transformational leadership remains appealing and influential among leadership scholars
and practitioners.
Servant Leadership

Sendjaya and Sarros (2002) defined servant leadership as the deliberate choice in serving and putting the needs of others first. They also traced its origin to the scriptures. They maintained that servant leaders consider themselves as stewards entrusted to develop and empower followers in the attainment of their potential. Akuchie (1993) equally explored the biblical roots of servant leadership based on Judeo-Christian religious and spiritual background. It may be too simplistic to easily trace and subsume servant leadership with Christ-like leadership in the Judeo-Christian tradition; this philosophy, and concept of leadership extends beyond this tradition or that of any religious orientation (Bardeh & Shaemi, 2011; Donghong, Haiyan, & Qing, 2012). Admittedly, Greenleaf coined the phrase ‘servant leadership’, but as an expression of leadership philosophy, its origin dates back thousands of years in both Eastern and Western philosophical traditions (Valeri, 2007). Sendjaya (2015) traced the origin of servant leadership to Judeo-Christian tradition and conceived Christ as epitomizing a servant leader. He elaborated,

Attributing the notion of servant leadership entirely to Greenleaf (1977a) however would constitute an intellectual sloppiness. Granted it was Greenleaf (1977a) who first introduced and disseminated it to the education and business arena. But the principle of servant leadership has been taught and embodied by Jesus Christ and his disciples over 2,000 years ago, much earlier than the works of Greenleaf or Hesse. While the exact terminology was non-existent anywhere in the Bible, a cursory reading of both the Old Testament and New Testament shows that the
idea of leaders serving their people is deeply embedded in numerous passages that speak about leadership. (p. 16)

As such, this philosophy of leadership could also be identifiable in every society and culture where there has been the necessity of leadership. In addition, the writings of Chinese philosophers like Lao-tsu and Chuang-tsu, contained descriptive vestiges of the characterizations of a servant leader; also, Greco-Roman thinkers like Socrates, Plato, Xenophon, Thucydides, Aristotle, Plutarch, and Cicero presented a portrait of a leader that parallels contemporary concept of servant leadership (Valeri). For instance, Cicero (1913) addressing the question of leadership and public administration in his De Officiis argued,

Those who propose to take charge of the affair of government should not fail to remember two of Plato’s rules: first, to keep the good of the people so clearly in view that regardless of their own interests they will make their every action conform to that; second, to care for the welfare of the whole body politic and not in serving the interests of one party to betray the rest. For the administration of the government, like the office of a trustee, must be conducted for the benefit of those entrusted to one’s care, not of those to whom it is entrusted. Now, those who care for the interests of a part of the citizens and neglect another part, introduce into the civil service a dangerous element – dissension and party strife. (# 85, p. 87)

Covey (2002) insisted that servant leadership is a fundamental and timeless leadership theory that spans beyond a particular historical epoch or culture as long as one can emphasize on effective and committed leaders whose intention remains to serve the need and interest of their followers.
Propagating this leadership construct, Greenleaf (1996) offered a quintessential definition and analysis of this leadership theory saying,

The servant-leader is servant first . . . It begins with the natural feeling that one wants to serve first. Then conscious choice brings one to aspire to lead . . . The difference manifests itself in the care taken by the servant – first to make sure that other people’s highest-priority needs are being served. The best test, and the most difficult to administer, is: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servant? And, what is the effect on the least privileged in society; will they benefit or, at least, not be further deprived? (p. 2)

This definition presents the basic tenets of who a servant leader is and what servant leadership entails. For someone to emerge as a servant leader, there ought to be the natural inclination or disposition to serve others, and this disposition ought to have as its fundamental goal, the good of others in a way that those being served will also appropriate an opportunity of service when possible (Sendjaya, 2015). As articulated by Beazley and Beggs (2002), the crux of servant leadership remains creating a more caring and just society, where the less fortunate or less able and the more able serve each other with unlimited liability. As such, servant leadership is a way of being that goes beyond what the leader does to why he or she does that; the intentionality and purposefulness towards the good of all those beings served becomes central to a servant leader (Greenleaf, 1996). Servant leadership focuses on the behavior of the leaders as they remain attentive to the concerns of their followers, empathize with them, nurture them, empower them, and help them develop their full personal capacities (Northouse, 2016).
But beyond the behavior of a leader, it calls both the leader and followers toward a communal effort that draws the community toward moral clarity and social good (Ferch, 2011). Essentially, a servant leader should, by his or her examples and lifestyle, precipitate more servant leaders who focus on the good of others and indeed the human community (Covey, 2002). Against McCrimmon’s (2010) view that servant leadership has paternalistic overtones, this delineation of servant leadership insists that the servant leader does not just serve others but he or she encourages the independence of those being served; those being served ought to be healthier, wiser, freer, and more empowered as they are being served.

Ways of conceptualizing servant leadership

In the trajectory of the conceptualization of servant leadership, Spears (1995), based on the works of Greenleaf, articulated the ten characteristic features of a servant leader as listening, persuasion, empathy, stewardship, foresight, healing, awareness, conceptualization, commitment to the growth of people, and community building. These ten characteristics are important for a broader understanding of what servant leadership entails. Patterson, Dannhauser and Stone (2007) conceptualized servant leadership as a virtue-based leadership theory with a seven characteristic features of humility, love, altruism, vision, trust, empowerment, and service. Barbuto and Wheeler (2006) expanded the ten characteristic features of servant leadership as articulated by Spears to include “calling” as the eleventh characteristic of servant leadership. They then developed a measuring scale – Servant Leadership Scale – for testing these eleven characteristics. Sipe and Frick (2009) further refined these characteristics into seven descriptive characterizations, which they regarded as the seven pillars of servant leadership. They
are: (1) person of character, (2) puts people first, (3) skilled communicator, (4) compassionate collaborator, (5) foresighted person, (6) systems thinker, and (7) leader with moral authority. These are not features; they are descriptions or designations of a servant leader. In each of these descriptors, Sipe and Frick articulated three subcategorizations that illuminate and give credence to what each designation entails. Table 1 below explains this.

Table 1.

*Seven Pillars of Servant Leadership*

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<th>Main designation</th>
<th>Attributive traits</th>
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<td><strong>Person of character</strong></td>
<td>Makes insightful, ethical, and principle-centered decisions</td>
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<td></td>
<td>1. Maintains integrity</td>
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<td>2. Demonstrates humility</td>
</tr>
<tr>
<td></td>
<td>3. Serves a higher purpose</td>
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<tr>
<td><strong>Puts people first</strong></td>
<td>Helps other meet their highest developmental needs</td>
</tr>
<tr>
<td></td>
<td>1. Displays a servant’s heart</td>
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<tr>
<td></td>
<td>2. Is mentor-minded</td>
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<td></td>
<td>3. Shows care and concern</td>
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<tr>
<td><strong>Skilled communicator</strong></td>
<td>Listens earnestly and speaks effectively</td>
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<tr>
<td></td>
<td>1. Demonstrates empathy</td>
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<td></td>
<td>2. Invites feedback</td>
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<td></td>
<td>3. Communicates persuasively</td>
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<tr>
<td><strong>Compassionate collaborator</strong></td>
<td>Supports relationships, diversity and sense of belonging</td>
</tr>
<tr>
<td></td>
<td>1. Expresses appreciation</td>
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<tr>
<td></td>
<td>2. Builds teams and communities</td>
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<tr>
<td></td>
<td>3. Negotiates conflict</td>
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<tr>
<td><strong>Foresighted person</strong></td>
<td>Imagines possibilities, anticipates the future and proceeds with clarity of purpose</td>
</tr>
<tr>
<td></td>
<td>1. Visionary</td>
</tr>
<tr>
<td></td>
<td>2. Displays creativity</td>
</tr>
<tr>
<td></td>
<td>3. Takes courageous and decision action</td>
</tr>
<tr>
<td><strong>System thinker</strong></td>
<td>Thinks and acts strategically, leads change effectively, and balances the whole with the sum of its parts</td>
</tr>
<tr>
<td></td>
<td>1. Comfortable with complexity</td>
</tr>
<tr>
<td></td>
<td>2. Demonstrates adaptability</td>
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<tr>
<td></td>
<td>3. Considers the greater good</td>
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</table>
**Leader with moral authority**

Worthy of respect, inspires trust and confidence, and establishes quality standards for performance

1. Accepts and delegates responsibility
2. Shares power and control
3. Creates a culture of accountability

*Note: Adapted from Sipe and Frick, 2009, p. 5-6.*

This list of seven pillars of servant leadership, with the 21 attributive traits, is elaborative and detailed. The problem is that the list, especially with the twenty-one attributive traits, is too improbable to be real. It is as if servant leadership has to cover every expected good trait attributable to a leader. This list makes it difficult for the traits of servant leadership to be scaled or measured. In fact, Sipe and Frick affirm that not every accomplished servant leader will demonstrate all the twenty-one traits all the time. They insisted, “But whenever any traits are present in adequate measure, and as they accumulate, they serve to enrich and fortify the Servant-Leader and those who surround him or her” (p. 6). Befuddling an already long list of traits may not be necessary; clarity should be emphasized. Nonetheless, focusing on the seven pillars, not on the twenty-one attributive traits, is much more practical and appropriate here. There are still other ways of categorizing servant leadership. Table 2 presents some models of servant leadership, the authors, their conception of the characteristics of servant leadership, and associated instrument for testing this model of servant leadership.

**Table 2.**

Models of Servant Leadership, authors, and associated instruments

<table>
<thead>
<tr>
<th>Foundational and frequently referenced models of servant leadership</th>
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<tbody>
<tr>
<td>Listening</td>
</tr>
<tr>
<td>Awareness</td>
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<tr>
<td>Foresight</td>
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<tr>
<td>Community building</td>
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</tbody>
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2. Laub (1999) – Organizational Leadership Assessment

<table>
<thead>
<tr>
<th>Valuing people</th>
<th>Building community</th>
<th>Providing leadership</th>
</tr>
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<tbody>
<tr>
<td>Developing people</td>
<td>Displaying authenticity</td>
<td>Sharing leadership</td>
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</tbody>
</table>


| Forming relationships with subordinates | Empowering subordinates | Helping subordinates grow and succeed |
| Behaving ethically | Putting subordinates first | Having conceptual skills |
| Creating value for those outside the organization | | |


| Altruistic calling | Wisdom | Emotional healing |
| Organizational stewardship | Persuasive mapping |

5. Liden, Wayne, Zhao and Henderson (2008) - Servant Leadership Scale

| Emotional healing | Creating value for the community | Helping subordinates grow and succeed |
| Conceptual skills | Behaving ethically | Empowering |
| Putting subordinates first | | |


| Voluntary | Subordination | Authentic self |
| Covenantal relationship | Responsible morality | Transcendental spirituality |
| Transforming influence | | |

7. van Dierendonck and Nuijten (2011) – Servant Leadership Survey
Ultimately, servant-leadership as a way of being and leading is driven by the principle, value, and belief that is rooted in the good of others; it is a life of service that calls for sacrificing the interest and ego of oneself at the altar of others (Walker, 2003). Servant leadership can be an arduous way of being and leading, especially in a cultural milieu that trumpets and promotes the exercise of inalienable and inviolable rights, goals, desires, and the interest of the individual over the social realities, demands and needs of others. Spears (1998) poignantly emphasized, “It is important to stress that servant-leadership is not a ‘quick-fix’ approach. Nor is it something that can be quickly instilled within an institution. At its core, servant-leadership is a long-term, transformational approach to life and work – in essence, a way of being . . .” (p. 5). The sacrifice that servant leadership involves, the exemplary life it requires, the discipline it evokes, the self-mortification it elicits and the caring for others that it entails can make it sound abstruse and impracticable.

McCrimmon (2010) argued that servant leadership is a bad idea because it is paternalistic and does not allow for adult-adult relationship between followers and leaders. He insisted, “. . . a religious group is like a political group or association where it’s essential to serve the needs of members. But businesses are very different types of groups. To survive, they need to serve their owners and customers, not their members who are only a means to this end” (p. 2). There is no doubt that the realistic understanding of servant leadership and its implications present a great challenge within
the corporate world. It will be interesting to examine how some of the characteristics of this leadership style will impact organizational life, especially employees’ job satisfaction.

**Servant leadership and its salient characteristics**

Spears’ (2010) characteristics of servant leadership seem to be germinal and more helpful in understanding this style of organizational leadership as a ‘call’ to serve. As such, they were adopted as the features of servant leadership in this study.

**Listening.** This is an interpersonal skill and behavioral disposition, which allows one to pay close attention to oneself, one’s environment, and the social interaction with others. Burley-Allen (1995) articulated,

Listening is (a) taking in information from speakers, other people or ourselves, while remaining nonjudgmental and empathetic; (b) acknowledging the talker in a way that invites the communication to continue; and (c) providing limited, but encouraging, input to the talker’s response, carrying the person’s idea one step forward. (p. 3)

In the light of this definition, listening is taking in information from ourselves through our inner being and our environment, just as it is also taking in information from others in an empathetic and nonjudgmental way. This aptitude allows the leaders to engage in a meaningful interaction with themselves and others in such a way that tension and misunderstanding is obviated. It helps leaders build a positive working relationship with followers, strengthens teamwork, enhances trust and builds a sense of belonging among the followers (Burley-Allen). The import of listening for a leader cannot be overemphasized as it impinges on the quality of the decision-making process; it allows a
leader to open-mindedly survey the full range of objectives and values implicated in the choice of action (Janis & Mann, 1979). A servant leader not only has a deep commitment to listening intently and being in touch with one’s own inner voice; he or she also listens empathetically to others so as to identify the will of a group and help clarify such will (2002). So, a servant leader is a reflective leader who is attentive to the signs of the time, as they are made visible through his or her inner being and the interaction with others.

**Empathy.** On the same scale with listening, is empathy. Empathy is the capacity to feel, experience and relate to the thoughts, emotions, and experience of others; it is more than sympathy which is the ability to understand and support others; empathy involves awareness of others’ feelings and displaying manifest identification with such feelings (Gentry, Weber, & Sadri, 2007). Wolff, Pescosolido, and Druskat (2002), from their research of the relationship between leadership and emotional intelligence, discovered that empathy is an essential element of emotional intelligence, which enables a leader to better understand and assess the needs and perspective of others. A servant leader endeavors to understand and empathizes with others, accepting, recognizing, and respecting his or her followers as unique individuals who have worth that is sacrosanct, and not simply as means to an end (Spears, 2002). Empathy, far from being a paternalistic attitude towards the followers or subjects, allows the servant leader not to blame the followers for every single problem of the organization, but will explore ways to better understand the root cause of abysmal performance with his or her subject (Maxwell, 2008). This goes a long way to support the difficult and low performing followers. Empowered by this capability, the servant leader will not consider the employees or the followers as cogs in the machine of production or as tools of excessive
profiteering. The servant leader is able to see beyond the failure of an employee but not in a way that obliterates good sense and candor.

**Persuasion.** As an essential quality of a servant leader, persuasion allows him or her to move the followers to the laudable objectives of the organization; it is the process of influencing and convincing the followers through consensus seeking and negotiation with the followers (Maxwell, 2008). Conger (1998) emphasized,

Persuasion does indeed involve moving people to a position they don’t currently hold, but not by begging or cajoling. Instead, it involves careful preparation, the proper framing of arguments, the presentation of vivid supporting evidence, and the effort to find the correct emotional match with your audience. Effective persuasion is a difficult and time-consuming proposition, but it may also be more powerful than the command-and-control managerial model it succeeds. (p. 35)

Greenleaf (1996) saw persuasion as a critical leadership skill for a servant leader since it allows him or her to take the risk, step ahead and show the pathway that others will follow because they are encouraged that such pathway is appropriate for them. A servant leader does not consider coercion as a primary base of power and means of management or control. Greenleaf insisted, “Leadership by persuasion has the virtue of change by convincement rather than coercion” (p. 30). As maintained by Spears (2011) “Servant-leadership advocates a group-oriented approach to analysis and decision making as a means of strengthening institutions and improving society. It also emphasizes the power of persuasion and seeking consensus, over the old top-down form of leadership” (p. 15). Therefore, persuasion becomes an important skill that a servant leader employs in ensuring that the employees or followers identify and support the organizational goals as
articulated or represented by the leader. Through persuasion, the servant leader unselfishly goads the employees in making the organizational goals theirs.

**Stewardship.** The next quality of a servant leader that earmarks and makes him or her effective in leading others is the sense of stewardship. Stewardship, as defined by Blocks (2013), “is the willingness to be accountable for the well-being of the larger organization by operating in service, rather than in control, of those around us. Stated simply, it is accountability without control compliance” (p. 24). Stewardship essentially entails managing the property or affairs of another in trust and service, in a way that judicious utilization and accountability will be engendered (Russell & Stone, 2002). This is a deep sense of responsibility to manage and oversee an organization or institution for the benefit of all the stakeholders – the shareholders, the employees, the customers, the suppliers, the human community, with care and concern for the environment (Blocks). Therefore, a steward becomes a servant who represents and works for all the interests that lay claim on an institution or organization. Ultimately, with our human giftedness we remain custodians and stewards, as the Creator, the Giver of all gifts, gives them to us and we hardly will lay claim on them once death greets us (Baron, 2010). As such, all human institutions emphasize the stewardship of earthly resources as they hold these resources in trust for the greater good of the human community (Spears, 2010). Hence, the servant leaders understand that they hold the institutions and their resources in trust, as they remain committed to serving the needs of all members of the institution.

**Commitment to growth and development.** For a servant leader, human beings are not just a means to an end. The servant leader believes that human beings have intrinsic worth beyond their labor and the contribution they make to the generation of
wealth (Spears, 2002). Consequently, the servant leader is committed to the growth and development of each member of the organization as the servant leader sees the value of each employee as inviolable. The servant leader sees through the flourishing of each employee, the flourishing of the organization. Besides, commitment to the growth and development of the employees of the organization has long-term benefits. As expressed by Halvorson (2015), good employees are like money in the bank; the growth and development of the employees helps save money eventually as they become more efficient and proficient. Eventually, when the employees get the sense that the leader is interested and committed to their growth and development, their loyalty will easily be generated, and the rate of turnover will reduce. So, the servant leader remains committed to the growth and well-being of the employees through professional development, taking interest in the suggestions from everyone, encouraging collaborative decision-making and even assisting laid-off employees to find other employment (Spears, 2010). These will invariably yield greater dividends for the organization much as it will enhance the well-being of the employees.

**Development of the community.** Due to the fact that organizations can function as primary shapers of human lives, servant leaders explore and create means of enhancing social bonding, solidarity, and a sense of community among those who work in the organization (Spears, 2010). They promote a deep sense of community in a way that the organization becomes an institutionalization of social identity, as all shares in the collective fulfillment and the building of common good (McCann, Graves & Cox, 2014). The idea is not to establish short-lived enclaves of accomplishment but to transform the organization and eventually the human community through the change of heart and
attitudes amongst the members in a way that collaborative sharing and generative participation of all, which will heal bitter rivalry and spiteful competition, will be engendered (Demaine 1996). A servant leader believes and works to create a community among the members of the organization (Spears, 2002). In this way, the servant leader contributes to the development of a sense of community among the followers, which invariably enhances the community of the followers.

Foresight. If leadership lies in what a leader does, then foresight is that which makes leadership deserving of the name (Spears, 2010). As Greenleaf (1977a) maintained, foresight is the lead that the leaders have; it is the filling in the gaps, which enables them to improve their grasp of the future. It enables the servant leader to appreciate the lessons of the past, the events of the present and make a dependable progressive decision about the future. Foresight is a wholly rational process that allows servant leaders to constantly examine the events of this moment, comparing them with projections made in the past, which are in turn being projected into the indefinite future (Frick & Spears, 1996). Foresight remains a critical servant leadership character, as it helps the leader to discern between the limits of solid information and dependable facts for crucial organizational decision. As explained by Barbuto and Wheeler (2006), “Foresight is operationalized as an ability to anticipate the future and its consequences” (p. 308). Servant leaders are able to envision the future state of the organization in a dynamic and effective way, in which the present dovetails with the future (Avolio & Locke, 2002). For instance, foresight allows the employers of labor to creatively negotiate between making a profit and paying the workers a just and living wage so that
the progressive development of the business organization is not undermined, and the well-being of the employees is not compromised.

**Healing.** Spears (2010) expressed that one of the greatest strengths of servant leadership is the potential for healing one’s self and others, since organizational relationship and social engagement in general will not preclude emotional hurts, a broken spirit, and conflicts. Thus, servant leaders care about the personal well-being of their followers, helping them overcome personal problems that might be generated within and outside the organization (Northouse, 2016). The subtle significance of healing in organizational relationship is that the search for wholeness made possible through healing rejuvenates not only the follower but also the leader; it is a character and gift such that as one gives it, one gets more of it back (Beazley, Beggs, & Spears, 2003). In helping the follower become whole, the servant leaders become whole themselves. Servant leaders understand that organizational goals and performance are enhanced when people are helped to manage emotional stress and are better reconciled with themselves and others (Yukl & Uppal, 2017).

**Awareness.** As a competence, awareness enables servant leaders to be attentive and perceptive about themselves, the organizational environment, and others so as to get more of what is available of sensory experience, that is to say, more from the environment than people ordinarily absorb (Spears, 2002). Awareness is essentially an understanding of the activities of others, which provides a context for one’s activity (Dourish & Bellotti, 1992). Awareness includes the understanding of oneself and the impact one has on others, which enables the servant leader to step aside and view themselves and their own perspectives in the greater context of the situation of things.
(Northouse, 2016). It leaves the individual with a richness of resource for future need. It is a value-building and value-clarifying character, because it armors servant leaders with the ability to address the stress of life and maintain much needed serenity in the face of stress and uncertainty (Spears, 2010). Awareness requires a constant, multidimensional evaluation and appraisal of the organizational life and environment.

**Conceptualization.** This characterization essentially implies that the servant leader is able to envisage greater visions and goals outside the daily realities of the organization (Spears, 2010). Conceptualization essentially refers to visionary aptitude of the leaders that allows them to go beyond the daily operational thinking to focus on the bigger organizational objectives (Northouse, 2016). The servant leaders lead the organization with imaginative creativity that allows them to stretch their thinking beyond the now to encompass broad-base and long-term goals for the organization (Spear, 2010). Northouse maintained, “Conceptualization also equips servant leaders to respond to complex organizational problems in creative ways, enabling them to deal with the intricacies of the organization in relationship to its long-term” (p. 228). The servant leaders do not resist new ideas but are always thinking of what will be to the greater good of the organization and all affected by it (Sipe & Frick, 2009).

**Empirical studies**

Greenleaf (1977a) saw servant leadership as crucial in developing the potential of employees with regard to task effectiveness, leadership capabilities, stewardship and self-motivation. In his review and synthesis of servant leadership, Van Dierendonck (2011) maintained that servant leadership is poised to be a new field of research for leadership scholars, because in the last decade there has been an increase in the demand for more
ethical and people-centered management. This form of leadership will care for the interests of all organizational stakeholders. Van Dierendonck insisted that leadership inspired by servant leadership ideas, is what organizations need now. So, there is a growing popularity of servant leadership practice and there has also been increase in scholarly research affirming its potential utility in organizational performance (Chiniara & Bentein, 2018; Erkutlu & Chafr, 2015; Harwiki, 2016; Hunter, Neubert, Perry, Witt, Penney, & Weinberger, 2013; Liden, Wayne, Zhao, & Henderson, 2008; Neubert, Hunter, & Tolentino, 2016; Neubert, Kacmar, Carlson, Chonko, & Roberts, 2008; Walumbwa, Hartnell, & Oke, 2010). Therefore, in examining the empirical studies, attention will be focused more on the relationship between servant leadership and organization outcomes like job satisfaction, employee job performance, commitment, and organization performance in the last decade.

Beside books, peer-reviewed articles and academic journals, there are doctoral dissertations examining the relationship between servant leadership and employees’ job satisfaction. For instance, in his doctoral dissertation Hebert (2003) examined the relationship of perceived servant leadership and job satisfaction and discovered that there was a significant relationship between perceptions of servant leadership and job satisfaction. In a quantitative dissertation, Miears (2004) examined the correlation between perceived servant leadership behavior and job satisfaction in a public school in Texas. The study discovered that there was high level of teacher job satisfaction when there was an apparent display of servant leadership behavior. In his dissertation, Anderson (2005) examined the correlation between servant leadership and job satisfaction in a religious educational institution in Phoenix. His study revealed a strong
correlation of .701 between servant leadership behavior and teachers’ job satisfaction while the administrators yielded a correlation of .601 of correlation to servant leadership behavior. Using data collected from 29 primary schools and 595 teachers working in those primary schools at Düzce Province in Turkey, Cerit (2009) examined the effects of servant leadership behaviors of primary school principals on teachers’ job satisfaction. The multiple regression and correlation test revealed a strong positive relationship between servant leadership behaviors of school principals and teachers’ job satisfaction. Servant leadership was a significant predictor of teachers’ job satisfaction. From this research, Cerit recommended that school principals should aim to be servant leaders to improve teachers’ job satisfaction. Also, Cerit (2010), in quantitative research, using data collected from 563 teachers working in primary school at the same Düzce Province in Turkey, examined the effects of servant leadership behaviors of primary school principals on teachers’ commitment. The study demonstrated that there was a significant and positive relationship between servant leadership behavior of school principals and teachers’ commitment to school with the significance of servant leadership characteristics ranging from .837 to .932.

Hunter, Neubert, Perry, Witt, Penny, and Weinberger (2013) studied the relationship between personality, servant leadership and organizational outcomes like helping behavior, quality customer service, and low attrition. Using a multilevel and multi-source model, the researchers surveyed 224 stores of a retail organization, 425 followers, 110 store managers, and 40 regional managers. The study indicated a correlation between servant leadership and organizational outcomes like helping behavior that negatively impacted on attrition. In a quantitative research, Guillaume, Honeycutt,
and Savage-Austin (2013) examined the impact of servant leadership on job satisfaction at a private university in the U.S. The study revealed that the ten characteristics of servant leadership as identified by Spears (1998) played a significant role in job satisfaction and that servant leadership contributed to a satisfied workforce. Servant leadership behavior was associated with a decrease in followers’ turnover intentions and disengagement. In a quantitative research, McCann, Graves, and Cox (2014) examined the correlation between servant leadership and employees’ job satisfaction in a healthcare system drawing from a survey sample of 219 employees from 10 community hospitals. The research revealed that servant leadership and employees’ job satisfaction are strongly correlated, with a significant correlation ($p = 0.05$) using the Pillai’s trace test.

Sepahvand, Pirzad, and Rastipour (2015) in a quantitative research using 65 employees of a telecommunication company who were randomly selected, assessed the effect of servant leadership on employees’ job satisfaction. The research confirmed that servant leadership has a positive effective on employees’ job satisfaction. Therefore, the researchers encouraged organizational leaders and employees to know more about servant leadership and seek how to employ that in their ways of being and leading in the organization. Charles (2015), in a quantitative research, explored whether the effects of servant leadership on followers’ job satisfaction will be moderated by situational variables like fairness in pay, perceived organizational support and job demands. Using data collected from 123 employees in five organizations in northern Haiti, the study, through regression analysis, indicated that servant leadership (at a coefficient of $b = .64$, $p = .00 < .5$) positively impacted the followers’ satisfaction with their leader. However, none of the situational variables yielded significant moderating effects.
Al-Mahdy, Al-Harthi, and El-Din (2016), in a quantitative study, examined teachers’ perception of servant leadership and teacher job satisfaction, and the impact of demographic differences on their perception using data collected from 356 teachers in Oman. They discovered that there was a moderate correlation between teachers’ job satisfaction and the perception of servant leadership of the school principals. The research also indicated significant differences based on gender and school type with regard to healing, promotion and the nature of the work. In a quantitative research involving 40 respondents from Women Cooperatives organizations in East Java in Indonesia, Harwiki (2016) examined the impact of servant leadership on organizational culture, organizational commitment, and employee performance. Using descriptive analysis and partial least square regression, the study revealed that servant leadership impacted significantly on organizational culture, organizational commitment, and employee performance. In a quantitative research, Neubert, Hunter, and Tolentino (2016) examined the impact of servant leadership on both the internal and external stakeholders of the organization. They explored how servant leadership is related to the job satisfaction of nurses as well as the satisfaction of their patient. Using a sample of 1485 staff nurses and 105 nurse managers at nine hospitals, the study revealed that servant leadership is directly related to more nurse helping and creative behavior, which related to patient satisfaction through the job satisfaction of the nurses. Hashim, Khan, Ullah, and Yasir (2017) in a quantitative research examined the impact of some of the characteristics of servant leadership on the loyalty of the faculty members in universities in Pakistan, based on 270 participants. The data was analyzed using descriptive statistics, Pearson’s correlation, factor analysis and multiple regression. The result revealed that
servant leadership had a positive and significant relationship with employee loyalty and the characteristic features of servant leadership like healing, organizational stewardship, and persuasion. Chiniara and Bentein (2018), in a quantitative research, examined how servant leaders’ ability to place each follower’s needs above their own impacted on the relationships between followers and also their collective performance. Drawing form 229 employees at North American company, they discovered that servant leadership significantly enhanced leader-member exchange and team cohesion and team cohesion also strongly related to both the team’s task performance and organizational citizenship behavior (OCB).

Despite this robust empirical study, servant leadership is not without weakness as a leadership style. First, if servant leadership is a way of being and leading, it will certainly require a long period of time to be engrained in the mindset and way of thinking of the members of an organization. Greenleaf (1998) accepted that operationalizing servant leadership within an organization takes time. As such, it may not be suitable for an organization under crisis or an organization that requires an immediate overhauling or transformative change. It is a leadership style, which requires a change of attitude, a change of behavior and reorientation of organizational cultures and the mentality of members of the organization. Changing a long-standing organizational culture is an onerous venture (Schein, 2010). The difficulty of changing organizational culture makes people resist a new leadership philosophy like servant leadership; ensuring that everyone understands and appreciates this philosophy will certainly take a long time and resources in the organizational life.

Second, McCrimmon (2010) insisted,
This idea is plausible in politics, clubs or associations where the leader is elected. Without question, this person must serve the electorate to avoid being voted out of office at the next election. In business, however, managers at all levels must serve the owners if they want to keep their jobs. They also need to serve customers. The harsh reality in business is that employees are a means to an end. Effective managers will, of course, do all they can to engage, motivate, consider and include employees, but that does not amount to being their servant. The truth is that while managers fire employees who aren’t performing, no servant can fire his master. Therefore, this sense of servant leadership is interesting but clearly false.

(p. 1)

In a classical capitalist economy, McCrimmon’s point remains credible and cannot be overlooked, especially when the stockholders want as much return on their investment as possible. To harmonize and synthesize the interests of all the stakeholders in an organization so as to better serve all the stakeholders requires a delicate and astute aptitude. Ethics of profit generation has been uneasy for stockholders and must be relearned under servant leadership. This explains why Greenleaf (1977b) acknowledged the challenge faced by servant leadership philosophy in penetrating and permeating the corporate world.

Third, some situations, maybe limited, would require an authoritarian leader who would give directions and insists on what should be done. In this kind of situation, servant leader might be an incongruous leadership strategy and style. Much as persuasion can be compelling, it is a situation-induced source of commanding influence. Still, leaders might have the interest of their followers at heart in a capitalist world where profit
maximization is greatly emphasized, but altruistic leadership philosophy presents a functionally defective business model (Denning, 2010b). Also, at times, the institutional goals and interests come in conflict with the interests of the employees or the followers. When this happens, as it does often, serving the interests and needs of the follower or employees becomes difficult, especially when such needs and interests appear to be inconsiderate and inimical to institutional growth and development.

Next, there is the case of a misplaced modular with regard to the major premise and test of servant leadership. As insisted by Greenleaf (1996), “The best test, and the most difficult to administer, is: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants” (p. 2)? In a corporate world, who are those being served, the employees or the customers or the stockholder? Any of these could lay claim as the group being served and it has been an enormous task to ensure that these three groups are well served at the same time. As Denning (2010a) emphasized, the goals of 21st Century leaders is not merely to meet the needs of the employees, the people doing the work, and help them grow; it is equally important to delight the customers – those for whom the work is being done. In the process of caring or delighting the customers, the people doing the work will grow; but that is the result of that, not a cause. Denning further argued that the image of servant connotes passivity, subservience, inferior and boring and such may not improve the concept of leadership; much as arrogance, authoritarian, and blatant tenacity may be counterproductive. Denning (2010a) insisted that 21st Century leaders have to be dutifully open-minded, radically creative and actively enthused within ethical parameters.
Finally, Northouse (2016) argued, “. . . servant leadership is hypothesized to include a multitude of abilities, traits, and behaviors. To date, researchers have been unable to reach consensus on a common definition or theoretical framework for servant leadership” (p. 241). Table 2 above presents seven different models of looking at servant leadership and there could be more. Synchronizing these traits as articulated by each of these models may be difficult. This can be very confusing for someone who is keen on implementing this leadership style. It is as if servant leadership encompasses all the traits of good leadership. Yet, judging from the empirical studies above, servant leadership remains compelling and effective way of leading, harnessing and galvanizing the resources of the organization for better performance.

**Leadership ethics**

Flowing and following from the exploration of leadership construct in the early part of this chapter, particularly the challenge of defining and articulating what leadership is, it seems the problem is not the conceptualization of leadership or whether leadership is necessary in any human community or social engagement. Ciulla (2014) stated, “. . . ultimate question in leadership studies is not ‘What is the definition of leadership?’ The ultimate point of studying leadership is, ‘What is good leadership?’ The use of the word *good* here has two senses, morally good and technically good or effective” (p. 16). Ciulla went further to conclude, “. . . it is almost impossible to talk about leadership without talking about ethics. The leader-follower relationship is a longstanding part of the human condition” (p. 26). As such, any adequate account of leadership ought to emphasize the link between leadership and good ethical character (Levine & Boaks, 2014). Eubanks, Brown, and Ybema (2012) maintained, “Leadership is intrinsically bound up with
questions of ethics. Leaders’ aspirations, relationships to others, day-to-day practices, decisions, and behaviors have all been shown to have a moral component” (p. 1).

Eisenbeiß and Brodbeck (2014) declared, “Leadership ethics should be at the core of business” (p. 343). Ethics is necessary in leadership and other forms of social engagements because there are always conflicts of interests among human beings; conflicts that are most often rooted in the egoistic interests of human beings that if left unchecked may obliterate the common good (Ray, 2010). Mendonca and Kanungo (2007) insisted,

Ethics is to leadership in organizations what the thread is to the spider web hanging from a fence. The thread enables the spider to lower himself and weave his fabric, stretching out to every corner. That thread sustains the whole framework of the web; without it everything loosens. Just as the thread serves the spider to weave the fabric and sustain it, in much the same way, the leader’s moral integrity moves and sustains the followers’ effort to achieve the common goals of human welfare at personal, organizational, and societal levels. (p. ix)

The place of ethics in leadership is also emphasized by the fact that leadership, as defined here, pursues human flourishing; as such, both theoretical and practical accounts of leadership must rest on ethics (Levine & Boaks).

As argued by Trevino, Brown, and Hartman (2003), the ethical tone and standards of organizational leadership is uniquely important because of the potential it gives leaders to influence employees and organizational behavior. Scholarly research on business ethics has traditionally taken a prescriptive approach, yet ethical violations go beyond rules and codes (Leigh, 2013; Levine & Boaks, 2014; Mayer, Kuenzi, Greenbaum,
The assumption has been that all trade and professional bodies have to establish guiding rules; laws, principles and standards which, when pursued vigorously by practitioners, give a sense of being ethical (Ray, 2010). Treviño and Nelson (2014) contended, “The implosion of the financial markets in 2008 was largely not the result of illegal behavior. For the most part, the activities that brought down the U.S. economy and others around the world were not against the law” (p. 4). They emphasized, “Many of those activities, however, were unethical in that they ultimately produced great harm and were contrary to a number of ethical principles such as responsibility, transparency, and fairness” (p. 4).

Mayer, Kuenzi, Greenbaum, Bardes, and Salvador (2009) suggested that an explanation why both unethical and ethical behaviors occur in organizations makes an investigation into the significance and influence of leaders in the organization expedient. They maintained that leaders play prominent roles in influencing employee propensity to behave in a counterproductive or helpful manner. McCoy (2007) explained that leadership is not a genetic gift or something to be inherited; it is not what academic rigor can easily bequeath to someone even as it can provide valuable returns on it. He insisted that leadership is an intentional and inter-relational process of growth that must pivot upon ethical considerations and be lived out experientially in communion with others (McCoy). Though it is more plausible to argue that corporate scandal is a failure of leadership that is deep-rooted in the selfishness of the leaders as they seek wealth, fame and success regardless of moral considerations (Knights, & O’Leary, 2006), it is incontrovertible that organizational ethical culture or climate on which lies ethical organization does not rely exclusively on the leadership of the organization much as
leadership is a relational process (Frisch & Huppenbauer, 2014; Eisenbeib & Broadbeck, 2014; McCann & Sweet, 2014; Ritter, 2006; Treviño & Nelson, 2014). Nevertheless, the leader plays a significant role in what becomes the ethical culture of the organization.

Given that ethical leadership is the leadership fulcrum on which this dissertation rested, the underpinning ethical orientation that informed the discourse herein was virtue ethics. Virtue ethics, as explained above, is a character-based orientation to ethical discourse which evaluates the degree of moral excellence that individuals have to possess that will allow them to function well and honorably in the face of ethical challenges so as to attain happiness (Tännsjö, 2008). Virtues represent acquired or learned aptitudes, attributes or traits that are described as ethical or moral (Seeger & Ulmer, 2001). In line with Aristotelian tradition, virtues like honesty, generosity, courage, etc., are character traits that human beings, given their nature and their need for *eudaimonia*, ought to possess so as to flourish or live well (Hursthouse, 1999). The virtuous persons are often held as models of appropriateness, credibility, suitability, and rectitude; they serve as role models for the community (Seeger & Ulmer, 2001). Consequently, those in leadership position are often expected to model for their followers what is appropriate, credible, and admirable in line with certain socially acceptable characters (Liebig, 1990). For the virtue ethicists, an action is right if and only if it is what a virtuous agent rooted in virtuous traits would characteristically do in the circumstances, while answering the question ‘what is the right action’; thereby providing the criterion for moral action (Hursthouse, 1999; Tännsjö, 2008). The focus for the virtue ethicists is on character as a determinant of moral conduct. This makes such ethicists to be moral persons in way that they personify some admirable or praiseworthy traits that are not due to a moral obligation,
contractual commitment, or any rule but due to fundamental tendency to consistently act in an ethically commendable and admirable manner (Hursthouse, 1999; Liebig, 1990; Seeger & Ulmer, 2001).

Virtue ethics provides a plausible way of assessing moral action and making moral decisions; it is a representation of the moral life through the emphasis on the character of a person (Hursthouse, 1999). As would be emphasized by ethical leadership, the accounts of leadership that rely essentially on an elaboration of the good character of the leader, would be supported by virtue ethics. The precondition of organizational engagement and corporate relationship is the virtue of the participants, whether leaders or followers; without a modicum of trust, honesty, a general practice of candor, and genuine interestedness, organizational life and growth will be chaotic, problematic if not impossible (Solomon, 1992). In the organizational life, leaders play a critical role in creating, sustaining, and changing their organization’s culture, through their own behavior and through the programs and activities they support and praise, as well as those they neglect and criticize; therefore their virtuous traits and character become important in how they carry out their leadership role (Fox, Crigger, Bottrell, & Bauck, 2010). As expressed by Levine and Boaks (2014), only people of good character are capable of advancing both their own well-being and that of others through their leadership since they will not intentionally subvert the ends to which leadership strives by seeking goals and ends incompatible with the end conceived as intrinsically ethical. However, it is important to note that ethical leadership, much as it can be based on virtue ethics, goes beyond the good character of the leader or the individual members of the organization. As argued by Freeman and Stewart (2006) “Without denying the importance of good
character and the right values, the reality of ethical leadership is far more complex, and the stakes are much higher” (p. 2). Ethical leadership requires more than high ideals and good intentions; it requires commitment and proactive effort on the leader especially but also from the followers (Fox, et al., 2010). High and critical sense of leadership requires that leaders subsume all other goals to that of human flourishing, and how leaders incorporate this fundamental essence of most human social engagements indicates the nature as well as the connection between leadership and ethics, it also explains the standards and success of all social engagements (Levine & Boaks, 2014).

**Ethical leadership**

Leadership scholars have for a long time focused their gaze on how leadership theory and practice can be employed in creating a more equitable, just, and caring human society (Northouse, 2016). Sims and Brinkmann (2002) acknowledged, “Leaders represent significant others in the organizational lives of employees, with significant power qua behavior role models or simply qua power in the meaning of being able to force others to carry out one’s will” (p. 328). They argued that the decisions and examples of the leaders do not affect only their employees but also all the stakeholders; therefore, ethical considerations of the leaders will set the tone for all the social engagements in and outside the organization. Johnson (2015) maintained that leaders are essential and responsible for determining the mission and values, developing structure, and creating ethical climates in the organization. The series of unprecedented exposés of ethical turpitude of leaders at political and organizational fronts have heightened the quintessential nature of ethical leadership to organizational success and common good (Ciulla, 2014; De Hoogh & Den Hartog, 2009; Heifetz & Linsky, 2002; Johnson, 2015;
Northouse, 2016; Trevino, Brown, & Hartman, 2003). It has become clear that the divorce of ethics from leadership has spurred the extensive crisis in leadership and has wrought havoc and colossal damage to organizational good and social well-being (Monahan, 2012).

As observed by Mayer et al. (2009), philosophers and theologians have long discussed the topic of ethical leadership. They maintained that it is not until recently, due to the high incidences of ethical scandals, that social scientists have begun to critically and empirically examine ethical facets of leadership in organizations. In line with this effort, Brown, Treviño, and Harrison (2005) conceptualized a new leadership construct called ethical leadership. With this effort, ethical leadership has become a distinctive leadership construct, theory and style of leadership that is outside the encapsulation of a particular ethical theory or leadership style (Brown & Trevino, 2006; Brown, Trevino, & Harrison, 2005; Eisenbeiß, 2012; Elçi, Şener, Aksoy, & Alpkan, 2012; Piccolo, Greenbaum, Den Hartog, & Folger, 2010). Given that the essence of ethics is to take oneself out of self-absorption into community with others, the questions of leadership are questions of ethics; as such, ethical leadership may be considered as within the purview of ethical considerations and an offshoot of applied ethics (Brown, Treviño, & Harrison, 2005; Eisenbeiß, 2012; McCoy, 2007). Much as ethics is inherently at the background of human living and social interaction, leadership concerns cannot be decoupled from ethical considerations (Ciulla, 2014; Bellingham & Cohen, 1990). Yet, ethical leadership, as a way of being and leading, has emerged from becoming an intersection between ethics and leadership to become a distinctive and unique domain in leadership theories (Brown & Trevino, 2006; Brown et al., 2005; Eisenbeiß, 2012; Piccolo et al., 2010;
Mayer et al., 2009). Ethical leadership is essentially a leadership theory, which employs ethical concepts and considerations in leading and influencing others towards the attainment of organizational goals (Martins, 2016). Ethical leadership employs and adheres more to universal standards of moral action in leading (Hitt, 1990; Mihelič, Lipičnik & Tekavčič, 2010).

**Definition of ethical leadership**

Brown, Trevino, and Harrison (2005) have offered the foundational definition of ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (p. 120). This definition became the threshold into the distinctiveness of ethical leadership as a leadership construct and its relation to organizational efficiency and social engagement. Still, Freeman, and Stewart (2006) conceived ethical leadership as beyond just having the right values or being a person of strong character. They argued, “Ethical leaders embody the purpose, vision, and values of the organization and of the constituents, within an understanding of ethical ideals. They connect the goals of the organization with that of the internal employees and external stakeholders” (p. 3). Mendonca and Kanungo (2007) who defined ethical leadership in relation to what leaders do, maintained that the essential responsibility of an ethical leader is conflict resolution and harmonization of divergent organizational interests. Plinio (2009) stated,

Ethical leadership is the way in which a leader behaves (context and culture appropriate), sets the tone and builds the culture of an organization to effectively develop and empower the people in the organization so that products, services,
and mission are promoted, enhanced and sustained while building up our civil society. (p. 281)

Evaluating the foundational definition of ethical leadership by Brown et al (2005), Giessner and van Quaquebeke (2011) commented that the phrase, “normatively appropriate” in the definition is a vague term since it does not explain what behavior of the leader will be normatively appropriate in a given situation. To this concern Piccolo, Greenbaum, Den Hartog, and Folger (2010) replied: “To act in a normatively appropriate manner is to act consistently with general expectations regarding how leaders should behave in a work context” (p. 261). So, “normatively appropriate” behavior would imply that leaders are fair, honest, principled, and trustworthy in taking responsibility for their own actions, and use appropriate rewards or punishments in holding subordinates responsible for their action (Piccolo, et al.). Nonetheless, the definition has become the widely, most cited and most influential definition of ethical leadership (Alshammari, Almutairi, & Thuwaini, 2015; Çelik, Dedeoglu, & İnanır, 2015; Elçi, et al., 2012; Eisenbeiß & Brodbeck, 2014; Giessner & van Quaquebeke, 2011; Kalshoven, Den Hartog, & De Hoogh, 2011; Mayer et al., 2010; Walumbwa & Schaubroeck, 2009; Yates, 2014). It has had this dominance primarily because it evidenced the essential component of ethical leadership. As argued by Frisch and Huppenbauer (2014) the definition demonstrated the two main dimensions of an ethical leader: a moral person and a moral manager. Being a moral person implies that ethical leaders behave and relate to their followers in a trustworthy, honest, and caring way and ethical leaders as moral managers, promote ethical conduct to the followers by communicating, mirroring and fostering ethical behaviors (Brown & Treviño, 2006; Frisch & Huppenbauer, 2014).
Hassan, Wright and Yukl (2014) pointed out three inherent attributes of the definition of ethical leadership. They argued that ethical leaders not only act ethically, they are ethical role models to their followers, and they manage ethical standards in the organization through punishment and reward. As such, ethical leaders are characteristically ethical, they communicate the essence of ethical behavior to their followers using rewards and punishments to encourage the desired behavior, and they serve as ethical role models for their followers (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009). Eisenbeiß and Brodbeck (2014) suggested that the definition of ethical leadership by Brown et al. is American focused just as most empirical studies on ethical leadership. As such, they conducted a qualitative research, with the purpose of identifying cross-cultural and cross-sector commonalities and difference in the perceptions of ethical and unethical leadership. In this research, 36 business executives from Western and Eastern cultures, working in the private and public sector participated. The research led them to conclude that ethical leadership is the empirical-descriptive term that looks at how leaders are perceived by others as moral persons, moral managers, acting in a socially responsible way. So, ethical leadership reveals a leader who is moral and acts in the interest of common good.

**Characteristics of ethical leadership**

The underpinning nature of ethical leaders is that they are moral persons and moral managers, and these become the overarching characteristics of ethical leadership (Brown & Treviño, 2006; Brown, Treviño, & Harrison, 2005; Treviño, Hartman, & Brown, 2000; Yate, 2014). In a qualitative study, Treviño et al (2000) argued that being a moral person is the substantive basis of ethical leadership. They maintained that this
implies that one is seen as having certain traits, engaging in certain kinds of behaviors, and making decisions rooted in ethical principles. This study indicated that characteristic traits such as integrity, honesty and trustworthiness point to one of the two main pillars of ethical leadership, that is, moral person. This focus on traits explains why virtue ethics promises a credible ethical paradigm for ethical leadership (Tännö, 2008; Treviño et al., 2000). The excellent moral characters that leaders possess allow them to act in an ethically credible and honorable way in the face of ethical dilemmas and ethically challenging situations (Lawton & Páez, 2015; Levine & Boaks, 2014; Tännö, 2008; Treviño et al., 2000). As such, the mercurial nature of organizational engagement necessitates that in the triage of his or her action, the ethical leader must steadily defer to ethical standards and values. But this becomes a herculean demand if he or she is morally bankrupt.

Again, ethical leadership demands that leaders function as moral managers, which requires that the leaders put ethics at the forefront of their leadership agenda by serving as role models for ethical conduct, communicating regularly and persuasively ethical standards, and holding employees or followers accountable to ethical standards (Ritter, 2006; Treviño et al., 2000). Mihelič, Lipičnik, and Tekavčič (2010) emphasized, “Employees learn about values from watching leaders in action” (p. 33). Being moral persons is one of the quintessential characteristics of ethical leaders; yet equally important is that the leaders, aware that they live in a fishbowl, demonstratively share their ethical standards and values with their followers and encourage the followers through palpable actions to elect for ethical standards (Brown & Treviño, 2006; Treviño et al., 2000; Mihelič et al., 2010; Yate, 2014). Gellerman (1989) insisted, “Management
is responsible for creating and sustaining conditions in which people are likely to behave themselves, and for minimizing conditions in which they may be tempted to misbehave” (p. 74).

Thus, the expectation of the ethical leaders to be moral persons is necessary yet not sufficient until the leaders are able to demonstrate and enforce ethical behavior in the organization as the two (moral person and moral manager) are opposite sides of a coin, ethical leadership. Consequently, most extant literatures on the characteristic nature of ethical leadership conceptualize it in terms of Treviño et al.’s (2000; 2003) categorization of moral person and moral manager (Avey, Wernsing, & Palanski, 2012; Brown & Treviño, 2006; Brown et. al, 2005; Rubin, Dierdorff, & Brown 2010; Mihelič et al., 2010; Pastoriza & Ariño, 2013; Treviño et al., 2000; Van den Akker, Heres, Lasthuizen, & Six, 2009; Walumbwa & Schaubroeck, 2009; Yate, 2014). Emphasizing this, Avey et al. (2012) stated,

[T]he definition of ethical leadership includes both traits and behaviors of the leader (i.e., being honest, caring, and principled individuals who make balanced decisions), dubbed the *moral person* aspect, as well as proactive behaviors that encourage follower ethical behavior (i.e., discussing ethical standards with employees and offering appropriate rewards and punishment of ethical/unethical behavior), dubbed the *moral manager* aspect . . . (p. 23)

More often than not, elaborations regarding the characteristic features of ethical leadership are linked to these two pillars. But beyond these two major features of ethical leadership, there are equally salient characterizations of this leadership theory.
In structured interviews drawn from twenty senior executives and twenty ethics compliance officers in different industries, Treviño, Brown, and Hartman (2003) asked interviewees to describe what they saw as the characteristics of ethical leaders whom they have encountered. The analysis of the result revealed honesty, trustworthiness, compassion fairness; being principled, and acting in ethically exemplary way, as the characteristics of ethical leadership. Treviño, et al. maintained that these characteristics explain the ethical leader as a moral person. In their conceptualization of ethical leadership, Brown et al. (2005) argued that “Ethical leadership emerges out of a combination of characteristics and behaviors that include demonstrating integrity and high ethical standards, considerate and fair treatment of employees, and holding employees accountable for ethical conduct” (p. 130). In the review of literatures on ethical leadership drawn from the intersection of ethics and leadership, Brown and Trevino (2006) suggested that ethical leaders are characterized by honesty, compassion, and firmness. They further explained that ethical leaders have to be clear on ethical standards, make fair and balanced decisions, set clear ethical standards for their followers and ensure that followers conform to those standards.

Still on characteristics of ethical leadership, the Ethical Competence Scale articulated the foundational characteristics of ethical leadership as trustworthiness, empathy, honesty, integrity, communication, compassion, interdependence, economic consideration, future orientation, ability to tolerate ambiguity and contradictions, and adeptness in managing anxiety (The Institute for Ethical Leadership, n.d). De Hoogh and Den Hartog (2008) categorized the characteristics of ethical leadership as morality and fairness, ethical role clarification and power sharing. Kalshoven, Den Hartog, and De
Hoogh, (2011) in quantitative study drawn from a sample of 226 participants developed and validated a multidimensional measurement scale – Ethical Leadership at Work (ELW). Based on the theory, interviews and data collected from the questionnaire, the study revealed seven leadership behaviors that could be considered as the characteristic features of ethical leadership; namely, fairness, integrity, ethical guidance, people orientation, power sharing, role clarification and concern for sustainability. In a meta-analytic study, Eisenbeiß (2012) identified four central normative principles for ethical leadership through an interdisciplinary study of Western and Eastern philosophical, religious and ethical traditions. The four cardinal orientations of ethical leadership as implicated in the study are humane orientation, justice orientation, responsibility and sustainability orientation, and moderation orientation. The research further argued that current approaches seem to focus on the humane and justice orientation of ethical leadership to the neglect of the moderation orientation, and the responsibility and sustainability orientation. Northouse (2016) itemized five principles he considered foundational for the development of ethical leadership; namely, respect, service, justice, honesty, and community. But Lawton and Páez (2015) argued that there is a danger of providing lists of virtues to pick-and-mix from in such a way that characteristics of ethical leadership becomes anything conceivably virtuous, making it difficult to be tested or assessed empirically.

In the light of the instrument used for the study (Ethical Leadership Questionnaire) developed by Yukl, Mahsud, Hassan, and Prussia (2013) and the review of the contribution of other scholars to the articulation of the appropriate and measurable characteristics of ethical leadership, some characteristic features remained key to
understanding and evaluating the nature of ethical leadership in this study. The characteristics begin with being a moral person and moral manager as the pillars of ethical leadership to include other attributes like fairness, honesty, integrity, altruism, and concern for sustainability.

The historical trajectory of ethical leadership

The initial attempts and literatures around ethical leadership focused on implanting and imputing morality or ethical principles to the sphere of leadership (Frisch & Huppenbauer, 2014). Ethical leadership was then seen through the lens of moral philosophy and various ethical theories. As noted by Northouse (2016), the initial rudimentary effort of bringing leadership to the purview of ethics was based on Kohlberg’s (1984) conception of the three levels of moral development – preconventional (morality based on consequence), conventional (morality based on society’s views and expectations) and postconventional (personal principled standards of morality). Under each of these three levels of morality are two stages of moral reasoning that impinge on the decision of an individual. Hence, the moral choices and behaviors of leaders are informed and influenced by the stage of their moral development (Garrigan.

Kohlberg’s conception of moral reasoning’s has been challenged as biased and based on studies of only Caucasian males. Gilligan, a former student of Kohlberg, conducted her own alternative research and discovered that males and females do not have the same moral development strata as conceptualized by Kohlberg (Harlick, 2017). Female psychology and values differ from those of male; while Kohlberg’s moral development conducted with males revealed the focused on universal, abstract principles of justice, duty and employing reason and logic. Gilligan’s research as conducted with females revealed that the moral development of women centered on relationships and responsibilities to others, prioritizing empathy over logic in moral reasoning (Harlick).
Adlam, & Langdon, 2018; Northouse, 2016). The teleological theory of ethics that considered the ends of the leader’s action held sway, so also other ethical theories like Rawls’ (1977) theory of Justice. For instance, the theory of justice was seen as a way of adjudicating managerial decisions and the allocation of outcomes such as pay, rewards, recognition, and promotion relative to an employee’s input (Zhu, May, & Avolio, 2004). These theories filtered into leadership literatures in a way that ethical leadership became an integration or combination of moral philosophy and leadership theory (Gini, 1998). Emphasizing this rudimentary effort at conceptualizing ethical leadership, Brown and Mitchell (2010) maintained that the early effort to engage in ethical leadership discourse employed philosophical and prescriptive analysis of how the leaders and perhaps their followers ought or should behave based on some stipulated code of ethics and norms for professional conduct. Subsequently, in the light of several business frauds and examples of scandalous management behavior, most credible leadership scholars started to reflect on ethical leadership or have a section of their book deal with leadership ethics or ethics of leadership; and this would usually emphasize the essence and need for ethical integrity of leaders (Frishch & Huppenbauer, 2014).

As an example of the above, Bass (2008) has a chapter ‘Ethics and Leadership’ where he argued that empirical research on leadership ethics was rare before the late 20th century, though ethical and moral philosophy of leadership dates back to ancient times. He further stated that among the virtuous traits necessary for leaders are integrity, authenticity, and fairness. Bennis (1997) has a chapter tagged ‘Leadership pornography and optional ethics’, where he likened leadership without virtues and leaders who are distant, isolated and removed from the complex lives of the people to the mechanistic and
loveless sex displayed in pornographies. He further stated, “It is time, then, to face this ethical deficit or America [human community] will end in shambles. Ethics and conscience aren’t optional. They are the glue that binds society together . . . Without conscience and ethics, talent and power amount to nothing” (p. 61). In talking about transformational leadership, Burns (2003) distinguished between virtue and ethics. He conceptualized virtue as old-fashioned norms of conduct and habit of action while ethics reflects the modes of formal and transactional conduct; both form the value necessary for a transformational leader. Rost (1991) has a chapter of his book on leadership and ethics where he argued that personal responsibility is essential to any ethical leadership framework and that any ethical leadership framework that informs personal responsibility must go beyond self-interest. He insisted that whatever ethical leadership framework is operational in any organization, it must make individual leaders and followers accountable for their ethical responsibilities as human beings. The ASTD Leadership Handbook (2010) has a chapter entitled ‘Leadership ethics and integrity for the 21st Century’. The Sage Handbook of Leadership (2011) also has a chapter on leadership ethics, just as Northouse (2016) and so many other standard textbooks in leadership studies. The next level in the development of ethical leadership was to locate it as a component of different leadership theories. Being an ethical leader was then seen as part of the transformational, charismatic, transactional or servant leadership approach to leadership (De Hoogh & Den Hartog, 2009).

5 Written by Blanchard, E (2010).
Therefore, the actual development of ethical leadership can be viewed through four major epochs. The first epoch was the preliminary process of conceptualization. At the dawn of the 21st Century, Treviño, Hartman, and Brown (2000) initiated the conceptualization effort of ethical leadership as a unique leadership construct and theory. They did so with their qualitative study that interviewed corporate executives, urging them to identify leaders known to them and the characters they displayed as they functioned as organizational executives. This resulted in the participant cataloging the personal characters of ethical leaders as demonstrating care, trustworthiness, honesty, and fairness; they also mentioned that such leaders modeled such behaviors to their followers and ensured that followers were accountable to ethical standards and behaviors (Jordan, Brown, Treviño, & Finkelstein, 2011). This stage gave birth to the two pillars of ethical leaders as moral persons and moral managers.

The second stage could be seen as that of definitive delineation of the meaning of ethical leadership and the development of measuring scale for ethical leadership. At this stage, Brown et al. (2005) postulated the definition of ethical leadership. Through their longitudinal study, they developed the Ethical Leadership Scale (ELS) as an instrument for testing and measuring ethical leadership. There was also an effort at this stage to delineate and differentiate between conventional leadership theories and ethical leadership (Ciulla & Forsyth, 2011).

Then the third stage was laying the theoretical foundation of ethical leadership. At this stage, there was an effort to locate ethical leadership within the social scientific corpus, especially within the purview of psychology, sociology, and organizational science. The goal was to properly delineate what this leadership construct essentially
entails, the traits associated with it and ways of institutionalizing it in an organization as well as how it relates to organizational performance and the enhancement of the common good (Brown & Mitchell, 2010; Walumbwa & Schaubroeck, 2009). At this effort, Brown and Mitchell (2010) theorized that ethical leadership is instituted through social learning theory (Bandura, 1986), and role modeling (Merton, 1968). So the proponents of the theory suggested that followers form a perception of and emulate their leaders’ ethicality through behavioral science processes (social learning theory, and role modeling) in a kind of “monkey see, monkey do” dynamics (Robinson & O’Leary-Kelly, 1998) and exchange theory, based on *quid pro quo* relational principle (Brown & Mitchell, 2010).

The fourth stage in the development of ethical leadership focused on empirical studies investigating how leadership practitioners are operationalizing ethical leadership. This involved using measuring instruments like the Ethical Leadership Scale (ELS), developed by Brown et al. (2005), the Ethical Leadership at Work (ELW) conceived by Kalshoven et al. (2011), the Ethical Leadership Questionnaire (ELQ) developed by Yukl et al. (2013), and other instruments to gauge the impact of ethical leadership in the field. Empirical investigations have demonstrated that ethical leadership positively influenced employee outcomes. This development attracted the attention of researchers. Currently, there is effort toward more studies and empirical testing of the outcomes of ethical leadership. As such, books are now written focusing on ethical leadership, and empirical studies are conducted to deepen the understanding and further the conceptualization of this crucial leadership construct (Frishch & Huppenbauer, 2014).
Difference between ethical leadership and other leadership theories

Yang (2014) explained that prior to the delineation of ethical leadership by Brown et al., studies in organizational behavior did not have a specific genre that could fully explain the construct. Other forms of leadership construct or theories (especially transformational leadership, servant leadership, authentic leadership, leader-member exchange) characteristically emphasized ethical leadership or assumed ethical leadership to be embedded in its nature (Copeland, 2016; Yang, 2014). As such, there may be a similarity of attributes, such as caring, honesty, integrity, and trustworthiness, among these leadership theories and ethical leadership, and they may nurture the same ethical values; however, they cannot represent the full construct of ethical leadership (Yang).

Mayer et al. (2009) further emphasized that ethical leadership as conceptualized by Brown et al. (2005) differs from these other theories of leadership that have components of ethical leadership. They explained,

One way it differs is that while some leadership theories such as transformational leadership have an ethical component, the focus on ethics is ancillary and represents only one aspect of the leadership style. In contrast, ethical leadership has a sole and explicit focus on the ethical aspect of leadership. Another way that ethical leadership differs from related leadership constructs is that it highlights not only the trait (e.g., integrity, the concern of others, just, trustworthy) of ethical leaders but also draws on social learning and role modeling. (p. 1)

While these other value-based theories of leadership highlight the significance of ethics for effective leadership, none of them fully explains the effect of the leaders’ ethical behavior on the followers’ ethical behavior (Bedi, Alpaslan, & Green, 2016; Brown &
Treviño, 2006). The distinctiveness of ethical leadership centers on how the leader who is a moral person and a moral manager influences his or her followers in creating an ethical climate that becomes the organizational modus operandi. Ethical leadership thus conceived, is an inner conviction and indwelling urge for the good that invites leaders and the followers to enthrone principles and values that orient and govern human effectiveness and organizational success; ethical leadership when instituted, will not just be a process of leading but a way of being and acting in the organization (Monahan, 2012). Therefore, as a leadership theory, ethical leadership is rooted in the ethical character of the leaders, their effort to be ethical and model ethical standards in ways that are observable and can be emulated by their followers (Alshammari et al., 2015; Brown & Treviño, 2006; Çelik, Dedeoglu, & İnanir, 2015; Dei, Osei-Bonsu, & Dowuona, 2016; Eisenbeiß & Brodbeck, 2014; Elçi, Sener, Aksoy, & Alpkan, 2012; Frishch & Huppenbauer, 2014).

**Theoretical foundations of ethical leadership**

**Moral person.** Instituting of ethical leadership begins and takes effect with an ethical leader who is a moral person; he or she possesses the characteristic features of ethical leadership, such as honesty, fairness, altruism, integrity; he or she is principled and lives an exemplary life (Brown et al., 2005; Lu & Lin, 2014; Zhu et al., 2004). Personal character and virtues become essential for an ethical leader; this explains the essence of virtue ethics as foundational to ethical leadership. Virtues are central to the character of an ethical leader as a moral person (Lawton & Páez, 2015). Moral persons are honest and trustworthy; they are compassionate and approachable; they have a reputation for being fair and principled; and they are consistently moral in both their
personal and professional lives (Brown & Mitchell, 2010). Possession of these traits becomes the prerequisite for instituting of ethical leadership, without which such is impossible, as we are reminded by the Latin axiom “Nemo dat quod non habet” (no one gives what he or she doesn’t have). In a qualitative study on how lack of ethical leadership created a culture that led to the bond trading scandal at Salomon Brothers, Sims and Brinkmann (2002) maintained that it is only when leaders are moral or virtuous persons and their lives measure up to ethical standards which they vividly espouse, will they meaningfully lead their followers. Being a moral person in itself is critical but not enough for the development of ethical leadership (Bedi, Alpaslan, & Green, 2016; Brown & Mitchell, 2010; Brown & Treviño, 2006; Lawton & Páez, 2015; Treviño, Hartman, & Brown 2000). Also, the ethical leader has to be a moral manager.

**Moral manager.** Another important dimension in the institution of ethical leadership is that this virtuous, moral person ought to be a moral manager. Developing reputation for ethical leadership necessarily requires that the leaders must be ready to mirror and persuasively sustain what is ethical in the organization to others since there will be a heavy focus on what the leader does (Bedi et al., 2016; Hassan, 2015; Treviño et al., 2000). “Moral managers recognize the importance of proactively putting ethics at the forefront of their leadership agenda . . . executives need to make the ethical dimension of their leadership explicit and salient to their employees” (Treviño et al., 2000, p. 133). Therefore, as moral managers, the leaders effectively communicate the ethical standards to their followers and employ rewards and punishments as strategies in ensuring that these ethical standards become part of the organizational life (Malik, Awais, Timsal, & Qureshi, 2016). Being moral manager implies that the leaders set and communicate
ethical standards and ensure that followers adhere to the ethical standards. As such, the leaders must walk the talk, patterning their own behavior and organizational procedures to be in tandem with credible moral standards (Brown & Mitchell, 2010). Therefore, ethical leaders have to be both strong moral persons and moral managers; it will be an utter hypocrisy and bitter dishonesty if the leaders emphasize ethical behavior with their words while conversely, their behavior and actions remain antithetical to ethical standards. Brown and Mitchell (2010) asserted that a strong manager who is a weak moral person is likely to be a hypocrite, while a strong person who is a weak moral manager is likely to be a neutral leader, unconcerned and apathetic to ethical issues; none of this type of leadership can be trusted in guaranteeing organizational sustainability and success.

Trevino (1986) maintained that an ethical leader in an organization would get the attention of the employees; they will seek to pattern their organizational behavior according to the leader; this will enthrone an ethical climate in the organization. The ethical leader (the moral person and moral manager) is not an intrinsic good. He or she is necessary for the pollination of ethical values and standards to establish an ethical climate. As such, ethical climate becomes the teleological goal for which ethical leadership is desired; ethical leadership is desired because of the ethical climate it will engender (Choi, Ullah, & Kwak, 2015; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009; Rubin, Dierdorff, & Brown, 2010; Seidman, 2004).

Hansen (2011) explained that there are different relational formation strategies through which leaders can promote ethical climate in their organization. Behavioral
theories and social learning theories remain useful in understanding how ethical leaders influence their followers’ attitudes and behaviors in the organization. The grounding of the ethical climate in the organization can be realized through theories of social learning and behavioral change. This dissertation focused on the social learning theory of Bandura (1971), Merton’s (1970) concept of role modeling and Blau’s (1964), and Homans’ (1961) social exchange theory. Therefore, the next stage in instituting ethical leadership and its operationalization is the creation of ethical climate through these social learning and behavior influencing theories.

**Social Learning Theory.** Wren (1982) argued that social learning theory is not a single, but rather a family of theories that attempt to explain the relationship between learning and social behavior that happens in a social context. According to the theory, new attitudes and behaviors within a social context, are learned by observing and emulating others (Manz & Sims, 1980). Bandura (1971), thought to be the prominent proponent of social learning theory as a behavioral theory, built on Skinnerian principles of classical and operant conditioning; nonetheless, he deviated from this approach (Davis & Luthans, 1980). Bandura’s social learning theory holds that acquiring new behavior is a matter of continuous, reciprocal interaction between cognitive, behavioral, and environmental determinants (Lam, Kraus, & Ahearne, 2010). Bandura (1971) argued, “Traditional theories of learning generally depict behavior as the product of directly experienced response consequences. In actuality, virtually all learning phenomena resulting from direct experiences can occur on a vicarious basis through observation of other people’s behavior and its consequences” (p. 2). He insisted that human beings’ effort to learn by observation enables them to acquire new integrated behavior by
example without having to build up this behavior through Skinnerian trial and error. So behavioral inhibitions, fearful or defensive behavior; painful or pleasurable behavior can be developed observationally by witnessing the impact of such reaction on others (Bandura, 1971). Bandura maintained, “Social learning theory assumes that modeling influences produce learning principally through their informative functions and that observers acquire mainly symbolic representations of modeled activities rather than specific stimulus-response associations” (p. 6).

The central postulation of the social learning theory is that people learn from one another through the reciprocal process of observation, imitation, and modeling and this learning is a cognitive process, which happens in the situated context (Bandura, 1971). This stands against the one-way influence process of learning that reduces humans to helpless reactors to the impulses of external rewards and punishments. Bandura’s view is that human beings acquire new behavior, which informs their new action through observing those who have modeled these new behaviors to them. So, in a reciprocal interaction, the individuals and their environments create the new behavior that is appropriated within this context. Through their actions, individuals create environmental conditions that affect their behavior in a reciprocal manner, which would invariably determine what the individuals become and can do in that environment (Manz & Sims, 1980). This process will affect their subsequent behavior. Through his concept of reciprocal determinism, Bandura argued, contrary to behaviorism, that the human beings, and their environment impact each other, the environment does not impact the individual in a unidirectional way. Human beings do not maintain an attitude of submissive
passivity to their environment. They impact their environment just as their environment impacts them.

Bandura (1971) maintained, “During the course of learning, people not only perform responses, but they also observe the differential consequences accompanying their various actions” (p. 3). Based on the informative feedback that people receive, they will develop subsequent behavior to serve their future action within the given social context. Therefore, Bandura insisted that most human behavior is not regulated by immediate external reinforcement; rather actions are regulated largely by anticipated consequences or outcome. In this way, people are neither driven by inner forces nor automatically shaped and controlled by external stimuli, as postulated by Skinnerians; human functioning is explained in terms of a model of triadic reciprocality, where behavior, cognition, and other personal factors, and environmental events all operate as interacting determinants of each other (Bandura, 1986). “Social learning theory assumes that modeling influences produce learning principally through their informative functions and that observers acquire mainly symbolic representations of modeled activities rather than specific stimulus-response associations” (Bandura, 1971, p. 6).

Bandura held that modeling of the social learning is achieved through four interrelated sub-processes: (1) attentional, (2) retention, (3) motoric reproduction, and (4) reinforcement and motivational. At the attentional level, certain behavioral patterns or actions captivate the individual because of the functional value of the behavior. Attention to modelers is equally channeled by their interpersonal attraction. Behavioral models that have interesting and winsome qualities are accepted and retained, while those that lack these appealing characteristics are ignored or rejected (Bandura). Bandura maintained, “.
to reproduce a model’s behavior when the latter is no longer present to serve as a
guide, the response patterns must be represented in memory in symbolic form. By this
means past influences can achieve some degree of permanence” (p. 7). Through the
retention process of symbolic coding, mental imaging, covert rehearsal, cognitive
organization, and symbolic transformation, the individual is able to retain a helpful model
of behavior (Davis & Luthans, 1980). Motoric reproducing requires an action of
exhibiting the modeled behavior, which depends on the individual acquiring the
component skills for such modeled behavior. Reinforcement and motivational processes
entail positively incentivizing the display of the acquired behavior. As expressed by
Bandura (1971), “A person can acquire, retain, and possess the capabilities for skillful
execution of modeled behavior, but the learning may rarely be activated into overt
performance if it is negatively sanctioned or otherwise unfavorably received” (p. 8).

Role Modeling. The second process through which ethical leadership promotes
an ethical climate in the organization is role modeling. Working together requires not
only basic leadership skills but also a fundamental understanding of the way the leaders’
behavior affects others (Scarnati, 2002). Similar to Bandura’s concept of modeling in
social learning theory, role modeling is a process that stimulates others to emulate a
person with positive value, appealing character, and successful behavior within a social
context (Manz & Sims, 1980). As presented by Weaver, Treviño, and Agle (2005), role
modeling is a means of transmitting values, attitudes, and behaviors in all types of
settings, including work, through which people learn much of what they know not by
direct experience, but by observing, identifying, internalizing, and emulating the role
model’s values, behaviors, or attitudes. “In effect, people form a mental picture of how a
role model acts in various situations, and then apply that image to . . . novel situations they themselves encounter . . . people use role models to help define themselves and guide their behavior” (Weaver et al., 2005, p. 314). Coining the concept of role model out of the idea of reference individuals, Merton (1968) hypothesized that role models are individuals who by virtue of occupying a professional status or position and by portraying positive examples according to their role and position, are looked up to and imitated by others (Addis, 1996). Merton (1968) argued that a reference individual is different from a role modeler because the one who identifies himself or herself with a reference individual will seek to approximate the behavior and values of that individual in many of the several roles of the person. Merton insisted, “The concept of role model can be thought of as more restricted in scope, denoting a more limited identification with an individual in only one or a selected few of his roles” (p. 357). He, however, emphasized, “To be sure, a role model may become a reference individual as his multiple roles are adopted for emulation rather than emulation remaining confined to the one role on the basis of which the initial psychological relationship was established” (p. 357).

Therefore, within an organization, when the leader or anyone functions as a role modeler, the primary focus is not so much about the private life of the individual. The prototypical behaviors that will stand out for emulation are those that are very essential to the organizational interaction, social engagement, and functioning. Yet, it is not out of place that a role modeler will become a reference individual for the followers, especially when the followers are positively impelled to emulate this person beyond his or her organizational role as a leader. Importantly, Kemper (1968) maintained, “The essential quality of the role model is that he possesses skills and displays techniques which the
actor lacks (or thinks he lacks), and from whom, by observation and comparison with his own performance, the actor can learn” (p. 33). Being the prototypical figure of ethical life within the organization is the driving impetus of the role model. Gibson (2004) defined role model thus:

[A] cognitive construction based on the attributes of people in social roles an individual perceives to be similar to him or herself to some extent and desires to increase perceived similarity by emulating those attributes . . . individuals may also observe role models whom they perceive as similar on some dimension for the purpose of learning how to avoid certain attributes or behaviors; that is, individuals may have negative role models. (p. 136)

As such, just as it is possible to have someone model positive attitudinal characters, which the other can emulate, it is also possible to have someone whose displaying of negative attitudinal character discourages the other from emulating such conduct, this explains the difference between a role model and a reference individual (Addis, 1996). In role modeling, the followers pick and choose the attitudinal character to emulate, but in a reference individual, emulation extends to a wider range of attitudinal character and values of the person being emulated (Merton, 1968).

Leading people is more of an art than a science; it involves dynamic, multiple, and myriad ways that human beings interact (Vroom & Jago, 2007). To lead and work effectively with others requires the understanding of the ways in which the behavior of leaders affects others within an organizational context (Scarnati, 2002). Sometimes, people learn what they know through direct experience and at other times through formalized teaching or coaching encounter and also by observing the behaviors modeled
to them by others; leaders serve as critical organizational role models for their followers (Weaver, Treviño, & Agle, 2005). The leaders, because of their position and authority in the organization, easily get the attention of their followers just as a moth is drawn to flame; more so if these leaders have endearing and ethical characters that have been seen by their followers to enhance human relations and organization performance.

**Social Exchange Theory.** Most empirical studies on ethical leadership to-date have relied on one or both of social learning theory and role modeling theories in explaining how ethical leaders impact organizational ethical climate and as ways to identify direct and intuitive outcomes of ethical leadership (Hansen, 2011). Another relational and learning process that is essential to understand the institutionalization of ethical climate by an ethical leader in an organization is social exchange theory. Hansen, among other theorists, has also proposed that social exchange theory (Blau, 1964; Homans, 1961) can provide insight regarding how ethical leaders influence organizational outcomes. Homans (1961) declared; “Influence over others is purchased at the price of allowing one’s self to be influenced by others” (p. 286). With the germinal contributions of Homans (1961), Blau (1964) and Emerson (1962, 1972), social exchange theory has become one of the major theoretical perspectives in the field of social psychology that can be employed in understanding the nature of a dyadic relationship and influence process in a social setting (Cook & Rice, 2003; Gergen, Greenberg, & Willis, 1980). Hollander (1980) explained, “The leader receives approval in the forms of status, esteem, and the potential for greater influence. The followers, in turn, receive the benefits of the leader's effort, if successful, in the form of favorable group results” (p. 103). Social exchange theory has become the basis for much of the theoretical consideration of other
sociological concepts like distributive justice, status, leadership, authority, power, and solidarity (Cook & Rice, 2003). Among these sociological concepts, leadership essentially follows a process of influence and counter-influence in which the group members’ willing acceptance of the leader’s influence is predicated on a process of exchange in which the leader gives something and gets something in return (Hollander, 1980). Social exchange theory has been employed in examining the relationship between superior and subordinate in an organization (Marcus & House, 1973). Chen and Choi (2005) in a meta-analytical study demonstrated how social exchange theory could be helpful in illuminating many of the underlying bases of different ethical perspectives.

The thrust of social exchange theory is the conceptualization of social interaction and change in behavior as predicated on exchange between different individuals or entities with focus on cost-benefit consideration (Cropanzano & Mitchell, 2005). According to Lawler and Thye (1999), social exchange theory assumes that self-interested actors transact with other self-interested actors to accomplish individual goals that cannot be achieved alone; interdependence is a central property of social exchange. Homans (1961) defined social exchange as the exchange of activity, tangible or intangible, and rewarding or costly, between at least two persons and the cost based on relation to alternative activities or opportunities foregone by the actors involved. Blau (1964) for his part, regarded social exchange as the voluntary actions of an individual that are motivated by the benefit they are expected to bring and usually do bring from others (Cook & Rice). Blau considered social relation as constrained by actions that are contingent on rewarding reaction from others. Distinguishing between Homans and Blau conceptions of social exchange theory, Emerson (1976) maintained,
While Blau gave more emphasis to technical economic analysis, Homans dwelled more upon the psychology of instrumental behavior. Yet in doing so, he drew upon a different brand of psychology . . . In addition, they employed different strategies of theory construction . . . Homans takes a more reductionist approach, moving in the opposite direction. With considerable knowledge of group-level processes already in mind, he points to the psychological principles of reinforcement, which he claims, help to explain them. However, Peter Blau, contrary to both of these approaches, warns us that preoccupation with psychology can blind us to the important emergent aspects of social exchange. (p. 335)

Cook and Rice observed, for Homans, the dominant emphasis remained the individual behavior of actors in interaction with one another; insisting on this caused a rift between him and Blau who rather built into his theory of social exchange and social structure, an analysis of the evolving and dynamic properties of social systems. Heath (1976) pointed out another critical distinction between social exchange of Homans and Blau. According to Heath, while Blau’s conceptualization is rooted in utilitarian principle that is forward-looking, Homans emphasized reinforcement theory that looks backwards, with actors valuing what has been rewarding to them in the past (Cook & Rice). Expressing their rift, Blau (1964) stated,

[M]y main disagreement with Homans’ theory is rooted in this conception of the peculiarly social nature of exchange, which implies that it cannot be reduced to or derived from psychological principles that govern the motives of individuals, as Homans aims to do. The objective of exchange theory is, in my view, to explain
social life in terms of exchange principles by analyzing the reciprocal processes composing exchange, not to explain why individuals participate in certain exchange relations in terms of the motives and the underlying psychological principles . . . In contrast to Homans, who is a psychological reductionist (or, as he prefers to call himself, a methodological individualist), I assume that social structures (and, indeed, all structures composed of subunits) have emergent properties that cannot be understood on the basis of the properties of the subunits.

(p. ix)

The overview of social exchange theory still revolves around the fundamental conceptions of this theory as shared by Homans and Blau, which is that it involves a dyadic exchange relation - an actor’s (A) behavior reinforces the behavior of another person/s (B), and B’s behavior reinforces A’s behavior in return (Cook & Rice, 2003; Lawler & Thye, 2006). It involves the conceptualization of social behavior in terms of rewards and punishment – behavior that generates positive consequence is likely to be repeated; behavior that has been rewarded in the past will be performed again; action valuable to the actor will constantly be performed; actors get angry when they do not get commensurate return on their behavior (Lawler & Thye, 2006). Thus, social exchange theory emphasizes the principle of retributive justice and fairness of return for the actors (Chen & Choi, 2005; Lawler & Thye, 1999).

Drawing from these quintessential characterizations, social exchange theory remains critical to leadership, given that leadership is essentially a relational construct of influence that occurs between leaders and their followers; give and take on both sides are vital and inevitable in such a relationship (Hollander, 1980). Social exchange is
fundamental to the transactional approach of leadership; however, given that all forms of leadership involve a considerable degree of exchange or transactional relationship, social exchange theory helps to understand and support the relationship between ethical leaders and their followers in effecting an ethical climate in the organization. Social exchange conception provides one vehicle for understanding how the leader’s role is legitimated. The positive effect of leader’s reinforcement and indeed leadership effort is an indication of granting the leader legitimacy, accepting his or her role and opening the way for leadership activity (Homans). In line with social exchange theory, when the leaders and leadership of the organization treat the employees fairly, with respect and in an ethical manner, the employees are likely to reciprocate by behaving in ethical way, thereby creating an ethical climate in the organization (Lilly, Duffy, & Wipawayangkool, 2016). Followers require a sufficient feeling of being fairly rewarded, respected and trusted to remain inside the group or an organization and to participate actively in it (Hollander, 1980).

As has been examined, social exchange theory suggests that followers reciprocate leaders’ behavior towards them with their own matched behaviors on a *quid pro quo* mutual reciprocity basis as the fundamental principle of a social exchange relationship process (Brown & Mitchell, 2010; Blau, 1964; Hansen, 2011). Brown and Mitchell explained that employees feel indebted to ethical leaders due to their trustworthiness and fair nature; as such, the followers would reciprocate with beneficial work behavior and refrain from destructive and unethical behavior. The connecting cord underlying the social exchange relationship between the leaders and their followers may be pivoted on economic benefit woven in trust, but this relationship develops to one that the followers
will ultimately behave in an ethical way if the leaders of the organization mirror and pattern ethical behaviors to them. This ethical behavior institutes an ethical climate in the organization (Brown, & Trevino, 2006; Brown, & Mitchell, 2010; Mulki, Jaramillo, & Locander, 2006).

**Ethical climate**

Victor and Cullen (1987), who conceptualized the term organizational ethical climate as a way of characterizing the ethical culture or atmosphere of the organization, defined it as the “shared perceptions of what is ethically correct behavior and how ethical issues should be handled” (p. 52). In a quantitative research that drew data from 872 employees from four firms, Victor and Cullen (1988) hypothesized that ethical work climates are both multidimensional and multidetermined. The research conceived of ethical climates “as general and pervasive characteristics of organizations, affecting a broad range of decisions” (p. 101). Victor and Cullen, based on moral philosophy, classified ethical climates into three main categories of ethical theory; namely egoism, benevolence, and principle or deontology. These theories differ in terms of the criteria used in the moral reasoning. Outside of these three basic criteria for moral reasoning, they conceptualized another three loci of analysis to further distinguish the types of climates found in organizations. Locus of analysis is derived from Merton’s (1968) sociological theories on roles and reference groups. Victor and Cullen acknowledged that Merton, studying roles in social systems, identified three main types of reference groups that help shape the behaviors and attitudes of role individuals. As such, reference groups are social frames of reference through which the individual looks for self-evaluation and attitude-formation (Merton). This could be any of the groups of which the individual is a
member, as well as groups of which the individual is not a member; but the individual must consider them in working toward his or her purposes (Merton). Reference groups, Merton stated, “... is applied not only to groups, but to individuals and to social categories as well” (p. 338). So crossing these three loci of analysis – the individual, the local or organizational, and the social or cosmopolitan, with the three criteria for moral reasoning – egoism, benevolence and principle or deontology, forms a matrix of nine ethical climates within an organization; namely self-interest, company profit, efficiency, friendship, team interest, social responsibility, personal morality, company rules and procedures, and law and professional codes (Victor & Cullen, 1988). Table 3 below is a representation of these nine possible ethical climates of an organization.

Table 3.

**Ethical climate types**

<table>
<thead>
<tr>
<th>Ethical Criterion</th>
<th>Locus of analysis (frames of reference)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Individual</td>
</tr>
<tr>
<td>Egoism</td>
<td>Self-interest 1</td>
</tr>
<tr>
<td>Benevolence</td>
<td>Friendship 4</td>
</tr>
<tr>
<td>Principle</td>
<td>Personal Morality 7</td>
</tr>
</tbody>
</table>

Source: Victor and Cullen, 1988, p. 104

These ethical climates become the criteria for decision making in the organization. For instance, according to these ethical climates, if one is working in an organization with an egoistic ethical criterion, decision about oneself will be rooted in
self-interest; at the local or organizational level, decisions will be in favor of company profit; while decision beyond the organization, in the larger social or economic system or the cosmopolitan, decision will focus on efficiency (Victor & Cullen). At the individual locus of analysis, the benevolence criterion is defined by the consideration of other people – friendship. At the local locus of analysis, it becomes consideration of the organizational collective team play or team interest while at the cosmopolitan locus of analysis; benevolence is defined by consideration of other constituencies outside the organization – social responsibility (Victor & Cullen). It has been demonstrated that the benevolence criterion is the ideal ethical climate for most ethical organizations (Martin & Cullen, 2006; Parboteeah & Kapp, 2008; Parboteeah, Chen, Lin, Chen, Lee, & Chung, 2010). A benevolent-local climate suggests that employees will be concerned about the welfare of their organization and have overall concern for the welfare of others, and this will impact positively on organizational outcomes (Parboteeah & Kapp, 2008). The principle-individual climate emphasizes personal morality, which at principle-local level, warrants the employee to focus on company rules and procedures. The principle-cosmopolitan climate focuses on social law, codes and regulations.

Victor and Cullen’s analysis of the organizational ethical climate is very helpful for understanding the relevance of ethical climate with regard to organizational behavior and outcomes like employees’ job satisfaction and commitment. However, ethical leadership, as a leadership construct, focuses on the ethical leader who is a moral person and a moral manager, who will be instrumental in determining the ethical climate of the organization (Treviño et al., 2003). In a quantitative study based on the social learning theory and moral identity theory, Mayer, Aquino, Greenbaum, and Kuenzi (2012)
examined the antecedents, that is, the background traits and conditions for operationalization of ethical leadership and the eventual effect of ethical leadership in instituting an organization climate. They discovered that leaders set the ethical tones of an organization and are instrumental in encouraging ethical behavior and reducing interpersonal conflict among their subordinates. In line with the antecedents of ethical leadership, they equally discovered that only moral individuals who go one step further and actively model ethical behaviors and use a reward and punishment system to influence subordinates’ behaviors among followers, were able to create ethical climate in the organization. In determining the ethical climate of the organization, ethical leadership is driven by the moral motivation of the leader who in herself or himself has a moral identity and stimulates the institutionalization of an ethical climate in the organization (Van Gils, Van Quaquebeke, Van Knippenberg, Van Dijke, & De Cremer, 2015). As a sequel to the fact that the moral identity of the leaders and their demonstration of the ethical standard are key to the operationalization of ethical climate in an organization, virtue ethics remains necessary for the ethical leader.

**Ethical leadership and ethical climate association**

The ethical climate is a consequence of ethical leadership in the same way that ethical leadership is antecedent of ethical climate. This emphasizes a cyclical relationship. The ethical leaders are responsible for setting the tone of the ethical standard and climate in the organization by role modeling ethical behavior, through social learning and social exchange theories, and through reinforcement of ethical standards (Brown et al., 2005; Mayer et al., 2012; Van Gils et al., 2015). The followers or subordinates will reciprocate by learning, and acting out the behavior of the leader, which makes the
organizational ethical climate dependent on the quality of the leader-follower relationship (Van Gils et al., 2015; Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011). This reciprocity towards the leader is reinforced by the organizational position of the leader and the ensuing benefit in the relationship. Therefore, the ethical climate of an organization is the shared understanding of the employees in the organization about how ethical issues should be addressed and what characterizes ethically correct behavior within such organization (Deshpande, 1996). Ethical climate describes the regulatory climates of the organization. Cullen, Parboteehah, and Victor (2003) explained, “Organizational ethical climates are a subset of the more general array of work climates. The ethical climate construct delineates a group of prescriptive climates reflecting organizational practices with moral consequences” (p. 128). They maintained that such climates become functional when members believe that certain forms of ethical reasoning and/or behavior are expected standards for decision making within the organization. Ethical climate is not a representation of an individual’s ethical standards; it is a unique organizational environment as perceived by members of the organization, which has been given impetus by the modeling of the leader (Cullen et al, 2003).

Through ethical role modeling, social learning theory and social exchange theory, the endearing ethical qualities or traits exhibited by an ethical leader will be imbibed and incorporated into the ethical climate of the organization. Brown and Trevino (2006) indicated, “... followers emulate ethical leaders’ behavior because such leaders are attractive and credible models who model normatively appropriate behavior ... ethical leaders communicate the importance of ethical standards and use the performance management system to hold employees accountable for their conduct” (p. 606). Mayer,
Kuenzi, and Greenbaum (2010) explained that ethical leaders are expected to enforce practices, policies and procedures that serve to uphold ethical conduct and institutionalize ethical climate in the organization. Ethical leaders are legitimate models for normative ethical behavior. As such, they promote ethical climate through making ethical decisions and they consistently communicate with followers about ethics, reward and punish employees in accordance with ethical principles (Mayer et al., 2010). Once ethical climate becomes operationalized in the organization, it will further specify future organizational relationship and leadership.

Van Gils et al. (2015) in a quantitative research to determine how the relationship between the followers’ response to ethical leaders impacted the effectiveness of ethical leadership, discovered that the moral attentiveness of the followers has a definite impact on what becomes the ethical climate of the organization. Their research revealed that the impact of ethical leadership depends on the followers as much as it depends on the leaders, but the leaders have to set the tone for the ethical climate to be possible. Therefore, developing ethical climate, much as it depends on the ethical leaders and should be promoted by them, requires the effort of the leaders and the followers to become functional. The individual character or traits of an ethical leader alone are not enough to institutionalize an ethical climate in the organization. The existence of an ethical organization requires that the normative ethical climate be developed through the effort of both the leaders and the followers (Victor & Cullen, 1988). As such, the ethical climate on which organizational outcomes and success depend is the goal of ethical leadership and this essentially requires the attitudinal behavior of both the leaders and the follower.
The essence of the three theories of social learning and interaction as delineated above is the facilitation of an ethical climate in the organization by the ethical leader. In their germinal study, Brown et al. (2005) conducted empirical research in which they investigated seven interlocking studies. They not only gave the foundational definition of ethical leadership, but they also argued that social learning theory is essential in creating organizational ethical climate and that ethical leadership through ethical climate was predictive for employees’ outcomes. Lu and Lin (2014) in an empirically study that examined the effects of ethical leadership and ethical climate on employee ethical behavior using 128 respondents who worked at an International Ports in Taiwan, demonstrated that ethical leadership had a significant impact on ethical climate and the ethical behavior of employees. This study indicated that ethical leaders who are moral managers and moral persons are critical in developing and sustaining ethical climate through social learning theory and role modeling. In a quantitative research drawn from 250 participants, Neubert et al. (2009) discovered that managers, through role modeling and social learning theory, influenced the perceptions and the institution of ethical climate in the organization, which impacted positively on the flourishing of organizational members. According to this study, ethical leadership engendered an ethical climate, which directly and indirectly influenced employees’ job satisfaction and affective commitment in the organization. So, organizational leaders are critical in what becomes the organizational ethical climate.

Brass, Butterfield, and Skaggs (1998) argued that through the concept of “social contagion”, the ethical or unethical behaviors of some members of a group, especially the leaders in that group, become the acceptable norm and culture of the group. Similarity
breeds attraction and attraction breeds similarity, they argued. Ethical leaders help create a climate in which doing the right thing is valued and employees will be part of the process of fostering and enhancing this ethical climate. So, through social learning theory, role modeling and social exchange theory, the supposition is that ethical leader would facilitate in the institutionalization of ethical climate as a precursor to employees’ job satisfaction and organizational success (Fu, Deshpande, & Zhao, 2011; Mayer et al., 2011; Neubert et al., 2009; Yates, 2014). Indeed, Stringer (2002) declared, “most studies have shown that the single most important determinant of an organization’s climate is the day-to-day behavior of the leaders of the organization” (p. 12). In other words, the ethical identity of the leader is associated with the ethical climate in the organization. As argued by Mayer, Kuenzi, and Greenbaum (2009), in an ethical climate, it will be unlikely that the employees will exhibit unethical behaviors. Schwepker, Ferrell, and Ingram (1997) discovered that occasions of misbehavior were less in an ethical climate, and conflicts between the employees and the management of the organization were equally reduced. Ethical climate serves a practical prescriptive function for the employees, prompting them on how to respond to ethical issues within the organization.

**Employees’ job satisfaction**

Employees’ job satisfaction as a competitive advantage offers a leveraging component of organizational life, and it is strategic in the attainment of organizational success (Abdulwahab, 2016; Dessler, 2011; Mathis & Jackson, 2011; Robbins & Judge 2013; Luthans, 2007). The employees are the backbone of organizational life and sustainability. Employees’ job satisfaction influences organizational commitment, which in turn affects employee loyalty, retention, and turnover (Mathis & Jackson, 2011;
Robbins & Judge 2013; Luthans, 2007). Employees’ job satisfaction is an essential element of organizational success in the sense that every successful organization relies on her employees (Galup, Klein, & Jiang, 2008; Gregory, 2011; Lok & Crawford, 2001; Voon, Lo, Ngui, & Ayob, 2011). Organizations neglect the satisfaction and commitment of their employees to their peril. Though employees’ job satisfaction requires assessing lots of factors and might vary from one context to another, it is important to the performance of the organization. When employees are satisfied with their jobs and/or organization, their commitment to the job and/or organization will more likely be guaranteed.

To measure employee attitudes, Rensis Likert in his doctoral dissertation in 1932, developed the Likert Scale that has become a ubiquitous and simpler psychometrically sound scale (Vinchur & Koppes, 2007). Then Hoppock’s (1935) doctoral dissertation was a landmark study in employee attitude and satisfaction research (Vinchur & Koppes). Using and extrapolating interview data from his research assistant, Hoppock (1936) explained “. . . we have obtained self-estimates of job satisfaction on anonymous blanks from 309, or 88%, of the employed adults in New Hope, Pennsylvania, a typical American manufacturing village . . . at which time 6% of the population were unemployed” (p. 116). Vinchur and Koppes maintained that through this study, Hoppock discovered that 78% reported being satisfied while 12% were classified dissatisfied and variability was noticed in terms of occupation. Professional, managerial, and executive employees reported the highest levels of satisfaction followed by sub-professionals, skilled, semiskilled, and unskilled manual laborers (Vinchur & Koppes).
Equally important was the study of Hawthorne in the 1930s that examined the correlation between job satisfaction and job performance, from which he adjudged that a happy worker is a productive worker (Saari & Judge, 2004). Locke (1976) examined the different aspects of job satisfaction especially the factors that impact on job satisfaction. In the study, Locke postulated the definition of job satisfaction “as pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience” (p. 1300). He went ahead to evaluate the factors that are necessary for job satisfaction as the following: nature of work and interest in it; fair pay; promotion opportunity; relationship with peers and colleagues; competent and ethical supervisor and or leadership; and benefit policies. His contribution became foundational in the conceptualization of employees’ job satisfaction. Freeman (1978) argued that job satisfaction is a major determinant of labor market mobility and may be impacted by other factors like unionism.

Another important contribution to the conceptualization of employees’ job satisfaction was that of Spector (1997). He articulated three important reasons for job satisfaction in organizational studies: (1) A reflection of good and respectful treatment of the employees by the organization; (2) Utilitarian reason, in which the job satisfaction impacts on organizational functionality; and (3) A diagnostic tool, which implies that job dissatisfaction can be indicative of potential trouble in the organization. He then defined job satisfaction as “... how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs . . . job satisfaction is an attitudinal variable” (p. 2). Spector detailed nine facets of job satisfaction: pay, promotion, supervision, benefits, contingent rewards, operating procedures, coworkers, nature of work and communication. These formed the basis from
which he developed the Job Satisfaction Survey (JSS) that is widely used as a measuring scale for employees’ job satisfaction. This instrument was equally employed in measuring employees’ job satisfaction in this study. Walker, Churchill, and Ford (1977) in their research with salesmen, classified job satisfaction into two elements; namely, intrinsic and extrinsic satisfaction. They maintained that intrinsic satisfaction is related to internally mediated rewards that an individual gets from his or her work which will afford the employee the opportunities for personal growth and accomplishment; while extrinsic satisfaction is related to the externally mediated rewards that come with pay, company policies and support, leadership and supervision, fellow workers, chances for promotion, and customers. These two ways of categorizing employees’ job satisfaction were considered and employed in assessing how ethical leadership related to employees’ job satisfaction in this study.

With these foundational contributions, the floodgate of research into the definition, conceptualization, and measurement of employees’ job satisfaction was opened. Abound are varied definitions and conceptualizations of employees’ job satisfaction. For instance, Luthans (2007) defined employees’ job satisfaction as the “pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience” (p. 141). Cheung, Wu, Chan, and Wong (2009) conceptualized job satisfaction to be the pleasurable state that stems from one’s own appraisal of one’s job or job experience. Bushra, Usman, and Naveed (2011) described employees’ job satisfaction as the emotional excitement and positive feeling the employees have towards their job and or the organization where they work. Mathis and Jackson (2011) affirmed that employees’ job satisfaction, which could also be called morale, is a positive emotional
state the employees derive from the positive appraisal of their job. They maintained that employees’ job satisfaction frequently evaluates worker relationship with the leader, manager, executives of the organization and co-workers; pay and benefits; performance recognition and communication with the leaders of the organization. Robbins and Judge (2013) maintained that employees’ job satisfaction explains the positive feeling about a job that results from an appraisal or an evaluation of the characteristics of the job.

However, Robbins and Judge insisted that the assessment of the job satisfaction of employees is a complex algorithm because of the different discrete elements involved, and job satisfaction levels vary depending on which facet of job satisfaction is being appraised or evaluated. Also, they maintained that in assessing employees’ job satisfaction, it is important to note that culture and context have some implication on how employees appraise and evaluate their jobs. There is a strong correlation between pay and job satisfaction for employees who are poor or who live in poor countries, whereas the correlation is not so strong, or changes, for employees who reach a comfortable living standard and/or are from economically stable countries (Robbins & Judge, 2013). Job satisfaction would essentially motivate and spur the employees to identify with their job and perhaps be loyal to the organization they work for. In this way, this feel-good experience of the employees will make them commit their effort to their job and their organizations. Bateh (2013) maintained that leadership represents one of the fundamental factors in job satisfaction. Also, Craig (2013) affirmed that research has found that leadership styles influences employees’ job satisfaction. This also formed an aspect of employees’ job satisfaction that was assessed in this study.
Empirical studies on the relationship between leadership styles and employees’ job satisfaction

Using some academic search engines, title search focusing on leadership styles and employees’ job satisfaction was performed to sieve through relevant studies in these areas. ProQuest was searched for empirical research on the relationship between leadership styles and job satisfaction. A general and unconfined search with regard to timeframe and leadership styles yielded 72 empirical studies on the topic. Sixty-seven of these studies were dissertations and five were from scholarly journals. Given the above reviewed analogical relation among three of the leadership styles considered as value-based – transformational leadership, servant leadership and ethical leadership – a closer search was performed on each of them. A general and unconfined search on transformational leadership and employees’ job satisfaction revealed 28 results, majorly doctoral dissertations. Then, a restricted and time-bound search that focused on the publications on the relationship between transformational leadership and employees’ job satisfaction between 2008 and 2018 indicated 23 studies. The same general and unconfined search was performed for servant leadership, and it showed 23 results. When a restricted and time-bound (2008-2018) search was performed, it yielded 20 results. A general and unconfined search for ethical leadership revealed 4 results. The same format of search was performed using Google but focusing on scholarly articles relating to the topic within 2008 and 2018 timeframe. The search yielded 182 results. Focusing on transformational leadership, the search yielded 27 results. For servant leadership there were 21 results. Ethical leadership style and employees’ job satisfaction within the same timeframe yielded 11 results. Performing the same search using Science Direct yielded 30 results. For transformation leadership, it yielded 26 results, while for servant
leadership and ethical leadership showed two results for each. Comparatively, there have been more researches on the relationship between transformational leadership (than on servant and ethical leadership styles) and employees’ job satisfaction.

In a quantitative study of 1636 employees at small and medium scale enterprises in Taiwan, Lin (2003) examined the effects of employee perceptions of leadership style (transformational, transactional, and laissez-faire) on the job satisfaction of employees. The findings of the study showed that transformational leadership style significantly and positively predicted job satisfaction; it emerged as the strongest single predictor among the three perceived leadership styles. Transactional and laissez-faire leadership styles significantly and inversely predicted overall employees’ job satisfaction. Using data from a sample of 207 employees, Washington (2007) discovered that employee perceptions of their supervisors’ servant leadership positively related to employees’ job satisfaction and organizational commitment. Johnson (2008), through a quantitative correlational study of high-tech employees in the aerospace industry, examined if a relationship existed among servant leadership, emotional intelligence, and employees’ job satisfaction. The results of this study indicated a strong positive correlation between the six constructs of servant leadership and employees’ job satisfaction. Chen (2008) in his dissertation examined the relationship between manager’s leadership styles (authoritarian, benevolent, or moral leadership) and employees’ job satisfaction in Beijing computer software companies. The study used a demographic sample of 200 managers and employees who had worked for at least 6 months in 10 selected Beijing computer software companies. The finding of the study revealed that the perceptions of moral and benevolent leadership showed the strongest correlation with employees’ job satisfaction, while the perception of
authoritarian leadership was negatively correlated with job satisfaction. This dissertation research could also be a tacit support of a possible correlation between ethical leadership and employees’ job satisfaction. In a quantitative correlational dissertation research, Despres (2011) examined the relationship between nurses’ perception of nurse manager’s leadership style and nurses’ job satisfaction. The study indicated that nurses with the highest satisfaction scores perceived their managers to have used the transformational leadership style. Snowden’s (2011) quantitative dissertation explored the correlational between the perception of how the leadership behaviors motivated, developed, and supported job satisfaction among employees of an electric utility company. The study revealed that both transformational and contingent leadership behaviors predicted job satisfaction, but transformational leadership was slightly better at predicting employees’ job satisfaction over contingent leadership behavior.

In a quantitative correlational study, Johnson (2012) examined the relationship between transformational leadership style behaviors and the influence it had on employee satisfaction. The result of the study revealed that the sample population showed that employees’ job satisfaction and transformational leadership style had a statistically significant positive correlation. Craig’s (2013) quantitative research revealed a statistically significant relationship between transformational leadership, transactional leadership, and employees’ job satisfaction. However, transformational leadership had a more positive correlation with employees’ job satisfaction than transactional leadership. In a correlational study, Bateh’s (2013) dissertation examined the relationship between perceived academic administrator leadership styles (transformational, transactional, and passive/avoidant) and the satisfaction of faculty members. The study revealed that there
was a statistically significant positive correlation between transformational leadership and job satisfaction; equally, there was a positive relationship between transactional leadership and job satisfaction of faculty members, while passive or avoidant leadership had a negative correlation with job satisfaction. Using a mixed method design, Erickson (2013) investigated the relationship between servant leadership and employees’ job satisfaction in the public sector. The results revealed a highly positive correlation between the servant leadership attributes and job satisfaction. The qualitative results revealed that communication is necessary for servant leadership to impact on employees’ job satisfaction. Ali, Sidow, and Guleid (2013) in a quantitative study using data drawn from 60 participants working in three selected universities in Mogadishu, Somalia, examined the relationship between leadership styles and job satisfaction among instructors. A significant relationship was found between job satisfaction and transformational \((r = 0.574, p = 0.05)\) leadership style. The results further indicated a significant relationship between job satisfaction and transactional leadership style. Thus, there was a positive and significant relationship between leadership styles (transformational and transactional) and job satisfaction. However, the relationship was stronger for transformation leadership than for transactional leadership style.

In a quantitative dissertation, Craig (2013) examined the relationship between leadership styles (transformational, transactional, and passive/avoidant) and employees’ job satisfaction in the military community consisting of military and civilian leaders. The study results indicated a statistically significant correlation between each element and employees’ job satisfaction. However, transformational leadership among military and civilian leaders contributed more positively to employees’ job satisfaction than the
other leadership styles. In the quantitative correlational dissertation that examined
the relationship between leadership style of the senior managers and the job satisfaction
and organizational commitment of the middle managers in the communication
industry, Aina’s (2013) research in a North American communication company indicated
a significant relationship between leadership style and job satisfaction and organizational
commitment. Drawn from 166 middle managers, the study revealed that
job satisfaction and organizational commitment was higher for middle managers that had
senior managers who exhibited transformational leadership style than those with
transactional and laissez-faire leaders. As a quantitative study using 123 participants,
Ho’s (2013) dissertation examined the relationship between the extrinsic and intrinsic
nature of employees’ job satisfaction and leadership styles (transformational and
transactional leadership) at local companies in Vietnam. The study showed that
transformational leadership was better than transactional leadership as a predictor of
intrinsic job satisfaction (β = .30, t(118) = 3.09, p = .003), extrinsic job satisfaction (β =
.40, t(118) = 4.79, p < .001), and general job satisfaction (β = .39, t(118) = 4.48, p <
.001). So, transformational leadership was a stronger predictor of employees’ job
satisfaction than transactional leadership.

Escobar’s (2013) dissertation examined the relationship between employee
perception of managers' transformational, transactional, and passive-avoidant leadership
styles and employees’ job satisfaction. The study revealed that
transformational leadership was a predictor for job satisfaction and had significant
positive relationships with all six dimensions of job satisfaction: work on present job,
pay, opportunities for promotion, supervision, co-workers, and job in general. However,
passive-avoidant leadership had a negative relationship with three of the job satisfaction dimensions: supervision, co-workers, and job in general. In a quantitative correlation study that determined the extent to which leadership styles (transactional, transformational, autocratic, charismatic, and situational) correlated with employee satisfaction, Afshinpour (2014) analyzed data obtained from 329 employees and 140 leaders. The study indicated that each of the five leadership styles had a positive correlation with employees’ job satisfaction. However, situational leadership style had the most positive correlation. Using a sample of 380 teleworkers, Siebert-Quinley, (2014) investigated the relationship between leadership styles (transformational and transactional) and job satisfaction in a branch of U.S. Coast Guard. The study revealed significant associations between transformational leadership style and employees’ job satisfaction \((r = -.055; p = .05)\) and also between transactional leadership style and teleworker job satisfaction \((r = .173; p = .05)\), indicating that both styles of leadership are predictors of employees’ job satisfaction. The quantitative correlational study of Berry (2014), using data collected from 130 participants explored how servant leadership is related to job satisfaction and organizational commitment of virtual employees. The study revealed that empowerment, as a characteristic of servant leadership, was a significant predictor of virtual employees’ job satisfaction.

In a quantitative study, Jordan (2015) evaluated the relationship between servant leadership and job satisfaction within a U.S. Navy organization. The result indicated a strong positive correlation between servant leadership and job satisfaction in the organization. In a quantitative study of New York City public hospital emergency rooms, Persaud (2015) examined whether a relationship existed between employee perceived
levels of servant leadership in healthcare leaders and their job employee satisfaction. The results revealed a statistically significant relationship between servant leadership and employee general job satisfaction ($r = .191; p < 0.05$). Ledgister’s (2015) study indicated a statistically significant correlation between church leaders’ transformational leadership styles and church workers’ job satisfaction. Chukwuba (2015) examined the relationship between transformational leadership and job satisfaction for the hotel professional in the United States using data from 248 participants. The study revealed that transformational leadership was a significant predictor of job satisfaction. Taylor-Pearce’s (2015) dissertation examined the relationship between leadership styles (transformational, transactional, and laissez-faire) and job satisfaction among telecommunication companies in Sierra Leone. The study revealed a positive relationship between leadership styles (transformational leadership and transactional leadership) and employees’ job satisfaction, while there was a negative relationship between job satisfaction and laissez-faire leadership style. Sarwar, Mumtaz, Batool and Ikram (2015) examined the effects of both transactional and transformational leadership styles on job satisfaction and organizational commitment of employees at an IT company in Pakistan. The result of the study revealed a positive effect of both transformational and transactional leadership on job satisfaction and organizational commitment. However, this effect was more for transactional leadership.

In a quantitative dissertation that explored the relationship between leadership styles (transformational, servant, authentic, and transactional leadership) and job satisfaction among employees of nonprofit organizations, Ross-Grant (2016) surveyed 132 participants to discover that transformational, servant, and authentic positively
correlated to employees’ job satisfaction while transactional leadership displayed a negative correlation with employees’ job satisfaction. In a quantitative dissertation, Campbell (2016) examined the relationship between deans’ transactional and transformational leadership qualities and overall job satisfaction of the faculty who serve under them. The study revealed a positive correlation between transformational leadership than transactional leadership qualities. In a quantitative dissertation, White (2016) investigated the relationship between leadership styles (authentic, transformational, transactional, and laissez-faire) and job satisfaction for U.S. Federal Government employees. The study surveyed all full-time, permanent, non-supervisory U.S. Federal Government employees, with at least two years of working experience, working 40 hours per week, within any U.S. Federal Government agency. The study showed no statistically significant relationship between authentic leadership and job satisfaction or between transformational leadership and employees’ job satisfaction and a negative significant relationship between transactional leadership and job satisfaction. However, there was a positive statistical relationship between laissez-faire leadership style and job satisfaction for U.S. Federal Government employees. Given this correlation, it may be interesting to explore in future if there will a difference between the employee satisfaction in relations to leadership style between private and government/public employees. Martinez (2016) study found that how followers perceived the ethical and self-awareness behaviors by their leaders were important elements for the followers and were predictors of followers' job satisfaction.

McCall’s (2016) study demonstrated a positive correlation between perceived transformational leadership style and employee satisfaction and retention. In a
correlational, quantitative research using 129 employees who worked at a call center in St. Louis, Missouri, Nash (2016) discovered that transformational, transactional, and passive/avoidant leadership styles related to both job satisfaction and employee empowerment. However, transformational leadership style correlated more strongly and positively with job satisfaction and employee empowerment, while a passive/avoidant leadership style had a negative relationship with job satisfaction and employee empowerment. Nyenyembe, Maslowski, Nimrod, and Peter (2016) quantitatively explored the relationship between leadership styles applied by school heads and teachers’ job satisfaction in Tanzanian secondary schools. Using data collected from 180 teachers in ten secondary schools in Songea District in Tanzania, the study revealed that effective leadership that impacted on the teachers’ job satisfaction encompassed both transformational and transactional styles of leadership. Using population of 160 employees working in the automobile manufacturing industry, Palmer (2016) examined how the relationship between leadership styles (transformational and passive-avoidant) and employees’ job satisfaction are predictors of employee innovation in automotive manufacturing industry. The study revealed that transformational leadership and employees’ job satisfaction significantly predicted the criterion variable of innovation. Passive-avoidant leadership style and employees’ job satisfaction were non-significant predictors of employee innovation. In a quantitative research, Henning (2016) explored the relationship between servant leadership and employees job satisfaction of employees in a Colorado nonprofit organization. The study indicated servant leadership as a leadership style affecting employees’ job satisfaction in this organization.
Baptiste (2017), in his doctoral dissertation in a recreation facility using 90 employees and 6,700 full-time members, investigated the relationship between different leadership styles (democratic, autocratic, or laissez-faire) and employees’ job satisfaction and how this further impacted on customer satisfaction and loyalty. The result of the study showed that democratic leadership was significantly correlated with employees’ job satisfaction ($r = 0.937$, $p = 0.005$). Democratic leadership style was also found to have a strong positive relationship with customer satisfaction ($r = 0.632$, $p = 0.046$). In a quantitative analytical study drawn from 578 respondents, Tieman (2017) examined the relationship between the leadership style of the coordinators of officials and the job satisfaction of the referees in the NCAA Division III women’s basketball. The findings of the study revealed a positive relationship between coordinator’s transactional leadership style and referee job satisfaction; there was no evidence of a relationship between transformational leadership and referee job’s satisfaction; while there was a negative relationship between laissez-faire leadership style and referee job satisfaction. In a quantitative study using data collected from 278 higher education administrators working in public and private colleges in Maryland, DiSorbo (2017) examined the relationship between ethical climates and employees’ job satisfaction. The study indicated that benevolent ethical climate is significantly associated with job satisfaction. Egoism is significantly associated with organizational commitment. In a quantitative study, Fuller-Barrow (2017) assessed the relationship between servant leadership and employees’ job satisfaction within the hospitality industry in North America using a correlation analysis. The results showed a statistically significant relationship between overall job satisfaction and the servant leadership behaviors. In a quantitative correlational study, Barnett’s
(2017) doctoral dissertation examined the predictive relationship between leadership behaviors and the job satisfaction of adjunct faculty who teach online classes at a for-profit university in the Midwest United States. The study revealed that transformational leadership was a significant positive predictor of job satisfaction, \( F(1, 75) = 30.26, p < 0.01 \); Laissez-faire leadership was a significant negative predictor, \( F(1, 75) = 12.07, p = 0.01; \beta = -0.37, t = -3.47, p = 0.01 \); transactional leadership was not a significant predictor of overall job satisfaction, \( F(1, 75) = 0.03, p = 0.86 \). The findings of this study revealed that adjunct faculty who participated in this study were more satisfied when their direct superior used transformational leadership.

From the above reviews, transformational style of leadership has the highest correlation with employees’ job satisfaction and then followed by servant leadership. This was equally helpful in envisaging a positive correlation between ethical leadership and employees’ job satisfaction.

**Empirical studies focusing on the relationship between ethical leadership and employees’ job satisfaction**

Vitell and Davis (1990) investigated into the relationship between ethics and job satisfaction and discovered that occasions of unethical behavior within the organization had a negative effect on employees’ job satisfaction. In a study that implicitly explored the relationship between ethical leadership and job satisfaction, Viswesvaran, Deshpande, and Joseph (1998), surveying 77 middle level managers from two organizations in South India, investigated perceived top management support for ethical behaviors and discovered that there was a positive correlation between management support for ethical behavior and employees’ job satisfaction. In a quantitative study that surveyed 237
managers in Singapore, Koh and Boo (2001) looked at three criteria of organizational ethics; namely, management support for ethical behavior, organization’s ethical climate and the association between ethical behavior and career success. They found that the variables were positively related to employees’ job satisfaction. Vitell and Singhapakdi (2007), using 306 professional members of American Marketing Association, explored the role of ethics institutionalization in influencing organizational commitment, job satisfaction, and camaraderie spirit. They discovered that the institutionalization of ethics had a positive impact on the three constructs, and it was a significant determinant of organizational climate. In a quantitative study using staff and managers from 62 different telecommunication organizations in Turkey, Elçi and Alpkan (2009) investigated the impact of organizational ethical climate on employees’ job satisfaction using the categories as articulated by Victor & Cullen, 1987; namely, self-interest, company profit efficiency, friendship, team interest, social responsibility, personal morality, company rules and procedures, and laws and professional codes. They found a positive correlation between employees’ job satisfaction and benevolent ethical climate. Neubert et al. (2009) researched into the moderated, mediated model of ethical leadership on follower job satisfaction and effective organizational commitment and discovered that ethical leadership had both a direct and indirect influence on follower job satisfaction and affective organizational commitment. However, this study did not focus on any particular organization or industry. It used i.think inc., a research services company that gathers information from willing and interested participants for the survey. Despite the outcome of this quantitative study, there might be a need to focus this kind of research on specific
sectors or organizations and context due to how variation in organization and context can impact employees’ job satisfaction.

In a quantitative study, Kooskora and Mägi (2010), using data collected from 175 employees in Estonian financial and telecommunication companies, examined the relationship between ethical leadership and employees’ job satisfaction. The results indicated a strong relation between the components of ethical leadership and the components of employees’ job satisfaction. However, there were differences in the relationship with regard to age and gender. In a quantitative study that explored the effects of ethical leadership on managers’ job satisfaction, commitment, behavioral outcomes and firm performance, Kim and Brymer (2011) surveyed 324 middle managers from 8 different national and international hotels and discovered that ethical leadership was positively related to their job satisfaction and their effective organizational commitment. Lim (2012) conducted a research in Perak, Malaysia, which confirmed that ethical leadership strongly impacted employees’ job satisfaction. Relying on data collected from 352 participants, Huang, You, and Tsai (2012) examined how ethical climate impacted employees’ job satisfaction, organizational commitment, and organizational citizenship. The findings revealed that promoting organizational ethical climate enhanced organizational citizenship, job satisfaction, and organizational commitment. Using a multilevel analysis of 472 full-time employees from 31 organizations in Taiwan, Wang, and Hsieh (2012) examined the effect of individual and organizational ethical climate on employees’ job satisfaction. The result showed that individual and instrumental climate perceptions were negatively related to job satisfaction while both their individual and organizational ethical climate perceptions were positively
related to job satisfaction. Avey, Wernsing, and Palanski (2012) using 845 employees, quantitatively examined the relationship between ethical leadership and positive employee outcomes – employees’ job satisfaction, psychological well-being, and employee voice. They discovered that ethical leadership related to all the three variables. From the study, employee voices mediated the relationship between ethical leadership and psychological well-being and feelings of psychological ownership mediated the relationship between ethical leadership and employees’ job satisfaction.

In a quantitative research employing a cross-sectional survey to assess the effect of ethical leadership on the job satisfaction, organizational commitment, and organizational citizenship behavior of the employees, Yates (2014) discovered that employees of ethical leaders were more satisfied with their jobs, and they were more committed to their organizations compared to employees under less ethical leaders. Yates equally discovered that though there was no significant difference in groups led by highly ethical and less ethical leaders with regard to organizational citizenship, but there was a strong positive correlation between ethical leadership and employees’ job satisfaction. In a quantitative, correlational study, Yang (2014) examined the impact that ethical leadership had on the employees by examining job satisfaction, employee subjective well-being at work and life satisfaction. Based on 201 participants, the study discovered that ethical leadership had a strong influence on employees’ job satisfaction and indirectly influenced both employee well-being and life satisfaction through its direct impact on employees’ job satisfaction. The study concluded that ethical leadership not only affected employees’ job satisfaction but also affected them after or outside their job. Ogunfowora (2014) went further to investigate into how prospective employees react to
ethical leadership in organizations since his research explored the impact of ethical leadership within the recruitment context. The research discovered that job seekers were more likely to apply for a job in the organization with an ethical leader than they were with regard to unethical organizations. This highlights the relevance of ethical leadership beyond and outside the confines of the organization.

Celik et al. (2015) in a survey that involved 371 participants investigated the relationship between ethical leadership, organizational commitment and job satisfaction in hotel industry in Turkey. They discovered that ethical leadership has a positive effect on organizational commitment and job satisfaction. Okan and Akyüüz (2015) using data drawn from 223 academic and administrative employees of Gümüşhane University in Turkey examined the impact of ethical leadership on both the intrinsic and the extrinsic job satisfaction of employees and its possible mediator effect of loyalty to supervisor in the relationship. The study demonstrated that ethical leadership was effective on loyalty to the supervisor and this increased employees’ job satisfaction. Güngör (2016), using 319 participants in a quantitative research, examined servant leadership and ethical leadership behaviors of administrators to understand how these behaviors were able to predict the teachers’ job satisfaction. The result of the study revealed that employees’ job satisfaction increased when ethical leadership increased while employees’ job satisfaction decreased when servant leadership increased.

Kelidbari, Fadaei, & Ebrahimí (2016), using a survey sample of 337 university employees, explored the role of ethical leadership on employee performance in Iran and discovered that ethical leadership impacting on Leader-Member-Exchange (LMX), self-efficacy and organizational identity showed a significant correlation with the
performance of the employees. With data drawn from 158 employees from one public and nine private manufacturing companies in Bosnia and Herzegovina, Dinc, and Nurović (2016) examined the impact of ethical leadership on employee attitudes. This study revealed that ethical leadership impacted overall job satisfaction, which positively affected employee commitment to the organization. The Society of Human Resources Management, surveying 600 U.S employees, examined the source or reason for employees’ job satisfaction and engagement. The study revealed that respectful treatment of the employees ranked above financial consideration and benefits as the major source of employees’ job satisfaction, with 67% of the respondents maintaining that how they were treated by the organization was a key source of their job satisfaction (Scanlan, 2016). The respectful treatment of the employees is within the purview of what ethical leadership entails.

Ren and Chadee (2017), using a survey sample of 388 professional employees in nine organizations in Beijing, China, and incorporating guanxi (relationship) concept, an essential Chinese value, as a moderating variable, investigated into the impact of ethical leadership on the job satisfaction and self-efficacy. They discovered that self-efficacy positively mediated ethical leadership and job satisfaction relationship, but guanxi negatively moderated the effect of ethical leadership on job satisfaction. Rizwan, Mahmood, and Zeeshan (2017) explored the impact of perceived ethical leadership and organizational culture on job satisfaction, having an organizational commitment as the mediating role in the private educational sector of Pakistan. Using a survey sample of 210 employees, they discovered that there was a positive relationship among organizational culture, ethical leadership, and job
satisfaction. The research also indicated that ethical leadership and organizational culture increased job performance of teachers.

Attar, Çağliyan, & Ajdarovska, (2017) quantitatively explored the relationship between ethical leadership and employees’ job satisfaction using data drawn from 224 administrative personnel of two municipalities in Turkey. The study revealed that ethical leadership behavior positively affected the job satisfaction level of the employees, organizational commitment, and improved performance. Tu, Lu, and Yu (2017), basing their concept of ethical leadership on social cognitive theory, quantitatively explored the relationship between supervisors’ ethical leadership and employees’ job satisfaction drawing from 371 participants in a Chinese company. The results revealed that supervisors’ ethical leadership was not only positively related to employees’ job satisfaction, but it was also related to moral awareness and moral identity of the employees. Özden, Arslan, Ertugrul, and Karakaya, (2017) using data collected from 285 nurses working at a university hospital in Turkey, examined the effect of nurses' ethical leadership and ethical climate perceptions on their job satisfaction. The result of the study revealed that ethical leadership promoted ethical climate, which had a positive correlation with employees’ job satisfaction. In a quantitative research, Hashish (2017) surveyed 500 nurses to determine the correlation between ethical climate and perceived nurses’ support, organizational commitment, job satisfaction, and turnover intention of nurses. The study indicated positive correlations between nurses’ support, commitment, as well as their job satisfaction. But there was a negative correlation between nurses’ turnover intention and ethical climate.
In the light of these studies, it could be inferred that there seems to be a positive correlation between ethical leadership and employees’ job satisfaction; and between ethical climate and employees’ job satisfaction. These informed the main hypotheses of this dissertation regarding the relationship between ethical leadership and employees’ job satisfaction. Of course, employees’ job satisfaction is a desirable good in as much as it leads to organizational success. Employees’ job satisfaction will not generate the desired effect if it does not promote organizational success and sustainability. Leadership styles and employees’ job satisfaction ought to play a significant role in promoting or enhancing organizational performance (Burg-Brown, 2016). If ethical leadership does not lead to organizational success, even if it promotes employees’ job satisfaction, ethical leadership may not be so desirable a leadership style. Therefore, the study explored whether ethical leadership ensured organizational success through the reliability on employees’ job satisfaction.

Except for Osei (2015), this relationship has not been critically explored and evaluated. In quantitative correlational dissertation, Osei examined the relationship and the predictive strength between corporate supervisors’ use of some ethical leadership variables (responsibility, respect, fairness, and honesty) and organizational success. The study revealed that these four variables of ethical leadership had a significant and positive relationship to organizational success. Respect had the strongest relationship ($r = 0.676$, $p < .001$), followed by honesty ($r = 0.653$, $p < .001$), and the next was fairness ($r = 0.589$, $p < .001$), and then responsibility ($r = 0.577$, $p < .001$). This study offered helpful insight into the relationship between ethical leadership and organizational success, which was the central focus of this dissertation. However, the methodology of examining this
relationship and variables in this study was different from that of Osei. This research did not seek for the correlation between the attributes of ethical leadership as criteria for organizational success. Also, this study employed mixed methods to examine the impact of ethical leadership on the organization. The relation between ethical leadership and employees’ job satisfaction was assessed quantitatively. The impact of ethical leadership on organizational success mediated by employees’ job satisfaction was gauged qualitatively through content analysis, supported by Service Profit Chain framework. Organizational success focused on financial profitability and the satisfaction of the customers.

**Service Profit Chain: The promotion of organizational success through employees’ job satisfaction**

Service profit chain (SPC) is essential in understanding and underscoring the role the employees play in organizational success that focused on the satisfaction of the customers and financial profitability. As a framework, SPC links employees’ satisfaction and loyalty, customers’ satisfaction and loyalty, and financial profitability (Ahmed, Razzaque, & Ramzan, 2011; Chi & Gursoy, 2009; Ennew, 2015; Heskett, Jones, Loveman, Sasser, and Schlesinger, 1994; Yee, Yeung, Cheng, & Lai, 2006). Chi and Gursoy (2009) maintained, the relationship between customers’ satisfaction and employees’ satisfaction is the one relationship that does not seem to yield conflicting results as satisfied employees impacts greatly on the satisfaction of the customers. Organizational success or financial performance cannot avoid the satisfaction matrix, as there is a positive relationship between employees’ satisfaction and customers’
satisfaction as service profit elaborates (Bernhardt, Donthu, & Kennett, 2000; Chi & Gursoy, 2009; Heskett et al., 1994; Xu & Goedgebuure, 2005).

**Service-Profit Chain**

The framework of Service-Profit Chain was used to further support and buttress the relationship between employees’ job satisfaction and organizational success (customers’ satisfaction and loyalty, and financial profitability) of the study. Service-Profit Chain was developed by Heskett, Jones, Loveman, Sasser, and Schlesinger (1994) as an integrative model for understanding how employees’ satisfaction is related to customers’ satisfaction and how this relationship ultimately results to profitability and growth in an organization (Ahmed, Razzaque, & Ramzan, 2011; Xu & Goedgebuure, 2005). Hence, this framework was employed to further the position that satisfied, committed, and loyal employees could foster satisfied and loyal customers that would give rise to financial profitability. Figure 5 is the representation of Service-Profit Chain.

*Figure 5. Service-Profit Chain*
According to this framework, the internal service quality of the organization are the constituents variables of the organizational support culture or climate like workplace design, job design, employee selection and development, employee rewards and recognition, and tools for the serving customers. These internal service quality variables are identifiable and can be subsumed as organizational ethical climate that promotes the employee satisfaction, which would ensure the retention, commitment, and productivity of the employees (Heskett et al., 1994). The satisfied, loyal, and committed customers due to the internal service quality would enhance the external service value to the customers that would promote customers’ satisfaction and loyalty, which ultimately would guarantee the profitability and growth of the organization (Zeithaml, 2000; Heskett et al., 1994; Yee, Yeung, Cheng, & Lai, 2009). Anderson and Mittal (2000) maintained, “Increased customer satisfaction is expected to lead to greater customer retention. Improved customer retention leads to greater profitability” (p. 107). Service-Profit Chain, Homburg, Wieseke, and Hoyer (2009) described as linking employee satisfaction to firm’s financial performance through customer satisfaction and customer loyalty.

Essentially, this framework postulates that internal operation that enhances the satisfaction of the employees will ultimately heighten the satisfaction of the customers, which would reinforce their loyalty and eventually the profitability of the organization. As explained by Heskett et al. (1994) “The service-profit chain establishes relationships between profitability, customer loyalty, and productivity” (p. 164). They posited, “Profit and growth are stimulated primarily by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is largely influenced by the value of services provided to customers. Value is created by satisfied, loyal and productive employees…” (p. 165).
It demonstrates how the satisfaction of the employees positively impacts on the service delivered to customers and how customers’ satisfaction eventually engenders their loyalty, leading to financial profitability. Ennew (2015) maintained that the logic behind SPC is that a high level of internal service quality will result in higher levels of employee satisfaction, productivity, and retention. Then, employees who are satisfied in their job are poised to deliver high quality service to customers. So, this high-quality service to customers remains foundational in increased levels of customer satisfaction and retention with the expected consequences of improved revenue and profit (Ennew).

The crux of SPC is that satisfied employees would be loyal employees who would be motivated to work hard to improve the overall performance of the organization and serve the customers well which would prompt and promote the satisfaction of the customers especially in service firms where the employees have direct and close contact with the customers (Yee, Yeung, Cheng, & Lai, 2006). Service Profit Chain is premised on satisfaction and loyalty of the employees that would lead to better service for customers, which would then foster the satisfaction and loyalty of the customers; the satisfaction and loyalty matrix of the employees and customers remains the key to profitability (Reichheld, 1996).

Organizations exist primarily to provide goods/services that the individuals on their own cannot provide; the goods/services become the goals which organizational efforts are directed (Daft, 2013; Hall, 2002). The organizations in providing these goods/services get the needs and interests of their members satisfied. The goals become encapsulated in the mission of the organization as their raison d’etre. Leadership, ethics, and organizational structures as explored above become
ways that the primary essence of the organization gets accomplished. When the leadership of an organization and its structures are not properly aligned in a way that is ethical, proper, and decorous, the mission or goal of the organization and oftentimes, the need and interest of the members of the organization, are undermined. Ethical leadership, by promoting the satisfaction of the employees, enhances the satisfaction of the customers that leads to financial profitability. The following chapter presents a discussion of the methodology and methods used in this study to ascertain whether the ethical leadership could account for employees’ job satisfaction and organizational success.
Chapter Three Research Methodology and Methods

Understanding is like breathing. Just as breathing grounds and supports being, understanding grounds and supports knowledge. Yet, understanding is not a matter of knowing, but of being (Gadamer, 2007).

Research offers understanding to knowledge. Like breathing, research grounds and supports what is known. It is a procedural process, which leaves us indubitable or dubitable about our claim on knowledge. Still, research is not just about knowing, it is also about being, for through it a resolute understanding of our world is possible. It is a systematic way of discovering and acquiring knowledge about our world, which is based on logical relationships and not on mere beliefs or assumptions (Saunders, Lewis, & Thornhill, 2016). It defines and gives meaning to being and reality. As highlighted by Locke, Silverman, and Spirduso (2010), research is a multistage process with formalized steps that begins with the researcher formulating questions and designing a systematic and methodological way of collecting information that will facilitate in discovering the answers to the research questions that emanated from the research objective.

To illuminate the systematic way of answering the research questions and addressing the research objective, this chapter underscored the research methodology for the dissertation. It examined the underlying philosophy and methods for answering the research questions raised and ultimately attaining the stipulated purpose of the dissertation. After elucidating on the conception of the research methodology as was employed herein, I restated the purpose of this study, which was the telos of the research journey and the guiding research questions. Second, I examined the different research frameworks to decide the functional research framework for the dissertation. Then, I examined the philosophical perspectives that informed and supported the methodology of
the research. Next was the articulation of the research methods, which indicated the process used in collecting and analyzing the data. In the light of the methods of collecting data, I further described the population and the instruments employed in the study. Finally, I examined ethical considerations related to the study.

**Research Methodology**

Research methodology is a systematic approach to solving research problems (Kothari, 2004). It explains theoretical perspectives, philosophical assumptions and the various processes or steps that researchers take in conducting their research (Gray, 2018). Research methodology functions as the theoretical work plan for the researcher to explain the choice of procedure in attaining an intended research outcome. As affirmed by Saunders et al. (2016), it is the theory of how research should be undertaken, which includes the theoretical and philosophical assumptions on which the research is based and the implications of these assumptions for the method/s adopted. The chosen research methodology helps the reader to have the sufficient information necessary to estimate the reliability and validity of the methods and credibility of the findings (Saunders et al.). Different from a research method that involves the techniques and specific instrument or ingredients of research for collecting data, research methodology provides the basis for using a particular research instrument or technique (Bryman & Bell, 2007; Clough & Nutbrown, 2012). Like a roadmap, research methodology is an amalgam of considerations, contextual conditions, and theories that enable the researcher to make informed decisions and choices on how the research is to be conducted so as to attain the anticipated outcome (Jonker & Pennink, 2010). It is a systematic process employed in collecting information and data so as to describe, explain, interpret and predict a
phenomenon (Rajasekar, Philominathan, & Chinnathambi, 2013).

The purpose of this correlational and analytic study was to investigate if and how ethical leadership, through the mediating role of employees’ job satisfaction, promoted organizational success or improved organizational performance. Essentially, the dissertation sought to ascertain whether ethical leadership created an ethical climate, and whether such climate enhanced employees’ job satisfaction, which would promote organizational success. As a sequel to this purpose, the research design used mixed methods. It employed qualitative and quantitative methods. The qualitative slant of the research was driven through content analysis supported by the Service Profit Chain framework. Qualitatively, the study examined whether employees’ job satisfaction as promoted by ethical leadership led to satisfied customers and financial profitability. The quantitative part of the research was conducted by surveying the employees of a utility corporation in the Northwestern part of United States. Ethical leadership served as the independent variable and organizational success as the dependent variable. Employees’ job satisfaction was the mediator variable; it played the intervening role between ethical leadership and organizational success.

**Frameworks for research**

The framework for a research is the structural plan for conducting an investigation that involves the intersection of philosophy, research design and specific methods (Creswell, 2014). It is about decisions underlying what data ought to be collected, how to collect the data and the procedure for analyzing the data that will enable the researcher to address the goal of the research. There are different frameworks for research methodology used in presenting and appraising strategic approaches and choices in
research. Saunders et al. (2016) suggested an onion (research onion) as a framework depicting the issues underlying the choice of data collection techniques and analysis procedures in a research. The research onion is essentially the format a researcher adopts in collecting data to address the research question and attend to the purpose of the research. This framework categorized research into six stages of (1) philosophies, (2) approaches to theory development, (3) methodological choices, (4) strategies, (5) time horizons, and (6) techniques and procedures as presented in the Figure 6 below.

Source: Saunders, Lewis, and Thornhill (2016, p. 124)

Figure 6. Research Onion

The framework shows that there is an elective affinity between theory and methods, i.e. there is a supportive relationship between theoretical assumption of the research and the chosen method for the research (Knox, 2004). The layers of the onion are connected: well-thought-out and coherent assumptions underpin the methodological choices and the methods of the research (Saunders et al.). This framework for research is elaborate and
multilayered in considering research approaches. However, the framework does not distinguish the three research philosophies of ontology, axiology, and epistemology (Phillimore & Goodson, 2004). These different aspects of research philosophy have critical impact on the research procedure and outcome. Decisions about them cannot easily be overlooked in a research. Also, the framework assumes an empirical approach to research since its philosophy pictures positivism at one end and pragmatism at the other with critical realism, interpretivism, and post-modernism between the two, with the exclusion of constructivism (Venable, 2011). It mixes both a philosophical paradigm and theoretical perspectives as if there is no difference between them. Crotty’s (1998) classification is clearer and distinguishes between a philosophical paradigm (epistemology) and a theoretical perspective (Elsayed, Jones, & Morgan, 2007).

Crotty (1998) has four elements of research, which, he argued, inform one another as the researcher addresses the purpose of the research and answers the research question/s. These elements are the epistemology, the theoretical perspective, the methodology, and the methods. The elements are connected and interrelated. Whatever decision one makes at a prior stage, informs the decision at the subsequent stage even as they are different. Meaning, epistemology as the theory of knowledge, determines the theoretical perspective, which in turn determines the methodology and this eventually decides the method in collecting and analyzing the data to address the research question and purpose of the research (Crotty). The great value of this research paradigm is the clarity it makes between the methodological perspective that guides the researcher in choosing a particular method, and the theoretical perspective, which is the approach
necessary in understanding and explaining the social context that informs the methodological perspective.

However, Crotty indicated that his framework is a guide for researchers. So it does not suggest that methodologies and methods are laid out in a highly linear fashion; rather, it may appear more as a maze than a pathway to orderly research. He insisted, “This is scaffolding, not an edifice. Its aim is to provide researchers with a sense of stability and direction . . .” (p. 2). Yet, he argued that certain categories are not truly comparable and cannot be lumped together. What if such lumping together becomes a way to orderly research? For instance, Crotty categorized objectivism, constructionism, and subjectivism as divergent epistemological paradigms and fittingly so, while he grouped positivism, post-positivism, and interpretivism under a theoretical perspective. However, objectivism, constructionism, subjectivism, positivism, post-positivism and interpretivism can be grouped under an epistemological paradigm by some scholars (e.g. Creswell, 2013; Gray, 2018; Hatch & Cunliffe, 2013). Still, each of these epistemological paradigms can be blended in a complementary and supportive way to guide a researcher. As maintained by Pernecky (2016), it is no longer sufficient to contrast objectivism and subjectivism or social constructionism and objectivism, since any of these can be compatible in a research project. Tavory and Timmermans (2014) insisted that perhaps polemics of empirical observation and theoretical prepositions or objectivism and social constructionism are not necessary: “In good research, these two parts of the story not only intertwine but amplify each other” (p. 2). As pointed out by Pernecky, Crotty’s framework remains a valuable tool for organizing the different elements in a research
process; however, it does not thoroughly present the unavoidable intricacies of philosophical thoughts and varied possibilities in a research design.

The research framework used in this dissertation assumed the form of a Stacked Venn. This was based on the adaptation of Saunders et al.’s research onion and Crotty’s research framework. The epistemological perspective was social constructionism, the research theoretical perspective was post-positivism, and mixed methods remained the research approach. The methods were survey and content analysis supported by service profit chain. These formed the framework necessary for addressing the research questions and attending to the purpose of the research. Figure 7 is an illustration of this research framework.
Figure 7. Stacked Venn: The Framework for this Research

The Stacked Venn as presented in Figure 7 is illuminating in understanding the interconnected relationship among the four categories – the epistemology of the study, the theoretical perspective, the research design and the research methods. The overarching essence for the choice of the approach in these four categories is the research methods – the strategy for collecting data. The data was collected through survey and content analysis supported by Service-Profit Chain. The logic of the Stacked Venn was to
emphasize not an overlapping relationship but a concentric relationship in which the antecedent category influenced the successor. In such a relationship, the outer constituent category not only influenced the subsequent category but also provided a way of understanding the subsequent category of the research. Therefore, social constructionism as the functional epistemology for the dissertation influenced the choice of post-positivism as the theoretical perspective and provided the way of understanding post-positivism in relation to answering the research question and attaining the purpose of the dissertation.

**Epistemological perspective: Social Constructionism**

Epistemology originated from Greek words *epitéme*, meaning ‘knowledge’ and, *logos*, meaning ‘word’ or ‘study of’ and then parsed into English to mean the nature, source, and limitations of knowledge (Wallace, 1977; Wenning, 2009). Therefore, epistemology is about knowledge and related phenomena such as thought, reasoning, and the quest to understand reality; it is the branch of philosophy that investigates into how we know and what counts as knowledge (Goldman, 2015; Wenning, 2009). The fundamental focus of human knowledge is on human existence and the reality as inhabited by human beings. As such, the study of knowing cannot be divorced from the study of being; epistemology is interrelated with ontology, which is the study of existence and being (Crotty, 1998; Hatch & Cunliffe, 2013; Wallace, 1977). Similarly, metaphysics, which is the ultimate nature and existence of reality, is equally inextricably intertwined with epistemology, as epistemology is knowledge of and reasonable belief about reality. Yet, metaphysics and epistemology are different in the sense that they focus
on different entities – existence of reality for metaphysics and knowledge of reality for epistemology (Steup, 2008). Essentially, epistemology helps to address questions on what is known, the source of knowledge, the scope of knowledge, the reliability of what we know, limitations, and implications of what we know (Wenning, 2009).

Epistemological inquiry can be traced to most ancient traditions; Western epistemological tradition can be traced to the ancient Greeks especially beginning with Plato as the one who first explored the definition of knowledge as justified true belief (Chappell, 2014; Steup, 2008; Wenning, 2009). Epistemology as a philosophical discipline was launched by Descartes who attempted to put knowledge on a firm foundation by relying on an a priori insight independent of any sense experience (Steup). However, from the early ancient Greek philosophers through to Plato and down to Descartes, no one has presented comprehensive and irrefutable answers to all the epistemological questions and challenges (Kenny, 1998; Wenning, 2009). More often than not, different epistemological epochs would begin with an attack or a deconstruction of a preceding epistemological paradigm with the hope of building on or capitalizing on the loophole identified with the existing epistemological paradigm (Wenning). This dialectic continues to the present day. As these epistemologists wrestled with the epistemological questions and were unable to provide decisive and comprehensive answers to them, different epistemological perspectives emerged – the rationalist, the empiricist, the idealist, the positivist, etc. (Steup).

Social constructionism as epistemological perspective emerged out of the conflict between logical empiricists like Locke, Hume, Mills, and others who traced the source of knowledge, as mental representation, to events in the real world, and the
phenomenologists like Spinoza, Kant, Husserl, Nietzsche, and others, who argued that knowledge depends on human or social process (Gergen, 1985). Kuhn (1962) inspired social constructionism as an epistemological orientation (Psillos, 2008). He notably argued that scientific activities are not dictated as was presumed by the rational content of prior science but rather by an irrational leap (Kukla, 2000). According to Kuhn (1962), there is no process yet disclosed by the historical study of scientific development that resembles the methodological stereotype of falsification attributed to scientific knowledge or paradigm. He maintained, “A paradigm is what the members of a scientific community share, and, conversely, a scientific community consist of men who share a paradigm” (p. 175). What people see and know depends both upon what they look at and upon what their previous perceptual experience within its social context has taught them to see (Kuhn). Therefore, our knowledge of reality is socially constructed; it is not exogenic of the human beings and their social reality. This understanding gave impetus to social constructionism as an epistemological perspective.

Social constructionism is the view that reality is socially constructed and any attempt to unravel or understand reality must take into cognizance the process of its construction, and the society or social group involved (Berger & Luckmann, 1966). It maintains that the process through which people come to know, describe, explain, and account for their world is socially constructed. Essentially, it is the view that meanings and understanding originate in social interaction, and shared agreement as to what they are to be taken to be is contextualized according to time and place (Lock & Strong, 2010). Socially constructed reality becomes the medium through which an individual socializes and participates in the organization (Hatch & Cunliffe, 2013). Hence,
according to this epistemological orientation, “The terms in which the world is understood are social artifacts, products of historically situated interchanges among people . . . understanding is not automatically driven by the forces of nature, but is the result of an active, cooperative enterprise of persons in relationship” (Gergen, 1985, p. 267). Berger and Luckmann (1966) argued, “Social order is not part of the ‘nature of things’ and it cannot be derived from the ‘laws of nature.’ Social order exists only as a product of human activity. No other ontological status may be ascribed to it without hopelessly obfuscating its empirical manifestations” (p. 52). As such, neither reality nor human knowledge can be thoroughly understood to be independent of a human society or the social group from which it emerged. Hence, the reality is not about truth but a way of sense-making as the group or society organizes its experience in a way that produces understanding or makes sense to the members of the group (Hatch & Cunliffe).

This epistemological perspective was important in this dissertation given that the reality regarding job satisfaction, organizational success, and ethical leadership within the organization was based on how the people within the organizational context conceived it. Much as financial profitability of the organization was assessed through Statement of Accounts: Balance Sheet, Income Statement and Cash Flow Statement, focusing on categories like Return On Investment, Return on Asset, Return on Equity, Net Revenue and some other categories, these figures were interpreted within a social context and can only be meaningful with this social context. Also, customers’ satisfaction is about meaning-making and the assessment of the organization by those that the organization impacts on. Therefore, there were no predefined entities, which objective methods sought to delineate (Lock and Strong). During the survey and the process of collecting data, I
accessed, aggregated, and assessed reality as perceived by the participants in the research within their social context. Social constructionism then became the veritable epistemological tool to answer the research questions as raised by the dissertation and to address the purpose of the dissertation. Social constructionism also linked the epistemological framework with the overall ontological worldview of the dissertation.

Ontology is the study of being and the claims about what exists, what it looks like and its constituent parts (Blaikie, 2007). The ontological worldview tries to ascertain the nature of what exists, that is, whether an objective reality exists externally and independently of the individuals or as a subjective reality, it is created in the minds of the individuals (Flowers, 2009). Though not pictured in the framework of this research, the ontological perspective of the dissertation was still constructionism. As expressed by Bryman (2016), “Constructionism is the ontological position . . . that asserts that social phenomena and their meaning are continually being accomplished by social actors. It implies that social phenomena are not only produced through social interaction but are in a constant state of revision” (p. 29). This ontological worldview invites the researcher to consider the way in which social reality is an ongoing accomplishment of social actors rather than something external to and independent of them (Bryman).

**Theoretical Perspective: Post-positivism**

While epistemological orientation chosen by the researchers helps them to decide what kind of knowledge is possible and how it can be legitimately and adequately generated, theoretical perspective is the philosophical stance that informs the research approach and methodology (Crotty). The theoretical perspective is linked to and validates the epistemological orientation just as the choice of an epistemological orientation
specifies the possible theoretical perspective to be adopted in a research (Gray, 2018). Crotty explained that theoretical perspectives are assumptions that are to be understood as the ways of looking at the world and making sense of it. In Saunders et al.’s framework of research, the theoretical perspective corresponds to the research philosophy. The research philosophy is the researcher’s view of the world; his or her assumptions about human knowledge and about the nature of the encountered realities (Saunders & Tosey, 2013). This shapes how a research question is asked, understood, and answered. The theoretical perspective of this dissertation hinged on post-positivism.

Post-positivism as a philosophical perspective attempts to address some of the critiques of positivism and transcends these criticisms (Carpiano & Daley, 2006). Gray explained that positivism was a dominant philosophical paradigm in the social science from the 1930s through the 1960s, and its main argument is that the social world exists externally to the researcher and that the features of this world can be measured directly through empirical observation and inquiry using the senses. Positivism essentially emphasizes that natural science is the highest form of knowledge and that scientific knowledge is the desired form of knowledge (Blackburn, 2008). It builds around the assumption that the objective accounts of the real world can be known; therefore, researchers can study reality in a mechanical and impersonal way (Denzin & Lincoln, 2011). Positivists are great lovers of science and present scientific discovery and technological development as the instruments of human progress (Crotty). As Saunders et al. maintained, “Positivism relates to the philosophical stance of the natural scientist and entails working with an observable social reality to produce law-like generalizations. It promises unambiguous and accurate knowledge” (p. 136). For the positivists, objects in
the world have meaning independent of any consciousness of them; as such, their world is a mathematized world of objective and empirically verifiable knowledge (Crotty).

Letourneau and Allen (1999) argued that logical positivism was no longer tenable in modern science; post-positivism, as a research methodology, emerged with the idea of methodological pluralism. Post-positivism is best characterized as a reformed form of positivism since it limits and adjusts its assertions based on the damages incurred by positivism and its ensuing criticisms (Guba, 1990). Post-positivism maintains that only partially objective accounts of the world can be presented and assumed through a methodological study of reality because objectivity is riddled with flaws (Denzin & Lincoln). Reality exists but it can only be imperfectly and probabilistically known and articulated; knowledge cannot be wholly gained but relying on many varied sources makes it less likely that a distorted interpretation will be achieved (Guba, 1990). The post-positivist emphasis on meaning; the relationship between language and meaning is underscored through discourse and discourse is used to filter and interpret experience (Ryan, 2006). Scientific truths are no less cultural in character, and are rooted in a social context; therefore, a constructionist view of meaningful reality becomes a way of understanding post-positivists (Crotty). This aligns with social constructionism as the epistemological perspective. Though post-positivists hold a deterministic philosophy in which causes relate effects, there is no absolute truth or claim of knowledge when studying the behavior and actions of human beings (Creswell). A sequel to the fact that there is no absolute truth or claim of knowledge, claims have to be subjected to varied possible studies and critical examination so as to know and understand reality as closely as possible (Letourneau & Allen).
The post-positivism as the theoretical perspective allows for mixed methods as a research approach. Researchers adopting this theoretical perspective are encouraged to attempt to understand reality, as closely as possible, through the use of statistics that describe what is known as reality but not to be boxed in by such a process (Guba & Lincoln, 2005). Post-positivist researchers do not maintain an impersonal persona in their research; they recognize the common humanity that connects them and the people who participate in their research (Guba, 1990; Ryan, 2006). For the post-positivist researchers, there is no ready-made answer, since they research among their participants not on them, they engage in the social construction of narratives with their participants (Ryan, 2006).

These characterizations of post-positivism fittingly positioned it as the theoretical perspective of this dissertation. While investigating the relationship between ethical leadership and organizational success or ethical leadership and employees’ job satisfaction, my assumption was that logical objectivity and a perfect correlation of a cause-and-effect type was not easily justifiable. However, there existed relationships between and among these variables. Such relationships were dependent on the understanding and construction of my participants in their social context. A sequel to my assumption that objectivity could not be wholly known, I employed mixed methods so that less distorted interpretation of this relationship could be achieved through the triangulation of different methods.

Bryman (2013) explained that the notion that a particular leadership style constitutes the causal or independent variable is an assumption rather than the consequence of the investigations for the purpose of establishing such correlation. It was my assumption that the relationship, which would be drawn between and among the
variables under investigation in this research, would not underpin the principle of strict causality. Ethical leadership would not be shown to logically and diametrically cause employees’ job satisfaction or lead to organizational success. However, there would be and indeed there was a significant correlation between and among these variables. Such correlation will be in consonant with the tenets of post-positivism, which holds that the understanding and knowledge of reality is constructed according to a social context (Tashakkori & Teddlie, 1998).

Post-positivism conceives social science research as subjective, value-laden and not based on a logical cause-and-effect (Guthrie, 2010). Aware that the study would focus on human behavior or action within a social context, it was my assumption that the relationship that would be drawn between and among the variables may not necessarily portray an absolute truth or claim of knowledge, rather, the findings and knowledge to be gained from the research would be socially constructed and contextually determined or influenced. It would be an aggregation of subjective knowledge, which may be effective in understanding the impact of leadership on organizational well-being.

**Research Design: Mixed methods**

In the light of my assumed epistemological paradigm and theoretical approach, the research design or approach that was employed in this dissertation was mixed methods. Research designs are those techniques that are used for conducting research (Kothari, 2004). As expressed by Babbie (2013) “research design involves a set of decisions regarding what topic is to be studied among what population with what research methods for what purpose” (p. 116). Yin (2003) stated, “Colloquially, a research design is an action plan for getting from here to there, where here may be defined as the
initial set of questions to be answered, and there is some set of conclusions (answers) about these questions” (p. 19). Creswell (2014) articulated research design as the philosophical assumptions of the researcher, which inform the study and procedures of inquiry. For Groove, Gray, and Burns (2015), research design is a blueprint for conducting a study with control over factors and situations that may interfere with the validity and reliability of the findings. So, research design is a directional guide or plan that informs and guards a researcher towards the attainment of the stipulated goal. It is a practical procedural plan on how to collect and analyze data to address the research question and attain the purpose of the research. As defined by Gray, “A research design is the overarching plan for the collection, measurement, and analysis of data” (p. 132). Research design outlines the procedure that enables the researcher to systematically attain the objective of his or her research.

Post-positivism as the theoretical perspective supported mixed methods as the research design of this study since this design allowed for assessing and quantifying the views of participants in a research using instruments so as to understand reality as closely as possible (Creswell, 2014; Denzin & Lincoln, 2011; Guba & Lincoln, 2005). As defined by Johnson, Onwuegbuzie, and Turner (2007),

Mixed methods research is the type of research in which a researcher or team of researchers combines elements of qualitative and quantitative research approaches (e.g., use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the broad purposes of breadth and depth of understanding and corroboration. (p. 123)
A mixed method essentially is multiple methods of research that combine the use of quantitative and qualitative data collection and analysis (Saunders et al.). Tashakkori and Teddlie (1998) maintained that mixed methods of research are those that combine the qualitative and quantitative approaches of research design in a single study or a multi-phased study using triangulation techniques. As argued by Johnson et al., pragmatism is the essence of mixed methods; it is an approach, which attempts to consider multiple viewpoints, and perspectives.

The modern conception of mixed methods can be traced to the work of Campbell and Fiske (1959) who conceptualized the notion of triangulation while arguing for ‘multiple operationism’ as the use of more than one method in the validation of result so as to ensure that variance is not a methodological problem (Drisko, 2017; Johnson et al., 2007; Jick, 1979). From its root in geometry, triangulation became appropriated as a term in navigation and military strategy, implying the use of multiple reference points to locate the exact position of an object (Jick, 1979). It then entered into social science research as a way of improving the accuracy of judgments through collecting different kinds of data that address the same problem. Insisting that the most persuasive argument comes once a proposition is confirmed by two or more independent sources, Webb, Campbell, Schwartz, and Sechrest (1966) coined the term triangulation to conceptualize this process (Johnson et al.). Denzin (1970) argued that social scientists should examine a problem from as many different methodological perspectives as possible. As such, he defined triangulation as “. . . the combination of methodologies in the study of the same phenomena” (p. 297). So, in the historical development of mixed methods, triangulation captured the process that allowed researchers to overcome the deficiencies of using only
one investigative strategy or method (Denzin, 1970). Denzin identified four forms of triangulation; namely, data triangulation (searching for and using different data sources), investigator triangulation (involving more than one researcher in a study), theory triangulation (employing different theoretical perspectives in exploring a phenomenon), and methodological triangulation (investigator using multidimensional methods in collecting and analyzing of data).

Building on these forms of triangulation, there has been strong argument for pluralism of methodologies by researchers especially the use of mixed methods (Collins, Onwuegbuzie, & Sutton, 2006; Cook, 1985; Dzurec & Abraham, 1993; Greene, Caracelli, & Graham, 1989; Guba & Lincoln, 2005; Johnson, Onwuegbuzie, & Turner, 2007; Morse, 1991; Rossman & Wilson, 1985; Sechrest & Sidana, 1995). Guba and Lincoln (2005) argued, “. . . within each paradigm, mixed methodologies (strategies) may make perfectly good sense” (p. 200). They further explained, “Are paradigms commensurable? Is it possible to blend elements of one paradigm into another, so that one is engaging in research that represents the best of both worldviews? The answer, from our perspective, has to be a cautious yes” (p. 117). Johnson, et al., (2007) emphasized,

Mixed methods research is an intellectual and practical synthesis based on qualitative and quantitative research; it is the third methodological or research paradigm (along with qualitative and quantitative research). It recognizes the importance of traditional quantitative and qualitative research but also offers a powerful third paradigm choice that often will provide the most information, complete, balanced, and useful research result. (p. 129)
Tashakkori and Teddlie (1998) maintained that mixed methods “...are studies that are products of the pragmatist paradigm and that combine the qualitative and quantitative approaches within different phases of the research process” (p. 19). Creswell presented three models of mixed methods design: (a) Convergent parallel mixed methods – the researcher converges and merges quantitative and qualitative data, (b) Explanatory sequential mixed methods – researcher first conducts quantitative research, builds on the results by going into more detail qualitatively, (c) Exploratory sequential mixed methods – researcher begins with qualitative research and the result is used to build on quantitative study. In the light of this classification of mixed methods, convergent parallel mixed methods was the ideal method for this study given that quantitative data through the survey of the relationship between ethical leadership and employees’ job satisfaction were combined with qualitative data obtained through content analysis of the Account Statements of the organization so as to better and more broadly address the research purpose and questions.

Again, the choice of this type of mixed method was informed by the purpose of the research and the variables assessed. As demonstrated in chapter 2 above, most studies on the relationship between ethical leadership and job outcomes, especially employees’ job satisfaction, have explored this through quantitative method of research. Therefore, while it was necessary to still explore this relationship through quantitative methods, qualitative exploration was needed for a broader understanding of this relationship. Furthermore, the investigation of the relationship between ethical leadership and organizational success through content analysis offered a better understanding of this relationship. The nebulosity in the conception of organizational success behooved this
deeper and broader exploration. Also, understanding the relationship between ethical leadership and some contemporary categories of organizational success, like the satisfaction of the customers, environmental promotion, and financial profitability, cannot easily be quantifiable. Ergo, no reliable and validated instrument has comprehensively integrated these categories in the measurement of organizational success. Therefore, a qualitative content analysis approach became helpful.

**Research methods: Survey and Content analysis**

Research method is the technique and procedure employed in obtaining and analyzing research data, which will include issues about the survey questionnaire to be used, various ways of collecting useable data, and statistical or non-statistical technique of analyzing that data (Saunders et al.). Different from methodology, which is the philosophical basis of the research, methods deal with different ways of gathering data through the questionnaire, observation, interviews, and meta-analysis of data (Fisher, 2004). The research method is essentially a systematic approach towards the collection and analysis of data to obtain useful information in addressing the research purpose and answering the research questions (Gray, 2018). Jonker and Pennink (2010) argued that research methods indicate specific steps, actions or approaches that will be taken in collecting data; it involves a systematic way of working with techniques towards achieving the final goal. As aptly expressed by Clough and Nutbrown (2012), methods are the ingredients of the research. As such, the technique must be in accord with the objective of the research in a way that the objectives influence the method of collecting data.
Quantitative method

Survey was used in collecting quantitative data for this study. Creswell (2014) maintained that survey provides a quantitative or numeric description of trends, attitudes, or opinions of a population as the sample of this population is investigated which will allow the researcher to draw inferences and make generalization about the population. Guthrie (2010) explained that a survey method selects a sample that represents a larger population and uses the results to generalize about that population as a whole; it is useful in describing patterns in large groups rather than in-depth analysis of individual’s views. In a survey, the researcher selects a sample of respondents within a population and administers a standardized questionnaire to them; individuals form the unit of analysis in a survey (Babbie, 2013). Gray explained that surveys involve the systematic and standardized collection of data through interview, questionnaire or observation so as to identify something about the population from which a generalization can be made.

Surveys are useful in collecting data on a population too large to observe directly, they are good for measuring attitudes and orientations in a large population (Babbie, 2013; Gary, 2018; Guthrie, 2010; Saunders et al., 2016).

While Babbie maintained that a survey could be used for descriptive, explanatory, and exploratory purposes, Gray classified surveys as descriptive and analytical. Saunders et al. explained that a survey involves the structured collection of data from a sizeable population, usually associated with deductive research and answers ‘what’, ‘who’, ‘where’, ‘how much’, and ‘how many’ questions. They classified a survey as exploratory and descriptive. Any of these categorizations can involve the questionnaire, structured observation and structured interviews as techniques for collecting data (Saunders et al.).
Descriptive surveys measure the characteristics of a particular sample. Analytical surveys attempt to test a theory and explore the associations between variables while looking at discovering ideas rather than testing ideas (Gray). In the light of Gray’s classification of surveys, this study employed an analytic survey questionnaire to gather the data.

It is difficult to imagine a large-scale survey without the use of a carefully designed questionnaire (Gray). A questionnaire involves data collection techniques by a series of questions that respondents are to answer in a predetermined order (Saunders et al., 2016). Babbie defined questionnaire as “A document containing questions and other types of items designed to solicit information appropriate for analysis” (p. 231). Guthrie explained that a questionnaire is one of the techniques for collecting data using the survey method. Babbie emphasized that though questionnaires are used primarily in survey research, they are equally useful in experiments, field research, and other modes of observation to collect data. Essentially, a questionnaire is used to know the extent to which the respondents hold a particular attitude or perspective, so the clearer and lucid the questions are, the better the data (Babbie, 2013; Gray, 2018; Guthrie, 2010).

Questionnaires can be classified into two main categories; namely, open-ended questions – respondents provide their own answers and closed-ended questions – respondents are provided with the answer choices (Babbie, 2013; Gray, 2018; Guthrie, 2010). Gray further explained that closed-questions can be administered through (1) listing – question designed with possible responses, (2) categorizing – question designed with different group-sets where one group-set is possible, (3) ranking – question requires respondent to rank response in order, and (4) scaling – question designed to measure variables: (a) nominal, (b) ordinal, (c) interval and (c) ratio. Nominal data constitute a
name or category with no order or ranking (e.g. occupation), ordinal data suggest ordering or ranking of values but interval is not significant (e.g. attitudinal question with Likert scale), interval data have quantifiable measures with intervals and numerical values are assigned according to equal intervals but zero has no significance (e.g. frequency distribution table), and ratio measuring interval and numerical values in which zero has significant implication (e.g. examination scores) (Gray).

**Instruments.** Two instruments were employed in this dissertation, namely the Ethical Leadership Questionnaire (ELQ) developed by Yukl, Mahsud, Hassan, and Prussia (2013) and the Job Satisfaction Survey (JSS) developed by Spector (1997). These two instruments have been tested for validity and reliability in assessing key factors central to ethical leadership and employees’ job satisfaction. These two instruments were integrated and synthesized to form a 52 Likert-scaled survey questionnaire as shown in the appendix.

In developing Ethical Leadership Questionnaire (ELQ), Yukl et al. (2013) began by underscoring three other instruments that have been developed and designed to directly measure ethical leadership namely Ethical Leadership Survey (ELS) developed by Brown et al., (2005), Perceived Leader Integrity Scale (PLIS) developed by Craig and Gustafson (1998) and Ethical Leadership at Work questionnaire (ELW) developed by De Hoogh and Den Hartog (2008), with a follow-up research by Kalshoven, Den Hartog, and De Hoogh (2011) that revised, extended and renamed it as Ethical Leadership at Work Questionnaire (ELWQ). Authentic Leadership Questionnaire (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008) and Servant Leadership Questionnaire (Barbuto & Wheeler, 2006) included and measured ethical values and behaviors as parts of these
leadership styles. Some of the weaknesses Yukl et al. identified with the instruments that were designed to specifically measure ethical leadership ranged from validation challenges, inadequate representation of relevant aspects of ethical leadership, negatively worded items that can confuse respondents to the use of vague wordings, leading to confusion about the scope of ethical leadership and how appropriately to measure it.

Yukl, et al. used two indicators of leadership influence – leader-member exchange (LMX) and overall effectiveness in enhancing performance to validate the instrument. The actual validity of the instrument was assessed using 192 graduate students, 147 in an MBA program and 45 enrolled in Master of Public Administration program at a public university in the Midwestern part of the United States, who had fulltime jobs during the day. The ELQ was measured with 15 items and a 6-point Likert-style format in which the respondents were asked to rate their immediate supervisor. The 15 items described different aspects of ethical leadership, including honesty, integrity, fairness, altruism, consistency of behaviors with espoused values, communication of ethical values, and providing ethical guidance (Yukl et al.). Exploratory and confirmatory factor analyses to assess discriminant validity for the ELQ yielded one composite score with a high reliability. The internal reliability for the measures in the study ranged from a Cronbach’s alpha of (.74 to .96, p < .05). Regression analyses provided evidence for the criterion-related validity of the ELQ with ethical leadership as a significant predictor of LMX (β = .38, p < .05), and it explained an additional 7% criterion variance (F = 61.40, p < .05). Another reason for deciding on ELQ as the instrument for the study was that it has been able to examine the extent to which ethical leadership can enhance job performance.
independent of other relevant leadership behaviors (Yukl et al.). Job performance is related to organizational success, which was central to the study.

Spector (1997) argued that job satisfaction is usually assessed through interviews or questionnaires administered to employees. Most job satisfaction assessment is done with questionnaires because it is easy to quantify and standardize questionnaire responses and surveying a large number of people attracts little cost and effort (Spector). There are several instruments for testing job satisfaction. Some of the common ones are the Job Descriptive Index (JDI) developed by Smith, Kendall, and Hulin (1969), the Minnesota Satisfaction Questionnaire (MSQ) developed by Weiss, Dawis, England, and Lofquist (1967), Job Diagnostic Survey (JDS) developed by Hackman and Oldham (1975), Job In General Scale (JIG) developed by Ironson, Smith, Brannick, Gibson and Paul (1989), the Michigan Organizational Assessment Questionnaire Satisfaction Subscale developed by Cammann, Fichman, Jenkins, and Klesh (1979), Generic Job Satisfaction Scale (GJSS) developed by McDonald and McIntyre (1997) and many others (Van Saane, Sluiter, Verbeek, & Frings-Dresen, 2003; Spector, 1997).

The use of the Job Satisfaction Survey (JSS) was informed by its strong reliability and validity in assessing the job satisfaction characteristics relevant to this study. The JSS is a multidimensional instrument with 36 items on a 6-point Likert-style format that ranged from disagree very much (1) to agree very much (6) (Van Saane, 2003). Using nine facets of job satisfaction, JSS assessed the overall satisfaction of the employees; each of the nine facets contains four items (Spector). The nine subscales of the instrument are pay, promotion, supervision, benefits, contingent rewards, operating procedures, coworkers, nature of work, and communication (Spector). From a sample of 3,067
respondents who completed the JSS, the reliability showed a coefficient alpha ranging from .60 to .91 and the testing for the validity showed a correlation with Job Diagnostic Survey and Job Descriptive Index. The Job Satisfaction Survey covered the most crucial job satisfaction variables related to this study.

**Sample.** The sample size for the study was 123 employees of a utility corporation located within the Northwest United States. The sample was a convenience sample rather than a randomized sample. A convenience sample is a non-probabilistic sample; it involves using the most convenient participants accessible to the researcher in gathering data for the study (Gray, 2018). Babbie (2013) explained, the ease and frugality of convenience sample explains its popularity. But convenience sampling makes ability to generalize sample results or findings to the population challenging. However, it remains a reliable and economic way of collecting data and, with triangulation, it is a powerful element of a good argument.

**Analysis.** The questionnaire was exported into Survey Monkey. This allowed for online, real-time completion of the questionnaire. The result of the survey was then exported into the International Business Machines Statistical Package for the Social Science (IBM SPSS) version 25.0 for the analysis. The IBM SPSS was used to run some descriptive and inferential statistics necessary for the attainment of the research purpose. Pearson Correlational Coefficient and Linear Progress analyses were performed to ascertain relationship between ethical leadership and employees’ job satisfaction. Ethical leadership was the independent variable while employees’ job satisfaction was the dependent variable for the quantitative part of the study and the mediator variable for the qualitative part of the study. This relationship was pertinent in qualitatively assessing
how ethical leadership supports organizational success as the overall dependent variable of the study with the mediator role of employees’ job satisfaction.

**Qualitative Method**

Content analysis was employed in collecting data necessary for addressing the link between employees’ job satisfaction and organizational success. Content analysis as a technique of collecting data has its root in journalism where it was used primarily to analyze documents and tally words or phrases so as to infer meaning (Cavanagh, 1997). In his germinal work, Berelson (1952) defined content analysis as “the objective, systematic and quantitative description of the manifest content of communication” (p. 18). This definition of content analysis narrowed it to the content of a communication and as a quantitative investigative technique. Content analysis has equally included interpretation of latent content and can now be part of qualitative research design (Cavanagh, 1997; Elo, & Kyngäs, 2008; Graneheim & Lundman, 2003; Krippendorff, 2013; Saunders et al., 2016; White & Marsh, 2006; Zhang & Wildemuth, 2009). As emphasized by Krippendorff (2013), “content analysis has evolved into a repertoire of methods of research that promises to yield inferences from all kinds of verbal, pictorial, symbolic, and communication data . . . the past century has witnessed the migration of content analysis into various fields . . .” (p. 23).

Patton (1990) conceived content analysis as a qualitative data reduction process and sense-making effort that examines the volume of qualitative material and attempts to identify core consistencies and meanings in the material. Hsieh and Shannon (2005) maintained that content analysis “is a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and
identifying themes or patterns” (p. 1278). As defined by Krippendorff (2013), “Content analysis is a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the context of their use” (p. 24). According to Saunders et al., content analysis is an analytic technique through which the researcher codes and categorizes qualitative data in order to analyze such data quantitatively. It involves the making of inferences about data through a systematic and objective process of identifying special characteristics within such data (Gray). Content analysis takes a quantitative approach when it focuses on mass media while in its qualitative approach, content analysis is a technique used to explore other social science disciplines (Graneheim & Lundman, 2003). It is a methodical technique of coding and classifying textual information employed by researchers so as to determine the trends and patterns of words, phrases or concepts used, their frequency and their relationship so as to attend to the research question or the purpose of the study (Marying, 2000; Vaismoradi, Turunen, & Bondas, 2013). Therefore, from these conceptualizations and definitions of content analysis, it is a systematic technique of collecting data, it follows a logical process and it is analytical in exploring and interpreting textual and communicative data. Rooted in a journalistic analysis, content analysis began as a quantitative process of collecting and analyzing the content of communication, but it has gone beyond the content of communication and has been embraced as a qualitative technique of data collection. It can no longer be confined to either quantitative or qualitative or to its journalistic root of analyzing the content of the communication.

As clarified by Krippendorff (2013), the effort to distinguish or contrast content analysis as qualitative and quantitative is a mistaken one. He insisted that text, the
primary material of content analysis, is qualitative while the analysis and categorization
of textual material is a quantitative process. He further explained,

Quantification is not a defining criterion for content analysis . . . Using numbers
instead of verbal categories or counting instead of listing quotes is merely
convenient; it is not a requirement for obtaining valid answers to a research
question . . . the quantitative /qualitative distinction is a mistaken dichotomy
between the two kinds of justifications of content analysis designs: the
explicitness and objectivity of scientific data processing on one side and the
appropriateness of the procedures used relative to a chosen context on the other.
For the analysis of a text, both are indispensable. (p. 88)

As such, it is not within the purview of this work to engage in the polemics of
ascertaining whether a content analysis is a qualitative or quantitative technique of data
collection. As employed herein, content analysis was essentially seen as a technique of
collecting and sorting out textual material to systematically classify and draw inferences
that would lead to answering the research question or addressing the purpose of the
research. Content analysis was seen as a research tool used to objectively and
systematically draw inferences about the intentions, attitudes, and values through
identifying and codifying specific features in a textual material (Siregar, Dagnino, &
Garraffo, 2009). It necessarily required exploring organizational textual artifacts and
contents of communication so as to identify and codify common themes with the hope of
obtaining as good a description as possible of events or situations which will be valid and
reliable (Cavanagh, 1997). As explained by Saunders et al., “In organizational context,
content analysis can be used in the analysis of a wide range of documents, including
agendas and minutes of meetings, briefing papers, contracts, diaries, email, letters, memos, plans, policy statements, press releases, reports and strategy documents” (p. 610). Also, content analysis could also be employed in analyzing textual material in the corporate website of an organization, social media websites, blog postings, a wide range of visual and audio sources including advertising posters, audio-visual communication, digital recordings, promotional advertisements, and web images (Saunders et. al.).

Methodologically, content analysis can be classified into two types: conceptual and relational (Busch, De Maret, Flynn, Kellum, Meyers, & Palmquist, 2012; Siregar, Dagnino, & Garraffo, 2009). Conceptual content analysis deals with quantifying the presence and frequency of concepts as represented by words or phrases in a text (Siregar et al., 2009). With regard to conceptual analysis, concepts are chosen for examination and analysis; the focus is looking at the occurrence of such concepts within the text (Busch et al., 2012). Relational content analysis, also known as semantic analysis (Palmquist, Carley, & Dale, 1997), begins with identifying words, phrases and concepts like conceptual content analysis but goes further to explore the relationship between the concepts and themes as identified in the textual material (Busch et al., 2012). Relational content analysis enables the researcher to move beyond identifying and coding words, phrases, concepts or themes and further explore the relationship that exists between words and phrases, concepts and themes (Siregar et al., 2009). Krippendorff explained that relational content analysis goes beyond categorical accounts of textual elements to examine the relations, contingencies, or semantic connections within the textual elements.
Hsieh and Shannon (2005) classified content analysis into three types: conventional, directed and summative. They argued that the major differences among the approaches lie in the coding schemes – the origins of the codes. In conventional content analysis, coding categories are derived from the text data; with a directed approach, analysis starts with a theory or relevant research findings as guidance for initial codes; while summative content analysis involves counting and comparing of keywords or content, followed by the interpretation of the underlying context (Hsieh & Shannon). Conventional content analysis is useful where there is no existing theory or there is a paucity in the research literature on a particular phenomenon and it does not allow an imposition of preconceived categories or theoretical perspectives on the data (Hsieh & Shannon).

Directed content analysis employs existing theory or prior research in identifying key concepts or variables as initial coding categories; the hope is to validate or extend existing theoretical framework or theory (Hsieh & Shannon, 2005). Directed content analysis could be considered as a deductive technique given that it starts from existing theory or general assumption to prove a case (Humble, 2009). As argued by Hsieh and Shannon, the main strength of a directed approach to content analysis remains that an existing theory can be supported or challenged. Directed content analysis gives confidence to researchers who are aware that they are corroborating an existing theory or showing enough evidence against it.

The “summative approach to qualitative content analysis goes beyond mere word counts to include latent content analysis. Latent content analysis refers to the process of interpretation” (Hsieh & Shannon, 2005, p. 1283). Summative content analysis begins
with the exploration of usage, which will entail identifying and quantifying words or phrases in the text with the intention of understanding how they are used within that context without any attempt to infer meaning (Hsieh & Shannon). At this point, it is about identifying and quantifying the apparent or manifest content, the factual content in the data and not relying on subjective judgment (Saunders et al., 2016). However, summative approach goes beyond this quantitative stage to look at the latent content analysis of the text (Hsieh & Shannon). Latent content involves inferring meaning in the data, interpreting the meaning and drawing relationships based on the data (Saunders et al.).

Based on the categorization of content analysis into the contextual and relational analysis (Busch et al., 2012; Siregar, Dagnino, & Garraffo, 2009), I employed relational/summative content analysis in examining textual and communicative data of the utility corporation so as to infer, interpret and ascertain how employees’ job satisfaction is related to the satisfaction of the customers and financial profitability. Essentially, the procedure of content analysis that was employed here could be categorized into (1) formulating or articulating the research questions for qualitative study and research hypothesis for quantitative research, (2) sampling – selecting text that is relevant to the purpose of the research, (3) coding – tagging and explaining of the key words, phrases and text segments that correspond to the research questions, (4) analysis – ascertaining how well the research questions/hypotheses were addressed, (5) validation – assessing the rigor of the coding and analysis process and (6) presentation – showing the findings (White & Marsh, 2006). These processes of content analysis were used to
examine the financial statements and the customers’ evaluation of the services they received from the utility corporation.

**The supportive role of Service Profit Chain**

Service Profit Chain is to reinforce the position of the study that employees’ satisfaction plays a mediating role between ethical leadership and organizational success. The model proposes that financial profitability is primarily stimulated by satisfied customers who are loyal, which is the direct consequence of the quality services provided by satisfied, loyal, committed and productive employees that can only be promoted by a special kind of leadership that emphasizes the importance of the employees and customers (Chi & Gursoy, 2009; Heskett et al., 1994; Yee, Yeung, Cheng, & Lai, 2006). This special kind of leadership is assumed in this study as ethical leadership because of the ontological nature of this type of organizational leadership as explored in this study. Figure 8 is an adaption and adoption of the Service Profit Chain framework into the conceptual framework of the study.

The ethical leadership of this study, as shown in Figure 8, substituted the internal service quality of the Service-Profit Chain. Ethical leadership, which creates ethical climate, is similar to the variables of the internal service quality that create an enabling work environment that characteristically promotes employees’ job satisfaction. Heskett et al. (1994) maintained that internal service quality is measured by the feelings the employees have toward their jobs, colleagues, and the company that would promote employees’ job satisfaction. Similar to the internal service quality, the essence of ethical leadership as has been adjudged in this study is the promotion of an ethical climate that would create the same satiated feelings for the employees towards their jobs, their
colleagues and the company which would invariably promote employees’ job satisfaction. Employees’ job satisfaction played a primary role in the financial profitability given that satisfied employees are more likely to be motivated and committed to improving the quality of goods or services provided to the customers (Chi & Gursoy, 2009). The customers’ satisfaction and loyalty will be guarantee with an improved quality of goods or services, which eventually leads to financial profitability.

**Figure 8.** Ethical leadership as the Internal Service Quality of SPC

Therefore, ethical leadership as was assumed in the study to promote ethical climate, enhanced employees’ job satisfaction as the feelings that the employees have toward their jobs, colleagues, and companies. These feelings or dispositions promote employee loyalty, retention, commitment, and productivity, which invariably would ensure customers’ satisfaction and loyalty, promoting financial profitability. Satisfaction and loyalty of the employees and customers are the fulcra on which this framework hinges.
Choice of organization for the study

Ethical leadership or instituting ethical organization and indeed ethical decision-making is fraught with challenges; ethics often stretches us and moves us to think beyond ourselves to consider others and our larger society (May, 2013). The negative publicity spawned by unethical leadership and behaviors in organizations makes studying, observing, and measuring ethical-unethical behaviors within an organization difficult (Randall & Fernandes, 1990; Treviño, 1992). Organizations that engage in unethical behavior will probably attempt to conceal it and are not likely to allow it to be observed (Treviño). As such, attempts to collect valid data concerning ethical behaviors or to study the ethical-unethical content of most organizations was challenging since organizations become apprehensive when their ethical standards are under investigation (May, 2013; Treviño, 1992).

Although no risk was anticipated on the main corporation used in this study, disguising its name was necessary to avoid any unintended consequences. All views expressed in this study were the personal views of the researcher in line with the academic rigor and demands expected in a dissertation research. These views were to help understand the relationship between ethical leadership and organizational success through employees’ job satisfaction.

Ethical considerations

Deliberating on ethical issues and concerns, Creswell (2014) maintained that research is about collecting data from people about them. Therefore, researchers need to protect their research participants so as to encourage trust and openness in a way that reliability and integrity of the research will be guaranteed. Reiterating this concern,
Silverman (2001) pointed out that researchers should never forget that they enter the private space of their participants as they collect information about them and therefore should anticipate any ethical issues that this collection of data may occasion. Babbie (2013) stressed that researchers should know and maintain what is proper while conducting their research. In the light of the Belmont Report on the Ethical Principles and Guidelines for the Protection of Human Subjects of Research and other demands for academic research, the principles of (a) respect for persons, (b) beneficence, (c) justice and (d) informed consent and (e) the need to avoid plagiarism were duly followed in the study. Also, this research received the approval of Gonzaga University Institutional Review Board (IRB) on 8/9/2018, with the Protocol number 1807KELDPLS. The collection of data did not take place until after IRB approval for the study.

About the respect for persons, the informed consent of the participants in the research was sought and obtained before they completed the survey. Also, the participants were assured that they could discontinue from the survey at any point. As advised by Saunders et al., this informed consent also stipulated the purpose and usage of the data to be collected. The data were essentially used to understand the relationship between ethical leadership, employees’ job satisfaction and organizational success as it concerned my dissertation research. At the end of the study, I debriefed the participants and thanked them for their time and effort in the study.

Also, the research ensured that anonymity was not undermined so that no harm could stem from the fact that the employees of the corporation objectively and honestly expressed their views about the ethicality of the organization or its leaders. No personally
identifiable information was demanded from the participants in the research. The utmost confidentiality of the participants was adhered to as anonymity was not breached.

Again, all the participants in the study were protected from the risk of harm for participating in the study. The completion of the online survey was at the convenience of the participants and they were not under any undue time constraint in completing the survey. The participants were equally informed that they were at liberty to opt out or withdraw from the study anytime they felt uncomfortable participating. All deceptive ploys were precluded in the collection of data from the participants and they were duly informed about the estimated duration of the survey. Attribution to authors and sources used in this study were properly ascribed according to American Psychological Association (APA, 2010) publication manual.
Chapter Four Results and analyses

“The data collection and analysis are subsequently geared to the illumination of the research issue or problem that has been identified at the outset” (Bryman, 2016, p. 20).

The purpose of this mixed methods study was to investigate if and how ethical leadership, through the mediating role of employees’ job satisfaction, promotes organizational success. The study quantitatively investigated the relationship between ethical leadership and employees’ job satisfaction. Qualitatively, the study, using content analysis, supported by the Service-Profit Chain framework, explored the relationship between employees’ job satisfaction and organizational success.

For the quantitative component of this study, a convenience sample of one hundred and twenty-three (123) employees of Sunshine Corporation, a utility corporation in the Northwestern part of United States, provided the data by completing a composite survey consisting of the Ethical Leadership Questionnaire (ELQ), the Job Satisfaction Survey (JSS), and demographic questions. This quantitative part of the study employed the Pearson correlation and Linear Regression analyses to assess the relationship between ethical leadership and employees’ job satisfaction.

Using archival resources, the study used content analysis as a qualitative method to examine if employees’ job satisfaction as promoted by ethical leadership, could promote organizational success with the underpinning of the Service-Profit Chain framework. Organizational success was assessed through (1) the satisfaction of the customers of the corporation and (2) the financial profitability, as revealed in the Financial Statements: Income Statement, Cash Flow, and Balance Sheet of the corporation.
The results of the study are presented in two parts. The first part presents the results of the survey beginning with the demographic data, followed by the results of the descriptive statistics and the inferential statistics. The second part presents the data on the satisfaction of the customers of the corporation and its financial profitability ratios.

**Research Questions**

Based on the overarching research question: How does ethical leadership relate to organizational success through employees’ job satisfaction, the sub-questions for the qualitative part of the study consisted of:

1: Does employees’ job satisfaction as promoted by ethical leadership support satisfied customers?

2: Does employees’ job satisfaction as promoted by ethical leadership lead to financial profitability?

The study hypothesized

H₀: Ethical leadership is not related to employees’ job satisfaction.

H₁: Ethical leadership is related to employees’ job satisfaction.
The Conceptual framework of the study

As indicated by the conceptual framework of the study, three components of (1) Ethical leadership, (2) Employees’ job satisfaction, and (3) Organizational success were evaluated in this study. Therefore, based on these categories, the study explored the relevance of ethical leadership to organizational success. Essentially, with ethical leadership as an organizational leadership style, will the employees be satisfied? And will the satisfied, loyal and committed employees enhance the satisfaction of the customers and eventually financial profitability of the organization, which were the metrics for measuring organizational success in this study? As the conceptual framework presented it, ascertaining if and how ethical leadership promoted employees’ job satisfaction was assessed through quantitative research method that surveyed the employees of a utility corporation. The mediating role between ethical leadership and organizational success, in which employees’ job satisfaction was evaluated if it promoted the satisfaction of the
customers and financial profitability, was conducted qualitatively through content
analysis that drew data from the archival resources of this utility corporation. The service
profit chain supported this relationship between satisfied, loyal, and committed
employees on one hand and satisfied customers and financial profitability on the other.

**Quantitative section: Survey results**

**Demographic Analysis**

After receiving the IRB approval for the research dated 8/9/2018, the survey for
the study was hosted on the Survey Monkey platform. A consent form with the link to the
survey was first emailed to my gatekeeper at Sunshine Corporation. He then emailed it to
the employees working at the headquarters of the corporation under the administration,
engineering and human resources departments. Those who received the email and
consented to be part of the study opened the link to complete the survey. Through the
link, the respondents completed the survey online. The survey was active on Survey
Monkey platform for 4 weeks. After two reminders, the survey was closed on the 30th
day. At the end of the duration for the completion of the survey, the data was exported
from Survey Monkey into Excel and was subsequently exported into IBM SPSS 25.0 for
analysis.

The sample size was scientifically calculated *A priori* with (G*Power 3.0.10) and
was based on (a) the Correlations: Difference from constant (one sample case) statistical
test, (b) an above medium effect size (f = 0.30), (c) an alpha (α) value of 0.05, (d) a
power analysis of 0.95. The G*Power 3.0.10 calculation returned a sample size of 115.
One hundred and twenty-three (123) employees completed the survey. Out of the 123
respondents, 6 respondents were excluded because of missing data, giving 117 usable
survey data. Table 4 is a demographic description of the survey respondents. There were four demographic variables considered namely, gender, age, department and length of service.

Table 4

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<tr>
<td>&gt;30 years</td>
<td></td>
<td>2</td>
<td>1.7</td>
</tr>
</tbody>
</table>

**Instrumentation**

In addition to the demographic data, two instruments, Ethical Leadership Questionnaire (ELQ) and Job Satisfaction Survey (JSS), were used to collect data for this study. There were 36-survey items from the JSS instrument while ELQ had 16-survey items. The JSS was used to collect data concerning the participants’ job satisfaction. The
ELQ provided an overview of the participants’ perception of the ethical leadership in their organization. Both the JSS and the ELQ were scored on a 6-point Likert-type scale that ranged from 1 to 6, where 1 = disagree very much to 6 = agree very much.

**Job Satisfaction Survey (JSS)**

The Job Satisfaction Survey instrument, as developed by Spector (1994) has 36-items. This instrument has been validated and has a total reliability alpha of .91 (Spector). These 36-items were grouped into nine dimensions and each facet contained four items. The nine facets are (1) Supervision, (2) Promotion, (3) Pay, (4) Contingent rewards, (5) Nature of work, (6) Fringe Benefits, (7) Communication, (8) Coworkers, and (9) Operating conditions (Spector). Employees’ job satisfaction was calculated based on the responses to all the nine facets of the instrument.

As it can be observed in Table 5, the overall job satisfaction of the employees of the corporation had a mean score of 143.8 and a standard deviation of 25.4. The internal reliability of the JSS as used was high with Cronbach’s alpha (α) of .95.

**Table 5**

*Job Satisfaction Survey for the study*

<table>
<thead>
<tr>
<th>Facets</th>
<th>Cronbach’s Alpha</th>
<th>Mean</th>
<th>Standard Deviation</th>
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<tr>
<td>Coworkers</td>
<td>.77</td>
<td>16.87</td>
<td>3.46</td>
</tr>
<tr>
<td>Operating conditions</td>
<td>.33</td>
<td>10.41</td>
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<td><strong>Total</strong></td>
<td><strong>.33</strong></td>
<td><strong>143.8</strong></td>
<td><strong>25.4</strong></td>
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</table>
As made explicit by Table 5, Satisfaction with one’s immediate supervisor (Supervision) had the highest mean score of 22.46 followed by Fringe benefits and the Nature of work. Operating conditions had the lowest mean score.

Univariate descriptive statistical analyses, focusing on the measures of central tendencies, were executed for the 36 JSS items. The mean score for the individual items in JSS ranged from a minimum of 2.29 to 4.68. With the overall average job satisfaction score for all the respondents = 144, the individual mean scores ranged from a minimum of 55.00 to a maximum of 206.00.

An independent-samples t-test was conducted to determine if there were differences in Job Satisfaction Survey between the males and females of the respondents. For the male respondents, \( n = 73 \), with mean and standard deviation \((144.87 \& 24.87)\), while for the female respondents, \( n = 33 \), while mean and standard deviation is \(144.55\) and \(22.35\), respectively. There was no statistically significant difference between the mean scores of the Job Satisfaction for males and females, \( t(104) = .065, p = .95 \).

A one-way ANOVA was conducted to determine if the Job Satisfaction Survey (JSS) was different for age groups, the departments, and the length of service. The differences between the age groups was not statistically significant, \( F(4, 108) = .300, p = .878 \). Similarly, the differences between the length of service were not statistically significant, \( F(5, 107) = .339, p = .888 \). However, the differences between the departments were statistically significant, \( F(2, 110) = 3.317, p = .040 \). Table 6 displays the result of the analysis.
Table 6

One-way ANOVA

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Factor Extraction of JSS

Principal component analysis performed on Job Satisfaction Survey items yielded 8 components instead of the original 9 components of the instrument. Meaning, one component was dropped from the original 9 components. These 8 components were used to assess the relationship between ethical leadership and employees’ job satisfaction. Table 7 provides the factor loading of the 8 components. Also, a further forced extraction of JSS items was performed that fixed the factors at 3 components.
Table 7

*Rotated Component Matrix of JSS*

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<tr>
<th>Items</th>
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<th>4</th>
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</table>

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization
r: Reversed coding

The subscale, Contingent rewards, was not loaded. The other 8 components have almost
the initial items of the original instrument. Table 7 shows the loading of the items almost
similar to the original instrument. The factor loadings ranged from 0.404 to 0.902. As
such, they were described according to the original components as promotion (JSS33, JSS2r, JSS11, JSS20, JSS18), Nature of work (JSS17, JSS35, JSS27, JSS8r, & JSS34r), Supervision (JSS31, JSS30, JSS3, JSS21r, & JSS12r), Pay (JSS28, JSS19r, JSS10r, JSS32r, & JSS1), Fringe benefits (JSS4r, JSS22, JSS13, & JSS29r) Communication (JSS24r, JSS16r, JSS36r, JSS9, & JSS26r), Coworkers (JSS25 & JSS7), and Operating conditions (JSS6r & JSS15).

**Forced Factor Extraction of JSS items**

There are several ways of categorizing job satisfaction (Bektaş, 2017). The two-factor model of intrinsic and extrinsic is one of such ways (Bektaş, 2017; Hussain, Talib, & Shah, 2014; Tsourela, Mouza, & Paschaloudis, 2008; Wernimont, 1966). Intrinsic job satisfaction factors are related to how a person appraises his or her job, the value and importance of the job, which emanate from the individual independent of external job factors while extrinsic job satisfaction factors are produced by the external sources and are related to the environment of the job (Bektaş, 2017, Tsourela, Mouza, & Paschaloudis, 2008, Panagiotis, & Petridou, 2008). Organizational leadership is also an essential part of employees’ job satisfaction (Chiok, 2001; Belias, & Koustelios, 2014; Sarwar, Mumtaz, Batool & Ikram, 2015; Tsai, 2011). Hence, a forced extraction of JSS items was performed based on this way of categorizing job satisfaction and the inflection point on the scree plot.

In other words, instead of extracting the components based on the eigenvalue-one criterion, the number of factors to be extracted was fixed at 3 components in line with these 3 ways of categorizing job satisfaction. Table 8 is the loading of the items into 3 factors.
Table 8

Forced Factor Extraction of JSS items

<table>
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<tr>
<th>Items</th>
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Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization; a Rotation converged in 5 iterations

The 3 factors were used to further assess the relationship between ethical leadership and job satisfaction.
Ethical Leadership Questionnaire

The Ethical Leadership Questionnaire (ELQ) measured the crucial elements of ethical leadership of being a moral person, a moral manager, and assessed ethical values like integrity, honesty, fairness, ethical guidance, and altruism (Yukl et al., 2013). The 16 items as used in the survey formed one composite score. Principle component analysis on the items resulted in one factor with a Cronbach’s alpha ($\alpha$) > .97 and $n = 117$. This could suggest a strong sign of internal consistency of the instrument. Table 9 presents the factor loading of the Ethical Leadership instrument.

Table 9

Component Matrix of ELQ

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<td>.831</td>
</tr>
<tr>
<td>ELQ9</td>
<td>.800</td>
</tr>
<tr>
<td>ELQ14</td>
<td>.793</td>
</tr>
<tr>
<td>ELQ15</td>
<td>.758</td>
</tr>
<tr>
<td>ELQ16</td>
<td>.755</td>
</tr>
<tr>
<td>ELQ6</td>
<td>.615</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
1 component extracted.

The mean score of ELQ = 64.56, Std. deviation = 15.04. Despite the existence of some outliers as can be seen in Figure 9, there was a general valuation of this organization and its leadership as ethical.
Hypothesis Testing

Given that the purpose of this study was to understand the relationship between ethical leadership and employees’ job satisfaction, the Pearson’s correlation coefficient, was used. Later, linear regression analysis was conducted to further understand how ethical leadership impacted job satisfaction.

Testing for Assumptions

The dataset met the testing assumptions for using Pearson’s correlation coefficient and linear regression analysis. First, the two variables were on the same continuous scale. Second, the variables were paired for each of the participants in the dataset. Third, the dataset did not violate the assumption of linearity as reflected in Figure 10.

![Simple Scatter of Job Satisfaction Score by Ethical Leadership Score](image)

*Figure 9.* The scatterplot for the test of Linearity and Outlier assumptions

Fourth, there were some outliers as Figure 9 indicated. However, they were not extreme outliers to violate the outlier assumption. Therefore, the dataset was retained for
the analysis. Finally, the test of normality was not violated as assessed by the visual inspection of Figure 10 of the Normal Q-Q Plot for both Ethical Leadership and Job Satisfaction below.

![Normal Q-Q Plots for ELQ and JSS](image)

**Figure 10.** Normal Q-Q Plots for the test of normality

**Research hypothesis**

The research hypothesized that:

H₀: Ethical leadership is not related to employees’ job satisfaction.

H₁: Ethical leadership is related to employees’ job satisfaction.

In the light of the Pearson’s coefficient correlations as displayed in Table 10, a statistically significant positive correlation existed between Ethical leadership and Job Satisfaction at .67. So, \( r(111) = .67, p < .05 \). Consequently, the null hypothesis, that Ethical leadership is not related to employees’ job satisfaction was rejected while the
alternative hypothesis, that Ethical leadership was related to employees’ job satisfaction was accepted.

Table 10

*Pearson’s coefficient correlation*

<table>
<thead>
<tr>
<th></th>
<th>Job Satisfaction Score</th>
<th>Ethical Leadership Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction Score</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>113</td>
</tr>
<tr>
<td>Ethical Leadership Score</td>
<td>Pearson Correlation</td>
<td>.666**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>113</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

**Further correlation analyses**

Table 8 illustrated the factor loadings of JSS items into three components. The three components were described as Intrinsic Job Satisfaction, Extrinsic Job Satisfaction, and Organizational Leadership. Table 11 displays how the items were grouped into these three components. Further correlation and linear regression analyses were executed to underscore the relationship between ethical leadership and these aspects of job satisfaction.
Table 11

The grouping of the JSS items into three components

<table>
<thead>
<tr>
<th>Facets</th>
<th>Item number</th>
<th>(α)</th>
<th>Mean</th>
<th>Std. D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic Job Satisfaction</td>
<td>4r, 7, 8r, 13, 16r, 17, 18, 22, 25, 26r, 27, 29r, 34r, 35, 36r.</td>
<td>.91</td>
<td>63.57</td>
<td>11.39</td>
</tr>
<tr>
<td>Extrinsic Job Satisfaction</td>
<td>1, 2r, 5, 9, 10r, 11, 14r, 15, 19r, 20, 23r, 28, 32r, 33.</td>
<td>.92</td>
<td>50.84</td>
<td>11.83</td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td>3, 12r, 21r, 30, 31.</td>
<td>.90</td>
<td>22.46</td>
<td>5.20</td>
</tr>
</tbody>
</table>

“r” = reversed coding

Table 12

Correlations of 3 components of Job Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Ethical Leadership</th>
<th>Extrinsic Job Satisfaction</th>
<th>Organizational Leadership</th>
<th>Intrinsic Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extrinsic Job Satisfaction</td>
<td>.496**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td></td>
<td>.870**</td>
<td>.456**</td>
<td></td>
</tr>
<tr>
<td>Intrinsic Job Satisfaction</td>
<td></td>
<td>.518**</td>
<td>.697**</td>
<td>466**</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed)

Inferring from Table 12, Ethical Leadership had the strongest statistically significant and positive correlation with Organizational Leadership as a component of job satisfaction: \( r^2(115) = .87, p < .05 \). Ethical Leadership also had a statistically significant and positive correlation with both Extrinsic Job Satisfaction and Intrinsic Job Satisfaction. For Intrinsic Job Satisfaction it was \( r(114) = .52, p < .05 \), while for Extrinsic

\[ r^7 \] is the correlation coefficient with bracket showing degree of freedom (df), which is sample size \( N \) minus 2. Where the sample size was 117, \( r \) became 115, if \( N = 114, r = 112, \) etc.
Job Satisfaction was $r(112) = .50, p < .05$. Apart from the strong correlation between ethical leadership and these three components of job satisfaction, the table equally showed that there was a statistically significant strong and positive correlation between Intrinsic Job Satisfaction and Extrinsic Job Satisfaction: $r(112) = .70, p < .05$.

Further correlation analyses based on the 8 components loading of Job Satisfaction Survey were conducted. There was a statistically significant positive relation between ethical leadership and these components of job satisfaction, ranging from high (.870) to low (.294) correlation. Table 13 shows the outcome of the analysis.

Table 13

<table>
<thead>
<tr>
<th>Pay</th>
<th>Promotion</th>
<th>Supervision</th>
<th>Communication</th>
<th>Operating Condition</th>
<th>Coworkers</th>
<th>Nature of Work</th>
<th>Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Leadership</td>
<td>.397**</td>
<td>.438**</td>
<td>.870**</td>
<td>.470**</td>
<td>.294**</td>
<td>.399**</td>
<td>.413**</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

As can be inferred from Table 13, Supervision has the strongest statistically significant and positive correlation with Ethical Leadership: $r(115) = .87, p < .05$. This might suggest the importance of leadership in the employees’ job satisfaction. Ethical leadership had a moderate correlation with other dimensions of job satisfaction.

**Linear Regression Analysis**

Beyond the Pearson Correlation analysis, Linear Regression was conducted to further ascertain the nature of the relationship between ethical leadership and employees’ job satisfaction. The linear regression analysis corroborated the relationship between ethical leadership and job satisfaction to be statistically significant and revealed how
ethical leadership influenced job satisfaction (Benevene, Dal Corso, De Carlo, Falco, Carluccio, & Vecina, 2018; Celik, Dedeoglu, & Inanir, 2015; Shafique, Kalyar, & Ahmad, 2018). It equally helped to establish the direction and strength of the relationship and predicted the values of job satisfaction based on the different values of ethical leadership (Privitera, 2018).

The linear regression analysis established that ethical leadership predicted job satisfaction, $F(1, 111) = 88.474, p < .05$ and ethical leadership accounted for 44.4% of the explained variability in job satisfaction. The regression equation which predicted job satisfaction = $72.137 + 1.108 \times X$. Figure 11 is the graphic representation of the linear regression relationship between ethical leadership and job satisfaction.

Figure 11. The linear regression between ethical leadership and job satisfaction
The linear regressions between ethical leadership and the three components of job satisfaction were also conducted. Ethical leadership statistically and significantly predicted the three components of job satisfaction. In the three linear regression analyses, ethical leadership had the strongest prediction on organizational leadership of employees’ job satisfaction: $F(1, 115) = 358.826, p < .05$, where ethical leadership accounted for 75.7% of the explained variability in organizational leadership aspect of job satisfaction.

The regression equation $= 3.05 + 0.3\times X$. Also, ethical leadership statistically and significantly predicted intrinsic job satisfaction: $F(1, 112) = 41.031, p < .05$ with 26.8% of variability in intrinsic job accounted by ethical leadership. The regression equation $= 38.53 + 0.39\times X$. For extrinsic, it was $F(1, 114) = 37.129, p < .05$ as ethical leadership accounted for 24.6% of the explained variability in extrinsic job satisfaction while the regression equation $= 25.74 + 0.39\times X$.

The analyses of Pearson’s correlation and linear regression as presented suggested a significant relationship between ethical leadership and employees’ job satisfaction in which ethical leadership predicted employees’ job satisfaction. Based on these findings, the study then examined the relationship between employees’ job satisfaction and organizational success focusing on customers’ satisfaction and financial profitability.

**Qualitative section: Content Analysis and Service Profit Chain**

Content analysis was used for analyzing the relationship between employees’ job satisfaction and organizational success, focusing on customers’ satisfaction and financial profitability in this corporation. Service Profit Chain (SPC) was used as the paradigmatic model for linking the relationship between employees’ job satisfaction and organizational success. Content analysis as a method of collecting data may involve accessing and
analyzing a wide range of documents, corporate website of an organization, audiovisual materials and communication artifacts that may be valuable in making inferences based on the data (Saunders et al., 2016). As maintained by Krippendorff (2013), content analysis is a research technique for making replicable and valid inferences from texts to the context of their use.

The Service Profit Chain is an integrative management framework for understanding how employees’ job satisfaction variables are related to clients’/customers' satisfaction variables and how these ultimately result in profitability (Ahmed, Razzaque, & Ramzan, 2011; Xu & Goedgebuure, 2005). Heskett, Jones, Loveman, Sasser, and Schlesinger (1994) maintained, “The service-profit chain establishes relationships between profitability, customer loyalty, and productivity” (p. 164). They pointed out, “profit and growth are stimulated primarily by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is largely influenced by the value of services provided to customers. Value is created by satisfied, loyal and productive employees…” (p. 165). The main argument of service profit chain is that satisfied employees will be loyal employees who will be motivated to work hard to improve the overall performance of the organization and serve the customers well. As such, if the employees are satisfied, it will prompt and promote the satisfaction of the customers especially in the service firms where the employees have direct and close contact with the customers (Yee, Yeung, Cheng, & Lai, 2006). If the customers are satisfied due to external service value, dissatisfied employees could not have created this external service value. Thus, as argued by Reichheld (1996), service profit chain is premised on the satisfaction, loyalty and productivity of the employees that would lead to
better service for customers, which would then foster the satisfaction and loyalty of the customers. As such, the satisfaction and loyalty matrix of the employees and customers remains the key to the financial profitability of this study.

**Customers’ Satisfaction**

I will first present data on the customers’ satisfaction of the services provided by Sunshine Corporation for three years and the first quarter of 2018. Then, the next will be the profitability ratios of the corporation. The customers’ satisfaction survey data were drawn from the archival source of Sunshine Corporation. The survey was conducted by a third party, MDC Research on behalf of Sunshine Corporation to understand the evaluation of the services provided by Sunshine Corporation to its customers. MDC Research is a research institute that conducts all forms of research, data collection, and analysis for its customers. The institute’s research and surveys cover a whole range of areas including but not limited to customer profiling, customer retention analysis, customer satisfaction analysis, public opinion measurement, employee performance and satisfaction analysis, and market segmentation (MDC Research.com, 2018). Table 14 below presents the customers’ satisfaction ratings of the service provided by Sunshine Corporation.
As can be inferred from Table 14, the overall satisfaction rating of the clients with the services of Sunshine Corporation has remained above 90%. On the average, the dissatisfaction has consistently remained under 7%. For clarity and easy interpretation, the data in Table 14 were presented in bar charts below, illustrating the yearly evaluation of the customers’ satisfaction.
Figure 12. Pie chart of 2015 customers’ satisfaction survey

As can be judged from Figure 12 above, 96% of the surveyed customers of the corporation maintained that they were satisfied with the service they received in 2015. Out of this number, 84% of them stated that they were very satisfied with the services the corporation provided that year. Just about 4% of the customers surveyed stated that they were not satisfied with the services they received that year, 1% of that 4% stating that they were very unsatisfied.
Similar to 2015, 94% of the total customers of the corporation surveyed maintained that they were satisfied with the services they received from Sunshine Corp. in 2016. Out of the 94%, 81% stated that they were very satisfied with the services of the corporation. Only about 6% of the total surveyed customers stated that they were dissatisfied with the services they received from the corporation.

Figure 14. Pie chart of 2017 customers’ satisfaction survey
As can be inferred from Figure 14 above, in 2017, 95% of the customers of the Sunshine Corporation surveyed maintained that they were satisfied with the services they received from the corporation in 2017. In that year, 83% of the 95% of the customers surveyed stated that they were very satisfied with the services they received from Sunshine Corp. Only about 2% of the 5% customers that stated that they were unsatisfied with the services they received maintained that they were very unsatisfied.

![Pie chart of 1st Quarter of 2018 customers’ satisfaction survey](image)

*Figure 15. Pie chart of 1st Quarter of 2018 customers’ satisfaction survey*

As can be inferred from Figure 15 above, the first quarter of 2018 indicated customers’ satisfaction valuation to be as high as 97% of the surveyed clients. Within this period, only 2% of the surveyed customers of the corporation stated that they were unsatisfied with the services they received while 1% maintained that they were very unsatisfied.
Financial Profitability

The data for the financial profitability ratios of the corporation were drawn from archival sources of Sunshine Corporation and two investment research organizations, namely Morningstar, and Wright Investors’ Service. Before presenting the data on these ratios, I will begin by explaining what each of the profitability ratio measures. However, it is necessary to point out that Sunshine Corporation is a regulated utility company. Most companies generate profits by producing or buying some goods or services and then sell to their customers at a higher price or above the cost of production. State Public Utility Commission regulates utility companies, setting the rates that each utility company charges its customers, which allow the utility company to earn a return on the physical assets that it owns and operates (Potts, 2017). This is the way that utility companies make a profit in the United States. Therefore, profitability analysis or financial ratios of utility companies will factor in this algorithm of profit maximization within the utility industry that Sunshine Corp. belongs.

Financial ratios are essential in understanding the financial profitability of an organization over time, within the industry or sector of such an organization (Vause, 2014). Ratios involve a process of standardization that measures the relationship of a firm’s inputs (costs) with outputs (benefits) and can be relevant in comparing this relationship over time and across firms within the industry (White, Sondhi, & Fried, 1994). Ratios are not only insightful in evaluating and analyzing an organization, but they are also indicative of the operational health, the growth possibilities of an organization, and the management or leadership of this organization (Plewa & Friedlob, 1995). Ratios in themselves as standalone figures have little informational value unless compared with
norms, such as average ratios for the industry in which the organization operates or ratios of the organization in previous years (Basu, 2018; Plewa & Friedlob, 1995).

Financial ratios are devised as ways of eliminating size differences across firms and over time; allowing for more meaningful comparisons of firms within an industry irrespective of their sizes (White, Sondhi, & Fried, 1994). Four main forms of ratios are important in evaluating economic activities or business operations of an organization, namely profitability ratio, efficiency (activity) ratio, liquidity ratio, and solvency ratio (Basu, 2018; Plewa & Friedlob, 1995; White, Sondhi, & Fried, 1994). Equally important is investment ratio. However, for assessing the financial profitability of the organization, as related to this study, the focus was on profitability ratio.

Profitability ratios are the financial metrics employed by analysts and investors to assess the ability of an organization in utilizing its assets in generating profit and value to the shareholders (CFI, 2018). They evaluate the returns on the capital employed in business operations of an organization, measuring the net income of the firm relative to its revenues and capital (Penman, 2013; Vause, 2014; White, Sondhi, & Fried, 1994). Important in assessing the financial profitability of Sunshine Corporation were its Gross Profit Margin, Net Profit Margin, Operating Profit Margin, Return On Assets, Return On Equity, Return On Invested Capital, Interest Coverage Ratio and Earnings Before Interest Tax Depreciation and Amortization for over three years. The ratios were compared with the average of the industry. The profitability ratios were equally compared with three other corporations within the utility industry namely, Duke Energy (the leading corporation in the industry by market value), Northwestern Corporation and Black Hills
Corporation, as the competitors of Sunshine Corp. in the utility industry within the northwestern region of United States.

**Operating Profit Margin** is the measure of the earning power of the organization from its operations within a period, before paying interest and tax; it represents the total pre-tax profit that an organization has generated from its operations (Epstein, 2014; Kennon, 2018). Operating profit margin gives a picture of the pre-tax or interest profit an organization makes on each dollar sale after paying for the variable cost of production like wages and raw materials (Penman, 2013). It is calculated by dividing operating income by revenue. Appendix B has a table with the profitability ratios and other important ratios of Sunshine Corporation for three years.

\[
\text{Operating Profit Margin} = \frac{\text{Operating Income}}{\text{Revenue}}
\]

Using the figures from the table in Appendix B, for 2015 the Operating Profit Margin = \(\frac{253}{1485} \times 100 = 17\%\). For 2016 and 2017, see Appendix B.

![Sunshine’s Operating Profit Margin compared to the average of the industry](image)

*Figure 16. Sunshine’s Operating Profit Margin compared to the average of the industry*
The Operating Profit Margin for the last four years as indicated in Figure 16 was higher than that of the average of the industry. It has also been on a steady increase.

![Operating Profit Margin Chart](chart.png)

Source: Morningstar, Inc.

**Figure 17**: Sunshine’s Operating Profit Margin compared with 3 corporations

The Operating Profit Margin of Sunshine Corp. as indicated by Figure 17 has maintained steady growth for the past three years. Though this profitability was lower, it was almost on a par with most of the compared competitors.

**Gross Profit Margin** is a financial metric that shows how much an organization earned in the light of the needed costs to produce its goods and services; it compares gross profit to revenue (CFI, 2018). It reveals the amount of money left over from the revenue after taking into consideration the cost of the goods/services sold; therefore, it shows the relationship between the revenue realized from sales of goods/services and the cost of producing the goods/service (White, Sondhi, & Fried, 1994). This profitability ratio gives an idea of how good an organization is in producing goods or providing services compared to its competitors in the industry (Plewa & Friedlob, 1995). It gives a
reasonable indication of the basic profitability of the organization and is useful when comparing the performance of an organization within the same industry or sector (Vause, 2014). Gross Profit Margin is calculated by subtracting the cost of goods/service sold from revenue and then dividing that with revenue.

\[
\text{Gross Profit Margin} = \frac{\text{Revenue} - \text{COGS}}{\text{Revenue}}
\]

From Appendix B., using the figures from the 2015 Income Statement, Gross Profit Margin would be $1485 - 657 = 828$ (Gross Profit). Then $828 \div 1485 \times 100 = 55.8\%$. For 2016 and 2017, see Appendix B.

![Bar chart showing Gross Profit Margin comparison between Sunshine and the average of the Utility Industry]

Source: Wright Investors' Service

*Figure 18. Sunshine’s Gross Profit Margin compared to the average of the industry*

On the $1.45$ billion in sales made by the Sunshine Corporation in 2017, the cost of services sold amounted to $520.93$ million, which was $36.0\%$ of sales, meaning that the gross profit margin was $64.0\%$ of sales. This gross profit margin was better than what the company achieved in 2016 when the cost of services sold amounted to $38.0\%$ of sales (Wright Investors' Service, 2018). In 2017, the gross profit margin was the highest of the previous four years.
Comparatively, as indicated in Figure 19, the Gross Profit Margin of Sunshine Corp. is better than that of Duke, the leader in the industry (with regard to market value). It was still high when compared to that of its competitors like the Black Hills but less than that of Northwestern.

**Net Profit Margin**, regarded as the bottom line, provides the final view of the profitability of the organization after removing all expenses including interest and taxes (CFI, 2018). It is what is left after all costs, expenses, interest, taxes, depreciation, and amortization have been removed from the revenue generated within a particular period (Epstein, 2014). Net profit margin gives a picture of how much profit each dollar of the business operations of a corporation generated and it is calculated by dividing net come by total revenue (Kennon, 2018).

\[
\text{Net Profit Margin} = \frac{\text{Net Income}}{\text{Total Revenue}} \times 100
\]

Using Appendix B., computing with figures for 2015, the Net Profit Margin = 123 ÷ 1485 × 100 = 8.3%.
As indicated by Figure 20 above, the Net Profit Margin of Sunshine Corp. has been better than that of the average of the industry. However, it has maintained a downtrend compared to what it was in 2014. In 2017, Sunshine Corp. made the lowest Net Profit Margin since 2014.

*Figure 20. Sunshine’s Net Profit Margin compared to the average of the industry*

*Figure 21. Sunshine’s Net Profit Margin compared with 3 corporations*
The Net Profit Margin as compared above showed that Sunshine Corp. has not been doing well since 2014 when the Net Profit Margin stood at 13%. However, it was still on a par with its contenders and was certainly high in 2016 and better than that of the leader in the industry.

**Return On Assets** indicates how well a company has used the assets under its control to create income; it measures the operating efficiency of the organization (Plewa, & Friedlob, 1995). This ratio shows how much a company earned from invested capital or assets, giving a view on how well the management of the organization used its assets to generate profit (Epstein, 2014). It measures the net earnings of the organization in relation to all the resources at the disposal of the organization – the shareholders’ capital, short and long-term borrowed funds (Kennon, 2018).

\[
\text{Return On Assets} = \left( \frac{\text{Net Income}}{\text{Total Assets}} \right) \times 100
\]

Calculating the ROA from Appendix B., using figures for 2015, the ROA would be 123 \( \div 4,907 \times 100 = 2.51\% \). For 2016 and 2017, see Appendix B.

![Sunshine’s Return On Assets compared to the average of the industry](chart.png)

*Figure 22.* Sunshine’s Return On Assets compared to the average of the industry
As indicated in Figure 22, Sunshine had a high ROA in 2014. This dropped in 2015 and improved in 2016 but went down again in 2017. The ROA was less than the average of the utility industry by .6% in 2017. Perhaps, the working capital was increased for this year by either acquiring new machinery or incorporating a new operational outlet and its assets.

![Graph showing ROA comparison](source.png)

**Figure 23. Sunshine’s Return On Assets compared with 3 corporations**

Interestingly, the ROA when compared to the three competitors in the industry – Duke Energy, Northwestern Corp., and Black Hills Corp., Sunshine Corp. still averaged well.

**Return On Equity** is a profitability metric that measures how well a company performs in earning money for its investors (Epstein, 2014). ROE expresses the percentage of the net income relative to the money that equity investors – stockholders, have put into the business and as such, it is very crucial to stockholders and investors (CFI, 2018). While ROA indicates the total return on assets independent of the provider, ROE expresses this return relative to the equity as provided by the stockholders.

\[
\text{Return On Equity} = \left( \frac{\text{Net Income}}{\text{Shareholder’s equity}} \right) \times 100
\]
Computing ROE from Appendix B., using the figures for 2015, the Return On Equity would be \((123 \div 1,529) \times 100 = 8\%\).

*Figure 24.* Sunshine’s Return On Equity compared to the average of the industry

As Figure 24 indicates, the ROE for Sunshine Corp. was at a record high in 2014. Since then, it has been on a downtrend and drifted away from the average of the industry in 2017. Perhaps, some reinvestment decisions that could increase the stockholders’ and investors’ equity were not properly aligned.
Comparing the ROE of Sunshine Corp with those of its contenders above showed that it was at good leverage despite the poor performance in 2017; the performance that year was still on a par with that of the contenders of Sunshine Corp. as indicated in Figure 25.

**Return On Invested Capital** (ROIC) is the financial ratio that measures the profitability of an organization in relation to the efficiency with which the provided capital, namely company’s bonds, and stocks earned a return on the capital (CFI, 2018). Essentially, it is a metric that calculates what is earned on the capital provided by the shareholders and bondholders of the organization. This ratio evaluates the return on invested capital with the weighted average cost of capital (WACC) to ascertain whether invested capital is being used effectively to generate more profit (Vause, 2014).

Return On Invested Capital = (Net Income – Dividends) ÷ Total Capital × 100
Figure 26. Sunshine Corp.’s ROIC compared to the average of the industry

As can be inferred from Figure 26, Sunshine Corporation’s management was using the money the shareholders and bondholders invested in the corporation to generate more earnings for them when compared to the average in the industry. However, this has been decreasing since 2014.

Figure 27. Sunshine Corp.’s ROIC compared with 3 corporations in the industry
Yet, the rate of returns was on a par with that of the contenders (competitors in the market) with the corporation. The average of this return for the last four years was more than that of the two contenders compared above. Like Northwestern Corp., this rate of return was fairly consistent since after 2014 growth for Sunshine Corp.

**Interest Coverage Ratio**, though not strictly a profitability ratio, helps to ascertain whether an organization is generating enough profit to pay its interest obligations (Epstein, 2014). This ratio is useful in understanding how easily an organization can pay interest on its debt; it measures the margin of safety that an organization has for paying interest within a given period (Vause, 2014). So, it indicates the degree of protection available to creditors of the organization by measuring the extent to which earnings are available for interest payment (White, Sondhi, & Fried, 1994).

Interest Coverage Ratio = Earnings Before Interest and Taxes (EBIT) \( \div \) Interest Expense

Computing Interest Coverage Ratio from Appendix B., using the figures for 2015,

Interest Coverage Ratio = \( \frac{263}{77} \) = 3.4.

*Source: Morningstar, Inc.*

*Figure 28: Interest Coverage Ratio of Sunshine Corp. compared to 3 corporations*
Figure 28 above suggests that Sunshine Corp. was having more margin of safety than its contenders to pay its debts and interests on the loan from its creditor. This could give a lot of confidence to the investors regarding investing in the organization.

**EBITDA:** The final profitability ratio that was examined is known as Earning Before Interest, Tax, Depreciation and Amortization (EBITDA). Vause (2014) argued that one measure of profit currently enjoying favor is that of EBITDA because it strips out all the incidentals, such as depreciation, debt financing, interest, and tax expenses to highlight the real profitability of a business, and so it is not influenced by capital structure, tax system or depreciation. EBITDA can provide investors, business owners or financial professionals information on how well a company is doing without considering its financial and accounting decisions (Epstein, 2014). Sunshine’s EBITDA in 2017 stood at $474.78 million, 32.8% of sales, and was better than that of some of its competitors in the industry.

The purpose of this mixed methods study was to investigate if and how ethical leadership, through the mediating role of employees’ job satisfaction, promoted organizational success. The study quantitatively investigated the relationship between ethical leadership and employees’ job satisfaction. Qualitatively, the study, using content analysis, supported by Service-Profit Chain framework, explored if employees’ job satisfaction as was promoted by ethical leadership could lead to organizational success, which was assessed through the satisfaction of the customers and financial profitability. Quantitatively, the data supported the hypothesis of the research that ethical leadership is related to employees’ job satisfaction. A statistically significant positive correlation existed between ethical leadership and overall job satisfaction. Also, the linear
regression analysis established that ethical leadership predicted job satisfaction. The data collected from the archival sources of Sunshine Utility Corporation showed that the customers of this corporation were satisfied with the services they received. More than 80% of the surveyed customers of the corporation maintained that they were very satisfied with the services provided by this utility corporation. The Financial Statements and other relevant profitability information from the archival sources of Sunshine Utility Corporation revealed it as fairly a financially profitable corporation. This addressed the research question if employees’ job satisfaction as promoted by ethical leadership could support satisfied customers and financial profitability. The service profit chain framework buttressed the findings that satisfied, loyal, and committed employees promote satisfied customers and financial profitability. The interpretations of these findings of the study are presented in Chapter 5. The limitations of the study and recommendations for further studies are also provided in Chapter 5.
Chapter Five Discussion, Conclusion and Recommendation

“... [T]he four most important threats facing the world today are: (a) a nuclear or biological catastrophe, whether deliberate or accidental; (b) a world-wide epidemic; (c) tribalism and its cruel offspring... and finally, (d) the leadership of our institutions. Without exemplary leadership, solving the first three problems will be impossible. With it, we will have a better chance” (Bennis, 2007, p. 7).

“... [E]thical can be consistently profitable...” (Bennis, 2009, p. 157).

Leadership, more often than not, involves influence (Yukl & Uppal, 2017). Leaders, because of their roles, have a considerable amount of influence over the attitudes and behaviors of their subordinates; and this influence is a catalyst for the subordinates to develop and modify their beliefs and values (Greenbaum, Mawritz, & Eissa, 2012). Leaders not only directly influence the behavior of the subordinates, but their actions also influence the perceptions of their followers about appropriate conduct that become ingrained into the organization’s climate; as such, leaders are essential actors in creating the ethical climate or ethical tonality of an organization (Grojean, Resick, Dickson, & Smith, 2004). Leaders set the tone from the top that has significant impact on the organizational climate (Treviño et al., 2003). As I have argued throughout this dissertation, ethical leaders are fundamental in shaping the ethical climate and moral framework of an organization (Demirtas & Akdogan, 2015).

The telos of leadership, if properly understood and utilized, is common good and human flourishing; this grounds leadership in ethics and intrinsically connects leadership and ethics (Levine & Boarks, 2014). Leadership is an essential component of organizational change, efficiency, and effectiveness (Rubin, Dierforff, & Brown, 2010). Still, there is increasing evidence that destructive and unethical leaders have inflicted colossal harm on their followers, their organizations and the society (Schyns & Schilling,
And in times of corporate scandals and moral lapses, questions are raised regarding the essence of leadership and leaders and how ethical they ought to be so as to midwife organizational success and human flourishing (Mihelič, Lipičnik, & Tekavčič, 2010). In an age and context inundated with intense competitiveness and the lures of personal benefits, leadership cannot be decoupled from ethical consideration without obfuscating the essence of leadership (Ciulla, 1995). Leadership is a privilege and a responsibility that demands that leaders be ethical since they function as role models to their followers and set the tone for the ethical stance of their followers (Rabinowitz, 2018).

Ethical leadership is an integrity-based, transactional approach to leadership, which not only promotes ethical accountability, but also inspires employees or the led to engage in behaviors and actions that will drive long-term social change or organizational success (Brown et al., 2005; Dust, Resick, Margolis, & Mawritz, 2018). Ethical leadership does provide the employees the opportunity and grounds to perform well, as ethical leaders inspire a high level of commitment, and trust; and foster desirable behaviors among followers (Den Hartog & Belschak, 2012). Ethical leadership is crucial in providing direction that enables the organization to attain its goals and fulfill its mission (Kanungo & Mendonca, 1996; Mihelič, Lipičnik, & Tekavčič, 2010). Saleem (2015) asserted, “Leadership has a stronger effect on the attitude of employees towards their jobs” (p. 563). Ethical leadership is positively related to the satisfaction, motivation, and commitment of the subordinates or employees (Brown & Treviño, 2006; Demirtas & Akdogan, 2015; Den Hartog & Belschak, 2012; Dust, Resick, Margolis, & Mawritz, 2018; Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011). Though
ethical leadership has been studied with relevant studies increasing, there is still much to explore regarding ethical leadership, its antecedents, the influences and outcomes (Yang, 2014).

The purpose of this mixed methods study was to examine if ethical leadership, through the mediating role of employees’ job satisfaction, promoted organizational success, focusing on the satisfaction of customers and financial profitability. The quantitative part of the study was driven through a survey that used the Ethical Leadership Questionnaire (ELQ) to collect data regarding the perception of employees about the ethical character and valuation of the organization while the Job Satisfaction Survey (JSS) was used to collect data regarding the overall job satisfaction of the employees of the organization. The quantitative data were analyzed using IBM SPSS 25.0 statistical program. Pearson correlation and Linear Regression analyses were used to assess the relationship between ethical leadership and employees’ job satisfaction. A convenience sample totaling 123 employees of a utility corporation participated in the survey. About 5% (6) of the responses were eliminated due to missing data, while 95% (117) responses were used for the analyses. The participants were asked to complete demographic questions, the ELQ, and the JSS questionnaire. Data for the qualitative component of the study, driven through content analysis and supported by the Service-Profit Chain framework, were collected from the archival sources of the organization. This chapter will interpret and discuss the results of the findings, draw a conclusion, and then offer some recommendations in light of the limitations of the study.
Interpretation and Discussion

Two research questions and two hypotheses guided the study. The hypotheses were used to examine the relationship between ethical leadership and employees’ job satisfaction, while the research questions were employed to assess the relationship between ethical leadership and organizational success as mediated by employees’ job satisfaction. The result of the Pearson correlation showed that a statistically significant and positive correlation existed between Ethical leadership and Job Satisfaction, $r = .67$, $p < .05$. As such, it was the case that ethical leadership was related to employees’ job satisfaction. The result confirmed the evidence in the extant literature that showed ethical leadership to be related to employees’ job satisfaction (Attar, Çağliyan, & Ajdarovska, 2017; Dinc, & Nurović, 2016; Dedeoglu & Inanir, 2015; Fu et al., 2011; Güngör, 2016; Kooskora & Mägi, 2010; Okan & Akyüz, 2015; Mayer et al., 2010; Neubert, et al., 2009; Osei, 2015; Rizwan, Mahmood, & Zeeshan, 2017; Tu, Lu, & Yu, 2017; Yates, 2014).

Also, the results of further analyses on the three components of employees’ job satisfaction – intrinsic job satisfaction, extrinsic job satisfaction and organizational leadership aspect of job satisfaction showed ethical leadership to have a significant and positive correlation with all three components. Ethical leadership had the strongest statistically significant and positive correlation with the organizational leadership component of job satisfaction $r = .87$, $p < .05$. This result revealed the relevance of leadership styles and behavior (Belias & Koustelios, 2014; Sarwar, Mumtaz, Batool, & Ikram, 2015; Trivisonno & Barling, 2016; Tsai, 2011), especially ethical leadership, in enhancing job satisfaction of the employees (Bedi, Alpaslan, & Green, 2016; Kim & Brymer, 201; Neubert, et al., 2009; Okan & Akyüz, 2015; Özden et al., 2017; Ruiz, Ruiz,
& Martinez, 2011; Toor & Ofori, 2009; Yates, 2014). For the intrinsic Job Satisfaction, $r = .58$, $p < .0005$, while for extrinsic Job Satisfaction $r = .50$, $p < .05$. This result paralleled that of Okan and Akyüz (2015) that showed a significant and positive correlation between ethical leadership and intrinsic job satisfaction and extrinsic job satisfaction ($r = .38$, $p < .01$) and ($r = .67$, $p < .01$) respectively. The outcome was equally consistent with the finding that these factors are the primary factors in assessing employees’ job satisfaction (Tsourela, Mouza, & Paschaloudis, 2008).

Still, the result of the linear regression showed that ethical leadership statistically and significantly predicted job satisfaction, $F(1, 111) = 88.474$, $p < .05$. Thus, the study not only showed the correlation between ethical leadership and employees’ job satisfaction, but it also revealed that ethical leadership could account for 44.4% of the explained variability in job satisfaction, confirming similar regression analysis by Rizwan, Mahmood, & Zeeshan, (2017). This allowed for a better understanding of how ethical leadership impacted on employees’ job satisfaction. Ethical leadership equally predicted the three components of job satisfaction at varying degrees, with the strongest prediction on organizational leadership aspect of job satisfaction.

These results suggested that ethical leadership is related and crucial to the job satisfaction of the employees. They also affirmed that organizations and their employees stand to gain by insisting on their chief executive officers, managers, head of departments and the entire leadership team to model ethical leadership in the organization. Therefore, the results showed that ethical leadership, which begins with the ethical leaders who are moral people (as they are honest, trustworthy, compassionate, respecting others, altruistic, and principled) and they are also moral managers (they model and
communicate ethical standards, rewarding, punishing and emphasizing those ethical standards) and thus create an ethical climate in the organization (Brown et al., 2005; Mayer et al., 2010; Malik et al., 2016; Zhu et al., 2004). This ethical climate gets strengthened and affirmed in the organization through role modeling, social learning, and social exchange; heightening and elevating the ethical standards in the organization (Choi et al., 2015). As results indicated, working under such an ethically charged environment was at the forefront of the job satisfaction of the employees and invited them to be loyal and committed to the overall success of the organization (Schwepker, 2001). Satisfied, loyal and committed employees are the greatest assets of any organization; they remain keenly committed to the vision, mission and overall success of the organization (Vitell, & Singhapakdi, 2008).

The satisfied, loyal, and committed employees not only save the organization the cost of employee turnover and attrition but will also enhance performance and productivity (Shobe, 2018). Thus, insisting on ethical leadership and creating an ethical climate in the organization, impacts the job satisfaction of the employees and their commitment to the success of the organization. Perhaps, the flagrant pursuit of personal satisfaction and the selfish egoistic patterns of organizational leadership contribute greatly to the numerous unethical behaviors and scandals that constantly greet the human community (Alshammari, et al., 2015). Therefore, the desire for organizational success in which employees’ job satisfaction is an integral part and a strong lever on which it rests, makes ethical leadership compelling. Employees’ job satisfaction is necessary for efficiency, effectiveness, productivity, profitability, and sustainability in an organization
and the results have shown that ethical leadership is one of the ways that organizations can promote the job satisfaction of the employees (Bektaş, 2017).

**Relating Ethical Leadership to Service Profit Chain**

Driven through the Service Profit Chain framework, the results of the qualitative part of the study buttress the mediating role of employees’ job satisfaction in the attainment of organizational success. Service Profit Chain links employees’ job satisfaction to customers’ satisfaction and loyalty, to growth and profit, since satisfied employees, more often than not, are loyal and productive employees who will desire to deliver results to the customers (Heskett, Sasser, & Schlesinger, 1997). The SPC framework essentially “. . . establishes relationships between profitability, customer loyalty, and employee satisfaction, loyalty, and productivity” (Heskett et al., 1994, p. 164). “The logic that underlies the service-profit chain is intuitive and compelling – look after your employees, they will look after your customers and those satisfied customers will deliver better revenue” (Ennew, 2015, p. 1). The service profit chain builds on supposition that satisfied, committed, and motivated employees are productive because they give rise to satisfied and loyal customers and loyal customers are committed to purchasing from the organization leading to increase in revenue and profit (Ahmed, Razzaque, & Ramzan, 2011; Gelade & Young, 2005). The two main variables that are central and form different links in the service profit chain model are customers and employees who are satisfied, committed and loyal (Gelade & Young, 2005; Yee, Yeung, Cheng, & Lai, 2006).

This framework is most suitable for service and utility industry where direct contact with the customers is high and it contributes to growth and profit through a chain
of logically deductive processes (Yee et al., 2006). To excel in service economy, attention must be given to customers and the front-line workers who interact with them because the lifetime value of a customer can be astronomical (Ahmed et al., 2011; Heskett et al., 1994). While SPC is applicable to organizations marketing service, it also can be useful in managing for business growth and profitability in any types of organizations in which employees have direct contact and interact with customers like organizations marketing physical goods (McMurrian & Matulich, 2006). There are four logical stages discernable in the SPC framework: (1) An Internal Quality system of policies and supportive services to employees, that leads to employee satisfaction, (2) Employee Satisfaction, which occasions Employee Retention and Employee Productivity that creates value services for the customers, (3) Customers’ Satisfaction due to the quality of services the customers received which then promotes Customers’ Loyalty and then (4) Customers’ Loyalty becomes the fulcrum of Revenue Growth and Profitability (Heskett, et al., 1994).

Internal Quality is characterized by the general feeling that the employees have toward their jobs, their colleagues, their leaders, their company, their physical surroundings, the safety of the workplace, and the way things get done (Heskett, et al., 1997). This is the general tonality and character in the organization that impacts on the capability of the employees, their satisfaction, loyalty, and commitment to the organization and which impacts on their overall productivity (Ahmed, Razzaque, & Ramzan, 2011). Adapting and adopting the Service Profit Chain model to this study, the Internal Quality was replaced with Ethical Leadership of this study, which subsumed and encapsulated the general tonality and character of the organization that promoted
employees’ job satisfaction as the quantitative part of the study has shown. Just like the
general tonality, the way things get done in the organization; the ethical leadership
creates the ethical climate, which is the general tonality in the organization. Leadership is
quality can also be thought of as the quality of work life. It is a visible expression of an
organization’s culture, one influenced in important ways by leadership” (p. 174). With
ethical leadership and the internal quality of service profit chain, “Leaders’ behaviors
described . . . provide benchmarks against which other’s beliefs and deeds can be
compared . . . what leaders do and how they do it is more important . . .” (Heskett et al.,

Creating the Internal service quality of SPC requires ascertaining to what extent is
the company’s leadership: “(a) energetic, creative vs. stately, conservative (b)
participatory, caring vs. removed, elitist (c) listening, coaching, and teaching vs.
supervising and managing (d) motivating by mission vs. motivating by fear (e) leading by
means of personally demonstrated values vs. institutionalized policies” (Heskett et al.,
1994, p. 174)? These leadership questions are related and expressed by categories of
ethical leadership like leaders (a) setting example of dedication and self-sacrifice for the
organization, (b) putting the needs of others above his/her own self-interest (c) being fair
and unbiased to members (d) being altruistic and showing concern for the members and
the organization (e) being responsible and holding members accountable. Just like ethical
leadership, in creating the internal service quality of SPC, the leaders stress the
importance of careful attention to the needs of the employees (Heskett et al, 1997). The
leaders “care about their employees and spend a great deal of time selecting, tracking,
and recognizing them” (Heskett, p.168). Ethical leadership essentially creates the ethical climate that engenders the enabling environment that allows for the flourishing and satisfaction of the employees, which contributes to their productive capability. As indicated by Figure 29, ethical leadership through ethical climate, creates a good place to work which leads to satisfied employees.

![Figure 29. Relating ethical leadership to service profit chain](https://www.b2bframeworks.com/service-profit-chain)

This internal service quality which creates a good place to work that promotes the employee satisfaction have to do with “...satisfaction with the job itself, training, pay, advancement fairness, treatment with respect and dignity, teamwork, and the company’s interest in employee well-being” (Heskett, p. 169). These aspects of SPC model also synchronize with the job satisfaction variables of this study, as reflected in the Job Satisfaction Survey, like pride in doing one’s job and finding the job meaningful; knowing and participating in what is going on with the organization; enjoying coworkers and liking the people one works with; being satisfied with the pay and promotion; chances of promotion and advancement in the organization; creative rules and procedures in the organization.
McMurrian and Matulich (2006) emphasized that business ethics and/or ethical leadership is the foundation of the processes by which employees and the customers develop the feelings of trust in and loyalty to the organization. “Overall, customers would rather pay higher prices and maintain business relationships with ethical and trusted organizations than get good price deals from organizations that do not deliver outstanding process quality” (McMurrian & Matulich, 2006, p. 88). Still, satisfied employees will ensure the progress of the organization through enhancing productivity; attracting and retaining loyal customers, since these are the assured means, their steady satisfaction will be guaranteed. The findings of this study that supported the employee satisfaction – customer satisfaction link have been corroborated by similar studies (Ahmed et al., 20011; Capella & Andrew, 2004; Homburg, Wieseke, & Hoyer, 2009; Rucci, Kirn, & Quinn, 1998; Jeon & Choi, 2012; Schlesinger & Zornitsky, 1991).

Content analysis also involved examining the archival resources of the organization to understand, analyze, and interpret useful pattern regarding the customers’ satisfaction and financial profitability as components of organizational success. The data collected on the customers’ satisfaction evaluation as depicted in Table 14 and Figures 12 to 15, the customers of the corporation were satisfied with the services they received. The record of a three-year evaluation of the customers of Sunshine Corporation showed that more than 90% of its customers consistently revealed that they were satisfied with the services of the corporation while more than 80% of that population maintained that they were very satisfied with the service provided by the corporation. This result addressed the research question – if employees’ job satisfaction could lead to satisfied customers. Indeed, as revealed by the quantitative data, the employees of the corporation used in this
study were satisfied due to the internal service quality of the organization as expressed through the ethical leadership and ethical climate of this study. Shown by the qualitative data, the customers of this corporation were satisfied with the services they received from the corporation. The satisfaction of the customers can only be the consequence of the external service value as occasioned by this satisfied, loyal, and productive employees.

Also, the three-year financial records of the corporation examined, revealed the financial profitability of the corporation. Content analysis was equally used to examine the financial records of the corporation to ascertain its financial performance, focusing on financial ratios. Financial ratios are crucial in understanding the financial profitability of an organization (Kramer & Johnson, 2009; Plewa & Friedlob, 1995; Schilit, 1993; Vause, 2014; White, Sondhi, & Fried, 1994). They indicate the relationship of a firm’s inputs (costs) with outputs (benefits) and can be relevant in comparing this relationship over time and across firms within the industry (White et al., 1994). There are four main forms of ratios, namely profitability ratio, efficiency (activity) ratio, liquidity ratio, and solvency ratio (Schilit, 1993). Relevant to understanding the financial profitability of the corporation was the profitability ratios (Taulli, 2004; Vause, 2014; White et al., 1994).

Profitability ratios are the financial metrics for assessing the ability of an organization in utilizing its assets in generating profit and value to the shareholders (CFI, 2018). They measure the net income of a corporation relative to its revenue and capital (White, et al.). Profitability ratios are crucial for the long-term success of organizations (Kramer & Johnson, 2009). Seven profitability ratios were used to assess financial profitability of Sunshine Corporation namely, Gross Profit Margin, Net Profit Margin, Operating Profit Margin, Return On Assets, Return On Equity, Return On Invested
Capital, Interest Coverage Ratio and Earning Before Interest Tax Depreciation and Amortization (EBITDA); measuring the margins, the rate of returns and the market values (Lee, Lee, & Lee, 2016). Sihler, Crawford, and Davis (2004) explained that profitability is usually measured in two ways namely, profits related to revenue and profits related to investment. For a consistent and sustainable profitability analysis, these ratios were compared over a three-year period, they were equally compared with the averages of the industry and contrasted with that of three corporations within the sector. Profitability ratios are meaningless unless they are put into context, both for the industry or sector and for the organization over time (Taulli, 2004).

Changes in the gross profit margin and net profit margin are important items in examining the profitability of a corporation (Sihler et al.). Vause emphasized,

The most effective starting point in comparing the performance of a set of companies operating in the same business sector is to use the gross profit margin. This shows the level of a company’s profitability after covering all the direct costs and expenses of running the business. (p. 219)

The gross profit margin of Sunshine Corporation since 2014 as indicated in Figures 18 and 19 grew from 54.0% in 2014 to 63.7% in 2017 and consistently remained above the industry’s average by more than 30%. And when compared to some of the competitors of the corporation in the utility industry, its gross profit margin was also higher. High gross profit margin is indicative of an efficient production process as it reveals the level of marginal productivity of the resources deployed in the business operation (Lee et al., 2016; Vause, 2014). A stable and rising gross profit margin is a sign of good financial health for the corporation (Kokemuller, 2017).
The net profit margin of the corporation, which reflects the real bottom line or what is left after all deductions (cost of goods sold, fixed costs and expenses like interest, taxes, depreciation, and amortization) is equally important in assessing the efficiency of the corporation in generating profit from its business operations (Epstein, 2014; Kokemuller, 2017). Although this profitability ratio dropped from what it was in 2014 (13.0%) to (8.0%) in 2017 for Sunshine Corporation, it was still above the average of the industry. A low net profit margin does not necessarily signal an unhealthy financial state unless it remains consistent for over three to five years as expansion cost can dramatically affect the net profit margin (Kokemuller, 2018).

Return on assets (ROA), Return on equity (ROE) and Return on invested capital (ROIC) are the three most significant and prevalent metrics for having a good idea of the returns a company generates on invested capital (Vause, 2009). And looking at these three together could clarify the rate of return. Return on assets employed is crucial in assessing the profitability of a corporation relative to the investment since the continuation of a business hinges on its ability to earn satisfactory returns on employed capital and failure of which will severely limit the firm’s access to funds for growth and maintenance (Sihler et al., 2004). Therefore, a healthy ROA is an encouragement for further investment. Again, the ROA looks at returns for both the investors and creditors (Epstein, 2014). Looking at Figure 22, Sunshine ’s ROA dropped from what it was in 2014 – 4.2% to 2.1% in 2017. In 2017, Sunshine ’s ROA was .6% below the average of the industry. And when compared to its competitors as shown in Figure 23, the 2017 ROA value of Sunshine Corp. was still lower while the values of 2016 and 2015 were higher than the average of the industry and at par with those of its competitors.
The drop in Sunshine’s ROA in 2015 was attributed to expansion effort - acquisition of a subsidiary utility company and the impact of warmer weather that reduced the demand for heating loads among the customers of the corporation (Sunshine.com, 2018). It is not uncommon to have a company with a relatively high-profit margin but a relatively low return on assets, especially with capital-intensive companies (Taulli, 2004). Still, low ROA though being a sign of poor utilization of assets and/or inefficient management, may indicate an expansion effort (as was the case with Sunshine Corp.) or that the company purchased an expensive piece of machinery (Akers, 2017). Also, the ROA can be skewed if the company has lots of excess cash or assets for sale, which were used in calculating the ROA but did not generate income, in reality, thereby causing the ROA to appear lower than what the company’s actual productive assets generated (Vause, 2014).

The ROE metric focuses on the return on stockholders’ or owners’ investment in the corporation (Epstein, 2014; Kramer & John, 2009; Schilit, 1993). The ROE is the result of the net margin, asset turnover ratio, and leverage; a careful evaluation of these three components can predict where exactly the ROE is coming from (Taulli, 2004). In line with Figure 24, the ROE of Sunshine Corp. dropped from 13% in 2014 to 7% in 2017 and the ROE in 2017 was below the average of the industry. However, the ROE in 2017 was at par with that of most of the competitors of Sunshine Corp. Still, it is good to note that Sunshine Corp. had strong leverage that year as that yielded 3.2% of the total ROE, allowing Sunshine Corp. to have stronger earning per share (EPS) compared to the average of the industry and some of its competitors. Also, relating the values of the ROA and ROE to that of the Return On Invested Capital (ROIC) would give a broader view of
the efficiency of the corporation in utilizing its resources to generate profit (Vause, 2014).

Return on invested capital (ROIC), which measures the return of capital invested by the shareholders and the bondholders, brings an interesting dimension to the rate of returns since it evaluates the return on invested capital with the Weighted Average Cost of Capital (WACC). The ROIC metrics ensures that current assets, which are not expected to generate earnings, like excess cash or assets for sale, are not included in the calculation and it measures the actual capacity of the company in generating returns utilizing its productive assets (Goldberg, 2009). Judging from Figure 26, although the ROIC of Sunshine Corp. dropped from 8% in 2014 to 5% in 2017, it consistently and significantly remained above the average of the industry and better than that of some of its competitors as shown in Figure 27.

Also, outside the ROIC, the Return On Capital Employed (ROCE), which has been at 6% since 2014, has consistently and significantly remained above the average of the industry. Again, Sunshine’s Earning Before Interest and Tax (EBIT) ratio since 2014 has been twice higher than that of the industry. The Interest Cover Ratio of Sunshine Corporation from Figure 28 has equally been higher than that of most of its competitors and that of the industry. Similarly, the Earning Before Interest, Tax, Depreciation and Amortization (EBITDA) of Sunshine Corporation has remained higher than that of some of its competitors.

On the overall, Wright Investors’ Services, a reputable security research and investment firm, recognized as an outstanding quality provider of investment and financial information, and services, rated Sunshine financial profitability for the past four
years under review as good (Wright Investors’ Services, 2018). Fulmer (2004) affirmed, “Mounting evidence suggests that a company’s profitability is bolstered by its reputation as an honest, ethical business partner. Firms that routinely practice high business ethics and principles also attract the highest quality recruits and retain employees longer than other firms” (p. 308). The result of the financial ratios of Sunshine Corporation showing that employees job satisfaction promoted financial performance is supported by similar studies (Brown, & Mitchell, 1993; Chi, & Gursoy, 2009; Harter, Schmidt, & Hayes, 2002; Loveman, 1998; Reichheld, Markey, & Hopton, 2000) and that ethical leadership enhanced financial profitability is confirmed by similar studies (Choi & Jung, 2008; Chun, Shin, Choi, & Kim, 2013; Koh & Boo, 2001; Wang, Feng, & Lawton, 2016).

As the review of literature suggested and supported by the findings of the study, ethical leadership as a style of organizational leadership is important and can promote employees’ job satisfaction (Alshammari et al., 2015; Brown et al., 2005; De Hoogh & Den Hartog, 2008; Koh & Boo, 2001; Mayer et al., 2009; Rizwan et al., 2017; Walumbwa et al., 2012). Employees’ job satisfaction is a strong lever on which organizational success, particularly, customers’ satisfaction and financial profitability depends on.

**Conclusion**

Leadership still matters; leaders have the power to shape our lives for good or ill (Bennis, 2007). Leadership ought to aid in human flourishing and attainment of organizational improvement (Neubert et al., 2009; Nyguist, 2017). It is the case that “Leadership has a stronger effect on the attitude of employees towards their jobs. The role of leaders in today’s organizations has changed and the success of any organization
relies on the leadership styles practiced by the leaders” (Saleem, 2015, p. 563).

Decoupling ethics from leadership and social engagement has been the root cause of most business frauds and scandalous behavior among leaders and people in authority (Brown et al., 2005; Ciulla, 2014; Hitt, 1990; Leigh, 2013). Unethical leadership has wreaked colossal damage to organizational well-being and the common good (Brown & Mitchell, 2010; Bentley, Catley, Cooper-Thomas, Gardner, O’Driscoll, Dale, & Trenberth, 2012; Boddy, 2014; Burton & Hoobler, 2011; Lašáková & Remišová, 2015; Rafferty & Restubog 2011; Ünal, Warren, & Chen, 2012). Even with the renewed interest and call to integrate ethical values and considerations into business and social engagement, unethical behaviors, business frauds, abuse of position and power, and disregard for human welfare remain unabated (Mayer et al., 2011; Walumbwa et al., 2008).

Ethical leadership portends a possible checkmate to the mayhem of unethical and ineffective leadership. Ethical leaders are expected to be attractive models that influence the followers’ ethical conduct (Brown & Treviño, 2006). Ethical leaders are supposed to use communication, rewards, punishment, and modeling to influence the followers to act in an ethical and positive way (Kalshoven & Boon, 2012). Unless ethical leaders are moral agents and moral managers and are creating an ethical climate through role modeling, social learning, and social exchange, the desired good of ethical leadership will remain a pipedream. Mihelič et al. (2010) maintained, “The more the leader “walks the talk”, by translating internalized values into action, the higher level of trust and respect he generates from followers” (p. 33). Leaders can talk a great deal about their integrity and ethical values, they can even commit their words to a written document, but without the actions of the leaders demonstrating ethical values and enforcing those values, ethical
leadership will remain inconsequential to human flourishing and organizational advancement that effective leadership ought to midwife (Ramos, 2004). Ethical leaders must mirror and model ethical values and considerations that will impact and permeate the entire organization on day-to-day basis.

This study examined how ethical leadership, through the mediating role of employees’ job satisfaction, supported organizational success that focused on customers’ satisfaction and financial profitability. The results revealed that ethical leadership promoted employees’ job satisfaction. The data provided evidence that employees’ job satisfaction strengthened the relationship between ethical leadership and organizational success, focusing on customers’ satisfaction and financial profitability. Service Profit Chain reinforced the findings that employees’ job satisfaction supported the satisfaction of the customers and financial profitability. The results of this study contributed to the discourse on the need to insist on ethical leadership in the organization and human society. This would be an encouragement for organizations to emphasize ethical leadership and promote an ethical climate in the organization. Ethical leadership and indeed ethical organizations, and profit maximization or organizational sustainability are not mutually exclusive.

Limitations

Limitations are identified shortcomings or weaknesses that may impact the validity and reliability of the research (Gray, 2018). Saunders, et al. maintained, limitations may be about the size of the sample, the brief and narrow nature of the research or the restriction of the research to a geographical location of an organization.
Sample Size. As pointed out by Gray, “All studies may suffer from low sample sizes or problem in gaining access to key respondents. What is important is that the implications of these weaknesses are acknowledged . . . particularly on the validity and generalizability of the results” (p. 63). In the light of this, Sunshine Corporation has a workforce of 1,948 employees and I based my inferences and conclusion on an apparently insignificant proportion (123 employees) of this population. Again, about the sample, I used convenience sampling rather than a probabilistic or randomized sampling strategy for gathering my data. This may impact on the generalizability of the findings.

Also, Sunshine Corporation, from which the sample for the study was drawn is a utility corporation. Although in the U.S, the Public Utility Commission regulates utility companies, utility corporations tend to exhibit quasi-monopolistic characteristics. The customers of a utility corporation within the geographical location the utility corporation covers, often do not have alternatives. Ergo, loyal customers may hardly be justified in a monopolistic context.

The Halo Effect of Ethics. Halo effect has to do with a situation where feelings generally overcome cognition when we appraise people, context, or things; it is a form of cognitive bias (Cherry, 2018). The halo effect in studying or researching about ethics and ethical leadership in an organization is that most organizations are apprehensive and uncomfortable once ethics or ethical related topic is mentioned. It would be challenging to get an organization that would willingly open its doors for the needed data of the study to be gathered on such topic. The fear of something unethical being discovered makes organizations to generally loathe and become loath to being studied or for research regarding ethics and ethical leadership to be conducted at their organization. Fulmer
(2004) emphasized, “The challenge of ethical leadership has become a ubiquitous issue for executives and academics in a variety of fields” (p. 307). Some organization, unsure of what might be discovered by the researcher about ethics and ethical leadership at their organization, do not consent to such study. Considering this atmosphere of suspicion and uneasiness, it was certainly difficult for me to get an organization to allow the study to be conducted in its institution. This made a broad and perhaps longitudinal collection of data a challenge.

**Constriction conflict.** The constriction conflict in survey and instruments of quantitative research is the conflict where and when the researcher uses a concise instrument; the risk of gathering depthless and statistically uninformative data will emerge. And this will confirm the argument of Amaratunga, Baldry, Sarshar, and Newton (2002) that quantitative survey takes a snapshot look at issues and phenomenon without an in-depth understanding of things. The complexity of the social world and relational engagement in an organization can hardly be adequately understood with the pithy questions of a survey or an instrument (Harrison, Hill, & Leitch, 2010). Yet, if the researcher uses a survey or instrument that will elicit a broad and informative data, the problem of too many items that may paralyze the participants’ participation will emerge.

There were three variables involved in this study – ethical leadership, employees’ job satisfaction, and organizational success. And organizational success even had two components – customers’ satisfaction and financial profitability. The instrument for testing job satisfaction, JSS had 36 items while that of ethical leadership, ELQ had 16 items, and then there were 4 demographic questions. This gave a total of 56 items. This may be too long for an employee to attend to with full concentration and consideration,
thus impacting on the quality of the data. And then adding another instrument for testing organizational success would have made the completion of the survey very difficult. This partly informed the choice of mixed methods for the study. Yet, mixed methods as employed in the study, has its limitation and snags.

**The tragedy of dichotomization.** Sometimes, with mixed methods as a methodological approach comes a sense of completeness in which the combination of the quantitative and qualitative research designs gives a satiated feeling that the gaps left by one method can be filled by another (Bryman, 2016). Yet, combining all the mixed methods data together into a coherent form that accurately represents well-coalesced and consolidated information can be a challenge (Weaver, 2015). The dichotomized nature of quantitative and qualitative research can make appreciation and acceptance difficult in a biased context where people are sometimes fixated on their position and research orientation or standard (Gray, 2018).

In a mixed methods study like this, the study may have a strong quantitative component assessor rooted in a quantitative method of research, and the qualitative component may not carry the same validity weight for the assessor because he or she is not at home with the qualitative component of the research, and vice versa. And to get assessors apt in mixed methods or both quantitative and qualitative research design may be a challenge. Onwuegbuzie and Johnson (2006) explained, “The arbiters of research quality will be the research stakeholders, which means that the quality or validity issue can have subjective, intersubjective, and objective components and influences” (p. 48). Perhaps to have a full quantitative or qualitative study could have resolved this but
assessing three variables in one study may be a bit challenging for the participants, especially in a quantitative study.

**Recommendations for Further Research**

The recommendations for further research stemmed from the methodological approach and the sample for the data. Few studies have examined the relationship between ethical leadership and organizational success using quantitative research design. Maybe a research design that explores the relationship between ethical leadership and organizational success and the role of employees’ job satisfaction in that relationship using quantitative research design might be necessary. This would be effective in drawing a statistical correlational relationship between ethical leadership and organizational success.

Further studies on this topic that involves a cross-sectional and longitudinal collection of data, which perhaps will use a random sample might be necessary to allow easy generalizability of the findings of the study. The limitation associated with researching on ethics and ethical leadership in an organization might be a problem here. Perhaps devoting more resources and time might circumvent this constraint.

Finally, further studies might be necessary to develop an integrative and updated instrument for assessing organizational success that will factor in the new concerns about business operations that go beyond financial profitability, customers’ satisfaction, and employees’ job satisfaction. This will make the quantitative assessment of leadership styles like ethical leadership, in relation to organizational success practicable and facile.
References


Matter in Government Effects on Organizational Commitment, Absenteeism, and Wil ingness to Report Ethical Problems.


House, R. J. (2004). Illustrative examples of Globe findings. In R. J. House, P. J. Hanges, M. Javidan, P. W. Dorfman, & V. Gupta (Eds), Culture, leadership and


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https://anthropology.ua.edu/blogs/biocultmed/2015/04/30/challenges-of-mixed-method-research/


### Appendices

#### Appendix A: Questionnaire sample

**JOB SATISFACTION SURVEY**  
Paul E. Spector  
Department of Psychology  
University of South Florida  
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<table>
<thead>
<tr>
<th>Question</th>
<th>Rating Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLEASE CIRCLE THE ONE NUMBER FOR EACH QUESTION THAT COMES CLOSEST TO REFLECTING YOUR OPINION ABOUT IT.</td>
<td>Disagree very much Disagree moderately Disagree slightly Agree slightly Agree moderately Agree very much</td>
</tr>
<tr>
<td>1. I feel I am being paid a fair amount for the work I do.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>2. There is really too little chance for promotion on my job.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>3. My supervisor is quite competent in doing his/her job.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>4. I am not satisfied with the benefits I receive.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>5. When I do a good job, I receive the recognition for it that I should receive.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>6. Many of our rules and procedures make doing a good job difficult.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>7. I like the people I work with.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>8. I sometimes feel my job is meaningless.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>9. Communications seem good within this organization.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>10. Raises are too few and far between.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>11. Those who do well on the job stand a fair chance of being promoted.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>12. My supervisor is unfair to me.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>13. The benefits we receive are as good as most other organizations offer.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>14. I do not feel that the work I do is appreciated.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>15. My efforts to do a good job are seldom blocked by red tape.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>16. I find I have to work harder at my job because of the incompetence of people I work with.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>17. I like doing the things I do at work.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td>18. The goals of this organization are not clear to me.</td>
<td>1     2     3     4     5     6</td>
</tr>
<tr>
<td></td>
<td>PLEASE CIRCLE THE ONE NUMBER FOR EACH QUESTION THAT COMES CLOSEST TO REFLECTING YOUR OPINION ABOUT IT.</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Copyright Paul E. Spector 1994, All rights reserved.</td>
</tr>
<tr>
<td>19</td>
<td>I feel unappreciated by the organization when I think about what they pay me.</td>
</tr>
<tr>
<td>20</td>
<td>People get ahead as fast here as they do in other places.</td>
</tr>
<tr>
<td>21</td>
<td>My supervisor shows too little interest in the feelings of subordinates.</td>
</tr>
<tr>
<td>22</td>
<td>The benefit package we have is equitable.</td>
</tr>
<tr>
<td>23</td>
<td>There are few rewards for those who work here.</td>
</tr>
<tr>
<td>24</td>
<td>I have too much to do at work.</td>
</tr>
<tr>
<td>25</td>
<td>I enjoy my coworkers.</td>
</tr>
<tr>
<td>26</td>
<td>I often feel that I do not know what is going on with the organization.</td>
</tr>
<tr>
<td>27</td>
<td>I feel a sense of pride in doing my job.</td>
</tr>
<tr>
<td>28</td>
<td>I feel satisfied with my chances for salary increases.</td>
</tr>
<tr>
<td>29</td>
<td>There are benefits we do not have which we should have.</td>
</tr>
<tr>
<td>30</td>
<td>I like my supervisor.</td>
</tr>
<tr>
<td>31</td>
<td>I have too much paperwork because he/she is honest and sincere.</td>
</tr>
<tr>
<td>32</td>
<td>I don't feel my efforts are rewarded the way they should be.</td>
</tr>
<tr>
<td>33</td>
<td>I am satisfied with my chances for promotion.</td>
</tr>
<tr>
<td>34</td>
<td>There is too much bickering and fighting at work.</td>
</tr>
<tr>
<td>35</td>
<td>My job is enjoyable.</td>
</tr>
<tr>
<td>36</td>
<td>Work assignments are not fully explained.</td>
</tr>
</tbody>
</table>
### Ethical Leadership Questionnaire (ELQ)

**PLEASE CIRCLE THE ONE NUMBER FOR EACH QUESTION THAT COMES CLOSEST TO REFLECTING YOUR OPINION ABOUT IT.**

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<table>
<thead>
<tr>
<th>My Boss/Supervisor/Leader/Manager:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>37 Shows a strong concern for ethical and moral values.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38 Communicates clear ethical standards for members.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39 Set an example of ethical behavior in his/her decisions and actions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 Is honest and can be trusted to tell the truth.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41 Keeps his/her actions consistent with her/her stated values (&quot;walks the talk&quot;).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42 Is fair and unbiased when assigning tasks to members.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>43 Can be trusted to carry out promises and commitments.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>44 Insists on doing what is fair and ethical even when it is not easy.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 Acknowledges mistakes and takes responsibility for them.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46 Regards honesty and integrity as important personal values.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>47 Sets an example of dedication and self-sacrifice for the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>48 Opposes the use of unethical practice to increase performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49 Promotes ethical climate in the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 Puts the needs of others above his/her own self-interest.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51 Holds members accountable for using ethical practices in their work.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52 Is fair and objective when evaluating member performance and providing rewards.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Appendix B. Financial Statement and Ratios

### SUNSHINE UTILITY CORPORATION'S FINANCIAL STATEMENT

<table>
<thead>
<tr>
<th>Metric</th>
<th>2014-12</th>
<th>2015-12</th>
<th>2016-12</th>
<th>2017-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1473</td>
<td>1485</td>
<td>1442</td>
<td>1446</td>
</tr>
<tr>
<td><strong>Cost of revenue</strong></td>
<td>678</td>
<td>657</td>
<td>551</td>
<td>525</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>794</td>
<td>828</td>
<td>891</td>
<td>921</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>130</td>
<td>144</td>
<td>161</td>
<td>172</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>412</td>
<td>430</td>
<td>440</td>
<td>450</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>542</td>
<td>575</td>
<td>601</td>
<td>622</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>253</td>
<td>253</td>
<td>290</td>
<td>299</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td>72</td>
<td>77</td>
<td>84</td>
<td>93</td>
</tr>
<tr>
<td><strong>Other income (expense)</strong></td>
<td>11</td>
<td>9</td>
<td>10</td>
<td>-8</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>192</td>
<td>186</td>
<td>215</td>
<td>199</td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>72</td>
<td>67</td>
<td>78</td>
<td>83</td>
</tr>
<tr>
<td><strong>Net income from continuing operations</strong></td>
<td>120</td>
<td>118</td>
<td>137</td>
<td>116</td>
</tr>
<tr>
<td><strong>Net income from discontinued ops</strong></td>
<td>72</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>192</td>
<td>123</td>
<td>137</td>
<td>116</td>
</tr>
<tr>
<td><strong>Net income available to common shareholders</strong></td>
<td>192</td>
<td>123</td>
<td>137</td>
<td>116</td>
</tr>
<tr>
<td><strong>Basic</strong></td>
<td>3.12</td>
<td>1.98</td>
<td>2.16</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Diluted</strong></td>
<td>3.10</td>
<td>1.97</td>
<td>2.15</td>
<td>1.79</td>
</tr>
<tr>
<td><strong>Basic</strong></td>
<td>62</td>
<td>62</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td><strong>Diluted</strong></td>
<td>62</td>
<td>63</td>
<td>64</td>
<td>65</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>402</td>
<td>410</td>
<td>465</td>
<td>467</td>
</tr>
</tbody>
</table>

### PROFITABILITY RATIOS

<table>
<thead>
<tr>
<th>Metric</th>
<th>2014-12</th>
<th>2015-12</th>
<th>2016-12</th>
<th>2017-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Profit Margin</strong></td>
<td>54.0%</td>
<td>55.8%</td>
<td>61.8%</td>
<td>63.7%</td>
</tr>
<tr>
<td><strong>Net Profit Margin</strong></td>
<td>13.0%</td>
<td>8.3%</td>
<td>9.5%</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>Total Shareholder's Equity</strong></td>
<td>1,484</td>
<td>1,529</td>
<td>1,649</td>
<td>1,730</td>
</tr>
<tr>
<td><strong>Return on Equity</strong></td>
<td>13%</td>
<td>8%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>264</td>
<td>263</td>
<td>299</td>
<td>292</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>4,712</td>
<td>4,907</td>
<td>5,310</td>
<td>5,515</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>385</td>
<td>475</td>
<td>408</td>
<td>698</td>
</tr>
<tr>
<td><strong>Capital Employed</strong></td>
<td>4,327</td>
<td>4,432</td>
<td>4,902</td>
<td>4,817</td>
</tr>
<tr>
<td><strong>Return on Capital Employed (ROCE)</strong></td>
<td>0.06</td>
<td>0.06</td>
<td>0.06</td>
<td>0.06</td>
</tr>
</tbody>
</table>

### EFFICIENCY RATIOS

<table>
<thead>
<tr>
<th>Metric</th>
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<th>2015-12</th>
<th>2016-12</th>
<th>2017-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stock/Inventory Turnover Ratio (Sales/Inventory)</strong></td>
<td>32.73</td>
<td>33.00</td>
<td>32.04</td>
<td>32.13</td>
</tr>
<tr>
<td><strong>Stock/Inventory Turnover Period (Sales/Inventory)</strong></td>
<td>11.15</td>
<td>11.06</td>
<td>11.39</td>
<td>11.36</td>
</tr>
<tr>
<td><strong>Stock/Inventory Turnover Ratio (Cost of goods sold/Average Inventory)</strong></td>
<td>12.22</td>
<td>11.84</td>
<td>9.93</td>
<td>9.46</td>
</tr>
<tr>
<td><strong>Stock/Inventory Turnover Period (Cost of goods sold/Average Inventory)</strong></td>
<td>29.88</td>
<td>30.83</td>
<td>36.76</td>
<td>38.59</td>
</tr>
<tr>
<td><strong>Debtors’ Collection Period/Receivable Days</strong></td>
<td>2,205.4</td>
<td>2,187.5</td>
<td>2,255.28</td>
<td>2,243.65</td>
</tr>
<tr>
<td><strong>Creditors’ Payment Period/Accounts Payable turnover Ratio</strong></td>
<td>4.60</td>
<td>4.45</td>
<td>3.74</td>
<td>3.56</td>
</tr>
<tr>
<td><strong>Creditors’ Payment Period/Days Payable Outstanding</strong></td>
<td>60.83</td>
<td>62.78</td>
<td>74.85</td>
<td>78.56</td>
</tr>
<tr>
<td><strong>Asset Turnover ratio</strong></td>
<td>0.32</td>
<td>0.33</td>
<td>0.32</td>
<td>0.32</td>
</tr>
</tbody>
</table>

### Liquidity Ratios

<table>
<thead>
<tr>
<th>Metric</th>
<th>2014-12</th>
<th>2015-12</th>
<th>2016-12</th>
<th>2017-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Ratio</strong></td>
<td>0.88</td>
<td>0.88</td>
<td>0.88</td>
<td>0.88</td>
</tr>
<tr>
<td><strong>Quick Ratio</strong></td>
<td>0.81</td>
<td>0.81</td>
<td>0.81</td>
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</tbody>
</table>

### Solvency ratios

<table>
<thead>
<tr>
<th>Metric</th>
<th>2014-12</th>
<th>2015-12</th>
<th>2016-12</th>
<th>2017-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gearing ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Debt-to-Equity Ratio</strong></td>
<td>2.36</td>
<td>2.36</td>
<td>2.36</td>
<td>2.36</td>
</tr>
<tr>
<td><strong>Times interest earned</strong></td>
<td>3.67</td>
<td>3.42</td>
<td>3.56</td>
<td>3.14</td>
</tr>
<tr>
<td><strong>Equity Ratio</strong></td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
</tr>
<tr>
<td><strong>Debt Ratio</strong></td>
<td>0.70</td>
<td>0.70</td>
<td>0.70</td>
<td>0.70</td>
</tr>
</tbody>
</table>

### Coverage Ratios

<table>
<thead>
<tr>
<th>Metric</th>
<th>2014-12</th>
<th>2015-12</th>
<th>2016-12</th>
<th>2017-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Coverage/Times interest earned</strong></td>
<td>3.67</td>
<td>3.42</td>
<td>3.56</td>
<td>3.14</td>
</tr>
<tr>
<td><strong>Debt-Service Coverage Ratio</strong></td>
<td>0.42</td>
<td>0.42</td>
<td>0.48</td>
<td>0.47</td>
</tr>
<tr>
<td><strong>Asset Coverage Ratio (The ratio is defined as a company's total tangible assets — such as land, buildings, machinery and inventory — minus any short-term liabilities divided by its total debt outstanding.)</strong></td>
<td>1.91</td>
<td>1.91</td>
<td>1.91</td>
<td>1.91</td>
</tr>
<tr>
<td><strong>Asset Coverage Ratio as ((Assets – Intangible Assets) – (Current Liabilities – Short-term Debt)) / Total Debt</strong></td>
<td>1.08</td>
<td>1.08</td>
<td>1.08</td>
<td>1.08</td>
</tr>
</tbody>
</table>

### Investment ratios:

<table>
<thead>
<tr>
<th>Metric</th>
<th>2014-12</th>
<th>2015-12</th>
<th>2016-12</th>
<th>2017-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings per share</strong></td>
<td>3.10</td>
<td>1.98</td>
<td>2.14</td>
<td>1.81</td>
</tr>
<tr>
<td><strong>Price per share</strong></td>
<td>35.35</td>
<td>35.37</td>
<td>39.99</td>
<td>51.49</td>
</tr>
<tr>
<td><strong>Price earnings (P/E) ratio</strong></td>
<td>11.42</td>
<td>17.83</td>
<td>18.68</td>
<td>28.41</td>
</tr>
<tr>
<td><strong>Dividend cover ratio</strong></td>
<td>2.63</td>
<td>1.68</td>
<td>1.88</td>
<td>1.50</td>
</tr>
<tr>
<td><strong>Annual Dividends per Share</strong></td>
<td>1.18</td>
<td>1.18</td>
<td>1.14</td>
<td>1.14</td>
</tr>
<tr>
<td><strong>Dividend yield</strong></td>
<td>3.33%</td>
<td>3.33%</td>
<td>2.85%</td>
<td>2.22%</td>
</tr>
</tbody>
</table>