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

Chikelu Okey Felix. PhD, Bala Aliyu Kardi, Mustapha Shehu
Waziri Umaru Federal Polytechnic, Birnin Kebbi, Kebbi State. Nigeria

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

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

I INTRODUCTION.

Ethics and moral are different ball-games in the domain of Nigeria business organization, while ethical climate acts as a moral work compass (Kimberley, 2008). Thus, management leadership actions and organizational commitment including antecedents and consequences are embedded within organizational ethical climate (Abrhiem, 2012). Against the above backdrop, actions or lack of it, directed or misdirected by organizational leadership or the top management are very essential in strengthening organizational ethical climate. Ethical leaders and transformational leadership are reported by some scholars to have the capacity to enhance subordinates’ mental, ethical, satisfaction, commitment and even attracting the best hands to the organization and equally in retaining them (Trevino, Hartman & Brown, 2000). Leadership with ethical dimensions has been proved to relate to followers’ performance and general ethicality. Ethical leadership adhere to ethical and moral standard and equally lead by example (Trevino, 1986). Much have been written on this, leadership, moral values as crucial to organization as a societal issue. These variables are equally vital to organization and business success, but little integration has been achieved with ethical leadership. Blending all these variables together in Nigerian contest is non existent. Corruption and unethical conduct in Nigerian business organization are so rampant that an urgent solution are highly necessary and inevitable (Northouse, 2015). Literature highlighted the role of leadership and this paper examines conceptual relationship between ethical leadership behaviour and its effects on organizational ethical behaviour. Organizational ethical climate are influenced by variables and factors favourable to her ethical climate, thus, developing and testing a model that will x-ray variables that influence organizational ethical climate by examining ethical leadership values which remains the major objective of this paper. Literature acknowledges integrity, altruism, and ethical leadership has been variously defined as the demonstration of normative appropriate conduct through personal actions and inter-personal relationships and promotion of such conduct to followers through a two way communication, reinforcement and decision making (Avolio, Gardner, 2005; Chikelu, 2017). Therefore to determine whether a relationship exists between ethical leadership and the growth of organizational ethical climate remains a specific objective of this study. On the other hand, whether there is a direct relationship between altruism and ethical leadership and whether integrity has a moderating role on their relationship either ethical leadership or organizational climate.

Fig 1. Structural relationship between Ethical leadership and Organizational ethical climate
**Ethical Leadership And Altruism**

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

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

**Hypothesis 1**: Altruistic values positively affects ethical leadership.

**Organizational ethical climate and ethical leadership**:

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

Ethical leadership like leadership generally relates a leader and subordinate in an organization and situational context. It connotes power, value of mutual perspective embedded in intentions, purpose and goals. The ambiguous nature of ethical leadership is based on various diverse elements (Ugoani, 2014: Batmanghlich, 2015). Ethical leadership enables subordinates to do the right thing but deftlinely not preventing followers from doing the wrong thing (Bandura, 1993: Butcher & Milner, 2002). An ethical leader operates on a universal principle and standard of moral behaviour. Ethical reasoning and judgement are his mode of conduct. His practices depends on quality organizational climate. Ethical leaders share love, affection which makes subordinate reciprocate. Generally, ethical leaders role displays conducts and behaviours that reinforces ethical behaviour by taking ethical decision that requires will character which enhances organizational ethical climate. Organizational ethical climate often results when ethical reasoning is at the post conventional stage of reasoning which trancends to commitment of both followers, organizational ethical climate as they show moral examples that guides and motivate subordinates to reciprocate and align to all other centered initiatives (Yukl, 1999: Wright & Quick, 2011). Against the backdrop, ethical leadership vision propels individual moral values through a process that filter down to the subordinate and organizational ethical climate and outcomes (Triandis, 1993: Verissimo, & Lacerda, 2015). Ethical leadership is about fairness, welfare of others and responsible for the consequence of his action.

**Hypothesis 2**

Ethical leadership has a positive effect on organizational ethical climate

**Ethical leadership and integrity**

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

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

Ethical leadership emphasises individual values as integrity, moral reasoning and ethical judgement which is a process of influencing ethical behaviour in an organization (Fulcayam, 1992). However, integrity, moral reasoning and judgement have conceptual link with ethical leadership but the extent of the relationship has not been fully explored (Trevino, 1986).
Moreoval, integrity and trust are crucial ingredient of an effective ethical leadership (Felix et al., 2016).

Hypothesis 3
The interaction between integrity and ethical leadership moderates organitzional ethical climate and ethical leadership.

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

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

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

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

Ethical Leadership Linkage With Ethical Organization And Climate
Some individual values and characteristical behaviour of ethical and unethical leadership are as follows:

<table>
<thead>
<tr>
<th>ETHICAL LEADER</th>
<th>UNETHICAL LEADER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourages and develop others.</td>
<td>Neglects subordinate development.</td>
</tr>
<tr>
<td>Humility.</td>
<td>Arrogant and self centered.</td>
</tr>
<tr>
<td>Fairness.</td>
<td>Unfairly.</td>
</tr>
<tr>
<td>Respect for individual dignity.</td>
<td>Diminishes other’s dignity.</td>
</tr>
<tr>
<td>Serves other.</td>
<td>Serves self, with hold self.</td>
</tr>
<tr>
<td>Congerence for general good.</td>
<td>Self interest.</td>
</tr>
<tr>
<td>Courageous for what is right .</td>
<td>Lack courage for what is right.</td>
</tr>
</tbody>
</table>

Source (Zanderer, 1992)

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

The results revealed that Ethical Leadership exhibits the following:

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

Source :- *p < 0,05
**p < 0,01

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

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

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

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

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

<table>
<thead>
<tr>
<th>prediction</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical leadership</td>
<td>59,652</td>
<td>0,00</td>
</tr>
<tr>
<td>Ethical leadership x integrity</td>
<td>4,039</td>
<td>0,046</td>
</tr>
<tr>
<td>$R^2 = 0.244$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**IV. CONCLUDING REMARKS**

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

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

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

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

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

REFERENCES

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