ETHICAL LEADERSHIP: A THEORETICAL REVIEW AND EMPIRICAL RESEARCH

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ABSTRACT

Leaders must be a key source of ethical guidance for employees. The aim of this project is twofold. First, a theoretical review is developed to know why ethical leadership is important. Second, results of an empirical research, based on SMEs from La Vall d’Uixò, are presented.

Basing on the background, we will discover what and how this style of leadership is, subsequently we will deepen in the reasons why ethical leaders act in such a way that honesty, integrity and justice become fundamental components of their conduct within the organisation and towards others, not only inside the organisation but also in the personal field. At this point, it is necessary to know which mechanisms of the ethical leaders’ personality allow them to shape the followers at all organisational levels. This relationship helps workers to reach job satisfaction and also to develop positive organisational and individual behaviors.
# Ethical Leadership: a Theoretical Review and Empirical Research

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1. WHY IS IT IMPORTANT?

Following Caja Madrid “black” credit cards, Bankia going public and other recent scandals of ethics in business, government, sports, non profit and even religious organisations, people wonder: What’s wrong with our leaders? In 2011, as many as 33 out of 35 companies belonging to Ibex 35 were in tax havens Villa, (2013) Corruption has become the second concern of Spanish citizens just behind unemployment, according to a survey carried out by the Centro de Investigaciones Sociológicas (CIS) and published December, 4th 2014, while corruption scandals came one after another and thousands investigated as suspects wait to be judged. The Organic Law 3/2015, 30th March, on the control of the economic and financial activity of the Political Parties. Organisations such as OECD have signed anti-corruption agreements which highlight the importance of the ethical leadership.

Ethics has been the variable which has been more closely related to the recent scandals in business, government, sport entities, non-profit organisations and political parties. They have all revealed leaders’ lack of ethics in every organisational field (Brown and Treviño, 2006).

At the international level, in a world after Enron, WorldCom, Nortel, AIG and Lehman Brohters among others, professionals have strong incentives to select and develop an ethical leadership within their organisations. Moreover, researchers want to study ethical leadership in order to understand its origins and results.

Since the first industrial revolution, the environment of enterprises has been distinguished by its constant change. Leadership is one of the most important agents of change for the organisation to adapt to the conditions of the environment.

In the 21st century, organisations need ethical leaders who inspire people to act correctly and to obtain extraordinary results. These leaders lead by example and they get the confidence and the commitment of their followers.

This need is supported by the increase of studies based on ethical leadership. In the Business source premier data base, the number of publications has increased exponentially. Thus, from 1980 to 2000, the graphic shows how the
number of publications increases steadily up to 74 publications between 1995 and 2000. From then on, there is a sharp growth and it reached a peak of 582 publications in the last complete period 2010-2015.

### Table 1. Number of Publications

<table>
<thead>
<tr>
<th>YEARS</th>
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<tr>
<td>1980 – 1985</td>
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<td>2010 – 2015</td>
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The social responsibility of the companies and the business ethics have become key matters. It is thought that leaders must show an ethical behavior with the aim of establishing high moral standards and to promote the ethical behavior of their followers (Tu and Lu, 2013). The recent research on ethical leadership describes ethical leadership as a process of general leadership which transfers the ethical behavior of the leader to the followers throughout the general mechanisms of social learning, exchange and identity (Walumbwa, Morrison and Christensen, 2012; Chen and Hou, 2016).

A leader with high ethical standards transfers a commitment with justice and builds confidence, so that the entire organisation respects the established rules. Likewise, when leaders clearly inform of their expectations, they avoid situations which dissuade us from the common goal and ensures that all the members of the team work in the same direction. In a safe environment, employees can relax and they have at their disposal a greater ability to social participation, innovation, creativity and ambition.

Given their position of genuine authority, managers receive rightly a special attention. Presidents play a critical role in the provision of a moral frame for the members of the organisation (Barnard, 1938; Grojean et al., 2004, Mendonca, 2001) and in the formation of the collective nature of the organisation (Moore, 2005; Wright and Goodstein, 2007; Neubert et al., 2009).
In many organisations, managers experience an underlying strain between the research of what MacIntyre (1985) defined as external goods, such as money or reputation, and internal goods as the satisfaction of doing well your job. When directors allow controlling the research of external goods, a moral or immoral organisational character appears in which internal goods receive no attention and the corruption of an excessive attention to material worries thrives (MacIntyre, 1985; Moore, 2005; Neubert et al., 2009).

Ethical leadership forecasts the results such as the perception of the effectiveness of the leaders, the satisfaction and the dedication to work of the followers and their willingness to inform about the problems of the management (Brown, Treviño and Harrison, 2005).

El siguiente trabajo analiza la relación entre el liderazgo ético desde la teoría del aprendizaje social propuesto por Mayer et al. (2009); Brown, Treviño and Harrison (2005) y su efecto en el comportamiento de las organizaciones y de sus empleados.

Thus, we have analysed the most important features of the ethical leadership behavior and how this features collaborate to the perception employees have.

Finally, it is shown the importance of ethical leadership in the design of the organisational configuration of the business.

2. WHAT IS ETHICAL LEADERSHIP?

Many studies have addressed ethical leadership from a normative or philosofical perspective, and they suggests how leaders should behave.

According to the definition of ethical leadership suggested by Brown et al. (2005), from the perspective of the social learning theory, the behavior of the ethical guidelines promotes the ethical behavior of the subordinates through communication and encouragement. It is defined as “the demonstration of the normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conducts to the followers by a bidirectional communication, reinforcement and decision-making” (Brown et al., 2005, p.120). Ethical leaders make efforts to transform the ethical behavior of their subordinates by notifying the ethical rules, establishing models of ethical
Ethical Leadership: a Theoretical Review and Empirical Research

behavior and controlling the ethical behavior of their subordinates (Brown and Treviño, 2006; Treviño et al., 2003; Brown, Treviño and Harrison, 2005).

It is related to considerate, socializing and honest behaviors, which practice the interaction with impartiality. These behaviors have socializing and charismatic people who demonstrate a normatively appropriate behavior, through personal actions and interpersonal relationships. They promote such behavior through two-way communication, reinforcement and decision-making. They are aware of and distribute power fairly, by clarifying roles and helping to achieve emotional stability. Brown et al. (2005) recently provided a new conceptualization of ethical leadership. They highlighted three basic pillars of ethical leadership: being an ethical example, treating people fairly and managing actively morale.

Therefore, it is more probable that employees imitate and embrace behaviors inspired by the value of their role, shaping ethical leaders (Brown and Treviño, 2006). Shaping roles affects ethical behavior through motivational and informative means (Bandura, 1977). Leaders as models promote an ethical behavior by showing the kind of actions they want to promote and reward. Moreover, leaders are also useful as an informative guide for acceptable behaviors. Studies also suggest that ethical leadership shapes followers’ behavior by social exchange processes (Blau 1964; Brown et al., 2005). Social exchange theory suggests that norms of reciprocity or the felt obligation of the returning promote many social relationships (Blau, 1964; Gouldner, 1960; Bedi, Alpaslan and Green, 2016).

Leadership implies influence. A perspective of social learning on ethical leadership suggests that leaders influence the ethical conduct of their followers by creating models. The expression of creating models covers a wide range of psychological cassation processes, including observational learning, imitation and identification. According to Bandura (1986) almost anything that can be learnt by direct experience, can be also be learnt by indirect experience, by the observation of others’ behavior and its consequences (Treviño and Harrison, 2005; Yukl, 2002; Brown, 2006).

Ethical leadership is extremely important when the interactions of the members of the team involve confidence, impartiality and empowerment conducts (Den Hartog and De Hoogh, 2009). When the members of the team rely sufficiently

- 9 -
on their leaders, they are willing to follow ethical procedures and to take risks (Hoyt, Price and Poatsy, 2013). On the other hand, if followers perceive that their leaders are not ethical, it is more probable that they experience anxiety, strain and depression in the workplace and they show a counterproductive performance such as cheating during problem-solving tasks (Ariely, 2012; Detert, Treviño, Burris and Andiappan, 2007; Gino and Ariely, 2012; Hoyt et al., 2013; Chen and Hou, 2016).

Despite linking ethical leadership with the creativity of the followers, may seem counterintuitive, social learning theory (Bandura, 1977) remarks that individuals imitate the behavior of those they respect and trust. Ethical leaders speak out against inappropriate organizational actions and behaviors, and emphasize doing the right thing (Van Gils, Van Quaquebeke, Van Knippenberg, Van Dijke and De Cremer). In addition, ethical leaders transmit high moral standards to employees and they encourage their followers to express their opinions and suggestions, not only on ethical issues but also on other processes related to work and the work environment (Chen and Hou, 2016, Walumbwa and Schaubroeck, 2009).

Characteristics of ethical leadership in corporate managers are the following: attention, integrity, honesty and justice. That is, a behavior that shows explicitly the ethical behavior, as well as fair decisions based on principles (Chen and Hou, 2016).

The definition of ethical leadership as “the appropriate conduct respecting the rules” raises the question of which rules measure the normative adaptation to the leader. A recent research has addressed this issue and suggested that the evaluation of ethical leadership can be in the eyes of the beholder (Giessner and Van Quaquebeke, 2010; Meindl, 1995), which means that leadership is understood as ethical when it sides with the perception of the follower of the ethical leadership. The standards to evaluate the leadership can depend on the kind of work relationship between leaders and followers, and the expectation of the followers towards their leaders on the basis of this relationship (Engle and Lord, 1997; Giessner and Van Quaquebeke, 2010; Rai and Fiske, 2012). Moreover, there are different cultural outlooks about ethics (Eisenbeiss, 2012).
Therefore, somehow, the evaluation of the ethical leadership is influenced by the rules which the followers compare with the behavior of their leader.

Ethical leadership can be distinguished from other leadership styles oriented to the follower which include also moral and amoral aspects, as transformational leadership (Bass and Avolio, 1994; Bass, 1990; Burns, 1978, see Van Knippenberg and Sitkin, Liderazgo; Liden, Wayne, Zhao, and Henderson, 2008). The main aspect of this distinction is the fact that the ethical leadership is driven by independent moral movements of the receptor’s environmental frame. The idea that ethical leadership is based on the moral motivation of the leader is supported by the investigation which proves that ethical leaders have features of moral personality, as well as a moral identity (Mayer et al., 2012) and a high level of social responsibility (De Hoogh and Den Hartog, 2008). In addition, ethical leadership has been linked to four essential normative benchmarks (Eisenbeiss, 2012): 1) human orientation, referring to treating others with dignity and respect; 2) tendency to justice, taking fair and conscious decisions; 3) responsibility and orientation towards sustainability, covering leaders’ long-term concerns for the well-being of the society and the environment; and 4) the orientation of the moderation, referring to temperance and humbleness. All together, these orientations represent moral rules shared worldwide that lie beneath ethical leadership (Van Gils et al., 2015).

Brown (2005) identifies three constructs in the organisational citizenship behavior (OCB) which have the strength to overlap ethical leadership.

2.1. Ethical and Transformational Leadership/Charismatic Leadership

The greatest part of the attention to the ethical dimension of leadership has been embodied within the charismatic or transformational leadership. Burns (1978) said that "transformational" leaders inspire followers to subscribe their value system and the value system of their followers with important moral principles. Bass and Avolio (1993) described four dimensions of transformational leadership: inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation. Among these aspects, the dimension of idealized influence has been considered to have an ethical component. Idealized influence means that transforming leaders are "role models that followers want to imitate" (Avolio, 1999, p. 43). You “can count on
them to do the right thing” and they show “high standards of ethical and moral behavior” (1999, p.43).

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Nonetheless, these suggested relations between transformational leadership versus transactional leadership and ethical leadership versus unethical leadership are not clear. Firstly, some have suggested that transformational and charismatic leaders can be less ethical (Bass, 1985) if they are motivated by the selfishness instead of by the altruism (Bass, 1998; Howell and Aditya, 1997, McClelland, 1975). Experts now differentiate between socialising charismatic leaders (ethical) and personalised leaders (unethical) (Howell and Avolio, 1992) and authentic and pseudo-transformational leaders (Bass and Steidlmeier, 1999), suggesting that transformational (charismatic) and ethical leadership are not necessarily aligned. Furthermore, Gini (1998) suggested that ethical leaders establish clear standards and they hold their employees responsible to follow them, which are the core characteristics of transactional leadership.

And, the relation between cognitive moral development and transformational leadership found in Turner and his colleague’s investigation (2002) was based on one transformational leadership measure which included some behaviors of transactional leadership.

Finally, Treviño et al. (2003) found that ethical leaders use transactional influence processes such as setting standards, evaluating the performance and
rewards and punishments so that the followers are responsible of the ethical conduct, along with the transformational leadership styles.

Thereupon, at best, there is just one partial superposition between transformational leadership and ethical leadership. Ethical leaders probably use transformational and transactional leadership approaches, so that they have a hand in the behavior of the followers. This statement is also in line with recent studies that argue the bipolarity between transactional and transformational styles (Kark, Shamir and Chen, 2003).

2.2. Ethical Leadership and the Leader of Honesty

The study of the survey usually relates the effectiveness of the leadership with leader’s honesty (i.e., saying the truth), integrity (i.e., the behavior based on the principles) or trustworthiness (i.e., a reliable person) (Den Hartog, House, Hanges, Ruiz-Quintanilla and Dorfman, 1999, Kouzes and Posner, 1993, Posner and Schmidt, 1992). Honesty and integrity are considered to be major characteristics of the idealised influence of a transformational leader (Avolio, 1999; Bass and Steidlmeier, 1999). At a first sight, it may seem that ethical leaders have these characteristics of leader. However, Howell and Avolio (1992) found out that honesty was only one of the characteristics that distinguished charismatic, ethical and unethical leaders. Moreover, Treviño, Hartman and Brown (2000) reported that characteristics such as honesty and trustworthiness were part of only one feature, what they called the “moral person” of ethical leadership.

They also found out that ethical leadership implies an aspect of “moral manager” which implies a number of evident behaviors that do not necessarily stem from personal features (for example, sustained communication of an ethical message, responsabilisation of the followers by ethical behavior). Therefore, although leader’s confidence and honesty can contribute to ethical leadership, it is unlikely that they are the same construction.

2.3. Ethical Leadership and Treouthful or Fair Treatment

Leaders hold a unique position to do justice due to their rightful power, the control of resources and the responsibility over important decisions that affect employees. Tyler argued that employees support to the leaders is based on fair opinions, with people that act as “naïve moral philosophers who judge
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The closest alienation of impartiality with supervisory leadership is likely to appear in the idea of interactive impartiality (Bies and Moag, 1986) and its approach is based on treating employees with dignity and respect. Furthermore, managers have the opportunity to create a fair work atmosphere when they make decisions which employees consider to be fair.

Moreover, a style of leadership tending to consideration has been linked for a long time with the satisfaction and the performance of the followers (Yukl, 2002). Thence, it is reasonable to wonder if ethical leadership involves only consideration or also treating others with dignity and respect.

Treviño et al. (2000, 2003) found out that the behavior of leaders who show to worry about people and a fair treatment towards employees, helped to the perception of an ethical leadership.

Nonetheless, other perspectives of what ethical leadership could be made up go beyond a fair traitment and include decision-making with principles (Avolio, 1999); establishing ethical expectations for the followers (Treviño et al., 2003) and using rewards and punishments with the aim of making followers responsible of their ethical conduct (Gini, 1998; Treviño et al., 2003).

This way, followers’ thoughtful and fair treatment seems to partially overlap ethical leadership.

In short, we find that ethical leadership is related to these other styles and characteristics of leadership, but none of these (transformational/ charismatic leadership, leaders’ honesty and a thoughtful/ fair leader) is broad enough to include everything an ethical leader is ready to do. All of these constructs suffer what we can call a deficiency bias when we compare them with ethical leadership (Schwab, 1980; Brown, Treviño and Harrison, 2005).

3. DIFFERENCES WITH OTHER TYPES OF LEADERSHIP

Except for ethical leadership, any leadership styles that we will see, focuses on the proactive influence leaders have on the (un)ethical conduct of the followers
in the context of work organisations. Ethical leaders focus their attention explicitly on ethical standards through communication and accountability. Next, we describe the differences and similarities between ethical leadership and transformational, authentic and spiritual leadership styles.

3.1. **Liderazgo transformacional vs liderazgo ético**

Burns (1978) suggested that transformational leadership is a moral leadership, since transformational leaders inspire their followers to look beyond their own interest and to work together for a collective purpose. Kanungo and Mendonca (1996) argued that transformational leadership involves a process of ethical influence, while transactional leadership doesn’t. But, Bass (1985) argued that transformational leaders could be ethical or unethical depending on their motivation. These authors stated that the authentic transformational leaders are moral leaders owing to the legitimacy of the moral values of the leader (i.e., honesty or impartiality), the social motivation of the leader and the avoidance of the coercion and the manipulating influence.

Superior leadership performance (transformational leadership) takes place when leaders broaden and raise the interests of their employees, when they raise awareness and acceptance of the purposes and the tasks of the group, and when they foster their workers to look not only for their own interest, but for the group’s. Transformational leaders achieve these results in one or more ways.

They can be charismatic for their followers and like this inspire them; they can distinguish the emotional needs of each employee; and/or they can stimulate intellectually their employees.

It is crucial to be successful as a transformational leader to be charismatic in the eyes of their employees. Charismatic leaders have great power and influence. Employees want to empathise with them. Charismatic leaders inspire and excite their employees with the idea that they can achieve great things with extra effort.

Moreover, transformational leaders are considered individually, i.e., they pay close attention to the differences between their employees. They play the role of mentors for those who need help to grow and develop. The intellectual
stimulation of the employees is the third element of the transformational leadership. Leaders who stimulate intellectually are willing and able to show their employees new ways of seeing old problems, to teach them to see difficulties as problems they have to solve and to stress rational solutions.

Transformational and ethical leadership overlap in their approach of personal characteristics. Ethical and transformational leaders worry about others, they act in accordance with their moral principles (integrity), they take into account the ethical consequences of their actions and they are ethical role models for others. On the other hand, theory and research suggest that ethical leadership and transformational leadership are also different constructs (Brown et al., 2005; Treviño et al., 2003). It has been found that ethical leadership is significantly related to the dimension of the idealised influence of the transformational leadership (the dimension that has explicit ethical content) (Brown et al., 2005). Idealised influence refers to the opinion of the followers regarding the leader in terms of power, charisma, self-confidence, trust, consistency and ideals to influence their followers, who individuals strive for imitating and respecting them. Avolio and Bass (2002) stress that these leaders become a target of admiration, respect, sense of responsibility, confidence, increasing optimism and the conversations of their followers.

Idealised influence’ sources can be conferred from the results of the conduct of the leaders, the values, the beliefs, and the high moral standards (Jung and Avolio, 2000). Other dimensions of the transformational leadership are charisma or inspiring motivation, intellectual stimulation and individualised consideration.

3.1.1. Idealized Influence
Idealised influence refers to the opinion followers have of the leader regarding power, charisma, self-confidence, trust, consistency and ideals to influence on their followers who make an effort to imitate and respect them. Avolio and Bass (2002) highlight that those leaders become a target of admiration, respect, trust, increasing optimism and the conversations of their followers.

Sources of idealised influence can be attributed from the results of the leaders conduct, values, beliefs and high moral standards (Jung and Avolio, 2000).

3.1.2. Charm / Inspirational Motivation
In inspirational motivation, the leader expresses and characteristically emphasises their leaders the need to perform well and to help to fulfil the mission and the objectives of the organisation. Bass and Avolio argue that leaders who take this behavior have the ability to strengthen the answers of their followers (Blass and Avolio, 1994). They also have communicative skills in order to explain important ideas and the vision in the easiest way so that their followers can understand them.

The main source of charisma/inspirational motivation is leading by the example. Transformational leaders are the best example for their followers, they transmit clearly the vision, promote difficult projects and the method or approach to follow the objectives of the organisation (Bass B., 1994).

3.1.3. Intellectual Stimulation
In inspirational motivation, the leader expresses and characteristically emphasises their leaders the need to perform well and to help to fulfil the mission and the objectives of the organisation. Bass and Avolio argue that leaders who take this behavior have the ability to strengthen the answers of their followers (Blass and Avolio, 1994). They also have communicative skills in order to explain important ideas and the vision in the easiest way so that their followers can understand them.

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3.1.4. Individual Consideration
Leaders who tend to consideration are affective in the relationships with employees. A style of leadership linked with consideration of the duration has been associated with the satisfaction of the follower and the performance (Yukl, 2002). Therefore, it is reasonable to wonder if ethical leadership is simply proved with consideration or with a treatment with dignity and respect (Brown, Treviño and Harrison, 2005).

But, as it has been suggested previously, ethical leadership also predicted a number of results beyond the effects of the idealised influence (Brown et al.,
2005). This is probably because the aspect of moral management of the ethical leadership is more consistent with what it is usually considered as a transactional style instead of a transformational leadership. For example, ethical leaders try to influence the ethical conduct of the followers when they establish explicitly ethical rules and make the followers responsible for those rules through the use of rewards and discipline. Therefore, ethical leadership, as it is defined here, includes a process of transactional influence that makes it different from transformational leadership. Moreover, the construct of the ethical leadership does not include references to visionary or intellectually stimulant leadership, concepts that are consistent with the transformational/charismatic leadership style.

3.2. Authentic Leadership vs Ethical Leadership

Authentic leaders are “individuals who are deeply aware of how they think and behave, and they are seen by others as sensitive of their own values and others’ values/moral perspective, knowledge and strengths; sensitive of the environment where they work; and that they are gullible, hopeful, optimist, tough and with a strong moral character (Avolio, Luthans, and Wallumbwa, 2004, p.4). Luthans and Avolio (2003, p.4) consider authentic leadership as a “contract of roots” that “could include charisma, transformation, integrity and/or ethical leadership.” But, they also argue that these constructions have differences between them.

Self-awareness, opening, transparency and coherency are in the center of an authentic leadership. Moreover, being motivated by positive values and worrying about others (and not for the own interest) is essential for an authentic leadership.

Authentic leaders shape positive characteristics like hope, optimism, and resilience. Lastly, authentic leaders are able to judge ambiguous ethical issues, consider them from different points of view and align the decisions with their own moral values.

As transformational leadership, authentic leadership seems to overlap with ethical leadership, especially in terms of individual characteristics. Authentic and ethical leaders share a social motivation and a thoughtful leadership style.
Both are leaders with ethical principles that take into account the ethical consequences of their decisions.

Nevertheless, authentic leadership also contains some characteristics that are not related to the construct of the ethical leadership. For example, the authenticity and the self-awareness is not part of the construction of the ethical leadership. Authenticity, or being loyal to oneself, was hardly ever mentioned in the interviews carried out by Treviño and his colleagues (2000) on ethical leadership. And, instead of self-awareness, the interviewees who talked about ethical leaders discussed frequently what could be named as other awareness. The attention of the leaders and the concern for others was fundamental.

3.3. **Spiritual Leadership vs Ethical leadership**

Spiritual leadership is formed by “the values, the attitudes and the behaviors needed to motivate intrinsically one’s self and others so that they have a spiritual survival sense throughout the call and the membership” (Fry, 2003, p.711) of the religious and ethical approaches and based on the values of the leadership” (693). Alternatively, spiritual leadership has also been described as “what is happening when a person in a leadership position embodies spiritual values such as integrity, honesty and humbleness. This way, this person becomes an example of someone who can be trusted and admired. Spiritual leadership is also proved through conduct, either individual thoughtful practices or in the ethical, compassionate and respectful treatment of others” (Reave, 2005, p.663).

An instrument designed to measure spiritual leadership (Fry, Vitucci, and Cedillo, 2005) represents three dimensions:

A) The vision, which describes the identity of the organisation, b) hope/ faith, it reflects the confidence on the fulfilment of the vision, and c) altruistic love which comes from the care of the work atmosphere. The emphasis of the spiritual leadership in the ingenuity, altruism and a consideration leadership style is consistent with the previous conceptualizations of the ethical dimension of the leadership, as well as being coherent with the transformational and authentic leadership. Nevertheless, the construction and the instrument of the spiritual leadership also contain characteristics that are not related with the ethical
leadership. For example, the same way as transformational leadership, it is thought that spiritual leaders are visionary, a characteristic which is not associated with ethical leadership. Moreover, it is thought that spiritual leaders are motivated by the service to God or the humanity and they see their leadership work as a “call.” Although these spiritual reasons could influence on somebody to become an ethical leader, ethical leaders could also be motivated by more pragmatic concerns. They understand that they can and must influence on the ethical conduct of the followers and, in that sense, they use mechanisms of influence usually associated with one transactional leadership style.

Table 1 shows that all these types of leaders (including ethical leaders) are unselfishly motivated, they prove to genuinely care and worry for people. It is thought that all of them are upright and that they take ethical decisions and they become role models for others. It is probable that employees admire these leaders, which they identify with their vision and their values, and followers want to be like them. Nevertheless, except ethical leadership, none of these approaches focuses on leaders’ proactive influence on the (un)ethical conduct of the followers in the context of work organisations. Ethical leaders pay special attention to the ethical standards by communication and accountability processes. This is the most “transactional” feature of the ethical leadership and it is a key difference between ethical leadership and these related constructs. Moreover, these other constructs include characteristics that are not part of the construct of the ethical leadership (that is, visionary orientation, religious orientation, self-awareness). Therefore, ethical leadership is clearly related to these other theories of leadership, but at the same time it is different (Brown and Treviño, 2006).
Figure 1. Similarities with and differences between ethical, spiritual, authentic and transformational theories of leadership.

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<tr>
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<th>Similarities with ethical leadership</th>
<th>Differences from ethical leadership</th>
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<tr>
<td><strong>Authentic leadership</strong></td>
<td>Key similarities:</td>
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<td>- Concern for others (Altruism)</td>
<td>- Ethical leaders emphasize moral</td>
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<td>- Ethical decision-making</td>
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<td>- Integrity</td>
<td>and “other” awareness</td>
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<td>- Role modeling</td>
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<td>authenticity and self-awareness</td>
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<td><strong>Spiritual leadership</strong></td>
<td>Key similarities:</td>
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<td><strong>Transformational leadership</strong></td>
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<td>- Ethical decision-making</td>
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<td>intellectual stimulation</td>
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4. **A WAY TO MEASURE ETHICAL LEADERSHIP**

The studies that we have revised about ethical leadership have mainly used three scales: Ethical Leadership Scale (ELS) containing 10 items and developed by Brown *et al.* (2005); the scale ELW of (Kalshoven, Den Hartog and De Hoogh, 2011) in which we can distinguish seven ethical behaviors in order to measure ethical leadership; and the scale of Yukl, G., Mahsud, R., Hassan, S. and Prussia, G. E. (2013).

La Escala de Liderazgo Ético (ELS) de 10 ítems desarrollada por Brown *et al.* (2005). El proceso se realiza a través de encuestas en todos los niveles utilizando los ítems propuestos por Brown (2005) aplicados en una escala de Likertson:

**Ethical leadership** (Brown *et al.*, 2005). 1 dimension, 10 items.

1. Listen to what employees have to say.
2. Disciplines employees who violate ethical standards.
3. Conducts his/her personal life in an ethical manner.
4. Has the best interests of the employees in mind.
5. Makes fair and balanced decisions.
6. Can be trusted.
7. Discusses business ethics or values with employees.
8. Sets an example of how to do things the right way in terms of ethics.
9. Defines success not just by results but also the way they are obtained.
10. When making decisions, asks “what is the right thing to do?”.

The scale ELW of Kalshoven, Den Hartog and De Hoogh (2011) in which we can distinguish seven ethical behaviors or dimensions:

1. Fairness: Do not practice favoritism, treat others in a way that is right and equal, make principled and fair choices.
2. Power sharing: Allow followers a say in decision making and listen to their ideas and concerns.
3. Role clarification: Clarify responsibilities, expectations and performance goals.
4. People orientation: Care about, respect and support followers.
5. Integrity: Consistence of words and acts, keep promises.
6. Ethical guidance: Communicate about ethics, explain ethical rules, promote and reward ethical conduct.
7. Concern for sustainability: Care about the environment and stimulate recycling.

**Ethical Leadership** (Kalshoven et al., 2011). 7 dimensions, 37 items.

People orientation:
1. Is interested in how I feel and how I am doing.
2. Takes time for personal contact
3. Pays attention to my personal needs
4. Is genuinely concerned about my personal development
5. Sympathizes with me when I have problems
6. Cares about his/her followers

Fairness (reverse scored?):
1. Holds me accountable for problems over which I have no control.
2. Holds me responsible for work that I gave no control over.
3. Holds me responsible for things that are not my fault.
4. Pursues his/her own success at the expense of others.
5. Is focused mainly on reaching his/her own goals.

Power sharing:
1. Allows subordinates to influence critical decisions.
2. Does not allow others to participate in decision making.
3. Seeks advice from subordinates concerning organizational strategy.
4. Will reconsider decisions on the basis of recommendations by those who report to him/her.
5. Delegates challenging responsibilities to subordinates.
6. Permits me to play a key role in setting my own performance goals.

Concern for sustainability:
1. Would like to work in an environmentally friendly manner.
2. Shows concern for sustainability issues.
3. Stimulates recycling of items and materials in our department.

Ethical guidance:
1. Clearly explains integrity related codes of conduct.
2. Explains what is expected from employees in terms of behaving with integrity.
3. Clarifies integrity guidelines.
4. Ensures that employees follow codes of integrity.
5. Clarifies the likely consequences of possible unethical behavior by myself and my colleagues.
6. Stimulates the discussion of integrity issues among employees.
7. Compliments employees who behave according to the integrity lines.

Role clarification:
1. Indicates what the performance expectations of each group member are.
2. Explains what is expected of each group member.
3. Explains what is expected of me and my colleagues.
4. Clarifies priorities.
5. Clarifies who is responsible for what.

Integrity:
1. Keeps his/her promises.
2. Can be trusted to do the things he/she says.
3. Can be relied on to honour his/her commitments.
4. Always keeps his/her words.

And the scale of Yukl, Mahsud, Hassan, and Prussia (2013) who in their study “An Improved Measure of Ethical Leadership”, the authors assess the validity of the new questionnaire for measuring the essential aspects of the ethical leadership regardless of other types of leader behavior. The research also examines how ethical leadership is related to the leader-member exchange and the performance of the work unit. Although the primary purpose of these analyses is to assess criterion-related validity for the new questionnaire, the results help answer important questions about the benefits of ethical leadership. The ELQ measure developed in this study has several advantages over previous versions. It includes the main types of ethical behavior, it is not confused by other leadership behavior, and it is short and easy to use. The ELQ can be used along with other behavior measures and abilities in workshops.
feedback for the leaders, and it can be adapted to be used as a self-evaluation tool. My boss:

1. __ Shows a strong concern for ethical and moral values.
2. __ Communicates clear ethical standards for members.
3. __ Sets an example of ethical behavior in his/her decisions and actions.
4. __ Is honest and can be trusted to tell the truth.
5. __ Keeps his/her actions consistent with his/her stated values (“walks the talk”).
6. __ Is fair and unbiased when assigning tasks to members.
7. __ Can be trusted to carry out promises and commitments.
8. __ Insists on doing what is fair and ethical even when it is not easy.
9. __ Acknowledges mistakes and takes responsibility for them.
10. __ Regards honesty and integrity as important personal values.
11. __ Sets an example of dedication and self-sacrifice for the organization.
12. __ Opposes the use of unethical practices to increase performance.
13. __ Is fair and objective when evaluating member performance and providing rewards.
14. __ Puts the needs of others above his/her own selfinterest.
15. __ Holds members accountable for using ethical practices in their work.

As a sample of the importance of each of the scales described here, we present the number of quotes we have found in Google Scholar until September 14, 2017: Brown et al. (2005) is quoted in 2401 papers or reviews, the ELW scale is quoted 326 times and Yulk, G. (2010) is quoted 136 times.

**Table 2 Number of appointments**
5. ANTECEDENTS OF ETHICAL LEADERSHIP

5.1. Antecedents

Backgrounds of ethical leadership, by the test of whether it is a source of motivation for leaders to show ethical behaviors, arise from a self-defined knowledge structure that several writers (for example, Aquino and Reed, 2002; Blasi, 1983, 2004; Damon and Hart, 1992, Lapsley and Narváez, 2004) refer as moral identity. This theoretical model states that the moral identity motivates leaders to act in a way that they show certain ability to meet the needs and interests of others, orientations that many philosophers (for example, Kant, 1948) and psychologists (Eisenberg, 2000; Gilligan, 1982) consider to be a defining characteristic of moral behavior.

Moral identity is defined as an outline of itself organised around a group of associations with moral features (for example, host, careful, compassionate) (Aquino and Reed, 2002). Theorists (for example, Aquino and Reed, 2002; Blasi, 1980, 2004; Lapsley and Lasky, 2001) have argued that people disagree on the grade in which they experience the moral identity as central for its general self-definition.

From a social cognitive perspective, this difference means that the moral self-outline is more accessible from a cognitive point of view for some people than for others. According to Lapsley and Lasky (2001: 347), a person who has a moral identity is “one for whom moral schemas are chronically available, readily primed, and easily activated for information processing.” Similarly, Aquino and Reed (2002) suggested that moral identity has higher self-importance for some
people than for others, meaning that this particular knowledge structure is central to a person’s overall self-conception, making it more readily available for processing information and regulating conduct. Schema-based conceptions of moral identity have been used to explain various aspects of moral functioning in non-organizational domains (Aquino and Freeman, 2009; Linsley and Lasky, 2001; Lapsley and Narvaez, 2004), but only recently moral identity has been introduced into the management literature (e.g., Detert, Treviño, and Sweitzer, 2008; Reynolds and Ceramic, 2007).

Emerging empirical evidence supports the schema-based conceptualization of moral identity (Aquino, Freeman, Reed, Lim, and Felps, 2009; Aquino and Reed, 2002; Aquino, Reed, Thau, and Freeman, 2007; Olsen, Eid, and Johnsen, 2006; Reed and Aquino, 2003; Reynolds and Ceramic, 2007; Reed, Aquino, and Levy, 2007; Skarlicki, Van Jaarsveld, and Walker, 2008), but to understand why moral identity should be related to ethical leadership it is important to notice that these studies also show that the centrality of this identity to the self predicts various forms of moral behavior (see Shao, Aquino, and Freeman, 2008 for a review). For example, studies show that moral identity is positively related to prosocial behaviors like charitable giving (Aquino and Reed, 2002; Reed et al., 2007) and negatively related to unethical behaviors like lying (Aquino et al., 2009; Reynolds and Ceramic, 2007).

Aquino and Reed (2002) proposed that moral identity influences moral behavior by acting as a self-regulatory mechanism rooted in people’s internalized notions of right and wrong. The motivational power of moral identity arises from peoples’ desire for self-consistency (Blasi, 1983, 2004). In other words, people whose moral identity is self-important should be motivated to act in ways that are consistent with their understanding of what it means to be a moral person (i.e., to demonstrate some responsiveness to the needs and interests of others) because acting otherwise can produce dissonance and self-condemnation (Aquino et al., 2009; Aquino and Reed, 2002). If moral identity does indeed function as a self-regulatory mechanism that motivates moral action, then the expected relationship between moral identity and ethical leadership is fairly straightforward: Leaders whose moral identity has high self-importance should act in ways that are consistent with common understandings of what it means to
be a moral person, which in turn should result in their being perceived as ethical leaders.

Aquino and Reed’s (2002) conception of moral identity has two dimensions, one of which captures its public aspect, which they call symbolization, and the other its private expression, which they call internalization. These dimensions correspond to theories of the self that posit that self-awareness can be characterized by an external and active self as a social object that impacts others and an internal introspective awareness of one’s inner thoughts and feelings (Fenigstein, 1975). Individuals high in moral identity symbolization demonstrate their possession of moral traits through moral actions (Aquino and Reed, 2002).

We expect moral identity symbolization to be positively related to ethical leadership because these leaders are more likely to demonstrate morally positive behaviors, which manifest as ethical leadership.

It is important for leaders high in moral identity symbolization to behave outwardly in ways that are consistent with how they view themselves—and thus they are more likely to engage in ethical behaviors directed towards their employees.

Prior research demonstrates positive relationships with symbolization and religiosity, volunteerism, charitable giving, and willingness to aid out-groups (Aquino and Reed, 2002; Reed and Aquino, 2003; Reynolds and Ceranic, 2007). Thus, we predict a positive relationship between leader moral identity symbolization and ethical leadership.

Moral identity internalization represents moral traits that are imbedded in one’s self concept.

Those high in moral identity internalization are likely to avoid behaviors that are seen as immoral, which would challenge their self concept. Leaders that are high in moral identity internalization are more likely to pay attention to, correct, and punish unethical behaviors. They are also more likely to define success not just by results, but by the way they are accomplished.

To do otherwise would make those high in moral identity internalization feel inauthentic.
Research on moral identity internalization has linked it to moral reasoning, volunteering, satisfaction from volunteering, and donating cans of food to the needy (Aquino and Reed, 2002; Reynolds and Ceranic, 2007). We therefore expect a positive relationship between leader moral identity internalization and ethical leadership (Mayer et al., 2012).

In order to achieve excellence in any organisation it is necessary, under similar circumstances to have ethical leaders in the leadership positions of higher status, and ethical leaders are needed to assure the long-term viability of the organisations. Day and Lord argue that "leaders have a profound impact on their organisation's" (Day and Lord 1988, p. 463). They suggest that executive leadership can explain as much as 45% of an organization's performance.

Morrison (2001) suggests that an individual leader who embraces the highest ethical standards will promote practices that benefit the quality of life of many people and will improve the environment where the companies work. He states that "global leaders are the ones that are successful in the impact of the actions and beliefs of others worldwide" (Morrison 2001, p.65).

Yukl (2008) holds that a theory of strategic leadership should explain how top executives influence the organizational processes that determine a firm’s financial performance and long-term survival. He suggests that the theory should take into account (a) how multiple leaders in the same organization share power and interact to influence performance; (b) relevant situational aspects that lead the actions and decisions of the top executives; and c) how top executives influence the motivation and the abilities of the members of the organisation, the organisation’s culture, the systems and the programs that help to manage the organisation, the competitive strategy and the strategic objectives (Yukl 2008). Curiously, and maybe surprisingly, Yukl (2008) does not include ethical considerations in this list.

A recent study, Mayer et al. (2012), states that few empirical studies, which have examined ethical leadership and its unique effect separately as a distinct leadership construct, examine the impact of ethical leadership on the ethical results (although they mention a few exceptions) and/or evaluate the backgrounds of ethical leadership.
Where do leaders come from? How do they achieve the values that lead them
to exercise leadership ethically? Which are some of the possible impacts
related to the exercise of the ethical leadership; that is, is this construction
related to personal rewards and organisation performance? (Rowe, 2014)

According to Rowe (2014) the backgrounds can be determined by the age, the
paternal and maternal influence, see the table.

The data analysis suggests that there is no association. This suggests that if a
father did it right or bad does not influence his children to act properly or not
when they engage responsibilities. It consists of a little sample with a limited
type. Therefore, it cannot be definitely suggested that paternal influence has
no impact on whether successors exercise an ethical or unethical leadership.

Figure 2. Some antecedents of ethical leadership

Mothers who identified themselves are related with a higher probability of
leaders doing the right thing (that is, they exercise an ethical leadership).

6. CONSEQUENCES OF ETHICAL LEADERSHIP

6.1. Consequences
Rower's research (2014) suggests that being an ethical leader leads to personal rewards such as a long tenure. There are more possibilities of economic success when leaders act properly. Lately, there are also more success possibilities for the organisation when leaders demonstrate to be right in their actions.

**Figure 2. Some consequences of ethical leadership**

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<tr>
<th>CONSEQUENCES</th>
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<tr>
<td>Individual level</td>
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<tr>
<td>• Attitudes (helping others)</td>
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<tr>
<td>• Motivation (recognition)</td>
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<tr>
<td>• Individual ethical decisions</td>
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<tr>
<td>• OCBI (behaviors towards colleagues)</td>
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<tr>
<td>Organizational level</td>
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<tr>
<td>• Ethical culture</td>
</tr>
<tr>
<td>• Ethical atmosphere</td>
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<tr>
<td>• OCBO (behaviors towards the organisation)</td>
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<tr>
<td>• Work satisfaction (being satisfied with the work within the organisation)</td>
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Source: self made

### 6.2. Consequences Related to Workers and the Organisation

In this part, we review different studies in order to examine how ethical leadership influences the work satisfaction of the followers and the affective organisation commitment.

There are several factors that can affect work satisfaction: salaries, side benefits, achievements, self-independence, recognition, communication, supervision and others. One of the most important factors that determine work satisfaction is the leadership style that performs an important role within the organisation of people and the social interaction inside the organisation (Sulieman Ibraheem, *et.al.*, 2011; Wan Omar and Fauzi, 2013).
The relation between leadership and work satisfaction is one the critical factors of the success of any organisation.

Work satisfaction refers to how satisfied a person is with his job in an organisation. It has been used as a mean to appeal and retain qualified employees and workers with a high performance in the organisation. There are many factors that determine work satisfaction, and one of the factors is leadership style (Wan Omar and Fauzi, 2013).

It is suggested that managers have the potential to be agents of virtue or vice within organisations. Specifically, through ethical leadership behavior we argued that managers can virtuously influence perceptions of ethical climate, which in turn will positively impact organizational members’ flourishing as measured by job satisfaction and affective commitment to the organisation. It is also hypothesized that perceptions of interactional justice would moderate the ethical relationship between leadership and climate. The results indicate that ethical leadership has a direct and indirect influence on job satisfaction and affective commitment. The indirect effect of ethical leadership involves shaping perceptions of ethical climate, which in turn, creates greater job satisfaction and affective organisational commitment. Furthermore, when interactional justice is perceived to be high, the ethical relationship between leadership and climate strengthens (Neubert et al., 2009).

Ethical leaders influence their workers in several ways. In first place, ethical leaders are responsible for the ethical standards within the organisation, either for being a role model for the ethical behavior, or for the reinforcement of the ethical codes (Brown et al., 2005, Mayer et al., 2012, Treviño, Hartman, Brown, 2000, Walumbwa et al., 2011, Weaver, Treviño, and Agle, 2005). In second place, followers reward the behavior of the leader, which makes that their ethical behavior depends on the quality of the leader-follower relationship. Thirdly, ethical leaders increase the organisational identification of the followers (Hogg and Terry, 2000, Van Knippenberg and Hogg, 2003, Van Knippenberg, De Cremer and Hogg, 2004), which in turn increases the motivation to reach collective goals or to show the beneficial behavior of the organisation (Walumbwa et al., 2011). All in all, a high ethical leadership seems to motivate followers to reward with a moral conduct, while low motivation leadership
motivates followers to show a negative behavior, either through shaping the breaches in the exchange relationship or in the reduced identification. Negative behavior in response to unethical behavior usually heads the organisation, with this aim the leader operates as an agent (Bies and Tripp, 1998; Robinson and Bennett, 1995; Van Gils et al., 2015b).

### 6.2.1. Organisational Behavior

When the climate of an organisation is perceived as ethical or virtuous, these perceptions influence the ethical decisions-taking and the behavior of the organisational members, as well as their attitudes towards the individual, the workplace, and the documents attached to the organisation (Brown and Treviño, 2006). In a similar way as how managers can satisfy the needs of the organisation members for the safety, the same needs can be satisfied in an environment work influenced by the behavior of the ethical leadership of the managers. The meta-analytic results of the investigation offer support for the ethical climate impact in the organisational commitment and the satisfaction in the work (Martin and Cullen, 2006). Especially, one characterised by the ethical climate of concern for others and sensitivity to others’ need has been proved to influence in the organisational commitment (Cullen et al., 2003). Individuals tend to be more satisfied with their workplaces and more committed with their organisation when they work environment is characterised by an ethical conduct, honesty, concern for others and interpersonal equity (Brown and Treviño, 2006; Treviño et al., 1998).

Managers showing an ethical leadership influence organisational members through personal action and interpersonal relationships (Brown and Treviño, 2006). The collective effect of multiple members of the organisation, who attend to the virtuous example of a manager who shows an ethical leadership, creates a work atmosphere characterised by rules and perceptions of the shared ethical work (Davidovitz et al., 2007, Dickson et al., 2001).

An ethical climate, in turn, has an effect on the attitude of the individuals towards their jobs and the organisation (Cullen et al., 2003; Treviño et al., 1998). All in all, the influence of ethical leadership spreads to influence work satisfaction and organisational commitment of the members in the organisation by an ethical environment (Brown et al., 2005; Neubert et al., 2009).
Organisational citizenship behavior (OCB) of employees has been object of investigation during the past three decades.

OCB can be classified in two categories: interpersonal (OCBI) and organizational (OCBO).

### 6.2.1.1. Interpesonal Organisitional Citizenship Behaviour (OCBI)

OCBI refers to behaviors addressed mainly to fellow workers, which can benefit the individual performance of the workers, as well as the organisation (Dalal 2005, Organ and Paine 1999, Williams and Anderson, 1991).

### 6.2.1.2. Organisational Citizenship Behaviour (OCBO)

OCBO refers to behaviors addressed to the organisation itself, which can benefit the performance of the entire organisation (Dalal 2005, Organ 1997 and Williams and Anderson, 1991; Somech and Drach-Zahavy, 2004; page 282).

Researchers have been especially concerned about the effects that ethical leadership has on the OCB of the employees. Ethical leadership differs from other types of leadership in its emphasis to moral management, an explicit attempt to influence the ethical conduct of the followers establishing ethical standards and using reward and punishment to make followers responsible for the standards (Brown and Treviño 2006, p. 599; Mayer et al. 2009).

Ethical leadership approach on practical management of the ethical conduct of the subordinates makes this type of leadership more relevant for the OCBI and OCBO employee than others, since fellows’ work or organisation can improve the care of the leaders.

According to the social learning theory, ethical leaders can be useful as role models for taking care of the well-being of others and their followers will imitate the exemplary behavior of the leaders and will become prosocial towards their fellow workers and organisations (Demirtas and Akdogan 2014; 2003, Yaffe and Kark, 2011). On the other hand, social exchange theory states that as ethical leaders look after their followers and organisations, it is probable that their subordinates share similar prosocial behaviors (Mayer et al., 2009; Newman et al., 2014; Wang and Sung, 2016).

OCB is defined as a "behavior that is discretionary, not directly or explicitly
recognised by the formal reward system, and that in the aggregate promotes the effective functioning of the organisation” (Organ, 1988, p.4).

The OCB of the group level is defined as the normative level of OCB carried out within the work group (Ehrhart, 2004). We focus especially on the dimension of help of OCB for a number of reasons. Firstly, we focus on helping the conduct, since ethical leaders boost positive and appropriate conducts, showing concern for others and the communication of the importance of the members of the work group, this way they encourage workers to help each other for the benefit of the group. Secondly, help is the most commonly studied dimension of the OCB and has been identified as an important aspect of the OCB by virtually all the scholars that work in this document (Podsakoff et al., 1997). In third place, a recent meta-analysis (LePine, Erez, and Johnson, 2002) found out that the different dimensions of OCB are strongly linked among them and have a similar relation with the results that are commonly studied. Lastly, scholars who examine OCB as a construction at group level usually use the help dimension of the OCB (Ehrhart, 2004; Ehrhart et al., 2006; Mayer et al., 2009).

6.2.2. Work Satisfaction

The concept of work satisfaction has been defined in many ways. From the psychological perspective of its relation with leadership, the concept of work satisfaction includes multidimensional answers to its work and these answers have cognitive components (evaluative), affective (or emotional) and behavioral (Judge and Klinger, 2003). Weiss has also argued that work satisfaction is an attitude, but points out that researchers must clearly distinguish the objects of cognitive evaluation that are affectation (emotion), beliefs and behavior (Weiss, 2002). This concept of work satisfaction suggests that we build our attitudes towards our jobs considering our feelings, our beliefs and our behaviors.

From the organisational management perspective, the research on work satisfaction has a practical application for the improvement of individual life, as well as the efficacy of the organisation. The success of any organisation depends a lot on the commitment and the hard work of its workers. Because of that, work satisfaction has been used as a tool to appeal and maintain the best employees within the organisation.
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Work satisfaction can be measured by many different methods. The most common method for collecting data relating to the work satisfaction is the Likert scale (named after Rensis Likert). Other less common methods to measure satisfaction at work are: yes/ no questions, true/ false questions, point systems, checklists and force choice responses (Wan Omar and Fauzi, 2013).

When employees receive respect, attention and the support of their leaders they are more likely to feel indebted and answer with positive attitudes, including work satisfaction (Dirks and Ferrin, 2002, Kacmar et al, 2011; Ren and Chadee, 2017).

6.2.3. Self-efficacy and job satisfaction

According to Bandura (1986) the mediating role of self-efficacy is the the most influential aspect of human action in the daily life, which translates in awareness of the context in action. It is argued that ethical leadership operates through one of more sources of self-efficacy, including the experiences of entry into force, vicarious experiences, social persuasion and physiological and affective states (Bandura, 1997; Ren and Chadee, 2017).

It is probable that ethical leadership is useful improving the success of workers with its positive influence in the performance of the employee, the efforts and the commitment to work (Den Hartog and Belschak, 2012, Liu et al., 2013; Zehir and Erdogan, 2011). This is possible thanks to the fact that ethical leadership can boost the confidence of the workers and encourage them to work honestly with the leaders, as well as recognising problems (Brown et al., 2005), which in turn improves the distribution of the valuable resources to allow workers being successful at work (Ferris, Rosen, Johnson, Brown, Risavy and Heller, 2011; Ren and Chadee, 2017).

The deployment of ethical leadership can constitute the second source of self-efficacy (indirect experience) through which employees observe what leaders are able to do. The abilities associated with ethical leadership go beyond moral rules such as equity and confidence, to include the strategic thinking and the group or organisation’s common objectives (de Hoogh and Den Hartog, 2008), all of them are relevant for the successful performance at work (Zhu et al., 2004). This process promotes the workers’ belief that if their leaders can be
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successful, they have also the abilities to succeed in comparable activities (Bandura, 1997; Ren and Chadee, 2017).

Lastly, ethical leadership raises the psychological security experienced by employees (for example AVOLIO and Gardner, 2005). When helping their workers to manage stress in a safe psychological environment, ethical leaders create a physiological state that reduces or eliminates subjective threats of emotional activation, which ultimately increases self-efficacy, with the appropriate improvements in the performance (Bandura, 1986; Ren and Chadee, 2017).

Work satisfaction is an evaluation state in which employees express the cognitive context as well as positive feelings regarding their workplaces (Judge, T.A. and Kammeyer-Mueller, J.D., 2012). Self-efficacy, in turn, should lead to a higher level of work satisfaction. Trust in the command of knowledges regarding contextual conditions is an important factor which supports human action and shapes expenditures of time (Pinder, 1984; Zimmerman, 1995). Self-efficacy has been consistently found to provide a basis to predict the occurrence, intensity and persistence of the action, as well as the choice of behavior settings, and performance levels (Bandura, 1977; Wood and Bandura, 1989; Chad, 2017).

Several studies show that self-efficacy is positively related with work satisfaction (Judge and Bono, 2001). Employees with higher levels of efficacy beliefs are less prone to see job tasks which are necessary to fulfil the goals as stressing. The resulting perception of the level of restrictions protects them from fatigue, which negatively predicts work satisfaction (Judge and Kammeyer-Mueller, 2012). From a motivational point of view, workers with high self-efficacy are more sensitive to positive incentives and less sensitive to negative incentives which, in turn, improve work satisfaction (Ferris, Johnson, Rosen, Djurdjevic and Chang, 2011). Therefore, employees that have greater levels of self-efficacy are probable to be more satisfied with their job (Ren and Chadee, 2017).

Ethical leadership clarifies the expectations and responsibilities, treats employees with respect, keeps promises and allows the participation in
decisions-making (Treviño et al., 2003). The manifestation and communication of these behaviors contribute to create an **ethical climate** in which employees trust the practices of the organisation relative to their interests, how compensation and promotion will take place fairly and with good intentions (Brown et al, 2005, Neubert and col., 2009). These behaviors also help to create a **safe psychological environment** where employees are comfortable in the development of their activities, admitting the mistakes and keeping a positive attitude. The rise of the confidence levels of the employees reinforces the development and the maintenance of the efficient beliefs and, ultimately, they increase the number of positive valorations of the employees regarding their workplaces. The theoretical discussion suggests that self-efficacy works as a mechanism that transforms the effects of ethical leadership on work satisfaction. For these reasons, they state that the relation between ethical leadership and work satisfaction is mediated by self-efficacy (Ren and Chadee, 2017).

In the theory of Bandura (1986), self-efficacy plays a fundamental role in the translation of the environmental influences in the individual behavior. This describes the beliefs people have about their ability to mobilize motivation, the cognitive resources and the actions to successfully carry out a specific task (Stajkovic and Luthans 1998). During several decades, the relation between self-efficacy and performance of the tasks has been confirmed in a number of contexts (Walumbwa et al., 2008; Walumbwa and Schaubroeck 2009). Nevertheless, Bandura (2012) regrets that literature and self-efficacy have been covered by a specific conceptualisation of the task and, therefore, he promoted more investigation about generalised self-efficacy beyond the contextual limits. In response, general self-esteem was adopted and it was defined as a general belief of people in their abilities to fulfil expected achievements (Bandura, 2006). Instead of constituting a stable feature, general self-efficacy is essentially a general self-evaluation sensitive to environmental incentives (Tierney and Farmer 2011).

As Bandura suggested (1977, 1986), social persuasion, mastery experiences, vicarious experience and psychological state represent the generation of the
Ethical Leadership: a Theoretical Review and Empirical Research

self-efficacy. It was assumed that ethical leadership eases general self-efficacy through four psychological mechanisms.

First, when communicating the ethical discipline and discussing moral issues with subordinates, ethical leaders teach their ethics and personal rules to their followers. In the daily work, ethical leaders stress how usually the appropriate behavior will affect others, to the organisation and even to society as a whole (De Hoogh and Den Hartog 2008). Piccolo et al. (2010) pointed out the importance in work of all these forms of individual perceptions and that employees feel valuable and worthy; it is likely that the followers of the ethical leaders build a positive self-esteem based on social persuasion.

In second place, ethical leaders leaning to people are known for respecting the nature of their followers, demonstrating genuine concern for them and offering them opportunities for the personal development (Zhu et al., 2004). Accordingly, their subordinates are provided with the necessary knowledge, abilities and capacity to serve the organisation. When ethical leaders promote empowerment and place them in the correct position (Zhu et al., 2004), they can carry out their tasks and acquire a mastery experience and this way obtain a more general self-efficacy.

Thirdly, through physical approach, the shared objectives and resources and the independent tasks (Tse et al., 2008), employees also learn indirectly the experience of their peers (Liao et al., 2010). When witnessing that their colleagues are rewarded for their disciplined and desirable conduct, employees will have a strong faith in the positive consequence of their performance. This belief will influence the results of their self-efficacy.

In fourth place, in terms of their psychological state, ethical leaders are honest and fair and they have integrity. Not only do they create an ethical climate in the group but they keep in armony the interpersonal relationships between their followers.

Therefore, subordinates will feel more psychological security and comfort in the group and less anxiety, insecurity and uncertainty which can undermine the self-efficacy (Liao et al., 2010). Therefore, we state that ethical leadership is positively associated with general self-efficacy.
According to Bandura (1997), self-efficacy regulates human action through affective, cognitive, motivational and election processes. In first place, employees with high self-efficacy make positive self-evaluations and see the world in a positive way. This positive effect gives them more confrontation resources and leads them to help others and act in favour of the organisation. Secondly, as the extra-rol performance is neither formally recognised, nor rewarded, it requires time and effort beyond the basic requirements of the work. For the less self-efficient workers, the extra-rol performance is to charge and using up its limited work resources (Bolino et al., 2013). In order to preserve its resources and to fulfill their responsibilities in the paper, they are prone to focus on the performance of the task and to refrain the additional effort. On the contrary, highly self-efficient employees rely on their abilities (Xanthopoulou et al., 2009) and they show a greater capacity of cognitive development and flexibility (Bouffard-Bouchard, 1990). They have a clear vision of how much effort they should spend and which challenges they can face. Therefore, they can mobilise their resources to achieve an extra-rol performance. In third place, people who have a greater self-efficacy can usually anticipate the consequences of their actions and taking decisions consequently. In most cases, the extra-rol performance contributes to a large extent to the evaluation of the performance (Whiting et al., 2008), the interpersonal armony and the professional success (Hui et al., 2000). Therefore, highly self-efficient workers are highly motivated to carry out an extra-rol behavior to obtain positive results, especially when they believe that they will not risk the resources. In forth place; a self-efficacy principle is the one that affects the decisions of one’s self in terms of objectives and assigment of resources. The self-efficient employees usually establish challenging goals and they show a considerable commitment with their goals. When these cover the extra-rol performance, these employees are willing to devote more time and effort.

Empirically, previous investigations have suggested that self-function was positively associated to self-development, self-started creativity and the behavior of the voice (Walumbwa et al., 2009) in relation with the extra-rol performance (Van Dyne and Lepine 1998). Considering all these arguments together, the hypothesis.
The inherent motivation describes people who participate in activities based on their interests and enjoyment of their job, and not based on external rewards (Amabile 1993, Gagne and Deci, 2005). This hedonic approach highlights the role that pleasure and joy play in carrying out the individual actions (Grant 2008). Although intrinsic motivation has been conceptualised as a similar feature and as a state, it is more frequently identified as a temporary state or experience, which transmits a situational influence to individual behaviors. For example, Tu and Lu (2013) has proved that intrinsic motivation mediated the impact of the ethical leadership in the innovative work behavior. In contrast, following Grant and Berry (2011), we conceptualised the intrinsic motivation as a stable propension which guides the individual guide and conduct.

According to Simon (1967), intrinsic motivation reflects the focus of attention of each person. Those who are sensitive with ethical information will perceive that the meaning of work is greater under the influence of ethical leadership (Piccolo et al., 2010). People with high intrinsic motivation have an inherent tendency to find purpose and meaning in their work and paying attention to those signals. It is probable that highly motivated workers feel intrinsically more sense of work when ethical leaders discuss the moral impact of their decision-making and the tasks about others and the organisations. Therefore, they are more liable to social persuasion and they have a greater self-efficacy. Basing on the self-determination theory, the psychological needs of rivalry, autonomy and relation represent the creation of the intrinsic motivation (Gagne and Deci 2005). In general, the need to rivalry promotes individuals to practise their abilities, look for challenges and persist before obstacles. Gagne and Deci (2005) held that people with highly intrinsic motivation shown a greater commitment in their job and a greater achievement of goals than their less intrinsically motivated peers. With a high orientation towards learning (Kuvaas 2006, Ryan and Deci 2000), intrinsically motivated workers try to capitalise the development opportunities that ethical leaders offer to increase their knowledge and abilities. They ask for challenging tasks, they are engaged to fulfill the established goals and they make a greater effort. On the other hand, the need to autonomy means that intrinsically motivated workers wish to have self-determination at work. Grant (2008) stated that intrinsic motivation represents an autonomous self-
regulation in the purest sense. Therefore, when ethical leaders give their employees an opinion in the decision-making and the discretion at work, intrinsically motivated followers take advantage of the opportunity (Dysvik and Kuvaas, 2011) and they fulfil their tasks. It is likely that they have more mastery experience. Especially, they tended to assign the fulfilment of the tasks to their own effort and capacity (Ryan and Deci, 2000), which in turn contributed to a greatest belief in their abilities. On the other hand, the need of kinship captures a sense of belonging to others and to the community of the intrinsically motivated people (Ryan and Deci, 2000). It points out that employees with a high intrinsic motivation wish to establish close relationships with their colleagues and leaders, and they internalise rules and norms within the organisation. In their frequent interactions with colleagues, they have more opportunities to realise of the ethical consequences of their behavior throughout vicarious learning. Aditionally, there are more probabilities that they experience positive feelings in their relationships with ethical leaders, including psychological security, comfort and trust, which in turn improves their efficacy. All in all, intrinsic motivation will increase the effect ethical leadership has on general self-efficacy (Tu and Lu, 2016).

6.2.4. Voice Behaviours
Verbal persuasion refers to others’ attempts to shape the feelings of self-efficacy throughout persuasion (Grusiec, 1992). Ethical leadership implies the expression of the concern for others needs and the communication for the support to employees (Yukl et al., 2013). This set of ethical leadership behaviors is used to positively convince workers that they have the abilities to successfully carry out a task (Wang et al., 2015; Ren and Chadee, 2017).

Voice behavior refers to a follower who expresses voluntarily constructive ideas, comments, suggestions and questions, and it has profound implications for the learning within the organisations (Burris, 2012; and Detert Burris, 2007; Liang, Farh, and Farh, 2012; Morrison, 2011; Podsakoff, Whiting, Podsakoff, and Mishra, 2011). Moreover, as a sort of cooperative and extra-rol behavior, it has ethical implications (Cis-Gephart, Detert, Treviño, and Edmondson, 2009; Lépine and Van Dyne, 1998, 2001). On the other hand, the voice seems to be particularly relevant due to our study of the identification processes. An
employee who identifies himself as an ethical leader and with the organisation it is probable that he feels more confident speaking up. Lately, the analysis of these both results at the same time has the advantage of testing the impact of an ethical leadership in two results with few followers (work performance) and more (voice behaviour) ethical implications, by giving a more complete image of the effects of ethical leadership. These results are also especially relevant for the mediation mechanisms. A follower who identifies himself with the leaders and the organisation is probable to wish to move on to a higher level and he will feel more confident when speaking (Zhu et al., 2015).

Followers who identify more with their organisations are also more prone to get involved in discretional pro-organisation conducts (Van Dick, Grojean, Cristo, and Wieseke, 2006). Speaking up (voice) is a sort of behavior that can emerge from the organisation of the identification (Lipponen, Bardi, and Haapamäki, 2008; Liu, Zhu, and Yang, 2010; Tangirala and Ramanujam, 2008). Voice is a behavior that implies making actively suggestions to the supervisors and to management in order to increase the organisational efficacy by expressing concern for the current and potential problems and challenges (Morrison, 2011). Since voice is used to successfully help the organisation, followers with stronger organizational identifications are more likely to get involved in voice behaviors (Zhu et al., 2015).

7. EMPIRICAL STUDY

7.1. Empirical study on the perception of ethical leadership and the level of satisfaction within the organisation

In order to carry out this analysis, we have selected a convenience model made up of 31 individuals. The participants work for companies located in La Vall d’Uixó, and with less than 10 employees. These enterprises belong to different sectors: agriculture, law, consultancy, etc.

The objectives of this empirical part are the following:

- Analysing if the level of workers’ satisfaction or the perception of ethical leadership differs depending on variables such as age, gender, marital status, level of education or job position.
- Analysing if there is an interrelationship between the level of satisfaction and the perception of ethical leadership.

- Analysing which aspects or items of ethical leadership have a greater effect on the satisfaction of the employees.

With this aim, we have designed a survey (see annex) which consists of five variables of classification (age, gender, marital status, level of education and job position), three items to measure satisfaction (we have used of the Michigan Organizational Assessment Questionnaire Job Satisfaction Subscale Bowling & Hammond, 2008) and 10 items to analyse the perception of ethical leadership (in this case, we have used the scale suggested by Brown et al., 2005, since it is the most quoted one in the academic literature).

Characteristics of the model

As it has been pointed out, the model is made up by 31 employees of the companies with less than 10 workers located in La Vall d’Uixó. We have used different variables of classification, which data is summed up in the following graphics:

Table 3. Simple distributions – age (%)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>12.9</td>
</tr>
<tr>
<td>26-30</td>
<td>6.5</td>
</tr>
<tr>
<td>31-40</td>
<td>16.1</td>
</tr>
<tr>
<td>41-50</td>
<td>48.4</td>
</tr>
<tr>
<td>50-60</td>
<td>16.1</td>
</tr>
</tbody>
</table>

Table 3. Simple distribution – sex (%)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
</tr>
</tbody>
</table>
Table 4. Simple distribution – marital status (%)

Table 5. Simple distribution – education level (%)
7.2. Analysis and results
Following the aim of this analysis, we have used different statistical techniques, which will be commented below along with the results that we have obtained.

7.2.1. Objective 1. Analysing if the level of satisfaction of the employees or the perception of the ethical leadership differs depending on variables such as age, gender, marital status, level of education or job position.

We have used comparisons of measures as a factor (ONE-WAY ANOVA) and multiple comparisons test (Tukey’s test, least significant difference test and Bonferroni’s test). Multiple comparisons tests are useful when a variable of classification contains more than two categories (which happen with all the
variables we have considered except from gender). ANOVA’s tests show that sometimes not all the average between categories of a same factor coincide. When this happens, it is needed to differentiate between the existing categories and hence the usefulness of post-hoc multiple comparisons tests.

In order to obtain a sole indicator of satisfaction and the perception of ethical leadership, we have estimated the average with the items that make up each construct.

In the case of the ethical leadership construct, we do not find enough statistical evidence to state that there are differences in the perception depending on any variable of classification that we have used, that is to say, age, gender, marital status, level of education and job position within the company. All these tests ONE-WAY ANOVA produce a p-value bigger than 0.05, which lead us to conclude that there are no significant differences. The results of these analyses are summed up in table 1 (write the appropriate code).

<table>
<thead>
<tr>
<th>Construct</th>
<th>Factor</th>
<th>Categories</th>
<th>n</th>
<th>Average</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical leadership perception</td>
<td>Age</td>
<td>18-25</td>
<td>4</td>
<td>5.77</td>
<td>0.548</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26-30</td>
<td>2</td>
<td>6.30</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-40</td>
<td>5</td>
<td>6.06</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>41-50</td>
<td>15</td>
<td>5.71</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>50-60</td>
<td>5</td>
<td>4.90</td>
<td></td>
</tr>
<tr>
<td>Sex</td>
<td>Men</td>
<td></td>
<td>18</td>
<td>5.37</td>
<td>0.082</td>
</tr>
<tr>
<td></td>
<td>Women</td>
<td></td>
<td>13</td>
<td>6.12</td>
<td></td>
</tr>
<tr>
<td>Marital status</td>
<td>Single</td>
<td></td>
<td>10</td>
<td>5.63</td>
<td>0.708</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td></td>
<td>3</td>
<td>5.54</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td></td>
<td>8</td>
<td>5.99</td>
<td></td>
</tr>
<tr>
<td>Education level</td>
<td>Basic</td>
<td></td>
<td>5</td>
<td>6.18</td>
<td>0.502</td>
</tr>
<tr>
<td></td>
<td>High school</td>
<td></td>
<td>13</td>
<td>5.43</td>
<td></td>
</tr>
<tr>
<td></td>
<td>University</td>
<td></td>
<td>13</td>
<td>5.74</td>
<td></td>
</tr>
<tr>
<td>Job position</td>
<td>Blue collar</td>
<td></td>
<td>11</td>
<td>5.48</td>
<td>0.253</td>
</tr>
<tr>
<td></td>
<td>Office</td>
<td></td>
<td>6</td>
<td>5.15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Midle</td>
<td></td>
<td>8</td>
<td>5.78</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>General</td>
<td></td>
<td>6</td>
<td>6.47</td>
<td></td>
</tr>
</tbody>
</table>

On the other hand, we do find enough evidence to state that there are differences in the level of satisfaction depending on some of the variables of classification, especially, regarding gender and job position within the company. Data is summed up in table 2.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Factor</th>
<th>Categories</th>
<th>n</th>
<th>Average</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical leadership perception</td>
<td>Gender</td>
<td>Men</td>
<td>18</td>
<td>5.37</td>
<td>0.082</td>
</tr>
<tr>
<td></td>
<td>Women</td>
<td></td>
<td>13</td>
<td>6.12</td>
<td></td>
</tr>
<tr>
<td>Marital status</td>
<td>Single</td>
<td></td>
<td>10</td>
<td>5.63</td>
<td>0.708</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td></td>
<td>3</td>
<td>5.54</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td></td>
<td>8</td>
<td>5.99</td>
<td></td>
</tr>
<tr>
<td>Education level</td>
<td>Basic</td>
<td></td>
<td>5</td>
<td>6.18</td>
<td>0.502</td>
</tr>
<tr>
<td></td>
<td>High school</td>
<td></td>
<td>13</td>
<td>5.43</td>
<td></td>
</tr>
<tr>
<td></td>
<td>University</td>
<td></td>
<td>13</td>
<td>5.74</td>
<td></td>
</tr>
<tr>
<td>Job position</td>
<td>Blue collar</td>
<td></td>
<td>11</td>
<td>5.48</td>
<td>0.253</td>
</tr>
<tr>
<td></td>
<td>Office</td>
<td></td>
<td>6</td>
<td>5.15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Midle</td>
<td></td>
<td>8</td>
<td>5.78</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>General</td>
<td></td>
<td>6</td>
<td>6.47</td>
<td></td>
</tr>
</tbody>
</table>
In the case of gender, the average for the satisfaction construct in the case of men is 5.39 and that of women is 6.18. The ONE-WAY ANOVA analysis brings a p-value of 0.039, less than 0.05, which therefore leads us to reject the null hypothesis of equality of measures according to gender. That is, according to the data of our model, women declare to be significantly more motivated than men.

In the case of the job position within the company, the analysis is slightly more complex. The value of the significance of the ONE-WAY ANOVA analysis is 0.020, lower than 0.05, which shows that the null hypothesis of equity of measures. That said, in this case, we have different categories, consequently it must be checked which measures are different between them, since the ONE-WAY ANOVA analysis only reveals that the measures are not equal. To solve out this question, we have resorted to three post-hoc analysis of comparison of measures: Turkey’s test, least significant difference test and Bonferroni test. In every case, these tests lead us to the same conclusion. Managers have a greater level of satisfaction than supervisors and factory workers, but we cannot state that the difference with blue collar workers and white collar workers is significant. The results for these analyses are shown in tables 3, 4 and 5.

Table 9. Post –hoc test: HSD Tukey
### Table 10. Post-hoc test: Least significant difference (LSD)

<table>
<thead>
<tr>
<th>Test</th>
<th>(I) Job position</th>
<th>(J) Job position</th>
<th>(I - J)</th>
<th>Standard error</th>
<th>Sig.</th>
<th>95% confidence interval Lower bound</th>
<th>Upper bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSD Tukey</td>
<td>Blue collar</td>
<td>Office</td>
<td>-0.69</td>
<td>0.48</td>
<td>0.48</td>
<td>-2.00</td>
<td>0.61</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Midle manager</td>
<td>0.16</td>
<td>0.44</td>
<td>0.98</td>
<td>-1.04</td>
<td>1.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General manager</td>
<td>-1.36*</td>
<td>0.48</td>
<td>0.04</td>
<td>-2.66</td>
<td>-0.05</td>
</tr>
<tr>
<td></td>
<td>Office</td>
<td>Trabajador fábrica</td>
<td>0.69</td>
<td>0.48</td>
<td>0.48</td>
<td>-0.61</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Midle manager</td>
<td>0.85</td>
<td>0.51</td>
<td>0.36</td>
<td>-0.54</td>
<td>2.24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General manager</td>
<td>-0.67</td>
<td>0.54</td>
<td>0.61</td>
<td>-2.15</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trabajador fábrica</td>
<td>-0.16</td>
<td>0.44</td>
<td>0.98</td>
<td>-1.35</td>
<td>1.04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Office</td>
<td>-0.85</td>
<td>0.51</td>
<td>0.36</td>
<td>-2.24</td>
<td>0.54</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General manager</td>
<td>-1.51*</td>
<td>0.51</td>
<td>0.03</td>
<td>-2.9</td>
<td>-0.13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trabajador fábrica</td>
<td>1.36*</td>
<td>0.48</td>
<td>0.04</td>
<td>0.05</td>
<td>2.66</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Office</td>
<td>0.87</td>
<td>0.54</td>
<td>0.61</td>
<td>-0.82</td>
<td>2.15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Midle manager</td>
<td>1.51*</td>
<td>0.51</td>
<td>0.03</td>
<td>0.13</td>
<td>2.90</td>
</tr>
</tbody>
</table>

### Table 11. Post-hoc test: Bonferroni

<table>
<thead>
<tr>
<th>Test</th>
<th>(I) Job position</th>
<th>(J) Job position</th>
<th>(I - J)</th>
<th>Standard error</th>
<th>Sig.</th>
<th>95% confidence interval Lower bound</th>
<th>Upper bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>Least significant difference (LSD)</td>
<td>Blue collar</td>
<td>Office</td>
<td>-0.69</td>
<td>0.48</td>
<td>0.16</td>
<td>-1.67</td>
<td>0.29</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Midle manager</td>
<td>0.16</td>
<td>0.44</td>
<td>0.72</td>
<td>-0.74</td>
<td>1.05</td>
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<td>0.48</td>
<td>0.01</td>
<td>-2.34</td>
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<td>Midle manager</td>
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<td>-0.19</td>
<td>1.89</td>
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<td>-0.67</td>
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<td>Trabajador fábrica</td>
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<td>0.01</td>
<td>0.38</td>
<td>2.34</td>
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<td>0.23</td>
<td>-0.45</td>
<td>1.78</td>
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<tr>
<td></td>
<td></td>
<td>Midle manager</td>
<td>1.51*</td>
<td>0.51</td>
<td>0.01</td>
<td>0.47</td>
<td>2.55</td>
</tr>
</tbody>
</table>

### Table 12. Correlation matriz: satisfaction and ethical leadership perception

7.2.2. Objective 2. Analysing if there is an interrelationship between the level of satisfaction and the perception of ethical leadership.

In order to confirm that there is a relation between both constructs, we have calculated the level of Pearson correlation (table 6), with a result 0.472, significant at level 0.01 (bilateral). This means that data does not move at the same time, that is, when the level of satisfaction rises, also does the valuation of ethical leadership perception and viceversa.

Table 12. Correlation matriz: satisfaction and ethical leadership perception
Nevertheless, this does not show any cause-relationship between the perception of the leader’s ethical leadership and the satisfaction of workers. This is what we study in the objective 3.

7.2.3. Objective 3. Analysing which aspects or items of ethical leadership have a greater effect on employees satisfaction.

We have resorted to the multiple regression analysis, by using the level of satisfaction as a dependent variable and every item that makes up the perception of ethical leadership as an independent variable.

Table 6, regression model summary, shows an R² value of 0.58, while ANOVA table of regression (table 7) and, especially the 0.026 p-value, shows that it is rejected the null hypothesis stating that all the values are equal to zero. Therefore, at least one of the explanatory variables of the model will be significant.

**Table 13. Regresión model summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R square</th>
<th>Adjusted R square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.761*</td>
<td>.580</td>
<td>.369</td>
<td>.846</td>
<td>2.257</td>
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</tbody>
</table>

a. Predictors: (Constant), p10, p2, p3, p6, p9, p8, p4, p1, p5, p7
b. Dependent variable: satisfaction

**Table 10. ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regresión</td>
<td>19,720</td>
<td>10</td>
<td>1,972</td>
<td>2.758</td>
<td>.026*</td>
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<tr>
<td>Residuo</td>
<td>14,302</td>
<td>20</td>
<td>.715</td>
<td></td>
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<tr>
<td>Total</td>
<td>34,022</td>
<td>30</td>
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</tbody>
</table>

a. Dependent variable: satisfaction
b. Predictors: (Constant), p10, p2, p3, p6, p9, p8, p4, p1, p5, p7
The results shown in Table 8 indicate that just one of the explanatory variables of the model (“the leader of our organisation carries out his personal life ethically”) is significant, since it is the only one with a level of significance lower than 0.05 and it allows, therefore, rejecting the null hypothesis of the no-significance.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>standard error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.49</td>
<td>0.87</td>
<td>2.85</td>
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<tr>
<td></td>
<td>p1</td>
<td>-0.19</td>
<td>0.34</td>
<td>-0.22</td>
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<tr>
<td></td>
<td>p2</td>
<td>0.1</td>
<td>0.14</td>
<td>0.15</td>
</tr>
<tr>
<td></td>
<td>p3</td>
<td>0.56</td>
<td>0.16</td>
<td>0.74</td>
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<tr>
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<td>p4</td>
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<td></td>
<td>p5</td>
<td>-0.17</td>
<td>0.29</td>
<td>-0.23</td>
</tr>
<tr>
<td></td>
<td>p6</td>
<td>0.01</td>
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<td>0.02</td>
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<td></td>
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<tr>
<td></td>
<td>p8</td>
<td>0.36</td>
<td>0.36</td>
<td>0.45</td>
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<tr>
<td></td>
<td>p9</td>
<td>0.16</td>
<td>0.22</td>
<td>0.21</td>
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<tr>
<td></td>
<td>p10</td>
<td>0.11</td>
<td>0.25</td>
<td>0.16</td>
</tr>
</tbody>
</table>

7.3. Conclusions empirical study

The analysis that we carried out lead us to come to conclusions, although they are limited to our model of study and they cannot be applied indiscriminately to the population of micro-enterprises of the town that we have studied (since we had a limited number of answers):

1. The level of satisfaction of the employees varies depending on the gender or the job position. On the one hand, women declare to be more satisfied than men. On the other hand, depending on the job position, general managers or supervisors have a greater level of satisfaction than blue collar workers, but the difference is not significant if we compare it with white collar workers.

2. The perception of ethical leadership does not differ depending on any variable of classification that we have considered: age, gender, marital status, level of education or the job position.

3. There is a positive correlation between satisfaction and the perception of ethical leadership.
4. Among all the variables that make up ethical leadership, just one of them has a positive effect on employees’ satisfaction: “the leader of our organisation carries out his personal life ethically”. The other variables are not significant.

Despite not being able to generalize the final results, we think that these analyses are the first step of the methodology that could be followed in case that we wish to continue studying the questions that we have formulated. This study has been based on a survey composed by scales that have been ratified by academic literature and we have used different statistical techniques appropriate for the objectives of this research.

8. CONCLUSIONS

The ethical leadership approach in the practical management of the ethical conduct of the subordinates makes individual and company behaviors more relevant for the employee than other sorts of leadership. The reason for this is that the worker can improve the care for employees, for their colleagues or for the job or organisations.

According to the social learning theory, ethical leaders are role models who care for the well-being of others and their followers, who will imitate the model behaviors of the leaders and will become prosocial towards their colleagues and organisations (Demirtas and Akdogan 2014; 2003, Yaffe and Kark, 2011).

The popular perception is that businesspeople are morally in bankruptcy, but the data of the studies on real leaders, portraits a different picture. The unfortunate reality is that bussiness leaders must deal with this negative stereotype. If ethical leadership is not uncommon, ¿why does this negativity prevails? And, ¿why do so many examples focus on negative leadership? The simple reason is that less ethical leadership is easy to notice, especially in the distance. The research shows that negative information is more memorable. Bad examples draw our attention and, often, arouse strong feelings of indignation, like this they become more difficult to forget. Partly, this explains why the general perception of leaders is so negative. Moreover, it reinforces the need of a strong moral management to cancel this cloud of cynicism.

Ethical leaders are a source of inspiration for those who surround them. They
are people who represent the best ideals of leadership and they make the most of others. Although ethical leadership is not easy, neither is it impossible. When avoiding mistaken common ideas explained in this thesis, it is possible that more leaders are able to overcome the challenges, so that they become ethical leaders.

Ethical leaders are unique moral agents who represent the interests of the organisation. This review has explored the understanding of the essential role of ethical leadership when it comes to promoting justice within the organisation by stimulating employees’ confidence on the company. It is also highlighted the importance of promoting ethical leaders to create a trustworthy and fair work of place. Taking into account these new directions of research, we wait for more studies that allow to evaluate the impacts of ethical leadership in other results referenced by the organisation, as well as to explore the possible mechanisms that underlie relationships.
9. LIST OF REFERENCES


Ethical Leadership: a Theoretical Review and Empirical Research


Ethical Leadership: a Theoretical Review and Empirical Research


Ethical Leadership: a Theoretical Review and Empirical Research


Ethical Leadership: a Theoretical Review and Empirical Research


10. APPENDIX A: QUESTIONNAIRE ON THE PERCEPTION OF ETHICAL LEADERSHIP IN THE ORGANIZATION

CUESTIONARIO SOBRE LA PERCEPCIÓN DEL LIDERAZGO ÉTICO EN LA ORGANIZACIÓN

Cuestionario elaborado para un proyecto final de grado de Administración de Empresas en la Universidad Jaume I. Agradecemos su colaboración al contestar a las preguntas que aparecen a continuación. El objetivo es realizar un estudio de la percepción del liderazgo ético en los empleados de una organización. La información facilitada se tratará con total confidencialidad y anonimato, al ser los datos tratados de modo global y no individual.

Utilice la escala de 13 items que se muestra a continuación valorándolas del 1 al 7 cada pregunta, para indicar si está muy de acuerdo con un 7 ó con un 1 si está muy en desacuerdo con la afirmación sobre el líder de su empresa.

Muchas Gracias por su colaboración.
### PREGUNTAS CLASIFICACIÓN

<table>
<thead>
<tr>
<th>Escala</th>
<th>Muy en desacuerdo</th>
<th>En desacuerdo</th>
<th>De acuerdo</th>
<th>Muy de acuerdo</th>
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<tr>
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<td>26-30</td>
<td>31-40</td>
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<tr>
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<td>Soltero/a</td>
<td>Casado/a</td>
<td>Otros</td>
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<td>Medios</td>
<td>Superiores</td>
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<tr>
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<td>Trabajador fábrica</td>
<td>Oficina</td>
<td>Encargado</td>
<td>Jefe</td>
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### SATISFACCIÓN CON SU TRABAJO

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<thead>
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<th>Valoración</th>
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<tbody>
<tr>
<td>En general, estoy satisfecho con mi trabajo.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>En general, no me gusta mi trabajo.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>En general, me gusta trabajar aquí.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
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</table>

### PERCEPCIÓN LIDERAZGO ÉTICO

<table>
<thead>
<tr>
<th>Descripción</th>
<th>Valoración</th>
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</thead>
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<tr>
<td>Escucha lo que los empleados tienen que decir</td>
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</tr>
<tr>
<td>Disciplina a los empleados que violan los estándares éticos</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Realiza su vida personal de una manera ética</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Tiene en mente los mejores intereses de los empleados</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Adopta decisiones justas y equilibradas</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Se puede confiar</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Discute la ética empresarial o los valores con los empleados</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Establece un ejemplo de cómo hacer las cosas de la manera correcta en términos de ética</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Define el éxito no sólo por los resultados, sino también por la forma en que se obtienen</td>
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<td>Al tomar decisiones, pregunta ¿qué es lo correcto?</td>
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