Impact of Ethical Leadership on Affective Commitment through Mediating Impact of Ethical Climate: A Conceptual Study

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Abstract

The ethical leadership has received attention in recent years due to the various business scandals and ethical issues including corporate leaders. Recently ethical climate has been issued as a vital environmental factor. The main purpose of this study was to develop a conceptual model based on existing studies. The proposed theoretical framework suggests the mediating role of ethical climate in the relationship between ethical leadership and affective commitment. Thus, the ethical climate could act as a mechanism that brings a greater affective commitment in the workplace.

Keywords: Ethical Leadership, Ethical Climate, Affective Commitment, Organizational Commitment.

1. Introduction

In the most recent years, the consideration has been given to examining moral leadership in order to clarify and understand the issues related to ethical leadership, the settling on of choice and the conduct of organization’s individuals (Arslan & Berkman, 2009; Callan, 1992; Drucker, 1981; Dubinsky & Ingram, 1984; Dubinsky & Levy, 1985; Harris, 1990; Mathison, 1988; Moore, 2005; Nyaw & Ng, 1994; Özlener, 2009; Simpson, 1982; Wright & Goodstein, 2007). Many studies were carried out to investigate the causes and connection between moral issues and the performances of firms. Numerous studies were focused on ethical leadership /supervisors and moral working environment as basic segments of organization’s consequences.
At the moment, the society’s obligations are fundamental in the organization and the image of the corporate sector is truly essential in the light of the straightforward administration and perspectives. In this manner, the leader’s prestige is very important in affecting the working atmosphere. Therefore, the leader’s values are vital in influencing the working climate. An ethical leader’s behavior plays a critical role in showing and providing a moral framework for the subordinates in the organization (Grojean, Resick, Dickson, & Smith, 2004; Mendonca, 2001) along with the association’s structures and characters (Moore, 2005; Wright & Goodstein, 2007). Thus, the moral leadership is an essential segment in forming the ethical environment in the workplace. Moral managers illustrate the fixed practices with fitting standards, which could be corrected through activities and relational relationship of the leaders (Brown, Treviño, & Harrison, 2005). The majority of the analysts have argued the theoretical and conceptual frameworks of ethical leadership. For instance, Brown et al. (2005) tested and reported the approval of developments in their study.

Many studies have been carried out on an organized research where the various positive consequences of subordinates’ practices were illustrated (Mayer, Kuenzi, & Greenbaum, 2010; Piccolo, Greenbaum, Hartog, & Folger, 2010; Walumbwa & Schaubroeck, 2009). However, the existing studies on moral leadership have not yet covered the public sector particularly in Iraq, and many other countries. Such studies considered the subordinates as the essential subjects. The ethical leadership is described as a process of establishing “normatively appropriate” behavior at the “personal, interactional and interpersonal” level with the help of projecting this behavior as an example for the followers with help of “strengthening and decision making” (Brown et al., 2005). In addition, the subject of moral leadership conduct has been plainly generating the attitudes of the members in the working environment and the obligation in the workplace such as the organizational commitment (Brown & Treviño, 2006; Schminke, Ambrose, & Neubaum, 2005).

Numerous studies have dissected the issues related to the moral managers and the consequences of ethical leadership under the umbrella of organization conduct. Nevertheless, it is considered that there are lack of studies on the leadership styles and their impacts on behavioral conduct in Iraq. In addition, the ethical leadership conduct is a major issue in the public sector as the issues of responsibility and work organization are needed to be addressed in industries. Subsequently, it
could be possible that moral leaders affect the employees. In the present study, this research gap was strived to be filled by considering the moral leadership particularly for the Iraqi context.

This study is mainly based on the perspective that the moral/ethical leader’s behavior could have an impact on the ethical climate, which in turn influences the affective commitment of the organization’s members. This study focused on some essential issues; in the first place, it has illustrated the previous reviews on ethical leadership, ethical climate, and affective commitment and developed propositions on the basis of the analyses. Second, this conceptual model has critical contribution theoretically and practically once tested. Lastly, the results of the study brought various numerous issues, positive and negative perspectives, and the inferences of the study, also the recommendation for the next direction has also discussed.

2. Literature Review

2.1 Concept of Affective Commitment

The authors have mentioned various definitions to organizational commitment. Porter, Steers, Mowday, and Boulian (1974) stated that organizational commitment is a person’s willingness to accept his organization’s objectives, achievements and to inspire him/her to put effort in development of that organization. In fact, such commitment is the binding force that keeps on motivating to accept organizational values and to continue work in that organization. Meyer and Allen (1991) noted about three sorts of commitment, including “commitment from necessity (continuous commitment)”, “commitment from obligation (normative commitment)”, and the “affective organizational commitment” while discussing various types of commitments. Among the three types of commitments, affective commitment has been explored extensively by many researchers compared to the other types (Gautam, Van Dick, & Wagner, 2004). In addition, Meyer and Allen (1991) refer affective commitment as the sense of belonging that makes a person feel good about working in an organization. Affective commitment has different attributes according to individuals under a particular “authority practice”, and “hierarchical structures” (Hartmann & Bambacas, 2000). So, most of the definitions of affective organizational commitment duty cover an organization’s members’ openness about accepting organizational goals, principles and nurture the aspiration to be working in that organization (Perry, 2004). An employee’s affective...
commitment revolves around a few factors of the job. For instance, if he or she is satisfied with the job security, opportunities of promotion, salary, supervisor’s conduct and guidance, fairness in judgment for any issue and also if he/she is given the chance to express his opinions and to discuss new ideas with colleagues etc. (Lee & Corbett, 2006; van Emmerik & Sanders, 2005; Yew, 2007).

3. Underpinning Theory and Theoretical Framework

According to Social learning theory, almost all the people tend to follow a particular role model and achieve an appropriate conduct by observing others’ reactions towards the role model in the form of being disapproved or rewarded (Bandura, 1986). As noted by Yukl (2002), leadership could influence the adherents as leaders demonstrate their moral practices to influence an organization’s subordinates through individual activities and relational relations (Brown et al., 2005). Subordinates can watch and realize what behavioral reward and disciplines as an important part that leaders display so the followers can see him/her as a role model. The prior studies have stated that the role model in the firms impact everyday practices (Bryan & Test, 1967; Mayer et al., 2010; Piccolo et al., 2010). The next section is related to the discussion on relationship among the understudy variables. Figure 1 shows the proposed theoretical framework for this study. The ethical leadership is the independent variable, ethical climate is the mediator, and affective commitment is the dependent variable.

Figure 1: Proposed Theoretical Framework

3.1. Development of Propositions

The two main propositions based on the existing literature were developed as follow:

3.1.1. Impact of Ethical Leadership on Ethical Climate

Most of the leaders’ practices are very essential with a specific end goal to influence the motivation of workplace and organization. Several studies have featured truth, transparency trust and role
model in the style of the leaders till today (Brown et al., 2005). As noted by Brown and Treviño (2006), the ethical scandals are seen in many institutes such as (i.e., in sports, religious associations and nonprofit organizations) in fact the critical ethical issues and leadership competency are essential problems to any organization (Waddock, 2004).

In the past literatures, scholars have mentioned that ethics of leaders have generally stressed on trustworthiness and honesty (Eubanks, Brown, & Ybema, 2012; Kuntz, Kuntz, Elenkov, & Nabirukhina, 2013), and moral of leaders emphasized on their adherence to following principles and being flexible as per contexts. Researchers listed these qualities as on the ethical issues of moral administration.

In the present changing conditions, if any organization has the objective to achieve a reasonable development, strategic supremacy, and popularity in the market, it needs to nurture a reasonable motivation for having an environment that inspires everyone to be moralistic. Whereas establishing the ethical conduct condition as a role model, administration and leaders' behavior are truly influenced on alternative practices in the organizations and practices turn into the most imperative factor in procedure of those associations. Subsequently, as refers that “ethical leadership is the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships” (Brown et al., 2005).

The previous researches in the field of ethical content have tested and demonstrated the views regarding the leaders’ adopted leadership style and their moral practices (Kahai, Sosik, & Avolio, 2003; Alzola, 2008; Neubert et al., 2009; Trevino, 1986). A few investigations have underlined that the role of ethical climate as intervening variable in the work setting is basically shaped by the leadership (Schein, 2006; Schminke et al., 2005; Treviño, Hartman, & Brown, 2000). Moreover, a moral leader is most likely to reduce the individuals' stress regarding the uncertainty about the employments and practices in the organization due to his/her high moral standards (Treviño, Brown, & Hartman, 2003).

At this moment, organizations implement systems that show the ethical codes, business ethics, consistent with process, and ethics improving programs. However, in reality, ethical values and standards require activity instead of words. In this manner, the supervisor’s conduct and behavior
on the employment are more essential than the building up of frameworks. In each level of firm, leaders have an important role in molding moral climate. By creating the characters, leaders set an example for what a leader should do (Dickson, Smith, Grojean, & Ehrhart, 2001). Such signals allow administrators to establish equity and trust (Brown & Treviño, 2006; Brown et al., 2005).

Socio-cognitive theory basically calls attention to the capability of leaders, who demonstrate moral leadership conduct and make social connections to represent the ethical behavior of the leaders that contributes in enhancing the individuals’ morals in an organization (Neubert et al., 2009). Thus, the following proposition has been established in this regard:

**Proposition 1:** Ethical leadership behavior is positively related to the perceptions of ethical climate.

### 3.1.2 Mediation Role of Ethical Climate

The working environment or climate should be regarded as the reflection of moral behavior in a workplace considered by human minds (Schneider, 1975). There are various types of work climates such as the moral work climate that revolves around the perception of organizational conduct and practices that hold moral element (Victor & Cullen, 1988). Moral conduct of the leader is so fundamental case for forming a moral organization. Also the leaders who participate in moral issues conduct have to present themselves as the righteous epitomes of showing ethical climate (Flynn, 2008).

As social condition, the standard of an organization and organization’s views are the exact foundations that are considered as the determinants of the ethical climates, as specified as demonstrating conceivable moral climates in light of philosophical, sociological, and psychological theory. This framework outlines nine theoretical estimations of ethical climate typology. The typology filled in as the purpose behind the production of the ethical climate.

Based on several review studies, Victor and Cullen (1988) have identified nearly various climates types (Cullen, Victor, & Bronson, 1993) that highlighted minding. These limited types are “Friendship and Team Interest”, “law and code (Laws and Professional Codes)”, “rules (Company Rules and Procedures and Suitable), “instrumental (Self-Interest and Company Profit)”, and
“flexibility (Personal Morality)” types of climate. In the moral climate typology and survey have been used in various studies (Cullen, Parboteeah, & Victor, 2003; Mayer et al., 2010; Neubaum, Mitchell, & Schminke, 2004; Webber, 2007; Wimbush, Shepard, & Markham, 1997).

Generally, moral practices in an organization are believed to be affected by good leadership and the act of organization’s people, and their outlook towards individuals’ occupations (Brown & Treviño, 2006). An organization represents the individual people’s ethical perceptions as a commonly agreed work standard for that particular organization (Davidovitz, Mikulincer, Shaver, Izsak, & Popper, 2007; Dickson et al., 2001). People’s practices in their respecting organizations are the outcomes of the conduct of the ethical environment within the organization (Cullen et al., 2003). In addition, moral authority utilizes the ethical climates in order to keep on assessing the organizational members’ job commitment (Brown et al., 2005). Thus, the proposition has been developed:

**Proposition 2**: Ethical climate positively mediates the relationship between ethical leadership and affective commitment.

4. **Discussion and Conclusion**

Leaders are the fundamental sources for organizational accomplishment and ethical conduct. This study has proposed a framework by considering the ethical climate as a mediator in the relationship between ethical leadership and effective commitment. The research has strived to emphasize the impact of role models in organizations by showing moral action to coordinate as well as to start social associations. In addition, it has also explained the influence of moral authority that spreads through the work setting and also that gives real and clear evidence regarding the leadership behavior to shape the work environmental to assist in the commitments of the individuals in the organization. As such, if managers act in a legit dependable way, these practices by then impact an upright cycle that would also flourish the moral work environment. The outcomes are practically identical with those which express that authority exhibiting conduct assumes a basic part in forming view of ethical climate (Brown & Treviño, 2006; Dickson et al., 2001; Schminke et al., 2005; Treviño et al., 2003; Treviño et al., 2000). In addition, in this study, these current researches have been associated by showing the diverse cases of individuals. It is widely
acknowledged that the ethical environment is directly related to the impression of ethical climate which in turn mediates the influence of the ethical leadership on individuals’ effective commitment. This study affirms that the important nature of ethical leadership directs numerous components that may impact the characters and connections of firm’s individuals. The consequences of this study also highlight the requirement for further research in this regard. For instance, future studies should conduct research regarding some important constructs including organizational citizenship (OCB), organizational identification, and contextual performance. It might take after an assortment of interesting directions. As an indicator, moral and ethical behaviors are getting greater importance in the context of various organizational settings. Thus, it is important for the organizations to arrange and set up a moral system in their workplace. Moreover, communication and interaction are so critical issues in the organizations that managers and leaders have to incorporate them to minimize the negative perceptions regarding the perceived working conditions for their employees. Supervisor’s moral values as well as fair and honest behaviors are important elements to shape the organizational climate (Schein, 1992; Treviño, Butterfield, & McCabe, 1998). Consequently, organizations should focus on selecting and advancing their leaders to establish an ethical climate. This study is expected to contribute in the field of ethical leadership by emphasizing on the impact of ethical leadership on effective commitment of organization’s individuals through the mechanism of ethical climate.

References


