The Relationships between Corporate Supervisors' Use of Ethics-Related Actions and Organizational Success

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Approval Page

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Abstract

The financial crisis of 2007-2009 was one in which many financial services firms participated in shortsighted and unethical behavior. About \$11 trillion in household wealth were lost, 26 million Americans lost their jobs, and 4.5 million could not afford their mortgages These events and statistics show the prevalent lack of ethical leadership in the financial services sector. The problem addressed in this study is the lack of leadership ethics and its relationship to organizational success within the financial services industry. The purpose of this quantitative correlational study was to determine the relationship and test the predictive strength between corporate supervisors' use of key ethical variables and organizational success. Responsibility, respect, fairness, and honesty were the predictor variables and organizational success was the criterion variable. One hundred and thirty six corporate supervisors from financial services sector in New York and Washington, D.C completed the survey questionnaires. The results of the study indicated that the four predictor variables have a significant and positive relationship with the criterion variable. The strongest relationship among the predictors and criterion variables were found between corporate supervisors' use of respect (r = 0.676, $p < .001$), corporate supervisors' use of honesty (r = 0.653, $P<.001$), followed by corporate supervisors' use of fairness (r = 0.589, $P<.001$), and corporate supervisors' use of responsibility (r = 0.577, $p<.001$). Additionally, the multiple linear regression analysis showed that that the variables were significant predictors of organizational success (R^2 =0.525, F (4, 131) = 36.24, $p< .001$). The findings of the study concluded that ethical leadership is significantly related to organizational success. It contributed to the theoretical and operational knowledge within the fields of ethical leadership ,advancing

the empirical and theoretical insight of the LMX theory, as well as providing new and pragmatic knowledge of the context of ethical leadership in the financial services industry Future research recommendations included (a) quantitative, study with a meta-analysis design,(b) an expansion of the target population beyond the financial services industry and (c) a phenomenology to explore lived experience of the variables in the study.

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Table of Contents

List of Tables

List of Figures

Chapter 1: Introduction

Financial misconduct is extensive within corporate institutions in the United States (Bhasin, 2013). Examples of questionable behaviors include: using company assets for personal activities, asking work colleagues to clock in time cards whilst not at work locations, receiving bribes and kickbacks through contract awards, and deliberately presenting false accounting procedures to deceive investors (Wilmoth O'Brien, 2011; Kumar & Lee, 2014). These misconducts have created reputational damage, lawsuits, incarcerations, millions of dollars in settlements, and sometimes the collapse of worthwhile organizations (Reuber & Fischer, 2010). The victims of fraudulent conduct are employee underlings, investors, and consumers. Many of these leadership misconducts occur within the financial services sector (Ngasem, 2013). The frequency of these problems underscores the importance of examining the ethical behaviors of leadership and assessing how leadership ethics relate to organizational success within the financial services sector (Kroll, 2012; Stahl & Deluque, 2014).

The financial services crisis of 2007-2009 and its aftershocks caused the financial services organizations to suffer from an unprecedented decline in their reputations among the general public (Smallman, Mcdonald, & Miller, 2010). The immediate effect of this crisis was the loss of more than 2 trillion retirement savings and pension funds due to the nosedive of stock values in the U.S. Market (Orszag, 2008). The long term effect was massive unemployment in the United States which reached 8.5% by the end of March 2009 (US Bureau of Labor Statistics, 2010). Corporate scandals and abuse, such as the Enron scandal in the U.S, Libor, and Euribor in Europe, all occurred within the financial services sector (Kraten, 2013). The financial services sector, even though highly regulated, is vulnerable to misconduct because of corporate executives' quest to enrich shareholders and senior executives and disregarding everyone else (McCuddy, 2012).

While leadership ethics is a concern for all stakeholders within business organizations in the United States, only few segments of the industry are taking steps to incorporate ethical awareness within their organizations, on the short-sighted argument that these measures reduce short-term profits (Ashforth, Gioia, Robinson, & Trevino, 2008). In many instances, corporate leaders are drivers of ethical or unethical conduct within their organizations (Leroy, Palanski & Simmons, 2012). Ethical leadership is critical to organizational success because employees need to trust the integrity of their leaders and employees also model the behaviors of their supervisors (Sharif & Scandura, 2014). Responsibility, respect, fairness, and honesty were identified by the Project Management Institute (Code of Ethics and Professional Conduct, 2010; Tanner, Brugger, Van Schie, & Lebherz, 2010) as key ethical leadership values. This study therefore used these four leadership ethical variables as predictors in examining their relationship and predictive strength to organizational success. Corporate supervisors who demonstrate and use ethical leadership are more likely to affect their employees in a positive way thereby generating greater work and creativity (Yuero, Weibo, Ribbens, & Juanmel, 2013). The Leader- Member Exchange theory posits that successful managers are those that develop strong relationship with their subordinates (Graen & Cashman, 1975). The study contributed to studies on ethical leadership and the Leader-Member Exchange theory by exploring the key ethical leadership variables required by corporate supervisors to achieve organizational success. This chapter includes the background of the study, problem statement, purpose of the study, followed by the research question, nature of the study, significance of the study, and definitions of key terms.

Background

It appears no matter where one looks the disregard of the basic principles of right and wrong among organizational leaders has led people to a point where trust in organizations and the very systems that make society work is in critical danger (Cremer, Tenbrunsel & Dijke, 2010). Business scandals in organizations such as Enron, Tyco, WorldCom, and Ahold have created a number of concerns for investors and other business stakeholders about the level of irresponsible behaviors in organizations (Cremer et al., 2010). Following the collapse of Enron, Tyco, and Worldcom, the United States Congress passed legislation in the form of Sarbanes-Oxley Act of 2002 to control the rate of fraudulent business practices but this has not stopped corrupt practices and behaviors in organizations. While legislation is necessary, many scholars and interested stakeholders are of the view that leadership needs to be the primary focus of ethical reform (Marsh, 2014). A number of business failures have underscored the need to examine the role of business leaders and their ethical commitment to organizations. Ethical leadership is critical to organizational success because employees need to trust the integrity of their leaders (Sharif & Scandura, 2014). Leaders play an important role in supporting and implementing change and employees require directions related to such changes (Sharif & Scandura, 2014) and positive models to emulate.

A number of organizational failures have been attributed to the lack of leadership ethics in organizations (Jackson,Wood, & Zboja, 2013). This statement underscores the importance of ethical leadership to organizational success. Yukl (2010) noted that leadership integrity is a key factor in ensuring leadership effectiveness. This implies that ethical leaders should be more effective than non ethical leaders. Even though much effort has been devoted to conceptualizing and measuring ethical leadership, more research is required in understanding its complexity and many fundamental questions are still unanswered (Frisch & Huppenbauer, 2014; Kalshoven et al, 2011; Tanner et al., 2010). The normal definition of ethical leaders refers to those that are required to behave appropriately but what is an appropriate behavior remains unclear. Giessner and Quaquebeke (2011) wrote that defining appropriate conduct remains vague and a concise definition is required in understanding appropriate ethical conduct. Although theories on ethical leadership are not lacking, what constitutes key leadership ethical behavior has not been clearly defined (Giessner & Quaquabeke, 20110). Many leadership theories such as the ethical leadership theory (Shweta & Srirang, 2013), transformational leadership theory (Gandolfi, 2012) and the leader-member exchange theory (Grooved & LaRocca, 2011) have attempted to provide an explanation of the leadership qualities required for organizations to be successful. The Project Management Institute and Tanner et al. (2010) in their study of ethical leadership identified the ethical variables of respect, responsibility, fairness, and honesty as key ethical variables that can lead to organizational success (Code of Ethics and Professional Conduct, 2010). A quantitative study on the relationship between corporate supervisors' use of key ethical variables and organizational success is important in directing corporate supervisors on leadership behaviors, stakeholders' reactions to such behaviors and how such behaviors can relate and predict organizational success.

Statement of the Problem

The financial crisis of 2007-2009 was one in which many financial services firms participated in shortsighted and unethical behavior (McCann & Sweet 2014). About $11 trillion in household wealth were lost, 26 million Americans lost their jobs, and 4.5 million could not afford their mortgages (Dallas, 2012). These events and statistics show the prevalent lack of ethical leadership in the financial services sector. While studies on ethical leadership are not lacking, there is very little research that focuses on how ethical leadership relates to organizational success in the financial services industry.

The problem addressed in this study is the lack of leadership ethics and its relationship to organizational success within the financial services industry (Frisch & Huppenbauer, 2014; McCann & Sweet, 2014). The lack of leadership ethics as evidenced in poor leadership integrity, lack of respect, responsibility, and the total disregard for established rules, norms, and ethics led to the collapse of successful organizations such as Enron, Tyco, and Worldcom (Brown & Mitchell, 2010; Stahl & Deluque, 2014; Strobel, Tumasjan, & Welpe, 2010). The leader-member exchange theory posits that successful leaders are those who develop strong ethical relationships in their organization (Graen & Cashman, 1975). Researchers and experts studying leadership ethics found poor leadership ethics as evidenced by poor relationships with employees, lack of integrity, and total disregard for established rules, norms, and ethics among leaders within organizations studied. They wrote that ethical leadership is needed to improve employee performance and respond to changes in resources, technologies, marketing methods, and distributions and these activities are components of organizational success. They recommended a study that investigates the relationship between ethical leadership and organizational success (Brown & Mitchell, 2010; Frisch

& Huppenbauer, 2014; McCann & Holt, 2013; McCann & Sweet, 2014; Strobel, Tumasjan, & Welpe, 2010).

Purpose of the Study

The purpose of this quantitative correlational study was to determine the relationship and test the predictive strength between corporate supervisors' use of key ethical variables and organizational success. Surveys were utilized in obtaining data for this study. One hundred and thirty six managers from financial services institutions in New York and Washington, DC participated in this study. New York and Washington, DC were selected because many financial service organizations are headquartered in those areas. The predictor variables were defined by corporate supervisors' use of the ethical values of responsibility, respect, fairness, and honesty as measured by the Ethical Leadership Behavior Scale (Tanner, et al., 2010). The outcome variable was determined by organizational success as measured by Organizational Success Questionnaire Scale (Bass, 1968). An a priori power analysis using the G* Power software for planned multiple regression analysis based on an effect size of 0.15, significant alpha of 0.05, and estimated power of 0.80 indicated that at least 85 participants were required for the study. Bivariate correlation was computed to evaluate the relationship between each of the leadership ethical variables (responsibility, respect, fairness, and honesty) and organizational success. A multiple linear regression analysis was conducted to test the predictive strength of the four ethical variables and organizational success. This study is important because corporate supervisors can use the information from this study to understand the key variables that relates to organizational success. The results of this study contributed to Leader-Member Exchange theory by exploring the key ethical variables corporate supervisors need to develop with their employees to achieve organizational success. Business leaders and other stakeholders can use the information from this study to understand the link between leadership ethical behaviors, employees' reactions to such behaviors, and organizational success.

Theoretical Framework

Various theoretical works on leadership ethics have been advanced over the years. Each theory attempts to provide an explanation and clarity to a research problem. It would be an oversimplification to suggest that one theory is better than the other. This study's theoretical framework was based on the Leader-Member Exchange theory.

Leader-Member Exchange Theory

Leader-Member Exchange (LMX) is a theory which is grounded on the assumption that leaders develop relationships consisting of reciprocal exchange with their followers (Graen & Cashman, 1975). It is a relationship-based theory on social exchange and reciprocity where leaders develop an exchange with their subordinates and the level of exchange influences the subordinates' sense of responsibility, decision influence, and access to resources and performance (Shweta & Srirang, 2013). The reciprocal exchange between managers and employees is usually grounded on assumptions concerning human nature and focuses on controlling behaviors (Shweta & Srirang, 2013).

Roles are crucial elements of LMX relationship theory and these roles specify duties, communication patterns, hierarchical relationships, and informal norms and expectations (Shweta & Srirang, 2013). Roles assigned to employees define their expected relationship with their managers as well as their subordinates (Shweta & Srirang, 2013). Within an organizational situation, hierarchical governance structure can be adjusted with stewardship behavior (Kulkami & Ramamoorthy, 2011). Kulkami and Ramamoorthy (2011) citing Wasserman (2006) defined stewardship as the extent to which employees are motivated to “work in the best interest of the owners”. LMX refers to how leaders act within their position through a number of interactions with their subordinates in an organizational hierarchy. A low-level LMX exchanges are usually characterized by minimum employee job performance, low level of employee trust and emotional support, low employee satisfaction and productivity, and high employee turnover (Graen & Cashman, 1975). On the other hand, a high level LMX exchanges imply a high level of employee trust with collective leadership support and their acknowledgment of superior performance above the minimum required. High-Quality LMX is usually related to the dual benefits of low employee turnover and high performance that lead to organizational effectiveness (Graen & Cashman, 1975). The study contributed to theory in exploring the variables corporate supervisors need to develop with their employees to achieve organizational success. The results of the study assessed how this relationship relates to organizational success. Figure 1 shows an overview of the LMX theory. It broadly elucidates the behaviors of leaders and subordinates and the internal context which specifies the relationship for the LMX theory (Kulkami & Ramamoorthy, 2011) (See Appendix C for permission to use Figure 1).

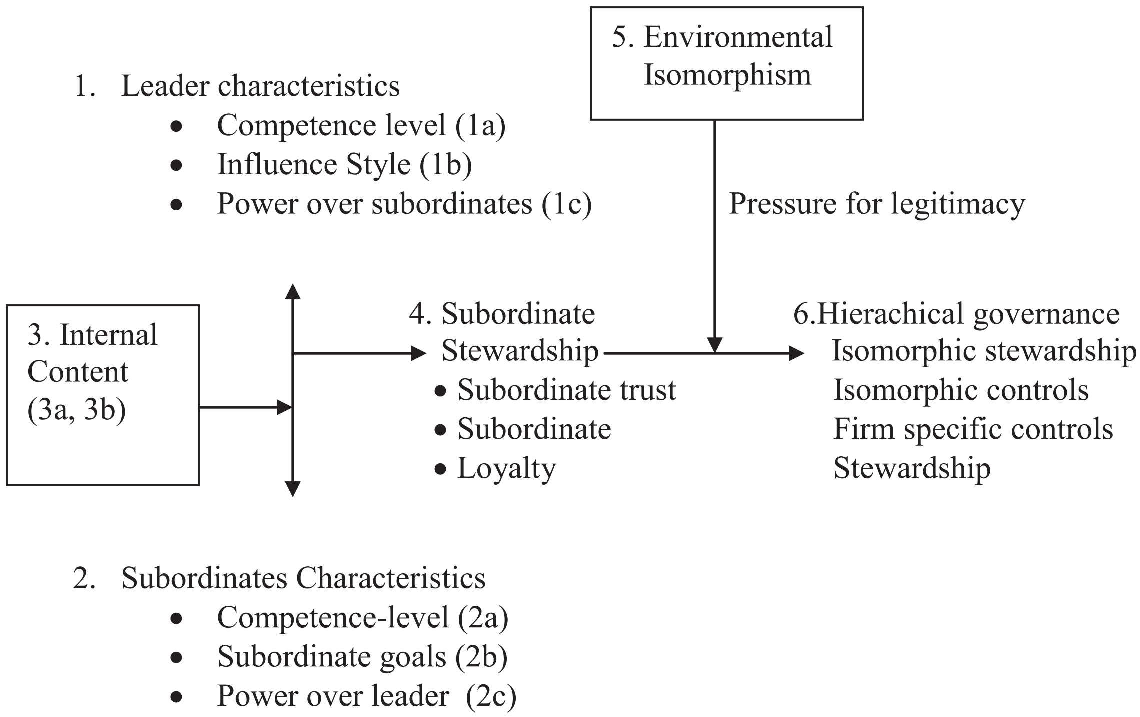

Figure 1. LMX, subordinate stewardship, isomorphism, and hierarchical governance. Adapted from "LMX, subordinate stewardship, isomorphism, and hierarchical governance, Note: The numbers in parenthesis denote the preposition numbers for corresponding variables" by S. Kulkami and N. Ramamoorthy. 2011. International Journal of Human Resource Management.

Research Questions

The purpose of this quantitative correlational study was to determine the relationship and test the predictive strength between corporate supervisors' use of key ethical variables and organizational success. Five research questions were addressed in this study:

Q1. What relationship, if any, exists between responsibility and organizational success for supervisors in the financial services industry?

Q2. What relationship, if any, exists between respect and organizational success for supervisors in the financial services industry?

Q3. What relationship, if any, exists between fairness and organizational success for supervisors in the financial services industry?

Q4. What relationship, if any, exists between honesty and organizational success for supervisors in the financial services industry?

Q5. To what extent, if any, are responsibility, respect, fairness, and honesty predictive of organizational success for supervisors in the financial services industry?

Hypothesis

$H1_0$. There is no significant relationship between responsibility and organizational success for supervisors in the financial services industry.

$H1_a$. There is significant relationship between responsibility and organizational success for supervisors in the financial services industry.

$H2_0$. There is no significant relationship between respect and organizational success for supervisors in the financial services industry. .

$H2_a$. There is significant relationship between respect and organizational success for supervisors in the financial services industry.

$H3_0$. There is no significant relationship between fairness and organizational success for supervisors in the financial services industry

$H3_a$. There is significant relationship between fairness and organizational success for supervisors in the financial services industry

$H4_0$. There is no significant relationship between honesty and organizational success for supervisors in the financial services industry.

$H4_a$ There is significant relationship between honesty and organizational success for supervisors in the financial services industry

$H5_0$. No statistically significant correlation exists between responsibility, respect, fairness, and honesty and organizational success for supervisors in the financial services industry.

$H5_a$ Statistically significant correlation exists between responsibility, respect, fairness, and honesty and organizational success for supervisors in the financial services industry.

Nature of Study

The purpose of this quantitative correlational study was to evaluate the relationship and test the predictive strength between corporate supervisors' use of key ethics related actions and organizations success. The researcher used a correlational design for this study. One hundred and thirty six (136) corporate supervisors from New York and Washington DC fully participated in this study. New York and Washington DC was the preferred location because a number of financial institutions have their headquarters in these two locations. Using the G*Power 3.1 software program with 4 predictor variables, a default medium effect size value ($f\,2 = .15$), and an alpha level of $\alpha = .05$, the minimum sample size required to achieve sufficient power (.80) was 85.

The population for the current study consisted of corporate supervisors selected randomly from financial services industry in New York and Washington DC. According to the Bureau of Labor Statistics (2014), a total of 691,100 and 29,000 people are employed in the financial services industry in New York and Washington DC respectively. The researcher randomly selected 30 firms from these locations. Out of this number, 20 corporate supervisors from each of 30 financial institutions were invited to participate in the study achieving a sample of 600 corporate supervisors. Out of this sample, only 85 were the minimum participants required for the study according to the results of the G* Power analysis.

The current study contains two types of variables: the predictive variables of four key leadership ethical variables (responsibility, respect, fairness and honesty) and the criterion variable, organizational success. The predictive and criterion variables were measured using two validated survey instruments. The first survey instrument measured organizational success using the Bass (1968) Organizational Success Questionnaire and the second survey instrument measured ethical leadership using the Tanner et al (2010) Ethical Leadership Behavioral scale.

Approval was obtained from Northcentral University Institutional Review Board before administering the survey. Permission for the use of survey instruments were granted by the authors before their usage (see Appendixes C and H). Leaders in financial services organizations were contacted and the researcher sought permission from employers in allowing their corporate supervisors to participate in this study (see Appendix D).

After permission for the use of survey instrument was granted, approval from Northcentral University Institutional Board (IRB) and obtaining permission from employers for corporate supervisors to participate in the study, emails were sent to research participants that contained information on confidentiality, anonymity, benefits and risks of the study. No names or signatures were obtained from participants for the informed Consent however participants were required to agree to an implied informed consent form hosted by survey monkey before given access to the survey questions. Those participants that disagreed with the implied informed consent form were denied access to the survey questions. Survey questions were presented by means of Survey Monkey, an online data collection tool. A total of 21 days was allowed for participants to respond to survey questions. Reminder emails were sent to research participants after two weeks (14days). The researcher periodically checked the Survey Monkey website to ensure participants were answering the questions. At the end of the allowable survey period and the survey responses meeting the minimum required number, the researcher downloaded data collected from the Survey Monkey and analyzed them using SPSS statistical software.

Bivariate correlation was computed to evaluate the relationship between corporate supervisors key ethics related actions and organizational success. Multiple linear regression analysis was performed to test the predictive strength between the variables under study. A quantitative correlational methodology was appropriate for this study in order to provide a predictive analysis among the variables under investigation (Cozby, 2009; Nathans, Oswald, & Nimon, 2012; Tabachnick & Fidell, 2013; Vogt,Gardner, & Haeffele, 2012). The variables in the study were quantifiable and were not controlled or experimentally manipulated (Tabachnick & Fidell, 2013; Vogt et al., 2012).

Significance of the Study

The lack of leadership ethics has been determined as the main cause of organizational failures (Webley & Webley, 2008). This statement underscores the importance of ethical leadership to organizational success. Based on the results of this study, employers can make educated predictions regarding corporate supervisors' use of ethics and organizational success. Employers may decide that having corporate leaders pursue ethical training is beneficial, thereby enhancing the value of ethical relationships between employees and their supervisors.

Results from the study increased the understanding of the value of the ethical variables of respect, responsibility, honesty, and fairness. It also provided information on the importance of corporate supervisors' use of ethics in their organizations. Finally it also provided an explanation about the relevance of leadership ethics to organizational success. Employers may use knowledge gained from this study to make appropriate budgetary allocations for ethical training.

Definition of Key Terms

Compliance. Compliance refers to the act of creating rules and regulations so employees and other stakeholders can follow established laws and regulations within the environment they operate (Snell, 2012). The requirement of compliance dictates that individuals attune to established rules and regulations. In compliance, individuals follow established regulations in maintaining an acceptable way of doing things within the organization.

Corporate Codes of Conduct. Corporate codes of conduct refer to the practical accepted instrument that control employee behavior in creating an established socially responsible organizational culture. Corporate codes of conduct are used to communicate responsible business ways of doing things and establish an ethical organizational culture (Erwin, 2011). The codes are used fundamentally to establish policies within the firm.

Ethics. Ethics is the process of engaging in a moral decision of right or wrong. Ethics are mostly descriptive and relate to the conduct of business organizations with their stakeholders (Brenkert, 2010). It relates to making a choice between alternatives which is either right or wrong. It involves undertaking a decision that is acceptable to society.

Fairness. Fairness is being impartial, just, objective or free of favoritism (Code of Ethics and Professional Conduct, 2010). Fairness ensures clarity in decision making and requires one to examine each scenarios to avoid being partial and subjective. It creates a platform for accessing information, discloses areas within the organization susceptible to conflict of interest, and prevents favoritism and discrimination (Code of Ethics and Professional Conduct, 2010).

Honesty. Honesty is being truthful in one's statement and actions. Honesty means that truth is maintained in all instances and avoidance of deceit and the telling of lies. The act of honesty requires that information provided is free from lies and commitment within organizations. It ensures that information given to third parties are accurate and not misleading (Code of Professional Ethics, 2010).

Organizational Culture. Organizational culture refers to the way people behave and do things within the organization. Organizational culture provides structuring within the organization in terms of what is acceptable and not acceptable and defines the organization's own set of rules, beliefs, and values. In many instances the culture of organization refers to policies that are written or those that are not. The way an individual behaves within an organization is either formalized through the organizational codes of conduct or through accepted norms and values regarded within that organization as the way of doing things (Pirjol & Maxim, 2012).

Organizational Values. Values are ideas and general standards that are derived within the organization which form the main principles of that organization. Organizational values direct and guide the individual to act in a responsible manner. It also directs the behavioral work patterns of the organization, and forms the core management practices over time. The organizational values of an entity reflect the individual and composite values of managers and employees that are encapsulated within the codes of conduct of that organization (Florea, Cheung, & Herndon, 2013).

Respect. Respect is accepting the opinion of others and regarding those opinions without prejudice. Respect also embodies the understanding and honoring other's customs, listening to other perspectives, attempting to resolve disagreements with others, behaving professionally, negotiating fairly, and avoiding abuse of authority (Code of Ethics and Professional Conduct, 2010). Respect involves fair negotiation and preventing abuse of leadership authority.

Responsibility. Responsible behavior of corporate supervisors is defined as the acceptance of ownership for choices made by the supervisors (Code of Ethics and Professional Conduct, 2010). Responsibility also includes acting in the best interest of stakeholders, meeting commitments, admitting and correcting mistakes, protecting confidential information, understanding and obeying the law, and reporting unethical or unlawful behavior (Code of Ethics and Professional Conduct, 2010).

Summary

The collapse of Enron and WorldCom cost investors between $62 billion and $180 billion respectively (Jin, Drozdenko, & DeLoughy, 2013). A number of organizational failures have been attributed to the lack of leadership ethics in organizations (Jackson,Wood, & Zboja, 2013). These statements underscore the importance of leadership ethics to organizational success. Since ethical leadership is important to organizational success, there is greater value in understanding the extent to which corporate supervisors' use of ethical variables relates to organizational success. The Project Management institute noted respect, responsibility, fairness, and honesty as important ethical variables (Codes of Ethics and Professional Conduct, 2010). The leader-member exchange theory explains the importance of the necessity for leaders to develop an ethical relationship with their subordinates (Shweta & Srirang, 2013). Employees who work with ethical leaders feel a sense of responsibility to return beneficial favors by increasing work output and behaving in an ethical manner (Brown, 2010)

The purpose of this correlational quantitative study is to examine the relationships and test the predictive strength between corporate supervisors' use of key ethics related actions and organizations success. The theoretical framework for this study was the leader members exchange theory. Corporate supervisors in financial institutions in New York and Washington DC completed the survey questionnaires on leadership ethics and organizational success. Results from this study may increase the understanding of the value of key ethical variables of respect, responsibility, honesty, and fairness. The results of the study also underpinned the relevance of corporate supervisors' use of responsibility, respect, honesty and fairness to organizational success. Knowledge gained from the study may also help employers in making appropriate budgetary allocations for ethical training.

Chapter 2: Literature Review

The purpose of this quantitative correlational study was to examine the relationship and test the predictive strength between corporate supervisors' use of key ethics related actions and organizational success. One hundred and thirty six (136) corporate supervisors from financial institutions in New York and Washington DC participated in this study. Two validated surveys on ethical leadership and organizational success were administered to the research participants. The Ethical Leadership Behavior scale (See Appendix A) was utilized to measure the ethical behaviors of corporate supervisors. The organizational success scale was used to measure organizational success. Although leadership ethics is thought to be key factor in organizational success (Frisch & Huppenbauer, 2014), no research has been conducted on the relationship and the predictive strength between corporate supervisors' ethics related actions and organizational success.

The sections in this chapter provided information on leadership theories, leadership ethics, personality theories, traits, and organizational success. The subtopics covered (a) history of ethics and compliance, (b) transactional leadership, (c) transformational leadership, (d) servant leadership, (e) the big five model of personality traits, (f) ethical leadership theory, (g) integrity, morality and ethics, (h) the importance and limits of ethics, (i) agency theory and executive coaching, (j) leader member exchange theory (k) leadership traits/skills, (l) organizational development and design, (m) ethical leadership, (n) professional codes of conduct, and (o) ethics, compliance, and profitability.

Documentation

Several search strategies were used in locating appropriate research material and related literature. Related books provided foundational background information about ethical leadership and organizational success. The search engines and research database that was used include *Proquest, PsyArticles, Wiley InterScience databases,* and *JSTOR.* Articles were provided by interlibrary loans for those that were not available through Northcentral University database. Key words used in searching relevant literature included, corporate fraud, ethical leadership, organizational success, organizational design, leadership traits, leadership success, leadership theories, and ethical history.

The History of Ethics and Compliance

Ethics can be traced back to Plato's *Republic*, Aristotle's *Politics,* and the *Bible.* Social and political structures were introduced to business ethics during the 1960s. The Vietnam War, Civil Rights Movement, and environmental problems generated public outcries for ethical reforms in the United States (Rutherford, Parks, Cavazos, & White, 2012). There was increased public activism during these periods with corporate leaders creating social responsibility programs as answers to rising concerns about corporate misconduct. Business schools also joined this campaign to curb the rising trend of ethical abuse among corporate organizations by introducing business ethics courses in school curriculums (Rutherford, et al., 2012). The attempt of ethics training by business schools was to help business students become more ethical after they left school. A search by the author through academic journals and other government websites provided no statistics showing evidence that suggests that business students who undertook ethics courses are more ethical than their non -business counterparts after they leave school.

Corporate ethical scandals and abuse such as fraudulent conduct at work places, unethical business practices, and the disregard for established codes can be traced through American history which is not confined to one industry or profession (Weber & Wasieleski, 2013). These scandals and ethical misconduct have taken varied forms and shapes and are committed by both corporate executives and employees (Weber & Wasieleski, 2013). The high rate of misconduct and other fraudulent activities at the work place have necessitated the need for reforms to curtail and control such activities and behaviors. The Foreign Corrupt Practices Act of 1977, for example, was created as a result of a number of American companies issuing bribes to foreign government workers to obtain contracts. A few years later, after more scandals and fraudulent conducts that involved federal contractors, the Packard Commission, which was created by President Reagan, made attempts to prevent procurement fraud by requiring government contractors to adopt industry-wide ethics programs and self- regulation (Canary & Jennings, 2008). The savings and loans misconduct necessitated government legislation in the mid to late 1980s. The government issued the Federal Sentencing Guidelines which gave requirements for a formula that included a culpability score that calculated the maximum sentence or penalty for firms convicted of committing illegal activities (Canary & Jennings, 2008). In 1991 many corporate organizations began instituting ethics and compliance programs to meet the demands of Federal Sentencing Guidelines (Hopkins, 2013). Corporate scandals and abuse did not stop after these interventions by the government and this resulted in a number of public outcries for greater reforms in the early 2000s. Around this period, a number of blue chip organizations such as Enron, Tyco, WorldCom, and HealthSouth either went bankrupt or suffered severe financial hardship due to misconducts by their senior managers (Choudhary, 2012). The government again stepped in to provide some level of reforms for the conduct of businesses in corporate America and enacted the Sarbanes Oxley Act of 2002 which is also referred to as the Public Company Accounting Reform and Accountability Act of 2002 (Hopkins, 2013). Still corporate scandals and abuse continue to make news headlines even after these reforms (Hopkins, 2013).

Transactional Leadership

Leadership styles play a key role in directing organizations toward a culture of ethical responsibility. Responsible leadership is highlighting the problems of current leadership theories particularly within the interface of leadership and corporate social responsibility (Du, Swaen, Lindgreen & Sen, 2013). Responsible leadership shifts the scope of leadership responsibility from the traditional perspective that advocates leadership responsibility towards the firm and incorporates the perspectives of the stakeholder. Transactional leadership strives on contingent rewards through the clarification of expectations of the employee and the objectives to be achieved (Keskes, 2014). The utilitarian and transactional leaders seem to be married in tandem as both base their decision-making process on the outcome and select activities that produce the greatest utility. Empirical research confirms that a number of managers mostly base their explanation of ethical dilemmas on utilitarian theories (Grooves & LaRocca, 2011). Transactional leadership employs the use of reciprocity and altruism as channels of power, rewards, and sanctions in their position to influence employee performance (Grooves & LaRocca, 2011). According to Bass and Steidlmeier (1999), transactional leadership is centered on an individualistic goal where leaders and followers pursue their own selfish interest. Whilst leaders are interested in meeting board expectations for benefits such as receiving bonuses for targets met, employees are also looking to meet targets in order to obtain rewards. The transactional leader seeks to maximize outcomes by leading compliance and managing employee behaviors that are focused on results and rewards (Yukl, 1998). Bass (1985) characterized the transactional leader as one that motivates employees through a reward system that is based on performance. The relationship between an employee and a leader in transactional leadership is task oriented where the leader expects employees to meet certain key objectives in return to be rewarded for those efforts (Yukl 2013).

Employees working under the transactional leader have the expectation of reward and punishment. This leadership style sets performance expectations and those unable to meet targets are punished. The higher order of this leadership style includes “contingent reward, active management by exception, and passive management by exception” (Hagis, Watt, & Piotrowski, 2011). Contingent rewards reward employees based on meeting certain key objectives (Bass & Avolio, 1993). In this style of leadership, the leader sets clear goals and objectives and specifies the terms of rewards that can be expected when objectives are met (Hagis et al., 2011). Active and passive leadership styles employ the use of discipline in correcting behaviors that are contrary to leadership style. The difference between the two leadership styles is the focus of the leader in monitoring the follower to meet objectives. The active leadership style makes constant observation in ensuring agreed standards of performance are followed. The passive leadership style only responds after noticing mistakes in the agreed upon performance standards (Hagis et al., 2011).

Leader-Member Exchange Theory

Many leadership theories assume that leaders behave in the same manner towards all of their employees. Leaders however behave differently towards different employees and develop contrasting kind of relationship towards them. This perspective of leadership behavior is described in the Leader- Member Exchange theory (LMX) (Graen & Uhl-Bien, 1995). The LMX theory is based on a dyadic relationship between a leader and an employee that is considered independently, rather than a relationship between a leader and a group. Each relationship with a subordinate is likely to differ in some level of quality. The same leader can have a poor interpersonal relationship with one employee and have open and trust worthy relationship with the other (Lunenburg, 2010). The nature of these relationships may be described as an in-group or out-group parings. The manner through which leaders and their subordinates relates with each other have significant bearings on organizational outcomes (Shweta & Srirang, 2013). A leader whether in an in-group or out-group exchange with a member of the organizations in the early stages dyadic relationship. These dyadic relationships are developed through a number of exchanges with between the leader and the member (Shweta & Srirang, 2013).

Members who are in the in-group are usually part of the decision making process and are invited by management to participate in decision making and are given additional roles and responsibilities. Subordinates within the in-group exchanges are given some level of latitude. The leader and subordinate negotiate in a non contractual terms their exchange relationship and in essence the in-group member of a subordinate is viewed as a "trusted lieutenant". In-group members enjoy preferential treatment than their out-group folks and are expected to exceed their expectation above their formal employment contract. The subordinate within the in-group in exchange for these preferential treatments, provide greater than required expenditures of time and effort, assumes greater responsibility, and commit to the success of the organization (Lunenburg, 2010). When an individual treats another well, the norm of reciprocity requires that the other party returns the favorable treatment (Gouldner, 1960). Eisenbeger, Armeli, Rexwinkel , Lynch, and Rhoader (2001) wrote that the desire to repay benefits based on reciprocity norms helps solidify interpersonal relationships at the workplace.

In the other hand out-group members are supervised within the specification of their roles and responsibility within their employment contract. The authority of the leader in supervising the member is legitimized to the express contract between the subordinate and the organization. The leader in an out-group will provide supervision, consideration, and support mandated by the employee contract but will not go beyond such limits. In retrospect the leader is only undertaking a contractual exchange with such subordinates. Out-group members from the leader's perspective can be described as "hired hands" that are being impacted by legitimate authority rather than true leadership (Lunenburg, 2010). In return, out-groups members will only provide the minimal job requirement and will not go above that requirement.

Research on the LMX theory indicates that leaders differentiate among employees and this differentiation is not just random. Employees that show high level commitment and efficiency are likely to form the in-group members who build strong and viable relationship with their leaders. These employees are usually likable and more similar in personality to their leaders (Lunenburg, 2010). The perceived similarities between the leader and the subordinate "implicit theories and self-schemas can lead to greater liking of subordinates and higher quality leader-member exchanges" (Engle & Lord, 1997). Research by Yukl (2010) states that sharp distinction between an in-group and out-group is not desirable as those in the out-group might resist their inferior status and differential treatment. Research by Ilies, Nahrgang and Morgeson, (2007) revealed a moderately positive relationship between subordinates in in-group membership with strong work habits and responsible behavior at work. The better leaders manage their subordinates, as far as their exchanges are concerned in higher productivity level, job satisfaction, motivation, and subordinate responsible behavior.

Schermerhorn, Hunt, & Osborn, (2011) wrote that the following steps can build strong leadership exchange relationship with subordinates: (1) meet separately with each employee to determine each other's motives, attitude and potential resources to be exchanged and design agreed role expectations, (2) where initial meeting looks promising, work towards improving original exchange relationship and develop mutual trust, loyalty, and respect for in-group subordinates, (3) relationship that advance to the third (mature) stage where exchanged reflect self interest should be modeled into mutual commitment to vision, mission, and objectives of the organization, (4) reward should be given to this second and third in-group members with higher status, influence, and benefits in return for more attention from them, and remain responsive to their need with strong persuasion and consultation, and (5) follow- up with daily observations and discussions and work on adding to the number of in-group members.

Transformational Leadership

The idea of transformational leadership was first introduced by James MacGregor Burns. Burns noted that this leadership style directs followers to a higher sense of morality and motivation through their leadership strength and vision (Rigio, 2009). Yukl (2006) wrote that the transformational leadership focuses on stimulating and improving organizations by engaging on the moral values and ethical concerns of followers. The transformational leadership concept was later advanced by Bernard M. Bass which later became the Bass Transformational Leadership theory (Bass 1985). Bass (1985) noted that transformational leadership can be defined based on the impact it has on followers. Qualities such as trust, respect, and admirations were noted as key virtues of the transformational leadership style. Whereas transformational leadership style has been praised for its consideration of ethical standards in decision making, a number of scholars have questioned the inherent morality of this leadership style (Schuh, Zhang & Tian, 2013). Bass and Steidlmeir (1999) and Price (2003) pointed out that the transformational leadership must not only be seen as being used in advancing common interests of the organization but it could also be used in the pursuit of immoral acts for the selfish gains of the leader.

According to Price (2003), behaviors observed in transformational leadership are neutral and leaders can choose to adopt this leadership style for pursuing good or wrongful acts. Bass and Steidlmeier (1999) noted a differentiation of two types of transformational leadership styles; (a) pseudo transformational leadership style that is based on the leader and encourages dependence on leader by the employee and (b) authentic transformational leader where the leaders finds common construct where their employees supports them and feel a sense of belonging. Whereas efforts have been made in distinguishing transformational leadership on a more balanced perspective, the reaction of followers to this leadership style has been overlooked (Schuh, et al, 2013). How followers react to both the altruistic and self-focused style of transformational leadership is unclear. The element of followers' reaction to leadership style is very important as the success of any organization depends on their employees' performance (Podsakoff, Whiting, Podsakoff, & Blume, 2009). Schuh et al (2013) noted in their research that behaviors of followers can change positively with an altruistic leadership behavior. Their research also noted that there is an increase in adverse reactions of followers' work output in a self-centered style of leadership. For example when leaders are self-absorbed, do not listen to employees input, and make unilateral decisions without consulting with them, the organizational commitment of those employees is likely to reduce. The preceding statement suggests that followers' behavioral patterns are structured by the style of leadership employed by the leader.

The fundamental responsibility of leadership is motivating their followers to attain higher objectives and achieve greater outcomes (Grant 2012). The transformational leadership style achieves this objective through engaging in inspirational behaviors such as advancing vision, exhibiting confidence and idealism, and emphasizing core values (Bass, 1985). Judge and Piccolo (2004) noted that there is a correlation between transformational leadership styles and followers' motivation in achieving performance. The effectiveness of transformational leadership is achieved through the charisma of the leader. Gandolfi (2012) wrote that transformational leadership was later named as idealized influence that draws its main strength from inspirational motivation, intellectual stimulation and consideration of the individual's reactions to behavioral actions of the leader. Idealized influence refers to the charismatic characteristics of the leader that are centered on beliefs, values, and a sense of mission in encouraging and motivating followers to perform beyond their limits (Gandolfi, 2012). Followers who identify themselves to their leaders are influenced by their leaders' behaviors and actions. This can result in respect and trust by the follower in identifying with the leader's objective in meeting the goals and objective of the firm. Leaders who are inspirational motivators are those who are able to enunciate values and goals that motivate the follower to transcend their own self interest (Gandolfi, 2012). Followers who are inspired and motivated by their leaders are more likely to relate with them and are inclined in supporting them to meet mutually established goals. Leaders who are inspirational are able to actualize high levels of confidence, expectancy, and lead their followers to achieve a high level of optimism and confidence (Keung, 2011). Intellectual stimulation relates to behaviors that advance the followers' interest in the realization of problems which enhance their ability to analyze problems in more holistic manner. Transformational leaders emphasize the importance of analyzing situations outside of the box and create organizational cultures in which employees are motivated to challenge deep-rooted values, paradigms, and beliefs (Gandolfi, 2012). Within transformational leadership, leaders foster a one-to-one relationship and create cohesion among followers. Transformational leaders are often regarded as mentors that coach followers to achieve optimal performance. Followers under transformational leadership get personal attention which boosts their confidence, motivation, and satisfaction at work (Lian & Tui, 2012). Supportive leadership under transformational leadership is concerned with followers 'needs and directs their attention to satisfying their welfare which can result in a supportive work environment. Bass (1985) wrote that intellectual stimulation builds up employees' awareness and interest in organizational problems that allows followers to think of problems in new dimensions. Followers achieve personal recognition when leaders appreciate their efforts and are rewarded for achieving outcomes that are in alignment with corporate goals and objectives.

Servant Leadership

The theory of servant leadership is centered on service to others and emphasizes the roles of organization in producing individuals with the idea of building success for the future (Parris & Peachey, 2013). There are growing concerns about selfish corporate executives and stakeholders who are looking for leaders that can fulfill their quest of returning worth to their investment at the detriment of the others. Servant leadership was first introduced by Robert K. Greenleaf's three foundational essays; the servant as a leader, the institution as a servant, and trustees as servants (Parris & Peachey, 2013). Servant leadership was explained by Greenleaf (1977) as a natural feeling of an individual looking to serve and to serve first (p.7). A servant leader is person who by nature is a servant and that individual's servant nature is a natural virtue which is not achieved through experience (p.21). Servant leaders are inspired through their desire to serve others and their inspiration to lead others. The concept of servant leadership traces its origin from ancient teachings. Plato introduced the idea of the leader as a shepherd who tends his flock in the dialogue "The Statesman" (Skemp, 1987). Also according to the Holy Bible, in the Gospel according to John 13 verse 4- 10, Jesus Christ taught his disciples what it meant to be a servant leader by washing their feet. The washing of their feet was seen by his followers as a servant hood job. The demonstration of this act by Jesus alerted Simon Peter (follower) by questioning Jesus why he will wash their feet as their leader? The concept of servant leadership has also been taught by a number of prominent leaders such as Mother Theresa, Mohandas Gandhi, Martin Luther King, Harriet Tubman and many other ancient and current leaders (Keith, 2008). Most leadership theories are defined through the conduct of leader but servant leadership is defined by the character of leaders and their desire to serve others. The problem with servant leadership has to do with the challenges of the theory itself. Greenleaf's definition of leadership was "servant-hood through-leadership- through practice" that is an inborn character trait imbedded within an individual (Proseser, 2010, p.28). This nature of the leader with inborn characteristic features makes it difficult to examine its modalities through research.

The global economic crisis in the mid-2008 and recent scandals in business organizations beg the question of an effective business strategy and the quality of leadership within business institutions. The behaviors of leaders have great impact on their followers and their roles are to provide directions on ethical standards by explicitly motivating and punishing certain behaviors (Reed, Vidaver-Chohen, & Colwell, 2011). Servant leadership goes beyond the competence inputs and performance output in what is traditionally used to assess the effectiveness of leaders (Reed et al., 2011). Servant leadership could be use in creating a relationship between the follower and the leader that could enhance ethical/unethical behavior (Trevino, 2006). The inspiration of a servant leader is to serve others and lead followers in becoming servant leaders. The interaction between the servant leader and the follower ensures that the needs of both parties are actualized in addition to meeting and exceeding corporate goals (Trevino, 2006). Followers look to their leaders as role models and behave according to their leaders' conduct. Leaders are accorded credibility, legitimacy, and attractiveness as a result of their positions of authority and status. The legitimacy of leaders is enhanced through the fair treatment of followers and attracting them by exhibiting the trait of caring for their concerns (Reed et al., 2011). The credibility of the leader is enhanced by following set standards and values (Johnson, 2009). Leaders with credibility and legitimacy are honest and are driven by meeting high standards and targets for the organization. The above defines the traits of a servant leader who leads through others and desire to service others, the organization, and the community (Reed et al., 2011).

The servant leader models behaviors through the exhibition of attractive behaviors which presents a social learning process of followers who naturally become servant leaders (Johnson, 2009). This learning process usually creates a climate of servant leaders that epitomizes values that are common to the group. In an organizational context, the servant leader is a leader who, on daily basis seeks, listens, and searches for better ways in achieving objectives. This is done through the consideration of values that are important to others with the goal of managing those values and seeking an approach to incorporate a sense of oneness through the sharing of the decision- making process. A servant leader is one who evaluates his/her actions and the consequences that the outcome of any decision making might have on followers and the organization. Servant leaders espouse on moral development and encourage their followers to follow leaders' actions (Sendjaya, Sarros, & Santora 2008). In this way, servant leaders are able to institute moral reasoning and ethical behavior within the organization in establishing servant groups which has the capacity of positively impacting the organization as whole.

The Big Five Model of Personality Traits

The Big Five model of personality traits came from a number of factor-analytical studies that were performed with different temperament scales (Thalmayer, Saucier, & Eigenhuis, 2011). Some personality researchers believe there are five basic dimensions of individual behaviors. The Big Five Model of Personality Traits lists extraversion, agreeableness, conscientiousness, emotional stability, and openness as the five individualistic factors that account for personality variation among people (Thalmayer et al., 2011). Research by McCrae (1997), noted that these traits are universal for people in different countries and psychologists believe that personality have high reliability across cultures. Personality refers to factors that are internal such as disposition (the thought and feelings of a person) and interpersonal actions that define human behaviors (Jani, Jang, Hwang, 2013). The universal status of the Big Five Personality Model originates from the fact that there are five factors that predicts human behavior. As the name implies the Big Five Model of Personality Traits group personality traits into five dimensions such as; (a) openness to experience, (b), conscientiousness, (c), extraversion, (d) agreeableness, and (e) emotional stability (McCrae & Costa, 1999). Openness refers to one's appreciation for art, emotion, unusual ideas, and differences in experience. Conscientiousness relates to self discipline, a person's way of doing things, and achievement while extraversion relates to an individual's pursuit in seeking social stimulation and opportunity to engage with other people. Agreeableness refers to the cooperative nature of a person and emotional stability refers to one's likelihood to experience negative emotions (Jani et al., 2013). According to Yukl (2006) ethical characteristics such as personal integrity and trust is related to the Big Five Model of Personality Trait factor of conscientiousness.

Ionata (2006) used the Big Five Model of Personality Traits to explore the job satisfaction of project managers. His study provided helpful analysis of what makes project leaders successful. Ionata noted that leadership theories have mostly focused on traits, behaviors that are learned by the leader, and adapted to leadership styles in solving problems. Kierstead (as cited in Ionata, 2006) accentuated studies performed in the last 20 years in which researchers demonstrated that the personality of a leader could be important to the leader's success than his/her knowledge. Leader who understands the behavioral patterns of their employees and their personality traits within an organization can group those employees with similar traits in achieving desired objective. Organizations nowadays are requiring more flexibility and traditional human resource functions have changed to encapsulate diverse range of responsibilities (Consiglio, Alesandri, Borgogni & Piccolo, 2013). The traditional human resource systems often times fail to capture the behaviors that employees bring to the organizations. The competency of employees reflects their behaviors and performances in varying situations. Identifying features associated with successful performance can provide direction to acceptable values that regarded within the organization. Identifying the personality traits of high performing employees and their behaviors at the work can serve as models for organizational values and norms.

Ethical-Leadership Theory

The past 40 years have been dominated with bribery scandals, industry scandals, and accounting scandals in corporate America (Steinbauer, Renn, Taylor, & Njoroge, 2014). While government has introduced more rules and regulations, unethical conduct and fraudulent practices are still common. In 2009, Bernhard Madoff confessed to defrauding thousands of investors billions of dollars with his Ponzi scheme arrangement. Holzer (2012) wrote that R. Allen Stanford was sentenced for 110 years in prison for defrauding investors billions of dollars with his own masterminded Ponzi scheme. All these and other fraudulent forms of conduct were caused by a single business leader whose activities harmed investors and those that worked with him or her. Brown and Trevino (2014) noted that ethical-leadership theory accounts for how a leader's ethical conduct or behavior can influence his/her followers' ethical decisions and actions. According to the Ethical- Leadership theory, followers' ethical decisions are influenced by social exchange processes and the use of performance management in making employees accountable for their actions and conduct (Brown & Trevino, 2014). Mayer et al., 2011 wrote in his study that ethical-leadership pass down in affecting followers' deviant behavior and an ethical climate mediate the relationship between ethical leadership and followers' misconduct

National surveys have shown that very few Americans trust the ethics and integrity of today's leaders in corporate institutions, government, and business entities (Jones, 2011; The Hariss Poll, 2011). This statement confirms the perception that ethical leadership in organizations is at its weakest levels. Brown and Trevino (2014) wrote in their research that in order to be perceived as ethical leader, a leader must be seen as "both a moral person and moral manager". The moral part of ethical leadership relates to the leader's honesty, integrity, trustworthiness, caring about people, openness to input, respect and principles of decision making. Ethical leaders acting as moral managers use tools such as rewards, discipline, and decision making in communicating to employees the importance of ethics, standards setting, and accountability (Brown & Trevino, 2014).

Research studies has found that ethical leadership is related to important employee positive behaviors and outcomes including trust in a supervisor, interracial fairness, supervisor effectiveness, satisfaction with supervisor and the willingness to report problems to management (Kacmar, 2011;Walumbwa, Mayer, Wang, Workman and Christensen, 2011). Yang (2014) in his research incorporated social identity theory to expatiate the relationship of ethical leadership on employee outcomes. Yang wrote that the social identity theory explains the social phenomenon as it relates to people forming a "sense of recognition and belonging to the organization, company or a group of people in which one belong". Social identification can lead to shared beliefs that coincide with the organizational beliefs or identity that is prevalent within a group. Employees are likely to act with similar members within the organization and to varying degrees feel a sense of belonging to a social group. Brown and Mitchell (2010) stated that leaders' values can shape the culture of an organization and leaders turn to attract followers who have similar ethical values. A high-quality relationship between a leader and a follower is critical since it can decide the fate of that subordinate and determine the ethical quality of the follower's behavior. In other words, employees with better relationship with their leaders have a greater chance of job security, being promoted, and mentored. Yukl, (2013) wrote that leaders differ their behavior with different group of employees and those who are favored receive benefits such as wage increases, better work schedules, special benefits, and bigger office space .

Integrity, Morality and Business Ethics

Integrity can be defined as the moral uprightness of a person in making decisions that do not hurt the environment and those connected to the organizations. Yukl (2013) noted that personal integrity is related to trust and honesty. When trust is missing within an organization, employees become disloyal and corporate leaders become unsupportive of their employees actions (White & Lean, 2008). Desai, Embse, Von der and Ofori-Brobbey, (2008) noted that trust is key component of ethical behavior. Yukl (2013) wrote that when trust is lost, a leader can no longer be viewed as having the expert or referent power. Keating et al., (2007) wrote that individualistic cultures such as those in the United States have strong regard for the personal integrity of their leaders. Integrity affects how an individual selects the best alternative from a number of available options (Odrakiewicz & Odrakiewicz, 2014). Behaviors that are closely linked to integrity include truthfulness, faithfulness, responsibility, loyalty, confidence, dependability and consistency with stated values (Yukl, 2013). Integrity, morality, and business ethics are becoming increasing beneficial to business organizations and stakeholders because the financial and economic crisis have reduced confidence in many organizations (Odrakiewicz & Odrakiewicz, 2014).

Jennings (2006) wrote that many educational institutions in dealing with leadership ethics have focused primarily on the environment, technical ability, and diversity at the workplace and very little attention have been given to personal integrity. She further wrote that such emphasis could lead students to a conclusion that as long as an organization is a positive contributor to community development, some dishonesty can be overlooked. *Business Ethics* for example ranked Fannie Mae in 2004 as the most ethical company around the same time the firm was being audited for a major accounting fraud (Jennings, 2006). Fannie Mae was noted as an ethical institution for providing affordable housing for low income people but the CEO was asked by the board to step down for dishonest accounting practices. This could indicate a firm can be judged ethical when it prosecutes its own fraudulent leaders. Whether a person is a manager or CEO, the lack of personal integrity cannot be hidden by their public display of social responsibility.

Singh (2008) noted that there are three different qualities that are important to genuine leadership. Energy, expertise and integrity were identified as important qualities but integrity was noted as especially important. A person lacking integrity is bound to fail no matter the strength and knowledge of that person. Singh added a number of important virtues to integrity, such as telling the truth, providing complete disclosure, being honesty, respecting others, taking responsibility, being courageous, fairness, frankness, humility, and being unselfish. Singh concluded his research by considering whether corporate leaders who acted with integrity achieved some benefits. He noted that leaders with integrity were said to attract clients, attain the best out of employees and achieve goodwill within the community. Note that Singh included the essential elements of responsibility, fairness, respect, and honesty as important aspects of integrity which comprise the main variables for this study.

The Importance and Limits of Business Ethics

It is true that business ethics has made greater strides over recent years, but it is also a fact that organizations have experienced negative periods, as witnessed by the failures and scandals of businesses over the last few decades (Brenkert, 2010). These negative periods have seen the level of business scandals increase over time. The 1970s were dominated with bribery scandals, the early 1980s had the defense industry misconducts and the late 1990s to early 2000s were dominated Enron, WorldCom, Tyco, and Adelphia accounting scandals (Steinbauer, et al., 2014). For almost 20 years the US Federal Sentencing Guidelines have encouraged organizations to develop ethics and compliance culture (Brenkert, 2010). Whilst rules and regulations such as the Sarbanes Oxley and Dodd Frank Act have been introduced, misconducts still occur in business organizations (Brenkert, 2010). For example, in 2009 Bernhard Madoff confessed he defrauded investors billions of dollars with his Ponzi scheme tactics. In 2011, Allen Stanford was also sentenced to 110 years in prison for defrauding investors billions of dollars (Holzer, 2012). These and other ethical misconducts were caused by a single business leader whose greed harmed investors and the employees that worked with him/her (Steinbauer, et al., 2014).

The problems of morality are attributable to business organizational culture and misconduct of some individuals that makes ethics a constant struggle regardless of the regulatory and control systems applied (Cuilla, 2011). The main aim of business ethics is to provide guidance and insight into the way businesses are conducted and how individuals within business industries are expected to behave (Valentine & Hollingworth, 2012). The impact of business ethics is to provide directions to the way individuals should act, what policies businesses should adopt, and their responsibilities towards society. Given the number of incidents of misconduct experienced within business organizations over several decades, the need for business ethics within organizations cannot be overemphasized. The understanding of the way employees make decisions is an important concern within both the academic and business setting. In understanding the way people make decisions, it is important also to know where they acquired their training and development to better understand their background. Individuals acquire their ethical background from schools, home, church, community, and other social settings (Resnik, 2011). The norms of ethics that deal with the choice of right or wrong are written in every institution, and there is the temptation to assume that making the right decision is a matter of common sense (Resnik, 2011). If following the right course is assumed to be a matter of common sense, then one may be tempted to ask why there are so many ethical problems within our communities.

It is important to note that the ethics and laws are different in many ways. Laws are designed to control human behavior and prevent people from committing crimes but ethics are informal, broader than laws and require an individual to question himself/herself when faced with a decision (Resnik, 2011). According Resnik (2011), what is encoded in law tends to be the bare minimum that can be permitted for society to function, whereas ethics asks an agent to aspire towards excellence, and demonstrate concern for character and reputation.

Agency Relationship and Executive Coaching

Agency theory was built on Berle and Means's (1932) research on the separation of ownership and control. Agency relationships theory has traditionally hypothesized that since managers and executives are not the owners of the firms they manage and control, their interestare not aligned to that of shareholders. Schneider (2007) wrote that agency relationships are common and refer to a position where an individual authorizes another to act on behalf of that individual for remuneration. An agency relationship exists when the actions of one individual can affect his/her welfare and another individual in both an implicit and explicit manner. The person who is contracted to undertake the action is the agent and the person whose welfare is affected by the agent's actions is known as the principal.

The agent is usually the informed party and the principal is the uninformed party. An example of an agency relationship is the employee and the employer. In this case the employee is the agent and the employer is the principal. According to the agency relationship costs are borne by the principal referred to as agency costs as a result of the separation of control from ownership (Cuevas-Rodriguez, Gomez-Meija & Wiseman, 2012). These costs are as a result of agents pursuing their own interests that do not coincide with those of the principals. Principals use incentives such as corporate bonuses and stock option plans to align their interest with the agent. The process of rewarding and tying agents' rewards to performance has led to a number of corporate supervisors being greedy. In many instances, the incentive packages of corporate supervisors are tied to certain performance goals and objectives.

The normative responsibility of many institutions in the United States is to maximize wealth for their principals (shareholders) perhaps through the maximization of corporate profitability (Jones & Felps, 2013). A number of studies point out that directors in US corporations identify with the objective of maximizing shareholder wealth and it appears this objective have increased over time (Gordon, 2007). Notable individuals such as Dr. Milton Friedman and many respectable corporate executives support this idea of shareholder wealth maximization and managerial capitalism. This has lead to number of creative accounting processes where corporate supervisors and their employees have presented fraudulent financial statements in the hope of meeting corporate targets and being rewarded accordingly. Corporate leaders are getting greedier and corporate misconducts are increasing because of corporate supervisors ‘quest in meeting corporate targets (Schneider, 2013). A number of leadership misconducts can be attributed to greed, opportunity, and rationalization (Albrecht, 2011).

Executive coaching involves an agency relation which takes into account some defined moral duties that is beyond the usual standards of professional ethics (Hannafey & Vitulano, 2013). An agency relationship can provide directives on the needed ethical grounding and the point for moral thinking on executive coaching. This relationship is based on high level of trust and confidentiality. The relationship defines the duty of the agent serving the interest of the principal. An agency relationship could be looked at from the point of an executive coach. Hannafey and Vitulano (2013) wrote that the role that executive coaches play can somewhat be compared to a physicians and attorneys because of the important and privileged information shared by their clients. In that words, the focus of the client is always is expected and information asymmetries in most occasions are prevalent as the coach knows more about the coaching terrain and has many power in the relationship. While executive coaches are seen as agents, they are likely not fiduciaries of individuals and organizations they serve (Hannafey & Vitulano, 2013). Executive coaches are similar to contracted employees or consultant yet their responsibilities and attendant duties are significant to individuals and organizations. Coaches and executives have deep and complex relationship that requires strict confidentiality. Business coaching underscores the values that encourage executives to buoy up employees in being more self-directed in their learning process (Wislon, 2007). Moen and Federici (2012) wrote in their study that values are affected by humanistic psychology which underlines the significance of studying the subjectivity of the client through exhibiting congruence and empathy in an unconditional positive regard while using a non-directive approach. Empowering employees to be capable of finding solutions to problems is the central focus of coaching (Meon, 2010). Coaching therefore should be based on values that empower the employee to be independent and responsible in their learning process.

Youssef and Luthans (2012) wrote in their study that the challenges that leaders face in today's global economy are profound, dynamic, and complex. This places an enormous amount of demand on leadership development process in generating leaders whose capacity can match these challenges (Mackie, 2014). Executive coaching is increasingly becoming one of the modalities for developing leaders. Leadership coaching provides the impetus for an explicit agenda to positively enhance knowledge and effective behavior in the leadership domain (Elliot, 2011). Studies suggest that executive coaching can result in improvement at the individual and unit-levels, with most studies measuring individual outcomes (Bozer & Sarros, 2012). Bozzer and Sorros (2012) wrote that research have found a positive relationship between executive coaching and executive effectiveness and job performance based on a number of perspectives, including self, supervisor, subordinate, human resource brokers and other stakeholders. The increases in job performance can likely enhance productivity, reduce redundancies and affect organizational success

Leadership Traits/ Skills

Successful leaders were once thought to be born. The idea was that, one has to come from some special breeds of families in other to lead and those not coming from such breeds are followers (Germain, 2012). The general idea was that one's destiny was either to be born as a leader or follower and no amount of learning or yearning could cause a change. Kirkpatrick and Locke (1996) wrote that leadership was once taught to a matter of birth and that leaders were born not made. A study conducted by Kirkpatrick & Locke (1996) noted that there are six main factors that differentiate leaders from non leaders as follows: drive, desire to lead, honesty and integrity, self confidence, cognitive ability, and knowledge of the business. Several different studies have noted that having certain personality traits is associated with the effectiveness of a leader. According to Germain and Tejeda (2009), there are four main characteristics that are associated with effective leadership: (a) intelligence, (b) self confidence, (c) determination (drive), and (d) sociability.

Garmain (2012) wrote that an effective leader can be said to be one that possess the qualities of strong intellectual ability, perceptual ability, and reasoning ability. Intellectual ability denotes a leader that is able to solve complex problems and decide on issues effectively. The issues that an effective leader can decide on includes how deal with ethical situations when confronted with an ethical dilemma. Tejeda, (2009) and Swanson and Holton (2009) wrote that the link between leadership and expertise is made clear at this stage as experts are problem solvers who are able to judge issues effectively. Leaders must therefore be able judge between a moral question of right and wrong. Self confidence is another trait of leadership effectiveness. Self-confidence is defined as the ability of one's certainty of his/her competence and skills (Germain, 2012). Leaders with self-confidence have a sense of self-esteem and self–assurance. Leaders who are not able exhibit the trait confidence a thought to be weak and lacking requisite skills and competence. Leadership is about influencing others and self confidence serve to assure the leader that his/her influence is acceptable (Gemain, 2012). Determination relates with the will of individual to get the job the done. Germain and Tejeda (2009) wrote that determinations are components of the expert knowledge of a person. Finally the sociability refers to leaders desire to socialize with others. Leaders that are sociable are usually friendly, tactful, outgoing, respectful, and diplomatic. Germain and Tejeda (2009) wrote that leaders with sociability characteristics have strong interpersonal skills and this is also true about experts.

Traits are features of leaders that researchers have studied over long period of time. Zaccaro (2007) defined traits as behavioral integrated patterns of individual that reflect a person's range of difference in fostering consistent leader effectiveness across a variety of groups and organizational situations. Traits are one of the oldest studied features of leadership. Superior personality traits have been noted as one of the factors that make an effective leader (Unsar & Karalar, 2013). Allport who was one of the original traits theorists wrote that there are more than 4000 adjectives in the English Language that individuals can use to describe personality (Burger, 2010). According Allport there are four types of traits. These he referred to as: (a) cardinal, (b) central, (c) secondary and (d) common traits (Unsar & Karalar, 2013). The Cardinal trait of a leader challenges the leader to aspire for power and competition. A leader with such trait always stays competitive and strives to win at all times (Ashcraft 2011). It is however noted that very few leaders have this cardinal traits (Ashcraft, 2011). Central traits relates to how people perceive others. People observation of others and their description of them are known as central traits. Central traits are mostly coherent with cardinal traits (Unsar & Karalar, 2013). Secondary traits relate to preferences or desire traits that an individual strives to achieve. They usually vary from person to person. Finally common traits refer to the general behavior of people that help them in identifying one set of group from others. For example a group could be said to nice, polite, humble, and disciplined. Allport argued that the above traits are unique to individuals and a person can understand another through the understanding of these unique characteristics (Ashcraft, 2011).

Psychologist have grouped the various traits of leadership into four main categories as psychological, intellectual, physical, and qualities of character (Unsar & Karalar, 2013). The Trait Approach which was formed from the notion of leadership prescribe that successful and efficient leaders have leadership trait which is different from others. The traits of efficient leaders vary with their followers. The "Great Person" theory of leadership was defined based on the fact that leaders are different from others with average skills (Bowditch & Buono, 2005 as cited in Unsar & Karalar, 2013). The five factor model or the big five personality have five broad categories of human traits. These categories are: Neuroticism, extraversion, openness to experience, agreeableness, and conscientiousness (McCrae, 1997). Dyck and Neubert (2008) wrote that extraversion, conscientiousness, and openness to experience are the general personality traits that are related with effective leadership. The understanding of how personality traits affect the behavior of people can be valuable assets for leaders (Daft, 2007).

A different way of categorizing leadership traits includes personality, motivation, and ability to learn (Nehavandi, 2003). Motivation and personality have been discussed earlier however, the ability to learn a new skill is critical as it involves different stages of thinking. The traits of an individual affect the way an individual acquires a new skill (Nehavadi, 2003). An individual's lack of intellect may prevent him/her from acquiring a new skill. The skills required to perform a particular task successfully also changes as a person attains a higher level of leadership. The level of leadership requires one to be visionary, conceptual, or technical. Visionary and conceptual skills requires many innovative reasoning and are critical than technical skills (Hellriegel, Slocum, & Jackson, 2002).

Lower level leadership usually supervises employees that require technical help (Hellrigel et al, 2002). The skills required under this level of leadership are usually technical in nature and within that leader's technical ability. The problems that leaders solve under this level are usually re-occurring and require the leader to have knowledge and understanding of the task level to solve problems as they arise. Even though interpersonal skills are needed under this level, technical knowledge is often applied.

As the role of the leader expands into middle management, the problems become a bit more varied and leaders require a balance skill set. Whilst lower level leaders work with employees on the site, middle level leaders usually work outside the field and implement mission and objectives that have been set by the higher hierarchy of leadership. Leaders under this level have good understanding of the technical limitation in addition to human limitations in accomplishing set targets. Technical knowledge and effective team work are used at this level to effectively set plans.

At the very top level of leadership, the situations are more complex and critical in nature. The main focus of the company is planned and directed at this level and involves several varying components of the firm. The course that leaders charter at this level involves new and unfamiliar boundaries for the firm. This explains why corporate executives have long-term visions and ability to understand complex relationships among variables that are relevant to the success of the organization (Yukl, 2010). Conceptual knowledge at level is crucial because a simple misdirected step could lead the organization to bankruptcy. Interpersonal skills at this level are important as the leader interact with different management levels who implement the targets and visions of the firm.

Organizational Development and Design

Organizational development refers to the process of harmonizing the goals of the organizations with aims of those working in the organization. This aim is achieved through changing the organizational cultures, and optimizing organizational communications through the principles of openness, trust, information sharing, productivity and work dynamics (Janetta, 2013). Developing an organization is a systematic planned effort that is targeted at increasing the health and effectiveness of the organization. It is an intervention of the human component of the organization which targets the overall organizational performance and employee efficiency (Janetta, 2013). In meeting the objectives of organizational development, the role of the management and in particular their ethical behavior is important. Janetta (2013) wrote that this goal extends beyond meeting the basic requirement of the law by applying broad sense of moral principles that are common to society.

Global competition has necessitated the need for organizational management and hence the need to develop a roadmap for a strategic focus in achieving organizational sustainability. For organizations to maintain efficient and effective levels of performance, they should realign their current conditions through change management intervention. The complexity that characterizes current consumer demands must be met with a complex organizational design. The design of an organization is essential to the success of organizations because those designs specifies how the organization operate at various levels that allow bridge to individual output to achieve a collective output (Lyons, Jordan, Faas, &Swindle, 2011). Research has focused on structure, process, rewards, personal, and culture as main elements of organizational design (Gabraith, 2002). There are number of factors that contribute to organizational design however structure and process are the two key fundamental inputs that are required for designing organizational effectiveness (Lyons et al., 2011). In developing an effective organizational design, there is no one structure that fits all as every organization has its set of demands, constraints, and leadership. The latter is important because every leader has their unique goals to achieve through the way their organizations are designed.

The primary task of organizational design that represents the execution of strategy is differentiation and integration of units (Hernaus, Aleksic, & Klindzic, 2013). The design of organizations is usually effective for the medium and large organization that require many information processing, differentiation, and division of labor that is augmented by diverse workforce and narrow job specialization (Hernaus et al., 2013). Structural decomposition into units permits the efficient use of organizational resources and gives employees an identifiable "home" within larger organization. Instead of managers solely emphasizing on understanding vertical or structural organizational design, they must focus on its process characteristics and be able to develop relationship among the various units within the organizations (Hernaus et al., 2013). Both dimensions of organizational structure and business process are critical and necessary although their focus is somewhat contradictory. The vertical dimension of an organization disintegrates hierarchical levels and provides stability and authority. The horizontal dimension focuses on integration through proper coordination, communication, and collaboration of various organizational units. Structure and process are important in order to understand an organization from their framework of open and multi level system and hence management focus should be about analyzing and synchronizing the development of two these two factors (Hernaus et al, 2013). Organizations can achieve their goals and maximize performance through jointly addressing and designing their organizational structure and process.

The complexity or structural differentiation of organizations relates to how that organizations is broken down into several parts both horizontally and vertically (Blau 1970 as cited in Hernaus et al., 2013). Hence, it is beneficial and critical to differentiate vertical and horizontal differentiation. Vertical differentiation is about designing the hierarchical and authority levels within an organization. It comprises the level through which can an organization is decomposed by lines of management. Horizontal level refers the number of organizational responsibilities at the same lines of management. It relates to "the division of task in width and into different subtask at the same hierarchical level" (Harnaus et al., 2013, p.27). Harnaus et al. (2013) wrote that Structural design of organizations have been investigated in empirical research over the last 50 years and several structural variables has been studied such as division o labor, vertical and horizontal differentiation, job specialization, formalization, centralization, standardization, size and staff ratio. Notwithstanding these studies, a number of authors have acknowledged organizational complexity, formalization, centralization and specialization as the main relevant characteristics of organizational structure (Blackburn, 1982; Claver-Cortés, Pertusa-Ortega, & Molina-Azorín, 2012; Pertusa-Ortega, Zaragoza-Sáez, & Claver-Cortés, 2010; Van de Ven, 1976). These characteristics of the structure impact the organizational functioning by shaping it to achieve a competitive edge over other business rivals.

Formalization refers to a situation where an employee behavior is accustomed to rules, regulations, policies and policies. It is the level to which the organization states the set rules or codes to control how work is performed under certain conditions or constraints (Petusa, et al., 2010). The coordination of work within an organization can be better structured by the development of job descriptions for each specific role, Formalization is important because it provides an orientation and directions to certain conditions and instills order within the organization. Management can use such rule, regulations and policies to control employee behavior (Clave_Cortes et al., 2012).

Job specializations refers to the level at which work involves performing specialized task or having specialized knowledge and skills (Harnaus et al., 2013). It is directed at looking for the required knowledge and skills for carrying out a particular task or assignment (Humphrey, Nahrgang, & Morgeson, 2007). Job specialization creates differentiation among units which makes the collaboration of employees within larger organizations difficult.

The point of decision making authority within an organization can be described as centralization. It could also be described as the level to which decision making, coordination, and control is managed by a core person or level of organization usually by the corporate headquarters (Burton et al., 2006 as cited in Harnaus et al., 2013). Decentralization on the other hand refers to how decision making is delegated to middle or lower level management. Although centralization can be good for integration and coordination of organizational units, decentralization is an effective way of coordinating activities and decision making as it can address uncertainties and exceptions in a timely manner.

Unethical Behaviors and Ethical Leadership

Over the last few decades, business fraud and examples of scandalous management behavior have sparked many attention among several interested stakeholders. These increasing scandals have necessitated the question on the necessary steps required to prevent their frequent occurrence. Politicians, economists, philosophers, jurist, and theologians have searched for solutions that could advance ethical leadership and prevent unethical behaviors at organizations (Frisch & Huppenbauer, 2014). As a result, regulations such as the Sarbanes Oxley Act, voluntary commitment of different kinds like the codes of conduct, ethics programs, and corporate ethics officers have been introduced. However, the outcome of these measures has been insufficient in preventing corporate fraud and abuse. Webley and Werner (2008) in their studies noted that codes of ethics alone do not insulate a firm from ethical misconducts and there are frequent instances of considerable differences between the codes of conduct and actual ethical behaviors of employees. In recent times, the focus on ethical misconducts has been directed at corporate leaders and supervisors. The lack of commitment to strong ethical standards by management has been underpinned as the cause of ethical misconducts in organizations (Webley & Webley, 2008).

Even though much effort has been devoted to conceptualizing and measuring ethical leadership, a lot is required to understand it complexity and several fundamental questions are still unclear (Frisch & Huppenbauer, 2014; Kalshoven et al, 2011; Tanner et al., 2010). The normal understanding of ethical leaders refers to those that are required to behave appropriately but the question remain as what can be regarded as an appropriate behavior. Giessner and Quaquebeke (2011) wrote that the definition of appropriate conduct remains vague and concise definition is warranted on what can be considered as an appropriate ethical conduct. Scholars such as Kalshoven et al. (2011) and Tanner et al. (2010) wrote that ethical leadership have primarily focused on leadership ethical behavior towards employees. However, the stakeholder theory emphasizes the need for ethical leaders to direct their attention towards interested stakeholder groups (Freeman et al., 2010). Mayer 2009 wrote that leaders have more authority to influence behavioral patterns of employees within organizations.

Lok and Crawford (2004) wrote that leadership styles can affect the success or failure of organizations. Ethical leadership was defined by Trevino (2003) as a leader who has the capacity to influence the ethical behaviors of his/her followers. Many people will agree that good leadership must include the qualities of integrity and ethical conduct (Yang, 2014). Walumba et al., (2011) used the social identity theory to explain the relationship between ethical leadership and employee outcomes by noting that the theory is capable of capturing the complex nature of studies on ethical leadership. Ashforth and Mael (1984) wrote that the social indentify theory identify behaviors that are compatible with the organizational culture or identities that are prevalent within assigned groups. As a result, employees are likely to behave in similar way to other members of the group and obtain a sense of satisfaction from their social identity. Giberson Resick, and Dickson, (2005) wrote that leaders turn to surround themselves with employees with similar ethical values and standings. There are reasons to believe that ethical leadership can lead to the subjective well being of employees within organization (Yang, 2014). First according Brown (2010) employees who work with ethical leaders feel a sense of responsibility to return beneficial favors by increasing work output and behaving in an ethical manner. More so, organizations with strong ethical behavioral models support groups where employees feel a sense of belonging and can share moral dilemmas with those within the group (VanSandt &Neck, 2003). Thirdly, the job satisfaction of employees can increase in an environment where employees feel as sense of support from ethical leaders. Goldman and Tabak (2010) in their study of study of ethics in nursing profession in Israel noted that there is a strong relationship between job satisfaction and those nurses that work in an ethical climate. Their study recommended training of ethics for employees working as nurses in health care institutions in Israel. According Mayer Acquino, Greenbaum & Kuenzi (2012) ethical leadership can impact active relationship at the workplace. Toor and Ofori (2009) wrote that ethical leadership engages in moderating role between organizational culture and employee outcomes. Employees that work with ethical leaders are mostly satisfied with their jobs and more connected with the organization. When employees become satisfied with their jobs, the feel a sense belonging and are able to offer their best output (Yang, 2014). The output of satisfied employees in an ethical environment can most likely impact organizational success.

Professional Codes of Conduct

One of the many steps that board of directors and corporate executive are employing as a step in ensuring responsible employee conduct at the workplace is the corporate codes of conduct. There are daily headlines of ethical violations, backdating of stock options, insider trading, concealment of corporate debts, and unauthorized payments which have spiraled to greater height after the WorldCom and Enron scandals (Wiley, Mansfield, Sherman, & Updike, 2013). These front page headlines, the global financial meltdown, and the housing crisis bubble have necessitated the need for corporate reforms and codes of conduct that guide corporate supervisors and their employees to behave ethically. There are also the problems of conflict of interest, discriminating employment practices, poor working conditions, deceptive marketing practices, kickbacks, bribery, and other malpractices that occur within the workplace that require an urgent need for professional codes of conduct. There are enormous amount of pressure that corporate managers go through in today's competitive global environment and are confronted with ethical dilemmas in their daily decision making process.

Today's business organizations are incorporating an element of ethical training in their corporate philosophy with the hope that employees can understand the definition of right or wrong as enshrined within the organizational framework of good and evil. Since 1991, the Federal Sentencing Guidelines have advocated for the use of effective leadership ethics program as a recipe for curbing the high rate of unethical conducts within organizations (Arlen, 2012). Subsequent misconducts within corporate institutions suggest the necessity of corporate codes of conducts to be part of an effective compliance program. The Security and Exchange Commission requires all listed companies to create and disclose the codes of conduct for their directors, senior executives and financial officers of the company. It also requires listed companies to disclose any waivers of corporate codes of conduct for their executives and senior officers (Wiley et al, 2013). Currently there are no statistics on the number of people that have granted waivers to their corporate executives and management in not complying with the Security and Exchange Commission's directives for their corporate executives.

The codes of conduct have been focused at company level with little concentration at sub-organizational levels. In recent times multinational companies have come under intense pressure to engage in corporate social responsibility (CSR) (Preuss, 2010). One of the major tools that corporate institutions use to address this demand is the code of conduct. The adoption of a code of conduct could benefits the firm from both an internal and external perspective. From the internal perspective codes of conduct can be used to manage the CSR output of the firm and increase the organizational climate by providing a moral compass for employees to adopt new standards in the organizational culture (Preuss, 2010). A code of conduct can serve as motivating tool for employees and also place limit on their authority to exercise certain duties. It can also create a roadmap for consistent behavior among staffs and prevent incoherent behaviors across the organizational operating activities. Externally, codes of conduct can create trust among the organizational stakeholders especially in times corporate scandals and abuse. It can also help in defining the social responsibility of the organizations to its external stakeholders. Whilst the above are reasons through which firms adopt codes of standards within their operations, there is also a quasi-legal pressure. The 1991 Federal Sentencing Guidelines in the United States encouraged firms to adopt codes of conduct in exchange for allowing reduction in fines for companies with meaningful ethics and compliance programs (Rokalfo, 1994). The Sarbanes Oxley Act of 2002 also made it mandatory for firms to establish codes of conduct for their directors and key management staff (Canary & Jennings, 2008). Outside of the United States, companies in the United Kingdom are also required to follow the Combined Code of Corporate Governance. Even though United Kingdom does not mandate firms to abide by the Combined Code of Corporate Governance, organization that do not conform to its requirement are likely to receive the rebuke of investors and lose potential investors. Stakeholders that connected directly or indirectly to firm are likely to criticize them for their refusal in adopting ethical standards. A continuous bad press about these organizations can impact their corporate goodwill and eventually their success in their long run.

Despite the above advantages that project a good case in having codes of conducts at the workplace, there are number of questions regarding the effectiveness of these codes. The focus of developing codes of conduct have shifted more into its regulation and synthesis into the organizational culture that can leverage values principal to the performance of employees, management, executives and other stakeholders. This shift is in part spurred on by internal and external stakeholders that are looking to interact and conduct business with organizations with high ethical standards (Bloxham, 2010). Bloxam (2010) wrote that organizations have developed codes of standards with many redundancies that contain subtle contrast which makes it impossible for employees to reconcile and obey all the codes. The relevancies of these codes of conduct within organizations are being ignored either in favor of common sense or fraudulent pursuits and these have led to the questioning of the importance of these codes if its enforcement is not undertaken. To ensure the relevancy of codes of conduct, organizations must review their codes of conduct policies and employ independent boards of directors that will be willing to hold top management accountable to these codes. If independent boards are not willing to hold management and corporate supervisors to these standards, then maybe they can re-write the codes of conducts into two segments; those that matter that everyone can be held accountable to and the ones that all employees can aspire to achieve. But for any codes of conduct to be effective, it must be applied relentlessly to every member of the organization irrespective of status or title otherwise employees will be apprehensive to these codes of conduct. Corporate supervisors must sign a document stating that they will comply with the dictates of codes of conduct and would be accountable for the breach of those standards. Because the code of conduct is a blue print for organizational policy and provide direction for acceptable norms and behavior, corporate leaders must support its usage within all levels of the organizations. The Codes of conduct should include an element leadership integrity, respect, responsibility, honesty and fairness (Codes of Ethics and Professional Conduct, 2010)

Ethics and Compliance

The overriding objective of many organizations is to increase shareholder wealth and corporate supervisors are likely to prevent any activity that competes with this motive (Jones & Felps, 2013). There is an argument on one side that any activity that interferes with the motive of profit maximization will affect overall corporate welfare and is therefore wrong by definition. The other argument is that those who do harm outside the organization such as pollution on the environment and cost on the society should not be allowed to get away with it. The irony about the two sides is that both extremes share the same assumption that ethics and corporate welfare are different. There is a general belief by corporate leaders that misconduct will not be detected by the general public and there will be no negative consequences. When leadership insists on making profit at all costs and acts in an unethical manner betraying their social responsibility, they are likely to fail (Atlas, 2013). The cost of not following ethical standards are many; there are the cost of fines, reputational damage, ethical competitors gaining strategic advantages over unethical companies, and vendors cutting ties with unethical organizations (Atlas, 2013). According to the Greek historian Polybius, the fall of Carthage was as a result of their insistence that anything that affects profit is disgraceful (Cuilla, 2011). A study conducted by Hoyk and Hershey, (2009), noted that it is more likely that business organizations would continue to experience more ethical misconduct if firms do not take pragmatic efforts to adopt a sound ethical and compliance integration within their organizations.

Compliance involves following established guidelines, rules, and specification or developing systems where people conform to such practices. The software industry in developing their products for instance has to conform to industry standards and specifications. The increased level of regulation is widespread business concern as a result of the lack of understanding of these regulations. Since the 1980s many business ethicists and corporate responsibility advocates have moved away from making a case for stiffer regulations, rather current argument have being made towards voluntary ethical constraint (Norman, 2011). Norman (2011) wrote that corporate industries in North America have become socially responsible or better corporate citizens as result of state regulations that included the pervasive threat of tort law. It worthy to note that laws and ethics are different in many ways and it possible to follow the law and yet break an ethical standard. Not everything that is legal is ethical; however an environment without ethical rules and regulations is bound to fail, as many could escape committing crimes without being punished. Therefore every organization must have an ethical policy known as codes conduct that guides leaders and employees toward the definition of right and wrong.

Setting up a compliance policy requires metrics, measures, and monitoring to provide assurance to corporate stakeholders that those compliance activities instituted are working as intended (Beaumier, Christensen, & DeLoah, 2012). In the absence of an effective compliance management structure, the organization becomes reactive instead of proactive to corporate risk. In many instances, the integration of compliance is performed in an ad hoc manner. In number of cases, pressures from internal and external sources have resulted in changes that were implemented at level where new policies, procedures, and controls are added to old management system with little or no rationalization on how they interact with existing compliance and business framework (Beaumier et al, 2012). In many board level positions within organizations, compliance seats are absent resulting in lack of adequate recognition of compliance activities in the firm's business philosophy. The absence of a clear policy for compliance and the fact that it only becomes an issue in times of crisis suggest the difficulty in getting management on board in addressing these issues and managing them in a cost effective way.

Summary

A review of literature identified various leadership styles, ethical theories, relational management styles, and ways that leaders relate with their subordinates at the workplace. Organizational development and design were also explored. In addition leadership use of key ethical value and organizational success provide a context and areas for a quantitative, correlational study.

Ethical leadership in any organization is a complex topic that starts with a simple principle: if leaders and followers do the right thing, then unethical conduct can be avoided (Yukl, 2013). Doing what is right can only be achieved if leaders know what is right and are prepared to do what is right. Personal integrity is important for coexistence in organizations. Servant leadership was discussed under this literature review. The theory behind servant leadership is centered on service to others and emphasizes the roles of the organization in producing individuals with the idea of building success for the future (Parris & Peachey, 2013). A servant leader is a person who by nature is a servant and that individual's servant nature is a real virtue which is natural and not gained through experience (p.21). Servant leaders are inspired through their desire to serve others and their inspiration to lead others. Alternative methods for evaluating leadership ethics were explored however the Project Management Institute defined a professional Code of Conduct that includes, respect, responsibility, fairness and honesty as the key ethical values required for leadership effectiveness (Code of Ethics and Professional conduct, 2010). Leadership traits and skills were discussed. Kirkpatrick and Locke, (1996) wrote that leadership was once taught to a matter of birth and that leaders were born not made. A study conducted by Kirkpatrick & Locke, (1996) noted that there are six main factors that differentiate leaders from non leaders as follows: drive, desire to lead, honesty and integrity, self confidence, cognitive ability, and knowledge of the business

Transactional leadership is mostly common in leadership ethics but transformational leadership in an organizational context reflects the pervasive, positive influence ethical leaders can have on employees (Choudhary et al., 2013). Elements of integrity, and ethical leadership theory were explored relative to business and leadership ethics. Brown and Trevino (2014) noted that ethical-leadership theory accounts for how a leader's ethical conduct or behavior can influence his/her followers' ethical decisions and actions. According to the Ethical- Leadership theory, followers' ethical decisions are influenced by social exchange processes and the use of performance management in making employees accountable for their actions and conduct (Brown & Trevino, 2014. Ethical aspects of the big five model of personality trait were identified (Thalmayer, Saucier, & Eigenhuis, 2011). Some personality researchers believe there are five basic dimensions of individual behaviors. The Big Five Model of Personality Traits lists extraversion, agreeableness, conscientiousness, emotional stability, and openness as the five individualistic factors that account for personality variation among people (Thalmayer et al., 2011). Research by McCrae (1997), noted that these traits are universal for people in different countries and psychologists believe that personality have high reliability across cultures.

When a firm suffers through corporate misconduct, ethical abuses and fraud, the effects are visited broadly on the economy as people lose their jobs, are unable to care for their families, and turn to government interventions for support. Enron, WorldCom, Tyco, Adelphia, and others should serve as examples of how leadership misconduct can have effect on organizational success. There is the argument that ethics and compliance is a waste of corporate resources, but other findings have disproved this assertion and firms have become more interested in the adoption of ethical codes of conducts (Jones & Felps, 2013). Multiple studies in the literature cover leadership, ethics, management relationships, leadership, and organizational success. However, none was found that specifically focused on the relationship between corporate supervise use of key ethics related actions and organizational success. Chapter three includes research methodology for the current study, a restatement of the problem and purpose of the study, research design, limitation, delimitation, data collection and analysis, and ethical assurances of the study.

Chapter 3 Research Method

Presented in Chapter 3 is a description of the research procedure for this quantitative correlational study. The purpose of this chapter is to restate the research problem and purpose statement as well as the research questions and associated hypotheses used to guide this study. Additional sections that follow provided an explanation of the chosen research method and design used to achieve the objectives of this study. Furthermore, the population and sample for this study were described and the materials and instruments were explained. Operational definitions of the predictor variables and the outcome variable were defined for the purpose of this study. A description of the data collection, processing, and analysis was presented and the assumptions, limitations, and delimitation were addressed. Finally, ethical assurances were discussed and concluded with a brief summary of the research method for this section.

The period leading up to and during the financial crisis of 2007-2009 was one in which many financial services firms engaged in shortsighted and unethical behavior (McCann & Sweet 2014). About $11 trillion in household wealth vanished, 26 million Americans lost their jobs and 4.5 million could not afford their mortgages (Dallas, 2012). These events and statistics show the prevalent lack of ethical leadership in the financial services sector. While studies on ethical leadership are not lacking, there is very little research that focuses on how ethical leadership relates to organizational success in the financial services industry.

The problem addressed in this study is the lack of leadership ethics and its relationship to organizational success within the financial services industry (Frisch &

Huppenbauer, 2014; McCann & Sweet, 2014). The lack of leadership ethics as evidenced in poor leadership integrity, poor employee morale, and the total disregard for established rules, norms, and ethics led to the collapse of successful organizations such as Enron, Tyco, and Worldcom (Brown & Mitchell, 2010; Stahl & Deluque, 2014; Strobel, Tumasjan, & Welpe, 2010). According to the leader-member exchange theory, successful leaders are those who develop strong ethical relationships in their organization (Graen & Cashman, 1975). Researchers and experts studying leadership ethics found poor leadership ethics as evidenced by poor relationship with employees, lack of integrity, and total disregard for established rules, norms, and ethics among leaders within organizations studied. They wrote that ethical leadership is needed to improve employee performance and respond to changes in resources, technologies, marketing methods, and distributions and these activities are components of organizational success. They recommended a study that investigates the relationship between ethical leadership and organizational success (Brown & Mitchell, 2010; Frisch & Huppenbauer, 2014; McCann & Holt, 2013; McCann & Sweet, 2014; Strobel, Tumasjan, & Welpe, 2010).

The purpose of this quantitative correlational study was to determine the relationship and test the predictive strength between corporate supervisors' use of key ethical variables and organizational success. Surveys were utilized in obtaining data for this study. One hundred and thirty six managers from financial services institutions in New York and Washington, DC participated in this study. New York and Washington, DC were selected because many financial service organizations are headquartered in those areas. The predictor variables were defined by corporate supervisors' use of the ethical values of responsibility, respect, fairness, and honesty as measured by the Ethical

Leadership Behavior Scale (Tanner, Brugger, Van Schie, & Lebherz, 2010). The outcome variable was determined by organizational success as measured by Organizational Success Questionnaire Scale (Bass, 1968). An a priori power analysis using the G* Power software for planned multiple regression analysis based on an effect size of 0.15, significant alpha of 0.05, and estimated power of 0.80 indicated that at least 85 participants were required for the study. Bivariate correlation was computed to evaluate the relationship between each of leadership ethical variables (responsibility, respect, fairness, and honesty) and organizational success. A multiple linear regression analysis was conducted to predict the relationship between the four predictor variables and organizational success. This study is important because it may help corporate supervisors to understand the key variables that relates to organizational success. It also contributed to Leader-Member Exchange theory by exploring the key ethical variables corporate supervisors need to develop with their employees to achieve organizational success. Business leaders and other stakeholders can use the information from this study to understand the link between leadership ethical behaviors, employees' reactions to such behaviors, and organizational success.

Research Questions and Hypothesis. The purpose of this quantitative correlational study was to determine the relationship between corporate supervisors' use of key ethical variables and organizational success. Five research questions and their hypothesis were addressed in this study:

Q1. What relationship, if any exists between responsibility and organizational success for supervisors in the financial services industry?

$H1_0$. There is no significant relationship between responsibility and organizational success for supervisors in the financial services industry.

$H1_a$. There is significant relationship between responsibility and organizational success for supervisors in the financial services industry.

Q2. What relationship, if any, exists between respect and organizational success for supervisors in the financial services industry?

$H2_0$. There is no significant relationship between respect and organizational success for supervisors in the financial services industry.

$H2_a$. There is significant relationship between respect and organizational success for supervisors in the financial services industry

Q3. What relationship, if any, exists between fairness and organizational success for supervisors in the financial services industry?**$H3_0$.** There is no significant relationship between fairness and organizational success for supervisors in the financial services industry.

$H3_a$. There is significant relationship between fairness and organizational success for supervisors in the financial services industry.

Q4. What relationship, if any, exists between honesty and organizational success for supervisors in the financial services industry?

$H4_0$. There is no significant relationship between honesty and organizational success for supervisors in the financial services industry.

$H4_a$ There is significant relationship between honesty and organizational success for supervisors in the financial services industry.

Q5. To what extent, if any, are responsibility, respect, fairness, and honesty predictive of organizational success for supervisors in the financial services industry?

$H5_0$. No statistically significant correlation exists between responsibility, respect, fairness, and honesty and organizational success for supervisors in the financial services industry.

$H5_a$ Statistically significant correlation exists between responsibility, respect, fairness, and honesty and organizational success for supervisors in the financial services industry.

Research Methods and Design

The goal of this quantitative correlational study was to examine the relationship and test the predictive power between predictor variables and the outcome variable. Responsibility, respect, fairness, and honesty were the predictor variables and organizational success was the outcome variable. A correlational quantitative method was appropriate for this study because the researcher was interested in determining the precise relationship between the variables of study (Black, 2005; Vogt, 2007). A quantitative correlational methodology was also appropriate for the study because the researcher was interested in the predictive analysis among the variables under investigation (Cozby, 2009, Vogt, Gardener and Haeffele, 2012). A non-experimental research is appropriate where experimental research is impossible (Vogt, 2007). The study was an evaluation of corporate supervisors' use of key ethical variables and organizational success. It was not practical and reasonable to attempt to assign or manipulate corporate supervisors' ethical experience. As result of the study being correlational, cause and effect was not demonstrated.

The criterion variable was defined by organizational success. Measuring organizational success can be a difficult task as several variables can measure success. Under this study, organizational success was measured using the validated survey questionnaire by Bass (1968). Even though this questionnaire appears outdated, the questions are still relevant.

Self evaluation has been shown to be valid and accurate way of measuring performance (Ford & Evans, 2006). An evaluation of a self-directed performance removes the unilateral nature of reviews by other's perception (Heidemeir & Moser, 2009). Leaders evaluating their ethical behaviors in their organizations will be more likely to provide self criticism and this can provide valuable information to management about areas of improvement (Ehlinger et al., 2008).

The participants for this study were allowed 21 days to answer the survey questions. A reminder email was sent to participants at end of a 14-day period to encourage them to answer survey questions. At end of 21 days allowable period for data collection, analyses were performed for the demographics of the study sample which was followed by descriptive statistics. Reliability and internal consistency of the survey instrument was assessed using the Cronbach's alpha. Composite scale scores were then calculated by comparing the mean of the items from each scale. As a result of some of the subscales of the instrument containing less than 10 items, inter correlation was computed to check for convergent and discriminant validity (Attar & Sweiss, 2010). Pearson's' product-moment correlation coefficient was used to examine the relationship between the four predictor variables and the criterion/outcome variable. A multiple linear regression analysis was then conducted to test the predictive power of the same variables. Descriptive statistics such as the mean, standard deviation and range of scores were calculated and reported to describe the data collected.

Population

The target population for this study consisted of supervisors from financial institutions in New York and Washington DC. Thirty financial institutions were randomly selected in New York and Washington DC. Using financial institutions was appropriate for this study because much misconduct occur in this business environment (Ngasem, 2013). For instance, the financial meltdown in the United States was partly attributed to the financial services sector granting scrupulous loans to non qualified individuals (Ngassam, 2013). New York and Washington DC was chosen because many financial institutions have their headquarters in those locations. According to the Bureau of Labor Statistics (2014), a total of 691,100 and 29,000 people are employed in the financial services industry in New York and Washington DC respectively. Information was obtained regarding the willingness of the firm to participate in the study and the number of corporate supervisors within the company. When a selected company declined participation, other firms were selected to meet the 30 company threshold. The participants for this study were 18 years or older and were able to read and write English. Research participants with specific characteristics were selected using purposive sampling (Teddlie & Yu, 2007) while excluding those that do not meet the research criteria. Past research conducted by McCann & Sweet (2014) in the financial services sector on ethics used participants' experience between 1 and 20 years as characteristics for their population to obtain data for their study. In line with this prior study, the researcher required research participants to have between 1 and 20 or more years of experience in the financial services sector to be eligible to participate in the study. This ensured that participants had obtained some level of experience to answer the survey questions on their use of ethical leadership and organizational success.

Sample

The characteristics and abstraction of G*Power were used in determining the appropriate sample size and statistical significance of the current study (Balkin & Sheperis, 2011). Suresh and Chandrashekara (2012) wrote that when studying human participants, including a power analysis in the dissertation ensures the study produce reliable information in an ethical manner. In estimating the required sample size for the study, the G* Power analysis was applied using an a priori F- test (multiple linear regression: fixed model R^2 deviation from Zero). The calculation used to determine the sample size were selected using four predictors, a medium effect size (*f*) of 0.15, a power of .80 and a significant alpha (α) of .05. The results of G* Power analysis showed that a minimum sample of 85 participants were required for the study. Houser (2007) wrote that when estimating a sample size, 15 participants are considered sufficient for each measured variable. This study has four predictor variables measured and hence the 85 minimum sample participants met this criterion.

The sample was derived from corporate supervisors in the financial services industry using purposive sampling. Purposive sampling is a non probability sampling technique (Guarte & Barrios, 2006). Researchers using purposive sampling select sampling units within the population sector with the most information on desired characteristics (Guarte & Barrios, 2006). Research participants with specific characteristics were selected (Teddlie & Yu, 2007) while those that did not meet the research requirement were excluded. Quantitative and qualitative studies use purposive sampling to produce an appropriate sample for the study. Teddlie and Yu (2007) wrote that identifying participants with defined common criteria is homogeneous purposive sampling. Purposive sampling was appropriate for the current study because the study contains a narrowly defined population with specific characteristics. Corporate supervisors in the financial services sector are narrowly defined population. As purposive sampling is ideal for a clearly defined group (Teddlie & Yu, 2007), and since this study contained a clearly defined sample, purposive sampling makes a logical sampling option.

Quantitative studies require representativeness as an important feature of a sample (Teddlie & Yu, 2007). In ensuring adequate representation, criteria for sample selection were required. The criteria required for this study sample was based on years of experience, job function, and industry. The participants were defined by years of experience as supervisors having between 1 and 20 years or more experience, the job function was defined as participants working as supervisors who manage 1 or more employees, and lastly, participants were defined by the industry sector as those employed in the financial services sector. In meeting the sample pool, 30 financial services firms were randomly selected from New York and Washington DC and permission was requested and granted by their employers. The researcher sent emails to all 20 prospective participants from each firm and a total of 600 prospective participants were contacted. The participants were informed that their participation in the study was voluntary and they could withdraw at any time (see Appendixes D and E).

When participants agreed to participate in the study and met the criteria for their participation, a letter was sent to thank them for agreeing to participate in the study and the link for the survey was provided to them. Participants were required to agree to an informed consent form that contained information on the research ethics, confidentiality and anonymity. Twenty one days were allowed for participants' feedback to the survey questionnaires. Emails were sent after 14 days to encourage participants to complete the survey. .

In an anticipation that the minimum required sample of 85 participants were not going to be achieved, additional steps were taken by seeking permission from financial services forum in LinkedIn in recruiting additional participants (see Appendix J). This additional step was however unnecessarily as the minimum sample was met at the end of 21 days survey time schedule.

Materials and Instrument

In addressing the study's problem, research questions, and hypothesis, two validated survey instruments, Ethical Leadership Behavior scale (Tanner et al., 2010) and the Organizational Success Questionnaire (Bass, 1968) and five (5) demographic questionnaires were combined for a total of 52 items that was used in examining the relationship between four predictors and one outcome variable. As indicated earlier, the objective of this study was not to determine causation between the variables (Vogt, 2007). Instead this quantitative correlational study was to examine the relationship and test the predictive power between the four predictor variables and the outcome variable. Survey questionnaires on leadership ethics focused on corporate supervisors' use of respect, responsibility, fairness, and honesty. These variables were measured using

Ethical Leadership Behavior Scale by Tanner et al. (2010) (see Appendix A). The Bass (1968) Organizational Success Questionnaire was used to measure organizational success (See Appendix A). Permission was sought from the authors of Ethical Leadership Behavior Scale and was granted for the use of this instrument (see Appendix H). Bass (1968) wrote that no permission was required for his validated survey if the questionnaire is used for academic purposes. This study falls in the category of academic purposes and hence no permission was sought for the Organization Success Survey.

In maximizing validity, the study included the Leader-Member Exchange theory, an appropriate correlational quantitative design, use of survey for data collection, and multiple linear statistical analyses, which aligned with the objectives of the study (Cooper & Schindler, 2011; Leedy & Omrod, 2010; Nathan et al 2012). The Cronbach's alpha for survey instruments with an alpha value of 0.7 or higher is considered adequate (Gaddermann et al 2012; Tachachnick & Fidell, 2013; Vogt, 2007). This study's Cronbach alpha value exceeded 0.7 for the current study as shown in the findings section. A detailed description of the survey instruments used for the current study is as follows:

Ethical Leadership Behavior Scale (ELBS). The Ethical Leadership Behavior Scale consists of 35 Likert style questions using a scale of 1 (strongly disagree) to 3 (strongly agree) in appropriately approximating interval scales. The researcher used the 35 questionnaires for this study. Four leadership ethical variables (independent) were measured by the ELBS and include support (responsibility), fairness, respect, and honesty. Each dimension was scored by averaging the scores from responses of the variables tested. The overall corporate supervisors' ethical behavior was the summation of all the four variables of the ethical leadership.

The validity and reliability of ELBS was tested by Tanner et al (2010). Initially the authors used 49 items to assess leadership ethical behavior on five point rating scale including a response action of not applicable. Content validity for these items was achieved in two steps. First the authors used the scores of 592 employees from the Swiss Federal Police department to mark the scales based on the "partial-credit Rasch model" in assessing supervisors' ethical behavior based on the perspectives of the follower (Tanner et al, 2010). The second phase of the content validity involved an examination by the authors in verifying that the leaders' ethical behavior reflected observed behaviors and not what employees desired to answer.

The calibration of the ELBS was based on partial- credit Rasch model but as result of the poor of fit of the data obtained, 14 items were excluded. Among the remaining 35, exploratory statistical analyses were conducted which showed 6.86% of the statements for the instruments were not applicable. The remaining questions using the Rasch- Model reliability for ELBS concluded to be good fit with a relative reliability of 95% showing a strong internal consistency. Construct validity was tested using structural equation modeling (SEM) to predict job attitudes and work outcomes. Their findings confirmed that ethical leadership contributes positively to job satisfaction, effective commitment, and work engagement (Tanner et al., 2010).

Organizational Success Questionnaire Scale (OSQ). The organizational success questionnaire measures success within organizations based on the perceptions of business students and upper-middle managers with experience in organizations (Bass, 1968). The scale was developed to test the extent to which graduate business students and upper-middle managers in a number of organizations agreed on social theorists' and political theorists' perceptions of what variables generate success for organizations. The 12 organizational success questionnaires were collected from 89 graduate students, most of who had no industrial experience, 24 night graduate students with 5 years of experience and 89 upper-middle management who had experience levels of about 20 years on average. Six factors were identified in the initial analysis of the social and political theorist as follows; "(1) emphasize personal gain, (2) emphasize organizational gain, (3) share decision making (4) emphasize candor, openness and trust, (5) bluff, obscure issues, and (6) maintain social distance and prerogatives". These six factors were not significantly independent of each other. As a result, a social scale test was employed for the study that yielded a mean internal reliability of 0.72 and mean retest reliability of 0.52. The political scale on the test of reliability yielded the same results. There were significant relationships between the scale responses and the response of "other inventories of orientation and value". The original instrument was made of sixteen items but four were dropped (leaving 12 questions) because those items loaded negatively on two factors; political or social factor for measuring organizational success. The study concluded that both social and political factors are important for measuring organizational success according to the respondents

Operational Definition of Variables

This section contains descriptions of operational definition of each variable used in the study. The variables included corporate supervisors' use of responsibility, respect, honesty, and fairness forming the predictor variables and organizational success as the outcome variable. The variables were critical to the study and were operationalized in identifying labels. Trochim and Donnelly (2008) wrote that responses to several Likert questions may be summed under the assumption that all questions use the same Likert scale and the scale is an approximation to an interval scale, in which case the Central Limit Theorem allows treatment of the data as interval data measuring a latent variable.

Responsibility: (X1). This leadership ethical value (independent variable) was measured based on corporate supervisors' use of responsibility. Likert- type ordinal scale was treated as an interval level response (Trochim, 2001). Twelve leadership behavioral questions were asked within the survey questionnaires in Appendix A. Those questionnaires asked corporate supervisors about their ethical behaviors on: (1) compliance with rules and regulations, (2) making decision for the greater good of the organizations and society, (3) keeping commitments, (4) protecting confidential information, (5) taking ownership of errors and omission, and (6) reporting unethical behaviors to appropriate authorities. The twelve ethical leadership values within the survey questionnaire were 1, 2, 3, 7, 10, 14, 15, 26, 29, 30, 31, and 32 (See Appendix A, Part B). These twelve Likert- type questionnaires were noted in the Ethical Leadership Behavior Scale as representing key values of responsibility. Four of these questions were negatively worded (26, 29, 30, and 31). The researcher reversed the scores of these four negatively worded questionnaires, summed these questions, and divided them by twelve to yield an average score for responsibility.

Respect: (X2). This leadership ethical value was measured based on the supervisors' use of respect. Likert- type ordinal scale was treated as an interval level response (Trochim, 2001). Six ethical leadership behavioral questions were asked within the survey questionnaires in Appendix B. Those questionnaires asked corporate supervisors about their ethical behaviors on; (1) listening and understanding employees,

(2) respecting others property, (3) abusing employees, (4) resolving conflict with employees, (5) making changes in good faith, and (6) respect the cultures of others. The six ethical leadership values within the questionnaire were 5, 9, 13, 19, 24, and 35 (See Appendix A, Part B). These six Likert- type questionnaires were noted in the Ethical Leadership Behavior Scale as representing key ethical values of respect. Two of these questions were negatively worded (17, 15, and 20). The researcher reversed the scores of these two negatively worded questionnaires, summed these questions, and divided them by six to yield an average score for respect.

Fairness: (X3). This leadership ethical value was measured based on corporate supervisors' use of fairness. Likert- type ordinal scale was treated as an interval level response (Trochim, 2001). Eight leadership behavioral questions were asked within the survey in Appendix B. Those questionnaires asked corporate supervisors about their ethical behaviors on; (1) providing equal access to information, (2) disclosing conflict of interest, (3) providing full disclosure in areas of conflict, (4) discriminating against other employees, (5) applying organizational standards without prejudice, and (6) demonstrating transparency. The eight ethical leadership values within the questionnaire were 4, 12, 16, 17, 20, 22, 23, and 34 (See Appendix A, Part B). These eight Likert- type questionnaires were noted in the Ethical Leadership Behavior Scale as representing key ethical values of fairness. Six of these questions were negatively worded (16, 17, 20, 22, 23, and 34). The researcher reversed the scores of these six negatively worded questionnaires, summed these questions, and divided them by eight to yield an average score for fairness.

Honesty: (X4). This leadership ethical value was measured based on corporate supervisors' use of honesty. Likert- type ordinal scale was treated as interval level response (Trochim, 2001). Nine leadership behavioral questions were asked within the survey questionnaires in Appendix A. Those questionnaires asked corporate supervisors about their ethical behaviors on; (1) behaving in a truthful manner, (2) engaging in honest behavior, (3) demonstrating good faith when making commitments, (4) discriminating against other employees, (5) promoting an environment of honesty, and (6) providing accurate information. The nine ethical leadership values within the questionnaire were 6,8,11, 18, 21, 25, 27, 28, and 33 (See Appendix B, Part B). These nine Likert- type questionnaires were noted in the Ethical Leadership Behavior Scale as representing key values of honesty. Four of these questions were negatively worded (18, 27, 28, and 33). The researcher reversed the scores of these four negatively worded questionnaires, summed these questions, and divided them by nine to yield an average score for honesty.

Organizational Success: Dependable variable: (Y). Organizational success was the outcome (dependent) variable and was rated by as an interval level response format (Torchim, 20110, p.115). Organizational success was captured using the responses from survey questions 3 to 11 (See Appendix A). Three of these questions from the survey questionnaires were negatively worded. The researcher reversed the scores of these three negatively worded questionnaires (4, 6, and 7), summed these questions and divided them by twelve to yield an average score for organizational success.

Data Collection, Processing and Analysis

Data collection for the current study was taken using the internet with Survey Monkey. The internet provides high degree of anonymity, easier access to participants and low data gathering and preparation cost (Vogt, 2007). The disadvantages of internet based assessment include risk of low response rate, non personal contact and the inability to explain the study in person (Vogt, 2007). The researcher ensured a careful adherence to proven research principles and clearly established design in minimizing the disadvantages of internet based assessment.

Data collection. Upon receiving approval from the Northcentral University Institutional Review Board (IRB, see Appendix G), the researcher sent emails to research participants to begin answering the survey questions. SurveyMonkey which is an online data collection tool hosted the online survey. Surveys are practical applications which are used to capture the opinions of target population (Terhanian & Bremer, 2012). In complying with the Northcentral University's IRB requirements, IRB approval, informed consent, confidentiality, and privacy policies were required. Participants were also required to meet the minimum inclusion criteria for the study (i.e. 18 years or older, supervisors who work the financial services industry, and those with minimum experience between 1 and 20 years or more). The research participants reviewed the study's purpose, the survey instructions, and instructions for opting out of the survey. Participants were also required to acknowledge the assurance of confidentiality before consenting to complete the online survey.

After a 14-day period, 76 responses were completed by survey participants. Additional reminder emails were sent to encourage participants to answer the survey questions. Survey responses were collected in real time which allowed the researcher to monitor the daily number of completed surveys. The researcher allocated 21 days timeline for survey administration. At the end of the 21 days, 142 participants attempted the survey questions. One hundred thirty six participants fully completed the survey questionnaire, 4 people did not meet the criteria for inclusion and 2 did not fully complete the survey questionnaires. In mitigating the potential problem of not achieving the minimum number of participants required for the study, the researcher included as a strategy to recruit additional participants from the Financial Services Forum in LinkedIn. However this additional process was not required as the researcher was able to obtain more than the minimum sample required for the study after 21 days allowable period. The cutoff date, maximum response count, and timeline could have been extended until the required usable responses were achieved to meet the goals of the study.

Data processing. The participants for this study completed the surveys at their convenience and returned them in a timely manner. The researcher tracked the survey completion through the online survey host in monitoring the progress of the study. Web based surveys are intuitive and attractive and the results can be transferred to a statistical program such as Statistical Package for Social Sciences (SPSS) for analysis (Nathans et al., 2012, Vogt et al., 2012). The online data collection period was scheduled for a period of 3 weeks before data analysis. The researcher estimated that survey participants required about 15 minutes to complete the survey. The survey was completed in real-time which allowed the researcher to determine whether the survey participants met research criteria and whether usable data were complete. Even though the screening of demographic criteria for participation in the study were pre-established any survey response received from ineligible (less than 18 years, experience financial services industry, working in financial services industry in New York and Washington DC and supervisors) were discarded. After collecting the data, the researcher examined the completed surveys for accuracy by visually inspecting data responses, the number of respondents and nonrespondents that were reported. All incomplete survey responses were set aside and excluded from the survey analysis. The results of the survey were transferred to excel where negative worded words were reversed and the average of predictor variables and criterion variables were calculated as described in the operational definition of variables. After this process, the results were then transferred to the SPSS for analysis.

Data analysis. The researcher used SurveyMonkey website, Excel, and SPSS for data analysis. Completed data were transferred from SurveyMonkey into excel spreadsheet where all the predictor variables and the criterion variables were average as described in the operational definition of variables. The final data from excel were transferred from the excel spreadsheet to into the SPSS Statistical Software package for further analysis. The researcher calculated the Cronbach's alpha coefficients to assess reliability and internal consistency of the survey items (Vogt et al., 2012). Reliability indicated the freeness of the scale was from error (Vogt, 2007). Reporting reliability is also dependent on the number of items within each subscale (Diamantopoulos, Sarstedt, & Fuchs, 2012). As a result of the subscales of the instrument containing less than 10 items, inter-item correlation was used to check for convergent and discriminant validity (Attar & Sweiss, 2010; Diamantopoulos et al., 2012). Survey validity refers to the degree a survey instrument is used to accurately measure what it is supposed to measure (Vogt et al., 2012). The use of the two validated instruments was beneficial in developing accurate conclusions based on the design and measurement of the questions under investigation (Gaddeman, Gunhn & Bruno 2012; Vogt et al., 2012).

Outliers. A test for univariate outliers was conducted in SPSS to determine if data collected was not be included in the analysis (Tabachnick & Fidell, 2007). In determining outliers, data scores were converted in z- scores and compared to the critical value +/- 3.29 ($p < .001$). There were no data outliers in the analysis performed as noted in the Findings Section of this study. Outliers can have deleterious effect on statistical analysis such as increasing the error variance and reducing statistical power. They can also violate the assumptions of sphericity and multivariate normality and alter the odds of making a type I and II errors (Zimmerman, 1994).

Missing data. In detecting missing data, a frequency count was run in SPSS statistical software. There were no cases with more than 5% of items and there no cases with incomplete data. (Tabachnick & Fidell, 2007).

Parametric assumptions. Assumptions of normality, linearity, and homoscedasticity were evaluated in detecting any violations of parametric assumptions. Graphs were created to determine the degree of normality. In particular a histogram, P-P plot and scatter plot were generated to provide visual evidence of degree of normality. Normality was detected by computing the Shapiro-Wilks' test and creating Z score for skewness and kurtosis (Vogt, 2007). All variables tested were normal as shown in Findings Section.

Pearson product-moment correlation coefficients were used to examine the relationship between the four predictor variables and one outcome variable (Nathans et al., 2012). Multiple Linear regression analysis was then applied to test the predictive strength of the same variables. Descriptive statistics were reported to summarize and describe the collected data. The descriptive analysis information included means, standard deviations, and the range of total scores for the predictor variables and outcome variables. The demographic information was presented through frequency tables, descriptive statistical tables, and graphs in the Findings Sections of this study (Cooper & Schrindler, 2011).

Pearson's product-moment correlation and multiple linear regression were most appropriate statistical test to examine the relationship and test the predictive strength of the four predictor variables and the criterion variable (Nathans et al, 2012; Tabachnick & Fidell, 2013; Vogt, 2012). The regression model allowed the researcher to test the predictor variables and address each research question (Tabachnick & Fidell, 2013). Therefore the predictor variables of responsibility, respect, honesty, and fairness were evaluated to determine their relationship and predictive strength towards the criterion variable, organizational success. The Pearson's product-moment correlation and multiple linear regression analysis were conducted after confirming their statistical assumptions of normality and homoscedasticity (Nathans 2012; Statsoft 2013; Vogt 2013). The objective of this study was not to find causation but to examine the relationship and test the predictive strength between the four predictor variables and the criterion variable. Table 1 displays summary of each hypothesis with it associated outcome variable, predictor variable, levels of measurement, statistics used, and the statistical technique in answering the questions. As displayed in the table 1, the same outcome variable (organizational success) was used for the five hypotheses. The predictor variables consisted of the four key leadership ethical variables. The measurement level for all the variables were interval. Correlation and multiple regression analysis were used in testing the hypothesis for the current study.

Table 1

Descriptive Statistics Associated With Each Hypothesis

Hypothesis	OV	PV	Level of Measurement	Statistics
H1	Org. Success	Responsibility	Interval/Interval	Regression
H2	Org. Success	Respect	Interval/Interval	Regression
H3	Org. Success	Fairness	Interval/Interval	Regression
H4	Org. Success	Honesty	Interval/Interval	Regression
H5	Org. Success	Responsibility, Respect, Fairness Honesty	Interval/Interval	Regression

The five null hypotheses for the study are:

***H1*$_0$.** There is no significant relationship between responsibility and organizational success for supervisors in the financial services industry.

***H2*$_0$..** There is no significant relationship between respect and organizational success for supervisors in the financial services industry. .

***H3*$_0$.** There is no significant relationship between honesty and organizational success for supervisors in the financial services industry

***H4*$_0$.** There is no significant relationship between fairness and organizational success for supervisors in the financial services industry.

***H5*$_0$** No statistically significant correlation exists between the responsibility, respect, fairness and honesty and organizational success for corporate supervisors in the financial services industry.

The five null hypotheses were tested using the multiple least square regression analysis. Multiple least square is a preferred statistical analysis in determining the relationship between a set of predictors and an outcome variable (Tabacknick & Fidell, 2007). Multiple least-square regressions are also used in measuring linear relationships between the set of predictor variables and the outcome variable.

Assumptions

The researcher made several assumptions to this quantitative correlational study. Using multiple linear statistical analyses required three assumptions to be met which included (a) normality, (b) linearity, and (c) homoscedasticity (Nathans et al., 2012; Tabachnick & Fidell, 2013). The SPSS statistical software was used examine scatter plots based on standardized predicted scores and errors of prediction (Nathans et al., 2012; Tabachnick & Fidell, 2013). Although Likert type scales variables were used for the study, they were treated as continuous in meeting the assumptions of linearity (Nathans et al., 2012; Statsoft, 2013; Vogt 2007). The assumption of normality was assessed by visually inspecting the histogram curve and P-P plots of regression standardized residuals. The assumption was met because the data point did not deviate strongly from the normality line (see the Findings Section). Linearity is used to describe a straight line relationship between the variables where the direction or rate of change is consistent. Regression analysis is accurate when the relationship between the variables is linear (Nathans et al., 2012; Statsoft, 2013; Tabachnick & Fidell, 2013; Vogt 2007). The assumption of linearity was also tested by visually inspecting the P-P plots of regression standardized residuals (see Findings Section). The term homoscedascity was used to describe variance between the predictor and outcome variable. This was tested by visually inspecting scatter plots diagram generated through SPSSS (see Findings Section). The confirmation that all assumptions had been met were discussed in the

Findings of this study (Diamantopolos, et al., 2012; Nathans et al., 2012; Tabachnick & Fidell, 2013)

In addition to the above, it was also assumed that that corporate supervisors selected for this study could read and understand English sufficiently to able to respond to the survey questionnaires. More so, as the survey was administered anonymously and corporate leaders were assured of confidentiality and the researcher assumed that they will honestly respond to the survey questions without bias. It w also assumed that as result of participants' feelings of confidentiality not being maintained or because of concerns of loss of privacy, research participants will modify responses to the survey questionnaires in meeting preconceived notions of the outcomes. It was assumed that participant will offer their accurate feedback on the survey questionnaire.

Limitations

There were a number of limitations to this study. The limitation of this study involved the quantitative correlation design which was not to determine causation, but to evaluate the relationship and the predictive strength between four predictor variables and one outcome variable. In correlational study, there is the lack of direct control over the predictor and criterion variable (Leedy & Ormrod, 2010). Since the study was a correlational study, the researcher took steps in ensuring that the findings and conclusion drawn from this study were not stated to imply causation. The implication of this is that the predictor variables cannot be concluded to cause organizational success. The fact that the predictor variables have a relationship with organizational success does not imply that they cause organizational success.

Participants were asked to rate their own ethical behaviors and organizational success, the result of the outcome may be biased self reporting by participants. A request was made to participants to answer the survey question in an honest manner. Conscious or unconscious biases in self-reporting of corporate supervisors' ethical behavior may have limited the results. Some participants may have been overly critical of their own ethical behavior thereby skewing the results. Conversely, some participants may not have recognized their own deficiencies in ethical behaviors as result of lacking competency appraisal of training or for other reasons (Grant, 2008). This study used an adequate sample size from different organizations in reducing the response bias (Gove & Geerken, 1977). The use of validated survey instruments with clear and appropriate language may have also limited response bias. The study did not include other measures of organizational success such as profitability, liquidity, quarterly profits, earnings per share, and increases in total assets. Certain cultural and informal political activities such as work politics, and informal work practices that affect leadership ethics and organizational success were not measured. This study used two validated instruments (Bass 1968 and Tanner et al., 2010) in obtaining information from participants. The validity of the survey refers to the degree in which the survey instruments accurately measured what it was supposed to measure (Squires et al., 2013; Vogt et al., 2012). For this reason, the use of previously validated instruments was beneficial in developing accurate conclusions based on the design and measurement of corporate supervisors' ethical behavior (Vogt et al., 2012). The original survey items used in this study were not altered. Therefore, it was reasonable to assume the validity and reliability remained unchanged (Diamantopoulos et al., 2012; Nathans et al., 2012). The study had the limitations of a quantitative correlational study in which data was collected once in a survey form. Participants did not provide in-depth perspectives of their experiences (Slough & Chamblee, 2007).

The 3 week period that was allowed for survey feedback may have limited the number of participants and reliability of the information supplied. This was however mitigated through email notifications to research participant and phone calls to employers to encourage their corporate supervisors to participate in the survey.

Nonresponse bias. According to Krueter and Olson (2011), a potential threat that can affect the validity of a research study is nonresponse bias. Research participants may have different representations in the population compared to those who refuse to participate in the study. Rogelberg and Stanton (2007) wrote that some participant may not be able to respond to survey or may be absent from work during the survey period.

According to Rogelberg, Adelman, and Askay (2009), changes in nonresponse rate of surveys do not necessarily impact the survey estimates. The researcher did not use incentive to increase response. The use of incentives has been proven not have any impact on reducing nonresponse bias (Rosen, Murphy, Peychev, Riley & Linbald, 2010). Prompt emails and follow up were used to increase response rate.

The final limitation of this study may have been the subscale items that consisted of less than 10 items within the survey instrument. In verifying the reliability of the subscales with less than 10 items, the inter-item correlation was used (Attar & Sweiss, 2010; Diamantopoulos et al., 2012)

Delimitations

Delimitations refer to frontiers imposed on a study and activities within the limit or control of the researcher. The study was delimitated to include corporate supervisors who are located in New York and Washington DC only. Participants for this study included only corporate supervisors who are managers who manage 1 or more employees. The measurement of corporate supervisors' ethical behavior and organizational success was through a self-report format. The study did not include other factors such as politics, earnings per share, liquidity, quarterly profitability, and total asset expansion as measurement for the variables to be studied. The study was delimitated to include only key ethical variables such as responsibility, respect, fairness, and honesty. Lastly the study was delimitated to include only corporate supervisors in the financial services industry.

Ethical Assurances

The study of human behavior requires the consideration of ethical factors. The purpose of this study involved examining the relationship and the predictive power of corporate supervisors' use of ethics- related actions and organizational success. The consideration of ethical factors when studying human subjects was made throughout the length of this study (Cozby 2009; Vogt et al., 2012). Specific ethical factors that were considered were privacy, confidentially, informed consent, selection of participants and internet research. A copy of the informed consent can be found in Appendix E. The participants were informed that completion of the survey instrument was strictly voluntary and they had the option of opting out at any stage of the survey. They were however encouraged to participate in answering the survey questions as the outcome of the study may be important for those in the financial services sector.

Before administering the survey, the researcher sought and obtained approval from the Northcentral University Institutional Board (IRB). Upon receiving IRB approval, the researcher sent emails to potential research participants to answer the survey questions. There were several documents there were imbedded in the survey questionnaires. First a cover letter was provided to all participants stating that participation in this study was voluntary. Also the survey instructions were provided in showing how participants could complete the survey questions. Lastly, an implied informed consent was attached to the survey questions and participants had to agree before given access to the survey questions. There were no minors involved in this study, and participants had to be 18 years or older to participate in the study. SurveyMokey have security features that provided confidentiality for research participants. The survey questionnaires were sent to participants in a uniform resource locator and participants could access the link to the survey. The internet protocol (IP) address of participant were disabled to prevent anyone from knowing the location of any particular participant that answered the survey questions

As stated earlier each research participants were required to agree to informed consent before starting the survey. Participants had the option of opting out of the study without any ramifications. This study presented a low risk because it did not require any physical contact or manipulation of human subjects. In ensuring that the purpose of the study was met, the demographic data of participants (18 years and above, experience, working the financial services industry and manages one or more employees) were reported in the section of the findings. All data collected kept confidential in ensuring the anonymity of participants. All data gathered were safeguarded by filling a copy in a secured area. After the completion of this study, all data obtained from participants will stored for minimum of 7 years

Northcentral University IRB required that participants assessed potential risks before performing studies with human participants. Some of the potential risk includes physical, psychological, social and legal harm. More so, an understanding of corporate supervisors' ethical behaviors in the financial services sector may provide an additional insight on its relationship on organizational success. Responses from the survey questionnaire did not require participants to provide their names or email address. The computers that were used by research participant in answering the survey questions were outside the domain of the researcher and hence the participants were informed that it was their responsibility to maintain security of the computers they use in answering survey questions. In some occasions, the fear of anxiety may be present in answering survey questions. In line with this, the email addresses of the researcher and the dissertation chair and IRB contact information were provided to participants to communicate any concerns they might have during the study period. The study is low risk because it did not require physical contact or the manipulation of the research participants. All information collected were evaluated, analyzed, and presented anonymously. The outcome of this study was reported in truthful and honest manner devoid of any biasness with procedures, findings, and problems. The findings from this study were not misleading to researchers or anyone that might depend on this study. Citations for work were provided and credit given to any document where necessary.

Summary

The present quantitative correlation study was conducted to determine whether associations existed between systems corporate supervisors' ethics related actions and organizational success. The purpose of the quantitative correlation study was to investigate whether corporate supervisors use of leadership ethics have a relationship and can predict organizational success. A quantitative correlational analysis was appropriate for investigating the relationship between the leadership ethics and organizational success ((Vogt, 2007). A non experimental research design and a quantitative correlational research design were appropriate in examining the relationship between the variables under study

A purposive, nonprobability sample of 136 corporate supervisors represented the population of the study. An established survey instrument was used in obtaining answers on leadership ethical and organizational success. Tanner (2010) Ethical Leadership Behavioral Scale was used to collect data on respondent's use of key leadership ethics and the Organizational Success Scale by Bass (1968) was used to obtain participant feedback on organizational success

A quantitative correlational methodology was selected over qualitative or mixed method and survey was selected as the most appropriate means for data collection (Fowler, 2009; Tabachnick & Fidell, 2009). Pearson-moment correlation and multiple linear regression analysis align with a quantitative methods used in correlational study to examine the relationship and test the predictive strength of the constructs under examination (Nathan et al., 2012).

Chapter 4: Findings

The purpose of this quantitative correlational study was to examine the relationship and test the predictive strength between four predictor variables and one outcome variable. Responsibility, respect, honesty, and fairness were the predictor variables and organizational success was the outcome variable. One hundred and thirty six participants from New York and Washington DC completed a survey questionnaire on leadership ethics and organizational success. An a priori power analysis was used to estimate the minimum sample required for the study. Using the G* Power software with for planned multiple regression analysis based on an effect size (*f*) of 0.15, a significant alpha of 0.05 and an estimated power of .80, the minimum required sample for this study was 85. Two previously validated survey instruments were used for the study because the context was specific to the constructs examined. The Leadership Ethical Behavior scale measured the ethical leadership of corporate supervisors and Organizational Success Scale measured organizational success of participants in the financial services industry.

The Leader-Member Exchange (LMX) theory was used as a framework to examine and test the relationship and predictive strength between the four predictor variables and the criterion variable. The LMX theory purports that leaders develop a relationship that is based on reciprocal exchange with their followers (Graen & Cashman, 1975). Leadership behavior may be predicted on the level of relationship with their followers (Shweta & Srirang, 2013). Pearson's product- moment correlation was used to examine the relationship between the predictor and outcome variables while multiple linear regression analysis was used to test the predictive strength of the same variables.

Chapter 4 presents the findings of the study. The results of the statistical analysis are presented first, followed by test results of the hypotheses. The evaluation and interpretation of the findings are then discussed. The chapter concludes with an evaluation of findings and a summary.

Results

This section includes the results of the statistical analysis performed in this study. The demographic backgrounds of the sample are presented first, followed by the descriptive statistics. The assessment of the reliability and internal consistency of the survey instrument are then described. A discussion of the assumptions for using parametric statistical analysis follows. Pearson's product-moment correlation and multiple linear regression analysis were used to examine and test the research question and associated hypotheses

Descriptive analysis. Out of 600 survey distributed through email with links to survey questions through SurveyMonkey, only 136 participants (22.7%) fully completed the survey which exceeded the minimum sample size of 85 participants, as described in Chapter 3. One hundred and forty two participants attempted the survey questions at the end of 21 days survey period. Two participants did not fully complete they survey questionnaire and four participants did not meet the study requirement as a result of answering no to the screening questions (whether they manage 1 or more employees). As a result 6 participants were excluded from the data analysis. There was no missing information in the demographic data, the predictors, and the criterion variables.

The majority of respondents that answered the survey questions were those with 15- 20 years experience (51.4%) followed by those with 10-15 years experience (21.3%), 5-10 (16.2%) years experience, and 1-5 (11%) years experience in the financial services industry as supervisors. Those that answered the survey revealed that the majority worked in the banking sector (37.5%) followed by insurance (30.9%), investment sector (21.3%), and brokerage sector (10.35%). All research participants were 18 years and above and worked in financial services industry. All the survey respondents were those that manage at least one or more employees. Table 2 shows the frequencies and percentages for the demographic information.

Table 2

Frequencies and Percentages for Demographic Characteristics (N=136)

Variable	*n*	%
Type of financial Services		
Banking	51	37.5
Insurance	42	30.9
Investment	29	21.3
Brokerage	14	10.2
Years of Experience		
15-20 or more	70	51.5
10-15	29	21.3
5-10	22	16.2
1-5	15	11.0

The 136 participants that answered the survey questions presented a complete data for the survey instruments. Cronbach's alpha coefficients were computed in assessing reliability and internal consistency for the survey items. The scores indicated a strong level of reliability with range of scores from 0.847 to 0.916

Table 3

Reliability of Statisitical Variables

Variable	Questions	Number of items	Cronbach's Alpha
Success	4- 15	12	0.92
Responsibility	1-3, 7, 10, 13-15 26, 29, 30	12	0.86
Respect	5, 9, 13, 19, 24 35	8	0.85
Fairness	4, 12, 16, 17, 20 22, 23, 34	8	0.86
Honesty	6, 8, 11, 18, 21 25, 27, 28, 33	9	0.85

The survey was presented in 3 point Likert Scale ranging from 1 (strongly disagree) to 3 (Strongly agree). Composite scores were computed for the predictors and outcome variables for analysis. Table 3 shows the descriptive statistics.

Table 4

Descriptive Statistics for Composite Scores (N=136)

Variable	Range	Min	Max	M	SD
Org Success	2.60	3.23	5.83	4.47	0.59
Responsibility	1.50	1.50	3	2.33	0.32
Respect	1.52	1.48	3	2.29	0.34
Fairness	1.36	1.60	3	2.32	0.32
Honesty	1.48	1.50	3	2.28	0.32

Data assumptions. Before testing the null hypothesis, assumptions that relate to normality, linearity, and homoscedasticity were analyzed (Nathan et al., 2012; Tabachnick & Fidell, 2013; Vogt, 2007). The normality assumptions for the predictor and outcome variables were met. This was done through visually inspecting the histogram plots and P-P plots of regression standardized residuals (see figures 2- 10. Coefficient outputs were reviewed in assessing collinearity. Tolerance levels scores above 0.1 and variance inflation variance below 10.0 are considered adequate to exclude multicolinearity from linear regression models (Tabachnick & Fidell, 2013; Vogt, 2007). The calculated scores were all within tolerance levels and variance inflation factors. Homoscedascity assumption was confirmed through inspecting scatter plots (Nathans et al 2012) (see figures 3- 10). The scatter plots showed an acceptable variance levels.

The Pearson's product moment correlation matrix results revealed that a positive and significant relationship exists between the predictors and criterion variables and this shows a high level of convergent and discriminant validity (Attar & Sweiss, 2010; Diamantopoulos et al., 2012). As a result, Pearson's correlation and multiple linear regressions were suitable for the statistical analysis of this study. Table 5 shows the inter-item correlations of all the variables used in this study.

Table 5

Pearson Inter-Item Correlation Matrix (N=136)

	1	2	3	4	5
1) Responsibility	-				
2) Respect	0.615**	-			
3) Fairness	0.998**	0.619**	-		
4) Honesty	0.610**	0.933**	0.618**	-	
5) Org. Success	0.577**	0.676**	0.589**	0.653**	-

Note: ** p < 0.001 level (2 tailed)

Outliers. A test for univariate outliers was calculated to determine if any extreme scores were part of the data collected. In detecting outliers, raw scores of the predictor and outcome/criterion variables were converted into Z scores and compared to the critical value of +/- 3.29 which is p value of less than .001 (Tabachnick & Fidell, 2013). The descriptive statistics for the z scores are shown in table 6. There were no cases of outliers and hence the study used values of all data collected (*n*=136).

Table 6

Descriptive Statistics for outlier Analysis of Standardized Scores (N=136)

Variable	Minimum	Maximum	M	SD
Org. Success	-2.08	2.30	0.00	1.00
Responsibility	-2.55	2.08	0.00	1.00
Respect	-2.40	2.11	0.00	1.00
Fairness	-2.28	1.98	0.00	1.00
Honesty	-2.43	2.19	0.00	1.00

Missing data. In detecting missing data, a frequency count was conducted on all cases using the SPSS 22.0. Cases with missing data on more than 5% on survey items were to be removed from further analysis (Tabachnick & Fidell, 2007). There were no cases of missing data.

Dealing with Research Questions and Answers. In developing a better comprehension of the research problem, the following research questions were used to provide guidance for the study. Questions 1 through 4 were used to evaluate the relationship between each of the 4 variables and the outcome variable while question 5 was applied to test the predictive strength of the same predictor variables and the outcome variable

RQ 1. What relationship, if any, exists between responsibility and organizational success for supervisors in the financial services industry?

$H1_0$. There is no significant relationship between responsibility and organizational success for supervisors in the financial services industry.

H1$_a$. There is significant relationship between responsibility and organizational success for supervisors in the financial services industry.

The assumption of normality and linearity was assessed by visually inspecting the Histogram as shown in Figure 2. The histogram plot was also used to check normality by noting its approximation to the bell curve. Corporate supervisors use of responsibility was normally distributed with skewness 0.041 (Standard error of .208) and kurtosis of -0.454 (standard error of .413) (Tabachnick & Fidell, 2013). The assumption for homogeneity was assessed visually by looking at scatter plot as shown in Figure 3 which indicated an acceptable level of variance (Tabachnick & Fidell, 2013). As a result, parametric statistics was used to test the hypothesis.

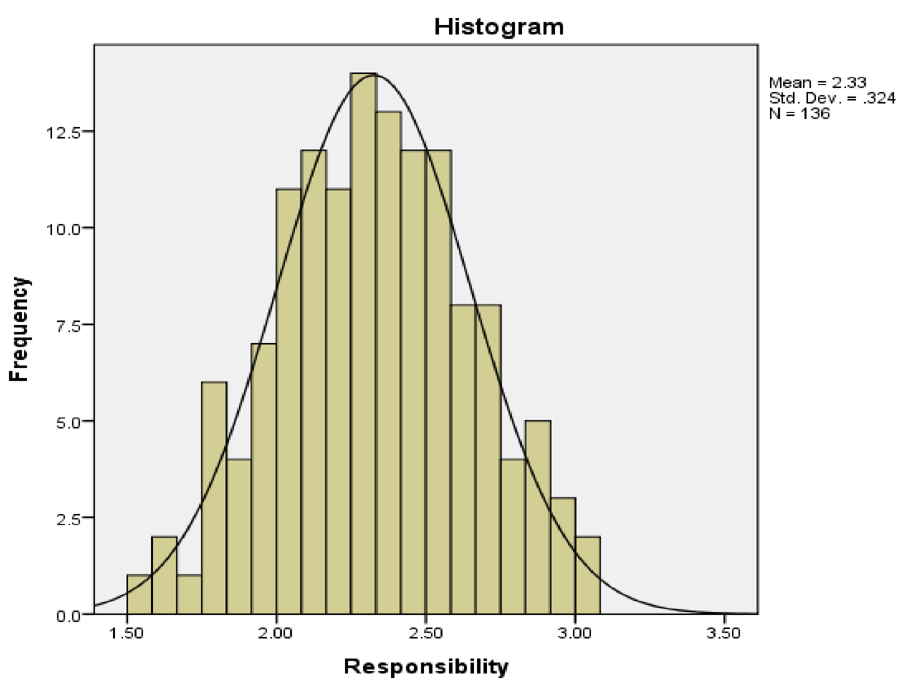

Figure 2. Histogram of Corporate supervisors' use of responsibility

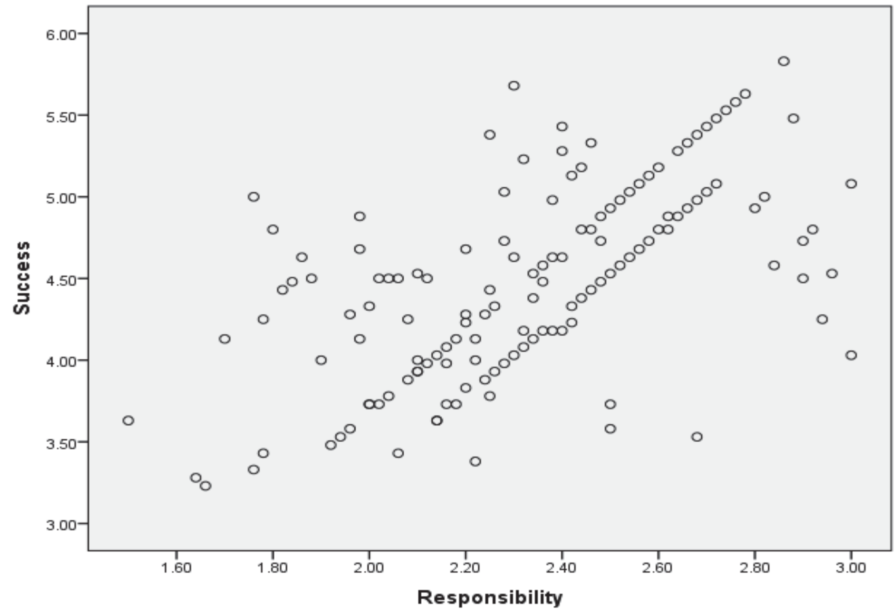

Figure 3. Scatter plot of corporate supervisors' use of responsibility.

Pearson's product moment correlation coefficient was calculated in evaluating the relationship between corporate supervisors' use of responsibility and organizational success. There was significant and positive correlation between corporate supervisors' use of responsibility and organizational success, $r(136) = 0.577$, $p < 0.001$ (see Table 5). As a result, the null hypothesis was rejected and the alternative hypothesis supported.

Q2. What relationship, if any, exists between respect and organizational success for supervisors in the financial services industry?

***H2*$_{0.}$.** There is no significant relationship between respect and organizational success for supervisors in the financial services industry. .

***H2*$_{a.}$** There is significant relationship between respect and organizational success for supervisors in the financial services industry.

The assumption of normality and linearity was assessed by visually inspecting the P-P Plot of regression standardized residuals as shown in Figure 4. The assumption of normality is met if the data points do not deviate strongly from the normality line. Corporate supervisors use of respect was normally distributed with skewness -0.155 (Standard error of .208) and kurtosis of -0.313 (standard error of .413) (Kim, 2013; Tabachnick & Fidell, 2013). The assumption for homogeneity was assessed visually by looking at scatter plot as shown in Figure 5 which indicated an acceptable level of variance (Tabachnick & Fidell, 2013). As a result, parametric statistics was used to test the hypothesis.

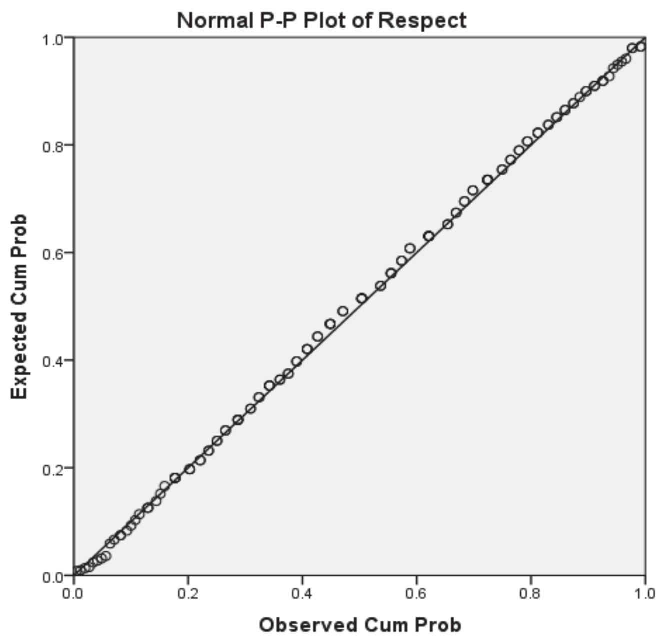

Figure 4. P-P plots of regression standardized residuals of corporate supervisors' use of respect

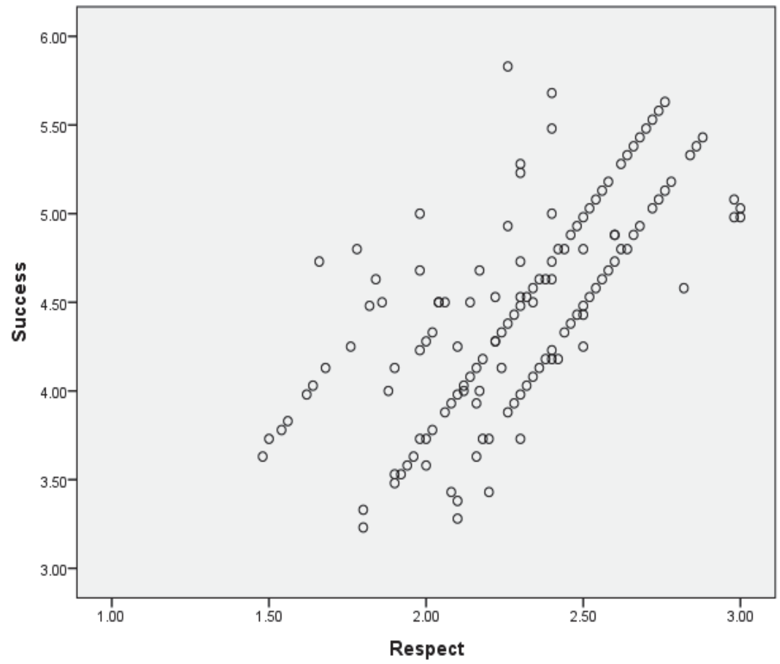

Figure 5. Scatter plot of corporate supervisors' use of respect

Person's product moment correlation coefficient was calculated in evaluating the relationship between corporate supervisors' use of respect and organizational success. There was significant and positive correlation between corporate supervisors' use of respect and organizational success, *r*(136) = 0.676, p < 0.001 (see Table 5). As a result, the null hypothesis was rejected and the alternative hypothesis supported.

Q3. What relationship, if any, exists between honesty and organizational success for supervisors in the financial services industry?

***H3*₀.** There is no significant relationship between honesty and organizational success for supervisors in the financial services industry

***H3*ₐ.** There is significant relationship between honesty and organizational success for supervisors in the financial services industry

The assumption of normality and linearity was assessed by visually inspecting the P-P Plot of regression standardized residuals as shown in Figure 6. The assumption of normality is met if the data points do not move strongly from the normality line. Corporate supervisors use of honesty was normally distributed with skewness -0.01 (Standard error of .208) and kurtosis of -0.551 (standard error of .413) (Kim, 2013; Tabachnick & Fidell, 2013). The assumption for homogeneity was assessed visually by looking at scatter plot as shown in Figure 7 which indicated an acceptable level of variance (Tabachnick & Fidell, 2013). As a result, parametric statistics was used to test the hypothesis.

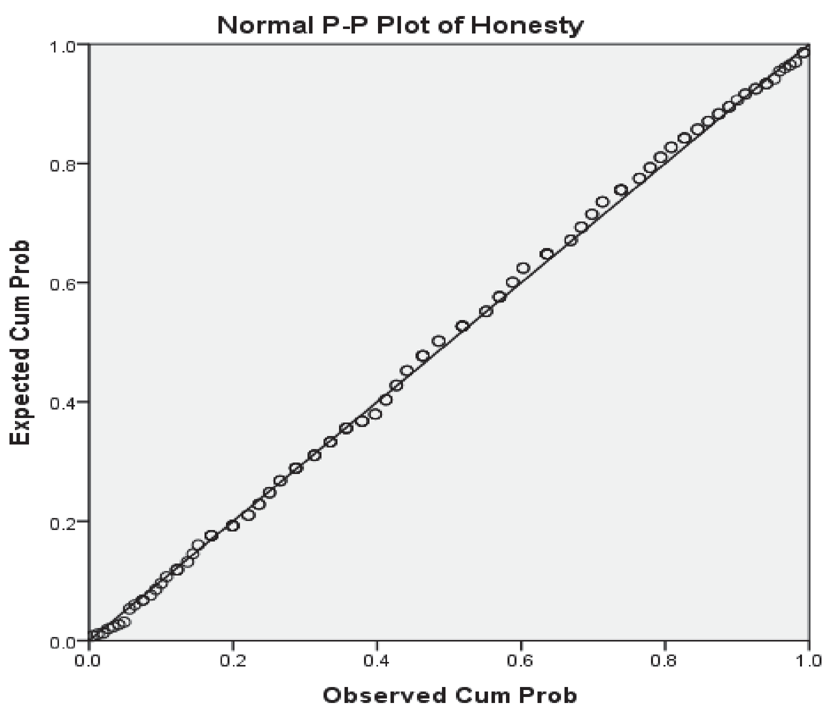

Figure 6. P-P plots of regression standardized residuals of corporate supervisors' use of honesty

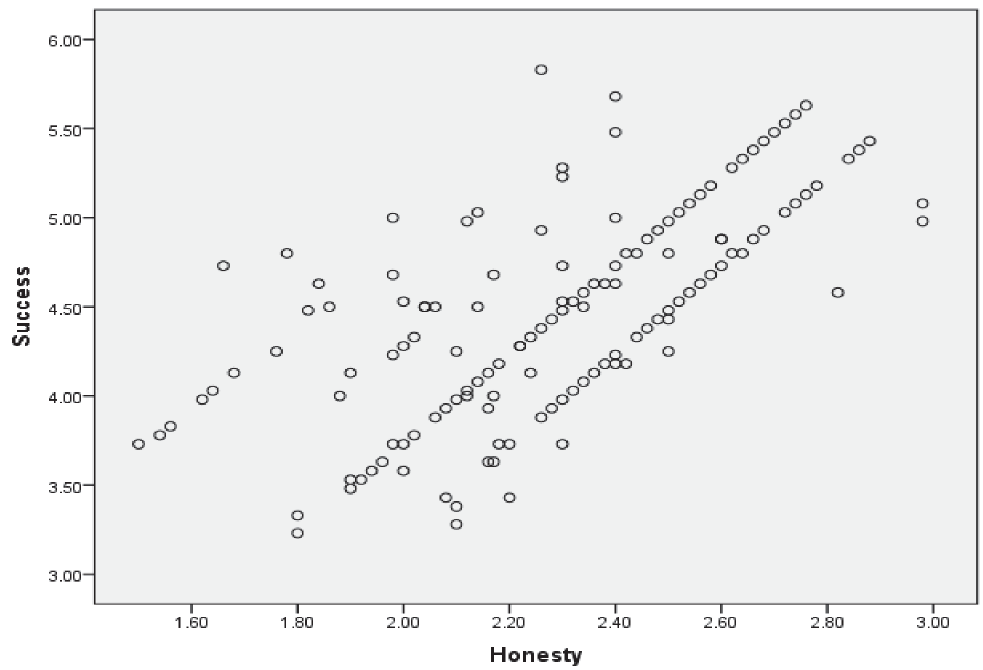

Figure 7. Scatter plots of corporate supervisors' use of honesty

Person's product moment correlation coefficient was calculated in evaluating the relationship between corporate supervisors' use of honesty and organizational success. There was significant and positive correlation between corporate supervisors' use of honesty and organizational success, $r(136) = 0.653$, $p < 0.001$ (see Table 5).

Q4. What relationship, if any, exists between fairness and organizational success for supervisors in the financial services industry?

$\boldsymbol{H4_{a}}$. There is significant relationship between fairness and organizational success for supervisors in the financial services industry

$\boldsymbol{H4_{0}}$. There is no significant relationship between fairness and organizational success for supervisors in the financial services industry.

The assumption of normality and linearity was assessed by visually inspecting the P-P Plot of regression standardized residuals as shown in Figure 8. The assumption of normality is met if the data points do not deviate strongly from the normality line. Corporate supervisors use of fairness was normally distributed with skewness -0.145 (Standard error of .208) and kurtosis of -0.376 (standard error of .413) (Kim, 2013; Tabachnick & Fidell, 2013). The assumption for homogeneity was assessed visually by looking at scatter plot as shown in Figure 9 which indicated an acceptable level of variance (Tabachnick & Fidell, 2013). As a result, parametric statistics was used to test each hypothesis.

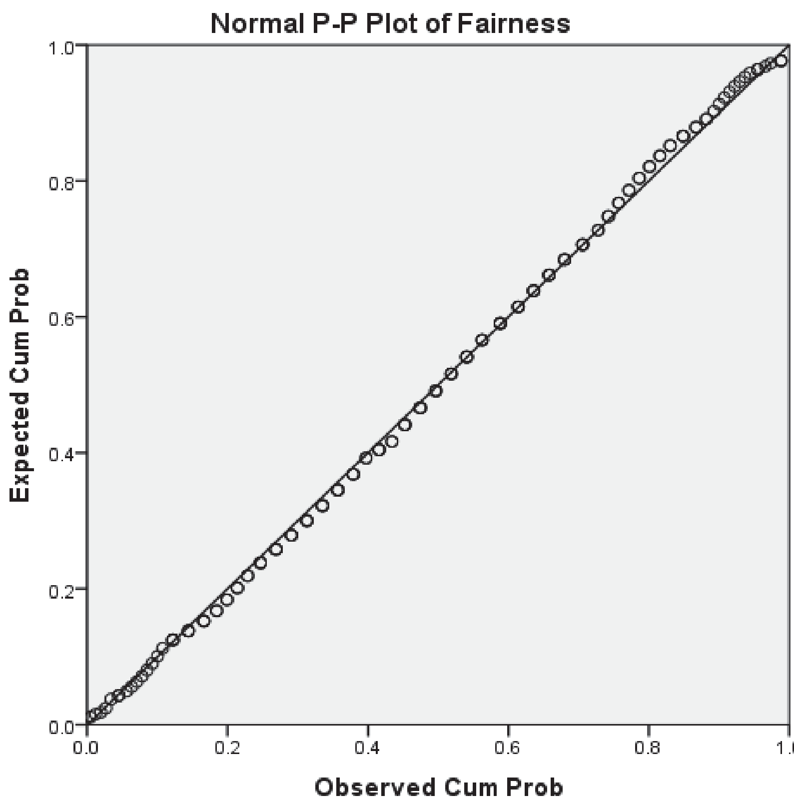

Figure 8. P-P plots of regression standardized residuals of corporate supervisors' use of fairness

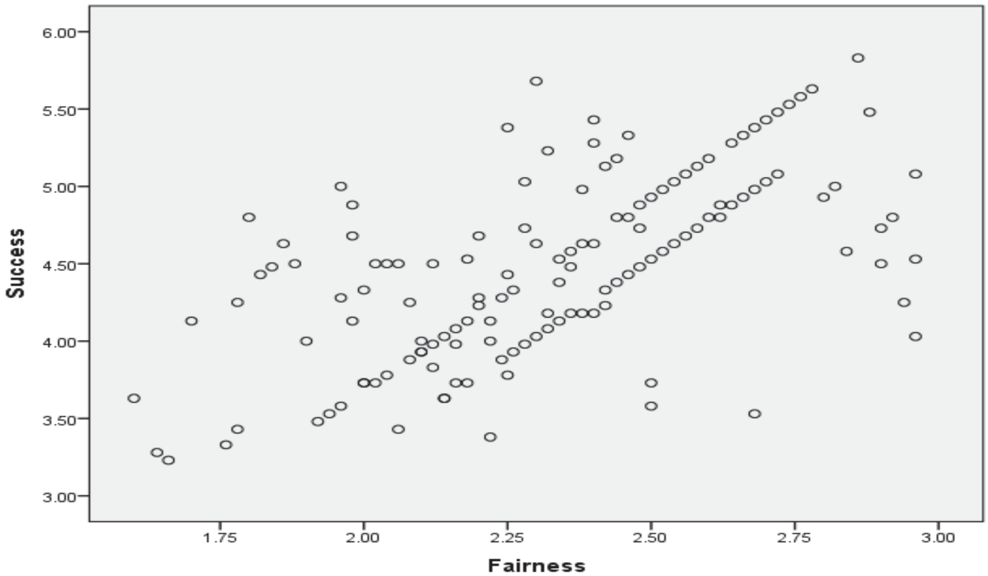

Figure 9. Scatter plots of corporate supervisors' use of fairness

Pearson's product moment correlation coefficient was calculated in evaluating the relationship between corporate supervisors' use of fairness and organizational success. There was significant and positive correlation between corporate supervisors' use of fairness and organizational success, $r(136) = 0.589$, $p < 0.001$ (see Table 5). As a result, the null hypothesis was rejected and the alternative hypothesis supported.

Q5. To what extent, if any, are responsibility, respect, fairness, and honesty predictive of organizational success for supervisors in the financial services industry?

***H5*$_0$.** No statistically significant correlation exists between responsibility, respect, fairness, and honesty and organizational success for supervisors in the financial services industry.

***H5*$_a$** Statistically significant correlation exists between responsibility, respect, fairness, and honesty and organizational success for supervisors in the financial services industry.

The results of the multiple linear regression analysis are shown in Table 7. The multiple linear regression model was statistical significant, $R = 0.725$, adjusted $R^2 = 0.525$, $F(4, 131) = 36.24$, $p < .001$. The adjusted R^2 of 0.525 indicated that 52.5% of the variance in organizational success can be explained by predictor variables of corporate supervisors' use of ethical leadership of responsibility, respect, fairness, and honesty.

Table 7

Results from the Multiple Linear Regression Analysis (N=136)

Variable	B	SE_B	β	t	P
Constant	1.10	0.29	-	3.77	.00
Responsibility	-3.98	1.68	-2.17	-2.37	.019
Respect	0.83	0.30	0.47	2.78	0.00
Fairness	4.56	1.72	2.45	2.66	0.00
Honesty	0.04	0.32	0.02	0.14	0.09

Notes $R= 0.725$ Adjusted $R^2 =0.525$, $F(4, 131) = 36.24$, $p< .001$

A *p* value of < .05 was required in rejecting the null hypothesis associated with question 5. The results of the Durbin Watson (1.14) showed there was no indication of multicollinearity between the residuals of the regression model.

The research question 5 examined the predictive power of the four ethical leadership variables to the criterion variable (organizational success). In examining the predictive power of each of the four variables, other variables were controlled in understanding the predictive power of one of the variables. The first variable focused on the extent to which if any responsibility was predictive of organizational success controlling for respect, fairness, and honesty in the financial services industry. The null hypothesis was rejected. Responsibility is predictive of organizational success when controlling for respect, fairness, and honesty.

As illustrated in Table 7, responsibility is statistically significant predictor of organizational success when controlling for other leadership ethical variables (respect, fairness, and honesty) $\beta = -2.17$, $p = 0.019$. The null hypothesis that responsibility is not predictive of organizational success when controlling for respect, fairness, and honesty in the financial services industry was rejected.

The second variable focused on the extent to which if any respect was predictive of organizational success controlling for responsibility, fairness, and honesty in the financial services industry. The null hypothesis was rejected. Responsibility is predictive of organizational success when controlling for respect, fairness, and honesty.

As illustrated in Table 7, respect is statistically significant predictor of organizational success when controlling for other leadership ethical variables (responsibility, fairness, and honesty) $\beta = 0.47$, $p = 0.006$. The null hypothesis that respect is not predictive of organizational success when controlling for responsibility, fairness, and honesty in the financial services industry was rejected

The third variable focused on the extent to which if any fairness was predictive of organizational success controlling for responsibility, respect, and honesty in the financial services industry. The null hypothesis was rejected. Fairness is predictive of organizational success when controlling for respect, responsibility, and honesty.

As illustrated in Table 7, fairness is statistically significant predictor of organizational success when controlling for other leadership ethical variables (responsibility, respect, and honesty) β = 2.45, *p* = 0.009. The null hypothesis that fairness is not predictive of organizational success when controlling for responsibility, respect, and honesty in the financial services industry was rejected

The fourth variable focused on the extent to which if any honesty was predictive of organizational success controlling for responsibility, respect and fairness in the financial services industry. The null hypothesis was not rejected. Honesty is not predictive of organizational success when controlling for responsibility respect, and fairness.

As illustrated in Table 7, honesty is not a statistically significant predictor of organizational success when controlling for other leadership ethical variables (responsibility, respect, and fairness) β = 0.02, *p* = 0.890 The null hypothesis that honesty is not predictive of organizational success when controlling for responsibility, respect, and fairness in the financial services industry was supported.

Criterion variable. Organizational success was the single criterion variable under this study. The mean scores for the composite scale for the 12 items used to measure the variable ranged from 3.23 to 5.83 (M= 4.47, SD= 0.59). The scale items showed a high reliability with a Cronbach's alpha 0.916 (see Table 3). The assumption of normality and linearity was assessed by visually inspecting the P-P plots of regression standardized residuals as shown in Figure 10. The assumption is met if the data points do not deviate strongly from normality line. A histogram of the criterion variable is illustrated in Figure 11. Organizational success was normally distributed with skewness of 0.041 (standard error of 0.208) and kurtosis of 0.674 (standard error of 0.413, Kim 2013; Tabachnick & Fidell, 2013). The assumption of homogeneity was assessed by visually examining the Q-Q plots as illustrated in Figure12, indicating an acceptable level of variance (Tabachnick & Fidell, 2013).

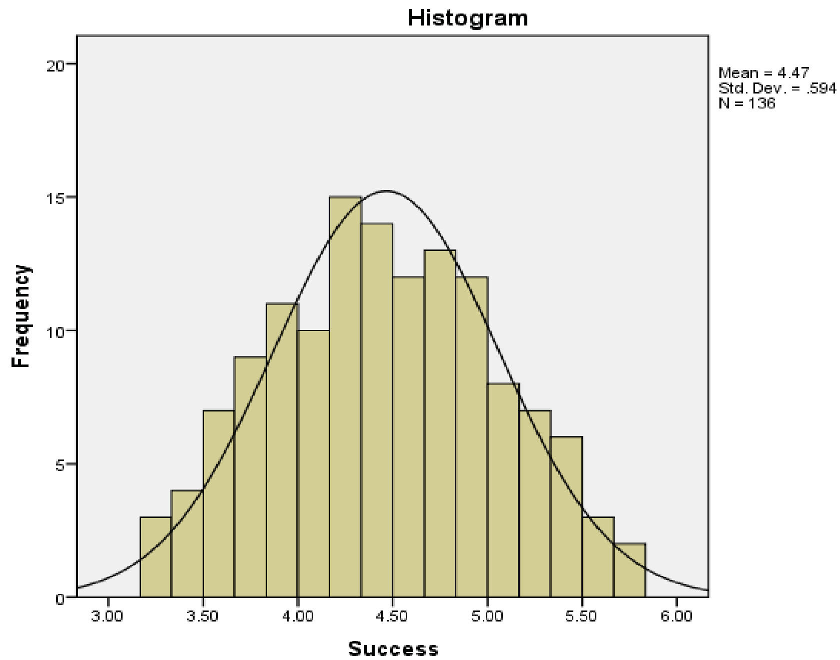

Figure 10. Histogram of organizational success

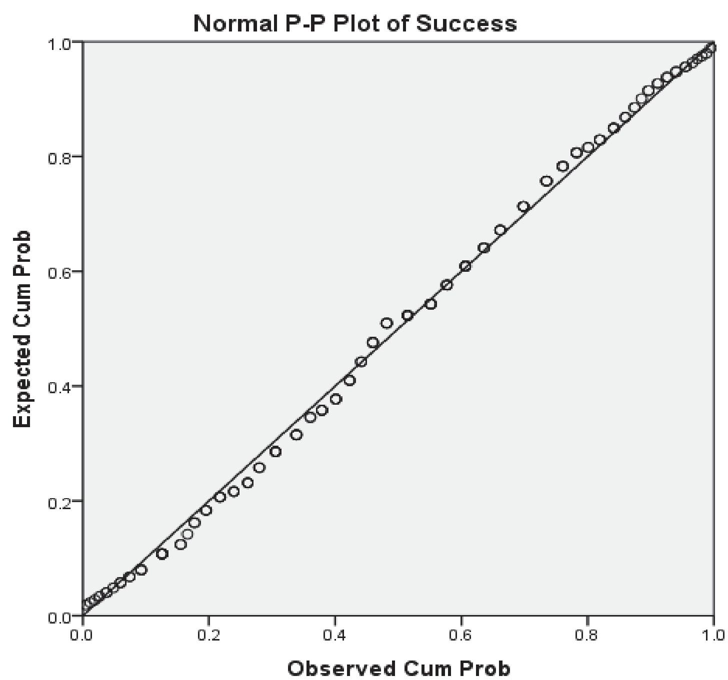

Figure 11. P-P plot of regression standardized residuals of organizational success

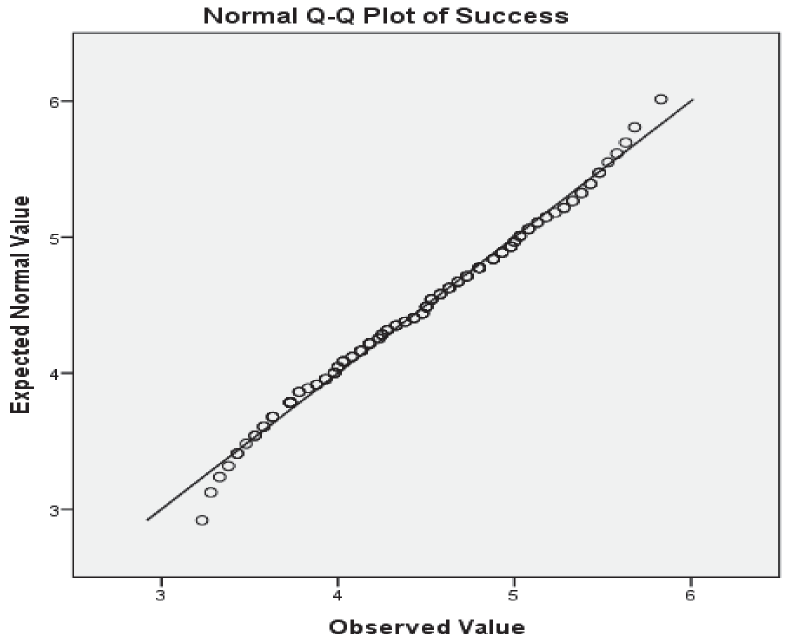

Figure 12. Q-Q plot of organizational success

Evaluation of Findings

Corporate supervisors' use of responsibility and organizational success. From the statistical analysis performed, a significant and positive relationship was found between corporate supervisors' use of responsibility and organizational success, Likewise the corporate supervisors' use of responsibility was a significant predictor of organizational success. The results were consistent with prior research in the financial services industry (Chow, 2010; Jin et al., 2013; Pfeffer & Vega, 1999; Tanner et al., 2010). Walderman and Galvin (2008) in their study of responsibility wrote that despite the lack of agreement on what constitutes responsible leadership, there is enormous evidence that perceptions, decisions and actions of individual senior managers have an impact on social performance and long term-growth of organizations. Jin et al., (2013) also studying the leadership ethical value of responsibility noted that leaders who demonstrate and use the ethical value of responsibility engage employees to exhibit strong work attitude which can impact productivity.

Leadership responsibility does not take place in a vacuum; it is based on the immediate activity and the organizational context, the institutional and cultural environment, and supranational factors (Stahl & De Lugue, 2013). The idea that socially responsible behavior is based on contextual factors is supported by a broad body of studies in social psychology. Experimental work on obedience to authority (Milgram, 1974) and the power of situation of Zimbardo's (1972) prison experiment allude to a strong case of influencing behavior by responsible managers or supervisors in organizational setting to influence employees' commitments and productivity. The transformational leadership in the form of CEO vision building and role modeling involve the desire of responsible managers to direct employees to higher standards of ethical behavior by inspiring them to transcend their own self-interest for the good of the organization (Stahl & De Lugue, 2013). Thus, responsible leadership affects employees' productivity and commitment toward their leader. While the above findings corroborate with our studies about the effectiveness of responsible leadership, this study is first to demonstrate that responsibility significantly correlate with organizational success. This study also found that leadership responsibility associates with increase employee commitment and productivity which in turn affect organizational success. Responsibility is this study was found to be significant predictor of organizational success.

Corporate supervisors' use of respect and organizational success. . A significant and positive correlation was found between corporate supervisors' use of respect and organizational success. In addition, corporate supervisors' use of respect was a significant predictor of organizational success. The results of the current study corroborate with other prior findings of respect as important ethical value that leads to employee commitment and productivity (Feldman & Arnold, 1983; Kalshoven, Den Hartog, & De Hoogh, 2011; Tanner et al., 2010).

A prior study conducted by Feldman and Arnold (1983) found that there was significant relationship between leadership respect and organizational productivity. Den Hartog and De Hoogh (2011) studies on leadership ethical behavior of respect revealed that leaders exhibiting strong behaviors of respect can positively affect the commitment levels of employees. Studies by Cortina, Magley, Williams, & Langhout, (2001) on leadership ethical behavior of respect showed that respect can have significant effect on the psychological well being of the employees and disrespectful behaviors can create greater psychological distress. Taylor (2010) wrote that disrespectful attitude by leaders towards employees affects their well being and Poraz and Erez (2009) in their study of respect found that employees produce low performance due to disrespectful attitudes. Adam et al., (2003) in their research findings wrote that organizations that demonstrate mutual respect and exhibit solicitude and concern for others are likely to experience decreases in stress, burnout, and attendant increases in performance. These prior studies confirm the link between leaders treating their employees with respect and their commitment towards improving performance. Our current study collaborates with these findings that respect correlate positively with organizational success and can also predict success within organizations in the financial services industry.

Corporate supervisors' use of fairness and organizational success. A significant and positive correlation was found between corporate supervisors' use of fairness and organizational success, In addition, corporate supervisors' use of fairness was a significant predictor of organizational success. Prior studies on fairness have shown that the ethical value of respect are important to organizational performance and commitment (Bacha & Walker 2013; Kalshoven, Den Hartog & De Hoogh 2011; Tanner et al., 2014; Yiwen, Lepine, Buckman & Feng, 2014).

Bacha and Walker (2014) found fairness to benefit organizations as employees who feel they are being treated fairly align with the mission and goals of their leader. Their findings noted that leaders who exhibit the act of fairness motivate their employees and their ethical behavior and this can serve as catalyst for increased work output affecting organizational performance (Bacha & Walker, 2014). Research on leadership ethics has shown that fairness is related to greater satisfaction and acquiescence of decision, decision validity, higher job satisfaction, commitment to organizations, and an increased task performance (Cohen-Charash & Spector 2002; Cropanzano & Greenberg, 1997). Yiwen et al. (2014) wrote that employees are concerned with fairness relative to the measure of whether their rewards compares to cost expended, the expectations held, and similar rewards given to other employees for the same of amount of work performed. Employees derive perceptions of fairness by noting whether they are treated with respect, sincerity, and given honest and truthful explanation during their encounter with supervisors (Yiwen et al., 2014). Leaders' use of fairness is measured according to outcomes comparable to behaviors that are consistent, impartial, accurate, correctable, and ethical (Colquitt, 2012). Colquin (2012) revealed that when leaders treat employees fairly, their outcomes are increased and this can affect performance. While these studies found the importance of fairness, those studies related fairness to productive, employee commitments, and employee performance, this current study is the first to examine the relationship and the predictive ability of fairness relative to organizational success. The results of this study showed the treatment of employees fairly by their leaders significantly correlate to organizational success and leadership use of fairness can significantly predict organizational success.

Corporate supervisors' use of honesty and organizational success. The findings in this study revealed that corporate supervisors' use of honesty had a strong positive correlation with organizational success,. Contrary to expectation, honesty was not a significant predictor of organizational success This study corroborated with other findings that the ethical leadership use of honesty correlates with organizational outcomes but contradicted the same studies that leadership ethical value is not significant predictor of organizational success (Brown & Trevino, 2006; Brown, Trevino & Harrison, 2005; Neubert, Carlson, Kacmar, Roberts, & Chonko, L. B., 2009).

Brown et al. (2005) in their research on leadership ethics wrote that ethical leadership is positively correlated with job performance as traits such as honesty, trustworthiness, caring, and consideration are stronger values of ethical leadership. Through their findings, they noted that ethical leaders were those that were thought to be honest and trustworthy leaders. Their findings also revealed another aspect of ethical leadership which they labeled as the moral manager dimension. They wrote that this aspect of ethical leadership refer to leaders that exhibit the act of honesty, care for people and the broader society. Leaders that demonstrate and act in honesty are able to achieve greater work output thereby enhancing productivity (Tanner et al., 2010).

Research findings on ethical leadership have noted that honesty as an ethical leadership value predicts employee satisfaction with their supervisors, dedication, willingness to report problems with supervisors, and leader effectiveness (Dadhick & Bhal (2008). Neubert et al. (2009) found that ethical leaders that are honest influence employee job satisfaction and organizational improvement through leadership ethical development. They found that leaders that are honest and trustworthy produce a virtuous cycle, which generate an ethical work climate enabling employees to prosper. These prior studies are consistent with this current study's findings that honesty relates to organizational success. The findings in this study noted that leadership use of honesty is significantly correlated to organizational but does not predict organizational success. While prior studies have underscored the measure of leadership honesty to predict employee commitments and productivity, the results of this current study is inconsistent with those studies. The inconsistency could be due to the number of participants that answered the survey questions. While 136 participants exceeded minimum sample required for this the study (85), additional participants could have changed the results as the beta (β= .02 p> .05**)** is relatively very small to sufficiently conclude that honesty does not predict organizational success. It could be also be that the majority of corporate supervisors that answered the survey questions are dishonest and do not believe honesty can predict organizational success.

Theoretical perspective. The role of leadership in management has generated much debate for both theorist and practitioners alike. Leadership has been considered significant in ethical issues considering the levels of ethical scandals in organizations (Dadhick & Bhal, 2008). Despite the importance of ethical leadership, its study is limited and part of the problem might be related to the struggle of studying ethical leadership in an organizational setting (Dadhick & Bhal, 2008). The abstraction of ethical leadership is collocated with the exchange based on relationship between the leader and the subordinate (Leader-Member Exchange Exchange or LMX). The LMX theory suggests that leaders maintain a divergent relationship with different employees within the organization (Graen & Cashman, 1975). This divergent work groups or teams compose of employees with high or low quality LMX contingent on exchanges between the leader and the employee. The LMX theory focuses on the relationship between the leader and the employee which is one-to -one exchanged based relationship. However, ethical leadership studies by Brown and Trevino (2014) incorporate normatively required behaviors of leaders modeling their employees in increasing organizational outcomes. The Project Management Institute in their research on ethical leadership noted responsibility, respect, fairness, and honesty as the most critical and important variables of ethical leadership. In that sense, this study's conceptualization of the ethical leadership to organizational success was premised on these four key ethical leadership values (responsibility, respect, fairness, and honesty). Thus, this study consequently explored the key leadership variables corporate supervisors needed to develop with their employees and it added to literature on how those values contributes to organizational success in an LMX organizational setting.

The LMX theory asserts that leaders create a differing quality of work relationship with different employees (Scandura & Graen 1984). Those employees with high LMX exchange enjoy high quality exchanges as characterized by liking, respect, loyalty, and contributory behaviors. The development the LMX is built on work relationship rather personal or friendship relationships, and the level of trust, respect, and mutual obligation relates specifically to individual assessment of each other relative to their capabilities and behaviors (Liden & Maslyn, 1998). The development of different levels of interaction in a leader-member dyad is explained in terms of role development (Graen & Scandura, 1985). The leader evaluates the capabilities and motivation of the employees through role-making occurrence and provides different incentives for high working employees for participating on unstructured tasks. How those employees expounds on the role determine the leader-member dyad. The developing of leader-member dyad requires the assessment of ethical relationship that exists between the leader and the employee. Leaders play a key role in directing their organizations in achieving organizational goals. Employees on the other hand require direction from leaders on critical issues associated with meeting such organizational goals (Sharif & Scandura 2014). They also depend on the integrity of their leaders during change process in meeting organizational aims (Li, 2005). Hence a key important source to employee response to leadership direction is the ethicality of their leaders. Theories on leadership hint on the importance of ethics on organizational success (Durand & Carroli, 2006). This current study has underpinned the importance of ethical leadership to organizational success and in particular how leaders can develop strong relationship that is premised on responsibility, respect, fairness, and honesty with their employees.

Summary

The purpose of this quantitative correlational study was to examine the relationship and test the predictive strength between four predictor variables and an outcome variable. Responsibility, respect, honesty, and fairness were the predictor variables and organizational success was the outcome variable. A sample of 30 randomly selected organizations in New York and Washington DC were contacted to participate in study and 136 fully completed the survey. The results section included a discussion of study sample with descriptive statistics to develop a profile of the respondents. Demographic information on the profile of the respondent included information on the type of industry and experience within those industries. Data analysis was conducted as described in the research methods from Chapter 3. The results of Pearson's product moment correlation were used to examine the relationship among the predictor and criterion variables. The results showed that all four null hypotheses measuring the relationship between leadership ethical variables and organizational success were not supported. Significant and positive relationships were found between the key leadership ethical variables and organizational success. The strongest relationship among the predictors and criterion variable was found between corporate supervisors' use of respect ($r = 0.676$), corporate supervisors' use of honesty ($r = 0.653$), followed by corporate supervisors' use of fairness ($r = 0.589$), and corporate supervisors' use of responsibility ($r = 0.577$). Additionally, the multiple linear regression model was found to be statistically significant with 52.5% of the variance in organizational success explained by the four predictor variables (corporate supervisors' use of responsibility, respect, fairness and honesty. Three (responsibility, respect, and fairness) of the predictor variables were found to be statistically significant predictor of organizational success. Honesty was found not be statistically significant predictor of organizational success. As a result, 3 (corporate supervisors' uses of respect, responsibility and fairness) of the 4 null hypothesis were rejected and one of the variables (honesty) was not rejected. Theoretical frameworks of the predictive nature of the four predictor variables were assessed relative to organizational success. The results of the study were similar to prior studies that were conducted on leadership ethics.

Many organizations when questioned about the level of ethics within their organizations might point to their code of conducts. While Many organizations have code of conducts that provide roadmap for ethical leadership decisions, it effectiveness have been questioned. Bloxam (2010) wrote that organizations have developed codes of standards with many redundancies that contain subtle contrast which makes it impossible for employees to reconcile and obey all the codes. The relevancies of these codes of conduct within organizations are being ignored either in favor of common sense or fraudulent pursuits and these have led to the questioning of the importance of these codes if its enforcement is not undertaken. This might in part be due to the fact that corporate leaders have not being presented with support of empirical study that evaluates the importance of the relationship between ethical leadership and organizational success This study is first to demonstrate that corporate supervisors' use of key ethical leadership have a relationship to organizational success. The next chapter presents the discussion of these results and their implications.

Chapter 5: Implications, Recommendations and Conclusions

The period leading up to and during the financial crisis of 2007-2009 was one in which many financial services firms engaged in shortsighted and unethical behavior (McCann & Sweet 2014). About $11 trillion in household wealth vanished, 26 million Americans lost their jobs and 4.5 million could not afford their mortgages (Dallas, 2012). These events and statistics show the prevalent lack of ethical leadership in the financial services sector. While studies on ethical leadership are not lacking, there is very little research that focuses on how ethical leadership relates to organizational success in the financial services industry.

The problem addressed in this study is the lack of leadership ethics and its relationship to organizational success within the financial services industry (Frisch & Huppenbauer, 2014; McCann & Sweet, 2014). The lack of leadership ethics as evidenced in poor leadership integrity, poor employee morale, and the total disregard for established rules, norms, and ethics led to the collapse of successful organizations such as Enron, Tyco, and Worldcom (Brown & Mitchell, 2010; Stahl & Deluque, 2014; Strobel, Tumasjan, & Welpe, 2010). According to the leader-member exchange theory, successful leaders are those who develop strong ethical relationships in their organization (Graen & Cashman, 1975).

The purpose of this quantitative correlational study was to examine the relationship and test the predictive strength between four predictor variables and one criterion variable. Corporate supervisors use of responsibility, respect, fairness, and honesty were the predictor variables while organizational success was the criterion variable.

Two previously published survey instruments were chosen for this study because their context was specific to the variables under investigation (Bass 1968; Tanner et al., 2010). The Ethical Leadership Behavior survey (Tanner et al., 2010) was used to measure corporate supervisors' use of responsibility, respect, fairness, and honesty and Bass (1968) Organizational Success Scale was used to measure organizational success. The survey items were administered to corporate supervisors who worked in the financial services industry in New York and Washington D.C. via a web based instrument created through an online survey host, Survey Monkey. The survey in the form of an online self-administered questionnaire was used to collect the data to evaluate the research questions and test the associated hypotheses. The survey consisted of 52 items, which included five demographic questions to describe the study population.

The current study was an examination of self-reported corporate supervisors' ethical behavior. The quantitative correlational design was appropriate to examine the relationship and test the predictive strength between the four predictor variables and one criterion variable. The predictor and criterion variables were quantifiable and could not be assigned or manipulated since they had already occurred (Fowler, 2009; Vogt et al., 2012). Instead, the predictors were measured as they occurred in a natural setting to obtain the understanding of corporate supervisors' use of ethical behaviors in their organizations (Cozby, 2009; Kim et al., 2009). Accordingly, corporate supervisors who formed the research participants were required to have a minimum of 1 or more years of experience to answer the survey questions on their use of the four predictor variables within their organizations.

Limitations. The study has a number of limitations. The first limitation of this study was the quantitative correlational design, which was to determine relationship and the predictive power of the four predictor variables and not causation (Vogt, 2007). In a quantitative correlational study, there is the lack of direct control over the predictor and criterion variables (Leedy & Ormrod, 2010). Data was collected once in a survey form. The effect of this was that participants did not provide in-depth perspective of their experience (Slough & Chamblee, 2007). This resulted in the study lacking open ended exploration and discussion often associated with qualitative studies. The effect of this limitation implies that cause and effect was not demonstrated in this study.

Nonresponse bias was also another limitation of this study. Nonresponse bias is the inability to obtain sampling due to participants not responding to survey questionnaires (Vogt, et al., 2012). Fowler (2009) wrote that nonresponse bias may be caused by changes in the characteristics of participants or small level of interest in the topic. Nonresponse bias also has the potency of decreasing statistical power or the inability in generalizing results (Vogt et al., 2012). Another limitation that was revealed during the study related to nonresponse bias was the use of 52-item survey questions which had probability of creating fatigue. Fatigue in survey questionnaire refers to the burden survey respondents go through when completing survey questions. The completion rate among individuals that participated in the survey was above 98% with only two participants failing to complete the entire survey. Therefore nonresponse did not skew the results among individuals that answered the survey and did not have any effect on the study. Also the researcher allowed 3 weeks for participants to complete the survey response and this might have reduced the response rate and the reliability of the data. This possible limitation was mitigated by repeated emails and telephone calls to employers to encourage their employees to answer the survey questions. Reliability of the data was also assessed by computing the Cronbach's alpha. A Cronbach's alpha result of 0.7 is considered adequate for reliability (Vogt, 2007). Results of the Cronbach's alpha for this study were all above 0.7

The use of self-report was a limitation of this study. Conscious or unconscious biases of self-reporting ethical behaviors may have limited the results. Some participants may have been overly critical of their own ethical behavior thereby skewing the results of the study. Conversely some participants may not have recognized their own deficiencies in ethical behaviors due to the fact that they lacked competency training or for other reasons (Grant, 2008)

The study did not include other measures of organizational success such as profitability, liquidity, quarterly profits, earnings per share, and increases in total assets. Certain cultural and informal political activities such as work politics, and informal work practices that affect leadership ethics and organizational success were not measured. This study used two validated instruments (Bass 1968 and Tanner et al., 2010) in obtaining information from participants. The validity of the survey refers to the degree in which the survey instruments accurately measured what it was supposed to measure (Squires et al., 2013; Vogt et al., 2012). For this reason, the use of previously validated instruments was beneficial in developing accurate conclusions based on the design and measurement of corporate supervisors' ethical behavior (Vogt et al., 2012). The original survey items used in this study were not altered. Therefore, it was reasonable to assume the validity and reliability remained unchanged (Diamantopoulos et al., 2012; Nathans et al., 2012).

No ethical issues or concerns were found in the course of study. Specific issues that were considered included privacy, confidentiality, informed consent, participants' selection, and internet research. Security features imbedded within survey monkey provided anonymity and confidentiality for participants. Before commencing administering data to participants for data collection, the researcher received approval from Northcentral University's Institutional Review Board (IRB). After this approval, several documents were created by the researcher for the target participants. First a cover letter was prepared to describe the purpose of the study with a statement of assurance that participation in the study was voluntary. Survey instructions were then given to participants to present how they could successfully complete survey questionnaire. Finally an informed consent form was prepared with the option to agree or disagree. Information on the informed consent related to privacy, confidentiality, ethics, and contacts to NCU IRB board, the researcher or dissertation chair for any concerns that participants might have during the course of completing the survey. Participants agreed to the conditions of the informed consent form by proceeding to answer survey questions. Eligibility criteria for this study were 18 years and above, English language knowledge, 1 or more years experience as supervisors in the financial services industry and supervisors managing 1 or more employees. Consequently two participants who answered the survey questions noted they were not supervisors in their respective organizations. Those two participants were excluded from study. Completion of the survey questionnaires was strictly voluntary and respondents were informed they could opt out at any point during the survey. Participants were encouraged to complete the survey questionnaires as it may benefit the financial services industry. The survey questions were answered in an anonymous manner and the researcher had no way of knowing who answered which survey questions. There were no ethical concerns raised by any of the participants and therefore there were no effect of ethical concerns in this study.

Implications

To develop a better knowledge of the research problem, the following questions were used to guide the study. Questions 1 through 4 were used to examine the relationship between the four predictor variables and the outcome variable. Question 5 was used to test the predictive power of four predictor variables and the criterion variable. This section presents the implication of the study and the research questions, followed by the limitations of the study and its impact on the interpretation of the results, its relationship to the stated purpose and significance, and finally how the results fit with the current literature and contribute to the development of the LMX theory.

Research questions and implications of the study:

RQ1. What relationship, if any, exists between responsibility and organizational success for supervisors in the financial services industry?

The findings of this study revealed that responsibility has a significant relationship with organizational success. The Tanner et al. (2010) Ethical Leadership Behavior Scale of responsibility had 12 items that were used to measure the predictor variable of corporate supervisors' use of responsibility. Mean scores for the composite scale of the 12 items ranged from 1.50 to 3.00 ($M= 2.33, SD=0.32$). The scale items had a high reliability with Cronbach alpha 0.86.

Pearson's product moment correlation was used to evaluate the relationship between the predictor variable of responsibility and organizations. The result indicated a significant and positive correlation between corporate supervisors' use of responsibility and organizational success, $r(136) = 0.577$, $P<.001$. The null hypothesis was therefore rejected. A good leader understands that leadership is about responsibility not power. Ethical leaders take responsibility for their actions which includes both failures and success. Responsible leadership greatly contributes to leadership success (Chow, 2010; Jin et al., 2013; Pfeffer & Vega, 1999). Pfeffer & Vega, (1999) wrote that when employees are allowed to achieve goals with their supervisors taking responsibility for their actions, those employees are able to attain demonstrated improvement in organizational performance. This implies that leaders who demonstrate and exhibit responsible leadership can positively influence organizational performance. Leaders who act responsibly can better motivate employees to achieve optimal performance and productivity within their organizations. An increase in optimal performance and productivity are components of organizational success.

Research by Voegtlin et al. (2012) studying responsibility found that leaders who exhibit the ethical value of responsibility achieve positive outcomes at the macro, meso, and micro levels. Their study revealed that responsible leaders create a healthy work environment where employees are motivated to increase performance and productivity. Kim & Kim (2013) studying the moral compass of leadership noted that leaders who exhibit strong moral values such as integrity, responsibility, compassion, and forgiveness can positively affect employees performance thereby affecting the overall organizational performance. This means that employees who work under responsible leaders produce better task outcomes than those who work under irresponsible leaders. The findings in these other studies are consistent with our study's findings that responsible leaders have significant relationship to organizational success.

The results of this study provide an empirical data of responsibility as an important leadership ethical variable that relate to organizational success. While there have been a number of research on responsibility, this study's findings is first to demonstrate the relationship between the variable of responsibility and organizational success within the financial services industry. Voegtlin, Patzer, & Scherer, (2012) in their study of responsible leadership noted that the responsibility of a leader is manifested in inclusion and selection of stakeholders in a communicative process, where disputing interests are examined relative to their legitimate arguments and settled through a rational discourse. This implies that responsible leaders are frank and open with their communication and able to settle team conflicts weighing the merit of each situation inuring the benefits of strong social environment at workplace where employees offer their optimal performance leading to organizational success and this is consistent with our findings on responsibility and organizational success.

RQ2. What relationship, if any, exists between respect and organizational success for supervisors in the financial services industry?

The result of study showed that there is a significant relationship between corporate supervisors' use of respect and organizational success. The Tanner et al. (2010) Ethical Leadership Behavior Scale of respect had 6 items that were used to measure the predictor variable of corporate supervisors' use of respect. Mean scores for the composite scale of the 6 items ranged from 1.48 to 3.00 (*M= 2.29, SD=0.34*). The scale items had a high reliability with Cronbach alpha 0.85.

Pearson's product moment correlation was used to evaluate the relationship between the predictor variable of respect and organizations. The result indicated a significant and positive correlation between corporate supervisors' use of respect and organizational success, $r(136) = 0.676$, $P<.001$. The null hypothesis was therefore rejected. The findings in this study were consistent with prior research in Chapter 2. Thus, the lack of leadership ethics as evidenced in the lack of respect was found to be one the causes of organizational failures in firms (Brown & Mitchell 2010; Stahl & Deluque, 2014; Strobel, Tumasjan, & Welpe, 2010).

According to a research by Adam et al. (2003), organizations that exhibit the ethical value of respect towards their employees and other stakeholders have low levels of stress, burnout, turn over, and an increased productivity. Increased levels of productivity, less turnover, burnout, and low levels of stress are all components of organizational success. The resultant implication is that employees are better performers when they work under respectful leaders. Feldman and Anold (1983) researching ethical behaviors of leaders found that when are employees are treated with respect there is an attendant increases in job satisfaction and performance. They wrote that organizations who treat their employees with respect benefits from low absenteeism, low unionize activities, and less employee turnover. Efraty, Sirgy, & Siegel (1997) in their study found that leaders that show disrespectful behaviors at the work place negatively affect work output and productivity. This implies that leaders who respect their subordinates and others experience improved performance and productivity. Disrespectful leadership and personal alienation is negatively correlated with productivity and results in low job satisfaction and employee's commitment toward higher performance (Feldman & Anold, 1983). The findings by Feldman and Anold, (1983) corroborate with this current study as leaders' use of respect is significantly related to organizational success.

Quaquebeke, Zenker, & Eckloff, (2008) wrote that most people desired to be respected not just in personal life but also at the workplace. When leaders show respect towards their employees they do not only feel a sense of personal satisfaction but identify with the collective efforts of the organization (Boezeman and Ellemers, 2008). Despite the overwhelming evidence that respectful leaders can influence organizational success and the desire of employees to be respected, studies have shown that leadership respectful behaviors at the workplace are rare (Boezeman and Ellemers, 2008; Quaquebeke et al., 2008). The implication of this is that if leaders desire to maximize their organizational performance, create a sense of satisfaction among employees and others, one of the core ethical behaviors they must demonstrate towards employees and others is respect. In an environment where employees are respected, they feel as sense of belonging and motivated to increase performance which can affect the success of the organization. These studies are consistent with this current study's findings that leadership use of respect is significantly correlated with organizational success.

RQ 3. What relationship, if any, exists between fairness and organizational success for supervisors in the financial services industry?

The findings in this study revealed that fairness has a significant relationship with organizational success. The Tanner et al. (2010) Ethical Leadership Behavior Scale of fairness had 8 items that were used to measure the predictor variable of corporate supervisors' use of fairness. Mean scores for the composite scale of 8 items ranged from 1.60 to 3.00 (*M= 2.32, SD=0.32*). The scale items had a high reliability with Cronbach alpha 0.86. Pearson's product moment correlation was used to evaluate the relationship between the predictor variable of fairness and organizations. The result indicated a significant and positive correlation between corporate supervisors' use of fairness and organizational success, r (136) = 0.589, P<.001. The null hypothesis was therefore rejected. The findings in this study were consistent with prior research in Chapter 2. Thus, the lack of leadership ethics was found to be one the causes of organizational failures in firms (Brown & Mitchell 2010; Stahl & Deluque, 2014; Strobel, Tumasjan, & Welpe, 2010). It is important to note that fairness is key component of leadership ethics (Caroll, 2000; Code of Ethics and Professional Conduct, 2010).

Fairness is an integral component of the moral management model (Carroll, 2000) and the moral servant leadership model. According Singh (2008), fairness is important element of leadership integrity and important for leaders that desire to succeed. Caroll, (2000) wrote that fairness is key part of the moral management model and important for managing organizational conflicts. There are very few studies that have concentrated on leadership fairness. Research on fairness has paid little attention on the extent to which leadership fairness has the ability to motivate and mobilize employees in achieving organizational effectiveness. Employees who are treated fairly produce greater job outcomes, accept decisions and leadership legitimacy, show greater commitment, and produce strong organizational citizenship behavior (Cropanzano & Greenberg, 1997; Sweeney & Mchfarlin, 1993; Thibaut & Walker, 1975). What this implies is that leaders that behave fairly towards others are able to increase their performance and productivity.

On the contrary unfair treatment towards employees and others will lead to low performance and productivity which can have a negative effect on the overall organizational success. The above studies are consistent with the current study's findings that leadership ethical behavior of fairness is significantly related to organizational success.

RQ4. What relationship, if any, exists between honesty and organizational success for supervisors in the financial services industry?

The findings in this study revealed that there is a significant relationship between honesty and organizational success. The Tanner et al. (2010) Ethical Leadership Behavior Scale of honesty had 9 items that were used to measure the predictor variable of corporate supervisors' use of honesty. Mean scores for the composite scale of 9 items ranged from 1.50 to 3.00 ($M= 2.28, SD=0.32$). The scale items had a high reliability with Cronbach alpha 0.85. Pearson's product moment correlation was used to evaluate the relationship between the predictor variable of honesty and organizations. The result indicated a significant and positive correlation between corporate supervisors' use of honesty and organizational success, $r\ (136) = 0.653$, $P<.001$. The null hypothesis was therefore rejected. The findings in this study were consistent with prior research in Chapter 2. Thus, the lack of leadership ethics was found to be one the causes of organizational failures in firms (Brown & Mitchell 2010; Stahl & Deluque, 2014; Strobel, Tumasjan, & Welpe, 2010). It is important to note that honesty is key component of leadership ethics (Code of Ethics and Professional Conduct, 2010).

Avolio (1999), studying the transformational leadership theory and one its components, idealized influence, found that honesty and integrity correlate significantly with idealized influence. Idealized influence refers to the quality of leaders that are able to influence employees positively to achieve greater outcomes within organizations. What this implies is that honest leaders are able to motivate their employees to perform at a greater outcome. When organizational outcomes are improved, it affects the overall organizational success and corroborates the findings in this study that a leader's use of honesty is significantly related to organizational success. Howell and Avolio (1992) found honesty to be one of the many features that distinguishes ethical and unethical charismatic leaders. Leaders that are honest are charismatic in nature and are able to positively influence employees to achieve organizational objectives and employees that work under charismatic ethical leaders are better performers (Avolio, 1992). This implies that honest leaders should be able to inspire their employees to higher organizational objectives. The overriding objective of many organizations is to be successful and honesty has been shown to virtue of charismatic leaders who are able to positively influence employees to offer greater work outcomes. Corporate supervisors' use of honest ethical behaviors was demonstrated in this study as significantly related to organizational success

Organizational leaders are effective when they practice honest behaviors (Greengard, 2007). Jennings (2006) wrote that honesty is significantly related to organizational success. She asserted that organizational leaders that adopt honest practices achieve long term growth prospects and trust with their stakeholders. Effective ethical leadership are those that have the power to influence emotions and behaviors of subordinates and one of the way to model employees and influence their behaviors is by being honest (Sims, 1992). Leaders who are honest are able to inspire employees in achieving increased output and performance (Sims, 1992). Allen (2005) in their studies on leadership effectiveness wrote that honesty is key component of effective leadership. The implication of this is that employees should be able to trust the integrity of their leaders and leadership must act and demonstrate honest behaviors when dealing with employees. Singh (2008) in their study on integrity noted that honesty is an essential element of integrity and Yukl (2013) stated that personal integrity is closely linked to honesty. These findings imply that for corporate supervisors to succeed within their organizational setting and contribute to achieving organizational success their employees must perceive them as having integrity and honesty as a core component of their personal integrity. This statement is consistent with this study's findings as a leader's use of honesty is significantly related to organizational success.

RQ5. To what extent, if any, are responsibility, respect, fairness, and honesty predictive of organizational success for supervisors in the financial services industry?

As was expected, the multiple linear regression model was found to be statistically significant with 52.5% of the variance in organizational success explained by the four predictor variables (corporate supervisors' use of responsibility, respect, fairness and honesty). Three (responsibility, respect, and fairness) of the predictor variables were found to be statistically significant predictors of organizational success. Honesty was found not be statistically significant predictor of organizational success. As a result, 3 (corporate supervisors' use of respect, responsibility, and fairness) of the 4 null hypothesis were rejected and one of the variables hypothesis (honesty) was not rejected

The details of the results of the multiple linear regression showed that responsibility when holding the variables of respect, fairness, and honesty constant had a

$\beta = -2.17$ $p < .05$ indicating that responsibility is significant predictor of organizational success. Respect when holding the variables of responsibility, fairness and honesty constant had a $\beta = .47$ $p < .05$. This result indicates that respect was a significant predictor of organizational success. Fairness when holding the variable of responsibility, respect, and honesty constant showed a $\beta = 2.45$ $p < .05$. This result indicates that fairness was significant predictor of organizational success. Lastly honesty when holding the variables of responsibility, respect, and fairness constant had a $\beta = .02$ $p > .05$. The result indicates that honesty is a not significant predictor of organizational success. The null hypothesis for honesty is not rejected.

The above results of the multiple linear regression analysis is consistent with prior studies that leadership ethical values of responsibility, respect, and fairness are significant predictors of organizational success (Boezeman, & Ellemers, 2007; Code of Ethics and Professional conduct, 2010, Edmondson, 1999; Kim & Kim, 2013; Tanner et al 2010; Quaquebeke et al, 2008). However our results that honesty is not significant predictor of organizational success contradict other findings (Jennings, 2006; Singh, 2008).

Studies on leadership ethics have noted the importance of leadership ethics and its ability to generate organizational outcomes that are consistent with corporate objectives and aims (Kacmar, 2011; Walumbwa, et al., 2011). Research by Zhang & Bartol, (2010) found that responsible leaders are those who consider individual employees as important stakeholders and are able to leverage their unique perspective to generate motivation and creativity. What this implies is that responsible leaders are able to positively influence the psychological, safety and learning activities of employees and others which can lead to increased performance, decision options and accuracy and ultimately the overall success of the organization which is consistent with findings that responsibility is significant predictor of organizations success. Another study by Thomas (2004) found that responsible leadership is build on an open, inclusive, and diverse internal culture by sharing knowledge while fostering strong ties with other stakeholders and these activities lead to firm growth, innovation, and performance. The ability of responsibility to predict organizational success is an original contribution of this study.

Research by Boezeman and Ellemers, (2008) found that respectful behaviors lead to beneficial employee behaviors such as increased work output and cooperation. Singh (2008) indentified respect towards others as an activity associated with leadership integrity and wrote that leadership integrity is crucial to organizational success. Studies by Quaquebeke et al. (2008) found that employees desired to be respected in their respective organizations but such experience is rare in organizational settings. This finding led Quaquebeke et al., (2008) to conclude that much organizational potential are idle as a result of leadership disrespectful attitudes. This implies respectful behaviors by leaders towards employees and others are critical in achieving success within the organization. The ability of respect to predict organizational success is an original contribution of this study. Research on Fairness by Colquit, (2012) found that fairness is positively correlated with outcomes or benefits employees receive in exchange for their contributions. The implication of this is that employees perceive fair treatment by their leaders as a benefit and are consequently motivated to respond with behaviors that contribute directly or indirectly to the goals of the organization. Organizational leaders that demonstrate and exhibit fairness to their employees can help avoid the collapse of their organizations (Jennings, 2006). The moral management model by Carol (2001) noted that fairness is a critical component of leadership morality and morality is linked to leadership effectiveness. Singh (2008) identified fairness as critical aspect leadership integrity that makes effective leaders. This means that leaders who exhibit a strong sense of integrity by demonstrating fair acts and behaviors are able to gain the trust of their employees who in turn support their personal and organizational goals. Dineen, Lewicki and Tomlison (2006) found that leadership integrity have an impact on the relationship between supervisory guidance and organizational citizenship behavior. They reported that a high level of integrity is related to organizational performance. Corporate supervisors' use of fairness and its ability to predict organizational success is the original contribution of this study and the studies noted above corroborate with our findings.

Howell and Avolio (1992) studying ethical behaviors of leaders found honesty as one of the many features of leadership that distinguish ethical and unethical leadership. They wrote that followers of ethical leaders are those that perceive their leaders as honest. Followers working under honest leaders are able to report problems and are supportive of organizational goals. What this means is that employees will not report problems within organizations where their leaders dishonest and this can negatively impact organizational success Employees who are treated with honesty develop trust for their leaders and are willing to take risk (Porter, Lawler, & Hackman (1975). Dadhick and Bhal (2008) studying ethical behaviors of leaders noted that the honesty of a leader can predict their subordinates' behaviors. This implies that dishonest leaders produce dishonest employees. They wrote that within an environment where leaders are honest with their employees, those employees develop trust with their leaders and are willing to work harder to meet organizational goals and increase performance. This implies that leadership honesty can inspire employees' commitment to solving challenges and adapting to creative ways in supporting the leader's goals and objectives. The above studies contradict our findings that ethical leadership does not predict organizational success. Honest ethical behaviors have been proven to improve employees' performance and such improvement has significant effect on organizational success. A critical look at the statistical analysis showed a beta ($\beta = .02$ $P > .05$), which is relatively small to substantially conclude that honesty does not predict organizational success. Even though the number of participants that answered the survey questionnaire is relatively higher than the minimum required number, it could be assumed that additional participants might have the statistical results. Another reason for the lack of consistency of this current study with other studies could be due to the fact that that majority of corporate supervisors that answered this survey questions could be simply dishonest.

Limitations of the study and its impact on the interpretation of results. The results of this study show the relationships between the variables but not cause and effect. The implication of this is that the predictor variables cannot be concluded to cause organizational success. The fact that the predictor variables have a relationship with the outcome variable does not imply that they are causative of the outcome. Cause and effect cannot be supported in one correlational study. However, causation can be inferred when the results are evaluated in the light of multiple studies (Cegielski, 2004; Hunsinger & Smith, 2009).

Although the sample was limited by the industry sector (financial services) and geography (New York and Washington DC), the results could be expanded and applied to other environments. First, the study was limited to corporate supervisors working in financial services industry in New York and Washington DC. These two states are diverse regions in the United States and the results could be applicable to other financial service organizations in other states in the United States.

The relationship of the implication of the study to stated purpose and significance. The purpose of this quantitative correlational study was to examine the relationship and test the predictive strength of corporate supervisors' use of ethics-related actions and organizational success. The sample was from corporate supervisors who worked in the financial services industry in New York and Washington DC. The participants answered two validated survey questions on their use of key ethical leadership behaviors using Tanner et al., (2010) Ethical Leadership Behavior Scale and organizational success using Bass (1968) Organizational Success Scale. The purpose of the study was achieved through computing, examining and interpreting the results of the correlations between the variables under this study and comparing them to other similar studies in leadership ethics.

Significance. The study provides a base for future research on leadership use of ethics and organization success. Prior studies on leadership ethics have all demonstrated the value of ethics to organizations (Yuero, Weibo, Ribbens, & Juanmel, 2013). Many leadership theories such as the ethical leadership theory (Shweta & Srirang, 2013), transformational leadership theory (Gandolfi, 2012) and the leader-member exchange theory (Grooved & LaRocca, 2011) have attempted to provide an explanation of the leadership qualities required for organizations to attain success. The results of this study show that corporate supervisors' use of responsibility, respect, fairness, and honesty have significant relationship with organizational success.

Previous studies on ethics have found the lack of leadership ethics as evidenced in the lack of integrity, disregard for the corporate policies, norms and ethics are the main drivers to organizational failures (Frisch & Huppenbauer, 2014; Kalshoven et al, 2011). Corporate supervisors' use of responsibility, respect, fairness and honesty and their relationship to organizational success have not been demonstrated in prior studies. Many organizational leaders are of the view that ethics only increase the moralistic behaviors of employees and have no real value to the organization success. There is also the notion that ethics is a waste of corporate resources and that corporate leaders should focus on their main responsibility of increasing the wealth of investors (Jones & Felps, 2013). This notion might explain why so many corporate leaders are not investing in ethics and many organizations collapsing due unethical conduct of their leaders. This study may provide leaders with information on why ethical leadership is important to organizational success. Employers may use knowledge gained from this study to invest in ethical training within their organizations as corporate supervisors' use of key ethics- related actions have been demonstrated in this current study to have significant relationship to organizational success

Focus on corporate supervisors. The findings of this study are significant in their focus on corporate supervisors. The behaviors of leaders have great impact on their followers and their roles provide directions on ethical standards by explicitly motivating and punishing certain behaviors (Brown & Mitchell, 2010; Frisch & Huppenbauer, 2014; McCann & Holt, 2013; Reed, Vidaver-Chohen, & Colwell, 2011). The legitimacy of leaders is enhanced through the fair treatment of followers and attracting them by exhibiting the trait of caring for their concerns (Reed et al., 2011). The credibility of the leader is enhanced by following set standards and values (Johnson, 2009). Leaders with credibility and legitimacy are honest and are driven by meeting high standards and targets for the organization. Brown and Trevino (2014) noted that ethical-leadership theory accounts for how a leader's ethical conduct or behavior can influence his/her followers' ethical decisions and actions. According to the Ethical- Leadership theory, followers' ethical decisions are influenced by social exchange processes and the use of performance management in making employees accountable for their actions and conduct (Brown & Trevino, 2014). The cost of implementing ethical standards in the short run may dissuade corporate leaders from pursuing ethics however the results of this study provide evidence on how leadership uses of key ethics-related actions is related to organizational success.

Current study and existing literature. The findings in this study are consistent with findings of other quantitative studies (Brown & Mitchell, 2010; Frisch & Huppenbauer, 2014; McCann & Holt, 2013; McCann & Sweet, 2014; Strobel, Tumasjan, & Welpe, 2010) that have demonstrated leadership ethics as priceless to employee wellbeing, organizational performance and productivity. The current study adds to the body of knowledge by showing that corporate supervisors' use of responsibility, respect, fairness, and honesty has a strong relationship to organizational success. In addition the study contributed to the Leader-Member exchange theory (Graen & Cashman1975) by noting that corporate supervisors' behavior of responsibility, respect, fairness and honesty towards employees and others has a significant relationship to organizational success. Employees are likely to act with similar members within the organization and to varying degrees feel a sense of belonging to a social group when leadership demonstrate strong ethical values such responsibility, respect, fairness, and honesty. Brown and Mitchell (2010) stated that leaders' values can shape the culture of an organization and leaders turn to attract followers who have similar ethical values. Leaders using the LMX theory within can organizational environment can appreciate the fact that treating employees and others with respect, being responsible and fair, and exhibiting the act of honesty can drive employees towards the leader's goals and objectives which ultimately can positively affect the success of the organization.

Recommendations.

The purpose of this quantitative correlational study was to examine the relationship and test the predictive strength between four predictor variables and one criterion variable. Responsibility, respect, fairness, and honesty were the predictor variables while organizational success was the criterion variable. The key findings of this study showed that there were significant and positive relationship between each of four predictor variables and the criterion variable. Furthermore, the findings indicated that three of the variables under investigation were significant predictors of organizational success. Honesty was shown not to be predictive of organizational success but the Beta ($\beta = .02$, $P > .05$) was relatively small to conclude honesty does not predict organizational success. The findings under this study also explored the key leadership ethical values required to be developed by corporate supervisors in an LMX organizational setting.

Practical Recommendations The results of the study have a practical implication. To start with, there is the misconception that ethical leadership can only impact the moral behaviors of employees. This assertion does not find support in our current study. The four predictor variables provided evidence that leadership ethics is a predictor of organizational success. Given the predictive value of this four leadership ethical variables (responsibility, respect, fairness, and honesty), it is recommended that corporate leaders seek to understand the ethical environment of their organizations and exploit these four ethical variables and their predictive ability of achieving success for their organizations. Specifically, leadership should leverage ethics into their mission, performance assessment, monitoring, and measurement in setting priorities that connect leadership ethics to decision making, operations, and strategic feasibility and promote leadership responsibility, respect, fairness and honesty as central to their organizational effectiveness and success. Ethical leadership is about influencing the ethical behaviors of followers (Trevino, 2003) and the behaviors of leaders have an effect on their followers. Leadership roles should provide directions on ethical standards by explicitly motivating and punishing certain behaviors (Reed, Vidaver-Chohen, & Colwell, 2011).

It is recommended that employers encourage a formal assessment of the ethical values of their leaders and develop a feedback mechanism to increase corporate supervisors' self-awareness of key leadership values. Organizations should continue to delineate ongoing assessment and leadership ethical assessment through a feedback process. Human resource departments should place more significance on key values such as, responsibility, respect, fairness, and honesty on the components of leadership assessment and development. Part of the challenge for many corporate supervisors is the lack of awareness relating to key leadership ethical values that drive effective leadership practices. Providing emerging leaders with an opportunity to use key ethical values of responsibility, respect, fairness and honesty may lead to greater awareness of ethical dilemmas and the activation of ethical decision making will influence organizational success. Organizational leaders responsible for hiring, training, and managing employees should take steps to ensure that corporate supervisors behave ethically to all stakeholders connected directly or indirectly to the organization. These steps must involve the implementation of a code of conduct that require leaders to respect their employees, treat them fairly, take responsibility for their actions and commit to acting honestly. Periodic training regarding the importance of ethical behavior could also be undertaken for corporate supervisors and employees.

The LMX theory. LMX theory is a relationship based theory between a leader and a follower. It describes how leaders maintain their leadership through a number of implied exchanges with their followers. Leaders have a special relationship with a close knit of trusted employees to whom they accord a high level of responsibility, decision influence and access to resources. These in-group types of employees reciprocate such preferential treatment by working harder, committing to task objectives and share more administrative duties (Scandura & Graen 1984). The results of this current study confirm the importance leaders treating their leaders with responsibility, respect, fairness, and honesty and how that relate to organizational success. Leaders seeking to be effective and achieve organizational success should therefore treat their in-group type of employees with respect and fairness, take responsibility for their actions and demonstrate the act of honesty when dealing with them. Leaders observing these ethical values can influence organizational success within their firms.

Recommendation for future research. The objective of the study was to obtain experiences of corporate supervisors who have used the key ethical values of responsibility, respect, fairness, and honesty in their respective organizations. It will be important to study employees' perception of their leaders' use of the same variables. This is important to confirm the alignment among perceptions and actual results and further validate the analysis and recommendations derived in the present study.

Operationalization of study variables could be enhanced through quantitative research to further test leadership ethical variables and organizational success, and their causal relationships to advance the understanding and practical application of ethical leadership and organizational success constructs in the financial services industry. Specifically, a quantitative meta-analysis design may be considered to contrast and combine results from the present and related studies to identify patterns among study results, sources of disagreement among those results, or other interesting relationships that may be revealed in the context of multiple studies (Borrego et al., 2009). An additional benefit of applying a meta-analysis design is the potential to estimate the true effect size more powerfully as opposed to a less precise effect size derived in a single study under a given single set of assumptions and conditions.

Furthermore, expansion of the target population beyond financial services industry to include other business sectors such as the retail sector and manufacturing sector in the United States would enhance the validity and application value of findings by introducing a larger data set and less homogenous sample. Expanding the target population has the potential to benefit practitioners and policy makers alike by providing further evidence of association between ethical leadership and organizational success.

Lastly, qualitative study using a phenomenological inquiry is recommended to provide corporate leaders the opportunity to give further feedback regarding their ethical experience and how it relates to organizational success. Some participants sent emails expressing concerns about quantifying their years of financial services related experiences and ethical behaviors. A few participants expressed concern about the quantitative survey instruments not addressing the true nature of their ethical behaviors. A phenomenological inquiry will give participants an opportunity to express their actual behaviors and perspectives which can be used to develop instrument that will be used in measuring leadership ethical behaviors and organizational success. To develop such instrument, different aspect of factors that affect ethical leaders and organizational success will be required.

Conclusions

The purpose of this quantitative correlational study was to examine the relationship and test the predictive strength between each of the four predictor variables and one criterion variable. Responsibility, respect, honesty, and fairness were the predictor variables while organizational success was the outcome variable. Two previously published survey instruments were chosen for the study. The Ethical Leadership Behavior Scale (Tanner, 2010) was used to measure the ethical leadership of corporate supervisors and the Organizational Success Scale (Bass, 1968) was used to measure organizational success.

The theoretical framework for this study used the Leader Member Exchange theory which is based on a dyadic relationship between a leader and an employee that is considered independently, rather than a relationship between a leader and a group (Lunenburg, 2010). The results of this study indicated that the four predictor variables showed a positive and significant relationship between corporate supervisors' ethical behaviors and organizational success. Additionally, the findings also indicated the predictor variables were predictive of organizational success. Honesty as a variable of leadership use of ethical value was found not to be predictive of organizational success. The strongest relationship among the predictors and criterion variable was found between corporate supervisors' use of respect (r = 0.676), corporate supervisors' use of honesty (r = 0.653), followed by corporate supervisors' use of fairness (r = 0.589), and corporate supervisors' use of responsibility (r = 0.577). Additionally, the multiple linear regression model was found to be statistically significant with 52.5% of the variance in organizational success explained by the four predictor variables (corporate supervisors' use of responsibility, respect, fairness and honesty.

Based on research in the field of ethical leadership and specifically, the research by Tanner et al (2010) (), the results from this study adds to the leadership ethical behavior body of knowledge by expanding additional ethical behavioral factors for leaders using the LMX theory. Recommendations for future research included applying the findings to the organizational setting, employing a longitudinal study to examine ethical and unethical behaviors. Replication of the study is recommended for applying a qualitative study to understand the perspectives of corporate supervisors' use of their ethical leadership. For organizational leaders, the results show that behaving in an ethical manner through treating others with respect, demonstrating fairness, taking responsibility for actions taken and acting in honesty is not just the right ethical decision to pursue; it also influence organizational success.

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Appendixes:

Survey Questions

Appendix A

Part A

1. How Many years of Experience to you have in the financial services industry
   A) Between 1 and 5 years, (B) Between 5 and 10 years, (c) Between 10 and 15 years

   (D) Between 15 years and 20 years or more

2. Do you supervisors at least 1 or more employees
   (a) Yes (B) No

3. What type of financial industry do you work in
   (a) Banking, (b) Investment, (c) Insurance, (d) Brokerage

Questions 4 to 15 relate to organizational success. People differ in what they think it takes to get ahead in most large organizations. Listed below are ways of behaving that may or may not be important for success. Indicate how frequently you think managers, staff, members, or administrators out to behave as described in order to be successful. Use the following scale to indicate your opinion: 5= They always ought do this, 4= they ought to do this often, 3= they ought to do this fairly often , 2= they ought to do this sometimes 1= they seldom ought to do this, 0= they never ought to do this.

Select <u>One Number</u> for Each Item

Organizational Success						
4. Level with others; open, frank and candid in their communication with others	0	1	2	3	4	5
5. Withhold the release of information or time its release for when it will do the most good	0	1	2	3	4	5
6. Share decision-making with their subordinates						

whenever possible	**0**	**1**	**2**	**3**	**4**	**5**
7. You act confidently when you are personally unsure about matters or when you lack relevant information	**0**	**1**	**2**	**3**	**4**	**5**
8. Make political alliances with superiors and subordinates to foster and protect mutual interest	**0**	**1**	**2**	**3**	**4**	**5**
9. Completely and openly commit themselves to a position or a program	**0**	**1**	**2**	**3**	**4**	**5**
10. Maintain social distance; remain aloof, detached, uninvolved with others; always remain the boss when interacting with subordinates	**0**	**1**	**2**	**3**	**4**	**5**
11. Foster mutual trust with others	**0**	**1**	**2**	**3**	**4**	**5**
12. Openly compromise, yet privately divert or delay compromise plans so that their own aims will be pursued despite the stated compromise	**0**	**1**	**2**	**3**	**4**	**5**
13. You try to establish in advance mutually satisfactory objectives with others with whom you work	0	1	2	3	4	5
14. You initiate actions that you are personally against but retard and delay carrying out the actions so that the actions are in progress but never completed	0	1	2	3	4	5
15. You arrange for subordinates to meet together and encourage group discussions and encourage others above and below employees ensuring easy participation by everyone	0	1	2	3	4	5

Source: Organizational Success Questionnaire by Bass, B. M. (1968).
Retrieved from PsycTESTS. doi:10.1037/t18726-00

Appendix A (continued)Ethical Behavior of Supervisors

For each of the remaining questions please give your perception regarding your ethical behavior as a supervisor in your daily activities within your organization. Then rate yourself according to the following scale.

Interval Scale Key: 1= strongly Disagree, 2= moderately agree 3= strongly agree

Supervisors Ethical Behaviors	Select One Number For Each Item		
1. Vouches for your collaborators despite potentially unpleasant consequences	1	2	3
2. Takes time to instruct news staff members	1	2	3
3. Stand by employee if he or she makes mistakes	1	2	3
4. Ensures unpoluar task are assigned to everyone	1	2	3
5. Takes employees input seriously	1	2	3
6. Discuss difficulty and problems openly	1	2	3
7. Help to resolve team conflict	1	2	3
8. Admits to making mistakes	1	2	3
9. Includes employees in decisions making that affect them	1	2	3
10. Takes time for employees even when overloaded with work	1	2	3
11. Admits when you do not know how to carry out a task	1	2	3
12. Evaluates employee performance as objectively as possible	1	2	3
13. Recognize the efforts staff members are making in the company	1	2	3
14. Come to the aid of employees in difficult situations	1	2	3
15. Has an open ear for private matters	1	2	3
16. Judges people according to personal sympathies	1	2	3
17. Prefer certain employees	1	2	3
18. Avoids discussion that might uncover your mistakes	1	2	3
19. Appreciate employees work	1	2	3
20. Only promote employees you like	1	2	3
21. You keep your word	1	2	3

22. **Always lands the same employees with unpopular tasks**	1	2	3
23. **Purposefully only passes information on to certain employees**	1	2	3
24. **Ignores the opinion of others**	1	2	3
25. **Sticks to agreement**	1	2	3
26. **Does not even think of assisting in accomplishing a task**	1	2	3
27. **Claim success for yourself**	1	2	3
28. **Claims all glory for yourself**	1	2	3
29. **Has no sympathy for personal problems**	1	2	3
30. **React irritably when asked for help**	1	2	3
31. **Leaves employee out in the rain**	1	2	3
32. **Lets employees down**	1	2	3
33. **Does not hesitate to lie to others**	1	2	3
34. **Discriminates against individual employees**	1	2	3
35. **Insult co-workers while others are present**	1	2	3

Source: "Ethical Leadership Behavior scale By
Tanner, C., Brügger, A., van Schie, S., & Lebherz, C. (2010).Retrieved from PsycTESTS
doi: 10.1037/t01698-000. Copyright © 2010. Will be re-used with permission

Appendix B

Permission to Use Leader Member Exchange Theory Diagram
E-mail from Enoch Osei to Dr. Kulkarni @ skulkarni@howard.edu

Good day Dr. Kulkarni,

My name is Enoch Osei. I am currently a PhD candidate at Northcentral University. My dissertation topic is on: Examining the Relationships between Corporate Supervisors' Ethics-Related Actions and Organizational Success. I read about your Diagram on Leader Member Exchange Theory article below:

Kulkarni, S., & Ramamoorthy, N. (2011). Leader–member exchange, subordinate stewardship, and hierarchical governance. *The International Journal of Human Resource Management*, *22*(13), 2770-2793. doi:10.1080/09585192.2011.599954

I am writing to seek permission to use your diagram in my study as I feel it would be a good fit to use for the purposes of my study. Will you please send me a signed letter or e-mail granting me permission to use your diagram? I would be excited to share my findings with you. My e-mail addresses is Enoch_o@yahoo.com

Sincerely,

Enoch Osei

Enoch Osei PHD (Candidate) – Northcentral University

8057 Buckman Court, Alexandria VA. 22309

Cell: 202-384-9343

Home E-mail: Enoch_o@yahoo.com

Appendix C

Permission to Use Ethical Leadership Behavior Scale
E-mail from Enoch Osei to Dr. Tanner@ c.tanner@psychologie.uzh.ch

Good day Dr. Carmen,

My name is Enoch Osei. I am currently a PhD candidate with Northcentral University. My dissertation topic is: Examining the Relationship Between Corporate Supervisors Ethics Related Actions and Organizational Success. I read about your instrument on Ethical Leadership Behavior Scale below:

Tanner, C., Brugger, A., Van Schie, S., & Lebherz, C. (2010). Actions Speak Louder Than Words The Benefits of Ethical Behaviors of Leaders. *Zeitschrift Fur Psychologie-Journal Of Psychology*, *218*(4), 225-233

I am writing to seek permission to use your instrument in my study as I feel it would be the best instrument to use for the purpose of my study. Will you please send me a signed letter or e-mail granting me permission to use your instrument? I would be most happy to share my findings with you. My e-mail addresses is Enoch_o@yahoo.com

Sincerely,

Enoch Osei Doctoral Candidate – Northcentral University

8057 Buckman Court, Alexandria VA. 22309

Cell: 202-384-9343

Home E-mail: Enoch_o@yahoo.com

Appendix D

Recruitment Letter with Completed Application to Corporate Supervisors

(Name of selected organization)

Re: Request for participation in a study one ethical leadership and organizational success

Dear Sir/Madam:

I am Enoch Osei a doctoral candidate at Northcentral University. Your organization has been randomly selected to take part in a survey designed to examine the relationship between corporate supervisors' ethics related actions and organizational success. Knowledge gained from the research will assist employers in making appropriate budgetary decisions regarding the ethical training and also understand the link between ethical leadership and organizational success. I am requesting your permission to contact supervisory employees in your organization for this study.

I will follow up with you in about a week. If you are interested in participating in this study, I will send you a form where you can indicate the e-mail addresses of possible participants. You can e-mail me contact information for potential participants.

You may contact me at 2023849343 or e-mail me at **Enoch_o@yahoo.com** with any questions regarding this study.

Sincerely,

Enoch Osei Doctoral Candidate – Northcentral University
8057 Buckman Court, Alexandria VA. 22309
Cell: 2023849343
Home: 7033377945
Business E-mail: Enoch_o@yahoo.com

Appendix E: E-mail to Participants and Informed Consent Form

Hello,

I am a doctoral student at Northcentral University, Prescott Valley, Arizona. I am conducting a study on the relationship between corporate supervisors' ethics related actions and organizational success. Thank you for agreeing to participate in my study. Your contribution will benefit financial institutions, stakeholders, employers, and educators in making informed decisions regarding ethical factors that relate to organizational success. This research will be useful to departments and agencies at the federal, state, local, and tribal levels of government.

I have attached a form for you to sign. Please complete, date, and return the form in one of four ways. You may mail a hard copy through the post office, fax the form, scan the form and e-mail it back as an attachment, or electronically sign the form and return it as an e-mail attachment.

Please fill out and return the form as quickly as possible. If you have any questions or concerns, do not hesitate to call me. Thank you again for your valuable assistance and contribution to this research project.

Respectfully,

Enoch Osei

Doctoral Candidate – Northcentral University

Enoch Osei
Cell: 202-3849343
Home: 7033377945
Business E-mail: enoch_o@yahoo.com

Appendix F Informed Consent Form

Purpose. I invite you to participate in a research study for a dissertation at Northcentral University, Prescott Valley, Arizona. The purpose of this study is to examine the relationship between corporate supervisors' ethics related actions and organizational success. The study depends on input of corporate supervisors from financial services industry. We are interested in your candid opinions, knowledge, experience, and education in these related topics.

Participation requirements. You will provide general background information and answer two sets of question. The first set of questions is on ethical leadership and the second set is on organizational success. Participation will require about 20 minutes of your time.

Research personnel. You may contact me at any time regarding this study:

Enoch Osei

Principal Investigator

Doctoral Candidate – Northcentral University

Cell: 2023849343

Home: 7033377945

Business e-mail: enoch_o@yahoo.com

Potential risk/discomfort. Although there are no known risks in this study, you may refuse to answer any question for any reason. You may also withdraw from the study at any time. I will keep private, confidential, and secure all information you provide. Additionally, I will not show any identifying information to anyone. Others will not be able to identify you or your answers in any way.

Potential benefit. This research poses no foreseeable risk to any of the participants in the study. Although there may be no direct benefit to you, the possible benefit of your participation is that the information you supply may provide stakeholders and educators with the information needed to make informed decisions regarding ethical leadership. Knowledge gained from the research may also assist employers in making appropriate budgetary decisions. The results will have scientific interest that may eventually provide benefits to people involved in ethical decisions in their firm. Should you desire, I would be pleased to provide you with the published study results and conclusions.

Anonymity/Confidentiality. The data to be collected in this study are confidential. I will code all data so that your name is not associated with them. Additionally, the coded data will be available only to researchers associated with this project.

I am happy to answer any question that you may have about the study. Please direct your questions and comments to committee Chair Dr. Michael Shriner at mshriner@ncu.edu or me (Enoch Osei) at Enoch_o@yahoo.com

What if I have questions about my rights as a research participant or complaints?

If you have questions about your rights as a research participant, any complaints about your participation in the research study or any problems that occurred in the study, please contact the researchers identified in the consent form. Or if you prefer to talk to someone outside the study team, you can contact Northcentral University's Institutional Review Board at irb@ncu.edu or 1-888-327-2877 ex 8014.

I have read the above description of the current study. I

(A) Agree (b) Disagree

After reading the information above, you may decide if you want to participate in this research project. Note: all participants will be supervisory professionals working in a financial services industry. If you decide to participate in the study, please proceed with the completion of the questionnaire and submit it.

Appendix G. IRB Approval from Northcental University Institutional Review Board

Notes for IRB review

Student's name: Enoch Osei

School of Business

Date: December 3, 2014 (2nd submission)

Dear Enoch,

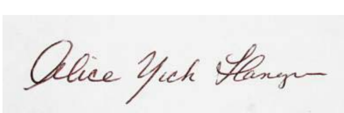
Thank you for your second submission of your IRB application and supporting documents based on the revisions provided to you.

- ✓ This is an exempt IRB review.
- ✓ All feedback has been addressed in your responses to the IRB application and the supporting documents.
- ✓ Remember, when you actually conduct your study and recruit your participants, the actual number of participants in the study ***cannot*** exceed your proposed sample size in the IRB application.

Decision status: Approve

Good luck with data collection.   Be sure to keep in close communication with your mentor and dissertation committee. Keep in mind that if there are any changes to the research procedures, you must notify the IRB.

Sincerely,



Alice Yick, Ph.D.

NCU, Associate Director of IRB and IRB Reviewer

Appendix H: Approval to use Ethical Leadership Behavior Scale

Subject: Re: Request for Permission

From: Carmen Tanner (carmen.tanner@uzh.ch)

To: enoch_o@yahoo.com;

Cc: c.tanner@psychologie.uzh.ch;

Date: Monday, October 27, 2014 8:23 AM

Dear Mr. Enoch

Thank you very much for your kind e-mail and your interest in our paper and scale. I am delighted to hear that you wish to use our instrument. Of course, you can use it. You have, in case of publications, only to appropriately quote the paper but that is anyway taken for granted. I would also be very interested in hearing about your findings. The Tanner et al. paper refers to our first application of this instrument and it can be certainly further improved.

Best wishes and good luck with your work. Carmen Tanner

P.S. Just note that I got another e-mail and working address meanwhile (see below)

University of Zurich Prof. Dr. Carmen Tanner Director of "Center for Responsibility in Finance" Department of Banking and Finance Plattenstrasse 32 CH-8032 Zürich

Phone: +41 44 634 40 16 Secretary: +41 44 634 37 37 e-mail: carmen.tanner@bf.uzh.ch

http://www.bf.uzh.ch/crf

Appendix I: Approval Letter to Use the Leader-Member Exchange Ethical theory

List of Figure

Subject: Re: Request for permission to use a Figure in the paper

From: Kulkarni, Subodh P. (skulkarni@Howard.edu)

To: Enoch_o@yahoo.com;

Cc: drnags@yahoo.com;

Date: Friday, October 31, 2014 8:24 AM

Hi Enoch,

Thank you for checking with us about using the Figure in our paper for your dissertation only. You certainly have our permission to use it exclusively in your dissertation. I don't know if you need to check with the journal staff. You may want to look into that. We would certainly be very happy to know about your findings. Good luck with your dissertation!

Best,

Subodh Kulkarni Good day Dr. Kulkarni,

Appendix J. Email from Ken Varga explaining that permission is not needed to recruit additional members for the research survey

Subject: Re: Request for Permission

From: Ken Varga (kenpbg@aol.com)

To: enoch_o@yahoo.com;

Cc: c. kenpbg@aol.com.,

Date: Tuesday, November 14, 2014 4:23 PM

HI Enoch

I wanted to personally welcome you to our LinkedIn Group. We try to give each other ideas on growing our businesses and giving Referrals. If there is anything I can do to help you with your research please let me know.

One of the purposes of LinkedIn is to connect each other to our mutual networks. I'm one of the few individuals who are connected to over 18 Million People. If you need an Introduction to any of the 25 million members in my Network, please let me know. If you have difficulty in locating someone in my network, then please send me a message and I will try to help

I will want to state that as a member of the financial services forum, you do not need permission to recruit people to participate in your survey. I hope this helps

Ken Varga,
Financial services Forum Handler