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Linking Ethical Leadership with Employee Work Outcomes: The Moderating Role of Conscientiousness

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Abstract

Ethical leadership continues to receive considerable attention due to its influence on various job outcomes. This study examines the effect of ethical leadership on job outcomes (employee well-being and employee voice). It demonstrates how good faith directs the relationship between ethical leadership and job outcomes. Data were collected from 180 employees of 6 Non-Government Organizations (NGOs) in Peshawar through questionnaires. Results show that ethical leadership is positively related to employee well-being and employee voice. The findings of the study show that H1 and H2 was accepted and there is a strong relationship among ethical leadership, employee voice, employee well-being. The main contribution of this study was to find the moderating effect of conscientiousness was also significant for both dependent variables. H3 was also accepted. The future implication shows that the organizations can identify those aspects through which employee work outcome can be improved. The use of ethical leadership strategies can allow managers to build positive attitudes in an employee which results in employee well-being.

Key Words: Ethical Leadership, Employee Well-being, Employee Voice, Conscientiousness.

1. Background of the Study

Leadership style tends to be one of the keys to the success and failure of organizations. Effective leadership tends to have a positive impact on the overall environment of the workplace and teamwork. However, incompatible leadership affects the workplace.
resulting in poor performance of employees, their well-being and increases absenteeism and reduces employee voice and freedom to speak. According to Ojokuku, Odetayo and Sajuyigbe (2012) leader are an individual in an organization who directs, motivates and influences others to enhance the performances. S/he is also responsible for inspiring its subordinates towards effective performances in order to attain goals and corporate objectives. However, Jeremy, Melinde & Ciller, (2012) mention that leadership is a process of the organization, which aims to influence others for strong commitment towards the organization by realizing their potential in order to add value to organizational productivity, share their vision, integrity, and passion.

According to Fehr, Yam and Dang (2015) leaders are known to their moral responsibilities, authorities, and activities. Their status is associated with such attributes that represent goodness and virtue, and their specific ability to encourage followers to perform good deeds. There are various CEOs of different corporations that have developed the ethical leadership skills in them. Such leaders have not only contributed towards creating an ethical environment within the organization but also focused on training employees to add value to their career by being ethical. However, the reason for recognition of these leaders as ethical leaders is because of the compassion, justice, loyalty, and honesty, they showed towards their organization (Frimer, Biesanz, Walker and Mackinlay, 2013; Wu, Kwan, Yim, Chiu and He, 2015).

Hence, according to Schwepker (2015), ethical leadership is perceived as individuals who possess principles and fairness in them in order to be caring towards people and society. They tend to create positivity within the environment by their ethical behavior that not only benefits professionally but enhances the activities done personally. An ethical leader tends to have a best organizational fit based on the policies and practices of the organization (Brown and Trevino, 2006). It involves the appropriate conduct done by the leader through their actions and relationships, which also motivate others to focus on performing their activities ethically. By this, the activities, nature, and attitude of ethical leader influence the decision-making, communication and task handling of teams (Schwepker, 2015).
Problem Statement
The competitive pressures and rapid change in business activities led organizations to find such ways of conducting business that can lead to higher profitability, but poor focus on ethics and moral values. Hence, to overcome the competitive pressures and gain market trust, it has become essential for organizations to focus on the ethical environment that can be developed through ethical leadership. The reason for organizations to encourage ethical leadership is to make employees competent and committed towards the organization. Moreover, it also helps in overcoming job-related issues faced by an employee due to poor leadership guidance and governance, employee voice and employee well-being. However, it was found that the reason for poor employee voice is lack of leadership and employer-employee relationship (Chughtai, Byrne & Flood, 2015). Due to unethical behavior of leaders within the organization the employee’s dissatisfaction level increases. Such unethical leadership also results in the poor well-being of employees and affects job-related outcomes (Hassan, Wright & Yukl, 2014; Kacmar, Andrews, Harris & Tepper, 2013; Leory, Pakanski & Simons, 2012). In the light of Yang, C (2014) and Mayer et al (2012) concentrated on ethical leadership by tending to the significant impact of moral initiative and brought up the issue of why ethical leadership matters. The framework of this study is based on Social learning theory (Bandura, A., 1986) People learn through observing others’ behavior, attitudes, and outcomes of those behaviors. “Most human behavior is learned observationally through modeling: from observing others, one forms an idea of how new behaviors are performed, and on later occasions, this coded information serves as a guide for action.” Social learning theory explains human behavior in terms of continuous reciprocal interaction between cognitive, behavioral, and environmental influences.

Numerous studies have been conducted on ethical leadership and its impact on employee outcome and the role of consciousness; however, the limited investigation has been studied to establish the link between ethical leadership, job-related outcome, consciousness and employee voice (Hassan et al., 2014; Chughtai et al., 2015). When the employees are asked to raise their voices then it is easier to enhance the organizational output because of numerous ideas and recommendations. Different studies have dis-
cussed each dimension separately in a link to ethical leadership, but these dimensions were not altogether discussed in any research earlier. Hence, the study focused on identifying the gap in previous studies related to the link between ethical leadership, employee well-being, work related outcomes, the role of consciousness and employee voice. Furthermore, the study focused on identifying this gap within Pakistani context.

**Objectives of the Study**

The objectives of the study are:

- To examine the effect of ethical leadership on employee work related outcomes (well-being, employee voice)
- To find out the moderating role of conscientiousness on the relationship between ethical leadership and employee work related outcomes (well-being, employee voice)

**The hypothesis of the Study:**

- **H1**: There is a significant relationship between ethical leadership and Employees Voice
- **H2**: There is a significant relationship between ethical leadership and Employees Well-being
- **H3**: There is significant moderating role of conscientiousness on the relationship between ethical leadership with work outcomes (employee voice and well-being)

**Significance of the Study**

The competitive pressures on organizations not only led them to explore the opportunities but also increased threats for them (Lussier and Achua, 2004). It involves various types of challenges; however, one of the major challenges faced by organizations is related to internal systems, management and internal stakeholders of the organization. The initiatives and policies designed by management directly influence the employee working and affects their work related outcomes. The study particularly focused towards ethical leadership, its role towards employee job-related outcomes and the role of consciousness. It focuses on employee work related factors, which mainly include the attitude of employees when there is ethical leadership behavior from their supervisor/managers then the employee will perform better and organizational performance level will increase. Moreover, the significance of this study is valuable and it is necessary
nowadays for all organizations who want to compete on long term basis to focus on ethical behavior at all levels.

2. LITERATURE REVIEW

Overview of the study

The leaders believe in forming work relationships with their employees, and play a moderating role throughout their work (Xhang, Walumbwa, Aryee, & Chen, 2013). The management research has closely analyzed and evaluated the role and responsibilities of leaders working at different levels and how they influence the performance of employees. The literature provided sufficient information about ethical leadership and its relationship with different work outcomes. The review of the literature has been presented below, which helps in building an understanding of ethical leadership and the mediating role of conscientiousness (Givens, 2008).

Standards of ethics get down to business the life of people and help them in contrasting amongst wrong and right and, great and awful. Morals provide people, organizations, and groups with an arrangement of standards and rules looking after the way of life, customs, religion, standards, and qualities. (Ritch&Mengel, 2009). Leaders are the ones who are supposed to lead organizations according to the set of values, principles, and guidelines. The leadership standards are an arrangement of rules as indicated by which the leaders lead their subordinates (Akker, Heres, Lastuizen, & Six, 2009). Identifying and following the ethical principles is a challenge for the leaders. If they fail to work and lead ethically it will result in creating more unethical followers. To choose right ways, it is important to analyze and evaluate the situation (Hazy, 2008). The problems should be discussed and shared with the concerned authorities and individuals. Alternatives should be considered and then decisions should be taken. Ethical Leadership is based on the thought of leaders possessing skills and abilities, which allows them to work ethically and lead their teams and employees using the same ethical guidelines (Derr, 2012).

Ethical leadership is all about building the capacity of the employees (Dadhich & Bhal, 2008). The model of significant worth creation is a genuinely institutionalized ethical leadership dimension. As imagined by Hazy (2008) ethical leaders give careful con-
sideration to building the skills of their supporters for the reason of maintainability.

Conceptualizing Ethical Leadership

In the area of management, the role of ethical leadership as characterized is leadership that is directed by respect for ethical beliefs and values and for the dignity and rights of others. It is thus related to concepts such as trust, honesty, consideration, charisma, and fairness. The leaders utilize two ways correspondence and the making of decisions approaches to influence their employees or followers and ensure that ethical ways to conduct different processes and procedures (Givens, 2008). The ethical leaders act as good role models. They are principled leaders who seek to do the right things and give right directions to their followers. Ethical leaders always adopt a professional approach and communicate with the ethical manner with the followers in order to gain organizational goals (Timothy, Amy, and Remus, 2004). They believe in making fair and balanced decisions to work and make the ends meet. The leaders play an effective role in ensuring that organizational goals are met. They aim to build positive relationships with their employees. They listen, trust, and work along with their employees to achieve the strategic goals and targets (Brown and Trevino, 2006).

In the field of business ethics, a growing concern has been noticed regarding the unethical practices adopted by an organization as well managers at different levels. The unethical means of conducting any job or achieving any target results in demolishing the image and negatively influencing the overall performance of the organization (Ahmad & Muchiri, 2013). Many organizations have faced problems and difficulties because of unethical practices and unfair decisions. The corporate leaders have been engaged in taking decisions that have resulted in lack of trust and lack of commitment (Hazy, 2008). According to research, there are certain approaches and methods that leaders should follow. The concept of ethical leadership is based on differentiating between right and wrong, and ensuring that right ways are chosen to carry out any activity or task. The leaders are expected to demonstrate strong characters and serve as role models. Without leaders, it is impossible for the organizations to achieve the strategic goals and opportunities (Waldman, Ramirez, & House, 2001). To study ethical leadership, it is important to consider
two important variables, which include trust and commitment. The leaders should aim to build trust and enhance the level of commitment of the employees (Yildis and Yildis, 2015).

The definition of ethical leadership suggests that ethical leaders can become role models by setting examples. They can help the employees in understanding the right values and the importance of good character (Akker, Heres, Lastuizen, & Six, 2009). In the organizational context, ethical leadership is a far more complex reality and it is a challenge for the leaders to work ethically. An ethical leader is a person with strong character and right values who can withstand temptations and choose the right path to carry out their work. They use different strategies to achieve the strategic goals, values, vision, and purpose of an organization (Waldman, Ramirez, & House, 2001). They aim to build a positive relationship with their employees and form a balance between their work performance and organizational demands. Organizational diversity has become very common these days. People belonging to a different culture, religion, and background work together at a workplace. It is important to respect each other. The ethical leaders should be able to create a balance between the employees by judging them on the basis of their skills, abilities, knowledge, and experience. Fair and equal opportunities should be provided to each and every employee. This will help the leaders in forming an ethical environment where employees treat each other equally and fairly without any discrimination on any basis (Akker, Heres, Lastuizen, & Six, 2009).

The hidden circumstance in the contemporary business environment has seen numerous organizations rethink their key discernment by building up a heading that start the establishments of ethical leadership for reasons of productivity and business benefit. From this point of view, plainly ethical leadership mirrors the measurement of hierarchical authority, conduct, and culture with the essential part of driving the association by settling on moral choices to innately impact the states of mind and cooperations of workers. The significance of ethical leadership spins around the down to earth level of business practice that connects the parts of culture and ethical business rehearse (Alshammari, Almutairi, and Thuwaini, 2015).

The standards, convictions, and estimations of the good and bad describe the es-
establishment of hierarchical conduct, in this way defining the platform whereupon the leader's impact workers in accomplishing the objectives of the organization. Mehilic, Lipicnik, and Tekavcic, (2010) describe ethical leadership as the way toward affecting workers through qualities, standards, and convictions that broadly verge on the acknowledged standards in the hierarchical practices. The ethical leaders consequently exemplify internal excellences that immediate him in settling on ethical choices for the advantage of the more extensive association (Alshammari, Almutairi & Thuwaini, 2015).

Ethically Influencing Followers

According to Chen et al., (2016), Ethical leadership is critical when colleague cooperation’s include trust, decency and engaging conduct (Hartog and Hoogh, 2009). At the point when colleagues have adequate trust in their leaders, they are all more ready to take after ethical methods and go out on a limb (Hoyt, Price and Poatsy, 2013). Then again, if supporters see their leaders be unscrupulous, they will probably encounter nervousness, weight, and misery in the working environment, and show counterproductive conduct, for example, swindling amid critical thinking undertakings, which brings about diminished work results (Ariely, 2012; Detert et al., 2007; Gino and Ariely, 2012; Hoyt et al., 2013). If there is a disconnection between what the leaders say and what they do, it will result in creating a bad impression on the followers.

In the 21st Century, it has been noted that organizations are evolving on a continuous basis (Snow et al., 1992). There are various reasons that effect the changes and developments of organizations operating and dealing around the world (Hazy, 2008). Leaders play an effective role in ensuring the success of organizations by setting strategic goals and directing their employees to achieve it accordingly. It is the responsibility of leaders to ensure that ethical values are practiced in the organization (Ahmad & Muchiri, 2013). The ethical leaders need to follow and focus on four strategic values, which include being socially responsible, being fair and just, act with integrity, and be understanding and fun to work with. It is their responsibility to take fair decisions for the betterment of employees and for the development of the organizations (Mehilic, Lipicnik, & Tekavcic, 2010). Their decisions should not be biased in any scenario. It is a challenge
for the leaders to determine what is fair, what is right, and how can things be managed using the right and ethical ways (Hansen, 2011).

**Social Learning Theory**

Bandura (1986) believed in “reciprocal determinism”, that is, the world and a person’s behavior cause each other, while behaviorism essentially states that one’s environment causes one’s behavior, Bandura, who was studying adolescent aggression, found this too simplistic, and so, in addition, he suggested that behavior causes environment as well. Later, Bandura soon considered personality as an interaction between three components: the environment, behavior, and one’s psychological processes (one’s ability to entertain images in minds and language).

Social learning theory has sometimes been called a bridge between behaviorist and cognitive learning theories because it encompasses attention, memory, and motivation. So on the basis of social learning theory, the research suggests that ethical leaders should be able to understand that to achieve strategic goals, it is important to form positive relationships with all the stakeholders (Ritch & Mengel, 2009). Good relationships are based on trust, understanding, and respect (Xhang, Walumbwa, Aryee, & Chen, 2013). These are some of the most important determinants that lead to an organization’s success, growth, and development. It is the responsibility of the ethical leaders to understand the needs and desires of their employees and form positive relationships with them (Waldman, Ramirez, & House, 2001).

Focusing on the moral values can help leaders in taking effective decisions. These decisions will not only help the businesses in growing but will also help in remaining competitive (Givens, 2008). The ethical leaders help in giving appropriate meaning to their employees. They communicate and coordinate clearly with their employees so that the organizational targets are met. The decisions taken by ethical leaders are based on moral values considering the impact of these decisions on the environment. The ethical leaders are important for their employees (Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011). They incorporate moral principles in their actions and decisions and lead their teams and employees accordingly. They are generally committed to persistence, purpose, achievement, ethical values, pride, and patience (Mehilic, Lipicnik, &
Tekavcic, 2010).

**Ethical Leadership and Employees Performance**

Leadership has a strong influence on the behavior and work-performance of employees. Researchers and theorists have verified that there is a link or a relationship between leadership and employee’s behavior and performance. Strong leadership leads to positive behavior and effective performance (Givens, 2008). On the contrary, weak leadership negatively affects the behavior and performance of the employees. Ethical leadership is based on moral values and ethical teachings. It is important for the leaders to choose the right path considering the fact that ethical behavior can help in achieving effective results and a good reputation. The businesses that use the wrong means to achieve their goals face failure in the environment (Abrheim, 2012). Successful implementation of plans and choosing the right strategies have helped the businesses in gaining success. It is important for the leaders to continuously communicate and coordinate with their employees. This helps in forming a positive relationship with them (Dadhich & Bhal, 2008). When the organization is able to build a positive relationship with employees then employee feel comfortable to share their recommendations, which are beneficial for the organization.

**Relationship between Ethical Leadership and Employee Voice**

As indicated by Chen et al., (2016) Ethical leaders pass on high good measures to followers and urge their devotees to voice feelings and proposals on moral matters, as well as on other business related procedures and work setting (Walumbwa and Schaubroeck, 2009). If the level of ethical leadership is high and positive, then it will have a direct and positive effect on the employee level on input and interest at work. Usually, there is always positive relationship found among the ethical leadership and employee voice, as with the increment of ethical leadership, the level and amount of employee’s voice within the companies will increase consequently. According to Rosenblatt et al., (2010) the theory of social exchange may give fundamental support to the argument that followers react to an untrustworthy work atmosphere with counter-gainful conduct including work absences, lack of involvement (Dalton and Mesch, 1992). When employees
feel that their expectation can be fulfilled and organization will take care through ethical manners then employee’s will never think about the break with organization on other hand when employee’s feel that organization is no more interested and violate ethical code of conduct the broken agreement between employee’s and organization occurs (Rousseau, 1995). According to Chen & Hou (2016), Ethical leaders encourage representative voice conduct, along these lines upgrading worker inventiveness. Since ethical leaders pass on high good benchmarks to representatives, they urge their adherents to voice conclusions and recommendations, not only about ethical matters but as well as about other business related procedures and work setting (Avey, Wernsing and Palanski, 2012; Walumbwa et al., 2012; Walumbwa and Schaubroeck, 2009). This particular relationship is very effective for the companies, and organizations have to promote the stance of ethical leadership within their premises so that positivity can be approached within the company effectively. This is the main thing why most of the organizations are now trying to increase the level of ethical leadership to enhance employee voices. The standards and practices showed by ethical leaders may urge subordinates to voice their thoughts and assessments in regards to the moral situations they confront as well as their work also, for example, offering proposals about items, administrations, and procedures Chen & Hou (2016).

**Relationship between Ethical Leadership and Well-Being**

In the light of DuBrin, (2000), there is a strong affiliation found between the ethical leadership and well-being. If the amount of ethical leadership is high and positive, then it will have a direct and positive effect on the level of well-being Walumbwa et al., (2012). Usually, there is a direct relationship found among the ethical leadership and well-being, as with the increment of ethical leadership, the level and amount of well-being within the companies will also increase consequently. This particular relationship is very effective for the companies, and organizations have to promote the stance of ethical leadership within their premises so that positivity can be approached within the company effectively.

In the light of Chughtai (2015) ethical leadership includes giving interest in basic
leadership, demonstrating sympathy toward subordinates’ prosperity and building trust-based associations with the adherents (Brown and Trevino, 2006). This is the main thing why most of the organizations are now trying to increase the level of ethical leadership to overcome the incremental issues of employee’s well-being. Elci et al., (2012). The bond between ethical leaders and followers is more grounded which makes a pleasurable situation at work; this consequently causes a higher duty and reductions in turnover expectation. (Mulki et al, 2007).

**Moderating role of Conscientiousness on the Relationship between Ethical Leadership with Employee Voice, Job Outcomes, and Well-Being**

In the light of DuBrin, (2000), the role of conscientiousness is very significant and effective for the sake of an organization to enhance employee voice. As discussed earlier that conscientiousness means to concentrate, and if the leaders are in the concentration behavior then it will certainly affect positively over the level employee involvement. According to Chen & Hou (2016), Late research brings up that ethical leaders are unequivocally worried about worker ability to report pertinent issues (e.g., Brown et al., 2005; Walumbwa and Schaubroeck, 2009; Walumbwa et al., 2012), which is like the idea of voice proposed by Van Dyne and LePine (1998). Voice conduct is displayed in workers who observe existing or inactive wrong or untrustworthy activities and dauntlessly express their assessments or thoughts for development when they see the support exhibited by ethical leaders.

According to Fu,Y.,& Lihua, Z. (2012), the findings of past studies show that conscientiousness plays a vital role between followers conduct and execution. The role of conscientiousness is also very significant and effective for the organization's sake to overcome on the level of Employee’s Well-Being. As discussed earlier conscientiousness means to concentrate, and if the leaders are in the concentration behavior then it will certainly affect positively over the level of Employee’s Well-Being. According to Smith, J. et.al (2013) High conscientiousness does not necessarily always contribute to a positive sense of well-being, however. In some contexts, the combined behavioral manifestations of the achievement striving, persistence, and self-discipline facets of conscientiousness
may be detrimental for well-being in the short term. For example, researchers have observed that college students and young adult workers who are high in conscientiousness sometimes commit to too many goals, fail to adopt alternative goals or resist changing strategies in the face of negative feedback.

According to Chen, A.S.Y., & Hou, Y.H. (2016), Since ethical leaders express their views with respect to wrong conduct in the work place, show their activities to subordinates and fortify the moral estimation of their subordinates, subordinates are probably going to emulate their leaders. As their qualities step by step unites with those of their leaders, workers turn out to be progressively happy with talking up and offering their feelings on subjects of concern (Mayer, Kuenzi, Greenbaum, Bardes and Salvador, 2009; Walumbwa et al., 2012), consequently improving helpful types of voice. According to Zhang, S., et.al.(2012), Previous studies have found that conscientious workers have a tendency to beat, be more dependable, and work more perseveringly than their less scrupulous partners (Smithikrai, 2008). These outcomes recommend that expanding conscientiousness will prompt to better employment execution, and the relationship amongst principles and occupation related conduct is direct. This particular part of the literature will explore the moderating role of conscientiousness on the relationship between ethical leadership and employee voice, job outcome, and well-being.

In the light of Yang, C. (2014) and Mayer et al. (2012) contemplated ethical leadership by tending to the critical impact of moral initiative and brought up the issue of why ethical leadership matters. Utilizing the social learning theory as a part of which people get and learn practices by watching nature and their colleagues. The study will explore the importance of ethical compliance, and will also furnish the importance of ethical leadership on the productivity of the employees. As mentioned earlier that leadership has a strong, positive and direct relationship with the performance of a company, therefore the performance of the companies will increase systematically and more importantly it will increase the core productivity of the companies consequently.

**Theoretical Framework**

The theoretical frame work of this study explain that there is one independent
variable i.e Ethical leadership two dependent variables i.e Employee Voice and Employee well-being and moderating variable i.e Conscientiousness. This frame work explains that how ethical leadership linked with employee work outcomes (Employee Voice and Employee well-being) and how this relationship of ethical leadership and outcomes can be moderated by Conscientiousness. In other words how ethical leadership will affect employee work outcomes and how Conscientiousness will moderate mean strengthen or weaken the relationship of ethical leadership with employee work outcomes.

**Independent Variable**

**Moderating Variable**

**Dependent Variables**

**Regression Model**

\[ Y = \beta_0 + \beta_1 X_1 + \epsilon \]

\[ Y_1 = (WB) = \beta_0 + \beta_1 (EL) \text{--------- (1)} \]

\[ Y_2 = (EV) = \beta_0 + \beta_1 (EL) \text{--------- (2)} \]

\[ Y = (WB) = \beta_0 + \beta_1 (EL) + \beta_2 (C) + \beta_3 (EL \times C) + \epsilon \text{--------- (3)} \]

\[ Y = (EV) = \beta_0 + \beta_1 (EL) + \beta_2 (C) + \beta_3 (EL \times C) + \epsilon \text{--------- (4)} \]

WB = Well being
EL = Ethical Leadership
EV = Employee Voice
C = Conscientiousness
3. Research Methodology

Universe of the Study

The population of this study was composed of the employees working in the Non-Governmental organizations in Peshawar. However, due to several constraints like time, non-accessibility, and financial constraints, the focus of the study was in the target organizations. The target organizations of the study were the employees of 8 Non-Governmental organizations operating in Peshawar. As per information provided by the employees of the organization, approximate numbers of employees working were 700.

Sampling Design

Based on the standard provided by Yamane (1967) for determining sample size from the given population, the sample size for the current study was 180 female nurses. Convenience sampling was used as a sampling technique to select a sample for the current study because this technique is appropriate for gaining quick information about a certain phenomenon of interest. The formula for determining sample size is given below.

\[ n = \frac{N}{1 + Ne^2} \]

Where

\[ n = \text{required sample size} \]
\[ N = \text{Population} \]
\[ e = \text{margin of error which was 5% in this case} \]

<table>
<thead>
<tr>
<th>Organization</th>
<th>Total Employees</th>
<th>Sampled Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khwendo Kor (KK)</td>
<td>122</td>
<td>40</td>
</tr>
<tr>
<td>Kher Khegara Tanzeem (KKT)</td>
<td>98</td>
<td>30</td>
</tr>
<tr>
<td>Pakistan Red Crescent Society</td>
<td>158</td>
<td>31</td>
</tr>
<tr>
<td>International Rescue Committee</td>
<td>156</td>
<td>34</td>
</tr>
<tr>
<td>Community Development Unit</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Peace &amp; Development Organization (PADO)</td>
<td>86</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>700</td>
<td>180</td>
</tr>
</tbody>
</table>

Research Instrument

Gravetter and Forzano (2011) explained that there are four types of research instrument, which include interview, questionnaire, observation and unobtrusive method.
Questionnaires are commonly used in quantitative studies and they are of two types. Open ended questions and close-ended questions. Open ended questionnaire presents in-depth information, whereas close-ended are based on strict choices. The interview is based on verbal discussion (Keegan, 2009). Observation is based on gathering the data through observing human behavior. Lastly, an unobtrusive method is based on gathering the data through exploring diaries, audio visual records and other documents (Kumar, 2011).

The instrument selected for this study is questionnaire which is close-ended and developed by different authors. The questionnaire was evaluated with the help of 5 point Liker scale. The questionnaire includes the items of variable i.e. ethical leadership, employee well-being, employee voice, and consciousness.

4. Variables and their Measurement:

Ethical Leadership Measurement

The Ethical leadership was measured through selecting 10-item of ethical leadership at work scale (ELW) developed by Brown et al. (2005). Ethical leadership was measured on a five-point Liker scale ranging from $1 = \text{strongly disagree}$ to $5 = \text{strongly agree}$.

Employee Well-Being Measurement

Employee well-being (Psychological Well-Being) can be characterized as the relative absence of negative impact, and the presence of constructive outcome (Myers and Diener, 1995). Well-being is a subjective affair, that is, workers are mentally well to the level that they trust themselves to be (Wright and Bonnet, 2007). According to Arnold et al, (2007) a comparative conceptualization of leader conduct and the impacts of this on both job related affective well-being and setting free mental prosperity, proposing that top notch initiative conduct was connected with expanded worker prosperity. This measure has been widely utilized as a part of earlier studies and has yielded vigorous results. Employee well-being in this study was measured by 8-items on a five-point Likert scale ranging from $1 = \text{strongly disagree}$ to $5 = \text{strongly agree}$.

Conscientiousness Measurement

Conscientiousness was measured through 9-item scale developed by John & Sri-
vastva (1999). An example item is “I see myself as a person who does a thorough job. Responses for conscientiousness were taken on a five-point response scale ranging from 1= “strongly disagree,” to 5 = “strongly agree”.

Employee Voice Measurement

In this study, Employee Voice was measured with a six-item scale developed by Van Dyne and LePine (1998). Items were assessed on a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

5. RESULTS AND DISCUSSION

Descriptive statistics

Gender of Respondents

The below table reveals the data gathered from the demographic question related to the gender of respondents. Based on the below graph it is analyzed that the majority respondents i.e. 50.6% were male and remaining 49.4% were female. Hence, the above data illustrate that there was a slight difference between male and female respondents contributed in the study.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>91</td>
<td>50.6</td>
<td>50.6</td>
<td>50.6</td>
</tr>
<tr>
<td>Female</td>
<td>89</td>
<td>49.4</td>
<td>49.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Age of Respondents

The below table reveals the data gathered from the question related to the age of respondents. Based on the below graph it is gathered that majority respondents i.e. 42.8% belong from the age bracket of 31 to 35 years, 27.8% respondents belong from 26 to 30 years, 18.3% belong from 36 and above and remaining 11.1% belong from 20 to 25 years. Hence, it shows that majority respondents belonged from the professional level.

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 to 25 Years</td>
<td>20</td>
<td>11.1</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>26 to 30 Years</td>
<td>50</td>
<td>27.8</td>
<td>27.8</td>
<td>38.9</td>
</tr>
<tr>
<td>31 to 35 Years</td>
<td>77</td>
<td>42.8</td>
<td>42.8</td>
<td>81.7</td>
</tr>
<tr>
<td>36 and above</td>
<td>33</td>
<td>18.3</td>
<td>18.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Working Years of Respondents

The below table uncovers the information accumulated from the question identified with working years of respondents. In light of the below table, it is assembled that larger part respondents i.e. 40.6% were working in the NGOs from past 4 to 6 years. 28.9% were working from 7 to 10 years, 21.7% were working for over 10 years and staying 8.9% were working from 1 to 3 years. In light of the above table, it is uncovered that greater parts of respondents were working in the organization from 4 to 6 years.

Table 4.3 Working Years of Respondents

<table>
<thead>
<tr>
<th>Working Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 3 Years</td>
<td>16</td>
<td>8.9</td>
<td>8.9</td>
<td>8.9</td>
</tr>
<tr>
<td>4 to 6 Years</td>
<td>73</td>
<td>40.6</td>
<td>40.6</td>
<td>49.4</td>
</tr>
<tr>
<td>7 to 10 Years</td>
<td>52</td>
<td>28.9</td>
<td>28.9</td>
<td>78.3</td>
</tr>
<tr>
<td>More than 10 Years</td>
<td>39</td>
<td>21.7</td>
<td>21.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Regression Analysis

In order to test research hypothesis various tests were applied. The linear regression analysis was performed in order to analyze the linear relationship between dependent and independent variable. General regression analysis was performed to analyze the moderating role of consciousness and its impact on work outcome. Pearson correlation test was performed in order to analyze the relationship among variables.

Table 4.4 Regression Analysis between Ethical Leadership and Employee Well-Being

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>t-ratio</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.312</td>
<td>.124</td>
<td>2.522</td>
</tr>
<tr>
<td>Ethical Leadership</td>
<td>.936</td>
<td>.037</td>
<td>.884</td>
</tr>
</tbody>
</table>

The above model outlines the reliability of dependent variable on the independent variable. In view of the above r square esteem, it is distinguished that the
relationship likelihood is .781, which shows 78% of the variance in employee well-being. Based on the above table it is gathered that either the alternative hypothesis is accepted or rejected. Therefore, through analyzing the sig value the confirmation is done. From the above table it is noted that the significant value is 0.000, which is <0.05; thus it means that the alternative hypothesis is accepted and there is a linear relationship between two variables that are employee well-being and ethical leadership. Further, it also justifies the study shared by Givens (2008) and proves that when organizations are adopting ethical leadership strategies then they also focus on employee well-being. The value of regression coefficient was .936 this value indicates that if we bring per unit increase in Ethical leadership, will bring an increase in employee well-being. The organization develops managerial skills into employee which further benefits in enhancing the employee productivity level.

The above coefficient table further justifies the results gathered in ANOVA. From the above table, it can be concluded that the alternative hypothesis is accepted because the t-value was 25.216 and the standard error was .037. Therefore, it shows the strong relationship among variable that is employee well-being and ethical leadership.

### Table 4.5 Regression Analysis between ethical leadership and Employee Voice

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>t-ratio</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized Coeffi-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>cients</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1 Constant</td>
<td>.474</td>
<td>.174</td>
<td>2.732</td>
</tr>
<tr>
<td>Ethical leadership</td>
<td>.868</td>
<td>.052</td>
<td>.783</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Voice  

The above model summary table illustrates the dependency of the dependent variable on the independent variable. Based on the above r square value it is identified that the relationship probability is .612, which shows 61% of the variance in employee voice.

Based on the above table it is gathered that either the alternative hypothesis is accepted or rejected. Therefore, through analyzing the sig value the confirmation is done. From the above table it is noted that the sig value is 0.000, which is <0.05; thus it means that the alternative hypothesis is accepted and there is a linear relationship between two
variables that are employee voice and ethical leadership. Further, it also justifies the study shared by Van Dyne and LePine (1998) and proves that in today’s era the organizations are adopting ethical leadership practices in order to engage employee at the workplace so that they can share their views openly. In the table, the value of $F$ was 281.189 with $p=0.000$ which was less than 0.05 and shows that data was fitting overall model. The employee voice plays an important role in employee work outcome because when they are free to share their voices openly then it is resulting in the positive work environment.

The above coefficient table further justifies the results gathered in ANOVA. From the above table, it is summarized that the alternative hypothesis is accepted because the $t$-value was 16.769 and the standard error was .052. The value of regression coefficient was .868 this value indicates that if we increase Ethical leadership in organizations, will bring an increase in employee voice. Therefore, it shows the strong relationship among variable that is ethical leadership and employee voice.

**Moderation Regression Analysis**

**Table 4.6, Moderation Effect of Conscientiousness on the Relationship of Ethical Leadership and Employee Well-Being:**

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>t-ratio</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized Coefficients</td>
<td>Standardized Coefficients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.896</td>
<td>.119</td>
</tr>
<tr>
<td></td>
<td>Interaction</td>
<td>.086</td>
<td>.011</td>
</tr>
<tr>
<td></td>
<td>Ethical Leadership</td>
<td>.388</td>
<td>.066</td>
</tr>
<tr>
<td></td>
<td>Conscientiousness</td>
<td>.870</td>
<td>.049</td>
</tr>
</tbody>
</table>

a. **Dependent Variable: Employee_WellBeing**  
$R^2 = .834$  
$F = 444.619$

A multiple regression model was tested to examine if there is moderation effect of conscientiousness on the relationship of ethical leadership on employee well-being, the value of $F$-statistics, which is 444.619 shows that overall model is statistically significant at 95% confidence level, the value of $R^2$ is about .834 which shows 83% of the variance in employee well-being. The interaction between ethical leadership and employee conscientiousness was significant for employee well-being, while ($\beta = .388$, $SE = .066$, $P = .000$) suggesting that relationship between ethical leadership and employee well-being is mod-
erated by conscientiousness. since the P value moderating variable is less than 0.05 (P<0.05), that is P-value is .000, therefore we will reject the null hypothesis, and will conclude that there is a significant moderating effect of conscientiousness on the relationship between ethical leadership and employee well-being.

Table 4.7,  Moderation Effect of Conscientiousness on the Relationship of Ethical Leadership and Employee Voice:

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>t-ratio</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized Coef.</td>
<td>Standardized</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.937</td>
<td>.093</td>
</tr>
<tr>
<td></td>
<td>Interaction</td>
<td>.188</td>
<td>.009</td>
</tr>
<tr>
<td></td>
<td>Ethical Leadership</td>
<td>.271</td>
<td>.052</td>
</tr>
<tr>
<td></td>
<td>Conscientiousness</td>
<td>.870</td>
<td>.049</td>
</tr>
</tbody>
</table>

* a. Dependent Variable: Employee Voice  
  \[ R^2 = .889 \]  
  \[ F = 708.680 \]

A multiple regression model were tested to explore whether there is moderation effect of conscientiousness on the relationship of ethical leadership on employee voice, the value of F-statistics, which is 708.680 indicates that overall model is statistically significant at 95% confidence level, the value of \( R^2 \) is about .889 which shows 88% of the variance in employee voice. The interaction between ethical leadership and employee conscientiousness was significant for employee well voice, while \( (\beta = .271, SE = .052, P = .000) \) suggesting that relationship between ethical leadership and employee voice is moderated by conscientiousness. since the P value moderating variable is less than 0.05 (P< 0.05), that is P-value is .000, therefore we will reject the null hypothesis, and will conclude that there is a significant moderating effect of conscientiousness on the relationship between ethical leadership and employee voice.

6. Summary

The main purpose of this study was to find out the effect of Ethical leadership on employee work outcomes and also to explore that how conscientiousness moderates this relationship. Convenient sampling technique was used and data was gathered from Non-Governmental organizations of Peshawar namely Khwendo Kor, Kher Khegara Tanzeen, Pakistan Red Crescent Society, International Rescue Committee, Community Development Unit, and PADO. Data were tested and analyzed to find out mean, frequencies, de-
mographics, reliability and regression analysis. For testing of moderating effect of conscientiousness, Baron and Kenny (1986) four steps model was followed and hypotheses were tested. Findings of the study showed a significant relationship between Ethical leadership, Employee well-being, and Employee Voice. So we accepted hypothesis No.1 (ethical leadership significantly affects Employee well-being) and hypothesis No.2 (ethical leadership significantly affects employee voice) and concluded that positive relationship exists between ethical leadership and job outcomes i.e. employee well-being and employee voice.

Similarly, findings of the study showed that Ethical leadership significantly affects Conscientiousness and hypothesis No3 (ethical leadership significantly affects conscientiousness) was accepted. Finding also supported a significant relationship between conscientiousness and dependent variables (a) Employee well-being and (b) Employee voice. The study also found moderation of conscientiousness in the relationship of Ethical leadership with Employee well-being and Employee voice tested in. Based on the findings of the study it was concluded that conscientiousness moderate the relationship between ethical leadership employee well-being and employee voice which were tested and significantly moderated the relationship of ethical leadership with job outcomes i.e. employee well-being and employee voice. So this contributed in the area of management literature that personality traits i.e. conscientiousness has significant effect on the relationship between ethical leadership and employee work outcomes.

**7. CONCLUSIONS**

Leadership is said to be one of the core focus of HRM that directly influences the overall internal system. A strong and effective leadership tends to be one where leaders work together with the team and focus on bringing positivity within individuals by following norms and values. Hence, a leadership role for the organization tends to be learning-based because it is one of the initial sources for employees to follow organizational values. The focus of the study was towards exploring that what ethical leadership is and how it influences employee work related outcomes. The study focused on forming a relationship between ethical leadership and employee work outcomes based on moderating role of conscientiousness. In the study, it was analyzed that when the leader focuses
on promoting norms and values of the organization, then employees tend to be more participative. It makes employees responsible to perform their duties and increases their engagement in achieving their job-based targets. However, poor leadership increases absenteeism, poor employee well-being and poor conscientiousness (Brown & Trevino, 2006).

In the literature review, it was discovered that leaders have their persona, which influences employees within the organization. If a leader manages to enhance its working abilities based on ethical practices, then it eventually makes employees responsible and careful towards their job-related outcomes. A direction given by leader is the main source of motivation for employees towards their work (Schwepker, 2015). In this regard, Givens (2008) discussed that when a leader tends to focus on moral values, then as a result, it is seen in their decision-making and problem-solving. By maintaining ethically based focus on decision making, a leader can help the organization to maintain its competitive advantage. Moreover, organizations that have ethical leaders tend to have more strong HR systems. Such systems focus on justified methods of incentives, promotions, and compensations. Such type of leadership also helps employees to translate appropriate and clear meanings of goals and objectives assigned to them. It fosters employees to work on such grounds where they can show true loyalty and commitment towards organization. Further, it was also discussed in the literature review that ethical leaders are the main source of incorporating moral values and principles in organizational decision-making. Such leadership encourages fairness and equality within the organization.

Based on this focus, the investigation was done in the study in order to explore the impact that ethical leadership creates on employee work related outcomes such as employee voice, employee well-being, and conscientiousness as moderating role. The objectives of the study were specific towards examining the influence of ethical leadership on job-related outcomes and explore the level of relationship with the outcomes of the job. Based on this, 3 major factors were investigated as the outcome of the job, which include employee voice, employee well-being, and conscientiousness. The first objectives were based on investigating the influence of ethical leadership on these 3 factors. Hence, to achieve this objective, several arguments and secondary information were presented in the literature review. The hypotheses of the study were specific to examine the
significant impact of ethical leadership on employee voice, employee well-being and conscientiousness (Derr, 2012). To test the hypotheses, regression analysis and correlation matrix were obtained. Based on the first objective, the literature review proposed several arguments and theoretical perspective. It was identified that the leadership influence is direct on employees. A good leadership results in employee engagement, satisfaction towards job and employee well-being. This eventually results in employee retention and turnover. A good and ethical leadership also encourages conscientiousness in employees because this helps in increasing employee well-being. Employee delicacy is the result of their commitment and dedication to perform well in the organization. Hence, an ethical leadership within the organization creates balance in internal system and gives true guidance to its employees that not only leads to their career development, but also create balance in their lives (Abrheim, 2012). In the view of the contentions presented in the literature review, the primary target of the study was accomplished.

The second target of the study depended on examining the relationship among variables based on the hypotheses designed. Hence, in light of the discoveries of the study, it can be inferred that the alternative hypotheses of the study were accepted. There is significant relationship found among ethical leadership, employee voice, employee well-being, and conscientiousness. From the analysis and results obtained, it was identified that the following variables had a significant impact. The independent variable for the study was ethical leadership, whereas the dependent variables were employee voice, employee well-being, and conscientiousness. From the results and analysis conducted, it was identified that employees consider ethical leadership as an essential tool for their career growth because if employees are trained under the supervision of an ethical leader, then they are able to develop strong skills in them (Ahmad & Muchiri, 2013). Moreover, this also increases moral values in employees and helps them to create balance in their lives that lead to a positive outcome at the job (Derr, 2012). The findings of the study also helped in concluding that the objectives of the study are linked to the literature review, and thus by designing the framework based on the theoretical perspective, the results were also aligned to the objectives.

Based on the gathered data and findings obtained, it can be established that there
is strong of ethical leadership with employee work outcomes and the role of conscientiousness is moderating in the relationship. The employee related outcomes discovered in the study were employee voice, employee well-being, and job-related factors. Hence, from the gathered data, it was identified that the job-related outcomes are merely based on good management. However, good management can only be seen when there is good leadership. Based on these outcomes, it can be concluded that ethical leadership is essential for organizations because it helps them to maintain their internal harmony and employee engagement towards achieving organizational goals.

Recommendations

The study focused on investigating the relationship between ethical leadership and work related outcomes. Based on the findings, it was concluded that ethical leadership is essential for organizations in order to achieve HR competency. By involving ethical leaders, organizations can create a good portfolio of its employees, which increases organizational capabilities. The strong recruitment can only be seen when the managers/leaders identify talent in its true sense. Based on this, some recommendations are proposed in the study that can be utilized as strategies for organizational human resource development. Following are the recommendations proposed:

- Organizations should timely plan training sessions, workshops and guest speaker sessions for its employees. In such sessions, those people should be invited who are known for their ethical management-based practices. Moreover, organizations should also invite those people who are strong social identities. This would encourage employees to perform those activities that are morally good.
- Managers/leaders should focus on timely assessment of employee performance. This will help team leaders to identify weaknesses of employees and provide them solutions and suggestions to focus on their weaknesses by improving their moral behavior.
- Organizations should re-define their code of conduct in which emphasis should be on ethical responsibilities of employees.
- Organizations should define clear guidelines and rules to avoid misuse or exploitation of organizational interest, mission, and incentives given to employees.
Communication should be clear and organizations including managers/leaders should not encourage any sort of internal politics. Fairness and equality should be the focus of management.

Leaders should ensure confidentiality and any problem discussed among the people should not be the part of the discussion of and the third member.

Before making any decision, leaders should step back and consider the objectivity in order to make decision in organizational and its people interest

Leaders should consider long-term consequences before making any decision so that right decision can be made. Therefore, brainstorming should be encouraged.

Future Researches

In the future, the research can be investigated in several meaningful dimensions. Currently, the study focused on ethical leadership with specific factors of job-related outcomes, but in the future, it can be expanded towards investigating the impact of ethical leadership on organizational decision making. It can also focus on several other variables related to job outcomes such as work-life balance, remuneration and career development of employees, but the focus should be specific to investigate these dimensions.

Moreover, the present study focused on quantitative techniques; however, in the future, interviews can also be conducted on these dimensions in order to conduct in-depth analysis. Moreover, secondary analysis can also be done on the issue of ethical leadership based on case study approach. This will help in understanding the role of ethical leaders and its influence on employee work outcomes towards specific industry/organization/department. In the future, the study can also focus on investigating the role of ethical leaders in sales area of organization.

REFERENCES


King, N. and Horrocks, C. (2010). Interview in Qualitative Research. SAGE.


