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ETHICAL LEADERSHIP: IMPLICATIONS FOR ORGANIZATIONAL REPUTATION

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In today's business environment, characterized by a faster communication system, managers of organizations cannot afford to engage in unethical practices because of its detrimental effect on an organization's reputation but also the negative publicity that it will create and the consequent effect on the value. A critical issue in many organizations is practicing ethical leadership from the top management is not on its effect on the firm's value but also on its employees because unethical leadership might have a negative effect on employee job satisfaction and performance. Ethical values must be cultivated from the top. Leaders are required to set the ethical culture by setting moral example for their followers' for instance formal ethical codes and ethical training. Ethical leaders bear the purpose, vision, and values of an organization and the constituents, within the parameters of ethical ideals. Ethical leaders help in giving meaning to their employees' work and also ensure that decisions are based on moral values (Avolio et al, 2011). Ethical leaders are always making efforts to incorporate moral principles in their beliefs, values and behaviour; they are committed to higher purpose, prudence, pride, patience, and persistence. This study examined ethical leadership, its dimensions and its implications for organizational reputation.

Keywords: Ethical Leadership, Organizational Reputation

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INTRODUCTION

Ethical scandals have become almost commonplace in today's world (Eluka & Chukwu, 2013). Recently, a lot of attention has been placed on ethical leadership, corporate governance, corporate performance and corporate reputation by researchers and corporate organizations. This is due to the corporate corruption that occurred among corporate giants such as Arthur Anderson, Enron, Worldcom, Tycon, Qwest, Adelphia and Satyam (Jones & George, 2008; Arbogast, 2007; Taysir & Pazarcik, 2013; Goel & Ramanathan, 2014). These corporate scandals have further raised concerns about ethical consciousness and ethics management in the business domain (Trevino & Brown, 2005). Enron for instance, grew over a period of 15 years to become United States of America's seventh Largest Company. The stakeholders never imagined that the top executives could be embroiled in unethical practices because the company had a 65-page long code of ethics.

Similarly, Satyam of India before its collapse was recognized globally for its corporate governance and corporate social responsibility practices. In addition, the company earned several awards. Despite these laudable achievements, Satyam still collapsed. The collapse was occasioned by the management's overstatement of the company's cash balance by over one billion US dollar, inclusion of 13000 ghost employees in its payroll, and withdrawal of ghost employees' salaries by the company founders (Goel & Ramanathan, 2014). In Nigeria, the conduct of business is inundated with a great deal of unethical practices in many organizations (Eluka & Chukwu, 2013). Specifically, the subsector of the Nigerian economy worst hit by corporate corruption and scandal is the deposit money bank. This is evident in the actions taken so far against them by the Central Bank of Nigeria (CBN). The CBN liquidated 26 deposit money banks in 1997 because of the financial and accounting scandals involving the top management. In 2006, the apex bank declared 10 deposit money banks

insolvent and in 2009 it placed 8 deposit money banks under its management after removing their executive management teams. More recently, with the increase in the number of non-performing accounts in deposit money banks in Nigeria, AfriBank, Spring Bank and Bank PHB were taken over by the CBN in 2011 through the Assets Management Corporation of Nigeria (AMCON). Eluka and Chukwu (2013) and Ngwube (2013) asserted that the CBN identified poor corporate governance as the major factor that contributed to the failure of the banks. Other factors were unethical practices by employees, management and other stakeholders. The persistence of unethical and illegal business activities by top managers in both restructured corporate organizations -Worldcom, Tycon, Qwest and Adelphia -- and other corporate giants is a pointer that code of ethics is not enough for an organization to be ethical (Loumbeva, 2008; Jones & George, 2008).

In an organization, leadership is a great resource that guides employees as well as the organization into the realization of its corporate objectives. The need for an effective leadership in the present day business environment has been enhanced because for an organization to react appropriately in the face of competition and to also realize its objectives, the top leadership play an important role in determining its success or failure (Khademfar & Amiri, 2013). Consequently, most organizations are currently re-examining their strategic goals by developing directions, which ensures the establishments of moral administration for the purposes of productivity and business growth. Ogbonna and Harris (2000) pointed that ethical leadership in an organization influences employees' performance since it is expected to determine the organization's capacity to define the its objectives and procedures, create structures, procedures, controls and abilities for the association which will eventually determine the organizations adaptation to changes in the business environment. The moral authority rotates around the level of business

practice that connects the parts of culture and moral business hone (Oates & Dalmau, 2013).

Apart from cases of unethical practices in developed nations, evidences have also been shown in developing countries. For instance, Nigeria, one of the developing countries in the sub-Sahara Africa has witnessed increased rate of corporate failures. There were reported cases of corporate failure in Nigeria which were attributed to unethical practices of corporate leaders. The Nigerian banking sub-sector was at the halt of collapse in 1997, twenty-six commercial banks failed due to financial irregularities. In 2006, Cadbury Nigeria Plc., one of the leading Food and Beverages firms in Nigeria was affected by financial scandal. Cadbury Nigeria Plc. financial statement and accounts was falsified at the detriment of all stakeholders. Also in August 2011, three Nigerian banks namely, Afribank Plc., Spring Bank Plc. and Bank PHB failed due to financial irregularities of their corporate managers. These banks were among the eight banks placed under Central Bank of Nigeria (CBN) management in August 2009 following the clean-up of the banking industry (Ikpefan and Ayeni, 2010).

Ethical leadership depicts an organizational culture, mission, values, leadership, and culture whose basic objective is to lead the organization by the use of the right value system to influence how their employees behave and interact in the organization. Ethical values must be cultivated from the top. Leaders are required to set the ethical culture by setting moral examples for their followers' for instance formal ethical codes and ethical training (Piccolo and Greenbaum, 2010). Leaders play an important role in determining the outcome and the goals of an organization, its corporate image as well as influencing the behaviour of their employees through promotion, appraisal and strategies (Brown and Mitchell, 2013).

Ethical behaviour includes key principles such as honesty, integrity, fairness, and concern for others. This is a situation where by leaders engage in behaviours that benefits others and refrains from behaviour that can cause harm to others (Toor & Ofori, 2009). Often, corporate leaders see their work as separate from their lives. Ethics must indeed begin at the top. Leaders cannot shrink from their obligations to set a moral example for their followers; formal ethical codes and ethic training have little chance of success unless the ethical actions and behaviour of top management are consistent with what they teach. Leaders are key to the success of organizational goals and to set the tone for employee behaviours which may include promotion, appraisal and strategies (Brown & Mitchell, 2010). Organizational leaders should encourage employees by leading by examples; they have the responsibility to define organizational norms and values, live up to expectations and encourage their followers to adopt same. Negative examples of immoral behaviour by corporate executives are like a cancer on ethical behaviour within organizations (Fisher & Lovell, 2003). If leaders are perceived to be ruthless and inconsiderate in their business dealings with others, employees are likely to get the message too (Crane &Matten, 2004). Employees want to be associated with managers that are honest, credible, respectful, and fair (Kouzes & Posner, 2007 cited in Collins, 2010). This paper seeks to conceptually examine the ethical leadership, its dimensions and its implications for organizational reputation.

THEORETICAL FRAMEWORK

This study was underpinned by the Social learning theory advanced by Bandura (1977) and suggests that leaders influence their employees through the modelling of processes that involve the transition of values, attitudes, and behaviours. This makes the employees to learn more on what to do, and additionally what not to do, through watching their pioneers conduct and its outcomes. In this manner, moral leaders are probably going to be models by excellence of their relegated part, their status and accomplishment in the organisation, and their energy to influence the results of employees. Nevertheless, pioneers who take part in

untrustworthy practices in association make a setting supporting parallel aberrance, which lead to employees observing and imitate the inappropriate conduct from the leader. For effective ethical leadership workers can likewise figure out how to be moral by watching pioneers who stand up for doing what is correct, particularly if the pioneers are effective in doing moral direct. Treviño (1992) stressed that social learning suggestion in associations like teach sends capable flags about the estimation of authoritative standards and pioneers' ability to remain behind them. This suggests representatives who are rehearsing the best thing anticipate that unfortunate behaviour will be rebuffed brutally, and they are frustrated on the off chance that it is most certainly not. The social learning theory argues that leaders have authority of energy to remunerate and rebuff. This makes representatives to give careful consideration and copy pioneers' conduct, and they will do what is remunerated and abstain from doing what is rebuffed in the association. In this way, prizes and disciplines ought not be immediate but rather additionally can be adapted vicariously by watching how others in the association are remunerated and restrained (Yukl, 2002). This means that social learning theory support that leaders need ethical conduct of employees in organization. This incorporates that managerial urge to give an appropriate case of what is in store in moral activities so as to have others comprehend what this will resemble. A pioneer need to give a case of what they need to see will enhance the origination of moral practices for the other managers.

Concept of Ethics

Ethics is an area of philosophy that presents age old truths, arguments, and critical analysis of the nature and the origin of the field of right and wrong, good and bad, and justice and injustice (Thorns, 2008). Moreover, ethics is derived from the Greek word *ethos* that means customs, conduct, or character (Northouse, 2005). Similarly, 'morals', a synonym of ethics, which origins come from the Latin term moratis- means character, manners, or customs (Beck & Orr, 1970). Scholars suggest that ethics is the study of morality in terms of what is good, bad, right, and wrong and is an explicit philosophical reflection on moral beliefs and practices (Hinman, 2002). What is 'good' and what is 'right' have delineating characteristics that differentiate the various classical ethical theories. For example, "what is 'good' is thought to be noble and valuable; in contrast, what is 'right' is characterized as obligatory and related to personal duty" (Ross, 1939:10). The study of ethics can further be explained as being concerned with the morality and practice of the foundation of human behaviors (Lehmann, 1963) as it relates to "human conduct, voluntary or involuntary action, and having a choice" (Beck and Orr, 1970).

Ethics is the integrity measure, which evaluates the values, norms and rules that constitute the base for individual and social relationships, from a moral perspective (Smith and Smith, 2002). It consists of choosing the good over the bad, the right over the wrong and the fair over the unfair. It makes claims about what ought to be done or what ought not to be done (Carse, 1999). Integrity implies not merely honesty but fair dealing and truthfulness (CAJEC, 1992).

Ethical Leadership

Ethical leadership is a procedure of affecting workers through qualities, standards, and convictions that lie on the right standards in the authoritative practices and shows lead through individual activities and interpersonal connections (Bubble, 2012).Leadership of an organization is characterized by vision, goals, care, and honesty. It is also takes part in amusement of the moral parts of a pioneer's endeavours and living in amicability with these essential standards, human venture can thrive and be managed. Notwithstanding, moral pioneers ought to concentrate on good values and reasonableness in basic leadership, consider the effect of hierarchical choices on the outside world, and unmistakably convey to representatives how their activities at function add to the general

objectives of the association. Moral pioneers who think about their representatives and need them to perform well will probably make a mentally safe environment for workers to have an effective enactive authority encounter (Walumbwa & Schaubroeck, 2009). In a bank for example, ethical leadership is expected to result in positive influence on employee performance, intrinsic motivation and job responses. In addition, a bank leadership with solid moral duties can have effect on assignment hugeness and self-governance of the Job. Moral initiative might be seen as an essential issue inside the association, and this recognition might be a converted into a solid energy about top administration by workers inside an association (McCann & Holt, 2009).

Oates and Dalmau (2013) indicate that ethics in leadership is one of the key components that stakeholders of a firm should have in order to achieve the main goal of a firm without breaching the set standards of practice in the organization. They combine the goals of the firm with those of workers and external parties. Brown (2014) argues that ethical leadership in an organization is demonstrated by treating employees fairly and upholding high ethical standards and integrity. Ethical leadership has been defined as the demonstration of proper behaviour by individuals' relationships with other people, and the enhancement of good ethics to the workers through reinforcement and good communication. This implies that leaders ought to be morally upright individuals. It further states that ethical leaders should uphold high ethical standards in the process of pursuing corporate goals in management.

According to Brown and Trevino (2013), ethical leadership promotes ethical behaviour by leading by examples in their management practices as well as holding employees accountable to their mistakes. Ethical leaders are people who carry themselves in a way that society, organizations, and individuals refer to as good. Their traits are for instance fairness and trustworthiness. Such leaders are full of justice and make balanced decisions having considered them from an ethical dimension. Moral principles act as a guide in their behaviours, values, and beliefs. Ethical leaders have a vision that is developed from good moral values and beliefs. Piccolo et al. (2010) notes that ethical leadership comprises of three fundamental attributes such as similarity among itself and other ideals such as communication visionary in recognizing itself and the present situation, , and the realization of goals.

Furthermore, Oates and Dalmau (2013) noticed that moral administration is acting in right course for the long haul advantages of all partners. They likewise contended that moral authority is more worrisome on adjusting the association's fleeting objectives and longer term desires to accomplish great result of the association. On other hand, Brown (2005) found that the blend of uprightness, moral gauges and great working state of representatives are estimations of moral initiative. This shows a manager ought to be both an ethical individual and irreverent supervisor. Ethical leadership is a procedure of affecting workers through qualities, standards, and convictions that lie on the right standards in the authoritative practices and shows lead through individual activities and interpersonal connections (Bubble, 2012).

The changes and uncertainties in the environment make it imperative for managers to rise to the challenge of revisiting their approach to business ethically. Today's business climate emphasizes both doing well and being outstanding. Organizations can carry out a cost-benefit analysis to discover possible activities that will ensure making profits while meeting the organization's need for corporate social responsibility (Ethics and corporate responsibility, 2009). It is an ethical managerial practice for managers to strictly adhere to the ethical codes of the organization in actualizing its vision and mission; select the right people and retain them, build on their strength and empathize with them. Ethical managers focus more on doing right things that will lead to the success of the organization before their personal interest.

Ogundele, Hassan, Idris, and Aliu (2013) listed some unethical practices by managers and employees alike and their consequences to the organization as: control or influencing someone, misinterpreting of records, misappropriation of assets, recording of transactions without documents, intentional influencing of accounting principles, using company time for personal use and other electronic related fraud. Disobedience to the organization's rules by managers who engage in unethical behaviours can portray lawlessness and disloyalty in the organization.

According to Prieur (2013) it is the ethical responsibility for organization managers and leaders to decide using aversion, support and reconstruction measures to shield individuals and properties from disasters while always observing the importance of defending the rights of those affected. He further maintained that the reason why ethical principles is applied by managers to reduce shock and deal with crisis is to make firm the resilience of population in any unforeseen circumstance by attaching a moral importance to the risk mitigation strategies like aversion, supporting and abating of exposures to threats in anticipation of an enduring progression. According to him, the ethical questioning depends on the circumstances at hand (before, during or after the disaster) add equally the area of consideration whether health, rescue, operations etc.

In a similar vein, Freeman & Stewart, (2006) described an ethical leader as person with "right values" and "strong character", that set examples for others and withstand temptations. Ethical leaders are stakeholders in organizations, striving to achieve the purpose, vision and value of his realm without compromising self-interest. Ethical leaders embody the purpose, vision, and values of the organization and of the constituents, within an understanding of ethical ideals. They connect the goals of the organization with that of the internal employees and external stakeholders.

Ethical leaders understand that positive relationships with all organizational stakeholders are the gold standard for all organizational efforts. Good quality relationships built on respect and trust the most important determinants are of organizational success. Ethical leaders understand that these kinds of relationships germinate and grow in the deep rich soil of fundamental principles such as trust, respect, integrity, honesty, fairness, equity, justice and compassion. Ethical leaders should focus on moral values and fairness in decision making, consider the impact of organizational decisions on the outside world, and clearly communicate to employees how their actions at work contribute to the overall goals of the organization. Ethical leaders help give meaning to their employees' work and ensure that organizational decisions are based on sound moral values (Piccolo, Greenbaum, Den Hartog, & Folger, 2010).

Ethical leaders are always making efforts to incorporate moral principles in their beliefs, values and behavior; they are committed to higher purpose, prudence, pride, patience, and persistence (Khuntia & Suar, 2004). In conceptualizing of ethical leadership, Trevino, Hartman & Brown (2000) present a matrix comprising unethical leadership (weak moral person, weak moral manager), hypocritical leadership (weak moral person, strong moral manager), ethical leader (strong moral person, strong moral manager), and ethically silent or neutral leadership (weak/strong moral person, weak moral manager). In a similar fashion, Trevino & Brown (2004) propose an executive must be perceived as both a "moral person" and a "moral manager to have a reputation of ethical leadership. A "moral person" is related to good character; the leader is honest and trustworthy, show concern for employee welfare and is seen as approachable. Whereas, a "moral manager," is one who leads others on the ethical dimension, allow employee to know what is expected, and holds them accountable. Moral managers set ethical standards, communicate ethics messages, use the position of

Importance of Ethical Leadership

leadership to promote ethical conduct at work and use rewards and punishments to guide ethical behaviour in the organization. Trevino & Brown (2004) expanded the Executive Ethical Leadership Reputation by citing examples of leaders in each of the reputation matrix.

Characteristics of an Ethical Leader/Manager

A good leader has an idea of goodness and respective goals and is willing to hold on to these goals even in difficult times. A good leader is authentic, cares strongly about certain ideas that deserve robust concern and is a person of prudence. In a study conducted on the understanding of executive ethical leadership (Trevino, Brown & Hartman, 2003), ethical leaders are thought to be receptive and open, possess traditional leadership traits such s integrity, honesty, and trustworthiness. Ethical leadership includes transactional leader behaviours such as setting ethical standards and holding followers accountable for ethical conduct. Resick, Hanges, Dickson & Mitchelson (2006) identified six key attributes that characterized ethical leadership which includes character and integrity; ethical community/people-orientation; awareness; motivating; encouraging and empowering; and managing ethical accountability. Besides, the characteristics of ethical leadership as identified by Freeman & Stewart (2006) are: (1) the articulation and embodiment of the purpose and values of the organization by the leader (2) the leader focus on organizational success rather than on personal ego, (3) the leader find the best people and develop them, (4) he/she create a living conversation about ethics, values and the creation of value for stakeholders, (5) take a charitable understanding of others" values, (6) make tough calls while being imaginative, (7) create stakeholder support and societal legitimacy. In a similar vein, O'Connell & Bligh (2009) identified the following nine characteristics of an ethical leader from a synthesis analysis of past researches. (1) Uses an ethical lens (2) Makes ethical decisions (3) Considers the longterm implications of business decisions, (4)

Considers others' well-being when making decisions and treats others fairly (5) Acts ethically or role models ethical behaviour (6) Communicates the importance of ethics (7) Understands themselves and those with whom they work (8) Holds others accountable for acting ethically (9) Offers training and support for employees on how to act ethically in the workplace. Nevertheless, these unique qualities that characterized ethical leaders make them different from other leaders of corporate organizations. Ethical leader are those leaders that are sensitive to the interest of all employees without fear or favour.

Dimensions of Ethical Leadership

Trust

Darcy (2010) defines trust as a hallowed and passionate relationship between individuals; the desire of confidence that people have on the association and administration. This demonstrates trust as the desire of others in words, activities or choices. Subsequently, trust is the establishment for useful clash, objective duty, individual responsibility, and accomplishment of aggregate objectives (Collins, 2010). Assist, Andrews, Baker and Hunt (2011) suggested two sorts of trust; contingent and unqualified trust. The restrictive trust is a circumstance whereby both sides will execute with each different the length of each acts fittingly and utilizes a comparable interpretive plan to characterize circumstance. Though unequivocal trust is portrayed by the common values that structure the social circumstance and turn into the essential vehicle through which people encounter trust.

Trust is an important issue in organizations that has effect on performance, and if broken is likely to has serious adverse effect. Employee trust in leaders will likely result to increase in employee compliance with organizational rules and laws, facilitate the implementation of organizational change; and improve employee contributions in terms of performance, intent to remain and civic virtue behaviour (Robbinson 1996; Van Zyl&Lazeny, 2002 cited in Ponnu & Tennakoon, 2009). Employees are unlikely to follow leaders that are perceived to be dishonest and may likely take advantage of them (Robbins, et al., 2008). Covey (1998) encourages companies to examine the impact of trust on the bottom line in addition to profits, earnings-pershare, and other figures traditionally thought to determine the success of the company. Low levels of trust can result in organizational decay as relationships deteriorate political strife, infighting, and general inefficiency result; organizations with little or not trust have no basis for future success. Corporate leaders cannot separate the issue of trust from their business dealings. Organizational initiatives to improve trust often generate long term benefits.

Transparency

Transparency is sharing of information and acting in an open manner. It is process which data on existing conditions, choices and activities is made available, noticeable and reasonable Bacon (2003). Straightforwardness is portrayed in speaking to the degree to which an individual displays an example of openness and clarity in his/her conduct toward others by sharing the data expected to decide, tolerating others' information sources, and uncovering his/her own qualities, thought processes, and feelings in a way that empowers devotees to all the more precisely survey the fitness and ethical quality of the pioneer's activities (Avolio & Gardner, 2005). This implies that transparency contribute to the esteeming and making progress toward openness in one's associations with others whereby the pioneers and adherents transparently share data about each other's' actual considerations and sentiments. The straightforwardness is characterized by uncertain system that is deciphered generously by authoritative officials. Associations are progressively making objectives straightforward to the workers which is enhances the individual execution and commitments to the association.

A transparent organization implies an openness of the association framework through clear

procedures and systems and simple access to workers data for moral mindfulness in the association through data sharing, which at last guarantees responsibility for the execution of the people and association taking care of assets (Roman and Munuera and Ruiz, 2004). Additionally, straightforwardness is a normal for business banks business and representative of being open free revelation of data principles, arrangements, procedures, and actions. Organizations with straightforwardness empowers workers to take after the guidelines and controls, work as per the benchmarks set for them; the representatives expect great working conditions, acknowledgment, reasonable treatment, vocation development, and inclusion in basic leadership (Beer, 2004). Therefore, transparency enables the employee to interest and more determined to work harder. It also maintains and alters the direction, quality and intensity of ethical leadership in an organization.

Integrity

Integrity is an idea generally utilized inside formal and casual talks of moral initiative, yet is not unmistakably characterized and comprehended (Rieke & Guastello, 2001). Becker, (2009) expressed that uprightness is moral defense in view of a generally accepted fact or reality instead of only an endless supply of ethics and values by an individual or gathering. It is immovably implanted inside the ethical relativist custom in which impression of proper conduct can fluctuate amongst people groups and societies. Trustworthiness is the nature of being straightforward and having solid good standards; moral uprightness. It is for the most part an individual decision to hold oneself to reliable good and moral benchmarks. Honesty is viewed by numerous individuals as the genuine and reliable activities. This infers the measures of honesty includes inside consistency as ethicalness, and recommends that gatherings holding inside themselves obviously clashing qualities ought to represent the error or change their convictions (Lok and Crawford, 2007). This demonstrate trustworthiness has been utilized as a part of administration and business morals which accentuation the consistency in misfortune, consistency amongst words and activities, and good/moral conduct. Gottlieb and Sangria (1996) noticed that pioneers with honesty dependably energize transparent correspondence, especially in examination concerning basic leadership. This demonstrates such pioneers esteem an individual's perspective and the input those outcomes from sharing. Moreover, the significance of clear vision and the foundation of trust through administration are critical variables adding to individual and authoritative respectability.

Moral Values

Moral values can be characterized as generally steady, motivational develops that guide individuals' recognitions, demeanors, and practices towards accomplishing particular higher request objectives Schwartz and Boehnke (2004). Moral qualities are additionally characterized as those things that are essential to or esteemed by a man. That somebody can be an individual or, all things considered, an association. Moral values in moral authority includes the dedication to making the right decision as indicated by societal and culture convictions and qualities. Moral pioneers have their very own unmistakable comprehension moral values and consider themselves responsible for them. Pioneers who are moral exhibit a level of good that stresses their dependability, and this trust empowers adherents to acknowledge the pioneer. This indicates that the moral value beliefs in organization are shared to employee because they are good, desirable, and righteous (Wicks, Berman & Jones, 2010).

Moral values impact how people experience their lives both professionally and by and by. They more often than not influence their states of mind, their way to deal with life circumstances, and their connections, their communications with individuals and the practices of others. Along these lines, moral qualities prime drivers of individual, social, and expert decisions. The business banks business culture moral esteem are guided and dictated by the general population who make up the association which incorporate both the pioneers and the workers. A solid arrangement of good values supports the way of life of the association and sets up the establishment for its morals. It is fundamental that the pioneers of an association maintain the most noteworthy moral gauges. Thusly, their representatives will be relied upon to stick to the association's morals and direct code in both letter and soul (Shamir&Eilam2005). Associations with a solid code of morals and submitted workers are probably going to exhibit sound good values. This is imperative in lessening the frequency of misrepresentation; defilement and other dishonest conduct that could some way or another undermine the models and notoriety of the association and eventually prompt to the fall of the business.

Ethical Leadership: Implications for Organizational Reputation

Employees are the most essential resources in an association, without the objectives and goals may not be achieved. Bartram and Casimir (2007) posited that moral administration is imperative to the representative employment execution. This demonstrates that moral authority will probably achieve association viability and eagerness of representatives to put in additional endeavours in worker execution. On other hand, the effect of moral authority on representative occupation execution shows that moral improvement is probably going to end up necessary to an individual's down to earth accomplishment as a pioneer. Furthermore, Morgan (2003) found that a devotee's impression of a central pioneer's morals was decidedly identified with their view of their chief as a compelling leader.

Effective leaders likewise impact forms, animate change in states of mind and values, and intensify strengthening and self-viability of their supporters, as they encourage the disguise of corporate vision (Thompson & Bunderson, 2003). The sustaining part of administration can likewise raise an association's way of life and worker's qualities to larger amounts of moral conduct. Βv exhibiting moral administration, we advance an abnormal state of respectability that empowers a feeling of dependability, and urges subordinates to acknowledge and take after our vision. Moral pioneers are probably going to be individuals situated, and mindful of how their choices affect others. This displaying serves as a guide and inspiration for others to put the requirements and interests of the gathering in front of their own. Such engagement makes a scholarly and enthusiastic responsibility amongst pioneers and their adherents that makes both sides similarly dependable in the quest for shared objectives. Further, moral pioneers likewise mentor associates in picking up a feeling of individual and expert ability that permits them to exceed expectations while being stronger, faithful, and beneficial (Walker, 2002).

Lui, Shah and Schroeder (2011) note that ethical leadership practice is an important contributor to performance in economic reform economies. Many businesses will adopt a new ethical leadership to improve on their performance. Thus for firms to be competitive environment it is essential to conduct effective ethical leadership which will improve.

Brown and Trevino (2013) indicated that ethical leadership put more emphasis on fair treatment, shared values and integrity as essential drivers that unite the employees in the same direction. Ethical leaders stimulate their employees to be proud and commit themselves strongly to an organization, this shapes the manner in which the employees perceive their work. Leaders that espouse ethical values and principles cascade to lower level employees this is because most of them are easily attracted by a form of leadership of mutual respect. Ethical leadership impacts positively on key employee outcomes.

Piccolo and Greenbaum (2010) indicates that ethical leadership and employee's efforts are positively related. Leaders that demonstrate ethical leadership are as source of hope and encouragement to their employees to work harder and perform better. Walumbwa and Schaubroeck (2009) contend that employees feel safe and motivated when they are in organization where leaders have ethical values and principles.

Ethical leaders are key pillars in instilling moral values and providing guidance to the employees to cope with the organizational culture that shapes their behaviour and actions. This creates a platform where employees can exploit their full potential in working towards the set targets and goals and thus contribute to improved employee performance. Ethical leaders lead the organization in the right direction and save the organization huge costs from fines and penalties and other unethical practices that might expose the organization to losses. In so doing, the leaders motivate employees to be responsible citizens and to be morally upright in order to protect them and keep them safe from incidences that might affect their productivity and efficiency in the work place (Piccolo et al., 2010).

Many organizations put the importance of a good reputation to the back of their mind while they attend to more hard-edge, day to day urgencies. On the other hand, many organizations consider their greatest assets to be their good name or reputation. This is especially true in knowledge based organizations such as the legal, medical and financial sectors etc. They work actively to build their good reputation, to build the "bank of good will" towards them. Although reputation is an intangible concept, research universally shows that a good reputation demonstrably increase corporate worth and provides sustained competitive advantage (Obiefule, 2012).

A business can achieve its objectives more easily if it has a good reputation among its stakeholders, especially key stakeholders such as its largest customers, opinion leaders in the business community, suppliers and current and potential employees. With good reputation, customer will have a good preference in doing business with you when other companies product and services are available at a similar cost and quality. Also suppliers will be more inclined to trust the organization's ability to pay and to provide fair trading terms. If any problem occur in their trading relationship with the company, suppliers will be more inclined to give the benefit of doubt when the company have a reputation for fair dealings. Likewise, government regulators will trust more, as and they will be less inclined to punish if the organization trip along the way. And clearly, a potential employee will be more likely to sign up with the company with good reputation for the treatment of its staff compared with an employer who may have an equivocal reputation (Obiefule, 2012). ethical behaviours such as trust, transparency, integrity and moral conduct signal that these leaders can be seen as ideal representatives of the group leaders are ethical, they can ensure that ethical practices are carried out throughout the organization. An ethical leader can give employees' satisfaction and motivation in their work, and then it leads to the increase of performance. The results proved that ethical leadership play an important role in contributing employee performance. Hence, managers should concern improving ethical leadership area such as discussion business ethics or values with employee, set an example of how to do things the right way to term of ethic and having the best interest of employees in mind.

CONCLUSION

Ethical leadership is at the heart of an organization's corporate reputation. Leaders'

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