AAMC 2019
The 13th Asian Academy of Management International Conference 2019

VALUES-BASED LEADERSHIP ON UNETHICAL BEHAVIORS IN WORKPLACE

Jeannice Qi Jing Khor (a), Michelle Chin Chin Lee (b)*
*Corresponding author

(a) Department of Psychology, Sunway University, 47500, Petaling Jaya, Malaysia,
14096820@imail.sunway.edu.my
(b) Department of Psychology, Sunway University, 47500, Petaling Jaya, Malaysia, michellel@sunway.edu.my

Abstract

Current literature suggests that the positive aspect of values-based leadership, such as ethical leadership and transformational leadership are essential, specifically in job productivity and job performance. However, many studies have not examined how the two leadership styles influence employees' unethical behavior through identification with leader. The study of unethical behavior is particularly important as it could lead to the downfall of an organization. Hence, this study investigates both leadership styles in relation to employees' unethical behavior through identification with leader. A total of 209 full-time working adults (Male=61.7%; Mage=32.21) were recruited through the online survey. The result shows that values-based leadership leads to lower unethical behavior. However, only ethical leadership showed a significant effect on lower unethical behavior. In addition, both values-based leadership lead to higher identification with leader. Identification with leader also leads to lower unethical behavior. Finally, mediation analyses show that identification with leader did not mediate ethical leadership and transformational leadership, and unethical behavior. The findings suggest the importance of having ethical leaders in regulating unethical behavior at the workplace in addition to leaders becoming a role model for employees to emulate. Future studies may investigate other leadership styles and examine how their values affect the employees' unethical behavior and identification with supervisor.

Keywords: Values-based leadership, transformational leadership, ethical leadership, identification with leader, unethical behavior.

1. Introduction

Unethical behavior is behavior that goes against the interests of the organization, such as business scandals, corruption, bribery, and many more. These behavior led companies to face the consequences such as bankruptcies, plummeting reputation and risk of closing (Treviño & Brown, 2005). To enforce ethical conduct, researchers have argued that ethics should be well-enforced and adapted by the organization (De Cremer et al., 2010; Lestrange & Tolstikov-Mast, 2013) and one of the most effective methods is through leadership (Treviño & Brown, 2005).

Values-based leadership, which is defined as leaders' conduct that has underlying moral, ethical foundation with behavior that are rooted in ethical and moral foundation (Copeland, 2014), has been considered to be highly influential in employees' ethical behavior (Copeland, 2014; Frost, 2014; Treviño & Brown, 2005). Ethical leadership and transformational leadership are frequently used in literature that is found to be more influential in employees' ethical behavior compared to other value-based leadership styles (Copeland, 2014).

1.1. Ethical leadership and transformational leadership on employee unethical behaviour

Ethical leadership is defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown et al., 2005, p. 120). According to a study by Brown et al. (2005), the "demonstration of normatively appropriate conduct through personal actions and interpersonal relationships" (p. 120) suggest that for ethical leaders to be seen as a legitimate and credible role model, their followers need to consider the leader's behavior to be normatively appropriate (e.g., honesty, trustworthiness, fairness, and care).

Transformational leadership is defined as "the leader moving the follower beyond immediate self-interests through idealized influence (charisma), inspirational motivation, intellectual stimulation, or individualized consideration. It elevates the followers' level of maturity and ideals and concerns for achievement, self-actualization, the well-being of others, the organization, and the society" (Bass, 1999, p. 11). According to many past studies, transformational leadership is grounded in the argument of being authentic or inauthentic, which depends on the moral character, values, and behavior of the transformational leader (Bass & Steidlmeier, 1999).

Thus far, extant literature reveals that ethical leadership is linked to positive behavior (Kalshoven et al., 2011; Miao et al., 2013). For example, Kalshoven et al. (2011) found that ethical leadership increases organizational citizenship behavior. Transformational leadership is also shown to increase positive behavior, such as altruistic helping behavior (Campbell et al., 2016). Consistent with the idea, we also propose that both ethical leadership and transformational leadership, distinctly lead to positive behavior among employees, in the form of unethical behavior. Hence, Hypothesis 1 states that both (a) ethical leadership and (b) transformational leadership, will lead to employees' lower unethical behavior.

1.2. Ethical leadership and transformational leadership on identification with leader

Identification with leader is a form of relational self-concept, defined by the relationship with influential figures such as a leader (Gu et al., 2015). Typically, it is represented in two ways: (a) leader

evoke followers' self-concept such that they recognize they share similar values with the leader, (b) leader give rise to followers' desire to change their self-concept so that values and beliefs become more similar to the leader's values and beliefs (Kark et al., 2003). It has been argued that identification with leader is a strong factor influencing leadership effectiveness (Kark et al., 2003). Ample evidence from the past demonstrated a positive correlation between leadership and identification with leader (Zhang & Chen, 2013), suggesting that leadership evoked followers' recognition or change in self-concept such that their ethical values and beliefs are similar to the leader.

Ethical leadership have shown to provoke identification with leader in employees when employees pay attention and learn from the role model that they identify as a leader (Kark et al., 2003). Past studies show that ethical leadership is positively related to identification with leader/supervisor (Wang & Rode, 2010). Through social interactions with the ethical leader, employees may find their ethical leader serves as a role model with whom they share common values and beliefs. As identification with leader can be triggered in two ways, the ethical leader's values, beliefs and ways of doing things could inspire change in the employees' values and beliefs as the employees emulate the ethical leader (Kark et al., 2003).

Similar to ethical leadership, transformational leadership affect the feelings of identification through priming employees' relational self-concept, which may result in follower-leader interdependence; a two-way relationship between the leader and employees (Kark et al., 2003). This is known as identification with leader/supervisor. Evidence shows that transformational leadership is positively associated with identification with leader/supervisor (Wang & Howell, 2012). Therefore, Hypothesis 2 states that both (a) ethical leadership and (b) transformational leadership will lead to higher identification with leader.

1.3. Identification with leader and employee unethical behavior

When an individual identifies with another person, such as their leader, it is proposed that they are more likely to be socially influenced in this relationship (Tumasjan et al., 2011), which will relatively shape their views on what behavior are expected by the leader (Sluss & Ashforth, 2007). The result shows that identification with leader is positively correlated with employees' behavior such as knowledge sharing (Carmeli et al., 2011), organizational citizenship behavior (Zhang & Chen, 2013), and motivation and sacrifice (Shamir et al., 1998). This suggests that when there is high identification with leader, employees try to fulfil the leader's need, thus, leading to positive behavior in the workplace (Sluss & Ashforth, 2007).

In regard to ethical behavior, it is dominantly influenced by the relationship of a leader and employees, depending on whether the employees' common values, beliefs, and traditions are similar to the leader's, or provoked to be like the leader's (Falkenberg & Herremans, 1995). This also meant that followers are likely to personally identify with such a visible role model of ethical conduct when the self-concept are similar or pattern their own behavior as the leader (Treviño & Brown, 2005). Therefore, Hypothesis 3 states that identification with leader will lead to employees' lower unethical behavior.

1.4. Identification with leader mediates ethical leadership and transformational leadership, and employee unethical behavior

Thus far, past studies had neglected the two-sided leadership style in explaining employees' behavior. Given that ethical leadership and transformational leadership are predicted to lead to unethical behavior and identification with leader, the two is a distinct leadership style. There are arguments that the

adoption of only one values-based leadership does not maximize the effectiveness of the influencing outcomes since different styles have different characteristics (Brown & Treviño, 2006; Copeland, 2014).

Copeland (2014) theorized the combination of ethical and transformational leadership styles of different levels and combination would bring different impact and outcomes on employees' outcomes. Four quadrants were proposed in this theory: (1) Ineffective: Low ethical leadership combined with low transformational leadership leads to fewer positive outcomes, (2) Fakers (talkers not walkers): Low ethical leadership combined with high transformational leadership leads to misleading outcomes with higher probability of negative results, (3) Unrealized gains (walkers not talkers): High ethical leadership combined with low transformational leadership leads to fewer negative outcomes, but long term outcomes are not realized or maximized, (4) Maximizers: High ethical leadership combined with high transformational leadership leads to the highest positive short term and long-term leader effectiveness outcomes. In particular, the fourth quadrant of this theory suggests that with the combination of both high ethical leadership and high transformational leadership, the outcomes are maximized. This is relevant to the current study as it theorized that leaders who strongly emphasize moral management, vision, values, and intellectual stimulation, can be associated with lesser unethical behavior and higher identification with employees.

Furthermore, we propose that identification with leader mediates the effect of ethical leadership and transformational leadership, and employees' unethical behavior. As identification with leader was found to be affected by the relationship between a leader and the follower, it is suggested that the behavior thereafter will also be affected as such behavior is a response to identification with leader, and identification with leader will lead to lower unethical behavior. Hence, Hypothesis 4 states that identification with leader will mediate both ethical and transformational leadership and employees' unethical behavior.

2. Problem Statement

Although value-based leadership styles have a high positive influence on employees' job performance (Liu et al., 2013), its relation to employee unethical behavior and the process haven't been explored much. Currently, the studies have neglected two-sided leadership styles in explaining employees' behavior; thus, there is no past research investigating the effect of two values-based leadership styles. It is suggested that a leader's effectiveness is not maximized if the adoption is restricted to only one value-based leadership style since different styles have similar and different characteristics (Copeland, 2014). With ethical leadership and transformational leadership differ in their values, and while both lead to identification with leader (Brown et al., 2005; Kark et al., 2003), their overall relationship with unethical behavior may differ due to the different values each leadership style emphasizes.

3. Research Questions

This study intends to investigate how both values-based leadership (i.e., ethical leadership and transformational leadership) may lead to lower unethical behavior through identification with leader. The study suggests that leaders who strongly emphasize moral management, vision, values, and intellectual stimulation can maximize influence on employees' ethical behavior and identification with leader. In

addition, through daily interactions with employees within the organization, ethical leadership and transformational leadership provoked followers' recognition or change in self-concept to have similar ethical values and beliefs with the leader (Brown et al., 2005).

4. Purpose of the Study

In the Malaysian context, it is seen that unethical behavior is high in cases such as company scandals (e.g. 1MDB) and police corruption. Therefore, it is important to look into the effect of values-based leadership styles in the influence of lowering unethical behavior. Using values-based leadership theory (Copeland, 2014), the current study contributed insights on how distinct and effect of values-based leadership styles (i.e., ethical leadership and transformational leadership) influence the lowering of unethical behavior among employees. The proposed model is illustrated in Figure 1.
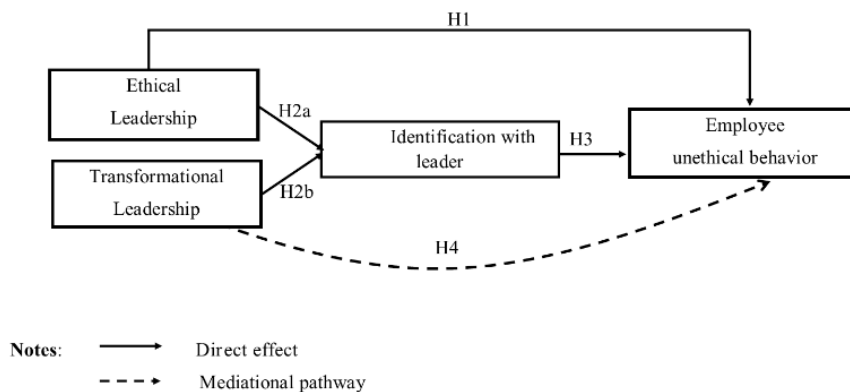

Figure 01. Research Model

5. Research Methods

The current study involved 209 full-time working adults from 17 working industries, classified based on the broad structure of International Standard Industrial Classification (United Nations Department of Economic and Social Affairs, Statistics Division, 2008). The majority of participants were from finance and insurance (28.7%), followed by information and communication (15.8%), professional, scientific, and technical (15.3%), wholesale and retail trade (9.1%), education (7.2%), and other industries. Participants were recruited using the snowballing sampling method from the Malaysian community (Male= 61.7%; Mage = 32.21, SD = 10.77). The inclusion criteria were full-time working adults above 18 years old, working within the same organization, and have been with their direct leader for a minimum of three months. The mean length of working experience in the current organization is 4.13 years (SD = 6.34), and with the current leader is 3.15 years (SD = 5.10). Participants were given a link to the questionnaire through e-mails provided by them. They submitted the questionnaire once they have completed it.

5.1. Instruments

Ethical Leadership. Ethical leadership was measured using the Ethical Leadership Scale from Brown et al. (2005), which consists of 10 items. Each item was followed by a 5-point Likert scale, 1 is 'strongly disagree' and 5 is 'strongly agree'. Internal consistency was found to be high (α = .94). In the current study, the Cronbach alpha coefficient was .91.

Transformational Leadership. Transformational leadership was measured using Transformational Leadership Inventory from Podsakoff et al. (1990), which consist of 22 items. The items were modified to standardize keywords by replacing 'my supervisor' with 'my leader'. A 7-point Likert-type scale, where 1 (strongly disagree) and 7 (strongly agree), was used. Internal consistency reliability for each of the dimension was in the ranged from .82 to .87. In the current study, the Cronbach alpha coefficient was .92.

Unethical Behavior. Unethical behavior of employees was measured using the nine ethical items from Peterson (2002). Each item was rated with a 7-point Likert-type scale where 1 is 'strongly disagree' and 7 is 'strongly agree'. Internal consistency was found to be adequate (α = .82). In the current study, the Cronbach alpha coefficient was .75, which is considered acceptable (Pallant, 2013).

Identification with Leader. Identification with leader was measured using the identification with supervisor questionnaire from Shamir et al. (1998), which consists of seven items. A 5-point Likert scale where 1 (strongly disagree) and 5 (strongly disagree) was used. The items were modified to standardize keywords by replacing 'my supervisor' with 'my leader'. Internal consistency was found to be adequate (α = .90). In the current study, the Cronbach alpha coefficient was .93.

6. Findings

Figure 02 presented Hypothesis 1 proposes that both (a) ethical leadership and (b) transformational leadership will lead to lower employees' unethical behavior. Multiple regression was used to test the hypotheses using SPSS version 25. The results show that both ethical leadership and transformational led to lower employees' unethical behavior. The total variance in the outcome variable (unethical behavior) explained by the model was 4.4%, $F (2, 206) = 4.78$, $p = .009$. In this model, only ethical leadership is statistically significant and make a significant unique contribution to the prediction of unethical behavior ($\beta = -.30$, $p = .006$). However, transformational leadership is not statistically significant and did not make a significant unique contribution to the prediction of unethical behavior ($\beta = -.13$, $p = .23$). Hence, Hypothesis 1 is partially supported.

Hypothesis 2 proposes that both (a) ethical leadership and (b) transformational leadership will lead to higher identification with leader. Multiple regression was used to test the hypothesis. The results show that both ethical and transformational leadership led to higher identification with leader. The total variance in the outcome variable (identification with leader) explained by the model was 60.8%, $F (2, 206) = 159.74$, $p<.001$. In this model, both variables were statistically significant with ethical leadership recording a higher beta value ($\beta = .50$, $p = .001$) compared to transformational leadership ($\beta = .33$, $p = .001$). The results tell us that ethical leadership makes a stronger unique contribution in explaining identification with leader compared to transformational leadership. Hence, Hypothesis 2 is supported.

Hypothesis 3 proposes that identification with leader will lead to lower unethical behavior. Linear regression was used to test this hypothesis. The result shows that identification with leader led to lower

unethical behavior. The total variance in the outcome variable (unethical behavior) explained by the model was 2%, $F(1, 207) = 4.18$, $p = .042$. Identification with leader leads to lower unethical behavior ($\beta = -.14$, $p = .042$). This tells us that identification with leader led to lower unethical behavior. Hence, Hypothesis 3 is supported.

Hypothesis 4 proposes that identification with leader will mediate both ethical leadership and transformational leadership, and employees' unethical behavior. In testing the hypothesis, the Monte Carlo test was used (MacKinnon, Lockwood, & Williams, 2014). When both leadership was combined, ethical leadership was found not to have a significant effect on employees' unethical behavior through identification with leader (95% confident interval [CI], lower level [LL] = -.1058, upper level [UL] = .07387). Transformational leadership was found not to have a significant effect on employee unethical behavior through identification with leader (95% confident interval [CI], lower level [LL] = -.02681, upper level [UL] = .01892). This tells us that identification with leader did not mediate ethical leadership and transformational leadership, and unethical behavior. Hence, Hypothesis 4 is not supported.
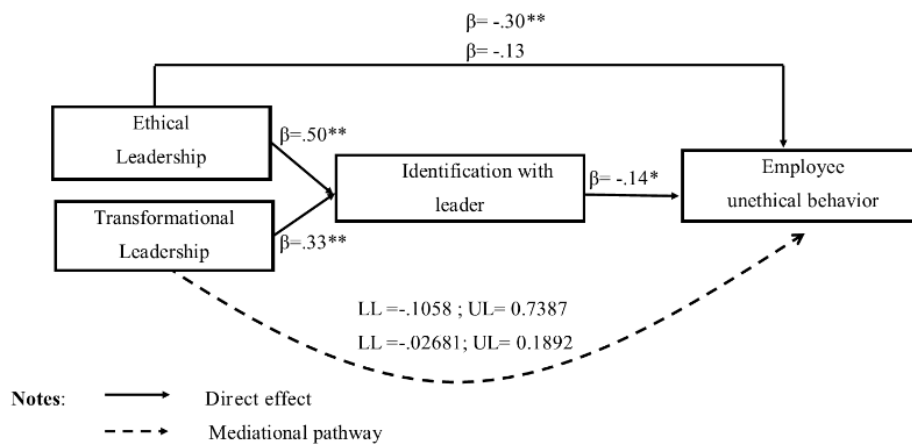

Figure 02. The Final Model

7. Conclusion

This study investigated if both ethical leadership and transformational leadership styles will lead to lower employees' unethical behavior and higher identification with leader. We also look into how identification with leader leads to unethical behavior. In addition, we investigated if identification with leader mediates the effect of ethical and transformational leadership style and employees' unethical behavior.

Overall, we found that both ethical leadership and transformational led to lower employees' unethical behavior, but transformational leadership is not statistically significant and did not make a significant unique contribution to the prediction of unethical behavior. Secondly, both ethical leadership and transformational led to higher identification with leader that ethical leadership makes a stronger unique contribution in explaining unethical behavior compared to transformational leadership. Next, identification with leader is found to lead to lower unethical behavior. However, the mediation effect of identification

with leader between the impact of ethical and transformational leadership styles on employees' unethical behavior was not significant.

Firstly, the current study found that both leadership styles can only explain a minimal variance of employees' ethical behavior with transformational leadership does not contribute a unique, significant association with unethical behavior. It can be explained that transformational leadership is not characterized to associate with ethics and brings moral development among employees (Dvir et al., 2002), therefore, it does not relate to employees' unethical behavior. Hypothetically, a transformational leader can have high visions and expectations for individual/group achievements without intervening by judging employees' unethical behavior, for instance, the offering of a bribe to close sales, given that this does not affect the interest of the leader or the group. Therefore, the transformational leadership style that does not punish nor encourage unethical behavior is not associated with employees' unethical behavior.

On the other hand, ethical leaders who uphold and communicate unethical standards consistently does not accept such unethical behavior and therefore, will discipline such behavior (Brown & Treviño, 2014). New employees will observe and learn that such behavior, for instance, bribery to close sales case is not acceptable and will be punished; hence, they will not behave unethically. Together, the findings show that ethical leadership style is related to lesser employees' unethical behavior, but transformational leadership style is not related to employees' unethical behavior.

The partially supported result based on Copeland (2014) may infer that to instill ethics in employees' behavior, ethical leaders are more suitable to be hired or to be trained, compared to transformational leaders. Especially, given that organizational goal is to instill business ethics to combat bribery and corruption practices among the employees (Lestrange & Tolstikov-Mast, 2013), or when ethics are important for trust among leaders and employees during the implementation of change (Treviño & Brown, 2004). With the right person to initiate and maintain ethical standards and conducts, employees will behave more ethically; hence, an organization would encounter lesser financial loss and lawsuits (Brown & Treviño, 2006).

Secondly, both ethical leadership and transformational leadership styles explained a moderately large variance of identification with leader. Together, the result is consistent with Copeland (2014) theory in which both leadership styles are associated with the highest positive short-term and long-term leader effectiveness in identification with leader. In other words, both leadership styles can evoke employees' recognition or change in self-concept such that their values and beliefs are similar to the leader (Kark et al., 2003). It can also be that employees identify with leader because they perceive the leader to have similar values and beliefs like them. Hypothetically, an ethical leader influences through modelling, which can evoke similarity in self-concept among employees. However, it can also be that employees hold high ethics in work, so they are willing to identify with an ethical leader who models ethical conducts.

The significant result of ethical leadership and transformational leadership explanation of identification with leader (Copeland, 2014) infers a new insight, that is, employees may identify with the leader simply through the way how the leader behaves (ethical or not), and what is expected from the leader (motivated or not). Such a leader has the traits of both ethical leadership and transformational leadership; consequently, the leader emphasizes both ethics and motivation elements at work. Therefore, employees may find that such leaders can emphasize practicing job scope ethically as well as empowering employees at work. Hence, identification with leader.

A new insight gained here is that unethical behavior is an ethics-related outcome, but identification with leader can be regarded as not an ethics-related outcome, given that employees could also identify with leader regardless of the ethical grounds. There is a possibility that transformational leadership measured in the current study is not related to an ethics-related outcome that it does not associate with employee unethical behavior but associate to identification with leader.

7.1. Practical Implications

Organizations that are prone to unethical behavior, such as those from the finance and insurance industry may consider emphasizing more training on developing ethical leadership (compared to transformational leadership) or being stricter during leader selection process to initiate an ethical organizational culture (Lestrange & Tolstikov-Mast, 2013). Next, leaders should clearly convey about which behavior is ethical and which is not so that employees are clear on what behavior are acceptable in the workplace (Treviño & Brown, 2004). As identification with leader could stem from the communication between a leader and an employee, this could lead to lesser unethical behaviour among employees in the workplace.

7.2. Strength and limitations

The present study investigates the effect of two leadership styles associated with employee unethical behavior and identification with leader. This has extended the current limited knowledge on two-sided leadership styles related to employees' outcome beyond the one-sided leadership style attributions. Given that the effect of ethical leadership and transformational leadership is partially supported (Copeland, 2014), we suggest future studies to continue to look into two-sided leadership styles in explaining the relationship or cause-and-effect relationship with employees' ethical behaviour. Particularly, within the Asian context, ethical leadership is associated with lesser employees' unethical behavior, but the transformational leader did not. This shows that the values in ethical leadership are more effective in relation to employees' unethical behavior when compared to transformational leadership.

Additionally, while most leadership studies are conducted in the western context, the current research is conducted in Malaysia, an eastern country. The research effort strived to acknowledge the validity of associations between ethical leadership and transformational leadership styles and employees' outcomes, provided that there are differences in an individualistic culture and collectivist culture. Collectivistic culture shows more care and warmth and places more emphasis on between-people relationships.

Nevertheless, our findings are based on survey data; therefore, the cause-and-effect relationship between the leadership styles and employees' outcomes cannot be established. For example, it is possible that because employees are having lesser unethical behavior, leaders tend to be more self-conscious of their own ethical behavior; hence, higher ethical leadership. In this case, future longitudinal studies will be needed to examine the direction of causality.

Also, the current study only investigated the association between values-based leadership styles and employees' unethical behavior and identification with leader. Thus, it will be important for future studies to investigate other leadership style and examine how their values affect employees' unethical behavior and

identification with leader. This could accommodate more needs of a company that employs different combinations of leadership styles.

7.3. Future direction

Future directions of this research area could be extended further by investigating the values and personality of both leader and employee that can be possible factors in influencing employees' unethical behavior and identification with leader. The compatibility of a leader and an employee's values and personality can influence identification with leader, which indirectly can affect the employee's unethical behavior. Future research may consider a longitudinal study instead of a correlational study to establish a directional relationship between values and personality to employees' unethical behavior.

7.4. Concluding Remarks

In the context of the leader's role in various working fields in Malaysia, the current study supports the applicability of ethical leadership (compared to transformational leadership) as a way of influencing employees' unethical behavior. Both leaderships are able to strongly influence identification with leader, which shows social influence in the leader-employee relationship is common. The non-significant mediation pathway of identification with leader between ethical leadership and transformational leadership and unethical behavior shows that ethical leader has a higher influence on employees' unethical behaviour through identification with leader. These findings highlight the values of ethical and transformational leadership in influencing unethical behavior and identification with leader. The use of a longitudinal approach in investigating the effects of effective values-based leadership on employee outcomes would also help to uncover the type of relationships involved.

References

Bass, B. M. (1999). Two decades of research and development in transformational leadership. *European Journal of Work and Organizational Psychology*, *8*(1), 9-32. https://doi.org/10.1080/135943299398410

Bass, B. M., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *The Leadership Quarterly*, *10*(2), 181-217. https://doi.org/10.1016/s1048-9843(99)00016-8

Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. *The Leadership Quarterly*, *17*(6), 595-616. https://doi.org/10.1016/j.leaqua.2006.10.004

Brown, M. E., & Treviño, L. K. (2014). Do role models matter? An investigation of role modeling as an antecedent of perceived ethical leadership. *Journal of Business Ethics*, *122*(4), 587-598. https://doi.org/10.1007/s10551-013-1769-0

Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*, *97*(2), 117-134. https://doi.org/10.1016/j.obhdp.2005.03.002

Campbell, J. W., Lee, H., & Im, T. (2016). At the expense of others: Altruistic helping behavior, performance management and transformational leadership. *Public Management Review*, *18*(6), 795-818. https://doi.org/10.1080/14719037.2015.1045018

Carmeli, A., Atwater, L., & Levi, A. (2011). How leadership enhances employees' knowledge sharing: the intervening roles of relational and organizational identification. *The Journal of Technology Transfer*, *36*(3), 257-274. https://doi.org/10.1007/s10961-010-9154-y

Copeland, M. K. (2014). The emerging significance of values-based leadership: A literature review. *International Journal of Leadership Studies*, *8*(2), 105-135.

De Cremer, D., Mayer, D., & Schminke, M. (2010). Guest editors' introduction on understanding ethical behavior and decision making: A behavioral ethics approach. *Business Ethics Quarterly, 20*(1), 1-6. https://doi.org/10.5840/beq20102012

Dvir, T., Eden, D., Avolio, B. J., & Shamir, B. (2002). Impact of transformational leadership on follower development and performance: A field experiment. *Academy of Management Journal*, *45*(4), 735-744. https://doi.org/10.5465/3069307

Falkenberg, L., & Herremans, I. (1995). Ethical behaviours in organizations: Directed by the formal or informal systems? *Journal of Business Ethics*, *14*(2), 133-143. https://doi.org/10.1007/BF00872018

Frost, J. (2014). Values based leadership. *Industrial and Commercial Training*, *46*(3), 124-129. https://doi.org/10.1108/ICT-10-2013-0073

Gu, Q., Tang, L.P. and Jiang, W. (2015). Does moral leadership enhance employee creativity? Employee identification with leader and leader-member exchange (LMX) in the Chinese context. *Journal of Business Ethics, 126*(3), 513-529. https://doi.org/10.1007/s10551-013-1967-9

Kalshoven, K., Den Hartog, D. N., & De Hoogh, A. H. (2011). Ethical leadership at work questionnaire (ELW): Development and validation of a multidimensional measure. *The Leadership Quarterly*, *22*(1), 51-69. https://doi.org/10.1016/j.leaqua.2010.12.007

Kark, R., Shamir, B., & Chen, G. (2003). The two faces of transformational leadership: Empowerment and dependency. *Journal of Applied Psychology*, *88*(2), 246-255. https://doi.org/10.1037/0021-9010.88.2.246

Lestrange, J. J., & Tolstikov-Mast, Y. (2013). Can global organizations use values-based leadership to combat bribery and corruption? *Journal of Leadership, Accountability and Ethics*, *10*(4), 41-56.

Liu, J., Kwan, H. K., Fu, P. P., & Mao, Y. (2013). Ethical leadership and job performance in China: The roles of workplace friendships and traditionality. *Journal of Occupational and Organizational Psychology*, *86*(4), 564-584. https://doi.org/10.1111/joop.12027

MacKinnon, D., Lockwood, C., & Williams, J. (2014). Confidence limits for the indirect effect: Distribution of the product and resampling methods. *Multivariate Behavioral Research, 39*(1), 99-128. https://doi.org/10.1207/s15327906mbr3901_4

Miao, Q., Newman, A., Yu, J., & Xu, L. (2013). The relationship between ethical leadership and unethical pro-organizational behavior: Linear or curvilinear effects? *Journal of Business Ethics*, *116*(3), 641-653. https://doi.org/10.1007/s10551-012-1504-2

Pallant, J. (2013). *SPSS survival manual*. McGraw-Hill Education.

Peterson, D. K. (2002). The relationship between unethical behavior and the dimensions of the ethical climate questionnaire. *Journal of Business Ethics*, *41*(4), 313-326. https://doi.org/10.1023/A:1021243117958

Podsakoff, P. M., MacKenzie, S. B., Moorman, R. H., & Fetter, R. (1990). Transformational leader behaviors and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviors. *The Leadership Quarterly*, *1*(2), 107-142. https://doi.org/10.1016/1048-9843(90)90009-7

Shamir, B., Zakay, E., Breinin, E., & Popper, M. (1998). Correlates of charismatic leader behavior in military units: Subordinates' attitudes, unit characteristics, and superiors' appraisals of leader performance. *Academy of Management Journal*, *41*(4), 387-409. https://doi.org/10.5465/257080

Sluss, D. M., & Ashforth, B. E. (2007). Relational identity and identification: Defining ourselves through work relationships. *Academy of Management Review*, *32*(1), 9-32. https://doi.org/10.5465/amr.2007.23463672

Treviño, L. K., & Brown, M. E. (2004). Managing to be ethical: Debunking five business ethics myths. *Academy of Management Perspectives*, *18*(2), 69-81. https://doi.org/10.5465/ame.2004.13837400

Treviño, L. K., & Brown, M. E. (2005). The role of leaders in influencing unethical behavior in the workplace. In R. E. Kidwell & C. L. Martin (Eds.), *Managing organizational deviance* (pp. 69-96). https://us.corwin.com/sites/default/files/upm-binaries/4910_Kidwell_Chapter_3.pdf

Tumasjan, A., Strobel, M., & Welpe, I. (2011). Ethical leadership evaluations after moral transgression: Social distance makes the difference. *Journal of Business Ethics*, *99*(4), 609-622. https://doi.org/10.1007/sl0551-010-0671-2

United Nations Department of Economic and Social Affairs, Statistics Division. (2008). *International standard industrial classification of all economic activities* (Statistical Papers Series M No. 4/Rev. 4). https://unstats.un.org/unsd/publication/seriesm/seriesm_4rev4e.pdf

Wang, P., & Rode, J. C. (2010). Transformational leadership and follower creativity: The moderating effects of identification with leader and organizational climate. *Human Relations*, *63*(8), 1105-1128. https://doi.org/10.1177/0018726709354132

Wang, X. H. F., & Howell, J. M. (2012). A multilevel study of transformational leadership, identification, and follower outcomes. *The Leadership Quarterly*, *23*(5), 775-790. https://doi.org/10.1016/j.leaqua.2012.02.001

Zhang, Y., & Chen, C. C. (2013). Developmental leadership and organizational citizenship behavior: Mediating effects of self-determination, supervisor identification, and organizational identification. *The Leadership Quarterly*, *24*(4), 534-543. https://doi.org/10.1016/j.leaqua.2013.03.007