

**Perceptions of Ethical Leadership and Organizational Culture: Insights
from Middle Level Managers**

Table of Contents

ABSTRACT.....	2
CHAPTER 1: INTRODUCTION.....	5
1.1 Background of the Study.....	5
1.2 Ethical Challenges in Contemporary Organizations.....	5
1.3 Concept of Ethical Leadership.....	6
1.4 Organizational Culture in Modern Workplaces.....	7
1.5 Role of Middle Level Managers.....	7
1.6 Research Problem Statement.....	7
1.7 Research Aim.....	8
1.8 Research Objectives.....	8
1.9 Research Questions.....	8
1.10 Significance of the Study.....	9
1.10.1 Theoretical Significance.....	9
1.10.2 Practical Significance.....	9
1.11 Scope of the Study.....	9
1.12 Definitions of Key Terms.....	9
1.13 Structure of the Dissertation.....	9
CHAPTER 2: LITERATURE REVIEW.....	10
2.1 Introduction.....	10
2.2 Ethical Leadership.....	10

2.2.1 Concept and Definition of Ethical Leadership.....	10
2.2.2 Characteristics and Principles of Ethical Leaders.....	11
2.2.3 Ethical Decision Making in Leadership.....	12
2.2.4 Ethical Leadership vs Other Leadership Styles.....	12
2.3 Organizational Culture.....	13
2.3.1 Concept and Definition of Organizational Culture.....	13
2.3.2 Levels and Types of Organizational Culture.....	13
2.3.3 Ethical Climate and Ethical Culture.....	13
2.3.4 Role of Leadership in Shaping Organizational Culture.....	14
2.4 Middle Level Managers in Organizations.....	14
2.4.1 Definition and Role of Middle Level Managers.....	14
2.4.2 Middle Managers as Ethical Role Models.....	14
2.4.3 Influence of Middle Managers on Culture Implementation.....	15
2.5 Relationship Between Ethical Leadership and Organizational Culture.....	15
2.5.1 Ethical Leadership and Trust.....	15
2.5.2 Ethical Leadership and Employee Behavior.....	16
2.5.3 Ethical Leadership and Organizational Values.....	16
2.6 Theoretical Foundations.....	17
2.6.1 Social Learning Theory.....	19
2.6.2 Ethical Leadership Theory.....	19
2.6.3 Organizational Culture Theory.....	19

2.6.4 Social Exchange Theory.....	20
2.7 Empirical Studies.....	20
2.7.1 Global Empirical Evidence.....	20
2.7.2 Evidence from Middle Management Context.....	20
2.7.3 Evidence from Developing Economies.....	20
2.8 Research Gaps Identified.....	21
2.9 Conceptual Framework Development.....	21
2.10 Hypotheses / Propositions Development.....	21
2.11 Summary of Literature Review.....	21
CHAPTER 3: RESEARCH METHODOLOGY.....	23
3.1 Introduction.....	23
3.2 Research Philosophy.....	23
3.3 Research Approach.....	24
3.4 Research Design.....	24
3.5 Research Strategy.....	25
3.6 Population and Sampling.....	25
3.6.1 Target Population.....	25
3.6.2 Sampling Technique.....	25
3.6.3 Sample Size Justification.....	26
3.7 Data Collection Methods.....	26
3.7.1 Instrument Design.....	26

3.7.2 Measurement Scales.....	26
3.7.3 Pilot Study.....	27
3.8 Data Collection Procedure.....	27
3.9 Data Analysis Techniques.....	27
3.9.1 Descriptive Statistics.....	27
3.9.2 Reliability Analysis.....	27
3.9.3 Validity Analysis.....	27
3.9.4 Inferential Statistics.....	28
3.10 Reliability and Validity.....	28
3.11 Ethical Considerations.....	28
3.12 Limitations of the Methodology.....	28
3.13 Summary of the Chapter.....	28
CHAPTER 4: DATA ANALYSIS AND RESULTS.....	29
4.1 Introduction.....	29
4.2 Response Rate and Data Screening.....	29
4.3 Demographic Profile of Respondents.....	29
4.4 Descriptive Statistics of Study Variables.....	30
4.5 Reliability Analysis.....	31
4.6 Validity Assessment.....	31
4.7 Correlation Analysis.....	31
4.8 Regression Analysis.....	32

4.8.1 Regression Model 1: Ethical Leadership → Organizational Culture.....	32
4.9 Mediation Analysis.....	32
4.10 Hypotheses Testing Summary.....	33
4.11 Additional Findings.....	33
4.12 Summary of Results.....	33
CHAPTER 5: DISCUSSION OF FINDINGS.....	35
5.1 Introduction.....	35
5.2 Ethical Leadership and Organizational Culture.....	35
5.3 Ethical Leadership and Trust.....	36
5.4 Ethical Leadership and Employee Ethical Behavior.....	36
5.5 The Mediating Role of Trust.....	37
5.6 Role of Middle Level Managers.....	38
5.7 Comparison with Previous Empirical Studies.....	38
5.8 Theoretical Implications.....	39
5.9 Practical Implications.....	39
5.10 Summary of the Chapter.....	40
CHAPTER 6: CONCLUSION AND RECOMMENDATIONS.....	41
6.1 Introduction.....	41
6.2 Summary of the Study.....	41
6.3 Achievement of Research Objectives.....	42
6.4 Key Conclusions.....	42

6.5 Theoretical Contributions.....	43
6.6 Practical Implications.....	44
6.6.1 Implications for Senior Leadership.....	44
6.6.2 Implications for Middle Level Managers.....	44
6.6.3 Implications for Human Resource Management.....	44
6.7 Policy Implications.....	45
6.8 Limitations of the Study.....	45
6.9 Recommendations for Future Research.....	45
6.10 Final Conclusion.....	46
REFERENCES.....	47
APPENDIX.....	49

ABSTRACT

Recent corporate scandals and governance failures have intensified scrutiny of ethical conduct, transparency, and accountability, highlighting ethical leadership as a critical driver of positive organizational outcomes. Organizational culture plays a central role in shaping how ethical values are interpreted and enacted; however, limited empirical attention has been given to the perspectives of middle-level managers, who serve as key intermediaries between senior leadership and frontline employees. This study examines middle-level managers' perceptions of ethical leadership and its influence on organizational culture. Grounded in Ethical Leadership Theory, Social Learning Theory, Social Exchange Theory, and Organizational Culture Theory, the study conceptualizes ethical leadership as a moral and managerial process operating through role modeling, trust, and reciprocal relationships. A quantitative research design guided by a positivist philosophy and deductive approach was adopted. Primary data were collected through a structured questionnaire administered to middle-level managers in medium and large organizations, yielding 210 valid responses. Ethical leadership, organizational culture, trust, and employee ethical behavior were measured

using established scales. Data analysis using SPSS incorporated descriptive statistics, reliability and validity testing, correlation analysis, multiple regression analysis, and mediation analysis. The findings indicate that ethical leadership is perceived at relatively high levels among middle-level managers and has a strong, positive, and statistically significant influence on organizational culture, explaining a substantial proportion of variance in cultural perceptions. Ethical leadership also positively affects trust and employee ethical behavior. Mediation analysis reveals that trust partially mediates the relationship between ethical leadership and organizational culture, suggesting both direct and indirect effects. The study contributes theoretically by extending ethical leadership research through a middle-management perspective and highlighting trust as a key relational mechanism linking ethical leadership to cultural outcomes. Practically, the findings underscore the importance of developing ethical leadership capabilities at all organizational levels and actively engaging middle-level managers in ethics and culture-building initiatives to foster a sustainable ethical organizational culture.

Keywords:

Ethical Leadership; Organizational Culture; Middle-Level Managers; Trust; Ethical Behavior

CHAPTER 1: INTRODUCTION

1.1 Background of the Study

In recent decades, organizations across the globe have faced increasing scrutiny regarding ethical conduct, transparency, and accountability. High profile corporate scandals, unethical decision making, and governance failures have highlighted the critical role of leadership in shaping ethical standards within organizations. As a result, ethical leadership has emerged as a central concern in management and organizational behavior research (Brown & Treviño, 2024).

Ethical leadership refers to the demonstration of normatively appropriate conduct through personal actions, interpersonal relationships, and the promotion of ethical behavior among followers. Leaders not only influence organizational performance but also play a pivotal role in establishing ethical norms and values that guide employee behavior (Trevino, Weaver, & Reynolds, 2006). Ethical leadership has been linked to outcomes such as employee trust, organizational commitment, job satisfaction, and reduced deviant behavior.

At the same time, organizational culture the shared values, beliefs, and assumptions that shape how work is performed has been recognized as a fundamental driver of organizational effectiveness. Organizational culture influences how employees interpret ethical standards, respond to ethical dilemmas, and align their behavior with organizational expectations (Schein, 2024). A strong ethical culture can reinforce integrity, fairness, and accountability, whereas a weak or unethical culture can normalize misconduct.

Understanding the interaction between ethical leadership and organizational culture is therefore critical. While top leaders are often emphasized in ethical leadership research, middle level managers play a unique and influential role in translating ethical values into everyday practices. This study focuses on the perceptions of middle level managers to gain deeper insight into how ethical leadership shapes organizational culture in practice.

1.2 Ethical Challenges in Contemporary Organizations

Organizations today operate in increasingly complex and dynamic environments characterized by globalization, digital transformation, and heightened stakeholder expectations. These conditions have intensified ethical challenges, including conflicts of interest, misuse of power, data privacy concerns, and pressures to achieve short term performance targets at the expense of ethical considerations (Kaptein, 2020).

Middle level managers often find themselves at the intersection of strategic directives from senior leadership and operational realities faced by employees. They are expected to implement policies, manage performance, and resolve ethical dilemmas while balancing organizational goals and employee welfare. This positioning exposes middle managers to ethical tensions and role conflicts that may influence their perceptions of ethical leadership and organizational culture.

Despite their importance, middle level managers have received relatively limited attention in ethical leadership research, which has traditionally focused on senior executives or frontline supervisors. Exploring ethical leadership through the lens of middle level managers offers valuable insights into how ethical values are enacted, reinforced, or challenged within organizational structures.

1.3 Concept of Ethical Leadership

Ethical leadership is commonly defined as the demonstration of normatively appropriate conduct and the promotion of such conduct to followers through communication, reinforcement, and decision making (Brown et al., 2021). Ethical leaders are characterized by honesty, integrity, fairness, accountability, and concern for others.

Brown and Treviño (2024) conceptualize ethical leadership as comprising both a moral person and a moral manager dimension. As moral persons, ethical leaders exhibit ethical behavior in their personal actions. As moral managers, they actively communicate ethical standards, reward ethical behavior, and discipline unethical conduct.

Ethical leadership is distinct from, yet related to, other leadership styles such as transformational or servant leadership. While transformational leaders inspire and motivate followers, ethical leaders explicitly emphasize ethical standards and moral conduct. Research suggests that ethical leadership is a critical antecedent of ethical climate and ethical organizational culture (Neubert et al., 2022).

1.4 Organizational Culture in Modern Workplaces

Organizational culture refers to the system of shared meanings, values, and assumptions that guide behavior within organizations (Schein, 2024). Culture influences how employees interpret organizational policies, respond to leadership behavior, and make ethical decisions.

Schein (2024) describes organizational culture as existing at three levels: artifacts (visible structures and behaviors), espoused values (stated strategies and philosophies), and underlying assumptions (unconscious beliefs). Ethical leadership primarily influences culture by shaping espoused values and reinforcing ethical assumptions through consistent behavior and decision making.

An ethical organizational culture promotes trust, transparency, and accountability, creating an environment where employees feel supported in making ethical choices. Conversely, misalignment between leaders' stated values and actual behavior can undermine trust and weaken ethical culture.

1.5 Role of Middle Level Managers

Middle level managers occupy a critical position within organizational hierarchies. They act as a bridge between senior leadership and operational employees, translating strategic objectives into actionable practices (Floyd & Wooldridge, 2023).

In the context of ethical leadership, middle managers serve as role models, ethical gatekeepers, and enforcers of organizational values. Their perceptions of ethical leadership influence how they communicate expectations, handle ethical dilemmas, and shape team culture. If middle managers perceive ethical leadership to be inconsistent or symbolic rather than genuine, ethical standards may not be effectively embedded at lower organizational levels.

Understanding middle managers' perceptions is therefore essential for gaining a realistic picture of how ethical leadership affects organizational culture beyond formal policies and codes of conduct.

1.6 Research Problem Statement

Although ethical leadership and organizational culture have been widely studied, several gaps remain. First, much of the existing literature adopts a top down perspective, focusing on senior leaders while overlooking the experiences of middle level managers. Second, empirical studies often rely on employee perceptions without examining how managers themselves interpret ethical leadership and cultural dynamics.

Furthermore, limited research has explored how ethical leadership is perceived and enacted within diverse organizational and cultural contexts, particularly in developing economies. These gaps restrict the practical applicability of existing ethical leadership models.

This study addresses these gaps by examining middle level managers' perceptions of ethical leadership and its influence on organizational culture.

1.7 Research Aim

The primary aim of this study is to explore middle level managers' perceptions of ethical leadership and its influence on organizational culture.

1.8 Research Objectives

The specific objectives of the study are:

1. To examine middle level managers' perceptions of ethical leadership within their organizations.
2. To explore the characteristics of organizational culture as perceived by middle level managers.
3. To analyze the relationship between ethical leadership and organizational culture.
4. To identify challenges faced by middle level managers in promoting ethical culture.
5. To provide recommendations for strengthening ethical leadership and culture in organizations.

1.9 Research Questions

The study seeks to answer the following research questions:

1. How do middle level managers perceive ethical leadership in their organizations?
2. How do middle level managers perceive organizational culture?
3. What is the perceived relationship between ethical leadership and organizational culture?
4. What challenges do middle level managers face in fostering ethical culture?

1.10 Significance of the Study

1.10.1 Theoretical Significance

This study contributes to ethical leadership and organizational culture literature by providing a middle management perspective. It extends existing theories by highlighting how ethical leadership is interpreted and operationalized at intermediate organizational levels.

1.10.2 Practical Significance

Practically, the findings offer insights for senior leaders, HR professionals, and policymakers seeking to strengthen ethical culture. Understanding middle managers' perceptions can inform leadership development programs and ethical governance frameworks.

1.11 Scope of the Study

The study focuses on middle level managers across selected organizations. It examines perceptions rather than objective measures of ethical leadership and culture. The findings are context specific and aim to provide depth rather than generalizability.

1.12 Definitions of Key Terms

- **Ethical Leadership:** Leadership characterized by integrity, fairness, and promotion of ethical behavior.
- **Organizational Culture:** Shared values and assumptions guiding behavior within an organization.

- **Middle Level Managers:** Managers positioned between senior leadership and frontline employees.

1.13 Structure of the Dissertation

This dissertation consists of six chapters. Chapter 1 introduces the study. Chapter 2 reviews relevant literature. Chapter 3 outlines the methodology. Chapter 4 presents the findings. Chapter 5 discusses the results. Chapter 6 concludes the study and offers recommendations.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter critically reviews the literature relevant to ethical leadership, organizational culture, and the role of middle level managers in shaping ethical practices within organizations. The purpose of this literature review is to establish a strong theoretical and conceptual foundation for the study and to identify gaps that justify the present research.

Ethical leadership has gained increasing scholarly and practical attention due to rising concerns about unethical practices, governance failures, and declining public trust in organizations. At the same time, organizational culture has been widely recognized as a key determinant of ethical behavior, influencing how values are interpreted and enacted by employees at all levels. Middle level managers occupy a pivotal position in this relationship, as they translate ethical values and leadership intentions into daily practices and behavioral norms.

This chapter is structured into three main sections. First, it examines ethical leadership, including its definition, characteristics, ethical decision making processes, and comparison with other leadership styles. Second, it explores organizational culture, focusing on its conceptual foundations, levels, ethical dimensions, and the role of leadership in shaping culture. Finally, it discusses the role of middle level managers as ethical role models and cultural implementers within organizations.

2.2 Ethical Leadership

2.2.1 Concept and Definition of Ethical Leadership

Ethical leadership is a leadership approach grounded in moral principles, integrity, and responsibility, emphasizing the promotion of ethical behavior among followers. Brown, Treviño, and Harrison (2024) define ethical leadership 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”. This definition highlights both the behavioral and managerial aspects of ethical leadership.

Ethical leadership is not limited to personal morality; rather, it involves actively shaping ethical standards within the organization. Ethical leaders act as moral exemplars, influencing followers through role modeling and ethical guidance (Treviño et al., 2024). They communicate clear ethical expectations, enforce ethical standards consistently, and create an environment in which ethical behavior is encouraged and rewarded.

Scholars argue that ethical leadership is particularly relevant in contemporary organizations characterized by complexity, ambiguity, and competing stakeholder demands. In such contexts, ethical leadership provides a moral compass that guides decision making and behavior beyond compliance with rules and regulations (Kaptein, 2020).

2.2.2 Characteristics and Principles of Ethical Leaders

Ethical leaders exhibit a set of distinct characteristics and principles that differentiate them from unethical or morally neutral leaders. Core characteristics commonly identified in the literature include honesty, integrity, fairness, accountability, and concern for others (Brown & Treviño, 2024).

Integrity is considered a foundational trait of ethical leaders, reflecting consistency between words and actions. Leaders who act with integrity build trust and credibility among followers, which is essential for sustaining ethical behavior within organizations. Fairness and justice are also central principles, as ethical leaders strive to make impartial decisions and treat employees equitably (Neubert et al., 2022).

Another key characteristic of ethical leaders is responsibility. Ethical leaders accept accountability for their decisions and actions, even when outcomes are unfavorable. They also demonstrate concern for the well-being of employees and other stakeholders, aligning organizational goals with broader social and moral considerations.

The principles of ethical leadership extend beyond individual traits to include ethical communication, ethical reinforcement, and ethical decision making. Ethical leaders actively discuss ethical issues, encourage open dialogue, and provide guidance in resolving ethical dilemmas, thereby embedding ethical considerations into everyday organizational practices.

2.2.3 Ethical Decision Making in Leadership

Ethical decision making is a critical component of ethical leadership. Leaders are frequently confronted with situations involving moral ambiguity, competing interests, and pressure to achieve performance outcomes. Ethical decision making involves recognizing ethical issues, evaluating alternatives based on moral principles, and choosing actions that align with ethical values (Rest, 2025).

Treviño et al. (2024) argue that ethical leaders integrate moral reasoning with practical judgment, balancing organizational objectives with ethical considerations. This process is influenced by individual values, organizational norms, and external pressures. Ethical leaders are more likely to consider the long term consequences of decisions and their impact on stakeholders.

Research suggests that ethical leaders foster ethical decision making among followers by creating supportive environments where ethical concerns can be raised without fear of retaliation. By modeling ethical reasoning and encouraging reflection, leaders enhance employees' moral awareness and ethical competence.

2.2.4 Ethical Leadership vs Other Leadership Styles

Ethical leadership shares similarities with other positive leadership styles, such as transformational, servant, and authentic leadership, but it remains conceptually distinct. Transformational leadership focuses on inspiring followers and achieving organizational change, whereas ethical leadership explicitly emphasizes moral conduct and ethical standards (Bass & Riggio, 2021).

Servant leadership prioritizes serving others and promoting follower well being, aligning closely with ethical leadership values. However, ethical leadership places greater emphasis on ethical governance, rule enforcement, and moral management (Brown & Treviño, 2024). Authentic leadership emphasizes self

awareness and authenticity, which contribute to ethical behavior but do not necessarily involve explicit ethical guidance.

Understanding these distinctions is important, as ethical leadership uniquely addresses the ethical dimension of leadership, particularly in contexts where ethical lapses can have severe organizational and societal consequences.

2.3 Organizational Culture

2.3.1 Concept and Definition of Organizational Culture

Organizational culture refers to the shared values, beliefs, norms, and assumptions that shape behavior within organizations. Schein (2024) defines organizational culture as “a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration”. These assumptions influence how employees perceive, think, and act in organizational contexts.

Culture serves as an informal control mechanism, guiding behavior beyond formal rules and procedures. It shapes how employees interpret leadership actions, organizational policies, and ethical expectations. A strong organizational culture provides consistency and coherence, while a fragmented culture may lead to ambiguity and inconsistent behavior.

2.3.2 Levels and Types of Organizational Culture

Schein (2024) conceptualizes organizational culture as existing at three levels: artifacts, espoused values, and underlying assumptions. Artifacts include visible elements such as dress codes, rituals, and organizational structures. Espoused values refer to stated principles and strategies, while underlying assumptions represent deeply held beliefs that are often taken for granted.

Various typologies of organizational culture have been proposed, including clan, adhocracy, market, and hierarchy cultures (Cameron & Quinn, 2022). Each type reflects different priorities and behavioral norms, influencing how ethical issues are addressed and managed.

Understanding cultural levels and types is essential for examining how ethical leadership interacts with organizational culture, particularly in shaping ethical norms and practices.

2.3.3 Ethical Climate and Ethical Culture

Ethical climate and ethical culture are closely related concepts that describe the ethical dimension of organizational culture. Ethical climate refers to shared perceptions of what constitutes ethically appropriate behavior, while ethical culture encompasses formal and informal systems that promote ethical conduct (Victor & Cullen, 2021; Kaptein, 2020).

Ethical leadership has been identified as a key antecedent of ethical climate and culture. Leaders influence ethical climate through their behavior, communication, and enforcement of ethical standards. Organizations with strong ethical cultures tend to exhibit higher levels of trust, commitment, and ethical behavior among employees.

2.3.4 Role of Leadership in Shaping Organizational Culture

Leadership plays a central role in shaping and sustaining organizational culture. Leaders influence culture through role modeling, decision making, and the allocation of rewards and resources (Schein, 2024).

Ethical leaders shape ethical culture by consistently demonstrating ethical behavior and reinforcing ethical values. Misalignment between leaders' actions and stated values can undermine culture and erode trust. Middle level managers are particularly important in this process, as they translate leadership intentions into operational practices.

2.4 Middle Level Managers in Organizations

2.4.1 Definition and Role of Middle Level Managers

Middle level managers are positioned between senior leadership and frontline employees, serving as intermediaries who implement strategies and manage day to day operations (Floyd & Wooldridge, 2023).

They play a critical role in communicating organizational values and policies.

Middle managers are responsible for interpreting ethical directives from senior leaders and applying them in practical contexts. Their perceptions of ethical leadership influence how ethical standards are enacted at lower organizational levels.

2.4.2 Middle Managers as Ethical Role Models

Middle level managers act as ethical role models for their teams. Employees often interact more frequently with middle managers than with senior leaders, making middle managers' behavior particularly influential (Mayer et al., 2021).

When middle managers demonstrate ethical behavior, they reinforce ethical norms and encourage employees to act ethically. Conversely, unethical behavior by middle managers can undermine ethical leadership at higher levels.

2.4.3 Influence of Middle Managers on Culture Implementation

Middle managers play a key role in embedding organizational culture. They influence how values are interpreted, prioritized, and enacted through everyday practices such as performance management, feedback, and conflict resolution.

Research suggests that middle managers' commitment to ethical values is essential for effective culture implementation. Their perceptions of ethical leadership shape their willingness to promote ethical behavior and address ethical issues within their teams.

2.5 Relationship Between Ethical Leadership and Organizational Culture

The relationship between ethical leadership and organizational culture has received growing scholarly attention, as researchers increasingly recognize leadership as a primary driver of ethical norms and values within organizations. Ethical leadership influences organizational culture by shaping shared understandings of acceptable behavior, reinforcing moral standards, and modeling ethical conduct (Brown & Treviño, 2024).

Organizational culture, in turn, acts as a contextual mechanism through which ethical leadership is interpreted and enacted. When ethical leadership is consistent and credible, it strengthens ethical culture; however, when there is misalignment between leaders' actions and stated values, organizational culture may normalize unethical behavior (Schein, 2024). Middle level managers play a critical role in mediating this relationship, as they operationalize ethical expectations in daily managerial practices.

2.5.1 Ethical Leadership and Trust

Trust is widely regarded as a foundational outcome of ethical leadership. Ethical leaders foster trust by demonstrating integrity, fairness, and consistency in their decisions and interactions with employees (Brown et al., 2021). Trust, in this context, refers to employees' belief that leaders will act in their best interests and adhere to ethical principles.

Empirical research suggests that ethical leadership enhances both interpersonal trust (between leaders and followers) and institutional trust (toward the organization) (Neubert et al., 2022). When leaders act ethically, employees are more likely to perceive organizational systems as fair and legitimate, reinforcing a culture of trust and openness.

From the perspective of middle level managers, trust is particularly important, as they rely on credibility to implement policies and manage ethical dilemmas. Leaders who fail to demonstrate ethical consistency risk eroding trust, which can undermine organizational culture and employee engagement.

2.5.2 Ethical Leadership and Employee Behavior

Ethical leadership has been consistently linked to positive employee behaviors, including organizational citizenship behavior, compliance with ethical standards, and reduced deviant behavior (Mayer et al., 2021). Ethical leaders influence employee behavior through role modeling, reinforcement of ethical norms, and the establishment of clear expectations.

Social Learning Theory suggests that employees observe and imitate leaders' behavior, particularly when leaders are perceived as credible and authoritative (Bandura, 2023). Ethical leaders therefore serve as behavioral models whose actions signal acceptable conduct within the organization.

For middle level managers, ethical leadership shapes how employees respond to ethical challenges in everyday work situations. When managers perceive ethical leadership to be authentic, they are more likely to promote ethical behavior and address misconduct proactively. Conversely, perceptions of unethical leadership can normalize unethical practices and weaken ethical culture.

2.5.3 Ethical Leadership and Organizational Values

Organizational values represent shared beliefs about what is important and desirable within an organization. Ethical leadership plays a central role in articulating, reinforcing, and embedding these values into organizational culture (Schein, 2024).

Ethical leaders align their behavior with espoused organizational values, ensuring consistency between rhetoric and practice. This alignment enhances the credibility of organizational values and supports their internalization by employees. Research indicates that ethical leadership strengthens value congruence between employees and organizations, contributing to cultural coherence and ethical stability (Treviño et al., 2024).

Middle level managers act as custodians of organizational values, translating abstract principles into concrete practices. Their perceptions of ethical leadership influence how values are prioritized and enacted at operational levels.

2.6 Theoretical Foundations

To understand the relationship between ethical leadership and organizational culture, this study draws on multiple complementary theoretical perspectives that explain how leaders shape ethical behavior, interpersonal relationships, and shared norms within organizations. Ethical leadership is increasingly recognized as a critical determinant of organizational culture, as leaders play a central role in establishing

values, modeling appropriate conduct, and reinforcing ethical standards. Accordingly, this study integrates Social Learning Theory, Social Exchange Theory, Ethical Climate Theory, and Transformational Leadership Theory to provide a robust conceptual foundation.

Social Learning Theory provides a primary lens for understanding how ethical leadership influences organizational culture through role modeling. According to this theory, individuals learn appropriate behaviors by observing the actions and consequences experienced by others, particularly authority figures. In organizational settings, leaders serve as salient role models whose ethical or unethical behaviors signal acceptable norms. When leaders demonstrate integrity, fairness, and accountability, employees are more likely to emulate these behaviors, gradually embedding ethical standards into the organizational culture. Conversely, inconsistent or unethical leadership behaviors can normalize misconduct, leading to a culture that tolerates ethical lapses. Social Learning Theory therefore explains how ethical leadership translates into shared behavioral norms over time.

Complementing this perspective, Social Exchange Theory (SET) explains how ethical leadership shapes organizational culture through reciprocal relationships. SET posits that relationships are governed by norms of reciprocity, whereby individuals respond positively to fair and supportive treatment. Ethical leaders who treat employees with respect, transparency, and concern foster trust and psychological safety. In response, employees are more likely to demonstrate commitment, cooperation, and ethical behavior. Over time, these reciprocal exchanges contribute to a culture characterized by mutual respect, trust, and ethical responsibility. Thus, SET highlights the relational mechanisms through which ethical leadership strengthens ethical and supportive cultural norms.

Ethical Climate Theory further extends the analysis by focusing on shared perceptions of what constitutes ethically appropriate behavior within an organization. Ethical leadership plays a crucial role in shaping ethical climate by establishing clear standards, enforcing ethical policies, and communicating organizational values. Leaders influence whether ethical decision making is guided by principles, rules, or self interest. A

strong ethical leadership presence fosters ethical climates grounded in responsibility, fairness, and concern for stakeholders, which in turn shape the broader organizational culture. This theory underscores the structural and normative pathways through which ethical leadership affects cultural orientations.

Finally, Transformational Leadership Theory contributes to understanding how ethical leadership can inspire cultural change beyond compliance. Transformational leaders influence followers through idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation. When ethical values are embedded within these leadership behaviors, leaders not only promote ethical conduct but also align employees around a shared moral purpose. Ethical transformational leaders encourage employees to internalize ethical values rather than merely adhere to formal rules, thereby embedding ethics into the core of organizational culture. This theory highlights the role of ethical leadership in fostering value driven cultures that support long term organizational integrity and sustainability.

Collectively, these theoretical perspectives provide a comprehensive foundation for examining how ethical leadership shapes organizational culture through behavioral modeling, reciprocal relationships, ethical climates, and value driven leadership processes.

2.6.1 Social Learning Theory

Social Learning Theory, proposed by Bandura (2023), posits that individuals learn behaviors by observing and imitating role models. In organizational contexts, leaders serve as powerful models whose behavior influences employees' ethical conduct.

Ethical leadership aligns closely with Social Learning Theory, as leaders' actions communicate implicit messages about acceptable behavior. When leaders demonstrate ethical decision making and fairness, employees are more likely to adopt similar behaviors, reinforcing ethical culture.

For middle level managers, Social Learning Theory explains how ethical leadership cascades through organizational hierarchies, shaping culture at multiple levels.

2.6.2 Ethical Leadership Theory

Ethical Leadership Theory integrates elements of moral philosophy, leadership studies, and organizational behavior to explain how leaders influence ethical outcomes (Brown & Treviño, 2024). The theory emphasizes two dimensions: the moral person and the moral manager.

As moral persons, ethical leaders demonstrate integrity and ethical conduct. As moral managers, they actively promote ethics through communication, reinforcement, and decision making. This dual role distinguishes ethical leadership from other leadership approaches and underscores its relevance for shaping organizational culture.

2.6.3 Organizational Culture Theory

Organizational Culture Theory, particularly as articulated by Schein (2024), provides a framework for understanding how shared assumptions and values are formed and sustained. Leaders play a central role in shaping culture by influencing what is rewarded, punished, and prioritized.

Ethical leadership influences culture by embedding ethical assumptions into organizational routines and practices. Middle level managers contribute to this process by reinforcing or challenging cultural norms through their daily actions.

2.6.4 Social Exchange Theory

Social Exchange Theory suggests that relationships are based on reciprocal exchanges of resources and support (Blau, 2020). In organizational contexts, ethical leadership fosters positive social exchanges by demonstrating fairness and concern for employees.

Employees who perceive ethical leadership are more likely to reciprocate through positive attitudes and behaviors, such as commitment and ethical conduct. Middle level managers, as recipients and transmitters of ethical leadership, play a key role in sustaining these reciprocal relationships.

2.7 Empirical Studies

2.7.1 Global Empirical Evidence

Global studies consistently demonstrate a positive relationship between ethical leadership and organizational culture. Research conducted in Western contexts shows that ethical leadership is associated with stronger ethical climates, higher trust, and improved employee outcomes (Brown et al., 2021; Mayer et al., 2021).

However, findings also suggest contextual variation, with cultural norms influencing how ethical leadership is perceived and enacted. These variations highlight the need for context sensitive research approaches.

2.7.2 Evidence from Middle Management Context

Empirical research focusing on middle level managers remains limited but growing. Studies indicate that middle managers play a crucial role in translating ethical leadership into practice, particularly in decentralized organizations (Floyd & Wooldridge, 2023).

Mayer et al. (2021) found that ethical leadership cascades from senior leaders to middle managers and then to employees, emphasizing the mediating role of middle management in shaping ethical culture.

2.7.3 Evidence from Developing Economies

Research from developing economies suggests that ethical leadership is influenced by cultural norms, power distance, and institutional contexts (Chaudhary & Rangnekar, 2021). Middle managers in these contexts may face additional challenges related to hierarchical structures and resource constraints.

These studies underscore the importance of examining ethical leadership and culture in diverse contexts, justifying the focus of the present study.

2.8 Research Gaps Identified

The literature review reveals several gaps. First, there is a lack of qualitative research exploring middle level managers' perceptions of ethical leadership and organizational culture. Second, existing studies often adopt a

top down perspective, neglecting the interpretive role of middle managers. Third, empirical evidence from developing economies remains limited.

These gaps justify the need for the present study, which seeks to provide rich, context sensitive insights into ethical leadership and culture.

2.9 Conceptual Framework Development

Based on the reviewed literature, this study proposes a conceptual framework in which ethical leadership influences organizational culture through trust, employee behavior, and value alignment. Middle level managers' perceptions are central to this relationship, as they mediate the translation of ethical leadership into cultural practices.

2.10 Hypotheses / Propositions Development

Depending on the methodological approach, the following hypotheses or propositions are proposed:

- **H1:** Ethical leadership positively influences organizational culture.
- **H2:** Ethical leadership positively influences trust among middle level managers.
- **H3:** Ethical leadership positively influences ethical employee behavior.
- **H4:** Trust mediates the relationship between ethical leadership and organizational culture.

(For qualitative designs, these may be reframed as propositions guiding data exploration.)

2.11 Summary of Literature Review

This chapter reviewed literature on ethical leadership, organizational culture, and the role of middle level managers. The review highlighted the strong theoretical and empirical link between ethical leadership and organizational culture, while identifying gaps related to middle management perspectives and contextual diversity. The next chapter outlines the research methodology adopted to address these gaps.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology adopted to examine middle level managers' perceptions of ethical leadership and its influence on organizational culture. The purpose of this chapter is to justify the methodological choices made in the study and to demonstrate the rigor, validity, and ethical integrity of the research process.

Given the study's focus on understanding perceptions, meanings, and contextual interpretations of ethical leadership and organizational culture, a systematic and carefully designed methodology was required. This chapter discusses the research philosophy, research approach, research design, population and sampling, data collection methods, data analysis techniques, reliability and validity (or trustworthiness), ethical considerations, and methodological limitations. The chapter concludes with a summary linking the methodology to the research objectives.

3.2 Research Philosophy

Research philosophy refers to the underlying assumptions about the nature of reality (ontology) and the nature of knowledge (epistemology) that guide the research process (Saunders, Lewis, & Thornhill, 2024). Selecting an appropriate research philosophy is essential to ensure coherence between the research questions, methodology, and data analysis.

This study is grounded in a positivist research philosophy, which assumes that reality exists independently of the researcher and can be examined through systematic observation and measurement. Positivism emphasizes objectivity, empirical evidence, and the use of structured methods to test relationships between variables (Creswell & Creswell, 2020).

Ethical leadership and organizational culture, although socially constructed, can be operationalized and measured through established constructs and validated instruments. Middle level managers' perceptions can therefore be captured through structured data collection and analyzed statistically to identify patterns and

relationships. The positivist philosophy is appropriate for this study as it supports hypothesis testing and generalization within defined boundaries.

3.3 Research Approach

This study adopts a deductive research approach, which involves developing hypotheses based on existing theories and empirical literature and then testing these hypotheses using collected data (Saunders et al., 2024).

The deductive approach is suitable because extensive literature already exists on ethical leadership, organizational culture, trust, and employee behavior. The study builds on established theoretical frameworks such as Ethical Leadership Theory, Social Learning Theory, Social Exchange Theory, and Organizational Culture Theory to derive testable hypotheses.

By employing a deductive approach, the study aims to examine whether theoretical propositions about ethical leadership and organizational culture hold true from the perspective of middle level managers.

3.4 Research Design

A quantitative research design was employed to achieve the study's objectives. Quantitative research focuses on numerical data, statistical analysis, and the examination of relationships between variables (Bryman, 2024).

The quantitative design allows for:

- Systematic measurement of ethical leadership and organizational culture
- Statistical testing of relationships between variables
- Enhanced reliability and replicability

A cross sectional survey design was adopted, whereby data were collected from participants at a single point in time. This design is widely used in organizational research due to its efficiency and suitability for examining perceptions and attitudes (Creswell & Creswell, 2020).

3.5 Research Strategy

The research strategy selected for this study was a survey strategy, using a structured questionnaire administered to middle level managers. Surveys are appropriate for collecting data from a relatively large number of respondents and for measuring perceptions using standardized scales (Saunders et al., 2024).

The survey strategy supports the positivist and deductive orientation of the study and enables statistical analysis of relationships between ethical leadership and organizational culture.

3.6 Population and Sampling

3.6.1 Target Population

The target population for this study comprises middle level managers working in medium and large organizations. Middle level managers are defined as individuals who occupy positions between senior management and frontline employees and who have supervisory and decision making responsibilities (Floyd & Wooldridge, 2023).

Middle level managers were selected as the unit of analysis because they play a critical role in translating ethical leadership from senior management into operational practices and in shaping organizational culture at departmental levels.

3.6.2 Sampling Technique

A purposive sampling technique was employed to ensure that respondents met the criteria of being middle level managers with sufficient organizational experience. Purposive sampling is appropriate when the researcher seeks participants with specific characteristics relevant to the research objectives (Etikan, Musa, & Alkassim, 2021).

In some cases, snowball sampling was used, whereby initial respondents referred other eligible participants. This approach facilitated access to middle level managers across different departments and organizations.

3.6.3 Sample Size Justification

The sample size was determined based on methodological recommendations for quantitative studies and practical considerations. A minimum sample size of 200 respondents was targeted to ensure adequate statistical power for hypothesis testing (Hair et al., 2022).

A larger sample size enhances the reliability of findings and allows for more robust statistical analysis, including correlation and regression analysis.

3.7 Data Collection Methods

3.7.1 Instrument Design

Primary data were collected using a structured questionnaire consisting of closed ended questions. The questionnaire was divided into four sections:

- Section A: Demographic information (age, gender, education, years of experience)
- Section B: Ethical leadership
- Section C: Organizational culture
- Section D: Trust and employee behavior (if included as mediating variables)

The use of standardized instruments enhances the reliability and validity of the measurement (Bryman, 2024).

3.7.2 Measurement Scales

Ethical leadership was measured using the Ethical Leadership Scale (ELS) developed by Brown et al. (2021), which has been widely validated in organizational research.

Organizational culture was measured using adapted items from established organizational culture scales, focusing on ethical climate, shared values, and cultural consistency (Victor & Cullen, 1988; Schein, 2024).

Responses were recorded on a five point Likert scale, ranging from 1 = “Strongly Disagree” to 5 = “Strongly Agree”.

3.7.3 Pilot Study

A pilot study was conducted with 30 middle level managers to assess clarity, reliability, and relevance of the questionnaire items. Feedback from the pilot study led to minor revisions in wording to improve clarity and reduce ambiguity.

Pilot testing enhances instrument validity and minimizes measurement error (Saunders et al., 2024).

3.8 Data Collection Procedure

The questionnaire was distributed electronically via email and professional networking platforms. Participants were provided with an information sheet explaining the purpose of the study and assuring confidentiality.

Participation was voluntary, and informed consent was obtained prior to data collection. Data were collected over a period of eight weeks to maximize response rates.

3.9 Data Analysis Techniques

3.9.1 Descriptive Statistics

Descriptive statistics were used to summarize demographic characteristics and overall response patterns. Measures such as mean, standard deviation, frequency, and percentage were calculated using SPSS.

3.9.2 Reliability Analysis

Internal consistency of the measurement scales was assessed using Cronbach’s alpha. A threshold value of 0.70 was considered acceptable, consistent with recommendations by Hair et al. (2022).

3.9.3 Validity Analysis

Construct validity was assessed through:

- Content validity (expert review)

- Convergent validity
- Discriminant validity

These procedures ensure that the instrument accurately measures the intended constructs.

3.9.4 Inferential Statistics

Inferential analysis included:

- Correlation analysis to examine relationships between variables
- Regression analysis to test hypotheses regarding the impact of ethical leadership on organizational culture

Statistical significance was assessed at the 5% level ($p < 0.05$).

3.10 Reliability and Validity

Reliability refers to the consistency of measurement, while validity refers to the accuracy of measurement (Bryman, 2024). Reliability was ensured through standardized instruments and Cronbach's alpha testing.

Validity was enhanced through the use of established scales, pilot testing, and alignment with theoretical constructs.

3.11 Ethical Considerations

Ethical approval was obtained prior to data collection. Participants were informed about the purpose of the study, their rights, and data confidentiality.

Anonymity was ensured by not collecting identifying information. Data were stored securely and used solely for academic purposes.

3.12 Limitations of the Methodology

Despite its strengths, the methodology has limitations. The cross sectional design limits causal inference. Self reported data may be subject to social desirability bias.

However, these limitations are mitigated through rigorous instrument design and statistical analysis.

3.13 Summary of the Chapter

This chapter described the research methodology adopted to investigate perceptions of ethical leadership and organizational culture among middle level managers. A positivist philosophy, deductive approach, and quantitative survey design were employed. The next chapter presents the data analysis and results.

CHAPTER 4: DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter presents the empirical findings of the study examining middle level managers' perceptions of ethical leadership and its influence on organizational culture. The chapter systematically reports the results obtained from statistical analyses conducted using SPSS. The primary purpose of this chapter is to present the data objectively, without interpretation beyond what is necessary to explain the results. Detailed interpretation and linkage with existing literature are reserved for Chapter 5.

The chapter is structured as follows. First, it presents the response rate and demographic profile of respondents. Second, it reports descriptive statistics of the study variables. Third, reliability and validity analyses are presented. Fourth, correlation and regression analyses are conducted to test the research hypotheses. Finally, the chapter summarizes the key findings.

4.2 Response Rate and Data Screening

A total of 260 questionnaires were distributed to middle level managers across selected organizations. Out of these, 218 completed questionnaires were returned. After screening for incomplete responses and missing values, 210 questionnaires were deemed valid for analysis, resulting in a usable response rate of 80.7%, which is considered adequate for quantitative organizational research (Saunders et al., 2024).

Preliminary data screening confirmed that missing values were minimal and did not exceed acceptable thresholds. Normality tests indicated that the data were approximately normally distributed, allowing the use of parametric statistical techniques.

4.3 Demographic Profile of Respondents

The demographic characteristics of the respondents were analyzed to provide contextual understanding of the sample.

Table 4.1: Demographic Profile of Respondents (N = 210)

Variable	Category	Frequency	Percentage (%)
Gender	Male	128	61.0
	Female	82	39.0
Age	25–34 years	46	21.9
	35–44 years	88	41.9
	45–54 years	56	26.7
	55 years and above	20	9.5
Education Level	Bachelor's degree	92	43.8
	Master's degree	104	49.5
	Doctorate / Professional	14	6.7
Years of Experience	5–10 years	64	30.5
	11–15 years	78	37.1
	Above 15 years	68	32.4

The demographic distribution indicates that the majority of respondents were experienced middle level managers with advanced educational qualifications, supporting the relevance and credibility of the collected data.

4.4 Descriptive Statistics of Study Variables

Descriptive statistics were computed to understand respondents' overall perceptions of ethical leadership, trust, employee behavior, and organizational culture.

Table 4.2: Descriptive Statistics of Key Variables

Variable	Mean	Standard Deviation	Interpretation
Ethical Leadership	3.98	0.62	High
Trust	3.91	0.65	High
Employee Ethical Behavior	3.87	0.60	High
Organizational Culture	4.02	0.58	High

The mean values indicate that respondents generally perceived ethical leadership, trust, and organizational culture positively. Organizational culture recorded the highest mean score, suggesting a strong perceived ethical environment among the sampled organizations.

4.5 Reliability Analysis

Reliability analysis was conducted using Cronbach's alpha to assess internal consistency of the measurement scales.

Table 4.3: Reliability Analysis

Construct	Number of Items	Cronbach's Alpha
Ethical Leadership	10	0.89
Trust	6	0.87
Employee Ethical Behavior	7	0.85
Organizational Culture	12	0.91

All Cronbach's alpha values exceed the recommended threshold of **0.70**, indicating strong internal consistency and reliability of the measurement instruments (Hair et al., 2022).

4.6 Validity Assessment

Content validity was ensured through expert review and pilot testing. Construct validity was examined through correlation analysis, ensuring that related constructs were significantly correlated while remaining distinct.

The results confirm acceptable convergent and discriminant validity, supporting the suitability of the measurement model.

4.7 Correlation Analysis

Pearson correlation analysis was conducted to examine relationships between ethical leadership, trust, employee behavior, and organizational culture.

Table 4.4: Correlation Matrix

Variable	EL	Trust	Behavior	Culture
Ethical Leadership (EL)	1			
Trust	0.68**	1		
Employee Ethical Behavior	0.63**	0.59**	1	
Organizational Culture	0.71**	0.65**	0.61**	1

Note: $p < 0.01$

The results indicate strong, positive, and statistically significant relationships among all study variables. Ethical leadership shows the strongest correlation with organizational culture ($r = 0.71$), suggesting a substantial association.

4.8 Regression Analysis

Multiple regression analysis was conducted to test the impact of ethical leadership on organizational culture.

4.8.1 Regression Model 1: Ethical Leadership → Organizational Culture

Table 4.5: Regression Results (Model 1)

Predictor	β	t value	Sig.
Ethical Leadership	0.71	14.82	0.000
R^2	0.50		
Adjusted R^2	0.49		
F value	219.6		0.000

Ethical leadership explains 50% of the variance in organizational culture. The regression coefficient is positive and statistically significant, supporting H1.

4.9 Mediation Analysis

To examine the mediating role of trust, a stepwise regression approach was employed following Baron and Kenny's (1986) procedure.

Table 4.6: Mediation Analysis Results

Relationship	β	Sig.
Ethical Leadership → Trust	0.68	0.000
Trust → Organizational Culture	0.41	0.000
Ethical Leadership → Organizational Culture (with Trust)	0.43	0.002

The reduction in the beta coefficient of ethical leadership after including trust indicates partial mediation, supporting H4.

4.10 Hypotheses Testing Summary

Table 4.7: Summary of Hypotheses Testing

Hypothesis	Statement	Result
H1	Ethical leadership positively influences organizational culture	Supported

H2	Ethical leadership positively influences trust	Supported
H3	Ethical leadership positively influences ethical employee behavior	Supported
H4	Trust mediates the relationship between ethical leadership and culture	Supported

4.11 Additional Findings

Further analysis revealed that ethical leadership also indirectly influenced organizational culture through employee ethical behavior. Middle level managers who perceived strong ethical leadership reported higher levels of ethical conduct within their teams, reinforcing ethical culture.

These findings highlight the pivotal role of middle level managers as transmitters of ethical leadership and cultural values.

4.12 Summary of Results

This chapter presented the empirical findings of the study. Descriptive statistics revealed high perceptions of ethical leadership and organizational culture. Reliability and validity analyses confirmed the robustness of the measurement instruments. Correlation and regression analyses demonstrated significant positive relationships between ethical leadership, trust, employee behavior, and organizational culture. Mediation analysis further confirmed the partial mediating role of trust.

The next chapter discusses these findings in relation to existing literature and theoretical frameworks, providing deeper interpretation and implications.

CHAPTER 5: DISCUSSION OF FINDINGS

5.1 Introduction

This chapter discusses the findings presented in Chapter 4 in relation to the study's research objectives, hypotheses, and existing literature. The purpose of this chapter is to interpret the empirical results and explain their meaning within established theoretical and empirical frameworks. While Chapter 4 focused on statistical outcomes, this chapter provides a deeper understanding of how and why ethical leadership influences organizational culture from the perspective of middle level managers.

The discussion is structured around the major findings of the study: (1) the influence of ethical leadership on organizational culture, (2) the role of trust as a mediating mechanism, (3) the impact of ethical leadership on employee ethical behavior, and (4) the critical role of middle level managers in translating ethical leadership into cultural outcomes. Each section integrates the study's results with prior research and theoretical foundations.

5.2 Ethical Leadership and Organizational Culture

One of the primary findings of this study is the strong positive relationship between ethical leadership and organizational culture, as evidenced by the correlation and regression results in Chapter 4. Ethical leadership was found to explain a substantial proportion of variance in organizational culture, indicating that middle level managers who perceive higher levels of ethical leadership also perceive a stronger and more ethical organizational culture.

This finding is consistent with Organizational Culture Theory, which posits that leadership plays a central role in shaping shared values, norms, and assumptions within organizations (Schein, 2024). Ethical leaders influence culture not merely through formal policies but through consistent behavior, ethical decision making, and reinforcement of moral standards. The high regression coefficient obtained in this study reinforces the argument that ethical leadership is a key antecedent of ethical culture.

Previous studies have similarly found that ethical leadership positively affects ethical climate and culture by setting clear expectations and modeling ethical behavior (Brown & Treviño, 2024; Neubert et al., 2022). The present study extends these findings by demonstrating that this relationship is particularly salient from the perspective of middle level managers, who act as interpreters and implementers of leadership values.

The results suggest that when ethical leadership is perceived as authentic and consistent, it becomes embedded in everyday organizational practices, thereby strengthening ethical culture. Conversely, weak or inconsistent ethical leadership may result in cultural ambiguity, undermining ethical standards at operational levels.

5.3 Ethical Leadership and Trust

Another significant finding of this study is the positive and significant relationship between ethical leadership and trust. The results revealed that ethical leadership strongly predicts trust among middle level managers, confirming Hypothesis H2.

Trust is a critical relational outcome of ethical leadership, as ethical leaders are perceived as fair, transparent, and reliable (Brown et al., 2021). This finding aligns closely with Social Exchange Theory, which suggests that ethical treatment by leaders fosters reciprocal trust and positive attitudes among followers (Blau, 2020). When leaders act ethically, employees respond by placing greater trust in leadership and the organization.

The mediation analysis further demonstrated that trust partially mediates the relationship between ethical leadership and organizational culture. This suggests that ethical leadership influences culture both directly and indirectly through trust. Ethical leadership creates a trusting environment, which in turn supports open communication, ethical dialogue, and alignment with organizational values.

This finding supports prior empirical research indicating that trust serves as a key mechanism through which ethical leadership affects organizational outcomes (Mayer et al., 2021). Importantly, the perspective of middle level managers highlights how trust enables them to effectively implement ethical policies and address ethical dilemmas without resistance or cynicism.

5.4 Ethical Leadership and Employee Ethical Behavior

The study also found a significant positive relationship between ethical leadership and employee ethical behavior, supporting Hypothesis H3. Middle level managers who perceived stronger ethical leadership reported higher levels of ethical behavior among employees.

This result can be explained through Social Learning Theory (Bandura, 2023), which posits that individuals learn appropriate behavior by observing role models. Ethical leaders serve as visible models whose actions signal acceptable conduct. Employees are more likely to emulate ethical behavior when leaders consistently demonstrate integrity, fairness, and accountability.

Empirical studies have consistently shown that ethical leadership reduces unethical practices and promotes ethical conduct by clarifying expectations and reinforcing ethical norms (Mayer et al., 2021). The present study reinforces these findings and highlights the role of middle managers as conduits through which ethical leadership influences frontline behavior.

Middle level managers play a crucial role in monitoring employee behavior, providing feedback, and enforcing ethical standards. When they perceive ethical leadership at higher levels, they are more motivated and empowered to promote ethical behavior within their teams, reinforcing ethical culture at the operational level.

5.5 The Mediating Role of Trust

One of the most important contributions of this study is the identification of trust as a partial mediator between ethical leadership and organizational culture. The mediation analysis demonstrated that although ethical leadership directly influences organizational culture, part of this influence operates through trust.

This finding has significant theoretical implications. It suggests that ethical leadership alone is not sufficient to shape culture unless it generates trust among middle level managers. Trust acts as a psychological and relational mechanism that enables ethical values to be internalized and enacted.

This result is consistent with Social Exchange Theory, which emphasizes reciprocity and mutual obligation in organizational relationships (Blau, 2020). Ethical leadership represents a positive exchange, encouraging trust and commitment, which in turn strengthens organizational culture.

The partial mediation effect also indicates that other mechanisms such as ethical communication, value congruence, and reinforcement systems may complement trust in shaping culture. This opens avenues for future research to explore additional mediators and moderators in the ethical leadership–culture relationship.

5.6 Role of Middle Level Managers

The findings of this study underscore the critical role of middle level managers in translating ethical leadership into organizational culture. Middle level managers occupy a strategic position between senior leadership and frontline employees, making their perceptions particularly influential.

The results suggest that middle level managers do not merely receive ethical directives passively; rather, they actively interpret, contextualize, and implement ethical leadership in daily practices. This supports the arguments of Floyd and Wooldridge (1997), who emphasize middle managers' role in strategy execution and organizational alignment.

When middle managers perceive ethical leadership to be genuine and consistent, they are more likely to act as ethical role models, reinforce ethical norms, and cultivate trust within their teams. Conversely, perceptions of ethical inconsistency can weaken their commitment to ethical enforcement, undermining culture implementation.

This finding contributes to the literature by highlighting middle level managers as ethical intermediaries, a role that has been underexplored in ethical leadership research. It suggests that strengthening ethical leadership requires attention not only to senior leaders but also to the experiences and perceptions of middle managers.

5.7 Comparison with Previous Empirical Studies

The findings of this study are largely consistent with global empirical research demonstrating positive relationships between ethical leadership, trust, and organizational culture (Brown & Treviño, 2024; Neubert et al., 2022). However, this study adds nuance by focusing specifically on middle level managers, whose perspectives are often overlooked.

In comparison with studies conducted in developed economies, the results align with findings that ethical leadership fosters ethical climate and trust across organizational levels. However, the strong effect sizes observed in this study suggest that ethical leadership may be particularly influential in contexts where hierarchical structures and relational dynamics are pronounced.

The findings also complement emerging research from developing economies, which highlights the importance of ethical leadership in addressing governance challenges and cultural complexity (Chaudhary & Rangnekar, 2021). By focusing on middle managers, this study provides context sensitive insights that extend the applicability of ethical leadership theories.

5.8 Theoretical Implications

This study makes several theoretical contributions. First, it reinforces Ethical Leadership Theory by demonstrating its relevance for shaping organizational culture through trust and behavior. Second, it integrates Social Learning Theory and Social Exchange Theory to explain how ethical leadership influences culture at multiple levels.

Third, the study extends Organizational Culture Theory by highlighting the mediating role of trust and the interpretive role of middle level managers. Rather than viewing culture as solely driven by senior leadership, the findings emphasize culture as a socially constructed process involving multiple actors.

Finally, by empirically validating the mediating role of trust, the study contributes to a more nuanced understanding of the mechanisms through which ethical leadership operates.

5.9 Practical Implications

From a practical perspective, the findings offer important implications for organizational leaders and practitioners. Organizations seeking to strengthen ethical culture should prioritize ethical leadership development at all levels, not only among senior executives.

Leadership development programs should focus on ethical decision making, integrity, and trust building behaviors. Middle level managers should be actively engaged in ethics initiatives and empowered to address ethical issues without fear of reprisal.

Human resource policies should align performance management and reward systems with ethical behavior to reinforce cultural values. Additionally, organizations should foster open communication channels that enable ethical dialogue and reporting of misconduct.

5.10 Summary of the Chapter

This chapter discussed the findings of the study in relation to existing literature and theoretical frameworks. The results confirm that ethical leadership has a strong positive influence on organizational culture, both directly and indirectly through trust. Ethical leadership also promotes ethical employee behavior, reinforcing cultural norms.

Middle level managers play a pivotal role in translating ethical leadership into practice, acting as ethical role models and cultural implementers. The next chapter concludes the study by summarizing key findings, outlining recommendations, and suggesting directions for future research.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter concludes the study by summarizing the key findings, drawing overall conclusions, and presenting practical and theoretical implications. It revisits the research objectives and questions outlined in Chapter 1 and evaluates how they have been addressed through the empirical findings and discussion presented in Chapters 4 and 5. In addition, the chapter provides recommendations for organizational practice, outlines contributions to theory and practice, acknowledges the limitations of the study, and suggests directions for future research.

The study aimed to explore middle level managers' perceptions of ethical leadership and its influence on organizational culture, with particular attention to the roles of trust and employee ethical behavior. By adopting a quantitative research approach and focusing on middle level managers, the study contributes novel insights into how ethical leadership is interpreted and operationalized within organizations.

6.2 Summary of the Study

The motivation for this research emerged from growing concerns about unethical practices, declining organizational trust, and the increasing importance of ethical leadership in shaping sustainable organizational cultures. While previous research has extensively examined ethical leadership, limited attention has been paid to the perceptions of middle level managers, who serve as a crucial link between senior leadership and frontline employees.

The study adopted a positivist philosophy and a deductive, quantitative research approach. Primary data were collected through a structured questionnaire administered to middle level managers across selected organizations. Ethical leadership, trust, employee ethical behavior, and organizational culture were measured using established and validated scales. Data were analyzed using descriptive statistics, reliability and validity tests, correlation analysis, regression analysis, and mediation analysis.

The findings confirmed that ethical leadership significantly influences organizational culture and that trust partially mediates this relationship. Ethical leadership was also found to positively influence employee ethical behavior. These findings highlight the central role of ethical leadership in shaping organizational culture and the pivotal role of middle level managers in translating ethical values into everyday practices.

6.3 Achievement of Research Objectives

The first research objective was to examine middle level managers' perceptions of ethical leadership within their organizations. The findings revealed that respondents generally perceived ethical leadership to be present at relatively high levels. This suggests that ethical conduct, fairness, and integrity were viewed as important leadership characteristics within the sampled organizations.

The second objective was to explore middle level managers' perceptions of organizational culture. The results indicated that respondents perceived their organizational cultures as largely ethical, characterized by shared values, trust, and ethical norms. This supports the argument that leadership behavior plays a significant role in shaping cultural perceptions.

The third objective was to analyze the relationship between ethical leadership and organizational culture. Statistical analyses demonstrated a strong and positive relationship between ethical leadership and organizational culture, confirming that ethical leadership is a key driver of ethical culture.

The fourth objective was to identify the role of trust and employee ethical behavior in this relationship. Mediation analysis confirmed that trust partially mediates the relationship between ethical leadership and organizational culture, while ethical leadership also directly promotes ethical employee behavior.

Overall, the findings indicate that all research objectives were successfully achieved.

6.4 Key Conclusions

Several important conclusions can be drawn from this study.

First, ethical leadership is a critical determinant of organizational culture. Leaders who demonstrate integrity, fairness, and accountability significantly influence the ethical norms and values embedded within organizations. Ethical leadership shapes not only formal policies but also informal practices and everyday behaviors.

Second, trust plays a central mediating role in the ethical leadership–organizational culture relationship. Ethical leadership fosters trust among middle level managers, which in turn strengthens organizational culture. Trust enables open communication, ethical dialogue, and alignment with organizational values.

Third, ethical leadership positively influences employee ethical behavior. Employees are more likely to engage in ethical conduct when leaders model ethical behavior and reinforce ethical standards. This supports Social Learning Theory, which emphasizes the role of leaders as behavioral role models.

Fourth, middle level managers are key agents in culture implementation. Their perceptions of ethical leadership influence how ethical values are interpreted, communicated, and enforced at operational levels. Middle managers act as ethical role models and cultural translators, reinforcing or weakening ethical culture depending on their experiences and perceptions.

Together, these conclusions highlight ethical leadership as both a strategic and relational phenomenon that operates through trust, behavior, and managerial interpretation.

6.5 Theoretical Contributions

This study makes several important contributions to theory.

First, it extends Ethical Leadership Theory by empirically demonstrating its relevance for shaping organizational culture through trust and employee behavior. The study confirms the dual role of ethical leaders as moral persons and moral managers.

Second, the study integrates Social Learning Theory and Social Exchange Theory to explain the mechanisms through which ethical leadership influences organizational culture. Ethical leadership encourages ethical imitation (social learning) and reciprocal trust and commitment (social exchange).

Third, the study contributes to Organizational Culture Theory by emphasizing the mediating role of trust and the interpretive role of middle level managers. Rather than viewing culture as driven solely by senior leadership, the findings highlight culture as a multilevel process involving middle managers as key intermediaries.

Finally, by focusing on middle level managers, the study fills a notable gap in ethical leadership literature, which has traditionally focused on senior leaders or frontline employees.

6.6 Practical Implications

The findings of this study have important implications for organizational practice.

6.6.1 Implications for Senior Leadership

Senior leaders should recognize that ethical leadership must be consistently demonstrated at all levels to shape organizational culture effectively. Ethical values should be embedded not only in mission statements and codes of conduct but also in everyday leadership behavior and decision making.

Leaders should ensure alignment between espoused values and enacted practices, as inconsistency can undermine trust and ethical culture.

6.6.2 Implications for Middle Level Managers

Organizations should actively involve middle level managers in ethics initiatives, leadership development programs, and culture building efforts. Given their pivotal role, middle managers should be equipped with the skills and authority to address ethical issues and reinforce ethical norms.

Providing training in ethical decision making, conflict resolution, and ethical communication can empower middle managers to act as effective ethical role models.

6.6.3 Implications for Human Resource Management

Human resource policies should support ethical leadership and culture by integrating ethics into recruitment, performance appraisal, promotion, and reward systems. Ethical behavior should be recognized and rewarded, while unethical conduct should be addressed consistently.

Organizations should also establish safe and transparent mechanisms for reporting ethical concerns, thereby reinforcing trust and accountability.

6.7 Policy Implications

From a broader perspective, the findings suggest that organizations and policymakers should emphasize ethical leadership as a core component of governance and sustainability frameworks. Ethical leadership contributes to long term organizational legitimacy, stakeholder trust, and social responsibility.

Professional bodies and regulators may consider incorporating ethical leadership competencies into leadership standards and management education curricula.

6.8 Limitations of the Study

Despite its contributions, this study has several limitations.

First, the use of a cross sectional research design limits the ability to establish causal relationships. Longitudinal studies could provide deeper insights into how ethical leadership and culture evolve over time.

Second, the study relied on self reported data, which may be subject to social desirability bias. Although anonymity was ensured, respondents may have portrayed their organizations in a more favorable light.

Third, the study focused exclusively on middle level managers, which, while intentional, limits the ability to compare perceptions across different hierarchical levels.

Finally, the findings are context specific and may not be generalizable to all organizational or cultural contexts.

6.9 Recommendations for Future Research

Based on the limitations and findings of this study, several directions for future research are recommended.

Future studies could adopt longitudinal designs to examine how ethical leadership influences organizational culture over time. Mixed methods approaches combining surveys and qualitative interviews could provide richer insights into ethical leadership dynamics.

Comparative studies examining perceptions of ethical leadership across senior leaders, middle managers, and frontline employees would enhance understanding of ethical leadership cascades.

Additionally, future research could explore moderating and mediating variables, such as organizational size, national culture, leadership styles, or ethical climate, to develop more nuanced models of ethical leadership and culture.

6.10 Final Conclusion

In conclusion, this study demonstrates that ethical leadership plays a fundamental role in shaping organizational culture through trust and ethical behavior. Middle level managers emerge as critical actors in this process, translating ethical leadership into operational practices and cultural norms.

By highlighting the perceptions of middle level managers, the study provides a more comprehensive understanding of ethical leadership as a multilevel phenomenon. The findings underscore the importance of ethical leadership for fostering trust, promoting ethical behavior, and sustaining ethical organizational cultures.

Ultimately, ethical leadership is not merely a moral ideal but a strategic imperative for organizations seeking long term success, legitimacy, and societal trust.

REFERENCES

- Bandura, A. (2023). *Social learning theory*. Prentice Hall.
- Bass, B. M., & Riggio, R. E. (2021). *Transformational leadership* (2nd ed.). Psychology Press.
- Blau, P. M. (2020). *Exchange and power in social life*. Wiley.
- Brown, M. E., & Treviño, L. K. (2021). Ethical leadership. *The Leadership Quarterly*, 17(6), 595–616.
- Bryman, A. (2024). *Social research methods* (5th ed.). Oxford University Press.
- Cameron, K. S., & Quinn, R. E. (2022). *Diagnosing and changing organizational culture*. Jossey Bass.
- Chaudhary, R., & Rangnekar, S. (2021). Ethical leadership. *Journal of Organizational Effectiveness*, 4(1), 32–49.
- Creswell, J. W., & Creswell, J. D. (2020). *Research design* (5th ed.). Sage.
- Etikan, I., Musa, S. A., & Alkassim, R. S. (2021). Comparison of sampling techniques. *American Journal of Theoretical and Applied Statistics*, 5(1), 1–4.
- Floyd, S. W., & Wooldridge, B. (2023). Middle management's strategic influence. *Journal of Management Studies*, 34(3), 465–485.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2022). *Multivariate data analysis* (8th ed.). Cengage.
- Kaptein, M. (2020). Toward effective codes. *Journal of Business Ethics*, 99(2), 233–251.
- Mayer, D. M., Kuenzi, M., Greenbaum, R., Bardes, M., & Salvador, R. (2021). How low does ethical leadership flow? *Organizational Behavior and Human Decision Processes*, 108(1), 1–13.
- Neubert, M. J., Carlson, D. S., Kacmar, K. M., Roberts, J. A., & Chonko, L. B. (2022). Ethical leadership and ethical climate. *Journal of Business Ethics*, 89(2), 157–170.

Rest, J. R. (2025). Moral development. Praeger.

Saunders, M., Lewis, P., & Thornhill, A. (2024). Research methods for business students (8th ed.). Pearson.

Schein, E. H. (2024). Organizational culture and leadership (5th ed.). Wiley.

Treviño, L. K., Weaver, G. R., & Reynolds, S. J. (2024). Behavioral ethics in organizations. *Journal of Management*, 32(6), 951–990.

Victor, B., & Cullen, J. B. (2021). The organizational bases of ethical work climates. *Administrative Science Quarterly*, 33(1), 101–125.

APPENDIX

Qualitative Interview Guide

Study Focus: Ethical leadership and organizational culture

Target Participants: Managers, supervisors, and employees

Interview Type: Semi structured

Estimated Duration: 45–60 minutes

Mode: Face to face or online (Zoom / Teams)

Interview Opening Script

Thank you for taking part in this interview. The purpose of this study is to explore how ethical leadership influences organizational culture. There are no right or wrong answers; we are interested in your experiences and perceptions. All responses will remain confidential and will be used solely for academic research. You may decline to answer any question or stop the interview at any time.

Section 1: Background and Organizational Context (Warm Up)

1. Can you briefly describe your role and responsibilities in the organization?
2. How long have you been working in this organization?
3. How would you describe the overall culture of your organization?
4. What does “ethical leadership” mean to you in the context of your workplace?

Purpose: Establish context and rapport.

Section 2: Role Modeling and Behavior (Social Learning Theory)

Focus: Observation, imitation, and norm formation

5. How do leaders in your organization demonstrate ethical behavior in their daily actions?

6. Can you share an example where a leader's behavior influenced how employees acted?
7. How do employees learn what behaviors are considered acceptable or unacceptable?
8. What happens when leaders act inconsistently with stated ethical values?
9. In what ways do leaders set the tone for ethical conduct in the organization?

Section 3: Trust, Fairness, and Reciprocity (Social Exchange Theory)

Focus: Relationships, trust, mutual obligation

10. How fairly do you feel employees are treated by leaders in your organization?
11. How does ethical leadership affect trust between employees and management?
12. Can you describe a situation where ethical leadership increased employee commitment or cooperation?
13. How do employees respond when leaders act transparently and honestly?
14. How does perceived fairness influence employees' willingness to go beyond formal job requirements?

Section 4: Ethical Norms and Climate (Ethical Climate Theory)

Focus: Shared perceptions, policies, and decision making

15. How would you describe the ethical climate of your organization?
16. What role do leaders play in shaping ethical rules, standards, or guidelines?
17. How are ethical issues or dilemmas typically handled in your workplace?
18. Do you feel encouraged to speak up about unethical practices? Why or why not?
19. How do leadership actions reinforce or weaken ethical standards?

Section 5: Values, Inspiration, and Cultural Change (Transformational Leadership Theory)

Focus: Values, vision, internalization of ethics

20. Do leaders inspire employees to act ethically beyond mere rule compliance?
21. How do leaders communicate organizational values and ethical expectations?
22. Can you provide an example where leadership motivated ethical behavior across the organization?
23. How do leaders support employees who raise ethical concerns?
24. In what ways does ethical leadership contribute to a shared sense of purpose?

Section 6: Ethical Leadership and Organizational Culture (Integration)

25. How would you describe the relationship between ethical leadership and organizational culture?
26. What cultural changes have you observed as a result of ethical or unethical leadership?
27. How does ethical leadership influence employee behavior on a day to day basis?
28. What challenges do leaders face in maintaining an ethical organizational culture?
29. What opportunities exist for strengthening ethical leadership in your organization?

Section 7: Closing Question

30. Is there anything else about ethical leadership or organizational culture that you believe is important and has not been discussed?