Bhutan Journal of Management, Volume 5, Issue 2 (August 2025), 1-33
ISSN 2959-5843 ©2025 by Royal Institute of Management, Bhutan. www.rim.edu.bt

Examining the Role of Ethical Leadership in Shaping Employee Behaviour in Bhutanese Government Agencies

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Abstract

In the address at the opening ceremony of the 8th session of the Third Parliament in 2023, His Majesty the King raised significant concerns regarding the achievement of national goals amidst management and administrative challenges. His Majesty emphasized the need for accountability, highlighting substantial waste caused by structural inefficiencies. To address these issues and align with His Majesty's vision, fostering ethical competencies among leaders is essential. These competencies—such as integrity, fairness, transparency, and accountability—are critical for cultivating a culture of ethics and combating corruption, thereby enhancing the effectiveness of Bhutanese agencies and organizations.

This study examines the influence of ethical leadership on employee workplace behaviour in government agencies in Bhutan. A quantitative analysis of survey data from 366 respondents reveals a strong positive relationship between supervisors' ethical leadership qualities and employees' perceptions of them as role models ($p<0.05$). Respondents who view their supervisors as demonstrating ethical traits, such as honesty and fairness, report significantly lower engagement in negative workplace behaviours. Furthermore, ethical leadership is positively associated with specific aspects of positive organizational behaviour, including improved

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decision-making, increased motivation, and enhanced prosocial actions among employees. These findings underscore the pivotal role of ethical leadership in fostering a more accountable and high-performing public sector in Bhutan.

Keywords: *counterproductive behaviour, ethical leadership, moral awareness, motivation, organizational misbehaviour, prosocial behaviour, workplace.*

Introduction

This study aims to explore the influence of ethical leadership on employee workplace behaviour within government agencies in Bhutan. Ethical leadership has been a focal point in management research, emphasizing the dual importance of guiding employees effectively and fostering ethical practices within organizations. According to Mayer, Kuenzi, and Greenbaum (2011), leaders' behaviour establishes social norms and behavioural expectations among their followers, which in turn shape employees' attitudes and actions. Employees are less likely to engage in unethical behaviour when they perceive their superiors as fair and just. Ethical leaders, therefore, project a positive image of themselves by employing normative conduct, positive reinforcements, and exemplary qualities to influence their followers' attitudes and behaviours.

The Bhutanese context offers a unique lens for examining ethical leadership due to the nation's governance philosophy of Gross National Happiness (GNH), which prioritizes ethical governance, well-being, and holistic development over purely economic goals. This distinctive framework underscores the importance of ethical leadership in fostering workplace behaviours aligned with the broader societal values of integrity, fairness, and collective well-being. By situating this study within Bhutan's government agencies, it seeks to contribute to the understanding of how ethical leadership operates in a context where ethical governance is deeply embedded in national policy and cultural ethos.

Several studies have examined the relationship between ethical leadership and employee workplace behaviour. The studies suggested that ethical leadership positively and negatively influences

employees' workplace behaviour. Bedi, Alpaslan, & Green (2016), reported that employees who work under ethical leadership exhibit positive behaviours, a willingness to participate in organizational citizenship, and greater levels of job satisfaction enhancing the performances of the employees. On the other hand, they also found that ethical leadership is negatively correlated with unethical organizational practices and counterproductive workplace behaviour.

For the business's success and the organization's long-term survival, ethics and integrity are at the heart of the leadership and should be taken seriously. An ethical organization can emerge when groups of individuals collaborate in an environment of mutual respect, where they can grow personally, form friendships, and contribute to the organization's overall goal. An ethical organization comprises ethical leaders who create a positive environment with productive interactions with the individual, the team, and the organization as a whole. These relationships nurtured at each of these levels can result in beneficial outcomes for both organizations and at an individual level and benefit the ethical leaders. Moreover, workplace leadership can inspire followers to avoid unethical actions.

The implications of ethical leadership extend beyond mere compliance; they encompass various positive organizational behaviours. The results suggest that ethical leadership is positively associated with enhanced decision-making processes, increased motivation, and greater prosocial behaviour among employees. By understanding these dynamics, this study contributes to the broader discourse on ethical leadership and its pivotal role in shaping workplace culture and employee engagement within Bhutan's public sector.

Problem Statement

In His Majesty's address at the opening ceremony of the 8th session of the Third Parliament, he articulates significant concerns regarding the attainment of national goals amid pressing management and administrative challenges. His Majesty underscores the critical need for accountability, pointing to substantial waste arising from structural deficiencies and inefficiencies within government agencies.

This call for accountability highlights an urgent need for reform in leadership practices to align with national objectives.

While ethical leadership has been recognized globally as a fundamental driver of organizational success, its empirical examination within Bhutan's unique cultural and institutional context remains unexplored. The Royal Civil Service Commission's Strategic Roadmap (2025-2035) emphasizes transforming Bhutan's civil service into an "Enlightened Entrepreneurial Bureaucracy," highlighting the critical role of ethical leadership in this transformation. However, despite these reform initiatives, there has been no empirical investigation into how ethical leadership influences workplace behaviour within Bhutan's civil service.

This research gap becomes particularly significant given Bhutan's distinctive demographic landscape. The civil service comprises 14,937 civil servants between ages 20-34, representing 48% of the total workforce (RCSC, 2021). Research by the Royal Institute for Governance and Strategic Studies (RIGSS) identified leadership as the primary motivational factor among young civil servants, while the National Integrity Assessment (2022) rated Bhutan's ethical leadership at 8.12 – only at Good level. While studies in other Asian contexts have demonstrated the positive impact of ethical leadership on workplace behaviour, these findings cannot be automatically generalized to Bhutan's unique cultural context, which is deeply rooted in GNH principles and traditional values.

This study represents the first empirical investigation of ethical leadership's influence on workplace behaviour within Bhutan's civil service. By examining this relationship, our research will provide crucial insights for implementing the RCSC's reform initiatives and developing evidence-based strategies to enhance organizational effectiveness and reduce corruption through ethical leadership practices.

Research Objective & Questions

This research aims to analyse and explain the influence of ethical leadership on employees' workplace behaviour and answer the following questions:

- How does ethical leadership influence employee behaviour?

- What are the positive and negative behaviours influenced by ethical leadership?

Literature Review

The Concept of Ethical Leadership

Ethical leadership has been widely recognized as essential for the well-being of organizations and society. Advocates argue that organizational failures due to unethical conduct often stem from leadership's ethical shortcomings (Brown, 2005; Treviño & Brown, 2014). Ethical leadership is grounded in the assumption that leaders must embody and promote ethical values to ensure organizational success. Ethical leaders are characterized by honesty, trustworthiness, and fairness, embodying what is referred to as the "moral person" dimension. This dimension reflects a leader's character and altruism as perceived by followers. Additionally, the "moral manager" dimension emphasizes a leader's proactive role in influencing followers' ethical behaviour through clear communication, ethical modelling, and accountability mechanisms (Treviño et al., 2000, 2003). Ethical leaders not only set ethical standards but also enforce them through rewards and discipline, ensuring alignment between their words and actions. Brown et al. (2005) formalized the concept of ethical leadership through the Ethical Leadership Scale (ELS), which measures perceptions of ethical leadership. Their research found that ethical leadership positively correlates with trust, fairness, and employee satisfaction while remaining distinct from transformational leadership. Subordinates' perceptions of ethical leadership predict their willingness to exert extra effort, report problems, and engage in ethical behaviour. These findings highlight the unique role of ethical leadership in shaping workplace behaviour beyond other leadership styles. In Bhutan, ethical leadership is assessed in terms of integrity, trust, transparency, accountability, and fairness (ACC, 2019). The National Integrity Assessment (2019) scored Bhutan's ethical leadership at 7.82, indicating a satisfactory level of integrity but highlighting areas for improvement, particularly in fairness (7.47) and trust (7.74). While these scores provide a local grounding, there is limited research on how ethical leadership

influences workplace behaviour in Bhutan's unique cultural and institutional context, which is deeply rooted in Gross National Happiness (GNH) principles.

Characteristics of an Ethical Leader

Ethical leaders balance three ethical stances in decision-making: the ethic of reason (logic), the ethic of caring (empathy), and the ethic of obedience (adherence to laws and regulations). These stances guide leaders in making decisions that prioritize fairness, emotional intelligence, and critical thinking (Steare et al., 2014). Effective ethical leaders promote these perspectives through dialogue, support, and constructive dissent, fostering a culture of trust and accountability. Research highlights key traits of ethical leaders, including integrity, courage, and reliability. Ethical leaders are consistent in aligning their actions with their principles, ensuring credibility and trustworthiness (Crews, 2015). Mihelič et al. (2010) found that ethical leaders prioritize justice, humility, and the greater good, influencing the ethical climate of their organizations. However, these findings often lack contextual specificity, as they are based on generalized frameworks that may not fully capture the nuances of Bhutan's GNH-driven governance model.

Ethical Leadership and Its Relationship to Employees' Behaviour

Two primary theories explain how ethical leaders influence employees: Social Learning Theory and Social Exchange Theory. Social Learning Theory posits that ethical leaders serve as role models, capturing followers' attention and encouraging ethical behaviour through example and accountability mechanisms (Bandura, 2002). Employees are more likely to engage in proactive behaviours, such as reporting issues, when they perceive their leaders as ethical (Brown, Treviño, & Harrison, 2005). Social Exchange Theory emphasizes reciprocity, where ethical leadership fosters trust and fairness, creating a socioemotional exchange that motivates employees to reciprocate with positive behaviours (Blau, 2017). This theory highlights the importance of interpersonal treatment in shaping workplace behaviour.

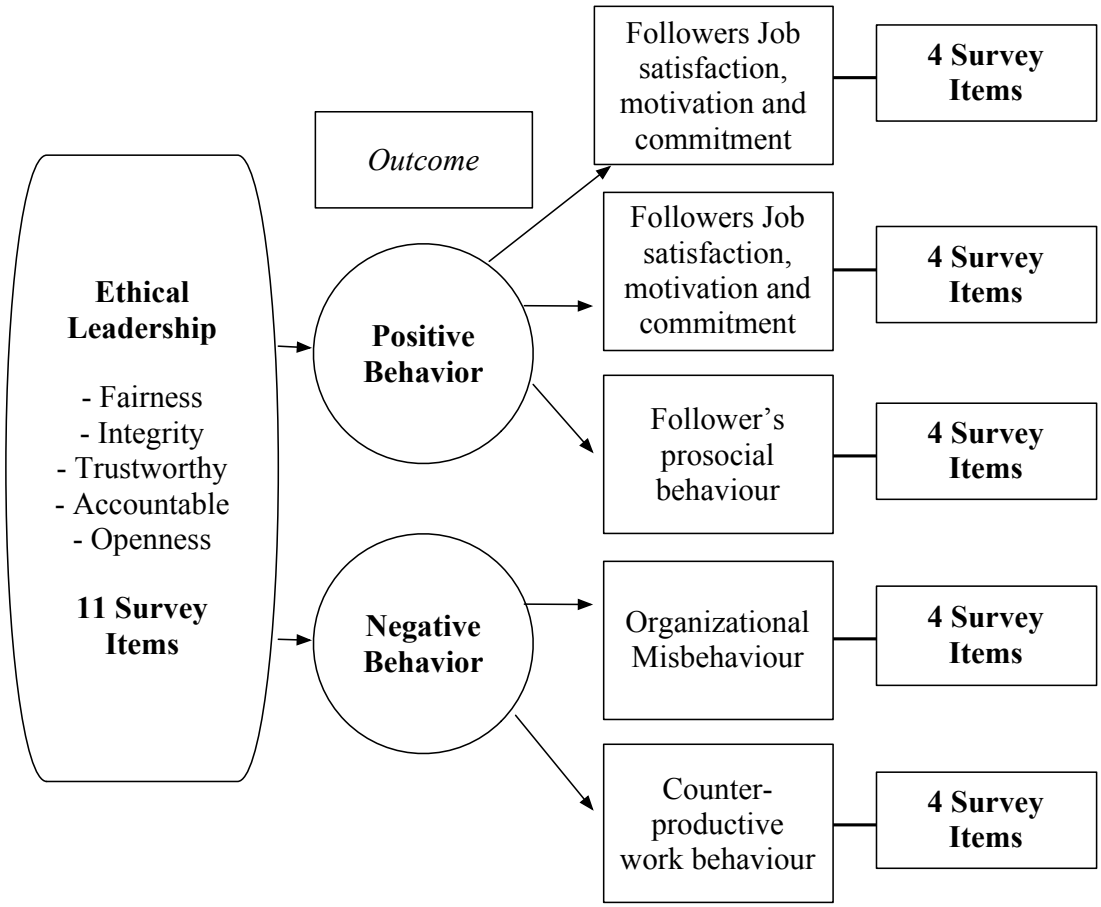
Cascading Effects of Ethical Leadership on Employees' Workplace Behaviour

Ethical leadership has cascading effects within organizations, influencing not only direct followers but also lower-level leaders through social learning processes (Brown & Treviño, 2006). Byun et al. (2018) found that ethical leadership at higher levels positively correlates with ethical leadership among lower-level leaders, reinforcing ethical norms throughout the organization. Ethical leadership also promotes Organizational Citizenship Behaviours (OCB), which are discretionary actions that enhance organizational efficiency. Ethical leaders foster OCB by emphasizing fairness, accountability, and group welfare (Kalshoven, 2010). Mayer et al. (2009) demonstrated that ethical leadership reduces workplace deviance and enhances group OCB, while Aryati et al. (2017) found that ethical leadership indirectly mitigates counterproductive behaviours. However, some studies report mixed results regarding the impact of ethical leadership on counterproductive behaviours. For instance, Stouten et al. (2012) suggest that employees may feel morally judged by ethical leaders, leading to unintended negative consequences. These mixed findings may stem from contextual differences or measurement issues, as most studies are conducted in Western contexts with limited applicability to Bhutan's unique cultural and institutional environment. In Bhutan, ethical leadership's potential to reduce corruption and foster trust aligns closely with GNH principles, which emphasize holistic well-being and ethical governance. However, the lack of empirical studies on ethical leadership within Bhutan's civil service represents a significant research gap. This study aims to address this gap by examining how ethical leadership influences workplace behaviour in Bhutan, providing insights that are both locally relevant and globally significant.

Conceptual Framework

Figure 1

Conceptual Framework



Methodology

Research Design

This research aims to enhance the understanding of ethical leadership, its influences, and the potential outcomes it may generate within the Bhutanese civil service. To develop a model elucidating the connection between ethical leadership qualities and various outcomes, including both detrimental and beneficial employee behaviours in the workplace, a quantitative study is conducted at the individual level. This design is selected due to its capacity to examine relationships among variables and measure behaviours, perceptions, attitudes, and other relevant factors, allowing for generalizations to be drawn from a broader population. A cross-sectional research design is employed

to capture the perspectives of employees and leaders across different agencies, utilizing survey techniques for data collection.

The focus of this study is specifically on the ten central government ministries rather than including other public sector agencies and local governing bodies. This decision is grounded in several key considerations. First, the central government ministries play a pivotal role in shaping national policies and implementing government initiatives, making them critical to understanding the dynamics of ethical leadership within the broader context of Bhutan's governance. By concentrating on these ministries, the research can provide insights that are directly relevant to the highest levels of public administration, where ethical leadership is essential for fostering a culture of integrity and accountability.

Second, the central ministries are more likely to have established frameworks and structures for ethical leadership, which can facilitate a more consistent and comparable analysis of ethical practices across different departments. This uniformity allows for a clearer examination of how ethical leadership influences employee behaviour within a controlled environment, minimizing the variability that might arise from including diverse local governing bodies with differing levels of resources and organizational maturity.

Lastly, focusing on the central ministries aligns with Bhutan's governance philosophy of Gross National Happiness (GNH), which emphasizes ethical governance and public service. By studying these key institutions, the research aims to contribute to the ongoing discourse on ethical leadership in the context of GNH, providing valuable insights that can inform policy and practice in Bhutan's civil service.

Study Population

The study's target population comprises employees from ten Ministries in Thimphu. These employees play a crucial role in the creation, implementation, and dissemination of policies, strategies, and programmes, as well as in the mobilization and effective utilization of resources and the monitoring and evaluation of the impacts of these initiatives in vital areas such as education, health, information and communication, labor and human resources, foreign

affairs, economic development, human settlement, home affairs, and cultural affairs. Given their significant responsibilities, these employees are expected to uphold the highest internal standards to deliver effective and equitable services to all citizens, wherein the presence of ethical leadership is pivotal. Additionally, the selection of this population is influenced by time and resource constraints.

Sampling Method and Sample Size

Purposive sampling, a non-probability sampling method, allows the researcher to select participants based on their judgment (Dudovskiy, n.d.). Through this method, data were collected from 366 employees working within the ten Ministries. The sample size is determined using the Taro Yamane formula, which is outlined below. An online survey is administered, achieving a 95% confidence level with a 5% margin of error. Given the online format, a total of 366 responses were obtained.

$n= N/ (1+N (e)^2)$

Where:

n= Sample size

N= Population under study

e= Margin error

$n= 4068/ (1+4068(0.05^2))$

$= 364.33$

≈ 364

Instrumentation

The questionnaires were developed based on prior research reports, reviews of relevant papers and journal publications, as well as contemporary issues regarding the influence of ethical leadership on employees' workplace behaviour. Data collection employed a four-page questionnaire, organized into four distinct sections. The first section addressed demographic information, including age, gender, educational background, and overall work experience.

The second section focused on ethical leadership, utilizing the 10-item Ethical Leadership Scale developed by Brown, Treviño, & Harrison (2005) to examine the impact of ethical leadership on follower outcomes. The third section assessed positive outcomes,

which were categorized into three parts: moral awareness, intrinsic employee motivation, and pro-social behaviours associated with the benefits of ethical leadership. To measure employees' moral awareness, the short version of the 12-item Reynolds Moral Attentiveness Scale (Reynolds, 2008) was employed.

The final section included questions regarding negative behaviour, divided into two categories: organizational misbehaviours and counterproductive actions. A 4-point Likert scale was utilized to evaluate each topic, with response options ranging from "1" (strongly agree) to "4" (strongly disagree). Organizational misbehaviour was assessed using a 4-point Likert scale developed by Bennett & Robinson (2000), while counterproductive behaviour was quantified using the short version of the Workplace Deviance Scale by Bennett & Robinson (2000), which focused solely on interpersonal deviance—behaviours that are directly harmful to other individuals within the organization.

The questionnaire was designed with consideration for Bhutanese cultural context. A pilot test was conducted using a Google Form to assess reliability, with feedback obtained from ten respondents. Additionally, Cronbach's alpha reliability test was performed to ensure that the measurement tool effectively captures the same construct and to guarantee internal consistency (Tavakol & Dennick, 2011). Acceptable Cronbach's alpha values range from 0.700 to 0.950. The initial results indicated that Section D, which pertains to followers' motivation, yielded a Cronbach's alpha of $\alpha = 0.404$, suggesting unreliability. To enhance the validity of the questionnaire, the statement "Each day at work seems like it will never end" was removed. Following this adjustment, the reliability of the questionnaire improved significantly, yielding a Cronbach's alpha of $\alpha = 0.917$, which indicates excellent reliability

Table 1
Reliability Statistics for All Variables

Variables	Cronbach's Alpha	N of Items
Ethical Leadership	.911	8
Moral Awareness	.716	4
Followers' motivation (Intrinsic)	.917	6

Organizational Misbehaviour	.834	8
Counterproductive Behaviour	.798	4

Data Collection

This study employs a quantitative approach, which facilitates a broader examination, enhances objectivity, ensures the accuracy of results, and promotes the generalizability of findings. Primary data were collected through a self-administered structured survey utilizing a closed-ended questionnaire. In adherence to ethical standards, a consent statement was included in the first section of the questionnaire, and no personal identifying information, such as names, was requested.

Data Analysis

Data coding, entry, and analysis were conducted using Microsoft Excel and the Statistical Package for Social Sciences (SPSS). The analysis utilized both descriptive and inferential statistics to present the findings. Due to the complexity of the variables employed in this study, which included multiple items, it was necessary to compute the items under the various variables in SPSS to create a single variable for each theme. This approach generated a scale measure that consolidates several existing variables into a single variable, thereby summarizing an interesting phenomenon. Additionally, a correlation test was performed, as detailed in Tables 4, 5, 6, and 7, to examine the relationship between ethical leadership and employees' workplace behaviour.

Research Ethics

Permission for data collection was obtained from each department and division of the Ministries through a formal permission letter from our Institute, accompanied by a specific letter outlining the details required for the study. Upon receiving consent from the agencies to collect data, participation was based on voluntary agreement, ensuring that no individual was compelled to take part in the study. All information gathered from the survey is maintained in confidentiality and utilized solely for academic purposes. Furthermore, all journal

articles, reports, and relevant information cited within the study are duly acknowledged and referenced.

Results & Discussions

Demographic Profile

Table 1 illustrates that 71.9 % (263) were males and the rest are females. The respondent's age ranges from 21 to 56 and above. From the various level of education, 33.6 % of respondents have a bachelor's degree followed by 30.1 % who have a master and 19.4 % with Post Graduate Diploma. 69.9 % (256), 26.0 % (95), and 4.1 % (15) of the respondents were in the Professional and Management Category (PMC), Support Services Category (SSC), and Executive and Specialist Category (ESC) levels respectively.

Table 1
Demographic Profile of the Employees of 10 Ministries and Royal Institute of Management

Variables	Categories	*n*	%
Gender	Female	103	28.1
	Male	263	71.9
Age	Lower than 25	29	7.9
	26-35	138	37.7
	36-45	113	30.9
	46-55	77	21.0
	Greater than 56	9	2.5
Level of education	Doctorate (Ph.D.)	3	0.8
	Masters	110	30.1
	Post Graduate Diploma (PGD)	71	19.4
	Bachelor's Degree	123	33.6
	Diploma	26	7.1
	Certificate	1	0.3
	Completed Higher Secondary School	26	7.1
	Completed Middle Secondary School	6	1.6
Position Level	Executive and Specialist (ESC)	15	4.1
	Professional and Management (PMC)	256	69.9
	Supervisory and Support (SSC)	95	26.0

	Ministry of Economic Affairs	48	13.1
	Ministry of Agriculture and Forestry	132	36.1
	Ministry of Work and Human Settlement	19	5.2
	Ministry of Labour and Human Resource	23	6.3
Agency	Ministry of Information and Communications	26	7.1
	Ministry of Home and Cultural Affairs	40	10.9
	Ministry of Health	17	4.6
	Ministry of Foreign Affairs	16	4.4
	Ministry of Finance	29	7.9
	Ministry of Education	16	4.4

Note. n=366

Ethical Leadership

Brown et al. (2005) defined ethical leadership as "the promotion of such behaviour to followers through two-way communication, reinforcement, and decision making, and the presentation of normatively acceptable conduct through personal acts and interpersonal interactions." It embodies qualities such as integrity, ethics, trust, transparency, accountability, and fairness. Table 2 presents the descriptive statistics of the components that constitute ethical leadership.

Leadership ethics encompasses the discussion of ethical principles, the formulation of a code of conduct, the promotion of ethical behaviour, and the recognition of subordinates who act ethically. It assesses the leader's role in advancing a culture of ethical conduct and delineates the potential consequences of employees' unethical behaviour within the organization. Notably, 88.3% (323) of respondents indicated that they Agree or Strongly Agree that their supervisor conducts his or her personal life ethically.

Another critical component of ethical leadership is Leadership Transparency. Transparency involves open communication with followers and is indicative of leaders' genuine appreciation for feedback. For effective participation in public decision-making processes, it is essential that employees have equitable access to

information. Among respondents from the ten ministries, 81.9% (300) expressed that their supervisor listens to employee input, while 82.5% (302) affirmed that their supervisor consults relevant employees during decision-making processes.

Fairness is also a fundamental aspect of ethical leadership, as emphasized by Brown et al. (2005). Leadership fairness is characterized by just and equitable behaviour displayed by leaders in their considerations, actions, and decisions regarding employee treatment. When queried about their supervisors' abilities to make fair decisions and to discipline employees who violate ethical standards, 79.8% (286) and 78.1% (292) of respondents indicated they Agree or Strongly Agree, respectively.

Furthermore, Leadership Accountability pertains to the extent to which leaders accept responsibility for their actions, behaviours, and outcomes in order to foster accountability within their organizations. A significant 83.1% (304) of respondents reported that they Strongly Agree or Agree that their supervisor takes responsibility for his or her actions and holds employees accountable for their conduct at work, indicating a commitment to accountability among their leaders.

Lastly, trust between supervisors and employees is paramount for successful collaboration. A substantial 82.8% (303) of respondents Agree or Strongly Agree that their supervisor can be trusted. This trust facilitates a productive relationship, enabling both leaders and followers to achieve mutual success.

Table 2
Ethical Leadership Traits

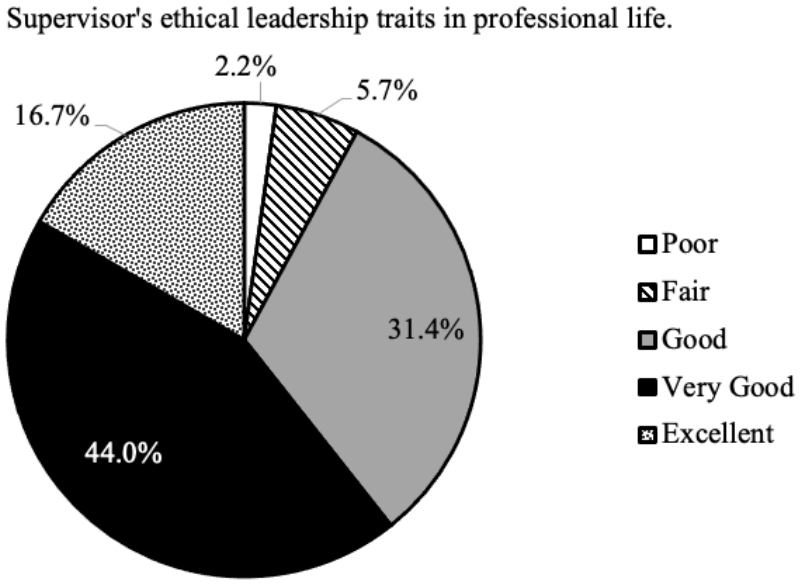
	Strongly Disagree	Disagree	Agree	Strongly Agree
	%	%	%	%
My supervisor conducts his/her personal life in an ethical manner	2.7	9.0	64.5	23.8
My supervisor listens to what employees have to say	3.0	15.0	60.9	21.0

My supervisor disciplines employees who violate ethical standards	3.0	18.9	59.8	18.3
My supervisor makes fair and balanced decisions	2.5	17.8	59.6	20.2
My supervisor can be trusted	3.0	14.2	56.3	26.5
My supervisor sets an example of how to do things the right way in terms of ethics	2.5	15.6	57.9	24.0
My supervisor consults relevant employees when making decisions.	2.5	15.0	53.8	28.7
My supervisor takes responsibility for his/her action and holds employees accountable for their actions at work	3.6	13.4	60.7	22.4

Note. n= 366

Figure 2

Ratings of Supervisor's Ethical Leadership Traits in Professional Life



Note. n=366

Figure 2 displays that 44.0% (161) of the respondents rate their supervisor's ethical leadership in professional life as "Very Good" followed by Good with 31.4% (115), Excellent (16.7%, 61), Fair (5.7%, 21) and Poor (2.2%, 8). Table 3 and Figure 2 clearly shows that the supervisors of the respondents participating in the study are ethical leaders.

Table 3
Correlation between Supervisor's Ethical Leadership Trait and Supervisor as a Role Model

Correlations			
		Supervisor's ethical leadership traits.	I consider my supervisor a role model
Supervisor's ethical leadership traits	Pearson Correlation	1	.553**
	Sig. (2-tailed)		.000
I consider my supervisor a role model	Pearson Correlation	.553**	1
	Sig. (2-tailed)	.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

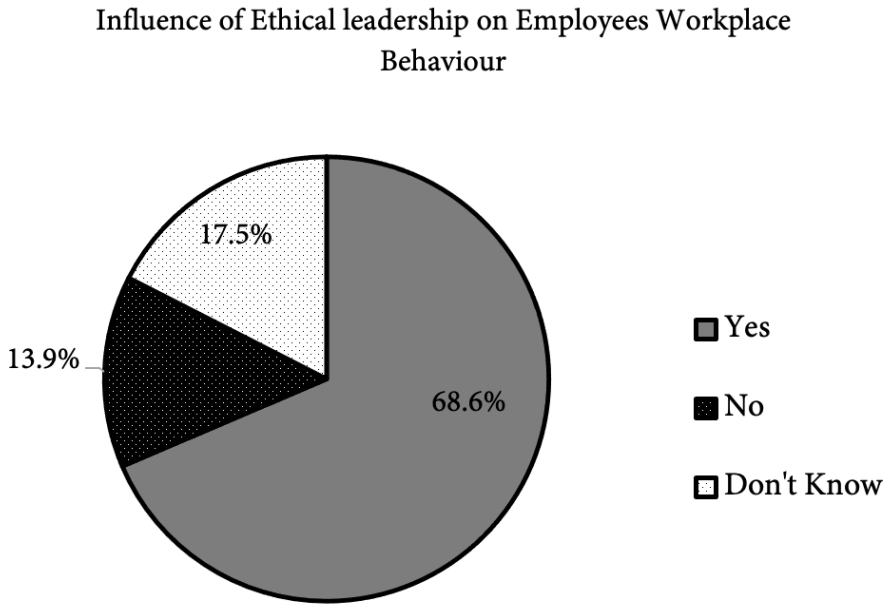
Note. n= 366

Influence of Ethical Leadership on Employees' Workplace Behaviour

To determine the impact of ethical leadership on employees' workplace behaviour, respondents were surveyed regarding their perceptions of this influence. As illustrated in Figure 1, 68.6% (251) of the respondents acknowledged that ethical leadership affects employees' conduct in the workplace, whereas 17.5% (64) indicated an unawareness of such influence. Additionally, 13.9% (51) of the respondents asserted that there is no relationship between ethical leadership and employee behaviour at work. These findings are consistent with the existing literature, which posits that ethical leadership significantly influences employees' behaviour, both positively and negatively, as noted by Aryati et al. (2018), Brown & Treviño (2006), and Sikorsky (2018).

Figure 3

Influence of Ethical Leadership on Employees' Workplace Behaviour.



Note. n= 366

The relationship between the supervisor's ethical leadership traits and their consideration as a role model by employees was examined using a correlation test, as indicated in Table 4. The results demonstrated a statistically significant relationship between the supervisor's ethical leadership traits and employees' perceptions of them as role models, with a significance level of less than 0.05. Specifically, there exists a positive correlation, $r = .553$, $n = 366$, $p < .05$. This finding is consistent with social learning theory, which posits that by exemplifying expected behaviours that are rewarded or punished, ethical leaders can significantly influence the ethical actions of their subordinates through role modeling (Bandura, 2002).

Subordinates tend to focus more intently on actions they perceive as moral and socially acceptable. When ethical leaders behave in a principled manner, their followers are more inclined to adopt these values. Due to their rank, position, and accomplishments within the organization, leaders have the capacity to influence the behaviours and outcomes of others. This process is essential for leaders aiming to promote ethical ideals among their followers by setting a positive example. Ethical leaders are particularly effective in altering their

subordinates' behaviours and attitudes through mechanisms such as observational learning, imitation, and identification.

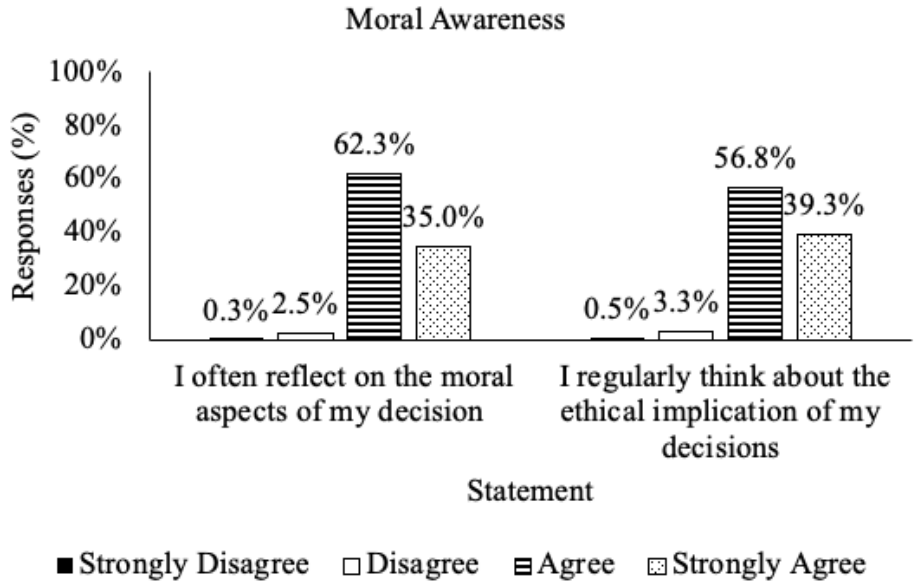
Moreover, a study by Mathilde (2018) supports the assertion that social learning theory is a crucial precursor to ethical leadership. The findings from that study affirm that a leader's role as a model significantly shapes the behaviours of their followers. In this context, it is imperative for the leader to be both appealing and trustworthy, enabling them to convey an ethical message to followers through effective communication and reinforcement of positive behaviour.

Outcomes of Ethical Leadership

Positive Workplace Behaviour

Moral awareness: It refers to the extent to which an individual consistently recognizes and considers moral factors in their experiences (Reynolds, 2008).

Figure 4
Moral Awareness



Note. n=366

Regarding the moral awareness of employees, the results indicate that 62.3% (228) and 35.0% (128) of respondents reported that they often reflect on the moral aspects of their decisions, while 2.8% (10) stated

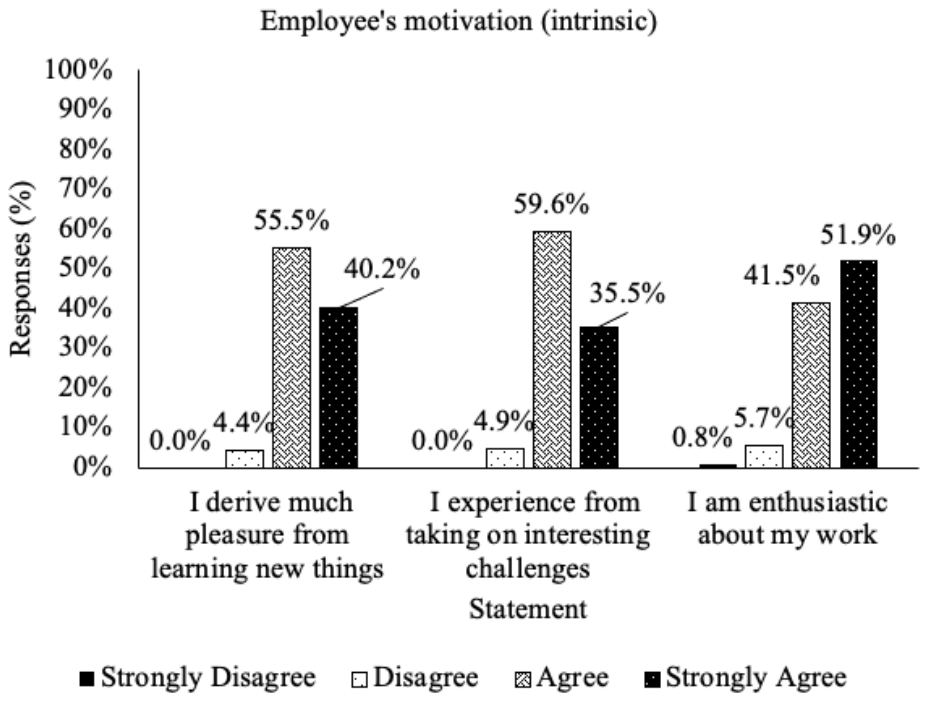
that they do not engage in such reflection. Additionally, 56.93% (208) and 39.3% (144) of respondents indicated that they regularly contemplate the ethical implications of their decisions, with only 3.8% (14) disagreeing with this statement.

These findings suggest that employees demonstrate a high level of moral attentiveness, indicating their awareness of ethical dilemmas and their consideration of various options before making decisions, thereby striving to avoid potential harm to stakeholders

Employee's Motivation: "Doing an activity for the interest in and enjoyment of the task itself rather than for some separable results such as rewards," according to Ryan & Deci (2000), is what is meant by intrinsic motivation. Work engagement increases as a result of ethical leadership because engagement is a particular type of motivation

Figure 5

Employee's Motivation (Intrinsic)



Note. n=366

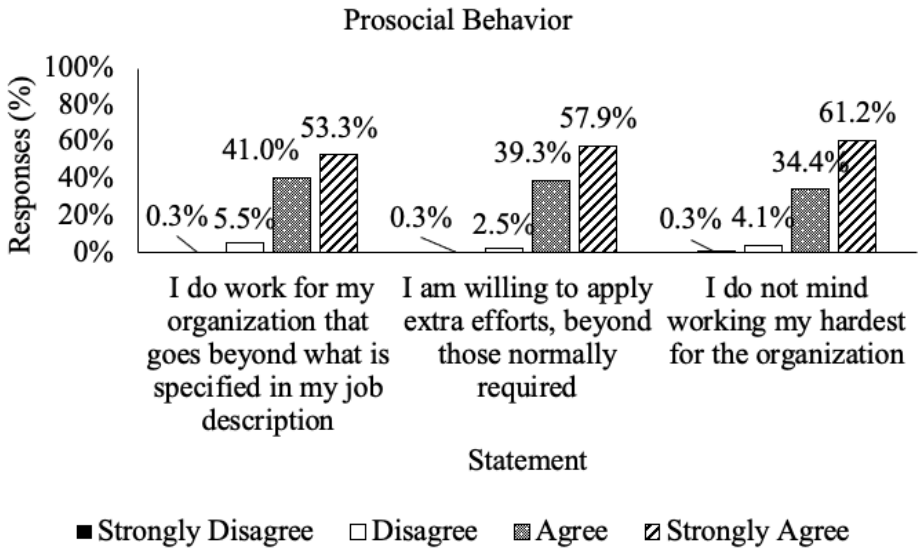
Figure 4 displays the percentage of responses related to an employee's motivation to work, with the majority 95.7% (350) agreeing that they derive pleasure from learning new things and the minority (4.4%, 16)

disagreeing. A big number of 95.1% (350) respondents agreed that they work to gain experience from taking on interesting challenges while only 4.9% (18) did not agree to it. They work as they are enthusiastic about their work, according to 93.4% (342) of the respondents. Only 6.5% (24) of respondents disagreed with this assertion. This result suggests that the employees are motivated to work not only because of materialistic rewards but through work engagement which is also a way to drive the employees.

Prosocial behaviour of the employee: Prosocial behaviour is defined as a voluntary action intended to benefit others or the organization (Cherry, 2022). Given that ethical leaders prioritize the well-being of their employees, it is likely that employees will reciprocate this relationship by exceeding their expected contributions. Furthermore, ethical leaders demonstrate their appreciation for their employees' perspectives by encouraging their input. Consequently, followers are motivated to go above and beyond the stated objectives and to provide more support to their leaders than initially required.

Figure 6

Prosocial Behaviour of Employee's



Note. n=366

In the context of this study, 53.3% (195) of respondents strongly agreed that they perform work beyond what is outlined in their job descriptions, with only 0.3% (1) expressing disagreement. Additionally, a majority of respondents, 57.9% (212), indicated their willingness to exert extra effort beyond what is typically required, and 61.2% (224) affirmed that they do not mind working hard for their organization, while 0.3% disagreed with both statements.

Correlation between various workplace behaviours and ethical leadership: The correlations among the various factors examined in this research were assessed using correlation analysis. To provide a more detailed description of the linear relationship between two variables, Pearson's correlation coefficient was employed. This coefficient, which ranges from -1 to 1, indicates the strength of the relationship between the two variables. It was utilized in this study to elucidate the relationships among moral awareness, followers' intrinsic motivation, prosocial behaviours, counterproductive work behaviours (CWB), and organizational misbehaviours in relation to the supervisor's ethical leadership traits.

As presented in Table 4, the correlation between supervisors' ethical leadership traits and employees' moral awareness is statistically significant at a significance level of less than 0.05. Thus, there exists a positive correlation between a supervisor's ethical leadership traits and the moral awareness of employees, $r = .253$, $n = 366$, $p < .05$. These findings are supported by Reynolds (2008), who argued that moral awareness can develop over time and is not a fixed characteristic. Consequently, moral awareness is enhanced as ethical leaders educate their followers about ethical issues by expressing moral beliefs and articulating clear ethical norms, as well as by assisting individuals in addressing ethical dilemmas through constructive feedback.

Furthermore, according to Bandura's (2002) social learning theory, ethical leaders can influence their followers' behaviour by increasing their awareness of moral dilemmas and teaching them how to resolve these issues. By serving as role models, ethical leaders articulate moral principles in ways that followers are likely to internalize. This dynamic also allows followers to observe ethical

behaviour and imitate their leaders' actions, thereby reinforcing their moral development.

Table 4
Correlation Between Supervisors' Ethical Leadership Traits and the Moral Awareness of the Employees

Correlations			
		Supervisor's ethical leadership traits.	Moral Awareness
Supervisor's ethical leadership traits.	Pearson Correlation	1	.253**
	Sig. (2-tailed)		.000
Moral Awareness	Pearson Correlation	.253**	1
	Sig. (2-tailed)	.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

Note. n= 366

With regard to intrinsic employee motivation, as illustrated in Table 5, a strong correlation was identified ($r = .413$, $p < .05$). This finding indicates a positive relationship between ethical leadership and employee motivation. A similar outcome was reported in a study conducted by the Royal Institute for Governance and Strategic Studies (2021), which examined 18 components and identified leadership as the most significant and pervasive motivational factor. This underscores the critical role that effective leadership plays in motivating employees. Additionally, Sikorsky (2018) reported a positive relationship between supervisors' ethical leadership traits and employee motivation.

Table 5
Correlation Between Supervisors' Ethical Leadership Traits and Employees' Motivation

Correlations		
	Supervisor's ethical	Employees Motivation

		leadership traits.	
Supervisor's ethical leadership traits.	Pearson Correlation	1	.413**
	Sig. (2-tailed)		.000
Employees Motivation	Pearson Correlation	.413**	1
	Sig. (2-tailed)	.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

Note. n= 366

Table 6 indicates a statistically significant association between employees' prosocial behaviour and supervisors' ethical leadership traits, with a significance level of less than 0.05.

Table 6
Supervisor's Ethical Leadership Traits and the Prosocial Behaviour of the Employees

Correlations			
		Supervisor's ethical leadership traits	Prosocial Behaviour
Supervisor's ethical leadership traits.	Pearson Correlation	1	.397**
	Sig. (2-tailed)		.000
Prosocial Behaviour	Pearson Correlation	.397**	1
	Sig. (2-tailed)	.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

Note. n= 366

Specifically, there is a strong correlation ($r = .397$, $n = 366$, $p < .05$) between a supervisor's ethical leadership qualities and employees' prosocial behaviour. This finding aligns with the study by Brown and

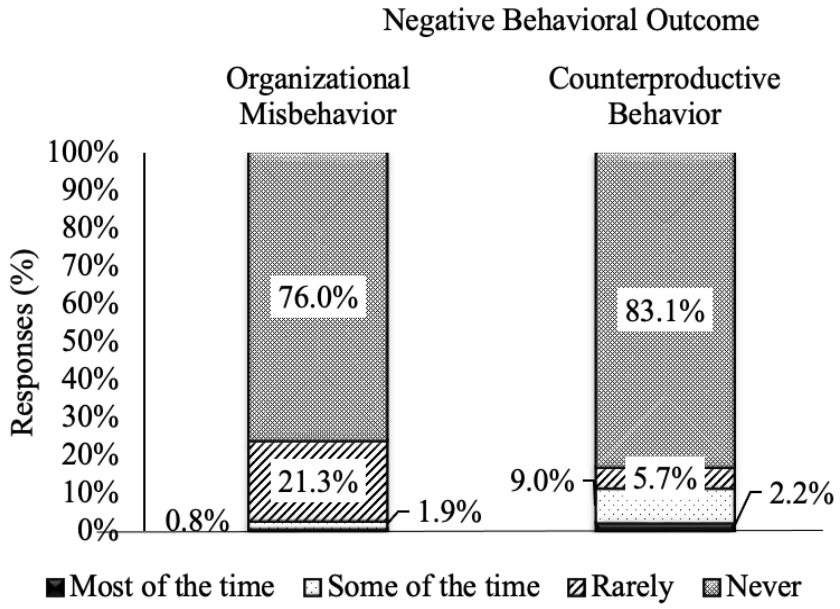
Treviño (2006), which also identified a robust relationship between ethical leadership and employees' prosocial behaviour through the lens of social learning theory.

Furthermore, Blau's (2017) social exchange theory, which extends beyond social learning theory, posits that social exchange fosters feelings of personal duty, appreciation, and trust. As this theory is grounded in trust, fairness, and honesty, it pertains to the interactions and relationships between two parties. Given that ethical leaders prioritize their employees' well-being, employees are likely to reciprocate by exceeding their expected contributions. Additionally, leaders demonstrate their appreciation for employees' perspectives by encouraging their input, prompting followers to surpass the stated economic objectives and provide more support to their leaders than anticipated.

Negative employees' behaviours: To examine the relationship between supervisors' ethical leadership traits and counterproductive workplace behaviours, respondents were asked about the frequency of organizational misconduct and counterproductive actions

Figure 7

Negative Behavioural Outcomes

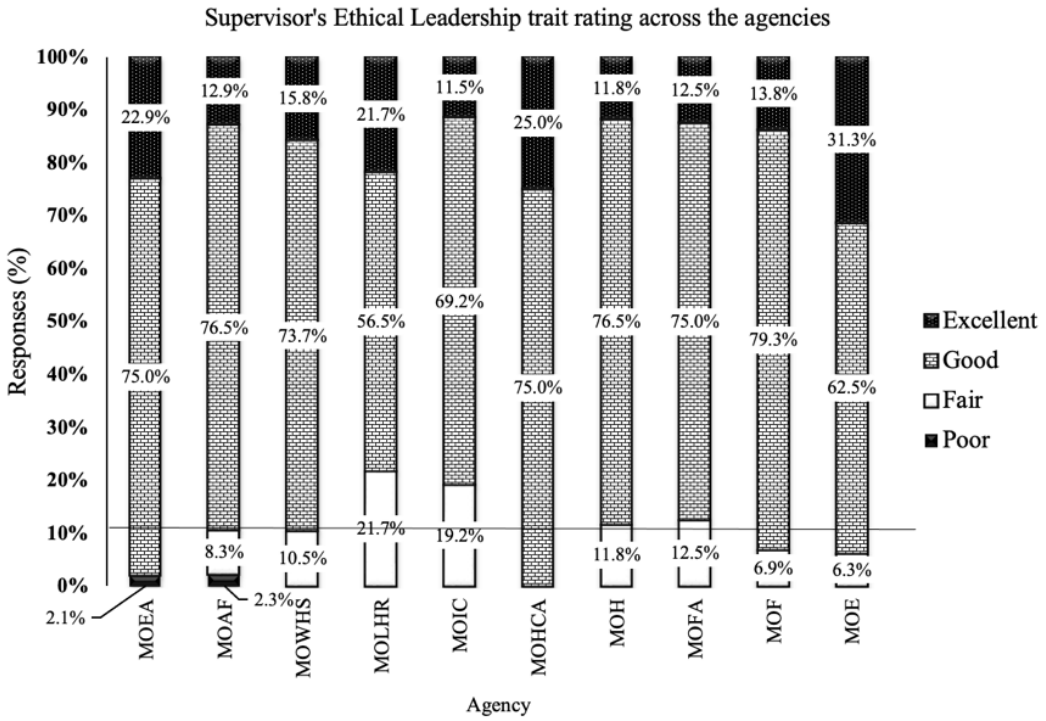


Note. n=366

Figure 7 reveals that 76.0% (278) and 83.1% (304) of respondents indicated they have never engaged in organizational misconduct or counterproductive behaviour, respectively. In contrast, only 0.8% and 2.2% reported being involved most of the time in organizational misbehaviour and counterproductive behaviour, respectively.

Figure 8

Ethical Leadership Rating Across Agencies



Note. n=366

Figure 8 presents ratings of supervisors' ethical leadership traits by employees from 10 ministries. Among the agencies, 73.8% rated their supervisors' ethical leadership as good, followed by excellent at 16.9%, fair at 8%, and poor at 1.1%. These findings indicate that the majority of respondents rated their supervisors' ethical leadership traits as either good or excellent, with only 1.1% rating them as poor. The results in Figure 8, showing that most respondents assessed their supervisors' ethical leadership attributes as "good" or "excellent," align with the findings in Figure 7, where the majority reported never participating in negative behaviours. These results suggest that effective ethical leadership decreases the likelihood of deviant

behaviour within the organization. Mathilde (2018) similarly reported that ethical leadership is negatively correlated with organizational misbehaviour and counterproductive actions, indicating that as a supervisor's ethical leadership declines, the incidence of deviance increases.

Conclusion & Recommendation

Conclusion

This study highlights two key findings regarding the influence of ethical leadership within Bhutan's civil service. First, ethical leadership is strongly associated with positive workplace outcomes, including enhanced prosocial behaviours, intrinsic motivation, and moral awareness among employees. Supervisors who exhibit ethical traits such as fairness, transparency, and accountability are perceived as role models, fostering a culture of trust and collaboration. Second, ethical leadership significantly reduces negative workplace behaviours, such as organizational misconduct and counterproductive actions. Respondents overwhelmingly attributed their avoidance of such behaviours to the ethical leadership demonstrated by their supervisors. These findings represent a novel contribution to Bhutan's public-sector literature by providing the first empirical evidence of the relationship between ethical leadership and workplace behaviour in the Bhutanese civil service. This study bridges a critical research gap by contextualizing ethical leadership within Bhutan's unique governance framework, which is deeply rooted in the principles of Gross National Happiness (GNH). By doing so, it underscores the importance of ethical leadership as a cornerstone for fostering sustainable and cohesive public governance.

Recommendations

To strengthen ethical leadership within Bhutan's civil service, the following actionable recommendations are proposed:

Integrate Ethical Leadership into Leadership Development Programmes

The Royal Civil Service Commission (RCSC) should incorporate the Ethical Leadership Scale (ELS) into leadership development

initiatives. This tool can help identify and nurture ethical leadership traits among current and aspiring leaders.

Regular integrity assessments

Beyond the Anti-Corruption Commission's (ACC) existing integrity vetting, the RCSC could implement periodic integrity assessments through mechanisms like the Leadership Feedback System. These assessments would provide ongoing evaluations of leaders' ethical practices and ensure alignment with organizational values.

Mandatory ethical leadership training

Ethical leadership programmes should be made a prerequisite for leadership positions. Institutions like the Royal Institute of Management could develop and offer specialized courses on ethical leadership, tailored to Bhutan's public-sector context and GNH principles.

Mentoring and coaching systems

Establishing formal mentoring and coaching systems across government agencies can enhance ethical practices among leaders and employees. These systems would facilitate knowledge-sharing, foster ethical decision-making, and strengthen interpersonal relationships within organizations.

Explore mediators and interventions

Future research should investigate mediators such as trust, psychological safety, and organizational justice to better understand how ethical leadership influences workplace behaviour.

Additionally, testing interventions like ethics training programmes or leadership workshops could provide practical insights into improving ethical practices. Strengthening ethical leadership within Bhutan's civil service is not only a matter of compliance but a catalyst for sustainable and cohesive public governance. By embedding ethical leadership into the fabric of public administration, Bhutan can continue to uphold its commitment to integrity, accountability, and the holistic well-being of its citizens.

Limitations of the study

The study was limited to convenience sampling of the employees of the ten ministries. Thus, it is not possible to extrapolate the study's results to the whole of civil service and other agencies.

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