Committed to Ethics: How Ethical Leadership and Ethical Climate Foster Knowledge Sharing in Private Higher Education Institutions

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ABSTRACT
Private higher education in Lebanon is facing mounting challenges brought about by the COVID-19 pandemic and the unprecedented economic crisis that has left the once-distinguished sector struggling for survival. These crises require private universities to bolster their education and reputation in order to remain afloat amid the drain of competent labor as well as widespread corruption that permeates all levels of society. By attracting and retaining ethical leaders and fostering an ethical climate characterized by open communication, accountability, and trust, universities in Lebanon can stand out as resilient knowledge-intensive organizations and beacons of hope in a surrounding marked by despair. Drawing on social learning and social exchange theories, this quantitative study empirically examines the direct and indirect relationships among ethical leadership, ethical climate, and the bidirectional process of knowledge sharing (knowledge collecting and knowledge donating). In total, 585 responses from academic and non-academic staff employed in nine private higher education institutions in Lebanon were collected via a web-based self-administered questionnaire using the Qualtrics platform. Hierarchical regression analysis and Hayes’ PROCESS macro for SPSS were used to test the hypotheses. Findings reveal that ethical leadership positively influences employee knowledge sharing behavior specifically, the study presents evidence that perceptions of the ethical climate serve as a mechanism through which ethical leadership affects knowledge collection and donation in varying strengths. The findings encourage the deeper consideration of ethics in higher education leadership and demonstrate the role universities must play in creating the conditions that facilitate knowledge sharing.

Keywords: ethical leadership, ethical climate, knowledge sharing, higher education, quantitative research

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Introduction

In difficult times, such as the economic collapse that Lebanon is witnessing, preceded by a global disruption caused by the COVID-19 pandemic, organizations in general and higher education institutions (HEIs) in particular face increasing pressure and scrutiny to perform effectively and transparently. HEIs should stand out as beacons of resilience and hope amid the surrounding corruption and chaos. Wang (2020) argues that the wider society demands higher education leaders to behave ethically and flawlessly so that their institutions can be perceived by the public as trustworthy organizations. In fact, ethical leadership is at the heart of every successful leadership, and more so in HEIs, as ethical values are integral to the reason higher education exists (Frost, 2016). An element that complements ethical leadership in conveying trust is the ethical climate of the institution. Ethical climates are predictors of organizational ethical conduct (Deshpande and Joseph, 2009; Lu and Lin, 2014) and are associated with employee ethical behavior such as knowledge sharing (Wang and Noe, 2010). Through enforcing a clear code of ethics, HEIs can maintain an ethical climate that conveys support to employees and fosters stronger levels of ethical behavior among them (Zagenczyk et al., 2021).

An important outcome of ethical leadership and ethical climate is employee knowledge sharing behavior. In times of crises, knowledge is considered an organization’s most valuable resource and a crucial element of competitive advantage, sustainability, and innovation (Spender & Grant, 1996). This is especially relevant to knowledge-intensive organizations such as HEIs. However, as Swart et al. (2014) argue, knowledge can only be exploited once it is shared. Knowledge sharing behavior has been researched in multiple industries and contexts, yet there is an evident dearth of empirical research on this behavior in HEIs (Fullwood et al., 2013).

This study uses an exploratory design. It aims to contribute to the growing body of work on ethical leadership, ethical climate, and knowledge sharing by unraveling the links between these constructs, and examining how and to what extent one affects the other. Considering the morality of knowledge sharing behavior, this study uses a moral lens to draw on social learning and social exchange theories, and offers a novel perspective on knowledge sharing as a morally inferred event with ethical leadership as its predictor variable.

Importantly, at the time of conducting this study, no previous research had investigated the influence of ethical leadership on employee knowledge sharing and the role of the ethical climate among HEIs in Lebanon, which adds to the originality of this study. The findings of this research will expand our understanding of the potential role of ethical leadership in enhancing knowledge sharing among researchers, educators, and employees in general; advance the literature on ethical climate; and bring new insights into the role of social exchange and social learning theories within the leadership field. The study provides a new lens to examine the interaction of these institutional aspects and to understand the mechanisms by which institutions can achieve an ethically-led workforce.

Notably, the existing research on higher education institutions in Lebanon has mostly examined the role of ethical leadership in promoting corporate social responsibility (Rawas, 2019), the effect of university ethical practices known as university social responsibility on the perceptions of university service quality and image (El-Kassar et al., 2023), and provided stakeholder analysis of the ethical challenges in Lebanese HEIs (Traboulsi, 2010).

Theory and Hypotheses

Ethical Leadership

Brown et al. (2005) 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” (p. 120). They describe ethical leaders as honest, caring, trustworthy, and fair. A widely used conceptualization of ethical leadership identifies two distinct components: “moral person” and “moral manager” (Treviño et al., 2000). The
moral person component refers to the leader’s moral traits that influence the follower’s perception of what an ethical leader is. These traits include honesty, integrity, agreeableness, and concern for others (Treviño et al., 2003). The moral manager component, on the other hand, refers to establishing and promoting ethical standards, emphasizing accountability through discipline and rewards, and above all, modeling ethical conduct to followers (Treviño et al., 2000).

A strong theoretical framework that demonstrates why ethical leadership affects followers is found in social learning theory (Bandura, 1986). Social learning theory posits that individuals observe and imitate the behavior of significant others. Based on this, Brown et al. (2005) assert that, through observational learning, followers mimic their ethical leaders who act as role models and demonstrate normatively accepted behavior. Ethical leaders provoke ethical conduct through implementing reward and punishment systems, openly discussing ethical issues, and engaging followers in decision making (Kalshoven et al., 2011). In addition to social learning, social exchange theory (Blau, 1964) describes how relationships are formed and how power is shared among exchange parties. As a result of the fair treatment of ethical leaders, followers perceive themselves in a social exchange where they reciprocate the treatment through displaying a pattern of desired behaviors (Mayer et al., 2009).

Ethical Climate

Ethical climate has been defined as “the prevailing perceptions of typical organizational practices and procedures that have ethical content” (Victor & Cullen, 1988, p. 101). This shared understanding defines the conventional bases for decision making in an organization. Notably, ethical climates are not the reflection of the members’ ethical standards but rather illustrate elements of their work environment. They provide members with a lens to detect and address ethical issues, particularly in situations that harbor moral dilemmas (Cullen et al., 2003). Integrated with organizational policies and clear supervisory direction, ethical climates can breed honesty, reduce complexity when responding to ethical matters, and cultivate an agreeable work environment (Schwepker, 2001). Based on social learning theory, Kuenzi et al. (2020) assert that when employees observe their surroundings, they learn the ideal way that ethics operate in their specific contexts, and shape their behavior in line with their observation. In a strong ethical climate, employees tend to easily understand the links between actions and consequences.

This study adopts a novel conceptualization of the ethical climate presented by Kuenzi et al. (2020), which draws on Treviño and Nelson’s (2017) Multisystem Ethical Culture Framework. The framework reflects the six formal systems in organizations: recruitment and selection, orientation and training, policy and codes, reward and punishment, accountability and responsibility, and decision-making systems (Treviño & Nelson, 2017).

Knowledge Sharing

Knowledge is defined as “the fluid mix of framed experiences, values, contextual information and expert insight that provides a framework for evaluating and incorporating new experiences and information” (Swart et al., 2014). This study focuses on the dynamics of knowledge sharing between employees. Knowledge sharing processes can take many forms: the supply and demand for new knowledge, a casual exchange between a source and a receiver, or an intentional interaction between a knowledge requester and a knowledge carrier (Ardichvili et al., 2003). That is, knowledge sharing is a bidirectional process, and every instance of this process is made up of two acts: knowledge donating and knowledge collecting (Van Den Hoof and De Ridder, 2004). Knowledge donating is providing others with one’s intellectual capital, whereas knowledge collecting is consulting others to share their intellectual capital. Essentially, sharing knowledge is always within the control of the individual, not the organization, making the process highly social (Empson, 2001). Thus, knowledge sharing has been identified as a moral dispute within organizations (Van den Hooff & de Leeuw van Weenen, 2004). In fact, no policy can actually make staff share knowledge that they may have spent years acquiring. Considering the significance, impact, and distinct bidirectional nature of knowledge sharing, it becomes vital to understand the mechanism of this behavior (Bock et al., 2005) and how it is influenced by leadership.
Ethical Leadership and Employee Knowledge Sharing

Several studies have demonstrated the significant role that leaders play in promoting knowledge sharing by realizing norms that encourage prosocial behaviors (Srivastava et al., 2006). Ethical leadership is strongly represented by morality and desirable behaviors including fair treatment and building trust among exchange parties (Le & Lei, 2018), which evidently promote knowledge sharing and provide the motivation and opportunities to do so. Moreover, ethical leaders facilitate knowledge sharing through enforcing policies that underscore morality in the workplace, including fair rewards, ethical decision-making practices, and applicable codes of ethics (Bock et al., 2005).

While prior research on knowledge sharing has mostly used a social capital lens that argues that social relationships are resources that are exploited to accumulate human capital (e.g.: Hu & Randel, 2014; Yang & Farn, 2009), this study examines knowledge sharing from a moral perspective. It adopts a social learning lens besides social exchange, where ethical leadership, with its moral person and moral manager dimensions, promotes employee knowledge sharing (knowledge collecting and knowledge donating) through dropping the barriers that prevent this behavior. Employees experiencing relationships that are marked with trust and fairness expect their contribution of knowledge assets to be equally reciprocated by other team members (Mayer et al., 2012). Based on these theoretical arguments, the following hypotheses are presented:

H1. Ethical leadership has a positive association with employee knowledge collection in higher education institutions.

H2. Ethical leadership has a positive association with employee knowledge donation in higher education institutions.

Ethical Leadership and Ethical Climate

Based on social learning theory, employees learn what behavior is expected of them through their leaders’ enforcement of ethical standards and discipline. Top managers set the strategic goals, while ethical leaders interpret and implement them (Zohar & Luria, 2005). Interpretation and implementation follow the ethical leader’s moral person and moral manager dimensions. This learning process shapes employees’ perceptions of how policies and procedures are implemented and establishes clear directions about their desired ethical conduct. In particular, ethical leaders influence several areas that make up the ethical climate. For example, they look for high moral standards when recruiting new employees. Through active ethics management, they establish ethics training and clarify what behaviors are acceptable (Brown & Mitchell, 2010). They discuss policies and codes pertaining to organizational ethics with their employees and emphasize the ethical means to reach goals over end results (Brown et al., 2005).

Another element of the ethical climate that is influenced by ethical leaders is the reward and punishment system, where ethical behavior is directly linked to rewards while violations are linked to discipline. Transparency and accountability are exemplified through leaders’ open admission of their mistakes and ethical misbehavior. This, in turn, encourages employees to question the misconduct of others rather than fearing it, and to continuously practice balanced decision-making by favoring an ethical viewpoint (Brown et al., 2005).

Consequently, ethical leaders play an essential role in shaping employee climate perceptions (Mayer et al., 2010; Zohar & Luria, 2005). They guarantee that messages concerning ethical conduct are properly and consistently propagated downwards from top managers to their immediate work environment and laterally across the organization. On the contrary, when the leader’s ethicality is misaligned with that of the organization, employees perceive their environment as phony and motivated by strategy and profit rather than compassion (Myer et al., 2016).
Ethical Climate and Employee Knowledge Sharing Behavior

Several lines of evidence suggest that ethical climates significantly reduce employees’ self-interest and build cooperation, compassion, and trust (Martin & Cullen, 2006; Victor & Cullen, 1988). Others have shown that these climates indeed have the potential to induce ethical behavior (Deshpande & Joseph, 2009; Lu & Lin, 2014).

As social learning theory implies, employees construe their observations of the ethical climate as the distinctive way ethics operate ‘around here’ and shape their behavior. In remarkable ethical climates, employees would consistently notice their peers behaving ethically and attempt to mimic this behavior (Kuenzi et al., 2020), ultimately drawing the links between actions and consequences. Constructing this mental map assures employees that the work environment is balanced and predictable, their efforts will not be ignored, and their goals can be achieved (Kacmar et al., 2009). Moreover, in an ethical climate, employees are more likely to identify with the organization and feel a duty to contribute to its success (DeConinck, 2011). One meaningful contribution employees tend to make is the sharing of knowledge, which is a noticeable form of morality and collaboration (Piccolo et al., 2010). Wang & Noe (2010) rightly suggest that a climate defined by trust, cooperation, and justice reduces the perceived costs of sharing one’s knowledge, thus encouraging employees to repeatedly take part in this behavior.

In the same line of reasoning, Johnson et al. (2015) assert that these positive conditions create a feeling of trust in and control over one’s environment. As an exchange for their valued membership, employees believe their organization is worth their knowledge and are encouraged to share it. Poor ethical climates, on the other hand, generate a sense of competition and uncertainty where employees are likely to become skeptical of information shared by their colleagues and eventually fail to maintain this behavior (Mayer et al., 2013). Apparently, a culture of mistrust that lacks clear ethical values is characterized by questionable behavior, instills fear, and leads to knowledge hiding.

Mediating Role of Ethical Climate

The preceding sections have established that ethical leaders influence employee perceptions of the ethical climate through their relevant practices, which in turn promote employee moral behavior (Mayer et al., 2009) such as knowledge sharing. Taken together, these mechanisms suggest that the ethical climate is expected to be an agency by which ethical leadership is associated with employee ethical behavior.

A growing body of literature has highlighted the mediating role that organizational climates play in the relationship between organizational variables such as leadership and unit-level outcomes (Kuenzi et al., 2020; Zohar & Luria, 2005). Furthermore, Kuenzi and Schminke (2009) revealed that the mediation of ethical climates is demonstrated in “facilitating the processes by which organizational activities translate to outcomes” (p. 701). Based on the aforementioned arguments, the following hypotheses are presented:

- **H3.** The ethical climate mediates the relationship between ethical leadership and employee knowledge collection in higher education institutions.

- **H4.** The ethical climate mediates the relationship between ethical leadership and employee knowledge donation in higher education institutions.

Methods and Materials

The conceptual model this research proposes is depicted in Figure 1, in which the ethical climate mediates the relationship between ethical leadership and the two processes of knowledge sharing.
**Figure 1. Conceptual Model**

```
  Ethical Leadership  Ethical Climate  Knowledge Collecting
      |                  |                    |
      |                  |                    | Knowledge Donating
      |                  |                    |
```

**Measures**

All measurement scales used in this study were adopted from previous research, and ratings were made on a seven-point Likert scale (1 = strongly disagree; 7 = strongly agree).

*Ethical leadership.* Ethical leadership was measured using the 10-item Ethical Leadership Scale developed by Brown et al. (2005). Example items include: “My supervisor disciplines employees who violate ethical standards” and “My supervisor discusses business ethics or values with employees” (Cronbach’s alpha (α) = 0.95).

*Ethical Climate.* The ethical climate was measured using a newly developed and verified instrument, the ethical organizational climate (Kuenzi et al., 2020). The scale consists of 12 items that measure ethical practices in organizations reflecting Trevino and Nelson’s (2017) six formal organizational systems: decision-making, orientation and training, policy and codes, recruitment and selection, reward and punishment, and accountability and responsibility. Each of these systems was measured using two items. Example items include: “A good effort is made to measure and track ethical behaviors.” and “When an unethical act occurs, employees take responsibility for their actions” (Cronbach’s alpha (α) = 0.93).

*Knowledge Sharing Behavior.* Knowledge sharing behavior was measured using the knowledge sharing scale developed by Van Den Hooff and De Ridder (2004). The scale is divided into six items that measure knowledge donation and four items that measure knowledge collection. Example items include: “I share the information I have with colleagues within my department” (Knowledge Donating) (Cronbach’s alpha (α) = 0.89) and “Colleagues within my department tell me what they know when I ask them about it” (Knowledge Collecting) (Cronbach’s alpha (α) = 0.87).

*Control Variables.* Previous studies have shown that gender, age, and education level may influence knowledge sharing and the amount of information employees may convey. Lin (2006) highlighted that females are more likely than males to participate in knowledge sharing behavior. Lazazzara and Za (2020) argued that as people age, they tend to have fewer knowledge sharing behaviors and their interest in collecting and donating knowledge diminishes. Bartol et al. (2009), on the other hand, have shown that employees with a higher level of education are more likely to share knowledge. Thus, gender, age, and education level were included as control variables in this study. In addition, the study took into account a university-specific context and controlled for university name. University names have been letter-coded to preserve anonymity.
Sampling

At the time of this study, there were 36 private universities operating in Lebanon (Ministry of Education and Higher Education (MEHE), 2021) of which the researcher contacted 16 universities requesting permission to conduct the study among their academic and non-academic staff at all levels. The choice to survey all higher education employees in an institution was to involve all the employed workforces of that institution and examine the institution as one entity.

Nine universities comprise approximately 5,000 academic and non-academic staff approved to take part in the study. Data collection lasted between April and July 2021, with 663 responses registered in the survey system, resulting in a 13% response rate. The total number of usable surveys after eliminating cases with missing data was 585. Table 1 indicates the number of respondents per university.

<table>
<thead>
<tr>
<th>University</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>42</td>
</tr>
<tr>
<td>B</td>
<td>48</td>
</tr>
<tr>
<td>C</td>
<td>112</td>
</tr>
<tr>
<td>D</td>
<td>14</td>
</tr>
<tr>
<td>E</td>
<td>10</td>
</tr>
<tr>
<td>F</td>
<td>15</td>
</tr>
<tr>
<td>G</td>
<td>35</td>
</tr>
<tr>
<td>H</td>
<td>155</td>
</tr>
<tr>
<td>I</td>
<td>154</td>
</tr>
</tbody>
</table>

Among the 585 respondents, 371 were female (63.4%), thus constituting the largest gender group, while the largest age group (115 respondents, 19.7%) was between 36 and 40 years old. The most represented education level was doctorate with 265 respondents (45.3%), while 228 (39.0%) reported holding master’s degrees. The survey also inquired about the role of the respondents in the institution; 307 (52.7%) described their role as ‘academic’, 162 (27.7%) recorded their role as ‘non-academic’ and the rest described their work as a combination of the two.

Ethical Considerations

Ethical considerations corresponding to respondents’ rights to privacy, anonymity, consent, voluntary participation, and protection from harm and deception were adhered to in this research. Privacy was guaranteed through distributing an electronic survey that does not constrain the participants to a specific location or time. The survey was completely anonymous. Participants were not asked to disclose any personally identifiable information. The study did not impose any risk on participants.

The survey began with a confidentiality notice and an informed consent form that informed participants that they could decline participation or discontinue their progress in the survey at any time, and that the collected data will be used for research purposes only. Data were kept on the researcher’s password-protected cloud storage. Formal ethical approval to conduct this study was obtained from the University of Bath Social Sciences Research Ethics Committee (SSREC). The University of Bath Ethics Review Board, represented by Rebecca Wise, made the decision on April 08th, 2021. The SSREC reference number was S21-055.

Findings

Correlations among the study variables, means, and standard deviations are presented in Table 2.
Confirmatory Factor Analysis

To ensure the structure of the measures, this research applied confirmatory factor analysis (CFA) using AMOS 25. The most widely used fit indices for CFA include the Comparative Fit Index (CFI), the Tucker-Lewis Index (TLI), the Root Mean Square Error of Approximation (RMSEA), and the Standardized Root Mean Square Residual (SRMR) (Taasoobshirazi and Wang, 2016). Hu and Bentler (1999) recommend using one or more of the fit indices along with SRMR. Accordingly, the researcher relied upon all four indices.

The CFI and TLI are incremental fit indices that evaluate the improvement in the fitness of a model over a baseline model without a relationship among the model variables. The fit indices CFI and TLI range between 0 and 1, with values closer to 1 (especially greater than 0.9) representing better fit (Kline, 2015). RMSEA indicates the extent to which the hypothesized model fits approximately well in the population. In other words, RMSEA reveals information about the ‘badness-of-fit’ with lower values indicating a good fit. The RMSEA index is considered among the most informative and recommended indices due to its sensitivity to model misspecification (Garver and Mentzer, 1999; MacCallum and Austin, 2000; Kline, 2015). According to Hair et al. (2014), the RMSEA overcomes the problem of rejecting the model due to large sample sizes. RMSEA values ranging between 0.05 and 0.08 are considered acceptable (Hair et al., 2014). Values less than 0.05 indicate a close fit between the hypothesized model and the data, while a value of 0 suggests a perfect fit (Brown and Cudeck, 1992; Byrne, 2013). The SRMR is another ‘badness-of-fit’ statistic and measures the mean absolute correlation residual, i.e., the overall difference between the observed correlations and the predicted ones with smaller values (<0.08) indicating a good model fit (Kline, 2015).

Table 3 presents the CFA results for the scales. Since all index values were within their acceptable thresholds, the construct validity of all constructs was established and its fitness with the data was confirmed.

Hypotheses Testing

To test the first and second hypotheses (H1 and H2), this study used hierarchical multiple regression to examine the effects of ethical leadership on knowledge collection and knowledge donation.
H1. Ethical leadership has a positive association with employee knowledge collection in higher education institutions.

Hierarchical multiple regression was conducted to examine the relationship between ethical leadership as the independent variable and knowledge collection as the dependent variable (Table 4). The control variables were included in step 1 of the analyzes and explained 0.18% of the total variance in knowledge collection. The model was found to be statistically insignificant with $F (12,572) = 0.873, p = .574$. Ethical leadership was entered in step 2, and the total variance explained was 11.1% with $F (13,571) = 5.506, p = .000$. Ethical leadership thus explained an additional 9.3% of the variance ($\Delta R^2$) in knowledge collection after controlling for age, gender, education, and university. The analysis indicated that ethical leadership is a statistically significant predictor ($\beta = .311, p = .000$) of knowledge collection. Therefore, hypothesis H1 was supported.

### Table 4. Regression coefficients and main effects of Ethical Leadership on Knowledge Collecting

<table>
<thead>
<tr>
<th>Variable</th>
<th>Step 1</th>
<th></th>
<th>Step 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$t$</td>
<td>Sig.</td>
<td>$\beta$</td>
</tr>
<tr>
<td>Age</td>
<td>.026</td>
<td>.597</td>
<td>.551</td>
<td>.046</td>
</tr>
<tr>
<td>Gender (Male)</td>
<td>.003</td>
<td>.065</td>
<td>.948</td>
<td>.009</td>
</tr>
<tr>
<td>Gender (prefers not to say)</td>
<td>.055</td>
<td>1.312</td>
<td>.190</td>
<td>.066</td>
</tr>
<tr>
<td>Education</td>
<td>-.034</td>
<td>-1.764</td>
<td>.445</td>
<td>-.019</td>
</tr>
<tr>
<td>Univ A</td>
<td>.024</td>
<td>.526</td>
<td>.599</td>
<td>.022</td>
</tr>
<tr>
<td>Univ B</td>
<td>.046</td>
<td>1.018</td>
<td>.309</td>
<td>.059</td>
</tr>
<tr>
<td>Univ C</td>
<td>-.039</td>
<td>-1.799</td>
<td>.424</td>
<td>-.002</td>
</tr>
<tr>
<td>Univ D</td>
<td>-.000</td>
<td>-.007</td>
<td>.994</td>
<td>-.003</td>
</tr>
<tr>
<td>Univ E</td>
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<td>-1.103</td>
<td>.271</td>
<td>-.044</td>
</tr>
<tr>
<td>Univ F</td>
<td>.071</td>
<td>1.639</td>
<td>.102</td>
<td>.066</td>
</tr>
<tr>
<td>Univ G</td>
<td>.029</td>
<td>.653</td>
<td>.514</td>
<td>.006</td>
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<tr>
<td>Univ H</td>
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<td>-.330</td>
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<td>-.009</td>
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<tr>
<td>Ethical Leadership</td>
<td></td>
<td></td>
<td></td>
<td>.311***</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.018</td>
<td></td>
<td></td>
<td>.118</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>.018</td>
<td></td>
<td></td>
<td>.093</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
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<td></td>
<td></td>
<td>.091</td>
</tr>
<tr>
<td>F-value</td>
<td>$F (12,572) = .873, P=.574$</td>
<td>$F (13,571) = 5.506***, P=.000$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: N = 585, $\beta$ = standardized beta, *$p \leq .05$, **$p \leq .01$, ***$p \leq .001$

H2. Ethical leadership has a positive association with employee knowledge donation in higher education institutions.

Hierarchical multiple regression was also conducted to examine the relationship between ethical leadership and knowledge donation (Table 5). The control variables were included in step 1 of the analyzes and explained 0.28% of the total variance in knowledge donation. The model was found to be statistically insignificant with $F (12,572) = 1.380, p = .171$. Ethical leadership was entered in step 2, and the total variance explained was 7.0% with $F (13,571) = 3.324, p = .000$. Ethical leadership thus explained an additional 4.2% of the variance ($\Delta R^2$) in knowledge collection after controlling for age, gender, education, and university. The analysis indicated that ethical leadership is a statistically
significant predictor ($\beta = .209, p = .000$) of knowledge donation. Therefore, hypothesis H2 was supported.

### Table 5. Regression coefficients and main effects of Ethical Leadership on Knowledge Donating

<table>
<thead>
<tr>
<th>Variable</th>
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<th></th>
<th>Step 2</th>
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</thead>
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<td></td>
<td>$\beta$</td>
<td>$t$</td>
<td>$Sig.$</td>
<td>$\beta$</td>
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<tr>
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<td>.022</td>
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<td>-.037</td>
</tr>
<tr>
<td>Univ C</td>
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<td>-.051</td>
<td>.959</td>
<td>.023</td>
</tr>
<tr>
<td>Univ D</td>
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<td>.052</td>
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<td>Univ E</td>
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</tr>
<tr>
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<td>2.078</td>
<td>.038</td>
<td>.086*</td>
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<td>.036</td>
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<tr>
<td>Univ I</td>
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<td>.280</td>
<td>.779</td>
<td>.020</td>
</tr>
</tbody>
</table>

Ethical Leadership                        | .209***| 5.092     | .000   |

$R^2$                                     | .028   | .070      |

$\Delta R^2$                              | .028   | .042      |

Adjusted $R^2$                            | .008   | .049      |

F-value                                  | F (12,572) = 1.380, $P = .171$ | F (13,571) = 3.324***, $P = .000$

Notes: $N = 585$, $\beta =$ standardized beta, *$p \leq .05$, **$p \leq .01$, ***$p \leq .001$

The hypothesized mediation in H3 and H4 was tested using Model 4 of the Hayes Process (Preacher & Hayes, 2004) for SPSS. 10,000 bootstrap samples were chosen as recommended by Hayes (2017).

H3. The ethical climate mediates the relationship between ethical leadership and employee knowledge collection in higher education institutions.

Table 6 shows the total, direct, and indirect effects of ethical leadership on knowledge collection via the ethical climate. Comparing the total effect of ethical leadership on knowledge collection ($B = .273, p < .001$) with the direct effect ($B = .070, p > .05$), it is clear that the direct effect of ethical leadership became lower and insignificant 95% CI [-.0135, .1535] after controlling the effect of the ethical climate, which suggests full mediation. Besides, bootstrapping analysis showed that the indirect effect of ethical leadership on knowledge collection via ethical climate was significant .20, and the 95% confidence interval did not contain zero (CI = [.1369, .2701]), as shown in Table 6. Thus, hypothesis H3 was supported.

### Table 6. Total, direct and indirect effects of ethical leadership on knowledge collection via ethical climate

<table>
<thead>
<tr>
<th>Mediation results</th>
<th>B</th>
<th>SE B</th>
<th>$t$</th>
<th>Sig.</th>
<th>LLCI 95%</th>
<th>ULCI 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL $\rightarrow$ EC $\rightarrow$ KC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Effect</td>
<td>.2728</td>
<td>.0352</td>
<td>7.7467</td>
<td>.000</td>
<td>.2036</td>
<td>.3419</td>
</tr>
<tr>
<td>Direct Effect</td>
<td>.0700</td>
<td>.0425</td>
<td>1.6457</td>
<td>.1004</td>
<td>-.0135</td>
<td>.1535</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>.2028</td>
<td>.0340</td>
<td>.1369</td>
<td>.2701</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: $N = 585$, $\beta =$ standardized beta, *$p \leq .05$, **$p \leq .01$, ***$p \leq .001$
The ethical climate mediates the relationship between ethical leadership and employee knowledge donation in higher education institutions.

Table 7 shows the total, direct, and indirect effects of ethical leadership on knowledge donation via the ethical climate. Comparing the total effect of ethical leadership on knowledge donating (B = .173, p < .001) in Table 7 with the direct effect (B = .074, p > .05), we find that the direct effect of ethical leadership became lower and insignificant 95% CI [-.0095, .1583] after controlling the effect of the ethical climate, which suggests full mediation. Besides, the bootstrapping analysis showed that the indirect effect of ethical leadership on knowledge donating via ethical climate was significant .099, and the 95% confidence interval did not contain zero (CI = [.0421, .1576]), as shown in Table 7. Thus, hypothesis H4 was supported.

<table>
<thead>
<tr>
<th>Mediation results</th>
<th>B</th>
<th>SE</th>
<th>t</th>
<th>Sig.</th>
<th>LLCI 95%</th>
<th>ULCI 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL → EC → KD Total Effect</td>
<td>.1734</td>
<td>.0340</td>
<td>5.0921</td>
<td>.000</td>
<td>.1065</td>
<td>.2403</td>
</tr>
<tr>
<td>Direct Effect</td>
<td>.0744</td>
<td>.0427</td>
<td>1.7415</td>
<td>.0821</td>
<td>-.0095</td>
<td>.1583</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>B</td>
<td>BootSE</td>
<td>BootLLCI</td>
<td>BootULCI</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.0990</td>
<td>.0296</td>
<td>.0421</td>
<td>.1576</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LLCI = lower limit within the 95% confidence interval of boot indirect effect. ULCI = upper bound within the 95% confidence interval of boot indirect effect. Bootstrap sample size = 10,000. Abbreviations: EL, ethical leadership; EC, ethical climate; KD, knowledge donation

Discussion and Conclusion

The main purpose behind conducting this study was to examine the implications of perceived ethical leadership for employees’ inclination to collect and donate knowledge in HEIs and to analyze the role of the ethical climate in that relationship. As discussed earlier, ethical leadership, ethical climate, and knowledge sharing are critical factors for the survival of organizations (Kalshoven et al., 2011; Kuenzi et al., 2020; Swart et al., 2014), and HEIs in particular during crises that demand resilience and transparency.

The study explored the direct relationship between ethical leadership and employee knowledge sharing processes (knowledge collecting and knowledge donating). The findings provided a deeper insight into the relationship between ethical leadership and knowledge-sharing behavior in the context of higher education. In particular, the study emphasized the importance of having leaders at all levels of the organization that are highly ethical and can influence employee outcomes. The study also investigated knowledge sharing from a novel perspective, distinguishing between its two processes of knowledge donating and knowledge collecting (Van den Hooff and De Ridder, 2004). In addition, the research highlighted the significant function that the ethical climate plays in mediating the relationship and subsequently underscored the role of the institution in maintaining the appropriate climate for leaders to influence the knowledge sharing behavior of employees, besides the leaders’ long-held responsibility in producing the desired change.

This study makes considerable theoretical contributions to the literature on leadership, organizational climate, and knowledge management, specifically in the context of higher education. First, it echoes the significance of ethical leadership and its influence on employee attitudes and behaviors, thereby acting as a robustness test of existing research on the subject. It also answers the need for a comprehensive understanding of the mechanism by which employees adopt these attitudes and behaviors and how they are altered by different aspects and styles of leadership (Bock et al., 2005). The study proposes a conceptual model (see Figure 1) that links ethical leadership to knowledge sharing

Notes: LLCI = lower limit within the 95% confidence interval of boot indirect effect. ULCI = upper bound within the 95% confidence interval of boot indirect effect. Bootstrap sample size = 10,000. Beta coefficients not standardized. Abbreviations: EL, ethical leadership; EC, ethical climate; KC, knowledge collection
through the mediating role of the ethical climate – explained through social learning and social exchange theories – within a knowledge-rich organizational environment such as a university.

The findings of this research indicate that, based on social exchange theory, ethical leadership matters significantly in cultivating a positive reciprocity of knowledge sharing among employees in higher education, extending our understanding of the predictors of knowledge sharing behavior and providing further evidence that knowledge sharing indeed has moral grounds. The research also contributes to the theoretical understanding of such knowledge sharing behavior by examining its two distinct behavioral components: knowledge collecting (actively consulting others to obtain knowledge), and knowledge donating (actively providing others with one’s knowledge) (Van den Hooff and De Ridder, 2004).

This study adds to the literature on organizational climates in general and more specifically to the literature on ethical climates in higher education. It draws on social learning theory to provide a rationale that explains why an ethical climate is related to socially desirable employee behavior and why it mediates the relationship between ethical leadership and that behavior. This research uses the novel Ethical Organizational Climate conceptualization (Kuenzi et al., 2020), which draws on Treviño and Nelson’s (2017) theoretical framework of formal organizational practices that provides a more comprehensive understanding of the ethical climate.

The results obtained through the study provide practical recommendations that are valuable to directors and managers in HEIs in Lebanon and serve as a guide for the practice of ethical leadership, the promotion of ethical climates, and knowledge sharing activities in the context of higher education. First, HEIs should strive to hire ethical leaders who, as the findings imply, play a big role in promoting knowledge sharing behavior. In addition, tools that assess integrity, morality, and empathy can be integrated into the hiring process. Examples include tests of integrity in the form of case studies where a given department is assumed to undoubtedly fail unless urgent yet unethical actions are taken. How candidates address this dilemma can raise many flags. Other forms of assessment can include structured interviews that tap into the moral person and moral manager aspects of the interviewee.

Another form of maintaining leaders’ ethicality is training and mentorship, which can be addressed to different employees in the institution according to their unique needs. However, all training should target the moral manager aspect through raising awareness on the importance of ethical practices communicating values to subordinates, thus indirectly serving as ethical role models to others. Training should also build the moral person of the ethical leader by highlighting the implications of justice when using reward and punishment as well as the importance of trustworthiness, honesty, and employee voice. Training needs to be integrated in all performance reviews, which should also document any instances of malpractice that are normally overlooked as time passes.

Policies that relate to recruitment and promotion should clearly state that the aforementioned ethical characteristics must take priority when hiring leaders, thus preventing decisions that are biased toward skills and experience. These policies should also clarify the course of action in case of employee misconduct and ensure that the values of the institution and those of the candidate are always aligned.

Furthermore, the findings in this study signal the pivotal role of the ethical climate in shaping desirable employee behavior. As such, the presence of an ethical climate becomes an essential precursor in HEIs, where ethical leaders are hired to conceivably affect the change. Accordingly, HEIs should regularly incorporate ethical values into their culture by providing the necessary conditions that establish a strong ethical climate. Institutions can erect a dedicated office that focuses on this undertaking, thereby sending a clear message to leaders and followers alike about the seriousness of ethics. Such an office would be tasked with maintaining the six formal systems that constitute an efficient ethical climate: recruitment and selection, orientation and training, policy and codes, reward and punishment, accountability and responsibility, and decision-making. Policies and procedures that emphasize the value of being an ethical employee can then be devised and enforced, ultimately producing a highly transparent system. Moreover, such a tangible office strengthens the perceptions of the ethical climate, which is more effective than sponsoring an idea that, at best, remains abstract.

Another important finding of this study was the role of the ethical leader in encouraging the two facets of employee knowledge sharing, i.e., knowledge collecting and knowledge donating. Under ethical leadership, employees overcome their fear of losing proprietorship to their knowledge and are motivated to take what otherwise would be considered risky steps. Altogether, the previous points
suggest that ethical leadership in HEIs not only promotes employee knowledge sharing directly, but also indirectly through the mediating effect of the ethical climate, which has direct implications for policies that govern the sharing of knowledge in the institution. HEIs should allocate considerable effort to develop ethical leaders and constructing and maintaining an unchanging ethical climate. Diligence should extend beyond recruiting and promoting ethical leaders at all levels to enact a comprehensive ethical climate through honing the six formal systems endorsed in this study.

It is worth noting that the positive influence of ethical leadership and ethical climate may well extend beyond the context of HEIs to other contexts in Lebanon, especially those that are affected by the societal impact of these institutions. For example, the public and private sectors can benefit from the positive implications listed above as these sectors will eventually recruit their workforce from ethically-led and values-driven Lebanese HEIs. Rectified governance and management practices inside HEIs will ultimately dissipate to the larger community through enriching the Lebanese civic and economic life and influencing government planning and policy making.

Limitations and recommendations

The researcher recognizes that this study is not without limitations. First, although the data were collected from a wide number of HEIs in Lebanon, the study is still cross-sectional and causal inferences cannot be clearly drawn from the results. The author strongly encourages future researchers to adopt a longitudinal design that can better estimate causal relationships in the research model. Second, the survey was administered to HEIs in Lebanon, limiting the applicability of the findings in other research contexts. Third, the survey used close-ended questions that cannot reveal the motivations behind the answers. Future research should therefore consider investigating the motivations behind the respondents’ answers. Fourth, the survey method might be subject to common method bias resulting from self-report questions (Podsakoff et al., 2003). However, the choice of measuring knowledge sharing behavior through self-report questions was intentional rather than convenient. Only respondents answering those questions could rate how personally involved they were in collecting and donating knowledge.

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Availability of data

The datasets generated and/or analyzed during the current study are not publicly available because permission was not obtained from participants to share their data publicly but are available from the corresponding author on reasonable request.
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