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## DECLARATION

I, **Arnold Sithole** (Student Number R174088B) at the Graduate School of Management, University of Zimbabwe do hereby certify on this day 30 August 2019 that I am the sole author of this material under the supervision of Dr Clever Gumbo.

This research study is a presentation of my original research work. Where contributions of others are involved, every effort has been made to indicate this clearly, with due reference to the literature, and acknowledgement of collaborative research and discussions.

Student	Sithole Arnold
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I have supervised this student and it is of Master's level standards

Supervisor	Dr. Clever Gumbo
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*Arnold Sithole*

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## ABSTRACT

Increased corporate malfeasance and ethical misconduct in organisations around the world and Zimbabwe in particular have brought about a renewed interest in business ethics, specifically the need for a better understanding of the roles and responsibilities of leadership in promoting ethical conduct among their followers. Drawing from both social learning and social exchange theories, this study aim to empirically examine the factors influencing ethical leadership practices in the retirement and pensions industry in Zimbabwe. A quantitative, cross-sectional study of firms operating in the retirement and pensions industry in Zimbabwe was conducted to determine the extent to which an organisational environment, ethics-related interventions, internal whistleblowing and good governance contributed to the maintenance of ethical practices. Data were collected through a self-administered questionnaire survey of 164 pension fund employees to explore their perceptions of ethical leadership practices in the industry and were subjected to extensive statistical analyses by means of SPSS version 23.

The research findings confirm the hypothetical predictions that organisations in the sample are perceived to be highly ethical due to encouragement and disclosure of unethical behaviours through internal whistleblowing, adoption of good governance principles, the presence of an ethical environment and prevalence of ethics-related interventions. Thus, significant and positive links are revealed between tested variables and therefore, an ethical organisational environment, ethics-related interventions, internal whistleblowing, good governance lead to enhanced ethical leadership practices. In light of the high number of reported ethical scandals internationally, this study will add to the empirical body of business ethics research, as it provides organisations with a framework to establish and maintain ethical and reputable organisations.

**Keywords:** *ethical practices, ethics interventions, good governance, ethical leadership, internal whistleblowing*

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# **CHAPTER 1: INTRODUCTION AND BACKGROUND TO THE RESEARCH STUDY**

## **1.1 INTRODUCTION**

Pension Fund scandals that have come to the public's attention over the past years (*The Zimbabwean*, 2015; Chikono, 2018; Kairiza, 2018; *The Sunday News*, 2017) have brought about renewed interest in business ethics and highlighted the importance of ethical conduct among those in influential positions. With the present-day business environment characterised by faster communication systems which make negative news effortlessly spread, customers are now much more responsive to messages on social media and are more willing to shun organisations they believe engage in malpractices. Thus, a firm's leadership can no longer afford to engage in unethical business practices. Negative publicity created through unethical business practices impede on a firm's performance and value, making it impossible to expect higher performance standards from subordinates (Londoño, Jarvis, Lopoukhine & Mapesa, 2015). The topic of ethical leadership has thus become increasingly relevant in today's research.

The significance of ethics cannot be over-emphasised as a contributor to the loss of confidence in firms in the retirement and pensions industry. Empirical evidence has steadily confirmed the relationship between ethical leadership practices in organisations with positive individual outcomes; which outcomes lead to more cost-effective, sustainable and reputable organisations (Chun, Shin, Choi & Kim, 2013; Mella & Gazzola, 2015). Thus, good leadership is one of the most critical determinants of an organisation's success or failure and a differentiating factor between excellence and mediocrity (Koech & Namusonge, 2012; Madanchian, Hussein, Noordin & Taherdoost, 2016; Hasan & Khajeh, 2018). However, it has to be kept in mind that the issue of ethics remain not only a concern for executives who are always seeking to set the organisation's overall strategic direction, but must pervade all levels of the organisation. To that end, there is a need to flesh out and explain the various factors that influence ethical leadership behaviours and practices.

The chapter is comprised of the background to the study, research problem, research aim, objectives and questions, scope of research and the dissertation structure.

## 1.2 BACKGROUND TO THE RESEARCH STUDY

The pensions sector in Zimbabwe has faced a number of challenges with some pertaining to poor corporate governance and an increase in cases of a moral nature (Dzingire, 2018; Musarurwa, 2018; Kairiza, 2018; Chikono, 2018) which issues of ethical consciousness broadly place the concept of ethical leadership of fund managers on the limelight. These have impacted on lack of confidence by members who constantly worry about the erosion of their pension value, resulting in them having low confidence in the governance of pension funds. Leaders are a fundamental source of ethical guidance in today's corporate bodies and must seriously consider the idea of moral development in their organisations. As Mihelič, Lipičnik and Tekavčič (2010) highlight in their work that the question of whether corporate managers are ethical often comes particularly in times of scandals and moral lapses. Through processes including social learning and social exchange, employees' attitudes and behaviours would be profoundly influenced by whether their leaders act with morality (Bao & Li, 2019). This study, therefore, sought to explore this subject by examining the factors influencing ethical leadership practices in Zimbabwe.

Previous research has explored relationships between ethical leadership and different factors like relationships between ethical leadership and an ethical context (Lloyd, Mey & Ramalingum, 2014; Mitonga-monga, 2015), ethics-related interventions (Mey & Lloyd, 2014), whistleblowing (Mintz, 2012; Dyrud, 2017; Malik & Nawaz, 2018), and good governance (Lloyd, Mey & Ramalingum, 2014; Kwakye *et al.*, 2018). Mazviona's (2013) qualitative study looked at the ethical issues affecting the pensions industry. However, his study was not meant to explore the effect of an organisation's leadership ethics on performance but to identify and discuss ethical issues and challenges present in the provision of pension fund management in Zimbabwe. The study pointed out regulatory reforms, investment consideration, shareholder activism, educating and training of trustees, poor communication and lack of sound corporate governance structures as some of the issues bedevilling the industry. The research fell short as it mainly looked at the challenges affecting performance in the industry. Chukwujiokwe (2018) went further by exploring the relationships that exist between ethical leadership and corporate governance, corporate performance and corporate social responsibility in Nigeria's banking industry. Findings to this study revealed that ethical leadership has a significant positive effect on corporate governance, corporate performance and corporate social responsibility. A quantitative



study by Almutairi, Alhussaini and Thuwaini (2016) assessed the key ethical leadership practices that followers can identify with, and tested for the prevalence of ethical leadership practices at the Public Authority for Applied Education College of Business Studies and Training in Kuwait.

Bhal & Dadhich (2013); Zhang, Chiu & Wei (2016); Malik & Nawaz (2018) were in agreement that there was need for further evidence to comprehend the relationship among leadership and whistleblowing as there is a dearth in literature. Researchers seem to argue more on the leadership style that can be considered favourable to the identification of unethical practices and whistleblowing. Rodrigues and Niemeyer (2016) examined the effect of ethical leadership on relationships between leaders and followers, together with its consequences for individual performance, commitment to work goals, and organisational citizenship. Results to their study exhibited a positive relationship between ethical leadership and leader-follower relationship quality and employee performance. Rodrigues and Niemeyer suggest that ethical leadership influences productivity positively through forging of healthier associations with employees. Kim (2015) studied 147 Korean companies on top management ethical leadership and firm performance; with ethical and procedural justice climate mediating the relationship. The firm-level analysis revealed that ethical leadership significantly predicts ethical climate, which then results in a procedural organisational climate that fully mediates the effects of ethical leadership on organisational outcomes. Hansen *et al.*, (2013) examined the relationships between ethical leadership, social exchange, and employee commitment and established that organisational and supervisory ethical leadership are positively related to employee commitment to the organisation. Their study also revealed that different types of social exchange relationships mediate the relationships between ethical leadership and employee commitment to the organisation. However, the above-mentioned studies explores one or two dimensions with none attempting to look comprehensively into more attributes that impact on the practice of ethical leadership.

In spite of the expectations that ethical leadership promotes positive consequences in the work context, limited empirical research is available with respect to its association with factors such as internal whistleblowing, corporate governance and other relevant aspects in the business environment. The present research will contribute by trying to filling this gap,

therefore expanding the knowledge on ethical leadership influence and extent in Zimbabwean retirement and pensions sector.

### **1.3 RESEARCH PROBLEM**

The retirement and pensions industry in Zimbabwe has been facing an increase in issues of a moral nature. Corporate scandals ranging from mismanagement, poor corporate governance, poor investment decisions to corruption within the retirement and pensions industry have made headlines in local media (*Newsday*, 2010; *The Zimbabwean*, 2015; *The Sunday Mail*, 2016; Langa, 2017; Chikono, 2018; Kairiza, 2018; Musarurwa, 2018; Tarusenga, 2019). Firms in the retirement and pensions industry have been struggling to perform with most attributing poor performance to a myriad of factors including the current economic crisis. With the uncertainty of recent times, the greatest challenge for the pensions industry appears to be the restoration of pensioners' confidence, hope and optimism. As highlighted earlier, corporate leaders can no longer afford to engage in unethical business practices because of the negative impact that can have on the performance and reputation of firms they preside. Apart from the negative publicity which has the potential to damage the firm's reputation, the value of the firm also stands to suffer. Zhu, Sun and Leung (2014) explored ethical leadership and its impact on firm performance, firm reputation and corporate social responsibility, with their work uncovering that ethical leadership comprises of honest, trustworthy and caring; which outcomes are essential in the promotion of corporate performance. Sugianingrat, Yasa, Sintaasih and Subudi (2017) looked at the mediating effect of ethical leadership on employee performance and found out that the relationship between ethical leadership and employee performance is positive but not significant. Rodrigues and Niemeyer's (2016) qualitative work examined ethical leadership from a proposition that ethical leaders promote a sequence of benefits in the organisational context such as increases in productivity and employee citizenship behaviours. They concluded that ethical leadership has a positive impact on work productivity through establishing better relationships with employees. Eisenbeiss, van Knippenberg and Fahrbach (2015) also looked at the context-dependency of organisation level relationship between CEO ethical leadership and firm performance. Results from

the study validated the notion that ethical leadership impacted on organisational performance.

In Zimbabwe, Mazviona (2013) made a contribution by looking at ethical issues in Zimbabwe's retirement and pensions industry. However, the study was not meant to address the effect of an organisation's leadership ethics on its performance. Mazviona (2014) further studied ethical issues on Zimbabwe's in Short-Term Insurance Industry with a view of establishing whether allegations of unethical practices within the short term insurance industry exist and determine whether any such allegations were a major hindrance to the growth of the sector. The study concluded that there were unethical practices in the industry. However, such unethical practices were not significant to the growth of the short-term insurance industry. The study did not look into the firms' leadership as a contributor. Mazviona, Dube and Sakahuhwa (2017) examined the factors affecting the performance of insurance companies in Zimbabwe. The study revealed that expense ratio, claims ratio and the size of a company significantly affect insurance companies' performance negatively; with leverage and liquidity positively affecting performance.

Although much evidence has been gathered to enlighten the relationship between ethical leadership practices, good governance, whistleblowing, and the environment, consensus has not been reached among scholars with respect to how these variables influence ethical practices in the workplace especially in developing countries such as Zimbabwe in as much as they affect those in the developed world where much of the studies have been conducted. Even in the first world countries where much research on ethical leadership and practices have been conducted, consensus has not been achieved on the predominant variables that can Accordingly, this study sought to answer the following research question: *What are the factors that influence ethical leadership practices in the retirement and pensions industry in Zimbabwe?* The study aims to achieve this through exploring the effect of organisational environment, ethics-related interventions, internal whistleblowing and good governance on ethical leadership practices.

## **1.4 RESEARCH OBJECTIVES**

### **1.4.1 RESEARCH AIM**

The aim of this study was to empirically examine the factors that influence ethical leadership practices within the retirement and pensions industry in Zimbabwe as well as to ascertain the level of ethical leadership practices in the industry.

### **1.4.2 SPECIFIC OBJECTIVES**

The study's specific objectives were to:

- Determine the factors influence ethical leadership practices in the retirement and pensions industry in Zimbabwe.
- Establish the contribution of an organisational environment on ethical leadership practices in the retirement and pensions industry.
- Explore the effect of ethical interventions on ethical leadership practices in the retirement and pensions industry.
- Determine the influence of internal whistleblowing on ethical leadership practices in the retirement and pensions industry.
- Explore the impact of the adoption of good corporate governance principles on ethical leadership practices.
- Determine whether occupational characteristics (*organisational role and job tenure*) have an effect on ethical leadership practices.
- Recommend possible strategies towards enhancing ethical leadership practices in the industry.

## **1.5 RESEARCH QUESTIONS**

The research questions were divided into main and sub-questions:

### 1.5.1 MAIN RESEARCH QUESTION:

The fundamental question that this study aimed to answer was “What are the factors that influence ethical leadership practices in the retirement and pensions industry in Zimbabwe?”

### 1.5.2 SUB RESEARCH QUESTIONS

The study sought to answer the following sub-questions:

- What are the factors that influence ethical leadership practices?
- What influence does such factors have on ethical leadership practices?
- What influence does ethics interventions have on ethical leadership practices?
- What influence does internal whistleblowing have on ethical leadership practices?
- What influence does good governance have on ethical leadership practices?
- What impact does occupational factors (*as conceptualised by organisational role and job tenure*) have on ethical leadership practices?
- What are the possible strategies towards enhancing organisational performance through ethical leadership?

### 1.6 HYPOTHESES

The main research hypothesis for the study was:

**H0:** Firms operating in the retirement and pensions industry in Zimbabwe are highly ethical.

The following hypotheses were used in the study:

**H1:** Organisational environment has a significant influence on ethical leadership practices.

**H2:** Ethics interventions significantly influence ethical leadership practices.

**H3:** Internal whistleblowing positively influence ethical leadership practices.

**H4:** Good corporate governance is positively associated with ethical leadership practices.

**H5:** Occupational factors (*organisational role and job tenure*) significantly influence ethical leadership practices outcomes.

## **1.7 DELIMITATION OF THE STUDY**

The study examined the factors influencing ethical leadership practices in retirement and pensions firms in Zimbabwe. The study made specific reference to the industry's stand-alone self-administered pension funds in Zimbabwe as it contributes significantly to the industry. It was observed that from the 1,088 pension fund operating in the country, there are 16 stand-alone self-administered pension funds who had a combined membership share of 42.27% and contributed about to \$1.9 billion of the industry's total assets (Ipec, 2019). The study was confined to corporate events of the post-dollarisation period owing to the increased cases of a moral nature.

## **1.8 SIGNIFICANCE OF THE STUDY**

Business ethics and corporate reputation remain a key concern for business leaders. This study will assist pension firms in Zimbabwe to comprehend factors that may significantly influence their ethical leadership behaviours and practices; thereby helping them to implement programs that will help improve upon their ethical decision making. The study recommendations also contribute to the researcher's professional development as a business leader in the industry through deep insights into the influence of ethical leadership practices. In exploring the extent of ethical leadership practices in the industry, it is hoped that the recommendations from the study will assist the retirement and pensions industry practitioners in recognising the significance of ethics in enhancing the reputational performance of not only individual firms, but the industry as a whole.

## **1.10 DISSERTATION OUTLINE**

The study is comprised of five chapters. Chapter 1 introduced the study and provided a background to the study. The research problem, research questions, research objectives and hypotheses were formulated and highlighted in this chapter. The chapter also highlighted

the scope and limitations of the study. Chapter 2 looked into literature that was reviewed during the study as well as the development of the conceptual framework. The chapter generally contains a critical analysis of work that has been done in the subject area, i.e. the theory and empirical research on ethical leadership and its linkages with an organisational environment, ethics-related interventions, internal whistleblowing and good governance, together with an analysis of the various conceptual frameworks that were presented by previous researchers. Furthermore, the chapter contains definitions of the main terms and explains the search strategy for literature. The main objective of the chapter was to present and discuss the pool of available knowledge related to the research area and highlight a lacuna in literature that this study aims to eliminate.

Chapter 3 presented the research methodology and methods applied during the research. The data collection instruments, population and sampling methods that were applied during the study were discussed in this chapter. Chapter 4 delivered data analysis and presentation. The chapter contains a presentation of the primary data collected through questionnaires as well as an overview of the study's results. Chapter 5 discussed the study's results and key findings. Limitations of the study, scope for future studies in the same research area and recommendations made in addressing identified weaknesses were also discussed. The chapter concluded this dissertation.

## **1.11 CHAPTER SUMMARY**

Chapter 1 introduced the study and provided a background of the retirement and pensions industry in Zimbabwe as well as the research problem. To come up with appropriate results, the researcher laid down five hypotheses to provide possible answers to the research problem. Justification of the study was provided and as such, the successful completion of this research work will provide new insights to the existing board of knowledge in the area of ethical leadership and how ethical leadership practices can be influenced by the identified factors. Lastly, the chapter provided the scope to which the research focused on based on the population and the dissertation outline was provided. Chapter 2 provides literature review and the development of the conceptual framework.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

The previous chapter provided the background and overview of the research study, highlighted relevant issues and motivations for the study and provided clarity on key concepts and issues pertaining to methods to be used in the study. The purpose of this chapter is to present a review of an existing body of knowledge which is of relevance to this research. Accordingly, literature on factors influencing ethical leadership practices and their associations was reviewed. A theoretical model that underpins the study was developed before the chapter concluded with a summary of the literature and the identification of a lacuna in theory that this study aims to bridge.

### **2.2 LITERATURE SEARCH STRATEGY**

A search strategy is a well thought out approach and plan about how to search for relevant information. Development of a search strategy is of importance as it enhances one's use of information sources in a consistent, structured manner. The researcher adopted an approach to review relevant journals through a general search on online databases including Google Scholar, Sage, Jstor, Ebsco, Emerald, Research Gate, Academia, Social Science Research Network (SSRN) and Sage Journals. The majority of these journals were Journal of Business Ethics, Academy of Management Journal, Journal of Management, Strategic Management Journal, and Administrative Science Quarterly. These journals were chosen because of their relevance to research in the management field. The study extensively restricted its focus on research of the past 6 years, dating from 2013 to 2019. Journals with the words "*reputation\**", "*\*governance\**", "*ethical leadership\**", "*business ethics\**", or "*whistleblowing\**" in the title, abstract or keywords were selected and analysed.

### **2.3 BACKGROUND OF THE RETIREMENT AND PENSIONS INDUSTRY IN ZIMBABWE**

A pension fund refers to any fund whose principal object is the provision for the payment of pension benefits to a person who is or has been a member of the fund on that member's retirement (*Pensions & Provident Funds Act*, 2002). The retirement and pensions industry is a significant contributor to the country's economy and boasts of 1,088 Pension Funds with total assets of \$5.738 billion as at 31 March 2019 (Ipec, 2019). Membership and total



asset contributions expressed in the Ipec Report are exclusive of the National Pensions Scheme that is administered by the National Social Security Authority (NSSA). According to Ipec (2019), the retirement and pensions industry in Zimbabwe comprises of Insured Funds (*fund whose contributions are used to buy assets which are registered in the name of the insurer and not the fund*), Self-Administered Funds (*self-administered funds are those under fund administrators and insurers but their assets are registered in the respective names of the funds*) and stand-alone self-administered pension funds (*self-administered funds which own and control their administration structures for the purpose of operating the fund*). The Ipec Report also highlights that stand-alone self-administered funds have 42.27% of total membership and contributes 35.31% (\$1.9 Billion) to the total assets of the industry.

The pensions industry has faced numerous challenges ranging from corrupt office bearers to questionable investment decisions, among others. Through these challenges, compounded with the demise of the Zimbabwean dollar during the hyper-inflationary period leading up to the year 2008, the pension industry regrettably remains uninsulated from woes of currency collapse and business malpractices. With the primary objective of every fund being the provision of financial security to members and beneficiaries post retirement, pension funds in Zimbabwe have been unable to meet the ordinary pensioner's reasonable expectations in recent years (Mazviona, 2013; Chikwanha, 2013). Pensioners were greatly affected by the poor performance of pension funds, which performance was mainly due to the changes in the operating environment. This saw the industry losing an estimated \$3 billion, according to the findings of the Commission of Inquiry on Pensions chaired by Retired Justice Smith (*The Daily News*, 2018) as almost the entire pension contributions and some statutory requirement asset classes such as prescribed assets and money market investments were wiped out overnight when the Zimbabwean authorities switched over to a multi-currency regime. From a pensions perspective, poor corporate governance, unethical investment decisions and business malpractices continue to haunt the performance of the industry (*Business Weekly*, 2018; Langa, 2017; *The Daily News*, 2018; Mphambela, 2012; Mhlanga, 2018). A significant number of pensioners have not accessed the benefits they were entitled to, resulting in close to \$17.52 million worth of vital pension benefits going unclaimed at the country's pension funds (Ipec, 2019). Non-remittance of pension contributions by firms has also deprived pension funds the critical financial resources they dearly require to make investments on behalf of their membership,

which has seen pension contribution arrears rising to \$603 million as at 31 March 2019 (Ipec, 2019).

Further to that, the institution of the Retired Justice George Smith-led commission of inquiry, which probed the processes that led to the conversion of pension benefits before and after dollarisation, confirmed huge losses of pension value and recommended adequate compensation for the losses suffered (Mhlanga, 2018a), putting a strain on the funding levels and operating environment of pension funds. The Justice Smith Commission of Inquiry Report also pointed to issues such as inadequate legislation and regulatory failure, poor corporate governance, poor record keeping, poor accounting, auditing and actuarial, and other risk management practices for the crisis that befell the industry. The post-dollarisation period has seen an increase in the number of corporate scandals in the retirement and pensions industry with several pension funds making the headlines for the wrong reasons ranging from poor, unethical investment decisions to corruption (*The Zimbabwean*, 2015; Langa, 2017; Chikono, 2018; Kairiza, 2018; Musarurwa, 2018). One of the funds, for example, made investment decisions that impacted negatively on the reputation of its leadership and the industry as a whole, as it failed to account for millions-worth of assets that it had purchased (Maodza, 2016a; Maodza, 2016b; *The Sunday Mail*, 2016; *The Sunday News*, 2017; Nyoni, 2017; Moyo, 2018; *The Standard*, 2018). Such unethical decisions and behaviours by leaders negatively influence followers; hence the need for leaders to communicate and justify their actions to followers.

Ethical leadership gained significant attention following corporate scandals at Enron, Worldcom, Parmalat, Tyco, Google, Nike, Volkswagen and recently Boeing's 737 Max among a host of other failures of global corporations (Chandler, 2014; Maune, 2015; Quinlan, 2018). These corporate scandals highlight typical challenges members face in saving for their retirement where fraudulent manipulation on savings value remain a great risk.

## **2.4 DEFINITION OF ETHICAL LEADERSHIP**

Brown et al. (2005:120) defined 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.' It can be observed from Northouse's definition that ethical leaders

are perceived as morally upright decision-makers who care about their followers and society. Thus, ethical leaders display actions which demonstrate their inherent need for making morally correct decisions. Yang and Wei (2018) view ethical leadership as appropriate conduct through personal actions and interpersonal relationships. Al-sharafi and Rajiani (2013) defined ethical leadership as the principles, beliefs and values of right and wrong that characterise the foundation of organisational behaviour; thus formulating the pedestal upon which leaders influence their followers in attaining organisational goals. Buble (2012) views ethical leadership as a process of influencing employees through values, principles and beliefs that extensively border on the accepted norms in the organisational behaviours while Mayer (2011) interprets ethical practices as ethics-related actions or activities that are repeated and recognisable in organisations. From the reviewed definitions, it can be observed that ethical leadership involves appropriate conduct, and there should be a dyadic exchange of ethical influence between the leader and followers. Thus, ethical leaders must walk their talk and act in ways that are perceived by followers as morally right since they are viewed as role-models. Accordingly, ethical leadership from the researcher's view-point comprises of the activities that a leader undertakes to foster a culture and environment that support ethical practices throughout the organisation.

With leadership remaining a great resource that guides organisations in the realisation of corporate objectives, it has been observed that unethical conduct from corporate leaders negatively impact on organisational performance and reputation (Eisenbeiss, van Knippenberg & Fahrbach, 2015). Leadership's conduct serve as role-modelling behaviour for followers as their conduct is accepted as appropriate, thus ethical leaders are a source of guidance for their followers (Parks, Khuong & Quoc, 2016). Marsh (2013) stresses that leadership is a fundamental determinant of ethical action and affects the ethos of the workplace thereby helping with the formulation of ethical choices and decisions; which view is supported by Levine and Boaks (2014). Thus negative moral behaviour impacts on followers; hence the need for leaders to continuously communicate and justify their actions to followers. Malik and Nawaz (2018) stress that unethical practices impacts negatively on an organisation's performance, growth and reputation.

However, the increasing number of moral nature in the retirement and pensions industry is a succinct pointer on the importance of ethical leadership. Such corporate indiscretions and unethical conduct are not only a threat to the positions of most senior executives, but also

to the survival of the organisations they preside. This dearth of ethical leadership in organisational practice often effects harm on employees' morale and the organisation's reputation in particular, thereby exposing employees to negative effects which, according to Alshammari, Almutairi and Thuwaini (2015), often result in loss of trust and integrity in leadership. In their research, Alshammari, Almutairi and Thuwaini (2015) hypothesise that leadership in organisations view ethical leadership differently, with understanding bordering on the angle of exhibiting good characters and right values. Thus corporate greed and fraudulent activities by executives and senior management can result in the adoption of unethical behaviour by followers as leaders cultivate negative consequences in their teams (Harrison, 2018). There are strong indications from literature which highlight the perception that good relationships between followers and leadership in organisation will inarguably lead to strong social support of the organisation (Odeneye, Hoon & Phlypo, 2018; Chughtai, Byrne & Flood, 2015). Thus, it is important for firms to practice ethical leadership as it goes a long way in stimulating positive employee behaviour in the organisation. To be effective, ethical leadership practices should start with top management and cascade down throughout the organisation to all employees including those at the lowest level of the organisational hierarchy. Thus, ethical leadership illuminates the influence of moral conduct and ethics on the behaviour of employees as exemplified by their leaders.

Research highlight a number of ethical leadership practices of varying degrees that organisations can adopt in an attempt to make their organisations ethically strong. Mintz (2017) stresses that leadership practices such as role-modelling, communication of ethical expectations, offering an environment that fosters ethics training, encouragement of whistleblowing practices and ethics reward systems are key in modelling employee behaviour, which notion was supported by Chigudu (2016).

Employees constantly look forward to the conduct of their top management's conduct as a model of what constitutes acceptable behaviour in an organisation. Therefore, organisations can use role-modelling to develop ethical standards (Kar, 2015; Mintz, 2017) since, according to social learning theory, employees tend to proximate ethical behaviours of their leaders. A study by Kar (2015) reveals that learning from role models also occur through ethics training; i.e. seminars, workshops, and typical ethics training programs reinforce ethical standards.

## **2.5 UNDERPINNING THEORIES**

This study is informed by social learning and social exchange theories. The salient points are summarised below:

### **2.5.1 SOCIAL LEARNING THEORY**

The issue of ethics forms the hallmark of leadership, which is premised on the social learning theory as propounded by some researchers (Bandura, 1977, 1986). Social learning theory posits that individuals learn appropriate behaviours through a role-modelling process, by observing the behaviours of others (Usman & Hameed, 2017). Accordingly, ethical leaders are perceived to be legitimate and attractive role models who gain and hold employee attention and therefore can influence their self-efficacy through a modelling of processes that include the transition of values, attitudes, and behaviours (Chukwujiokwe, 2018; Tamunomiebi & Orianzi, 2019). Employees are much more likely to emulate the practices and behaviours of the organisation's managers. In this case, managers act as leaders and role-models who are perceived to be credible and attractive (Bandura, 1977; Javed *et al.*, 2019).

Ethical leaders should become moral persons themselves in order to attract the attention of followers to ethics. According to Bandura (1977), being a person of strong character, possessing right values, and acting with an altruistic motive; ethical leaders can enhance one's attractiveness. Ethical leaders must be honest, fair, and trustworthy to be effective and successful, and should turn themselves into moral managers in order to motivate followers to participate in ethical behaviours (Bandura 1977, Usman & Hameed, 2017). Brown et al (2005) posit ethics as the sole and central tenant of ethical leadership.

### **2.5.2 SOCIAL EXCHANGE THEORY**

Although researchers have advanced insights based on social learning theory for understanding why ethical leadership practices reduce followers' undesirable or unethical behaviours through role modelling, the social exchange perspective provides a more robust explanation as to why followers might reciprocate ethical treatment through the display of desired positive work behaviours. Social exchange theory (Blau, 1964) suggests that behaviours are the product of perceptions and attitudes. In other words, there is an exchange relationship among perceptions, attitudes and behaviours. In this respect, it is easy to say that according to social exchange explanations the pattern of behaviours is shaped by

attitudes and perceptions. Supportively, Yıldız et al. (2015a; 2015b) assert that positive perceptions trigger positive behaviours via positive attitudes or vice versa. On the other hand Yukl (2002) state that leaders have a power of influence on their followers. Past researchers indicate that role models influence pro-social behaviours (Mayer et al., 2010; Picollo et al., 2010) and destructive deviant workplace behaviours (Uddin et al., 2014; Van Gils et al., 2015).

In light of these arguments, the organisation's context, interventions and governance practices by senior leaders influence ethical leadership practices which would then then develop a quality relationships with followers characterized by mutual trust, liking, and long-term mutual obligation (Bao & Li, 2019). Leaders, as role models, have an important role at fostering positive behaviours and preventing destructive or harmful employee behaviours (Harun and Bora, 2016).

## 2.6 MODELS FOR ETHICAL LEADERSHIP PRACTICES

*Table 2.1: Factors of Ethical Leadership Practices*

Important Factors	Article
Organisational Environment and Climate	Assaad <i>et al.</i> , (2016) Fox (2015) Ruiz-palomino & Martinez-Can˜as, (2014) Wotruba (1990) Trevino (1986)
Ethics Interventions	Bvuma & Barnard (2014)
<ul style="list-style-type: none"> <li>• Personal &amp; professional codes of ethics</li> <li>• Company ethical codes</li> <li>• Rewards and punishment</li> </ul>	Engelbrecht, Heine & Mahembe (2014) Arulrajah (2015) Fox (2015) Kalshoven, Hartog & Hoogh (2011)
Internal whistleblowing	Chigudu (2015) Mazviona (2013) Shacklock <i>et al.</i> (2010) Zehir & Erdogan (2011) Riivari & Lämsä (2014) Apaza & Chang (2011)

Good Governance	National Ethics Advisory Committee, (2008) Avey, Wernsing & Palanski (2012) Khan & Adnan (2014) Chowa (2016) Strydom (2017) Engelbrecht & Heine (2017) Khokhar (2017)
Legislation	National Ethics Advisory Committee, (2008) Mazviona (2013) Museve (2015) Dyrud (2017) Koutoupis & Pappa (2018)
regulatory reforms	Fox (2010) Mazviona (2013) Namada <i>et al.</i> , (2014)

Table 2.1 above summarises the results of the content analysis conducted during the theoretical inquiry phase, illustrating the factors that were identified most frequently by the different models and articles researched. Quite a number of factors have been identified in the literature as impacting on ethical leadership practices and behaviours in organisations. This study, however, focused on the impact of organisational environment, interventions, internal whistleblowing and good corporate governance on ethical leadership practices within the pensions industry in Zimbabwe.

## **2.7 REVIEWING FACTORS INFLUENCING ETHICAL LEADERSHIP PRACTICES**

Ethical leadership factors can be described as those that motivate or inhibit the adoption of moral-based leadership. Previous research provided the organisational environment, interventions, whistleblowing and good corporate governance principles among some of the factors that impact on ethical leadership practices in today's organisations.

### **2.7.1 ORGANISATIONAL ENVIRONMENT**

It has been observed that a solid ethical footing is essential for strong organisational success and reputation with the institutionalisation of ethics becoming a strategic imperative. While legislation and corporate codes have been put in place with a view of eradicating cases of corporate malfeasance, leadership remain the most fundamental determinant of ethical action and must therefore assist with the development of ethical organisations and communities that shape employees' character and behaviour (Marsh, 2013). Consequently, an organisational environment is essential in shaping and providing guidance to employees' ethical behaviour. Van Vuuren (2002) in Mey & Lloyd (2014) defines an ethical organisation as 'one that has a strong ethical value orientation that lives those values and practices them each time the organisation engages with its stakeholders. Mounting evidence suggest having an organisational environment is an essential ingredient for encouraging ethical conduct. The development and sustenance of a strong ethical organisational environment is highly an ever-challenging mission that certainly requires viewing ethics not only as a belief problem, but a design problem as well (Epley & Kumar, 2019). A study by Zona, Minoja & Coda (2013) shows that ethical leadership practices greatly depend on institutional setting. However, the ever-increasing instability, volatility and uncertainty of the current business environment seem to have a tremendous knock down on ethical leadership practices.

A quantitative analysis by Mey and Lloyd (2014) aimed at determining ethics-related roles played by the leadership in organisations proposed a three-levelled strategy of institutionalising ethics into a corporate culture, i.e. formulation of an ethics management system, designing of systems for strategy implementation and application of ethical principles in the daily activities of every employee. However, some researchers identified ethical climate, ethical practices and ethical leadership as fundamental pillars which promote an ethical organisational environment (Mayer, 2011; Arulrajah, 2015; Mitongamonga, 2015). Organisational ethical climate refers to employees' perception on whether their organisation is ethical and ethical practices are ethics-related actions and activities that are continual and identifiable with an organisation; they reflect what the organisation actually does (Mayer, 2011).

Epley and Kumar (2019) on the other hand, took a slightly different approach and stressed that four fundamental features needed attention when designing an ethical organisational



environment: *explicit values, thoughts during judgment, incentives, and cultural norms*. They highlighted the importance of a strategic approach, remarking that organisational strategies and practices need to be anchored on clearly stated principles which in turn reinforces the ethical system. Thus employees can easily see how their organisations are influenced ethical principles. They also noted the need for a simple, short, actionable, and emotionally resonant mission statement that undergirds the organisation's strategies and policies. This notion was also shared by Bailey and Shantz (2018) who highlighted that ethically strong organisations develop their environments basing on robust strategies, policies and codes of conduct thereby making sure that ethical principles are engrained within the organisation. Mazviona (2014) also contributed to the discussion by emphasising the need for business ethics to be driven from a strategic level and an all-inclusive approach when institutionalising ethics through incorporating all business units.

A qualitative study by Ardichvili, Mitchell and Jondle (2009) revealed a relationship between an organisational environment and ethical practices. They stress that leaders are key players in the creation and sustenance of ethical organisation's environments. Consequently, leaders influence employees' behaviour through their own conduct in obvious or subtle ways. Therefore, it is imperative for leaders to engage in ethical practices that enhance follower behaviour in more positive ways, as these result in better reputation and performance for organisations. Fox et al. (2010) accentuate that a key leadership responsibility lie in ensuring that organisations make it easy for employees to "*do the right thing,*" hence they must foster an environment that supports this notion.

Leaders must be exemplary in the way they conduct themselves by setting an ethically strong tone. Bailey and Shantz (2018) postulates that an organisation's ethical tone is a cumulative outcome of how its employees resolve issues of a moral nature in their day-to-day work. Organisations must consequently support employees by providing them with the tools that assist with making sound decisions. Their study also point out the need for organisations to explore a culture of transparency since it persuades employees to seek more understanding on the rationale of decisions. This has a positive effect on ethical decision-making because values are exposed when they are openly discussed to such an extent that employees who witness unethical conduct maybe encouraged to speak up or at least use whistleblowing mechanisms in the organisation. Importantly, organisations must

invest in “distributed” ethical leadership by nurturing leaders at all organisational levels who can promote ethical behaviour.

From the discussion, the inconvenient truth can be observed that an ethical environment is quite important in the creation of an ethical organisations and requires executive management’s dedication to ethics through continual modelling and reinforcement of core organisational values.

### **2.7.2 ETHICS INTERVENTIONS**

Interventions to encourage ethical organisational behaviour are often a result of misunderstandings of how wrongdoings happen. Various ethics interventions have been recommended for practical application within organisations as a way of stimulating ethical behaviours within the workplace. A study by Konstantellou (2016) revealed that ethics reward systems, internal communication policies, code of ethics, and ethics program trainings are some of the numerous systems that can be used in organisations to stimulate ethical behaviour among employees.

The most fundamental intervention that leaders put in place in the workplace are corporate codes (Macdonald, 2016). These have been viewed as a major organisational structure for the maintenance of acceptable conduct. Thus ethical codes are the cornerstone of institutionalising ethics in organisations. Executive leadership play a critical role in the implementation of ethics. Codes are said to address conflict of interest (*whereby employees benefit at the expense of the organisation*), safeguarding of corporate secrets from competitors, relationships with external stakeholders e.g. suppliers, employment practices such sexual harassment and drugs at the workplace (Macdonald, 2016). They are also a source of motivation for employees to morally behave, and inspires employees by providing a ‘positive stimulus for ethical conduct’ (Bower, Burmeister & Gotterbarn, 2013; Lloyd, Mey & Ramalingum, 2014). A good code of ethics must not only communicate the company values and beliefs, but should also motivate employees through offering them pride in working for organisations with clearly articulated values of business conduct and ethical behaviour. Despite the popularity of codes of ethics, they have been criticised as being nice and general, containing too many platitudes to such an extent that violation does not necessarily result in the punishment (Prasad, 2012; Macdonald, 2016). Consequently, most organisations pay lip-service to corporate codes.

Research has also shown that leaders can use ethics-related training programs as a way of improving employee attitudes and performance. Ethics training programs are doubtlessly useful as they bring awareness regarding expected ethical conduct and standards within the organisation. Copeland (2017) highlights that most organisations were taking ethics-related training and development seriously for their communications and professional development efforts. A study by Walumbwa *et al.* (2011) on linking ethical leadership to employee performance established that while ethical training initiatives on ethical leadership and behaviour were useful, there was need for organisations to further explain the merits of strong ethics and ethical leadership in terms of performance .

Ethics audits are also key in determining whether organisations are deriving any meaningful value from set ethical standards. Fraedrich, Ferrell and Ferrell (2011) views ethical audit as a systematic evaluation of an organisation's ethics program and its performance to ensure effectiveness. Prasad (2012) defines ethics audit as a measurement process of the internal and external consistency of an organisation's values base. Thus it is imperative for organisations to periodically perform reviews to check whether they are in compliance with their own rules and standards to ensure effectiveness of the overall ethics programs. It is also key for organisational ethics to be driven from the board level through an ethics committee as well as ensuring the organisation has an ethics officer who provides sound advice on ethical issues within the organisation. Firms must also put in place ethics hotlines in the form of a telephone line or email address to encourage anonymous reporting of violations of ethics standards (Mey & Lloyd, 2014; Macdonald, 2016).

### **2.7.3 INTERNAL WHISTLEBLOWING**

Whistleblowing is defined as an intentional, responsive and accusatory communication act which is mainly done through media, refutational, or straining a contractual agreement (Skeet, 2018). Miceli, Near and Dworkin (2013) define whistleblowing as the disclosure by members and former members of an organisation of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organisations that may be able to effect action. Thus, it is an act of reporting wrong-doings in the organisation as supported by Lee (2018) who views whistleblowing as a 'process' that encourages and protects employees to speak up about wrongdoing concerns and integrity challenges in their organisations. Some researchers view whistleblowing as either internal or external (Apaza

& Chang, 2011; Dyrud, 2017). Apaza and Chang, (2011) propose that internal whistleblowing involves the reporting of ethical malpractices to someone inside the organisation (*such as co-workers, immediate supervisors or senior executives*); with external whistleblowing involving the reporting of issues outside the organisation (*such as regulatory authorities, external auditors, media*). However, a whistleblower must have documented evidence that would persuade any reasonable person of corporate malpractices. Thus, Dyrud (2017) does not consider internal reporting as whistleblowing, a notion shared by Mintz (2012) who hypothesise that whistleblowing should be considered an act of last resort and only invoked after the failure of other channels to produce corrective action.

Unethical business practices have been shown to soil the reputation of organisations with a significant number of businesses having either suffered losses or gone bankrupt due to malpractices such as corrupt activities, mismanagement and manipulation of income statements for private advantage without considering the interests of shareholders (Skeet, 2018). Increasingly, people in formal leadership positions in governments and corporates are acting in ways that protect their own self-interests. A strong need for a system in which stakeholders are assured of any misconduct being reported without fear of victimisation. However, employees as an internal stakeholder group remain critical in the detection and reporting of corporate misconduct with a study by Malik and Nawaz (2018) pointing out that about one-third of unethical practices are unearthed directly or indirectly by employees through whistleblowing. Mitonga-monga (2015) also supported this view by noting that companies are hugely relying on their employees for reporting of unethical behaviour as fewer employees are getting direct supervision in today's organisations. Consequently, whistleblowing is an important practice that fosters organisational integrity and good governance, further enhancing organisations' accountability to stakeholders.

Whistleblowing, therefore, allows for organisational truth-telling by providing employees with a platform to interrogate unethical business practices and decisions despite the short and long-term consequences it has for individuals and organisations. Whistleblowers run the risk of retaliation through expulsion, nullification, isolation, demotion, defamation, removal of job responsibilities or black-balling (Kaptein, 2011; Gao, Greenberg & Wong-On-Wing, 2014; Dyrud, 2017) with Treviño, Den Nieuwenboer & Kish-Gephart (2014) and Tariq (2018) supporting such views by noting that reporters of unethical behaviour

often face retribution rather than rewards. Miceli, Near and Dworkin (2013) opine that employees are often ignored when they speak up about poor, corrupt or unethical practices within their organisations, resulting in most employees refraining from reporting wrongdoing despite the amount of energy and resources invested by companies in whistleblowing awareness programs. Kaptein (2011) hypothesises that whistleblowing is not welcome in most organisations as managers equate it to challenging organisational hierarchy.

Threats of unethical and illicit business practices such as bribery, mismanagement, organisational property loss and corruption among others, have been shown to have extensively increased in the industry and the espousal of whistleblowing would surely shelter organisations by allowing employees to expose such wrong-doings (Malik & Nawaz, 2018). Rising unethical practices have a significant influence on persons and society as a whole. In their study, Malik and Nawaz (2018) demonstrate that ethical leadership is critical in the shaping of employees' moral fibre, further enhancing whistleblowing practices through the provision of a safe environment for reporting wrongdoings. Studies have also revealed that such threats on ethical conduct are prevalent in societies where there are no whistleblower protection or support, with Zimbabwe ranking 160 out of 180 countries on the Transparency International (2018) index, illuminating that key institution such as public-sector organisations, judiciary, and legislature are perceived to engage in corrupt and unethical activities. Thus, the absence of policies dealing with whistleblowing protection contribute immensely to most unethical conduct going unreported in corporate organisations. However, some researchers (Dyrud, 2017) argue that whistleblowing violates ethical principles such as confidentiality as employees are bounded by non-disclosure agreements and thus, the act itself (*whistleblowing*) involves a conflict of loyalty and trust between employer and employee. Other researchers (Malik & Nawaz, 2018; Tariq, 2018) were quick to point out that ethical leadership significantly determine employee whistleblowing with this relationship strongly relying on the level of trust employees have on their leaders.

As such, increased organisational effectiveness and organisational trust may be achieved should leadership take prompt corrective action on reported misconduct cases. This will have an overall effect of promoting organisational ethics within the organisation. Ethical organisations must embrace whistleblowing as a pivotal control mechanism that provides

guidance on expected organisational conduct. Tariq (2018) explored the impact of ethical leadership on whistleblowing intentions and revealed that followers consider leaders with high moral attentiveness as being ethical, hence such meaning results in ethical values being transferred automatically to followers. Chances of employees blowing the whistle increases as employees express strong ethical values. Bhal and Dadhich's (2013) also looked at the relationship between ethical leadership and whistleblowing and they highlighted that corporate leaders must strive to enhance open communication in their organisations, which interventions foster transparency and fairness. It was observed that employees communicate more information concerning trust and equity than formal procedures should they have good relations with their superiors (Bhal & Dadhich, 2013). They also found out that whistleblowing was positively related to ethical leadership practices.

#### **2.7.4 GOOD CORPORATE GOVERNANCE**

Kwakye *et al.* (2018) suggest that it is imperative for both practitioners and academics to comprehend the effect corporate governance has on the practice of ethical leadership as good corporate governance principles remain significant in business management. Corporate governance refers to the regulation of the internal structures of corporations, in particular those that are associated with directing and controlling the corporation (Tricker, 2015). Therefore, corporate governance comprises of interactions between management, its board, shareholders and other stakeholders. Corporate governance also provides the structure through which organisational objectives are set, with strategies of attaining the objectives and monitoring of performance being established (OECD, 2015). Governance structures, therefore, specify the distribution of rights and responsibilities among different stakeholders and spells out the rules and procedures for making decisions on corporate affairs. ACCA (2019) emphasise that corporate governance is a term that is broadly used to describe the way in which companies are directed and controlled and a means by which organisations may achieve their own purpose. King IV Report also defines corporate governance as a set of rules and practices by which a governing board is supposed to ensure accountability, fairness and transparency in an organisation's relationship with its stakeholders (IoDSA, 2016). Despite numerous dimensions of corporate governance, there is somehow a general agreement among various scholars that governance include processes and structures that are used in the management of the affairs of an organisation. The various

definitions also highlight the interactions that exist among the various stakeholder groups, which then results in the apportionment of responsibilities.

Good corporate governance is critical to effective operations and reputation of organisations. It is a significant step in building confidence among stakeholders and can make a world of transformation for corporate organisations. Good governance principles have become an obligatory qualification for any organisation to operate effectively. In Zimbabwe, corporate governance captured the attention of many following the financial crisis of 2003 (Maune, 2015; Muranda, 2015) and poor governance continue to be experienced in both state owned enterprises and the private sector (Chavunduka & Sikwila, 2015). Retirement and pensions institutions are subject to the very same challenges that are faced by modern organisations, with the industry being reported to have widespread poor record-keeping and weak management (Marufu, 2017). Little research has explored the correlation between corporate reputation as an organisational outcome and corporate governance. A number of studies have focused on various dimensions such as effectiveness of the board (Moyo, 2016), corporate performance (Isaac, 2014; Azeez, 2015) and corporate social performance (Gao & He, 2017; Wirth, 2018) among others.

Comprehension of corporate governance requires an analysis of a number of theories that include the transaction cost, institutional, agency, stakeholders, stewardship, resource-dependency, and complexity theories to fully explore this organisational imperative (Tricker, 2015). The researcher viewed corporate governance from a stewardship theory perspective, which theory is defined as a higher level duty of governance through which a leader's role is motivated by modelling pro-organisational behaviours ahead of self-interest behaviour (Caldwell, Hayes & Long, 2010; Tricker, 2015). Literature has shown that good governance is aimed at establishing structures and processes that ensure organisations are well run in ways that enhance accountability, transparency, fairness, discipline, independence, responsibility and social responsibility (Araujo *et al.*, 2013; Chavunduka & Sikwila, 2015); which seven principles form the bedrock of good corporate governance and are vital for supporting long-term organisational integrity (Nerantzidis & Filos, 2014; Koutoupis & Pappa, 2018). Araujo *et al.* (2013) opine that good corporate governance can be effective should employees of an organisation have a value system that emboldens them to support and accept governance principles. There is a general consensus among researchers that organisations should be administered with long-term prosperity in mind

(Tricker, 2015; ACCA, 2019). Good corporate governance is about exhibiting an environment of trust, ethical behaviour, moral values and confidence in the organisation, providing a synergic effort of all stakeholders (Maune, 2015). In his descriptive philosophical analysis on the impact of good corporate governance as key to sustainable development, Mukusha (2012) accentuates that good corporate governance results in positive enduring effects which benefit both the organisation and its stakeholders, thus enhancing corporate sustainability and reputation.

The regulatory framework is also a critical enabler for the provision of good governance in an industry with its suitability closely aligned to the robustness of underlying regulatory mechanisms. Researchers lamented inadequate monitoring by the Insurance and Pensions Commission (IPEC) since the regulatory body's actions are of importance in safeguarding pensioners' value. Mazviona's (2013) research on ethical issues and challenges in the retirement and pensions industry in Zimbabwe revealed an estimated 78% opinion poll respondents ascribed the failure of pension funds to deliver on their assurance due to lack of sound governance structures, 62.9% ranking the services of the regulator as poor and 70% indicating that IPEC was less experienced in monitoring the conduct of pension funds. Mazviona (2013) opines that pension fund boards must be composed of independent trustees as member trustees have huge workloads for their employer and the pension fund. Thus the study highlighted that good corporate governance and management structures have the potential to minimise conflicts between members and trustees and enhances trust among stakeholders. However, periodic waves of business ethics scandals are likely to continue to be witnessed in the future for the regulation of ethics by legislation has never been the most efficient or effective solution of handling business wrongdoing (Laczniak & Murphy, 2014).

At present, corporate governance landscape in Zimbabwe is regulated by the Companies Act (Chapter 24:03), Pension and Provident Funds Act (Chapter 24:09), Public Entities Corporate Governance Act (Chapter 10:31) and rules of various professional bodies such as the Institute of Directors of Zimbabwe (IoDZ), who have been effective in enforcing governance standards as derived from the United Kingdom's Cadbury Report and South Africa's King Report. Wide strides have been made within the retirement and pensions industry with the regulator, IPEC introducing a Statutory Instrument (*Pension and Provident Funds Regulations (Amendment) Regulations SI 80/2017*) which compels



pension fund trustees to be certified in trusteeship as part of a raft of measures that are directed at improving pension fund governance.

There is a general agreement among scholars that unsatisfactory corporate governance practices impact negatively on the reputation of an industry as a whole. Muranda (2015) analysed a number of financial institutions with a view of understand how poor corporate governance practices resulted in turmoil in Zimbabwe's Banking industry. While the study indicates that corporate governance plays an important role in ensuring efficient monitoring of an industry, Muranda (2015) stresses that governance is also a regulatory matter, highlighting how the lack of a proactive monitoring approaches by regulatory authorities seem to encourage poor corporate governance practices; with similar sentiments being echoed by Mutasa (2013) as she bemoaned the poor corporate governance practices in the country. Such financial distress resulted in negative consequences especially on the reputation of the banking industry as a whole, as the public reserved their confidence in the industry.

According to McKay, Nitsch, & Peters (2015), ethical behaviour affects the principles which guide the governance of the cooperation. Positive ethical practices will definitely lead to acceptance of positive, transparent and non-discriminatory corporate governance principles. According to the study conducted by Ienciu (2012), the code of ethics in an organisation are the rules of conduct, principles, philosophy and the code of practice which directs the relationship between the company and the shareholders. The attitude of the management plays a significant role in the ethical behaviour of the firm. This is because the management is the vital actor in the company whose actions have direct implications on the day to day operation of the firm. Booth & Schulz (2004), describes the agency theory based on the managers need to maximize the private interest rather than the universal organisational goal.

## **2.8 IMPORTANCE OF THE SUBJECT**

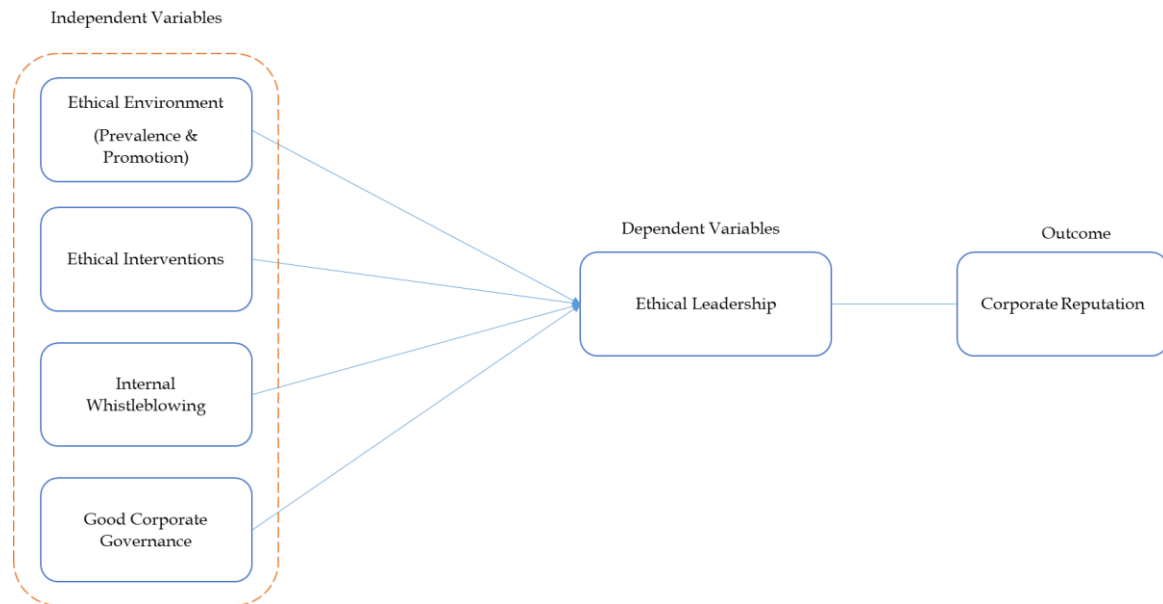
The study contributes to the growing literature on ethical leadership by developing and testing a model that explicates factors such as an ethical organisational environment, ethics-related interventions, internal whistleblowing and good governance impact on ethical leadership practices, which in turn influence organisational reputation as a performance outcome.

From the above previous studies, there has been an attempt to establish the effect of ethical leadership on various facets of an organisation. However, there has been limited studies that explored the factors that impact on ethical leadership practices within the Zimbabwean context. Chigudu's (2016) study on improvement of ethical leadership practices in Zimbabwean Public sector recommends a sectorial approach to establishing the solutions and extend of ethics in Zimbabwe. Mazviona's (2013) qualitative analysis established ethical issues affecting the pensions industry in Zimbabwe from a sample of 10 trustees, 10 investment managers, and 10 actuarial consultants. Despite the representation, the study falls short of establishing the extent of ethical leadership practices in the industry. To address this lacuna, the current study sought to answer the following research question: What are the factors that influence ethical leadership practices in the retirement and pensions industry in Zimbabwe?

## **2.9 DISCUSSION OF THE KEY VARIABLES**

The independent variables in this study are ethical environment, ethical interventions, internal whistleblowing and good corporate governance. These variables will create effects on the dependent variable, ethical leadership practices. Because of the potential effects of various demographic variables on the quality of these relationships, the study controlled for education level and gender of respondents. Figure 2.1 below illustrated the relationships between these variables.

## 2.10 CONCEPTUAL FRAMEWORK



*Figure 2.1: Conceptual Framework*

The review of related literature above revealed that ethical leadership practices is associated with corporate reputation, with ethical practices by leaders resulting in the formation of strong relationships with stakeholders that are based on respect and trust. Effective leaders fundamentally act with integrity, honesty, fairness, equity, justice, and compassion and supported by organisational accountability, transparency, discipline, independence, responsibility and social responsibility (*which form the hallmark of good governance*) which subsequently result in sustainable reputational success. Employees treat each other with sincerity once they recognise the value of adhering to organisational ethical standards, which leads to committed and engaged employees, high productivity and engaged as well as organisational success. As such, a conceptual model was developed by combining the framework of the studies carried out by Lloyd, Mey and Ramalingum (2014), Chigudu (2016) and Neves and Story (2015) in illustrating the relationships ethical environment, ethics interventions, internal whistleblowing, good corporate governance practices and organisation reputation. Figure 2.1 above illuminates this proposal. The model is based on the fact that ethical leadership practices can lead to favourable reputational performance.

## **2.11 CRYSTALLISATION OF RESEARCH OBJECTIVES AND HYPOTHESES**

The aim of this study was to empirically examine the factors influencing ethical leadership practices in the retirement and pensions industry in Zimbabwe and to ascertain the level of ethical leadership practices in the industry

The following hypotheses were subsequently developed for this study:

**H0:** Firms operating in the retirement and pensions industry in Zimbabwe are highly ethical.

**H1:** Ethical environment has a significant influence on ethical leadership practices.

**H2:** Ethics interventions significantly influence ethical leadership practices.

**H3:** Internal whistleblowing positively influence ethical leadership practices.

**H4:** Good corporate governance is positively associated with ethical leadership practices.

**H5:** Occupational factors (*organisational role and job tenure*) significantly influence ethical leadership practices.

## **2.12 CHAPTER SUMMARY**

The chapter presented a review of literature on good corporate governance, ethics interventions, internal whistleblowing and environment as well as how they impact on ethical leadership and practices. Major highlights to key variables that affects organisation were discussed. A conceptual framework was developed in line with the identified research lacuna. Chapter three provides the methodologies that were used in the investigation of the factors impacting on ethical leadership practices in the retirement and pensions industry in Zimbabwe.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

This chapter is aimed at explaining the underlying research philosophy and approach that were adopted for this study and used in addressing the research enquiry. The development of the data collection instrument, its administration together with validity and reliability of the data collection process is discussed before concluding with a summary of key issues.

The aim of this study was to empirically examine the factors that influence ethical leadership practices in the retirement and pensions industry in Zimbabwe and to ascertain the level of ethical leadership practices in the industry. The study's specific objectives were to:

- Determine the factors that influence ethical leadership practices in the retirement and pensions industry in Zimbabwe.
- Establish the contribution of an organisational environment on ethical leadership practices in the retirement and pensions industry.
- Explore the effect of ethical interventions on ethical leadership practices in the retirement and pensions industry.
- Determine the influence of internal whistleblowing on ethical leadership practices in the retirement and pensions industry.
- Explore the impact of the adoption of good corporate governance principles on ethical leadership practices.
- Determine whether occupational characteristics (*organisational role and job tenure*) have an effect on ethical leadership practices.
- Recommend possible strategies towards enhancing ethical leadership practices in the industry.

### **3.2 METHODOLOGY**

Keeves (1997) as cited by Kivunja & Kuyini (2017) stress that methodology is a broad term that refers to the research design, methods, approaches and procedures used in a well-planned investigation of a phenomenon. The research question deals with the influence that internal whistleblowing, ethics interventions, an ethical environment and good governance

have on ethical leadership practices. This then situates the study in the quantitative research methodology in the sense that the research question entails the need for the measurement of the degree to which such factors impact on ethical leadership practices; as conceptualised by the strength of its associations with ethics interventions, environment, whistleblowing and good governance. Thus, a quantitative research approach using exploratory, descriptive and cross-sectional design was employed in this study with survey being the primary mechanism used for data gathering from employees of firms in the industry.

### **3.3 RESEARCH PHILOSOPHY**

Hunt (1991) as cited by Lloyd (2007) argued that all research activity has been alleged to imply an underlying philosophy. Research philosophy therefore, refers to the critical analysis of fundamental assumptions, the development of knowledge and the nature of that knowledge in relation to research (Saunders, Lewis & Thornhill, 2016). As a way of ensuring that conceptual understanding and research results follow established research practices, the philosophical approach behind this research and its paradigms were considered. The underlying philosophy for this study was positivism since it follows a deductive logic of presuming hypotheses from existing theory in literature are trailed by empirical testing of data to affirm or reject the hypotheses. Positivism was also adopted because of its emphasis on objective, rigorous numerical data analysis that provides for reliable results which can be replicated under analogous conditions. Lincoln & Guba (1985) in Kivunja & Kuyini (2017) highlighted that a research paradigm hinges on three elements, namely *ontology*, *axiology* and *epistemology* and it is imperative for one to have a firm understanding of such elements as they embrace the basic assumptions, beliefs, norms and values that each paradigm holds. These are now discussed.

#### **3.3.1 ONTOLOGY**

Ontology is a branch of philosophy concerned with nature of reality (Saunders, Lewis & Thornhill, 2016), thus the assumptions the researcher comes up with in order to be certain that the phenomenon under study makes sense (Kivunja & Kuyini, 2017). The researcher adopted an ontological view of one truth as the leadership construct is an objective entity. The researcher adopted objectivism with an aim to substantiate claims that were made towards organisational environment, interventions, whistleblowing and good governance

and how these impact on ethical practices given the loss of confidence and perceived reputation of pension funds in Zimbabwe.

### **3.3.2 AXIOLOGY**

The researcher noted that the quantitative approach pursues research that is value free and unbiased. All researchers however bring values to a study. These beliefs and values are made explicit by the researcher so that respondents and consumers of the research are aware of the context in which the research was conducted and have been exposed to critical examination. This study accommodated the values, opinions and beliefs of the researcher, resulting in the researcher analysing the contributions of the respondents. This allowed the study to reach certain conclusions and provide recommendations based on the information obtained from the research respondents. These conclusions and recommendations were not necessarily made by the respondents, but are what the researcher understood to be the fundamental issues.

### **3.3.3 EPISTEMOLOGY OF THE STUDY**

Epistemology is concerned with describing how one arrives at a phenomenon, how one comes to know the reality; and what constitutes as acceptable knowledge within the world (Saunders, Lewis & Thornhill, 2016; Kivunja & Kuyini, 2017). This study adopted positivism as an epistemological stance in the sense that it assumes a scientific approach to knowledge development through efforts by the researcher to validate claims that organisations in the retirement and pensions industry are highly ethical, which in turn leads to superior reputation as an organisational outcome. The study was assumed in a value-free way in that the researcher was external to the data collection process through use of a structured self-administered research instrument; meaning little could have been done by the researcher to alter the substance of the data collected and hence the researcher was independent of the study respondents.

### **3.4 RESEARCH DESIGN**

Creswell & Creswell (2018) define research design as types of inquiry within quantitative, qualitative and mixed methods approaches which would provide a specific direction for procedures in a research study. Saunders, Lewis & Thornhill (2016) view research design

as the general plan the researcher will adopt in answering the research question. This study adopted a quantitative design. The research design follows a cause-and-effect relationship between on ethical leadership practices (*dependent variable*) and organisational environment, interventions, internal whistleblowing and good governance (*independent variables*). Thus the study sought to test and validate postulated relationships, basing on theoretical arguments from relevant literature. The variables of the study were clearly defined with well-articulated hypotheses in the recap above.

### 3.5 RESEARCH APPROACH

Saunders, Lewis & Thornhill (2016) accentuates that there are two types of research approaches; **deductive approach** (*in which the researcher develops hypotheses and designs a research strategy to test the hypotheses*) and **inductive approach** (*in which the researcher collects data and come up with a theory that is underpinned by data analysis*).

In this study, the researcher adopted a deductive approach in the sense that the study sought to explain causal relationships between variables culminating in the development of research hypotheses, which were tested using collected quantitative data. According to Saunders, Lewis & Thornhill (2016), deduction dictates that the researcher should be independent of what is being observed with findings being statistically generalisable; which characteristics fortifies this study.

### 3.6 RESEARCH STRATEGY

A research strategy is a plan of how the researcher seeks to address the study's research questions. Saunders, Lewis & Thornhill (2016) pointed out experiments, surveys, action research, case study, grounded theory, ethnography and archival research as the most common research strategies used. They also highlighted that research strategy is guided by the research questions and objectives, the extent of existing knowledge, the amount of time and available resources together with the researcher's philosophical underpinnings. For an explanatory study, experiments and surveys are the most appropriate strategies that one could employ. Experimental research is mainly focused on the identification of cause and effect relationships among variables and verifying inferences with isolation of factors, replication, and quantitative measurement of results being its main features (Tichapondwa, 2013; Saunders, Lewis & Thornhill, 2016). On the other hand, the survey strategy is



associated with the deductive approach and allows for the collection of a huge amounts of data for the study in an economical way.

This study adopted the non-experimental survey strategy since it provides the researcher with greater control over the research process and together with its ability to generate research findings that are highly representative of the population. This choice is also premised on the rationality of generalisation and validation that underpin the research design (Mey & Lloyd, 2014; Neves & Story, 2016; Strydom, 2017)

### **3.7 DATA COLLECTION**

Data for this study were collected through the use of a self-administered questionnaire as presented in Appendix A as the research instrument. An electronic copy of the same was also distributed via email to employees of three firms in the retirement and pensions industry. Measures for the research constructs used in the study were developed by borrowing and adapting established measures from prior literature. As part of the ethical leadership construct, the questionnaire focused on examining the availability of an ethical environment within an organisation. These looked at dimensions of administrative leadership before testing on promotion and prevalence of ethical conduct within firms in the industry, thus further enquiring whether an organisation in the retirement and pensions industry can be considered to be an '*Ethical Organisation*'.

### **3.8 RESEARCH INSTRUMENT**

Primary data were collected utilising a uniquely designed and self-administered structured questionnaire; a typical method used in explanatory studies (Saunders, Lewis & Thornhill, 2016), on the measures of ethical environment, ethics interventions, internal whistleblowing, good corporate governance and ethical leadership practices. This method was used as it is less time consuming for the individual completing the questionnaire. Surveys can provide information that is accurate, quick and inexpensive to obtain, and can be applied to a variety of objectives (Zikmund *et al.*, 2013). An electronic survey was also used to complement the instrument as a way of increasing the response rate. Electronic surveys have the advantage of limited interviewer bias, extensive geographic reach and reduced capturing errors (Wegner, 2016).

### 3.8.1 INSTRUMENT DEVELOPMENT

The survey incorporated seven sections namely the introduction, biographical variables and section survey questions examining each of the identified factors. Informed consent was obtained in the introductory section of the questionnaire, which stated voluntary participation, the right of withdrawal, anonymity, and that there were no known risks to participating as highlighted by Creswell & Creswell (2018). Biographical data covering respondents' age-range, gender, the level of education, tenure at the organisation and current role within the organisation were collected. These were significant in that they provided a picture of one's level of understanding.

A 5-point Likert scale of equal interval, ranging from strongly disagree to strongly agree with the ordinal responses being coded numerically from 1 to 5, was used as a measure of responses. A Lickert scale provides for faster responses and has been proven to be efficient when collecting quantitative data.

### 3.8.2 PILOT TESTING

*Table 3.1: Reliability of Research Instrument*

Dimension	Cronbach's Alpha	N of Items
Organisational Environment	.917	10
Interventions	.835	8
Internal Whistleblowing	.782	7
Good Corporate Governance	.726	7
Ethical Leadership Practices	.913	7
Overall Reliability and Mean	.968	38

Prior to conducting the survey, the researcher pre-tested the survey instrument with three academic experts, and subsequently administered to a convenient sample of ten employees in the industry. This was done as a way of ensuring that there were no forms of bias from the study population with respondents being asked to comment on the clarity and their understanding of instructions provided. Statistical tests were performed on data collected from the pilot test, to further ensure the distribution and reliability of existing scales. The survey instrument was iteratively refined resulting in acceptable Cronbach Alpha values (*as shown in table 3.1*) and the removal of 3 items that had a Corrected Item-Total

Correlation coefficient of less than .4 (*see Table B.1*) since such low values indicate that the items were measuring something different from the scale as a whole (Pallant, 2016).

### **3.9 POPULATION SAMPLING TECHNIQUES**

#### **3.9.1 POPULATION**

There is a general consensus among scholars on population which has been defines as the total membership of a defined class of people, objects or events that are of interest to the researcher(Zikmund *et al.*, 2013; Saunders, Lewis & Thornhill, 2016; and Creswell & Creswell, 2018). The research population comprised of employees in the retirement and pensions industry from the shop-floor employees to directors.

#### **3.9.2 SAMPLING FRAME AND SAMPLE SIZE**

Saunders, Lewis & Thornhill (2016) define sampling frame as a complete list of all the cases in the population from which a sample is drawn.The sampling frame for the study was the retirement and pensions sector’s employee database. When considering a sample size, larger is more precise than smaller; this is due to the law of large numbers and central limit theorem (Zikmund *et al.*, 2013; Saunders, Lewis & Thornhill, 2016). Additionally, a larger sample size will also more closely represent the population (Tichapondwa, 2013). Since the study population is known, the study made use of the sample size formulae in Equation 3.1 below to come up with a representative sample (Israel, 1992). The researcher operated at 95% level of certainty. With self-administered pension funds having an approximate staff complement of about 1,006 (Ipec, 2019), the resulting sample size was 286.

$$n = \frac{N}{1 + N(e)^2}$$

Where ***n*** = Sample size, ***N*** = study population; and ***e*** = level of significance

*Equation 3.1: Sample formulae*

This formula was adopted as appropriate because the actual population of employees in the retirement and pensions industry is known. Thus, the study sought to have a sample size of 286 respondents. The study’s sample size was commensurate with the anticipated level of statistical analysis as well as comparability and generalisability. For the purpose of this study, the sample was drawn from three self-administered pension funds.

### 3.9.3 UNIT OF ANALYSIS AND SAMPLING METHOD

The unit of analysis for the study was the individual employees of the firms in the retirement and pensions industry. The research study adopted a two-stage stratified random sampling technique. Stratified random sampling involves dividing the population in the various subgroups and then taking a simple random sample within each one (O’Leary, 2004). The sample for the study was drawn from three self-administered pension funds. The researcher classified employees into three categories; that is senior management, middle management and non-managerial employees as shown in table 3.1 below. The rationale for such stratification relied on the objective to establish whether being a member to one of the strata impacts on organisational ethical leadership practices. A simple random sampling technique was then be used in the selection of participants within each stratum covering the three institutions.

*Table 3.2: Study Sample*

Category	Research Sample
Senior Management	21
Middle Management	35
Non-Managerial Employees	230
<b>Total</b>	<b>286</b>

### 3.10 QUESTIONNAIRE ADMINISTRATION

Sets of a self-administered structured questionnaire were hand-delivered to Human Resources Managers of respective organisations for onward distribution to their employees; with these being completed and collected in a three-week period. The researcher also sent an electronic form of the questionnaire through email to respondents as a way of enhancing the response rate. This method was considered effective to the study in that it provided for the respondents’ confidentiality.

### 3.11 DATA PROCESSING AND ANALYSIS

After the data collection process, data were captured into a uniquely-designed Microsoft Excel template and subsequently imported into Statistical Package for Social Sciences (SPSS) version 23, where data coding and analysis was conducted. First, in order to provide

a description of the sample from which data were collected, descriptive information on role profiles was described, together with the means, mode, range, and standard deviations for the independent and dependent variables. A mean per record (questionnaire response) was generated using the categorical data (Likert scale and closed-ended questions). Questions contained in the survey instrument were not weighted or categorised into order of importance, as all questions were considered of equal importance and were labelled according to their appearance on the questionnaire.

### **3.12 RESEARCH LIMITATIONS**

Data were collected was cross-sectional, and the research was also be cross-sectional in nature, which may not have allowed for the depth that a longitudinal study would contribute. Other limitations faced include common-method bias (*a limitation as a single respondent will provide data about the independent and dependent variables (Bhattacharjee, 2012)*), social desirability bias (*i.e. the tendency of survey respondents to answer questions in a manner that will be viewed favourably by others*), non-response bias (*respondents will be invited to partake in this study which means that responding to the survey might not appeal to some employees, and not receiving all respondent's inputs could skew the results and affect the generalisability*).

### **3.13 VALIDITY AND RELIABILITY OF SCALES USED**

Internal validity refers to the ability of the questionnaire to measure what it intends to measure and is concerned with whether the findings truly represent the reality of what the researcher appear to be measuring (Saunders, Lewis & Thornhill, 2016). Thus validity refers to an instrument's ability to measure what it was designed to measure. Due to the nature and sample size of the study, it was decided not to use a conventional factor analysis, but to rather concentrate on a Corrected Item-Total Correlation values, which values provide an indication of the extent to which each item correlates with the total score, with low figures of .350 or less indicating that the item will be measuring something different from the scale as a whole (Pallant, 2016). This resulted in the removal of 3 items whose Corrected Item-Total Correlation coefficient were less than .350 (*see Table B.1 in Appendix B*), ensuring the questionnaire was valid.

According to Saunders, Lewis & Thornhill (2016), reliability entails the extent to which data collection techniques return consistent findings. In this study, internal consistency reliability of the questionnaire were measured using Cronbach's alpha coefficient. Based on the assessments obtained from pilot testing, the questionnaire reported has a high level of internal consistency with reliability coefficients of the dependent and independent variables ranging from .726 to .917 and an overall Cronbach's Alpha coefficient of .968, as shown in Table 3.1. The dimension with the highest Cronbach alpha coefficient was Ethical Environment ( $\alpha = .917$ ). Thus, the alpha values indicate acceptable subscale reliability as they exceed the reliability criteria of .70 for research purposes (Pallant, 2016).

### **3.14 ETHICAL CONSIDERATIONS**

Saunders, Lewis & Thornhill (2016) posits that ethical considerations need to be taken into account prior to data collection since the data collection protocol ensures responses are collected ethically, and that participation in the study is voluntary, further allowing participants to withdraw from the study at any time, and ensuring anonymity.

The research started by applying for an ethical consent from the organisation in which the research was done. During this study, respondents were adequately appraised of their rights to participate voluntarily together with their right to withdraw from the study at any time without any consequences. Research participants were also informed of the purpose and nature of the research study, as well as the nature of the personal engagement with the researcher through verbal and written communication (*Appendix A – Research Questionnaire*). Anonymity of research participants was assured regarding the respondent data matching and the securing of the data ensured the respondents privacy and confidentiality.

The researcher was guided by proposed ethics by Saunders, Lewis & Thornhill (2016) regarding the integrity of the research and displayed professional behaviour as a researcher and professional at all times in the engagement with the respondents, who were representatives of several organisations in the retirement and pensions industry. The researcher committed to providing feedback to the respondents in the form of a summarised report on the research findings. Permission to carry out the study was sought from the responsible authorities in three pension funds (*see Appendix C*). The researcher took all possible measures to ensure an ethical research and, therefore, no risk to the University was palpable.

### **3.15 CHAPTER SUMMARY**

This chapter described the research methodology used by the researcher to answer the research questions as well as testing of the hypotheses. The choice of methodology, research population, unit of analysis, secondary data used and the measurement instrument were covered in detail. The data analysis approach was outlined thoroughly, including the preliminary analysis. With a clear understanding of the methodology, the results of the data analysis are now discussed in the Chapter 4.

## CHAPTER 4: DATA ANALYSIS, PRESENTATION OF RESEARCH FINDINGS AND INTERPRETATION

### 4.1 INTRODUCTION

Chapter 3 aimed at expounding the methodological approach that was adopted by the study as well as its appropriateness. The research approach utilised in the study looked into the explanation of its relevance in addressing the fundamental research questions. In this chapter, findings of the empirical study are presented, with statistical analyses being performed in relation to the study's aim, objectives and hypotheses as formulated earlier in Chapter 1. The chapter starts with a discussion of descriptive statistics followed by a discussion of correlational and inferential (*multivariate*) techniques.

### 4.2 DISCUSSION OF THE RESPONSE RATE

A convenient number of three pension firms were included in the sample, from the population frame as per the methodology discussed in Chapter 3. The researcher experienced great challenges in obtaining the commitment of the organisations that were willing to participate with the majority responding negatively while some did not respond at all, despite numerous follow-up attempts. The response rate was calculated using the following formula.

$$\text{Response Rate} = \frac{\text{number of complete responses}}{\text{Total number of restionnaires distributed}} \times 100$$

#### *Equation 4.1: Response Rate Formulae*

A total of 286 survey questionnaires were thus distributed to employees of three self-administered pension funds with 166 questionnaires being received in a 30-day period ending on 12<sup>th</sup> July 2019; yielding a response rate of 58.04%. Two incomplete questionnaires were removed from the analysis resulting in 164 valid responses being used for analysis, yielding a functional response rate of 57.34%.

Baruch & Holtom's (2008) study on survey response rate levels and trends in organisational research established an average rate of 52.7 percent, with standard deviation of 20.4 for data collected at the individual level (employees, managers, general population). Due to the nature of the population under analysis, the researcher believed the established functional response rate of 57.34% was appropriate.



The favourable response rate was attributable to the self-distribution of the questionnaire and the collection method since the majority of the employees were stationed mainly at their organisations' headquarters in Harare, presenting the researcher with single points of administration and collection of the survey questionnaire.

### 4.3 DESCRIPTIVE ANALYSIS

Cooper & Schindle, (2014) opine that it is critical for researchers to comprehend the background statistics of the research participants since demographic data has the potential to uncover salient relationships that may be present. The researcher looked into the bio-demographical data (*gender, age, tenure, role and qualifications of respondents*) as discussed in this section.

#### 4.3.3 EDUCATIONAL PROFILE OF RESPONDENTS

*Table 4.1: Distribution of Qualifications of Respondents*

Qualifications		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Postgraduate Degree	10	6.1	6.1	6.1
	Bachelor's Degree	83	50.6	50.6	56.7
	Diploma	40	24.4	24.4	81.1
	Certificate	13	7.9	7.9	89.0
	Secondary	11	6.7	6.7	95.7
	Other	7	4.3	4.3	100.0

From Table 4.2 above, assumptions can be made that the study's respondents have qualifications ranging from high school to postgraduate degrees. A cumulative 95.7% of the study's respondents have attained at least secondary education whilst 4.3% did not disclose their level of education. Such results were indicative of the respondents' ability to interpret and respond to the research questionnaire, which was considered appropriate for this study.

#### 4.3.4 ORGANISATIONAL ROLE PROFILE OF RESPONDENTS

*Table 4.2: Distribution of Respondents' Role*

Organisational Role		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Senior Management	8	6.1	6.1	6.1
	Middle Management	16	12.2	12.2	18.3
	Professional	18	13.7	13.7	32.1
	Supervisory	13	9.9	9.9	42.0
	Clerical	57	43.5	43.5	85.5
	Other	19	14.5	14.5	100.0

Results of the analysis as shown in Table 4.3 highlight that the majority of respondents were non-managerial employees (a combined 67.1%). On the other hand, middle managers constitute 12.2%, senior managers 6.1% and 14.5% of the respondents did not disclose their organisational roles. The study considered the responses to the main construct of the 14.5% that did not disclose their organisational roles.

#### 4.3.5 RESPONDENTS' YEARS OF EXPERIENCE WITH ORGANISATION

*Table 4.3: Distribution of Respondents' Job Tenure*

Tenure		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 3 Years	33	20.1	20.1	20.1
	3 to less than 5 Years	10	6.1	6.1	26.2
	5 to less than 10 Years	40	24.4	24.4	50.6
	10 to less than 15 Years	36	22.0	22.0	72.6
	15 Years and Above	45	27.4	27.4	100.0

A significant proportion (27.4%, N=45) of respondents had been with their organisation for 15 or more years, 22.0% (N=36) having served between 10 and 15 years and 24.4% (N=40) have served 5 to 10 years as table 4.4 shows. A cumulative 26.2% (N=43) of the study respondents have been with their respective organisations for a period of less than 10 years. The high levels of experience was indicative of the research respondents' sufficient knowledge of the issues surrounding their organisations, which was considered appropriate for this study.

#### 4.4 EXTENT TO WHICH FIRMS IN THE INDUSTRY ARE ETHICAL

Table 4.4: Degree of Ethical Leadership Practices Scale

Category Mean Ranges	Degree
1.00 to < 1.80	Very Low
1.80 to < 2.60	Low
2.60 to < 3.40	Medium
3.40 to < 4.20	High
4.20 to 5.00	Very High

Source: Mey and Lloyd (2014)

A rather accurate reflection and rating instrument was generated through the use of the rating scale as shown in Table 4.5, with the scale being used to either support or reject the study's main hypotheses **H0**. Table 4.8 confirms that the mean scores ranged from 3.4103 (*ethics interventions*) to 3.5714 (*good corporate governance*). The highest mean score was obtained for good corporate governance (M= 3.5714; SD = .62712), followed by the dependent variable, ethical leadership practices (M = 3.5089; SD = .83085). With an overall mean of 3.5156, it is quite apparent that research participants perceive their organisations to be highly ethical, as the overall mean of 3.5156 and all variable means (Table 4.8) fell in the high degree perception class, as categorised by Table 4.5 above.

#### 4.3.7 DESCRIPTIVE ANALYSIS OF KEY VARIABLES

Table 4.5: Descriptive Analysis –Interventions

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
<b>EI1</b>	163	1	5	2.67	1.171
<b>EI2</b>	164	1	5	3.27	.993
<b>EI3</b>	164	1	5	3.63	.887
<b>EI4</b>	164	1	5	3.46	1.012
<b>EI5</b>	164	2	5	4.01	.641
<b>EI6</b>	159	1	5	3.71	.814
<b>EI7</b>	164	1	5	3.09	1.148
<b>EI8</b>	164	1	5	3.45	1.047

Table 4.6 above shows an assessment of the extent to which ethics interventions are used to address ethical issues in the retirement and pensions industry. The data shows that ethical behaviour is hardly rewarded in the industry as indicated by a mean of 2.67 in Ethics Interventions Question 1 (**EI1**). This may be attributable to lack of ethics reward systems in the industry. The industry also seem to rate fairly in terms of mandatory ethics training (**EI7**) as a mean of 3.09 is indicative that a significant number of respondents (a cumulative 49.4% as shown in table B.3 in *Appendix B*) could not agree that their respective organisations had mandatory ethics education and training strategies that were religiously followed.

Table 4.7 below assesses the extent to which internal whistleblowing is perceived to be used to address ethical issues in the industry with most of the mean values above 3.0. The data shows that firms in the industry seem not to offer incentives to whistleblowers as shown by a mean of 2.63 to Question **IW4**. A cumulative 71.3% of the respondents were in disagreement to the notion that their organisations offer whistleblower incentives as highlighted in table B.4 in *Appendix B*.

*Table 4.6: Descriptive Analysis – Internal Whistleblowing*

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
<b>IW1</b>	164	1	5	3.95	.895
<b>IW2</b>	164	1	5	3.77	.867
<b>IW3</b>	164	1	5	3.61	.764
<b>IW4</b>	164	1	5	2.63	1.163
<b>IW5</b>	164	1	5	3.16	1.189
<b>IW6</b>	164	1	5	3.53	1.082
<b>IW7</b>	164	1	5	3.10	1.043

About 59.1% of the study respondents also highlighted that their organisations did not offer whistleblower protection and support as shown in Table B5. This is a call for concern as failure to support reporters of wrongdoings may actually stifle whistleblowing as employees are open to retribution.

#### 4.4 SCALE RELIABILITY TESTS

*Table 4.7: Reliability and Descriptive Statistics*

Dimension	Cronbach's Alpha	N of Items	Mean	Std. Deviation	Skewness	Kurtosis
Organisational Environment	.917	10	3.5676	.71656	-.974	.142
Ethics Interventions	.835	8	3.4103	.69308	-.721	-.608
Whistleblowing	.782	7	3.4907	.65588	-.514	.660
Good Corporate Governance	.726	7	3.5714	.62911	-.437	-.421
Ethical Leadership Practices	.913	6	3.5089	.83085	-1.274	.875
Overall Reliability and Mean	.968	38	3.5156			

Reliability tests were conducted with Table 4.8 above illustrating the reliability of the measure of each dimension identified as supporting development of ethical practices in the industry. The Cronbach's alpha results range from .726 (good corporate governance) to .917 (organisational environment) for the variables used in the study. An overall reliability alpha of .968 was obtained, implying that the data collection instrument was reliable (Pallant, 2016) given that all the alpha values are considerably above the benchmark 0.7.

#### 4.5 NORMALITY TESTS

*Table 4.8: Test of Normality*

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Org'l Environmt	.165	164	.000	.894	164	.000
Ethics_Interventions	.151	164	.000	.909	164	.000
Whistleblowing	.115	164	.000	.962	164	.000
Good_Governance	.161	164	.000	.945	164	.000
Ethical_Practices	.206	164	.000	.852	164	.000

a. Lilliefors Significance Correction

Tests for normality were also performed on the data with a view of determining the appropriate analysis method to use in testing for association. Basing on the Shapiro-Wilk tests conducted on the variables, results were statistically significant ( $p < .05$ ) with respect to ethical environment ( $p = .000$ ), ethics interventions ( $p = .000$ ), internal whistleblowing ( $p = .001$ ), good corporate governance ( $p = .000$ ) and corporate reputation ( $p = .000$ ) and

hence, assumptions of data normality were violated. Results as shown in Table 4.9 indicate that the sample is not normally distributed and therefore, the study adopted non-parametric tests for further processing and analysis of data.

#### 4.7 CORRELATION TESTS

Correlation testing amongst variables were performed with particular focus being placed on those correlations addressing the research problem and hypotheses of this project. The main purpose of correlation is to describe the strength and direction of the relationship between two variables (Pallant, 2016).

Table 4.10 below exhibits the different Spearman's correlations with their respective levels of significance and association between ethical practices (*dependent variable*) and organisational environment, ethics interventions, internal whistleblowing and good corporate governance (*independent variables*). Since the distributions failed to yield high levels of normality (i.e. rather skewed), Spearman's rank order correlation analysis was used as it is non-parametric, and also distribution free in its assumptions.

*Table 4.9: Bivariate Correlation Output*

			Ethics Environmt	Ethics Interventions	Whistle blowing	Good Governance	Ethical Practices
<b>Spearman's rho</b>	Organisational Environmt	Correlation Coefficient	1				
		Sig. (2-tailed)	.				
	Ethics Interventions	Correlation Coefficient	.645**	1			
		Sig. (2-tailed)	.000	.			
	Whistle blowing	Correlation Coefficient	.699**	.624**	1		
		Sig. (2-tailed)	.000	.000	.		
	Good Governance	Correlation Coefficient	.566**	.656**	.603**	1	
		Sig. (2-tailed)	.000	.000	.000	.	
	Ethical Practices	Correlation Coefficient	.734**	.543**	.634**	.507**	1
		Sig. (2-tailed)	.000	.000	.000	.000	.

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlation results indicate that there is a strong positive relationship between ethical organisational environment and corporate reputation which is statistically significant ( $\rho = .734^{**}$  and  $p < .05$ ), supporting **H1** which states that organisational environment has a significant influence on ethical leadership practices. Results also revealed a statistically significant, positive, medium relationship between ethics interventions and ethical leadership practices ( $\rho = .543^{**}$  and  $p < .05$ ) as highlighted in table 4.10 above, with such results supporting the study's second hypothesis **H2** which states that ethics interventions significantly influence ethical leadership practices as this relationship is acceptable at any level of significance. Also, a strong positive relationship between ethical organisational environment and internal whistleblowing which is statistically significant ( $\rho = .634^{**}$  and  $p < .05$ ) was observed, a result seen to support hypothesis **H3** of the study which states that internal whistleblowing positively influence ethical leadership practices. Internal whistleblowing, therefore, empowers employees to report unethical behaviours within the organisational context, further enhancing ethical leadership especially if there is assurance that whistleblowers would not be targeted or retaliated upon through whistleblower protection laws; which in essence, create a safe environment for whistleblowing. A statistically significant, positive and medium correlation was also established between ethical organisational environment and good corporate governance ( $\rho = .507^{**}$  and  $p < .05$ ) and hence hypothesis **H4** which specifies that good governance is positively associated with ethical leadership practices is supported. This implies that the adoption of good corporate governance principles is quite essential for ethical leadership as leadership honesty, accountability and transparency are enhanced.

#### 4.8 MULTICOLLINEARITY

From the Bivariate Correlation Output table 4.10 above, it can be observed that there were no challenges with respect to multicollinearity as all correlation coefficients were below the  $\rho = .9$  threshold (Pallant, 2016). However, the researcher conducted further tests for multicollinearity through regression by generating the variance inflation factors (VIFs) and tolerance ranges for all variables with a VIF value of above 10 signifying the presence of multicollinearity (Pallant, 2016). The respective variance inflation factors (VIF) range from 2.548 to 2.703 (Table 4.13), thus well below the recommended cut-off of 10, further supporting that the study's results did not violate multicollinearity assumptions.

## 4.9 REGRESSION ANALYSIS

*Table 4.10: Regression Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 <sup>a</sup>	.681	.672	.42097

a. Predictors: (Constant), Good\_Governance, Org\_Environmt, Interventions, Whistleblowing

In order to evaluate the entire effect that all of the aforementioned independent variables have on an ethical organisational environment, standard multiple regression was performed. Firstly, the effect of demographic variables (age, gender and education) was analysed, followed by the analysis of the effect of predictor variables. This was done in order to evaluate if any variance in the dependant variable can be explained by all the independent variables. The results from the regression analysis are as presented in the model summary Table 4.11 above.

The R-Square value above indicates the amount of variability in the dependent variable. The adjusted R-Square value is adjusted for the number of explanatory variables used in the model. As Table 4.11 confirms, 67.2% of the total variability in ethical leadership practices as the dependent variable, could be explained in a positive way by the predictor variables (*good corporate governance, internal whistleblowing, ethics interventions and organisational environment*), implying therefore that the model is meaningful. It therefore follows that the remaining 30.7% is explained by other variables not covered by this study.

*Table 4.11: Analysis of Variance with Significance Levels*

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	56.327	4	14.082	79.462	.000 <sup>b</sup>
Residual	26.405	149	.177		
Total	82.733	153			

a. Dependent Variable: Ethical\_Practices

b. Predictors: (Constant), Good\_Governance, Org\_Environmt, Ethics\_Interventions, Whistleblowing



As can be appreciated from Table 4.12 above (ANOVA table), a p-value of .000 was obtained; meaning that there was statistically significant influence by the predictor variables on ethical organisational environment since the p-value is less than the .05 significance threshold. The ANOVA table therefore shows that the model is significant ( $F_{(4,153)} = 79.462$ ;  $p < 0.05$ ).

*Table 4.12: Coefficients*

		Coefficients <sup>a</sup>					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients				
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
<b>1</b>	(Constant)	.501	.209		2.402	.018		
	Org_Environmt	.626	.078	.599	8.067	.000	.388	2.578
	Interventions	.196	.076	.193	2.575	.011	.446	2.242
	Whistleblowing	.234	.069	.185	3.388	.001	.389	2.574
	Good_Governance	.207	.079	.086	2.166	.032	.476	2.103

a. Dependent Variable: Ethical\_Practices

b. Predictors: (Constant), Good\_Governance, Org\_Environmt, Interventions, Whistleblowing

Table 4.13 above provides for the coefficients results obtained from the multiple linear regression analysis. From the results, all the independent variables made statistically significant and unique contributions to the prediction of the dependent variable, ethical leadership practices. The standardised beta coefficient of .599 explicate the greater extent to which an ethical organisational environment manifests in ethical leadership practice levels within the retirements and pensions industry. Thus for every unit change in the dependent variable (ethical leadership practices), organisational environment contributes a positive value of .599 units with ethics interventions, internal whistleblowing and good governance contributing .193, .185 and .86 respectively, hence the regression equation:

$$y = .501 + .626(OE) + .196(EI) + .234(IW) + .207(GCG)$$

Where *OE*= Organisational environment, *EI* = Ethics Interventions, *IW* = Internal Whistleblowing, *GCG* =Good Corporate Governance

*Equation 4.2: Regression Equation*

#### 4.10 INDEPENDENT SAMPLE TESTS

The fifth objective was formulated to establish whether there are any significant and statistical differences among respondents on different demographic and occupational characteristics on the dependent variable; ethical leadership practices in the retirement and pensions industry. Independent T-tests on sample demographic and occupational characteristics were carried out as means of measuring if results could be inferred on the population. Mann-Whitney U Test and the Kruskal Wallis tests for detecting significant mean differences were considered for the study since the sample data violated normality assumptions. These tests were deemed appropriate for testing research hypothesis **H5**; thus, these were performed in order to establish whether the sample of participants differ significantly regarding the effect of demographic (*age, gender and educational level*) and occupational characteristics (*organisational role and tenure*) in terms of the mean ranks on ethical leadership practices. The Z-approximation test, which includes a correction for ties in the data, was calculated and a probability value (**p**) of not less than or equal to .05 was considered, in order to determine the statistically significant differences.

##### 4.10.1 OCCUPATIONAL FACTORS AND ETHICAL LEADERSHIP PRACTICES

*Table 4.13: Test Statistics for Organisational Role & Ethical Leadership Practices*

Test Statistics <sup>a,b</sup>	
	Ethical_Practices
Chi-Square	21.144
df	4
Asymp. Sig.	.000

a. Kruskal Wallis Test

b. Grouping Variable: Role

The researcher grouped roles from the professional level downwards into a single grouping of non-managerial employees in testing the contribution of organisational role (position within the organisation) as part of occupational factors. Study results revealed that organisational roles impact significantly on ethical leadership practices in the industry as denoted by  $p < .05$  in table 4.14 above. Thus, employees holding different positions in the

retirements and pensions industry perceive the availability and practice of ethical leadership differently.

*Table 4.14: Test Statistics for Job Tenure & Ethical Leadership Practices*

Test Statistics <sup>a,b</sup>	
	Ethical_Practices
Chi-Square	21.144
df	4
Asymp. Sig.	.000

a. Kruskal Wallis Test

b. Grouping Variable: Job Tenure

Table 4.15 highlights the impact of job tenure on the dependent variable, ethical leadership practices. Results demonstrate that one's length of service in the industry has a bearing on his/her perception of ethical leadership practices as shown by a probability value of less than 0.05. Thus, job tenure has an influence on ethical leadership practices perceptions of the industry.

From the above analysis, it can be established from Tables 4.14 and 4.15 above that there are statistical differences among different occupational factors (as conceptualised by organisational role and job tenure) toward ethical leadership practice perception in the industry as given by a probability values of less than 0.05. Henceforth, the hypothesis (**H5**) that occupational factors (*organisational role and job tenure*) significantly influence ethical leadership practices is certainly not supported.

#### **4.10.2 GENDER AND ETHICAL LEADERSHIP PRACTICES**

*Table 4.15: Test Statistics for Gender in terms of Ethical Leadership Practices*

Test Statistics <sup>a</sup>	
	Ethical_Practices
Mann-Whitney U	1289.000
Wilcoxon W	4944.000
Z	-3.287
Asymp. Sig. (2-tailed)	.001

a. Grouping Variable: Gender

Mann-Whitney U Test was conducted in order to determine whether perceptions on ethical leadership practices demonstrate a difference according to respondents' gender. A significant difference ( $p = .001$ ) was statistically observed in Table 4.16 above, implying that gender significantly influences respondents perception of the availability of ethical leadership practices in the retirement and pensions industry. Thus, respondents of different sex perceive ethical leadership practices in different ways; which results resonate with Kuntz *et al's* (2013) study.

#### 4.10.3 QUALIFICATIONS AND ETHICAL LEADERSHIP PRACTICES

*Table 4.16: Test Statistics for Qualifications & Ethical Leadership Practices*

Test Statistics <sup>a,b</sup>	
	Ethical_Practices
Chi-Square	24.668
df	5
Asymp. Sig.	.000

a. Kruskal Wallis Test

b. Grouping Variable: Qualifications

The study carried out further tests to establish if respondents' educational level has a bearing on the way they perceive the availability of ethical leadership practices in the industry. Kruskal-Wallis tests were performed with results being indicative of significant differences on perceptions on ethical leadership practices among different educational levels as highlighted in table 4.17 above.

#### 4.11 INTERPRETATION AND DISCUSSION OF FINDINGS

The study characterised employee perceptions of ethical leadership practices as conceptualised by the organisational environment, interventions, internal whistleblowing, adoption of good corporate governance principles and the overall ethics quality within in the retirement and pensions industry in Zimbabwe. Theoretically, the study highlights the importance of a positive ethical organisational environment, ethics interventions, internal whistleblowing and adoption of good corporate governance principles in explaining the ethical practices by leaders in the industry through perceptions of employees.

#### **4.11.1 ORGANISATIONAL ENVIRONMENT AND ETHICAL LEADERSHIP PRACTICES**

The first research objective was to establish the contribution of an ethical organisational environment on ethical leadership practices in the retirement and pensions industry, with hypothesis (H1) predicting a significant influence of an ethical organisational environment on ethical leadership practices. This hypothesis was tested with findings indicating a significant positive influence ( $\beta=.599$ ,  $p<.05$ ), which is also supported by correlation results in table 4.10. Thus as explicated by tables 4.10 and 4.13, organisational environment makes a strong and significant contribution to explaining ethical leadership practices when the variance explained by all other variables in the model is controlled for, since the correlation results can be accepted at every significance level as they have proven to be statistically significant.

Consequently, results suggest participants perceive a high level ethical organisational environment, ethical climate and ethical leadership. Studies by Kaptein (2011) and Sharif & Scandura (2014) reveals that individuals who perceive their organisation to have established ethical conduct and norms that indicate how ethical issues are resolved are likely to see their leaders as being consistent, acting as role models and deciding in an ethical manner. The positive correlation between organisational environment and ethical leadership practices suggests that individuals who perceive their work environment to be culturally and ethically positive are likely to view the organisation as having a concern for and consideration of others' well-being and interests. These results are consistent with those of Fox *et al.* (2010), Newman and Xu (2013), Arulrajah (2015) and Mella & Gazzola (2015) who postulate that an ethical organisational environment is vital to improving both ethical practices and leadership behaviours, which in turn results in various organisational outcomes such as corporate reputation and organisational performance. The study therefore concludes that an ethical organisation is essential for ethical leadership practices in the retirement and pensions industry in Zimbabwe.

#### **4.11.2 ETHICAL INTERVENTIONS AND ETHICAL LEADERSHIP PRACTICES**

The second objective was to explore the effect of ethical interventions on ethical leadership practices in the retirement and pensions industry. Ethics interventions and ethical leadership practice variables were significantly related as shown in Table 4.10 and  $\beta=.193$ ,  $p<.05$ ). Results imply that research participants view the adoption of ethics interventions

such as the formulation and implementation of an ethics code, embracing mandatory ethics training, mentoring, legislative compliance and ethics reward systems among others, greatly enhances ethical leadership within an organisation and quite significant in the overall modelling of ethical practices in the industry. Interventions enhance trust among employees and management resulting in commitment to the organisation, which, in turn, enhance the performance and reputation of an organisation. These findings are consistent with studies by Kaptein (2011), Lloyd, Mey & Ramalingum (2014) and Mitonga-monga (2015) who opine that employees are likely to view their leaders as positive role models and tend to commit to their organisations when their firms have a positive code of ethics, clear prescription procedures, policies and practices with moral consequences; and conducts ethics audits.

#### **4.11.3 INTERNAL WHISTLEBLOWING AND ETHICAL LEADERSHIP PRACTICES**

The third hypothesis (**H3**) predicted that internal whistleblowing positively influence ethical leadership practices in the retirement and pensions industry. It is noteworthy to highlight that leaders must conduct themselves in principled ways that support and buoy up employees ethical behaviours. Testing of this hypothesis revealed that internal whistleblowing significantly influence ethical leadership practices, as depicted by  $\beta=.185$  and  $p=.001$  as table 4.13 shows. Internal whistleblowing is also significantly correlated with ethical leadership practices (Table 4.10) as depicted by  $\rho = .634^{**}$  and p-value of .000. These findings resonate with those of Bhal & Dadhich (2013), Malik & Nawaz (2018) and Tariq (2018) who concluded that there is a positive association between ethical leadership and internal whistleblowing. Ethical leadership is quite significant given that whistleblowing could result in negative consequences for the whistleblower through retaliation. Thus low risk of reprisal is of concern to would-be whistleblowers especially if the whistleblower holds little power within the organisation's hierarchy. Thus ethical leaders are bound to support employees through the provision of protection against such negative consequences as retribution. Ethical leaders therefore have to enhance relationships with their followers through building trust and pro-social engagements to such an extent that employees can feel comfortable to report any ethical malpractices to them. Should the leader successfully engage in extra-role relationships, followers, according to social learning theory, would reciprocate by blowing the whistle each time they notice unacceptable behaviours in the organisation. Ethical leaders must build reporting channels

and foster open communication that allows for whistleblowers to disclose misconduct within the organisation. The study therefore concludes that whistleblowing has a significant positive effect on ethical leadership practices.

#### **4.11.4 GOOD CORPORATE GOVERNANCE AND ETHICAL LEADERSHIP PRACTICES**

The next objective was to explore the impact of adoption of good corporate governance principles on ethical leadership practices. Hypothesis **H4** predicted that good corporate governance principles are positively associated with ethical leadership practices. As such, a positive association was found between these variables as shown in Table 4.10, implying that participants who perceive their organisation to have adopted good corporate governance principles (*discipline, transparency, independence, accountability, responsibility and fairness*) are likely to view their leaders as being honest, respectful, listening, and acting with integrity. These findings are consistent with those of Laczniaik & Murphy (20140), Lloyd, Mey & Ramalingum (2014), Othman & Rahman (2014); Musyimi (2016); Kwakye *et al.* (2018).

#### **4.11.5 OCCUPATIONAL FACTORS AND ETHICAL LEADERSHIP PRACTICES**

The last hypothesis (**H5**) projected that there are no statistical differences among respondents with regard to occupational factors as conceptualised by respondent's position and years of experience in the industry. Respondents' perception towards the industry's ethical practices are statistically different as indicated by the p-values (organisational role  $p=.000$  and job tenure  $p=.046$ ). Such results are indicative of statistical differences among respondents when it comes to ethical practices in the industry. Therefore, the hypothesis which states that there is no statistical difference among respondents according to occupational factors was rejected. The study concludes that the ethical practices cannot be inferred to the population on the basis of the position or the years of experience one has in the industry. Overall, the study concludes that firms in the pensions industry are highly ethical regardless of negative media reports.

#### 4.12 DECISIONS REGARDING RESEARCH HYPOTHESES

Table 4.17: Summary of Decisions on Research Hypotheses

Research Hypothesis	Findings
H1 Organisational environment significantly influence ethical leadership practices	<i>Supported</i>
H2 Ethics interventions significantly influence ethical leadership practices	<i>Supported</i>
H3 Internal whistleblowing positively influence ethical leadership practices	<i>Supported</i>
H4 Good governance is positively associated with ethical leadership practices	<i>Supported</i>
H5 Occupational factors ( <i>organisational role and job tenure</i> ) significantly influence ethical leadership practices	<i>Not Supported</i>

Correlation and regression analyses were conducted (*Tables 4.10, 4.11, 4.12 and 4.13*) with a view of testing whether research hypotheses as set out in Section 1.6 were met. Table 4.18 above provides a summary of conclusions that were drawn from such results. Observations can be made from the table that the study's overall results supported the hypotheses save for hypothesis **H5**.

#### 4.13 CHAPTER SUMMARY

This chapter reported on and interpreted the findings of the empirical investigation into the nature of the statistical interrelationships between organisational environment, intentions, internal whistleblowing and good corporate governance as a composite set of independent variables and ethical leadership practices. In the next chapter (Chapter five) recommendations with respect to ethical practices in the industry are provided based on research findings of this study. The chapter also presents the conclusions and limitations of the study, and offers recommendations for both practice and future research.



## **CHAPTER 5: CONCLUSION AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

Chapter 4 analysed data that were collected for the study and presented a discussion of the results. The aim of this chapter is to review and present the study's findings, with attention placed on whether the research objectives were addressed. The chapter begins by presenting a recap of the research aim and objectives before discussing the major implications of the research findings, the study's limitations and result-based future directions for the study.

### **5.2 RECAPITULATION OF THE RESEARCH OBJECTIVES**

It can be re-emphasised that the aim of this study was to empirically examine the factors impacting on ethical leadership practices in the retirement and pensions industry in Zimbabwe. The study's objectives were to:

- Establish the contribution of an organisational environment on ethical leadership practices in the retirement and pensions industry.
- Explore the effect of ethical interventions on ethical leadership practices in the retirement and pensions industry.
- Determine the influence of internal whistleblowing on ethical leadership practices in the retirement and pensions industry.
- Explore the impact of the adoption of good corporate governance principles on ethical leadership practices.
- Determine whether occupational characteristics (*organisational role and job tenure*) have an effect on ethical leadership practices.

### **5.3 SUMMARY OF RESEARCH FINDINGS**

Having carried out analyses in Chapter 4, the following conclusions were drawn in terms of each objective.

## OBJECTIVE 1

The first objective sought to establish the contribution of an ethical organisational environment on ethical leadership practices in the retirement and pensions industry. From the study's findings, an organisational environment significantly influence ethical leadership practices in a positive manner as highlighted in Table 4.13 ( $\beta = .599$ ;  $p < .05$ ). Such results are also supported by correlation analysis as there exists a significant, strong and positive relationship between organisational environment and leadership practices in the industry as Table 4.10 shows ( $\rho = .734^{**}$ ;  $p < .05$ ). Results show that an ethical organisational environment makes a statistically significant unique contribution to the model as about 60% of the variation in organisational ethical practices are as a result of the environment ( $\beta = .599$ ). Thus, it is essential for an organisation to cultivate the right moral environment that models the desired behaviours from all employees which in turn influences ethical practices from the organisation's leadership. Such findings were consistent with Fox *et al.* (2010), Newman and Xu (2013), Arulrajah (2015) and Engelbrecht *et al.* (2017) who concluded that an ethical organisational environment significantly contributes to ethical practices, resulting in various organisational outcomes such as corporate reputation and organisational performance. It is evident from the study's findings that employees in the retirement and pensions industry in Zimbabwe perceive organisational context as critical in the creation of ethical organisations and subsequent reputation of the industry as a whole. The study therefore concludes that the research objective was achieved as an ethical organisational environment significantly contributes to an organisation's ethical practices.

## OBJECTIVE 2

The second objective was to explore the effect of ethical interventions on ethical leadership practices in the retirement and pensions industry. In order to achieve this objective, the influence of ethical interventions on ethical leadership practices was tested as using the correlation and regression analysis. Results highlighted that there is positive and significant influence between the variables ( $\beta = .193$ ;  $p = .011$ ) and these are supported by a moderate, positive and significant correlation as shown in Table 4.10 ( $\rho = .543^{**}$  and  $p < .05$ ). The analysis attested that 19.3% of variance in ethical leadership practices is uniquely explained by ethical interventions. Results imply that research participants view such interventions as

training, mentoring, ethics reward systems and punishment among others, are significant in the overall modelling of ethical practices in the retirement and pensions industry in Zimbabwe.

These findings were consistent with previous work of Mey & Lloyd (2014) and Mitonga-monga (2015), who qualified that when individuals perceive their organisation to have a positive code of ethics, conducts ethics audits, training and clear prescription procedures, policies and practices with moral consequences, they are more likely to view their leaders as practicing decision making in an ethical manner and their organisations as highly ethical. This study therefore concludes that ethical interventions positively influence ethical practices in the retirement and pensions industry in Zimbabwe.

### **OBJECTIVE 3**

The third objective sought to assess the influence of whistleblowing on ethical leadership practices in the retirement and pensions industry. Hypothesis (**H3**) was formulated with a view of predicting that internal whistleblowing has a positive influence on ethical leadership practices. Research findings revealed that internal whistleblowing significantly influence ethical leadership practices, as depicted by  $\beta = .185$  and  $p < .05$  as highlighted in table 4.13. This is supported by the significant, positive and moderate relationship ( $\rho=.634^{**}$ ;  $p < .05$ ) between internal whistleblowing and ethical leadership practices.

The research findings were consistent with those of Bhal and Dadhich (2013), Malik & Nawaz (2018) and Tariq (2018) who concluded that there is a positive association between ethical leadership and internal whistleblowing. Consequently, the leader's supportive role through ethical quality exchanges may have contributed to the strong and significant influence of internal whistleblowing on ethical leadership practices. Thus hypothesis H3 that looked at internal whistleblowing in the retirement and pensions industry is supported by the data, indicating that organisations in the industry encourage the disclosure of unethical practices through whistleblowing. The study therefore concludes that internal whistleblowing has a significant positive effect on ethical leadership practices and hence, the research objective was achieved.

#### OBJECTIVE 4

The fourth objective sought to explore the impact of adoption of good corporate governance principles on ethical leadership practices in the retirement and pensions industry in Zimbabwe. Consequently, hypothesis **H4** was formulated; which predicted that good corporate governance principles are positively associated with ethical leadership practices.

The study's findings prove that good corporate governance principles are positively and significantly associated with ethical leadership practices as supported by  $\rho = .507^{**}$ ,  $p < .05$  (table 4.10). The relationship is also supported by regression results which suggest that adoption of good corporate governance enhances ethical leadership as highlighted by table 4.13 ( $\beta = .086$ ;  $p < .05$ ). Thus, good corporate governance principles can explain 8.6% of variance in ethical leadership in this model. As such, research participants who perceive their organisation to have adopted good corporate governance principles (*discipline, transparency, independence, accountability, responsibility and fairness*) are likely to view their leaders as being honest, respectful, listening, and acting with integrity. Research findings were inconsistent with those of Othman & Rahman (2014); Musyimi (2016); Kwakye *et al.* (2018). The study concludes that the research objective was achieved.

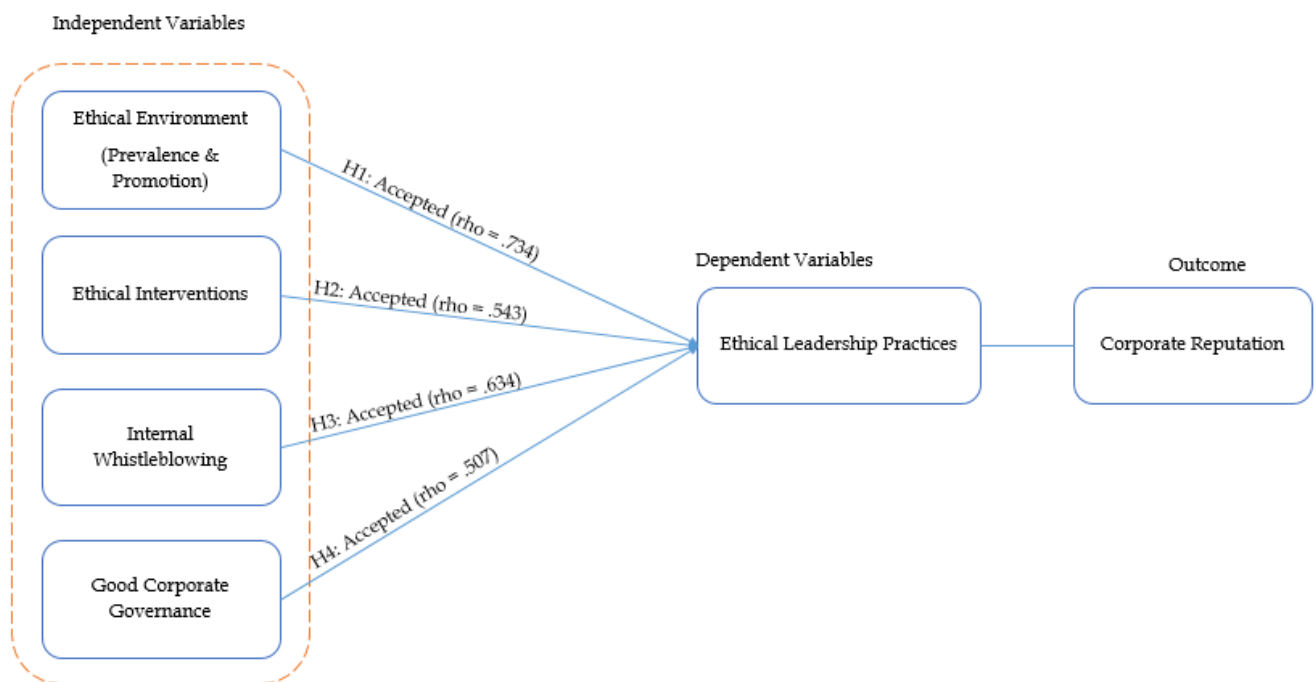
#### OBJECTIVE 5

The fifth objective sought to empirically assess whether occupational characteristics (*organisational role and job tenure*) significantly influence ethical leadership practices in the retirement and pensions industry. To achieve this objective, independent tests were conducted in Section 4.6 of this study with results indicating that there are statistical and significant differences among respondents as measured by organisational role and job tenure in the Zimbabwean retirement and pensions industry. Therefore, should views of ethical leadership practices be sought in the industry with respect to occupational factors as conceptualised by job tenure and organisational role, different results are likely to be obtained. Consequently, the hypothesis **H5** which states that there are no statistically significant differences among respondents of different organisational roles and job tenure was rejected.

## MAIN HYPOTHESIS

The main hypothesis **H0** which states that organisations operating in the retirement and pensions industry in Zimbabwe are highly ethical is fully accepted owing to the statistically significant results that were achieved in the study. This assertion is supported by the results in tables 4.8, 4.10, 4.13 and 4.18 as analysed through descriptive, correlation and regression analyses.

The resultant conceptual framework can be analysed as ethical organisational environment, interventions, internal whistleblowing and good corporate governance triggers ethical leadership practices. Hence, the modified conceptual framework is accepted as shown by figure 5.1 below.



*Figure 5.1: Revised Conceptual Model Based on Study Results*

## 5.4 CONTRIBUTIONS

The current research study made contributions at theoretical, methodological and empirical levels.

#### **5.4.1 THEORETICAL CONTRIBUTIONS**

This research study is of theoretical significance to management scholars through the provision of further empirical evidence in the ethical leadership domain. The study also extends new understanding and confirmation of associations between ethical leadership practices and internal whistleblowing, ethical leadership practices and good corporate governance, ethical leadership practices and ethical organisational environment, and ethical leadership practices and ethics interventions within the retirement and pensions industry in Zimbabwe. Thus, the current research in some measure addresses Eisenbeiss's (2012) disparagement that ethical leadership has preference towards Western perspective as conversed earlier. Consequently, results demonstrate that organisational effectiveness can be comprehended through the nurturing of an ethical organisational environment in which ethical practices are then encouraged and displayed.

The study's conceptual framework also contributes to the retirement and pensions industry in Zimbabwe by providing to the body of knowledge on ethical leadership and practices that may be adopted for maintaining a sustainable organisational reputation. The framework also stands to guide the industry and other sectors which are concerned with maintaining a reputable image and can be used to develop and enhance ethical behaviours and practices by leaders in today's organisations.

#### **5.4.2 METHODOLOGICAL**

The methodological strength of this study included the examination of the factors influencing ethical leadership practices from a large number of employees across a various organisations within the retirement and pensions industry. Data were collected from three self-administered pension funds from both employees and managers, which was critical in order to reduce the potential effects of same-source and common methods bias concerns. The researcher gained experience through applying survey strategies and techniques during data collection; which experience will be useful for other studies.

However, the methodology employed in this study provides an area of further research. The study was quantitative in nature and future research can utilise other research methods to broaden the amount of data collection and accuracy of responses.

### **5.4.3 EMPIRICAL CONTRIBUTIONS**

The study contributed to the expansion of an empirically tested ethical leadership model which further outlines the important ethical. The proposed model is a new contribution to the field of ethical leadership and adds valuable knowledge and understanding to contemporary research on the ethical context and behaviour variables and the job retention and performance-related factors that affect individuals' turnover intentions and performance within an organisation in today's turbulent and challenging working environment. The study contributes on the development of an ethical organisational environment through drawing a picture of what constitutes an acceptable organisational context.

The research study endeavoured to provide both academic and practical contributions to the existing body of literature on factors affecting engagement levels in the mining sector. On the academic side, the study contributed fundamental literature to the mining sector. The study also sought to provide empirical evidence of the contribution of the success factors to employee engagement to substantiate other researches that were conducted especially in the developing countries.

### **5.5 PRACTICAL MANAGERIAL RECOMMENDATIONS**

This study has practical implications for organisations in the industry that are interested in the development of ethical leadership. Empirical findings of this study are expected to provide a number of managerial and policy recommendations in an attempt to fortify the level of ethical leadership practices in the retirement and pensions industry in Zimbabwe.

Firstly, the study's findings suggest that organisational leaders need to embrace ethical practices for them to gain followers' trust and commitment as employees who view their leaders as ethical tend to evaluate their relations in more favourable ways. Leaders as change agents, are therefore encouraged to continually nurture an ethical organisational environment which is critical for a sustainable organisational reputation. Thus, an ethical organisational environment is generally considered to be an organisational resource that influences and regulates ethical conduct. This resource nurtures an ethical, positive and favourable working environment that contributes to positive attitudes and behaviours in the

organisation (Parboteeah *et al.*, 2010; Mitonga-monga, 2015). Firms in the industry need to continually develop safe and supportive ethical environments that would be helpful for the employees to freely share the ideas, including the reporting of wrongdoings in the organisation without any fear.

Secondly, the study also recommends that leaders must set ethical standards against which employee and organisational moral performance can be evaluated upon; with maintenance of such standards being enhanced by interventions such as the conducting of ethics audits and the incorporation of ethics in individual performance evaluation systems. Organisational leaders must see to it that set ethical standards are followed by all employees. Such ethical evaluations can be considered for personal efficiency when organisations select members of staff for promotion into higher positions of responsibility, for instance.

Thirdly, the study recommends continual training and development on ethical leadership within the industry coupled with the setting up of efficient internal reporting channels for wrongdoings as well as whistleblower protection mechanisms. Such supportive mechanisms are quite fundamental as they ensure that wrongdoings are addressed within the organisation, thereby fostering internal whistleblowing. This has a potential of giving organisations a chance to clean any mess internally rather than the washing of dirty linen in public that is brought about when issues are reported externally.

Lastly, firms in the industry are encouraged to set up of whistleblowing and ethics-related incentive systems which could go a long way in encouraging the disclosure of corporate wrongdoings in the industry. Hence, the researcher recommends that rewards systems be extended to stakeholders other than just employees as incentives to motivate the reporting of wrong-doings.

## **5.5 POLICY RECOMMENDATIONS**

Firstly the study recommends that the management and reporting on ethics be included in legislations such as the Companies Act as has been adopted in other countries such as South Africa and Australia.

Secondly, the researcher also recommends the development and implementation of legislations that provide whistleblower protection from retribution and victimisation at the



same time encouraging the disclosure of information. Countries such as Pakistan (*KPK Whistleblower Protection and Vigilance Commission Act of 2016*), New Zealand (*Protected Disclosures Act of 2000*), the United States of America (*Whistleblower Protection Act of 1989*) and South Africa (*Protected Disclosures Act No. 20 of 2000*) to mention but a few, have introduced legislation that facilitates the disclosure of irregular, illegitimate or unethical activities in organisations by stakeholders and the public in general as well as compensating whistleblowers as an incentive to the practice (Irwin, 2012; Mey & Lloyd, 2014; Cheteni & Shindika, 2017; Lee, 2018; Malik & Nawaz, 2018). Thus introduction of typical legislation in the country will help strengthen ethical leadership practices through whistleblowing not only in the pensions industry, but the country as a whole. Such legislation encourages compensation and shielding of whistleblowers from retribution.

Thirdly, organisations in the industry may also embrace Social and Ethics Committees at board level as prescribed by the King IV Report (IoDSA, 2016), which committees seek to oversee and constantly assess moral decisions and management practices. Through adopting King IV recommendations, organisations in the industry can also show management commitment through engaging the services of corporate ethics managers or officers, who will be tasked with the establishment and maintenance of an ethical culture, ensuring that strong ethical codes are developed through an inclusive approach; (*that is; by allowing participation from both managerial and non-managerial employees*) as well as ensuring that codes are applicable to all employees.

## **5.6 GENERALISATION OF FINDINGS**

High profile scandals have brought about a renewed interest in business ethics and, in particular, the need for a better understanding of the roles and responsibilities of leadership in promoting ethical behaviour. Against this background, the study which analysed the factors influencing ethical leadership practices in the retirement and pensions industry in Zimbabwe was conducted. The results, of which, revealed that the organisations in the sample are in fact highly ethical due to ethical leaders who ensure the presence of ethics related interventions, such as a code of ethics, clear policies and codes for stakeholders, and encouragement of the disclosure of unethical conduct, all of which are essential for practicing ethical leadership.

## **5.7 RESEARCH LIMITATIONS AND DIRECTIONS FOR FURTHER RESEARCH**

Findings for this study provide new directions for future research, which were recommended based on the above research limitations. First and foremost, Chapter 4 highlighted that the study's model explained 67.2% of total variability in ethical leadership practices. Therefore, the researcher recommends that future studies look into the remaining 32.8% of variability that is not incorporated in this study at an organisation or industry level which may enhance ethical leadership practices in today's organisations. Thus, additional factors such as compensation models, quality of service, use of stakeholders other than pension fund employees, the regulatory framework among others, could complement and further enhance ethical practices in modern organisations.

It is also noteworthy to highlight that the current study was cross-sectional in nature and therefore, recommendations that future studies adopt a longitudinal approach are put forward. Data that were analysed in this study were collected from self-administered stand-alone pension funds in Zimbabwe, and hence generalisability of research findings to other sectors is limited. Future studies may focus on replicating the same model in different samples or industries, which may provide for the identification of variances in participants' responses as well as assisting with the generalisation of the study's findings.

Results to the study as well as observed relationships may have been influenced by common source and common method bias. Therefore, future studies may adopt research designs that make use of both quantitative and qualitative techniques as a way of mitigating against threats of common method and common source biases. This will help ascertaining with greater confidence the influence of such factors as the environment, interventions, whistleblowing and good governance principles on ethical practices.

## **5.8 CONCLUSION**

In conclusion, the study was successful in achieving the research's objective which was to empirically examine the factors that influence ethical leadership practices in the retirement and pensions industry in Zimbabwe. The heightened cases of corporate malfeasance in the industry brought about the research's interest in ethical leadership. It is against this background that the study measured and statistically analysed ethical leadership practices

in the retirement and pensions industry in Zimbabwean, with findings revealing that there are significant positive relationships between ethical practices and all the factors under study; that is, organisational environment, ethics interventions, internal whistleblowing and good governance. This means that every variable in the model has an important implication on the development and maintenance of ethical practices in the industry. In spite of the various cases of wrongdoings that have been brought to public attention through the media, the study's results revealed that organisations in the sample are perceived to be highly ethical, mainly due to the industry's leadership which ensured the presence of an ethical organisational environment, seen to have adopted good governance principles, and have placed ethics codes and clear procedures as well as encouraging the disclosure of unethical behaviours in their organisations.

This study also made a significant contribution through examining the level of ethical leadership practices in the Zimbabwean context, highlighting the influence of such factors as the organisational environment, interventions, internal whistleblowing and the adoption of good corporate governance principles by the industry's leadership who ensure the availability and promotion of an ethical standards in their organisations. As results to the study revealed, employees are attentive and report malpractices which further enhance the workings of ethical leadership in the industry. Industry leaders encourage the disclosure of unethical conduct through adoption of good governance principles and the presence of whistleblowing policies; therefore, these factors play a critical role in the development and maintenance of reputable and ethical organisations.

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## APPENDICES

### APPENDIX A – RESEARCH QUESTIONNAIRE



#### Research Questionnaire

The Researcher is a final-year postgraduate student with the University of Zimbabwe and currently conducting a research study for MBA Strategic Leadership Degree programme. The title of this research study is *“Examining the Factors Influencing Ethical Leadership Practices in the Retirement and Pensions Industry in Zimbabwe.”*

I would like to invite you to participate in this survey, which is aimed at finding out the extent of ethical leadership practices and their impact on organisational success of firms in the industry. The objective of this research is to help expand the board of knowledge on ethical leadership in the retirement and pensions industry in Zimbabwe.

This questionnaire consists of 7 sections and should take a few minutes (less than 10 minutes) to complete. All the information you provide will be treated in strict confidence and will be available to the researcher for scholarly purposes only. Results will be reported in general terms, with no specific organisations or individuals identified in the report. Your participation is very important in this study. Thank you very much for sparing your time to complete this survey.

Please take a few minutes to answer the questionnaire below by selecting appropriate option by clicking on the check box ( ☐ ) or a tick ( ☒ ) or cross ( X ).

Your assistance will be greatly appreciated and thank you in advance for taking your valuable time to complete this questionnaire. For further information contact the researcher on +263773202699/+263772142242, [sitholea@icloud.com](mailto:sitholea@icloud.com)/[sitholearn8@gmail.com](mailto:sitholearn8@gmail.com) or the supervisor Dr C. Gumbo on [cgumbo@muast.ac.zw](mailto:cgumbo@muast.ac.zw) / [cgumbo2015@gmail.com](mailto:cgumbo2015@gmail.com)

## Section 1: Demographic Profile

1. Gender: ☐ Male ☐ Female
2. Age: ☐ Below 25 ☐ 25 to less than 35  
☐ 35 to less than 45 ☐ 45 to less than 55  
☐ 55 & above
3. Highest Education Qualification:  
☐ Postgraduate Degree ☐ Bachelor's Degree  
☐ Diploma ☐ Certificate  
☐ Secondary ☐ Other
4. Which one of the following best describes your current job?  
☐ Senior Management ☐ Middle Management  
☐ Professional ☐ Supervisory  
☐ Clerical ☐ Other
5. Number of years with current employer  
☐ Less than 3 years ☐ 3 to less than 5 years  
☐ 5 to less than 10 year ☐ 10 to less than 15 years  
☐ 15 years and above

*For the questions to follow, may you rank your opinion on a Likert scale of 1-5 as guided below:*

QUESTIONS	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
ETHICAL LEADERSHIP & PRACTICES	1	2	3	4	5
1. Senior management has the best interests of employees at heart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Senior management represent high moral standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

QUESTIONS	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
3. Senior management listens to the views of employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Senior management makes fair and balanced decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The organisation's senior management can be trusted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Senior management discusses business principles and values with employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>ETHICAL ENVIRONMENT</b>					
<b>PROMOTION OF ETHICAL CONDUCT</b>					
1. Senior management conducts personal life in an principled manner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Senior management guide decision-making in an principled direction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Senior management defines success not just by results but also the way that they are obtained.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Senior management disciplines unprincipled behaviour when it occurs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Senior management sets an example of how to do things the right way in terms of moral values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>PREVALENCE OF ETHICAL CONDUCT</b>					
6. The organisation's performance evaluation system is fair and just	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Senior management is committed to its promises with employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Senior management allows employees to express their opinions freely without fear	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Management undertakes initiatives such as ethical audits, training or workshops that promote principled conduct of employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Senior management serve as moral role models for employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>ETHICS INTERVENTIONS</b>					
1. Ethical behaviour is rewarded in this organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Employees receive training on organisational core values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

QUESTIONS	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
3. Core values are in congruence with senior management decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. My personal values are congruent with organisational core values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Organisational ethics is a formal governance item which is considered a critical element at every turn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. This organisation has a mandatory effective ethics education and training strategy in place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. This organisation has an open communication culture which fosters a positive ethical climate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>INTERNAL WHISTLEBLOWING</b>					
1. The organisation encourages and recognises disclosure of unlawful acts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The organisation has strategies in place to deal with internal reporting of unlawful, irregular or illegal practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The organisation offers incentives to employees who report on unlawful, irregular and illegal activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I feel that I can discuss ethical issues and problems with my superiors without fear of having the comments held against me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Employees are made aware of whistle-blower protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The organisation offers support and protection to whistle-blowers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>GOOD CORPORATE GOVERNANCE</b>					
1. Management sticks to clearly defined core business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The chairperson of the Board is an independent, non-executive Trustee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Company has an audit committee chaired by a perceived genuine independent Trustee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Audit committee nominates and conducts a proper review the work of external auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The organisation has platforms in place for criticism and/or suggestions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The Organisation has an explicit equal employment policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. This organisation has a risk assessment strategy in place, particularly as regards the avoidance of fraud and corruption?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## APPENDIX B – DESCRIPTIVE ANALYSIS

*Table B.1: Total Item Correlation Statistics*

	Item-Total Statistics				
	Scale Item Deleted	Mean if Item Deleted	Scale Item Deleted	Corrected Total Correlation	Cronbach's Alpha if Item Deleted
EthicPrac1		163.60	1147.378	.907	.985
EthicPrac2		163.20	1177.289	.706	.985
EthicPrac3		163.90	1134.767	.906	.985
EthicPrac4		163.70	1183.344	.843	.985
EthicPrac5		164.20	1119.733	.946	.985
EthicPrac6		164.20	1155.733	.757	.985
EthicPrac 7		163.40	1215.156	-.077	.986
Prom1		163.30	1179.789	.728	.985
Prom2		163.60	1165.378	.845	.985
Prom3		163.70	1137.122	.948	.985
Prom4		163.30	1195.344	.552	.986
Prom5		164.30	1161.567	.922	.985
Prev1		163.20	1187.289	.506	.986
Prev2		163.70	1138.233	.934	.985
Prev3		164.20	1129.289	.955	.985
Prev4		164.40	1149.600	.841	.985
Prev5		163.80	1161.733	.882	.985
EI1		165.20	1160.178	.696	.985
EI2		164.60	1196.044	.411	.986
EI3		164.40	1166.044	.782	.985
EI4		164.20	1144.622	.910	.985
EI5		163.40	1174.933	.631	.985
EI6		164.10	1154.767	.928	.985
EI7		164.90	1156.100	.861	.985
EI8		163.90	1150.544	.947	.985
IW1		162.90	1193.656	.551	.986
IW2		163.80	1165.289	.820	.985
IW3		163.30	1194.678	.408	.986
IW4		165.50	1162.944	.704	.985
IW5		163.90	1100.322	.971	.985
IW6		163.30	1182.678	.664	.985
IW7		164.30	1153.567	.822	.985
CG1		164.20	1156.178	.951	.985
CG2		165.20	1147.956	.791	.985
CG3		165.20	1147.956	.791	.985
CG4		163.70	1181.789	.888	.985
CG5		163.00	1202.444	.325	.986
CG6		163.70	1155.567	.869	.985
CG7		163.20	1209.289	.190	.986
CG8		164.00	1180.444	.704	.985
CG9		163.30	1194.011	.593	.986

*Table B.2: Descriptive Analysis – Ethics Interventions Question 1*

		EI1		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	Strongly Disagree	37	22.6	22.7	22.7
	Disagree	34	20.7	20.9	43.6
	Neither	40	24.4	24.5	68.1
	Agree	50	30.5	30.7	98.8
	Strongly Agree	2	1.2	1.2	100.0
	Total	163	99.4	100.0	
Missing	System	1	.6		
Total		164	100.0		

*Table B.3: Descriptive Analysis – Ethics Interventions Question 7*

		EI7		Valid Percent	Cumulative Percent
		Frequency	Percent		
<b>Valid</b>	Strongly Disagree	16	9.8	9.8	9.8
	Disagree	45	27.4	27.4	37.2
	Neither	20	12.2	12.2	49.4
	Agree	75	45.7	45.7	95.1
	Strongly Agree	8	4.9	4.9	100.0
	<b>Total</b>	164	100.0	100.0	

*Table B.4: Descriptive Analysis – Internal Whistleblowing Question 4*

		IW4		Valid Percent	Cumulative Percent
		Frequency	Percent		
<b>Valid</b>	Strongly Disagree	32	19.5	19.5	19.5
	Disagree	50	30.5	30.5	50.0
	Neither	35	21.3	21.3	71.3
	Agree	41	25.0	25.0	96.3
	Strongly Agree	6	3.7	3.7	100.0
	<b>Total</b>	164	100.0	100.0	

*Table B.5: Descriptive Analysis – Internal Whistleblowing Question 7*

		IW7		Valid Percent	Cumulative Percent
		Frequency	Percent		
<b>Valid</b>	Strongly Disagree	9	5.5	5.5	5.5
	Disagree	43	26.2	26.2	31.7
	Neither	45	27.4	27.4	59.1
	Agree	56	34.1	34.1	93.3
	Strongly Agree	11	6.7	6.7	100.0
	<b>Total</b>	164	100.0	100.0	



## APPENDIX C – AUTHORITY TO CONDUCT RESEARCH



**LOCAL AUTHORITIES PENSION FUND**

10th Floor, Throgmorton House, Samora Machel Avenue, P.O. Box 2865, HARARE ☎ 775570/1 Fax 780801

Our Ref: CSM/gg

28 August 2019

To Whom It May Concern

Dear Sir/Madam

**AUTHORITY TO CARRY OUT A RESEARCH: ARNOLD SITHOLE**

This serves to confirm that the above named was authorised to carry out a research within the Local Authorities Pensions Fund as part of his Dissertation project.

Be guided accordingly.

Yours faithfully

Gilbert Gandashanga

**Corporate Services Manager**

## APPENDIX D – TURNITIN EPHORUS REPORT



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