The Role of Ethical Leadership in Creating Ethical Working Climate: The Mediating Role of Knowledge Sharing

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I dedicate my work to my parents for their support and prayers that made me able to achieve this milestone.

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ABSTRACT

The Role of Ethical Leadership in Creating Ethical Working Climate: The Mediating Role of Knowledge Sharing

This study examined the relationship between ethical leadership, the creation of an ethical working climate, and the mediating role of knowledge sharing in educational institutes in Lahore. The research aimed to explore the impact of ethical leadership on employees and the creation of an ethical working climate, as well as the role of knowledge sharing in this relationship. The study was quantitative and cross-sectional in nature, and it used correlation and regression analysis to investigate the hypothesis. A sample of 204 employees (including managers, supervisors, and other staff members) was drawn from different Educational Institutes in Lahore, Pakistan. The results of the study indicate that Ethical Leadership has a positive significant effect on the Ethical Working Climate. Findings further explain that the Knowledge Sharing acts as a mediator and partially mediates the relationship between Ethical Leadership and Ethical Working Climate

 Data was collected using various methods, and the findings supported the hypotheses, revealing a significant association between ethical leadership, the creation of an ethical working climate, and knowledge sharing. The study contributes to the understanding of ethical leadership and knowledge sharing in fostering an ethical working climate within Lahore's educational institutes. The implications of the study are discussed, along with limitations and recommendations for future research.

Keywords: Ethical Leadership, Ethical Working Climate, Knowledge Sharing, Educational Institutes, Organizational Culture.

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LIST OF ABBREVIATIONS

Alpha	Cronbach Alpha
β	Beta Coefficient
r	Correlation
Sig.	p-value
S.D	Standard Deviation
M	Mean
EL	Ethical Leadership
EWC	Ethical Working Climate
KS	Knowledge Sharing

CHAPTER 1

INTRODUCTION

Ethical leadership and the establishment of an ethical working climate have gained significant attention due to their potential to create organizational integrity and drive long-term success (Yulianti et al., 2021). Ethical leadership entails more than just enforcing ethical guidelines; it involves inspiring and influencing employees to embrace ethical values and behaviors (Myers, 2019). By embodying and promoting integrity, honesty, and fairness, ethical leaders serve as role models who guide their teams toward ethical decision-making and actions. The creation of an ethical working climate is a multi-faceted process that involves various factors (Kuenzi, Mayer, and Greenbaum, 2019). This study explores the role of ethical leadership in creating an ethical working climate, with a particular focus on the mediating role of knowledge sharing.

Ethical leadership serves as the foundation for establishing an ethical working climate within an organization (Gilliland, Steiner, and Skarlicki, 2020). Ethical leaders prioritize the ethical dimensions of decision-making, considering not only the outcomes but also the moral implications of their actions (Yulianti et al., 2021). They are guided by a strong moral compass and demonstrate a commitment to ethical principles, acting in the best interests of the organization, its employees, and its stakeholders. One of the key aspects of ethical leadership is setting clear expectations and standards for ethical behavior (Myers, 2019). Ethical leaders establish a code of conduct that emphasizes integrity, honesty, and respect. They communicate these expectations to their team members and consistently model these behaviors in their own actions.

By providing a clear ethical framework, ethical leaders enable employees to navigate ethical challenges and make principled decisions (Gilliland, Steiner, and Skarlicki, 2020). Ethical leaders also create an environment that encourages open and transparent communication. They create channels for employees to voice their concerns, seek guidance, and report unethical behavior without fear of retaliation. By promoting a culture of psychological safety and trust, ethical leaders ensure that ethical issues are addressed promptly and effectively (Mohamad, 2018).

In an ethical working climate, employees feel empowered and motivated to act ethically in their roles (Xing et al., 2022). They understand the importance of ethical conduct and

its impact on the organization's reputation, relationships with stakeholders, and long-term sustainability. Ethical leaders create a sense of shared responsibility for upholding ethical standards and encourage employees to engage in ethical discussions, seek guidance when faced with ethical dilemmas, and hold each other accountable for ethical behavior (Yulianti et al., 2021).

A strong ethical working climate promotes ethical decision-making, encourages responsible actions, and discourages unethical behavior, thereby creating a positive work environment and organizational reputation (Fatima and Siddiqui, 2019). As employees observe ethical leaders consistently modeling ethical behavior and actively engaging in ethical decision-making, they are more likely to internalize and adopt those behaviors themselves (Price, 2017). The ethical working climate, in turn, reinforces and sustains ethical leadership by nurturing an environment that rewards ethical conduct and discourages unethical behaviors. This reciprocal relationship creates a virtuous cycle, where ethical leadership and the ethical working climate mutually reinforce and strengthen each other. An organization with an ethical working climate sets clear expectations regarding ethical conduct and promotes a strong commitment to ethical principles throughout all levels of the organization (Kuenzi, Mayer, and Greenbaum, 2019).

Knowledge sharing plays a pivotal role in fostering an ethical organizational culture (Mohamad, 2018). In an organization that values knowledge sharing, employees are empowered to contribute their expertise and perspectives without fear of judgment or reprisal (Yulianti et al., 2021). This promotes a sense of trust and collaboration among team members, as they recognize that their contributions are valued and respected. Ethical leaders actively promote a culture of learning and continuous improvement by emphasizing the importance of sharing knowledge for the collective benefit of the organization and its stakeholders (Gilliland, Steiner, and Skarlicki, 2020). Knowledge sharing within an ethical framework not only enables the dissemination of ethical values but also facilitates their integration into everyday practices. When employees openly discuss ethical dilemmas, share their experiences, and seek input from their colleagues, they contribute to the development of a shared understanding of ethical behavior (Perreault, 2019). This shared understanding helps establish norms and expectations that guide ethical decision-making, ensuring consistency and integrity in organizational practices. By fostering a culture of knowledge sharing, ethical leaders promote a sense of accountability and responsibility among employees. When

individuals feel comfortable sharing their knowledge and experiences, they are more likely to take ownership of their actions and the impact they have on others (Yulianti et al., 2021). Through knowledge sharing, employees gain insights into the ethical implications of their decisions, enabling them to make informed choices aligned with the organization's ethical principles.

Understanding the interplay between ethical leadership, knowledge sharing, and the ethical working climate is crucial for organizations seeking to establish and maintain an ethical culture (Fatima and Siddiqui, 2019). By recognizing the pivotal role of ethical leadership and knowledge-sharing in shaping the ethical working climate, organizations can implement targeted interventions, such as leadership development programs and knowledge-sharing platforms, to foster an environment that supports ethical behavior and decision-making (Myers, 2019). Examining the relationship between ethical leadership, knowledge sharing, and ethical working climate is crucial to provide insights into the mechanisms that can enhance ethical behavior within organizations (Kuenzi, Mayer, and Greenbaum, 2019). This study seeks to explore the role of ethical leadership in creating an ethical working climate, with knowledge sharing as a mediating factor.

1.1. Statement of Problem:

Ethical leadership has been recognized as a significant factor in shaping ethical behavior within organizations (Xing et al., 2022). But, the specific mechanisms through which ethical leadership influences and fosters an ethical working climate remain relatively unexplored. The role of knowledge sharing as a potential mediator between ethical leadership and the development of an ethical working climate requires further investigation.

The problem addressed in this study is to examine and understand the relationship between ethical leadership and the creation of an ethical working climate. By exploring these relationships, the research aims to shed light on the underlying processes through which ethical leadership influences the ethical climate within organizations, and the potential impact of knowledge sharing in facilitating this relationship.

This research seeks to contribute to the existing literature on ethical leadership and organizational ethics by providing empirical evidence and a deeper understanding of the mechanisms involved. Ethical leadership and its impact on organizational outcomes

have been widely discussed and studied in the literature, but there is still a need for more empirical research to validate and expand upon existing theories and frameworks (Kuenzi, Mayer and Greenbaum, 2019). The findings of this study can inform organizational leaders, managers, and policymakers on the importance of ethical leadership behaviors and knowledge sharing practices in promoting and sustaining an ethical working climate within their respective organizations. Pakistan, like many other countries, faces significant challenges related to ethical conduct and the establishment of an ethical working climate within organizations (Fatima and Siddiqui, 2019). While ethical leadership has been acknowledged as a crucial factor in promoting ethical behavior, the specific dynamics and barriers that exist within Pakistan also need to be discussed (Mohamad, 2018). By examining these aspects, the research aims to uncover the unique cultural, social, and organizational factors that affect ethical leadership practices and their subsequent effect on fostering an ethical climate in Pakistan. The findings of this study can provide insights to develop strategies and initiatives that promote ethical leadership behaviors and knowledge sharing practices, leading to the establishment of an ethical working climate including Pakistani organizations.

1.2. Research Gap:

Although the mediating role of knowledge sharing is proposed in the relationship between ethical leadership and the ethical working climate, there is a need for more empirical studies that specifically examine and provide a deeper understanding of the mechanisms through which knowledge sharing influences the ethical working climate (Price, 2017). This includes investigating how knowledge sharing processes, such as information exchange, collaboration, and learning, contribute to the development of an ethical working climate.

The existing literature has primarily focused on examining the direct relationship between ethical leadership, knowledge sharing, and the ethical working climate, often overlooking the potential moderating effects of contextual factors (Fatima and Siddiqui, 2019). There is a need to explore how contextual factors, such as organizational culture, industry characteristics, and national culture, may interact with ethical leadership and knowledge sharing, influencing the strength or direction of their impact on the ethical working climate (Gilliland, Steiner and Skarlicki, 2020).

Ethical working climates exist not only at the individual level but also at the team and organizational levels (Yulianti et al., 2021). Most studies have focused on the individual level, neglecting the potential influence of team and organizational factors on the relationship between ethical leadership, knowledge sharing, and the ethical working climate. Conducting multilevel analyses can provide a more comprehensive understanding of how these factors operate and interact across different levels of analysis (Mohamad, 2018). While previous research has primarily focused on the impact of ethical leadership, knowledge sharing, and the ethical working climate on employee attitudes and behavior, there is a need to explore the broader outcomes of it.

1.3. Significance of Study:

This study holds significant implications for both academia and practice in the realm of ethical leadership and the creation of an ethical working climate. From an academic standpoint, the study addresses several research gaps identified in the literature. By investigating the mediating role of knowledge sharing we can get an understanding of how ethical leadership influences the development of an ethical working climate (Fatima and Siddiqui, 2019). It expands our knowledge of the mechanisms and dynamics involved, providing a more comprehensive understanding of the factors that shape ethical behavior within organizations. The study contributes to the growing body of knowledge on the ethical dimensions of leadership and organizational behavior. The study also offers practical insights for organizations. By exploring the relationship between ethical leadership, knowledge sharing, and the ethical working climate, organizations can gain valuable insights into how to foster a culture of ethics and integrity (Xing et al., 2022).

The findings can guide organizations in developing targeted interventions and initiatives to enhance ethical leadership practices and promote knowledge sharing. This, in turn, can contribute to the creation of an environment that supports ethical decision-making, improves employee engagement, and enhances organizational performance. The study's outcomes can serve as a roadmap for organizational leaders and practitioners seeking to cultivate an ethical working climate and establish a reputation for ethical conduct. By examining the long-term effects of ethical leadership and knowledge sharing on the ethical working climate, organizations can gain insights into the sustainability of ethical practices (Gilliland, Steiner and Skarlicki, 2020). This

knowledge can inform the development of long-term strategies and interventions that ensure the continued promotion of ethics and integrity within organizations, mitigating the risk of ethical lapses and promoting a positive organizational culture. The significance of this study lies in its potential to contribute to the ethical foundations of organizations.

1.4.   Research Questions:

a) Does Ethical leadership contribute to creating an ethical working climate?

b) How does ethical leadership impact knowledge sharing?

c) What is the relationship between Ethical working climate and Knowledge sharing?

d) Does Knowledge sharing mediate the relationship between Ethical Leadership and Ethical Working Climate?

1.5.   Research Objectives:

a) To determine the relationship between Ethical leadership in creating an ethical working climate.

b) To investigate the relationship between Ethical leadership and Knowledge Sharing.

c) To analyze the relationship between Ethical working climate and Knowledge sharing.

d) To examine the mediating role of Knowledge sharing between Ethical Leadership and Ethical working Climate

1.6.   Rationale of the Research:

The primary rationale behind this research is to investigate the influence of ethical leadership on the creation of an ethical working climate in the context of Lahore universities in Pakistan, while also exploring the mediating role of knowledge sharing. This research fills a significant gap in the existing literature as there is limited prior research examining these variables specifically within the educational sector of Lahore. By focusing on Lahore universities, the study acknowledges the importance of understanding how ethical leadership practices contribute to the establishment of an ethical working climate within educational institutions. The choice of Lahore

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universities is motivated by their diverse academic programs and student populations, making them an ideal setting to explore the role of ethical leadership in fostering ethical practices and promoting knowledge sharing among students and faculty members. Notable universities such as University of the Punjab, Lahore University of Management Sciences (LUMS), and University of Engineering and Technology (UET) Lahore are included to ensure a representative sample.

To gather substantial and reliable findings, a quantitative approach is used, emphasizing the collection of measurable data using statistical techniques and methodologies. Employing a quantitative research design enables results that are more robust, transparent, and readily understandable within the scientific community. The research hypothesis formulated in earlier chapters is examined and tested using survey questionnaires administered to participants. The collected data is then analyzed to assess the relationships among the variables under investigation. Utilizing a quantitative approach further minimizes errors, manages biases, and allows for a goal-oriented research process. Data is collected from students, faculty members, and university administrators within these institutions. By examining their perceptions, this study aims to contribute to the understanding of how ethical leadership practices foster an ethical working climate and the significance of knowledge sharing processes within the academic environment of Lahore universities.

1.7. Structure of the Thesis

Chapter 1	• Introduction
Chapter 2	• Literature Review
Chapter 3	• Research Methodology
Chapter 4	• Results
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Chapter 6	• Conclusions, Implications and Recommendations
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CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

This literature review serves as a critical examination and synthesis of existing research on ethical leadership, knowledge sharing, and the establishment of an ethical working climate. These constructs hold paramount importance in today's organizations, as they contribute to fostering a culture of integrity, trust, and sustainable success. Through an in-depth analysis, this chapter aims to uncover key findings, theoretical frameworks, methodological approaches, and areas of further exploration, thus bridging existing gaps in the current understanding of these topics.

Ethical leadership, as a multidimensional concept, encompasses a range of behaviors and attributes that promote ethical conduct within organizations (Duthely, 2017). It involves leaders demonstrating integrity, honesty, fairness, empathy, and accountability. By exploring the various dimensions of ethical leadership, we can gain a deeper understanding of how leaders influence ethical decision-making and behavior within their teams and organizations. Huhtala et al., (2013) said that knowledge sharing refers to the process of exchanging and disseminating knowledge within an organization. It involves creating a collaborative environment that encourages information exchange, learning, and the development of a knowledge-sharing culture. In addition to ethical leadership and knowledge sharing, the establishment of an ethical working climate is crucial for organizations to cultivate a culture that fosters ethical behavior and responsible decision-making. An ethical working climate refers to the collective perceptions, shared values, and norms that guide employee behavior within an organization (Akhbar and Musa, 2012). Understanding the components related to ethical working climate can shed light on how organizational factors, such as leadership, values, and practices, shape the overall ethical climate and contribute to positive outcomes. (Huhtala et al., 2013)

Throughout this literature review, we will explore the empirical evidence and theoretical perspectives that shed light on the impact of ethical leadership, knowledge sharing, and ethical working climate on various organizational outcomes. We will examine studies that highlight the positive effects of ethical leadership on employee job

satisfaction, commitment, organizational citizenship behavior, and organizational performance and how an ethical working climate can promote ethical decision-making, responsible behavior, employee well-being, and organizational reputation. To enhance our understanding of these constructs, we will also investigate potential mediating and moderating factors that influence the relationship between ethical leadership, knowledge sharing, and ethical working climate. Factors such as industry characteristics and national culture may play a significant role in shaping the dynamics between these constructs, emphasizing the need to consider contextual factors in studying ethical climate dynamics.

2.2. Ethical Leadership:

Olivier (2020) states that ethical leadership is a concept that involves the demonstration of certain behaviors and attributes by leaders, with the aim of promoting ethical conduct within organizations. It goes beyond simply adhering to legal and regulatory requirements and encompasses a broader set of principles and values that guide leaders' actions and decision-making processes.

One important aspect of ethical leadership is integrity. Leaders who exhibit integrity act in alignment with moral and ethical principles, consistently demonstrating honesty, trustworthiness, and transparency in their interactions (Brown and Treviño, 2006). They prioritize ethical considerations over personal or organizational gain and are committed to doing what is morally right, even in challenging situations. Another aspect of ethical leadership is honesty. Ethical leaders value and promote open and truthful communication (Gentile, 2015). Ethical leaders provide accurate information, avoid deceitful practices, and foster an environment where honesty is encouraged and rewarded. By being honest, leaders build trust and credibility among their subordinates, enabling a climate of transparency and authenticity within the organization. Fairness is also a crucial factor of ethical leadership. According to Krisharyuli et al., (2020) the ethical leaders strive to treat all individuals fairly and impartially, without favoritism or discrimination. By promoting fairness, leaders create a sense of justice and equity within the organization, which contributes to a positive work environment and enhances employee morale and commitment. They make decisions based on objective criteria, ensuring that each employee is getting equal opportunities and resources. Ethical leaders also demonstrate empathy by understanding and considering the perspectives,

emotions, and needs of their followers (Huhtala et al., 2013). They show genuine care and concern for their employees' well-being and actively listen to their concerns. By displaying empathy, leaders create a supportive and inclusive culture where individuals feel valued and understood, fostering stronger relationships and enhancing employee satisfaction and engagement.

Ethical leaders take responsibility for their actions and decisions and hold themselves and others accountable for their behavior. They set high ethical standards and ensure that they are consistently upheld throughout the organization. Carroll (1991) states that when mistakes occur, ethical leaders admit their errors, learn from them, and take appropriate corrective measures. By promoting accountability, leaders create a culture of ownership and responsibility, reinforcing ethical behavior and organizational integrity. These factors of ethical leadership are not mutually exclusive but rather interconnected and complementary. Ethical leaders strive to embody all these qualities in their leadership approach, recognizing that they collectively contribute to the establishment of an ethical organizational culture (Perreault, 2019). By exemplifying integrity, honesty, fairness, empathy, and accountability, ethical leaders serve as role models, influencing their followers to uphold ethical standards and fostering an environment where ethical conduct is valued and encouraged (Brown and Treviño, 2006).

Research has consistently shown that ethical leadership is associated with a range of favorable individual and organizational outcomes, highlighting its significance in creating a positive work environment and promoting ethical behavior.

Akhbar and Musa (2012) described in their research that ethical leaders are perceived as trustworthy, fair, and supportive, which enhances employees' satisfaction with their work and the organization as a whole. When employees feel that their leaders prioritize ethical behavior and uphold moral values, they are more likely to experience a sense of fulfillment and contentment in their roles (Sharma et al., 2011). This, in turn, can lead to increased employee engagement, productivity, and retention, as individuals are motivated to contribute their best efforts to an organization they perceive as ethical and values-driven. Ethical leadership is associated with higher levels of employee commitment (Brown and Treviño, 2006). When leaders demonstrate ethical behavior, they inspire trust and loyalty among their followers. Employees who perceive their leaders as ethical role models are more likely to develop a strong emotional attachment to the organization and its goals (Piccolo et al., 2010). They feel a sense of identification

and alignment with the ethical values promoted by their leaders, leading to increased commitment and dedication to the organization's success. This commitment is essential for building a cohesive and high-performing workforce.

Ethical leadership contributes to the development of a strong ethical culture within organizations (Duthely, 2017). Ethical leaders set clear expectations regarding ethical behavior and create an environment that encourages open communication, integrity, and accountability (Perreault, 2019). By consistently modeling ethical conduct and promoting ethical decision-making, leaders shape the norms and values that guide employees' behavior (Carroll, 1991). This helps establish a positive ethical climate where employees are more likely to engage in ethical decision-making and uphold ethical standards. A strong ethical culture acts as a safeguard against unethical behavior, reducing the likelihood of misconduct, fraud, and other unethical practices within the organization (Krisharyuli et al., 2020). When leaders prioritize ethics and integrity, they set a tone that encourages ethical behavior throughout the organization. Oliver (2020) is of the idea that by demonstrating the importance of ethical conduct, leaders create a moral compass that guides employees' actions and choices. This can help prevent unethical practices, such as dishonesty, corruption, and abuse of power. Ethical leaders are vigilant in identifying and addressing unethical behavior, reinforcing the message that unethical conduct is not accepted (Gentile, 2015). This creates a climate where employees are more likely to act ethically, promoting trust, cooperation, and a sense of justice among team members.

2.3. Knowledge Sharing:

Knowledge sharing is a critical process that involves the exchange and dissemination of knowledge, expertise, and insights within an organization (Huhtala et al., 2013). It encompasses the transfer of tacit knowledge, enabling individuals and teams to learn from one another, make informed decisions, and collectively contribute to the growth and innovation of the organization. It involves the sharing of explicit knowledge, which refers to codified information that can be easily articulated and transferred. Information exchange encompasses activities such as sharing documents, reports, databases, and best practices. Brown and Treviño (2006) have said that facilitating the flow of information across individuals and departments, organizations can harness the collective knowledge and expertise of their employees, leading to improved decision-

making, problem-solving, and the overall performance. Collaboration in knowledge sharing emphasizes the importance of working together and leveraging diverse perspectives and skills to create new knowledge and solve complex problems (Gentile, 2015). It involves joint efforts, teamwork, and the use of collaborative tools and platforms to share ideas, exchange feedback, and co-create knowledge. Through collaboration, individuals can benefit from different viewpoints, expertise, and experiences, promoting a sense of creativity, innovation, and collective intelligence within the organization (Sharma et al., 2011).

Learning is an essential aspect of knowledge sharing. It recognizes the dynamic nature of knowledge and the continuous need for individuals and organizations to acquire new insights and skills (Karakas and Sarigollu, 2013). Knowledge sharing facilitates a learning culture where employees actively seek, absorb, and apply knowledge to enhance their performance and contribute to organizational goals. In the point of view of Perreault (2019) learning can occur through formal training programs, informal discussions, mentoring relationships, communities of practice, and other collaborative activities. By encouraging learning and knowledge sharing, organizations can achieve a culture of continuous improvement and adaptability, enabling them to stay competitive in a rapidly changing business environment (Piccolo et al., 2010).

Creating a culture of trust and openness is a fundamental in effective knowledge sharing (Krisharyuli et al., 2020). When individuals feel safe and supported in sharing their knowledge and ideas, they are more likely to engage in open and transparent communication. Trust promotes psychological safety, which is crucial for a climate where individuals feel comfortable taking risks, asking questions, and challenging assumptions. Duthely (2017) said that building trust involves creating an environment that values collaboration, respects diverse perspectives, and recognizes the contributions of individuals. Openness encourages individuals to share their knowledge without fear of judgment or negative consequences (Engelbrecht et al., 2017). When a culture of trust and openness is established, it facilitates knowledge sharing by reducing barriers, encouraging participation, and creating a supportive and inclusive environment (Chughtai, 2015).

We can see that Chughtai (2015) says that, Knowledge sharing plays a crucial role in this process, as it enables organizations to harness and leverage the collective knowledge of their employees (Duthely, 2017). By sharing knowledge, individuals and teams can collaborate, build upon existing knowledge, and generate new insights that

lead to innovation, process improvements, and the development of new products or services (Krisharyuli et al., 2020). It highlights the importance of knowledge sharing as a strategic imperative for organizations, emphasizing the need for effective knowledge management practices, supportive organizational structures, and a culture that encourages and values knowledge sharing.

Knowledge sharing plays a vital role in organizations, contributing to various positive outcomes and influencing both individual and organizational levels (Olivier, 2020). The impact of knowledge sharing can be seen in several key areas. It enhances organizational learning. By sharing knowledge and experiences, individuals and teams contribute to the collective knowledge of the organization (Brown and Treviño, 2006). This shared knowledge serves as a foundation for continuous learning and improvement. Sharma et al., (2011) came to this idea that through knowledge sharing, organizations can avoid reinventing the wheel, capitalize on best practices, and build upon existing knowledge to develop innovative solutions. Knowledge sharing creates a learning culture where individuals are encouraged to seek and share knowledge, developing a sense of curiosity, exploration, and growth mindset within the organization. The knowledge sharing stimulates innovation and problem-solving capabilities.

When individuals share their knowledge and expertise, it opens up opportunities for collaboration and idea generation (Krisharyuli et al., 2020). Different perspectives, insights, and experiences contribute to a more comprehensive understanding of complex problems and facilitate the development of creative and innovative solutions. By promoting knowledge sharing, organizations can tap into the collective intelligence of their employees, harness diverse ideas, and drive innovation and creativity (Perreault, 2019). It also fosters a culture of trust, collaboration, and continuous improvement. When individuals engage in knowledge sharing, it builds trust among team members and across different levels of the organization. Trust is essential for effective collaboration, as it creates an environment where individuals feel comfortable sharing their knowledge, asking questions, and seeking feedback (Karakas and Sarigollu, 2013). It also promotes a sense of collective responsibility, as individuals work together towards common goals and the continuous sharing of knowledge leads to continuous improvement. Gentile (2015) mentions that, as individuals learn from each other, they can identify areas for improvement, share lessons learned, and implement changes to enhance processes, practices, and outcomes.

One of the important factors is that knowledge sharing contributes to increased employee engagement and organizational performance. When employees feel valued and empowered to share their knowledge, it enhances their sense of ownership and engagement in their work (Duthely, 2017). Knowledge sharing creates opportunities for employees to contribute meaningfully to the organization with a sense of purpose and fulfillment (Brown and Treviño, 2006). Engaged employees are more motivated, committed, and productive, leading to improved organizational performance and competitiveness. It has a profound impact on organizational dynamics and outcomes. Organizations that prioritize and facilitate knowledge sharing are better positioned to adapt to change, drive innovation, and succeed in today's knowledge-driven economy (Huhtala et al., 2013).

2.4. Ethical Working Climate:

Ethical working climate encompasses the collective perceptions, beliefs, and shared understanding of ethical values and norms within an organization (Krisharyuli et al., 2020). It reflects the prevailing ethical atmosphere and the extent to which ethical conduct is valued, promoted, and practiced throughout the organization. An ethical working climate is essential for fostering ethical behavior, maintaining organizational integrity, and creating a positive work environment (Olivier, 2020). Several key components contribute to the development of an ethical working climate. Ethical leadership plays a pivotal role in shaping the ethical working climate. Leaders who demonstrate integrity, honesty, fairness, empathy, and accountability set the tone for ethical conduct within the organization (Akhbar and Musa, 2012). Ethical leaders serve as role models and influence employees' perceptions and behaviors by consistently acting in alignment with ethical values. They communicate and reinforce ethical expectations, promote ethical decision-making, and hold themselves and others accountable for ethical behavior.

Organizational values are fundamental principles and beliefs that guide the behavior and actions of individuals within the organization (Sharma et al., 2011). When ethical values are explicitly stated and integrated into the organizational culture, they create a strong foundation for an ethical working climate (Duthely, 2017). Organizations that prioritize ethical values, such as integrity, transparency, respect, and social

responsibility, send a clear message about the importance of ethical conduct. These values shape employees' attitudes, behaviors, and decision-making processes. Carroll (1991) states that ethical practices refer to the policies, procedures, and practices that support and promote ethical behavior within the organization. Clear and well-defined ethical guidelines and codes of conduct provide employees with guidance on expected behaviors and help establish a common understanding of ethical standards (Brown and Treviño, 2006). Ethical practices also include mechanisms for reporting unethical behavior, such as anonymous reporting channels or whistleblower protection, which encourage employees to speak up when they encounter ethical dilemmas or misconduct. Trust is a critical component of an ethical working climate. When employees perceive trust within the organization, they are more likely to engage in ethical behavior (Gentile, 2015). Trust is built through consistent and transparent communication, fairness in decision-making and demonstrated commitment to ethical values. Trusting relationships among employees and between employees and leaders create an environment where individuals feel safe to raise ethical concerns, share knowledge, and collaborate effectively. Accountability is essential for maintaining an ethical working climate (Huhtala et al., 2013). Organizations need to establish clear expectations for ethical behavior and hold individuals accountable for their actions. This includes consequences for unethical behavior and rewards for ethical conduct. When individuals understand that their actions have consequences and that ethical behavior is valued and recognized, it reinforces the importance of ethical conduct and reinforces the ethical working climate (Krisharyuli et al., 2020). Developing and sustaining an ethical working climate requires a holistic and integrated approach, providing resources and support for employees to navigate ethical challenges (Olivier, 2020). Organizations that prioritize and cultivate an ethical working climate not only promote ethical behavior but also enhance employee satisfaction, commitment, and overall organizational performance (Karakas and Sarigollu, 2013).

When individuals perceive a strong identification with their organization and its ethical values, they are more likely to internalize and adhere to those values, contributing to the development of an ethical working climate (Brown and Treviño, 2006). When individuals perceive a disconnection between their personal values and the organization's ethical standards, they may experience ethical dissonance, which can undermine the ethical climate (Piccolo et al., 2010). Ethical leaders who embody and promote ethical values can strengthen employees' identification with the organization

and enhance their commitment to ethical behavior (Akhbar and Musa, 2012). By fostering a shared sense of identity and belonging, ethical leaders can create a social environment that supports and reinforces ethical conduct (Price, 2017).

The organization's values, as articulated through its mission statements, codes of conduct, and policies, provide a framework for ethical decision-making and behavior (Krisharyuli et al., 2020). According to Brown and Treviño (2006) when ethical values are consistently communicated and supported by organizational practices, they become the foundation of the organizational culture, shaping employees' behaviors and creating a shared expectation of ethical conduct. Leaders establish and maintain the organizational culture by aligning their actions with the stated values, promoting ethical practices, and fostering open communication (Price, 2017). When leaders demonstrate a commitment to ethical behavior and hold themselves and others accountable, they contribute to the development of an ethical climate (Duthely, 2017). It also sheds light on the importance of congruence between espoused values and enacted values. When there is consistency between what the organization espouses and what it practices, employees perceive a strong ethical climate.

An ethical working climate significantly influences ethical decision-making within an organization. When employees perceive a strong ethical climate, characterized by clear ethical values and norms, they are more likely to engage in ethical reasoning and make decisions aligned with ethical principles. Ethical decision-making involves considering the potential ethical consequences of actions, weighing different perspectives, and choosing courses of action that uphold ethical standards (Olivier, 2020). In an ethical working climate, employees feel supported in their ethical decision-making process, which reduces ethical dilemmas and the likelihood of unethical behavior.

Ethical working climates foster responsible behavior among employees (Chughtai, 2015). When individuals perceive that their organization values and prioritizes ethics, they are more likely to act in a manner consistent with ethical standards and fulfill their responsibilities to stakeholders (Huhtala et al., 2013). Employees are motivated to act honestly, transparently, and responsibly in their interactions with colleagues, customers, suppliers, and the wider community. This responsible behavior enhances organizational integrity, as the organization is seen as trustworthy and reliable in its business practices. When employees are part of an organization that upholds high ethical standards, they experience a sense of psychological safety and trust in their work environment. This creates a positive work atmosphere, where employees feel respected,

valued, and supported. Consequently, employees are more likely to experience higher levels of job satisfaction, as they perceive their work environment as fair, just, and ethical. An ethical working climate enhances employee commitment to the organization, leading to higher levels of engagement, motivation, and loyalty (Duthely, 2017).

According to Karakas and Sarigollu (2013) the presence of an ethical working climate contributes to the development of a strong organizational reputation and fosters positive relationships with stakeholders. When organizations prioritize ethics, they establish themselves as trustworthy and reliable entities in the eyes of customers, suppliers, investors, and the broader community (Sharma et al., 2011). This reputation for ethical conduct enhances the organization's brand image, attracts customers, and strengthens stakeholder trust. Ethical working climates also facilitate stronger relationships with stakeholders, as they perceive the organization as a responsible and ethical partner, leading to long-term collaborations and positive word-of-mouth recommendations (Gentile, 2015). An ethical working climate has a profound impact on both individual and organizational outcomes. Organizations that cultivate and nurture an ethical working climate create a positive ethical culture that aligns with societal expectations and supports sustainable success (Brown and Treviño, 2006).

2.5. Ethical Leadership and Ethical Working Climate:

In the past decade, ethical leadership has emerged as a crucial pillar in effective organizational leadership, emphasizing the significance of moral principles and values within the workplace. Organizations require ethical leaders who can foster an ethical working climate, providing employees with a sense of purpose and belonging in the face of a rapidly changing and complex work environment (Krisharyuli et al., 2020). Ethical leadership serves as a catalyst for promoting employee creativity and innovation by creating an atmosphere of psychological safety and intrinsic motivation.

Research of Chughtai (2015) suggests that an ethical working climate, established through the ethical leadership practices of leaders, plays a vital role in encouraging employees to express their novel ideas and contribute to the organization's growth. By prioritizing transparency, fairness, and integrity, ethical leaders enhance employees' mental security and motivation, thereby stimulating their creative thinking and encouraging the presentation of innovative ideas in the workplace. Studies of Sharma

et al., (2011) have shown that there is a positive association between ethical leadership and employee authenticity, as ethical leaders create an environment where employees feel comfortable expressing their honest and original ideas. In the workplace, conflicts often arise when employees and leaders differ in their perspectives on seizing new opportunities.

Ethical leaders, through their reassuring behavior, foster a climate that promotes creative problem-solving and encourages employees to explore novel approaches (Gentile, 2015). The intrinsic motivation nurtured by ethical leadership fosters employee creativity, as motivated individuals display traits such as a strong inclination towards learning, flexible thinking, risk-taking, and determination in the face of challenges.

By establishing supportive and transparent relationships, ethical leaders enhance positive sentiments among employees, creating an atmosphere conducive to creativity and innovation. Research of Akhbar and Musa (2012) has demonstrated a positive relationship between ethical perspectives, moral values, and employee creativity, emphasizing the impact of ethical leadership on fostering a creative work environment. The presence of ethical leadership positively influences employee job satisfaction and engagement, contributing to a higher level of intrinsic motivation, which, in turn, enhances creativity and innovative thinking.

H1: Ethical leadership relates positively with ethical working climate

2.6. Ethical leadership and Knowledge Sharing:

Leaders who exhibit ethical behavior and uphold moral values create an environment of trust, integrity, and transparency. They set a positive example by practicing open communication, fairness, and accountability. Such leaders foster a culture that encourages employees to freely share their knowledge, insights, and expertise without fear of judgment or reprisal. By prioritizing ethical considerations in decision-making and promoting ethical conduct, leaders create a safe and inclusive space for knowledge sharing. Ethical leaders understand the value of knowledge and recognize that sharing knowledge benefits both individuals and the organization as a whole (Piccolo et al., 2010). They actively promote collaboration, teamwork, and information exchange among employees. Through their ethical leadership practices, they emphasize the importance of learning and continuous improvement. They encourage employees to

seek out new knowledge, explore diverse perspectives, and engage in constructive dialogue.

According to Gentile (2015) ethical leaders provide recognition and rewards for knowledge sharing, highlighting its significance as a core organizational value. They create systems and platforms that facilitate the dissemination of knowledge, such as mentoring programs, communities of practice, and collaborative technology tools. Through their ethical leadership, they create a sense of purpose and collective responsibility, inspiring employees to go beyond their individual interests and contribute to the greater good through knowledge sharing.

Research of Huhtala et al., (2013) has shown that ethical leadership positively influences knowledge sharing behaviors among employees. When employees perceive their leaders as ethical role models, they are more likely to engage in proactive knowledge sharing activities, such as offering ideas, providing feedback, and sharing best practices. Ethical leaders create an environment that nurtures trust, psychological safety, and mutual respect, which are crucial for effective knowledge sharing. By promoting ethical behavior and emphasizing the ethical implications of knowledge sharing, leaders contribute to a culture of integrity and encourage employees to act in the best interests of the organization and its stakeholders.

H2: Ethical leadership relates positively with Knowledge Sharing

2.7. Knowledge Sharing and Ethical Working Climate:

An essential aspect of ethical leadership lies in its ability to establish an ethical working climate within an organization. This climate prioritizes values, norms, and practices that emphasize integrity, trust, and fairness. Within such an environment, employees experience a sense of psychological safety, allowing them to freely exchange knowledge, insights, and ideas without fear of negative repercussions. The presence of ethical leadership encourages employees to perceive knowledge sharing as an ethical responsibility and a collective effort aimed at the organization's greater good (Duthely, 2017). This mindset fosters a culture that values collaboration, transparency, and mutual support, where employees recognize the ethical implications of withholding or hoarding knowledge.

Acknowledgment and recognition of employees' contributions to knowledge sharing further enhance their sense of value and appreciation, thereby motivating them to continue sharing their expertise and experiences. An ethical working climate, as suggested by Krisharyuli et al. (2020), facilitates open communication, constructive feedback, and inclusive decision-making processes. It empowers employees to express their opinions, challenge existing practices, and actively contribute to knowledge creation and innovation within the organization.

Ethical leadership plays a critical role in cultivating an ethical working climate that supports knowledge sharing. Ethical leaders lead by example, demonstrating integrity, honesty, and fairness in their interactions with employees (Sharma et al., 2011). They proactively promote knowledge sharing as a fundamental organizational value and provide the necessary resources, tools, and platforms to facilitate the exchange of knowledge.

The research conducted by Brown and Treviño (2006) supports the notion that an ethical working climate significantly influences employees' knowledge sharing behaviors. When employees perceive that their organization values and rewards knowledge sharing, they are more likely to engage in proactive knowledge-sharing activities, such as seeking information, offering assistance, and sharing lessons learned. Thus, ethical working climates not only enhance knowledge sharing but also contribute to overall organizational effectiveness and performance. By fostering a culture of integrity, trust, and collaboration, organizations create an environment where knowledge is recognized as a strategic asset, driving innovation, problem-solving, and continuous learning.

H3: Ethical leadership relates positively with Ethical working climate.

2.8. The Mediating Role of Knowledge Sharing:

The ethical approach examines and evaluates accountability and responsibility for actions based on individuals' moral decision-making strategies and behaviors in everyday life (McDaniel, 2004). Ethics serves as a code of conduct for individuals and groups, encompassing both practical and philosophical aspects. For instance, Aristotle's ethics emphasize the pursuit of the highest value in life through moral, useful, and joyful elements, fostering individuals' contributions to their communities within a social framework (Solomon, 2004). Embracing ethical conduct in the workplace not

only demonstrates adherence to norms and standards but also enhances personal reputation, trustworthiness, and long-term relationships.

According to Solomon (2004), Aristotle posited that workplace ethics do not involve a conflict between individual interests and social responsibilities. Instead, it is rooted in the sharing of knowledge, experiences, and ideals, both publicly and privately. These ethical considerations and behaviors have been identified as facilitators for improving workplace performance by influencing ethical concerns and behaviors among employees. Research suggests that the ethical environment of a workplace influences how its members assess and behave, including their moral judgment, beliefs, and actions.

To assess and understand individual perceptions and acceptance of workplace practices and processes, Victor and Cullen (1987) proposed the concept of the workplace ethical climate. This concept reflects the collective understanding and endorsement of workplace norms, regulations, and various ethical dimensions, such as professional ethics, social responsibility, and moral beliefs. It creates an environment that supports ethical behavior. Fundamentally, ethics involves respecting social recognition, authority, established laws, and shared interests that form the foundation of social structure (Karen, 1988). At a more granular level, ethical principles consider technical norms, fair procedures, and individual perspectives to guide responsible decision-making (Damico, 1982).

H4: Knowledge Sharing positively mediates the relationship between Ethical leadership and Ethical working climate.

2.9. Theoretical Foundation:

2.9.1. Social Learning Theory

Proposed by Albert Bandura, this theory emphasizes the role of observational learning and modeling in shaping individuals' behavior. According to this theory, individuals learn by observing the behavior of others and the consequences that follow. The social learning theory suggests that leaders serve as role models whose ethical behavior is observed and imitated by their followers. When leaders consistently demonstrate ethical conduct, followers are more likely to adopt similar behaviors, creating a positive ethical climate within the organization (Krisharyuli et al., 2020).

By creating a sense of shared values and a higher purpose, transformational leaders can positively impact the ethical behavior of their followers (Huhtala et al., 2013).

Ethical decision-making models, such as the cognitive moral development theory proposed by Lawrence Kohlberg and the four-component model by James Rest, focus on the individual's moral reasoning process in ethical decision-making. These models suggest that individuals progress through stages of moral development, with higher stages being associated with ethical reasoning that is more sophisticated. We can see that according to Krisharyuli et al., (2020) the ethical leaders can influence the moral development of their followers by creating a supportive environment that encourages ethical reasoning and providing opportunities for ethical discussions and reflections. By promoting ethical decision-making processes, leaders can contribute to the development of a morally aware and responsible workforce (Gentile, 2015).

2.9.2. Conceptual Framework:
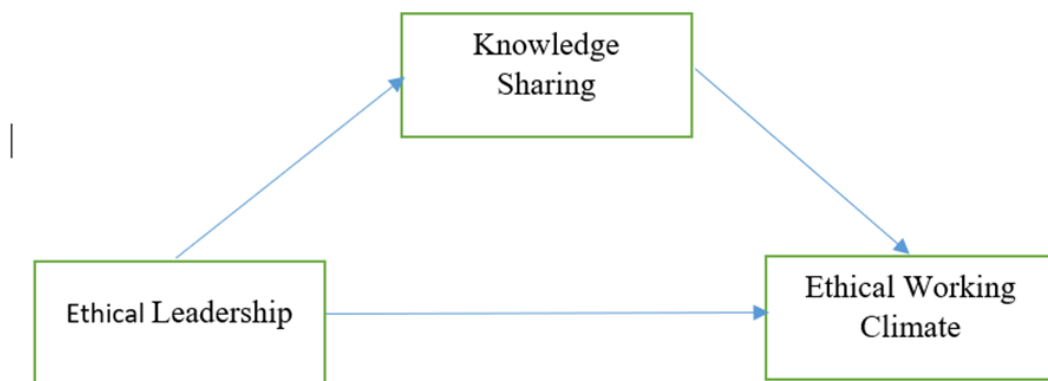
Figure: 01

2.10. Conclusion

In conclusion, ethical leadership, knowledge sharing, and the establishment of an ethical working climate are crucial components for organizations seeking to cultivate a culture of integrity, trust, and sustainable success. Ethical leadership involves leaders demonstrating integrity, honesty, fairness, empathy, and accountability, and it goes beyond mere compliance with legal requirements. Knowledge sharing refers to the

exchange and dissemination of knowledge within an organization, creating a collaborative environment that fosters learning and a knowledge-sharing culture. An ethical working climate encompasses the collective perceptions, shared values, and norms that guide employee behavior, shaping the overall ethical climate within an organization

This literature review aims to critically examine and synthesize existing research on these topics, uncovering key findings, theoretical frameworks, methodological approaches, and areas for further exploration. The review explores the impact of ethical leadership, knowledge sharing, and ethical working climate on various organizational outcomes, such as employee job satisfaction, commitment, organizational citizenship behavior, and organizational performance. Additionally, potential mediating factors that influence the relationship between these constructs, including industry characteristics and national culture, are considered. Knowledge sharing facilitates the exchange and dissemination of knowledge, enabling collaboration, learning, and innovation. It requires a culture of trust, openness, and collaboration, where individuals feel safe to share their knowledge and ideas. Ethical working climate encompasses the collective perceptions, beliefs, and shared understanding of ethical values within an organization. It is shaped by ethical leadership, organizational values, ethical

practices, trust, and accountability. An ethical working climate promotes ethical behavior, maintains organizational integrity, and creates a positive work environment.

the social learning theory provides insights into how ethical leadership influences the creation of an ethical working climate. Leaders serve as role models, and their ethical behavior is observed and imitated by followers. This, in turn, contributes to the establishment of an ethical working climate. Knowledge sharing acts as a mediator, reinforcing the relationship between ethical leadership and the ethical working climate. Through knowledge sharing, ethical leaders facilitate the dissemination of ethical values, collaboration, and the development of a morally aware and responsible workforce.

CHAPTER 3
METHODOLOGY

3.1. Introduction:

To effectively address a research problem, it is advantageous to break it down into manageable steps. This approach enhances reliability by reducing the likelihood of errors. By following a systematic and sequential process, the research can be conducted more reliably. This process typically involves several key stages, including sample selection, formation of the research group, data collection, data interpretation, data presentation, and analysis of the resulting outcomes. Depending on the specific circumstances, research can be carried out using qualitative or quantitative methods. To ensure the highest level of accuracy, it is advisable to employ both approaches and analyze their outcomes collectively.

Research is a comprehensive term that offers solutions to various problems, ranging from major to minor. It encompasses different phases, such as data collection, data classification, research findings, interpretation and analysis of those findings, and the final step of scrutinizing the results for theoretical evaluation, enabling the best possible interpretation.

3.2. Research Methodology:

For this research study, quantitative method was used to get the reliable findings. Quantitative research method was defined as "a research methodology that seeks to quantify the data, and typically, applies some form of statistical analysis" (Malhotra & Krosnick, 2007). Correlational research design was adopted as the research study was quantitative and correlational in nature. Quantitative method of research is a survey approach for collecting the data from respondents. The tool which is used to collect the data and gather the required information is known as questionnaire. Numerical information is analyzed through statistical process and in addition to that, a survey approach permits the researcher to get the immediate data from the participants (Brink et al., 2006). Survey method will be helpful in gathering the data from participants generally in less time and will secure more participants as our targeted population is spread across the Lahore. Other than this, a survey is more affordable, efficient and simpler to administer (Gay et al., 2009). The deductive approach and objectivism

ontology are the basis of the quantitative technique used in the study (Creswell, 2003). In order to explain how the components in the research studies relate to one another, systematic processes and numerical analysis are most frequently used in the deductive quantitative research technique (Bell & Bryman, 2007). The researcher preferred the quantitative approach for this study since it is commonly considered in research regarding social sciences and natural sciences. The quantitative approach is mostly utilized in social and business research studies to evaluate and interpret numerically in order to validate theoretical generalization of research (Creswell, 2003). The deductive approach and objectivism ontology are the basis of the quantitative technique used in the study (Creswell, 2003). In order to explain how the components in the research studies relate to one another, systematic processes and numerical analysis are most frequently used in the deductive quantitative research technique (Bell & Bryman, 2007). The researcher preferred the quantitative approach for this study since it is commonly considered in research regarding social sciences and natural sciences. The quantitative approach is mostly utilized in social and business research studies to evaluate and interpret numerically in order to validate theoretical generalization of research (Creswell, 2003).

3.4. Selection of the Educational Institutes:

Given the research nature, prominent educational institutes in Lahore were chosen as the target for data collection. These institutes were carefully selected based on their reputation and recognition within the academic community. Notable universities such as University of the Punjab, Lahore University of Management Sciences (LUMS), University of Engineering and Technology (UET) Lahore, and other renowned educational institutions within Lahore were included in the research.

The selection criteria for participants in the study involved identifying individuals directly involved in knowledge sharing and possessing a strong understanding of ethical practices. Students, faculty members, and university administrators who engage in knowledge sharing activities and have a significant impact on the ethical climate within the educational institutes were included in the research. Participants from various academic disciplines and positions within the institutes were considered to ensure a comprehensive representation. To ensure that the selected participants align with the research objectives, a preliminary screening process was conducted. Potential

participants were asked about their involvement in knowledge sharing activities and their perception of the importance of ethical leadership in creating an ethical working climate. Individuals with diverse skill sets and backgrounds, including but not limited to fields such as humanities, sciences, social sciences, and engineering, were included to capture a wide range of perspectives.

3.5. Research Design:

The research methodology can be described as the systematic approach used to investigate the impact of ethical leadership on creating an ethical working climate with the mediating role of knowledge sharing. The study adopts a cross-sectional design, focusing on employees and employers from educational institutes in Lahore, specifically universities. To gather data and analyze the relationship between the variables, self-administered survey questionnaires were employed. Questionnaires were distributed among the participants to obtain their perspectives and collect relevant data. The research approach was descriptive in nature, aiming to analyze the correlation between the variables of interest. The study primarily sought to understand the extent to which ethical leadership influences the creation of an ethical working climate, mediated by knowledge sharing.

By utilizing this methodology, the research aims to gain insights into the role of ethical leadership in fostering an ethical working climate within educational institutes. The focus on knowledge sharing as a mediating factor further explores the mechanisms through which ethical leadership practices can positively influence the overall ethical climate of the workplace. The design of the study can be described as descriptive, as it aims to analyze the relationship between the variables mentioned. This analysis will help determine the extent to which these variables are correlated and contribute to the overall understanding of ethical leadership and its impact on creating an ethical working climate, with knowledge sharing playing a mediating role.

3.6. Population Sample for Study:

The research approach employed for this study was primarily quantitative, aiming to gather countable data using statistical methods and approaches. Utilizing a quantitative approach enables the acquisition of results that are less open to interpretation and can be easily explained and understood within the scientific community.

To determine the appropriate sample size, an estimation was made based on the assumption that there are approximately 20,000 employees, students and faculty members. Calculations using the Raosoft online calculator (Raosoft, 2016) indicated that a sample size of 377 would be ideal, considering a 95% level of significance. Also the Rescoes guidelines were followed, suggesting that the sample size should not be less than 30 and should not exceed 500. To collect data, a survey method was employed, allowing for efficient data collection from the participants.

3.7. Data Collection Method and Procedure:

To collect the necessary data for the research study, an online data collection method was employed. Google Forms were utilized to create online questionnaires, which were then distributed to the respondents through various online platforms such as WhatsApp, emails, and other forms of digital means. The primary focus of the study was to gather data from participants who were involved in educational institutes and had the roles that encompassed creative problem-solving or the delivery of work through creative means. Instead of using a specific sampling technique, the research followed a census method, aiming to include the entire relevant population due to the manageable size of the sample. The data collection process involved a careful selection and shortlisting of the educational institutes to be approached were carried out. Subsequently, the questionnaires were distributed among the employees, students, and faculty members of the selected institutes. Finally, the responses were collected through virtual and digital channels. Throughout the process, utmost importance was given to ethical considerations and maintaining confidentiality. The questionnaires included an introductory affirmation to assure anonymity and to emphasize the significance of the research for educational institutes in Lahore.

Participants were provided with confidence regarding the secure handling and honest use of their shared information, aiming to encourage their genuine and voluntary participation in the study. By adopting this data collection approach, the research sought to explore the relationships between ethical leadership, the creation of an ethical working climate, and the mediating role of knowledge sharing within the context of educational institutes in Lahore.

3.8. Measures and Instruments to Collect Data:

To gather data for this quantitative research, questionnaires were employed as the primary instrument. Participants were requested to rate various items pertaining to their perception of ethical leadership, the establishment of an ethical working climate, and their engagement in knowledge sharing. The questionnaire design aimed to cover all relevant scales and included demographic information.

3.8.1. Ethical leadership: The measurement of ethical leadership involved utilizing a validated questionnaire developed by (Walumbwa et al., 2008). The questionnaire comprised a series of items that assessed different aspects of ethical leadership behavior. Participants were asked to rate their agreement on a designated scale, typically ranging from "Strongly Agree" to "Strongly Disagree." The items focused on aspects such as setting a moral example, promoting fairness, and demonstrating transparency.

3.8.2. Ethical working climate: To measure the ethical working climate, the 7 item scale proposed by (Tierney et al., 1999) is used. Participants were asked to rate their agreement with each item on a scale, typically ranging from "Strongly Agree" to "Strongly Disagree." The items encompassed aspects such as ethical decision-making, ethical communication, and the enforcement of ethical standards within the organization. The items focused on the frequency and willingness of individuals to share their knowledge, insights, and expertise with colleagues.

3.8.3. Knowledge Sharing:

Knowledge sharing creates a learning culture where individuals are encouraged to seek and share knowledge, developing a sense of curiosity, exploration, and growth mindset within the organization. Knowledge Sharing will be measured 3 Points (Taken from (Turban, Stevens, and Lee, 2009). Participants were asked to rate their agreement with each item on a scale, typically ranging from "Strongly Agree" to "Strongly Disagree

3.9. Structure of Questionnaire:

The questionnaire utilized in this research was divided into two sections. The first section aimed to collect demographic variables from the participants, while the second section focused on the three key variables of interest.

Section (A) Basic Demographic Details:

In this section, participants were asked to provide their demographic information, including gender, work experience, monthly income and qualification.

Section (B) Main Study Instruments:

This part consisted of the three variables and their questionnaires which were used to collect data. The details of the instruments used are given bellow:

1. Ethical Leadership: The questionnaire included 16 items adapted from the work of Walumbwa (2008). Participants were asked to rate their agreement with each statement using a five-point Likert scale ranging from "Strongly Agree" to "Strongly Disagree" (1= Strongly Agree to 5= Strongly Disagree).

2. Ethical Working Climate: Participants were presented with 7 items derived from the research by Tierney (1999).Five point Likert Scale is used (1= Strongly Agree to 5= Strongly Disagree).

3. Knowledge Sharing is measured through 3 Points (Taken from (Turban, Stevens, and Lee, 2009) Five Point Likert Scale is used (1= Always to 5= Never).

3.10. Conclusion

This chapter provides a framework of the methods of research that were followed in conducting this study. Research methodology is considered an important part of the study. It describes the research design, population, sample, sampling technique, and study area. For this research study, the quantitative method was used to get reliable findings. A correlational research design was adopted as the research study was quantitative and correlational in nature. A quantitative method of research is a survey approach for collecting data from respondents. Numerical information.is analyzed through a statistical process and in addition to that, a survey approach permits the researcher to get immediate data from the participants. The survey method will generally help gather the data from participants in less time and will secure more participants as our targeted population is spread across Lahore. The unit of analysis was individuals as we collected the data from the employees of educational institute of Lahore, Pakistan. The current research study is cross-sectional in nature and the researcher has collected the data from respondents in two months. The target population for this research study was the employees of the educational institute of Lahore, Pakistan. A convenience sampling technique was used while drawing the sample from the population. The data was collected through a structured questionnaire from the employees of pharmaceutical companies. The data for this research study was collected through the questionnaires bearing the items adopted from different authentic sources. The reliability of the questionnaire shows the excellent reliability of questions designed for research. The researcher ensured that the responses provided by the participants would be used only for the purpose of this research study and the provided information would be kept strictly confidential. As the study was quantitative in nature, the researcher employed statistical techniques for analyzing the relation between independent, dependent and mediator

CHAPTER 4

DATA ANALYSIS

4.1. Frequency Distribution:

4.1.1 Frequency analysis (Demographic Profile)

The demographic profile demonstrates the whole depiction of the study regarding demographic details, in which includes the frequency distribution analysis that covers all demographic aspects as gender, Qualification, Employment Position. In this analysis, Descriptive statistics includes frequency distribution, percentile distribution, and a cumulative percentage that are revealed in the following tables.

4.1.2. Gender

Table 1: Gender Circulation of Respondents (N= 204)

Category	Frequency	Percent	Cumulative Percent
Male	117	57.4	57.4
Female	87	42.6	100

Signifies the demographic statistics with respect to gender. Table 1.1 illustrates that out of 204 respondents with respect to frequency, percentage, and cumulative percentage, 57.3% (117) were males and 42.6% (87) were females. Male respondents' rate are high than from the female respondents.

4.1.3. Age

Age is also the significant part of the demographic butt there are some respondents who feel hesitation while disclosing their age.so different age group were formed to collect the data from responding against their variable four different age group were made the part of the questionnaire to collect the data these age groups include 26-35, 36-45, 46-

55 and Above 55 these age group analyzed using SPSS software and the result are shown in the below table.

Table 1.2. Age distribution Respondents (N=204)

Age Group	Frequency	Percent	Cumulative Percent
26 to 35	26	12.7	12.7
36 to 45	109	53.4	66.2
46 to 55	25	12.3	78.4
Above 55	44	21.6	100

Shows the distribution of respondent's w.r.t their ages. There were 12.7% (26) respondents that fall among the age group of 26-35, 53.4% (109) respondents were fall among the age group of 36-45, 12.3% (25) respondents' age were in the range of 46-55, whereas in the age group of above 55, there were 21.6% (44) respondents that fall in that group. The results indicate that the age group with greater percentage of respondents is the group 36-45 with 53.4 percentages.

4.1.4. Qualifications:

Table 1.3 Total Qualification Respondents (N=204)

Level of Degree	Frequency	Percent	Cumulative Percent
Intermediate	30	14.7	14.7
Becholer's	74	36.3	51
Masters	71	34.8	85.8
Doctorate	29	14.2	100

This table demonstrates the demographic characteristics of survey participants in terms of their qualification level. This table explains the different respondents regarding their different level of qualification in which includes, intermediate, undergraduate, Master degree, and Doctorate. The majority of respondents who had their Bachelor's degree with respect of percentage 36.3% (74). Furthermore, 34.8% (71) respondents who hold a Master degree, 14.7% (30) respondents who hold intermediate whereas only 14.2% (29) respondents had Doctorate degree.

4.1.5. Job Experience

Job experience includes the total number of the years that an employee has served in an education greater work experience enhance the employee knowledge, creativity and skills based on its importance for an employee it is considered as a major part demographics four different range 1to 5 year, 6 to 10 year, 11 to 15 year and above 15 year) were used to collect the data from respondents regarding their work experience. Outcomes mentation in the below:

Table 1.4 Job Experience Respondents (N=204)

Ranges	Frequency	Percent	Cumulative Percent
1 to 5 years	33	16.2	16.2
6 to 10 years	99	48.5	64.7
11 to 15 years	30	14.7	79.4
Above 15 years	42	20.6	100

The table shows that majority of the responses were received from the employees having experiences 6 to 10 years which is 48.5% (99). Furthermore 20.6% (42) response were received from the employee having experience above 15 years, 16.2% (33) responses were received from the employee having experience having 1 to 5 years and on the other hand 30 respondents of the study 14.7% were having the experiences 11 to 15 years.

4.2. Descriptive Statistic

Table 2: Descriptive Statistics of All Variables (N=204)

Variable	Min	Max	Mean	SD	Skewness	Kurtosis
EL	1	5	4.0496	0.81730	-0.883	0.709
KS	1	5	4.1417	0.73164	-1.259	2.180
EW	1	5	4.2429	0.63962	-1.142	1.286

This table presents the descriptive statistics of the study instruments. The situation shows the minimum and maximum values, mean values and standard deviation of all under-study variables with an acceptable range of skewness and kurtosis. The mean values of ethical leadership and Knowledge sharing are 4.0496 and 4.1417respectively, and standard deviation values forecast that is less than the mean value because the standard deviation of Ethical leadership and Knowledge sharing are 0.81730 and 0.73164. Similarly, ethical working climate mean value is 4.2429, and comparatively standard deviation values predict that is less than the mean value because its standard deviation of ethical working climate is 0.63962. Table no 2 also divulge that the standard deviation values comparatively are low from the other values. This table further explains the Skewness and Kurtosis value that shows the data are normally distributed or not.

In the normality test, firstly data was analyzed for missing values and other typing errors. The normality test was also analyzed the different errors. This could be occurred during analysis. Therefore, normality test is to examine the Value of the data assessed by analyzing normality. Normality was examined through skewness, kurtosis value. Scores ethical leadership and Knowledge sharing were normally distributed and were well in the range -2 to +2. Simultaneously, the value of Ethical working climate also well-arranged between -2 to +2. It shows that the data were normally distributed in all the perspective. As George (2011) proposed that values for skewness & kurtosis value

must be between -2 to +2 that value explain the acceptable arrange of analysis and prove that value are in normal distribution.

4.3. Reliability of Scales:

4.3.1. Cronbach's Alpha Reliability

Table 03 Alpha Reliability of all Scales (N=204)

Variables	No. of Items	Alpha
Ethical Leadership	07	0.856
Knowledge Sharing	11	0.927
Ethical Working Climate	11	0.909

Reliability test explain the scale consistency, reliability analysis calculates by alpha coefficient that must be above from 0.70. Table 3: divulges that the reliability is equivalent to set up the status and prominence of the used scales. The value of coefficient alpha describe that the current study scale are properly well explain and meet the threshold of reliability or not.

In current study, the result reliability analysis shows that scales are highly reliable and meet the minimum criteria of alpha coefficient that was 0.70.

Data of this current study yields the coefficient alpha value of ethical Leadership is 0.856, and Knowledge sharing coefficient alpha value is 0.927 that explain high internal consistency. Similarly, coefficient alpha for ethical working climate is 0.909 which also shows the high internal consistency of constructs.

4.4. Scale Validity:

Scale validity refers to the level to which quantification process is randomly error free and systematic.

There are three basic types of validity:

- Content Validity
- Divergent Validity
- Convergent Validity

4.4.1. Content Validity:

Content validity refers the scale is correctly matched with the current study and items of instrument also are generalized (Boureau et al., 2001). Content validity illustrate the process to observe instrument was adequate or not and either instruments are highly valid or not (Nunnally, 1978). Due to the absence of criteria, it's very tough to calculate the scale is valid or not. Content validity only measure by adopting the statistical method. The appropriate method used in previous studies to measure the content validity of the survey instrument was the procedure of construction of the scale fit and these criteria recommended by theory. Content validity is measured by critical perceptions by aligning the scale with early studies.

4.4.2. Convergent Validity

Smart Partial Least Square (Smart-PLS) is statistical software that was used to assess the structural and measurement models. In PLS, each construct's reliability is assessed by assessing the construct loadings on their latent construct. The Smart PLS is very helpful as it helps to analyze complex models along with constructs, indicator variables and structural paths without imposing distributional assumptions on the data.

For assessing the measurement model in the current study, the validity and reliability of the data set were confirmed. The analysis results show the validity of measurements. Factor load in shows the variance explained by the variable on that factor. Additionally, composite reliable and average variance extract (AVE) was used to assess convergent validity. The threshold AVE is 0.500, as shown in Table 14. The AVE values of all the items were greater than threshold value in the range of 0.503-0.740. Therefore, the current research has sufficient convergent validity.

4.4.3. Discriminant/Divergent Validity

The constructs should not be associated and must be independent with a distinct identity. To maintain construct validity discriminant validity must be certified and pair wise correlation method was adopted in this study to measure discriminant validity.

Variable	Constructs	Loadings	Alpha	CR	AVE
Ethical Leadership	EL1	0.808	0.856	0.931	0.658
	EL2	0.879			
	EL3	0.889			
	EL4	0.816			
	EL5	0.755			
	EL6	0.643			
	EL7	0.862			
Knowledge Sharing	KSM1	0.814	0.927	0.929	0.547
	KSM2	0.655			
	KSM3	0.842			
	KSM4	0.746			
	IKS1	0.615			
	IKS2	0.634			
	IKS3	0.905			
	IKS4	0.566			
	FKS1	0.735			
	FKS2	0.699			
	FKS3	0.843			

Ethical Working Climate	EWCC1	0.813	0.909	0.957	0.671
	EWCC2	0.881			
	EWCC3	0.746			
	EWCC4	0.805			
	EWCE1	0.78			
	EWCE2	0.865			
	EWCE3	0.798			
	EWCSR1	0.888			
	EWCSR2	0.87			
	EWCSR3	0.835			
	EWCSR4	0.711			

4.5. Correlation Analysis:

Usually, the correlation analysis is conducted to validate the association between the variables of the study. This analysis shows the extent to which the variables under study are associated with each other. In current study, correlation analysis was conducted to validate the researcher's proposed hypothesis by identifying the relationship between Ethical Leadership (EL), Ethical Working Climate (EWC) the mediating role of Knowledge Sharing (KS). The value of correlation lies between -1.0 to +1.0, where the correlation value of 1 depicts a perfect correlation between the variables. If the outcome value of correlation analysis comes> 1.0 or <-1.0, it means that there is an error in the measurement of correlation. Positive (+) and negative (-) signs represents the type of relationship between variables. If the value of correlation is positive (+), it means that a change (increase or decrease) in one variable will resultantly cause a change in other

variable in the same direction which shows a direct relationship between variables. Contrary to that, if a correlation value shows a negative (-) sign, it means that variation (increase or decrease) in one variable will resultantly cause a change in other variable in opposite direction which shows an indirect relationship between variables. Furthermore, if the value of correlation is zero (0), it indicates that there exists no relationship between the two variables.

In current study, correlation analysis helped in determining the relationship between Ethical Leadership, Ethical working Climate and Knowledge Sharing. This analysis was also conducted using SPSS and the results of analysis are mentioned in the below

Table 4: Correlation Analysis

Variable	EL	KS	EW
Ethical Leadership	1		
Knowledge Sharing	0.648**	1	
Ethical Working Climate	0.038**	0.081**	1

** Correlation is significant at the 0.01 level (1-tailed).

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

Note: EL Ethical Leadership, KS= Knowledge sharing, EW= Ethical working climate

Table 4 implies the highly positive significant correlation between current study variables. The correlation matrix ascertains all study variables that are particularly highly correlated with one another. The value of the table show that EL is positively correlated with KS ($r = 0.648, P < 0.01$) and EW ($r = 0.038, P < 0.01$).

Correspondingly, the value of the table show that KS is positively correlated with EW ($r = 0.038, P < 0.01$). Table no 4 shows that discriminant validity and all variables are correlated with each other so it shows that they are having a relationship with each other and having significance level at P= < 0.01. These constructs shows that they are more significantly correlated which is a proposed criterion by (Garson, 2009). These results

indicate that all constructs have different significant values from each other's and have independent validity.

4.6. Regression Analysis:

Regression analysis was directed to observe the hypothesized association among independent and dependent variables (Cohen, 1983). To explore the direct effect of all independent variables on dependent variables by using the simple linear regression analysis technique. Regression analysis based on two parts. In the first part, simple linear regression is applied to support the hypothesis.

Table 5: Regression Analysis

Hypothesis	Relationship	β	t value	P Values	Decision
H1	EL -> EWC	0.346	4.958	0.000	Supported
H2	EL -> KS	0.648	12.103	0.000	Supported
H3	KS -> EWC	0.458	4.199	0.000	Supported
H4	EL -> KS -> EWC	0.302	4.057	0.000	Supported

4.5.1. Analysis:

H1: Ethical leadership positively relates to ethical working climate.

Hypothesis	Relationship	β	t value	P Values	Decision
H1	EL -> EWC	0.346	4.958	0.000	Supported

This table is representing the regression analysis of the independent and dependent variable ethical leadership and ethical working climate the impart the values of β coefficient t value and significance value. The analysis result show that the β values of

EL 0.346 which is show that 34.6% of in dependent variable affects its relationship with dependent variable

This indicates that the EL positively and significantly influences the EWC of employees of education sector .this table also show that the significant level of the variable is .000which show that it is significant statistically in predicting the outcomes variable so, the result support the first hypothesis (H1) of the researcher which describe that there is a positive significant relationship between EL and EWC (β =0.346, t value=4.958, p<0.01)

H2: Ethical leadership is positively associated with employee knowledge sharing.

Hypothesis	Relationship	B	t value	P Values	Decision
H2	EL -> KS	0.648	12.103	0.000	Supported

Represent the regression analysis of the independent and dependent variable ethical leadership and Knowledge sharing. The table imparts the values of β coefficient, t value and significance value. The analysis result shows that the β value of Ethical leadership is 0.648 which means that there is a positive significant relationship between these variables and significant is reported as. 0.000.This indicates that El is positively and significantly influence the KS in education sector, so the result support the second hypotheses of the researcher which describe that there is positive significant relationship between EL and KS (β = 0.648, t=12.103, p=0.01).

H3: Knowledge sharing mediates the relationship between Ethical leadership and Ethical Climate

Hypothesis	Relationship	B	t value	P Values	Decision
H3	KS -> EWC	0.458	4.199	0.000	Supported

This analysis plays a significant role in the study. Table 19 identifies the β value of the variable KS as .352 and it shows that the significant level of the variable is .000 which

represents its statistical significance level in predicting the outcome variable. This indicates t the

Knowledge sharing positively and significantly influences the Ethical working climate of the employee of the university. So, the overall outcomes support the third hypothesis (H3) proposed by the researcher in this study which describe that there is a positive significant relationship between KS and EWC ($\beta = 0.458$, t=4.199, p<0.01),

Now, before performing the mediation analysis, first step is making it sure that all the aspects of mediation analysis have been fulfilled properly. It is an important requirement before applying the mediation analysis. If the required conditions are not fulfilled in all respects, then the mediation analysis will not show the proper results.

4.5.2. Mediation Analysis:

Mediation exists in the relationship of variables when the mediating variable has a relationship with independent variable and the dependent variable. There must exist a direct relationship between the causal variable and the outcome variable. So, the researcher has proven the specific relationships between variables to support mediation by applying the regression analysis.

Hypothesis	Relationship	β	t value	P Value	Decision
H4 Mediation	EL -> KS -> EWC	0.302	4.057	0.000	Partial

After the direct relationships were tested, the mediation test was performed. This study followed the steps defined by Hayes (2009). The analysis results show that the β value of Knowledge sharing is 0.302 which means that Knowledge sharing positively mediates between the relationships of Ethical leadership Ethical working Climate as the significant level is reported as.000. Refer to Table 4, Knowledge sharing significantly mediates the relationship of Ethical leadership and Ethical working climate (B=0.302, t = 4.057, p<0.01) hence, overall outcomes support the fourth hypothesis (H4) proposed by the researcher in this study.

CHAPTER 5
DISCUSSION

5.1. Introduction:

The focus of current research study is on the impact of EL on EWC of universities of Lahore. For the enhancement of relationship, the mediation has been used in the study. The mediating variable used in the study is the Knowledge Sharing. This study was conducted in universities of Lahore, Pakistan. Data was collected from the various universities situated in Lahore.

The results of this research study reveal that a positive significant relationship exists between the independent and dependent variable i.e., EL and EWC respectively. Furthermore, it has also been found that the KS mediates the relationship between EL and EWC.

5.1.1. There a positive significant relationship between EL and EWC of employees of universities of Lahore, Pakistan

The first hypothesis of the study got accepted as the results show that there exists a significant relationship between Ethical leadership and Ethical Working Climate of employees of universities of Lahore, Pakistan simple linear regression analysis, hypothesis 1 was tested and the values of the analysis indicates the significant relationship between the constructs (B=0.346, t value=4.958, p<0.01). The t value of Ethical Leadership has been reported as 4.958 which indicate the relationship's significant level. The t value greater than 2 shows that the outcomes are significant. Hence the t value in this hypothesis is 4.958 which show statistically significant relationship of Ethical Leadership and Ethical Working Climate. The findings of this hypothesis backed the positive significant relation of Ethical leadership with Ethical Working Climate among the employees of universities of Lahore. So, the significance of Ethical leadership has been built up in this study for increasing the Ethical Working Climate of employees of universities of Lahore

5.1.2 H2: There is a positive significant relationship between Ethical leadership and Knowledge sharing of employees of universities of Lahore, Pakistan.

The second hypothesis (H2) of the study also got accepted as the results show that there exists a significant relationship between Ethical Leadership and Knowledge Sharing of employees of universities of Lahore. Using the simple linear regression analysis. hypothesis 2 was tested by following the method suggested by Baron & Kenny. The outcome values of the analysis represent the significant relationship between the constructs (B= 0.648, t=12.103, p=0.01). The t value of Ethical leadership has been reported as 12.103which indicates the relationship's higher significant level. The t value greater than 2 shows that the outcomes are significant. Hence the t-value, in this hypothesis, is 12.103 which shows statistically significant relationship of Ethical Leadership and Knowledge Sharing. So, this study also has built up the significance of Ethical Leadership for enhancing the Knowledge Sharing of employees of universities of Lahore.

5.1.3. H3: There is a positive significant relationship between Knowledge sharing and Ethical working climate of employees of universities of Lahore, Pakistan.

The positive relationship between the Knowledge Sharing and Ethical Working Climate of employees of universities of Lahore was the third hypothesis (H3) of this research study. To test the hypothesis, the similar technique was adopted to inspect the relationship between these variables. Hypothesis 3 was tested by following the method suggested by Baron & Kenny, and the outcome values of the analysis indicate the significant relationship between both the constructs (B = 0.458, t=4.199, p<0.01), The t-value of Knowledge Sharing is reported as 4.199 which indicates the relationship's significant level whereas the ß value is recorded as 0.458. The t value greater than 2 shows that the outcomes are significant. Hence the t-value, in this hypothesis, is 4.199 which show statistically significant relationship of Knowledge Sharing and Ethical Working Climate. As the results suggests that Knowledge Sharing has significant positive relationship with Ethical Working Climate. So, it has been built that Knowledge sharing has a positively significant relationship with Ethical Working Climate of employees of education sector.

5.1.4. H4: Knowledge Sharing positively mediates the relationship between Ethical leadership and Ethical working climate

Fourth objective of this study was to investigate the mediating effect of Knowledge Sharing between the relationship of Ethical leadership and Ethical working climate.

Hypothesis 4 of the study states that the Knowledge Sharing mediates the relationship between Ethical leadership and Ethical working climate. The outcomes of analysis show the existence of partial mediation between the association of Ethical leadership and Ethical working climate of the employees of universities of Lahore. The outcome values were recorded as (B=0.302, t = 4.057, p<0.01) The t value greater than 2 shows that the outcomes are significant So, it has been built that Knowledge Sharing has a positively significant relationship with Ethical working climate of employees of education sector. The findings of this hypothesis reveal that Knowledge Sharing positively mediates the relationship between Ethical leadership and Ethical working climate of employees of universities.

5.2. Summarized Results:

The following Table summarizes the results of hypotheses testing.

Table: Summary of Hypothesis testing results

Hypothesis	Hypothesized Relationship	Results
H1	Ethical Leadership → Ethical Working Climate	Accepted
H2	Ethical Leadership → Knowledge Sharing	Accepted
H3	Knowledge Sharing → Ethical Working Climate	Accepted
H4	Ethical Leadership → Knowledge Sharing → Ethical Working Climate	Partial Mediation

CHAPTER 6
CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS

6.1. Conclusion

The study to examined and analyzed the relationship between ethical leadership and the creation of an ethical working climate, with the mediating role of knowledge sharing. Various methods and techniques were used, in order to ensure accurate results, and a rigorous cross-examination of the findings was conducted to enhance their validity. The study focused on investigating the mediation relationships among the proposed variables. The primary objective of the study was to explore the impact of ethical leadership on employees within educational institutes in Lahore, specifically in relation to the creation of an ethical working climate. The study also investigated the mediating role of knowledge sharing in this relationship. The results provided support for the proposed hypotheses, indicating a significant association between ethical leadership as the independent variable, the creation of an ethical working climate as the dependent variable, and knowledge sharing as the mediating variable. The findings revealed that ethical leadership was a significant predictor of creating an ethical working climate in the educational institutes of Lahore. Knowledge sharing was found to partially mediate the relationship between ethical leadership and the creation of an ethical working climate. These results contribute to a better understanding of the importance of ethical leadership and knowledge sharing in fostering an ethical working climate within the Universities of Lahore.

6.2. Practical Implication:

The findings of the study have both theoretical and practical implications. From a theoretical perspective, the study supported the hypotheses and extended the existing knowledge on ethical leadership and the creation of an ethical working climate. It contributed to the understanding of the underlying factors of ethical leadership that influence the establishment of an ethical working climate. The study also proposed a theoretical model that integrated various aspects of ethical leadership, knowledge sharing, and the ethical working climate, highlighting the mediating role of knowledge sharing. A significant contribution of the study was the exploration of knowledge

sharing and its mediating effect, which had not been extensively studied in the Pakistani context before.

In terms of the literature and empirical findings, the study made valuable contributions to the understanding of ethical leadership and the promotion of an ethical working climate, particularly in the context of Lahore's Universities. The implications are specific to the Pakistani context, where the concept of ethical leadership is still relatively unexplored. The study supports the proposed model and emphasizes the significance of leaders maintaining honesty and transparency to improve employee performance and enhance their creative problem-solving abilities. The research aligns with the social learning theory and underscores the need for leaders to create a supportive and safe work environment. By providing such an environment, leaders can encourage their employees to take risks, learn from mistakes, and perform at their best. Practical recommendations include fostering a safe and transparent workplace where employees feel supported by their leaders. This will contribute to the development of a positive affect among employees and enhance their capacity to effectively deal with challenges and perform at their highest potential.

6.3. Limitations of the Study:

The study has several limitations that should be acknowledged. The research is limited to the educational institutes in Lahore, which may restrict the generalizability of the findings to other contexts or industries. It is important to recognize that the scope of the study is limited to this specific setting and may not fully capture the nuances of ethical leadership and the creation of an ethical working climate in other organizational contexts. Further research is needed to explore the causal mechanisms and to gain a deeper understanding of the dynamics involved. There is also a limitation in geographical constraint, as the study only includes participants from Lahore. This may introduce potential biases and limit the diversity of perspectives. It is crucial to consider the influence of regional and cultural factors when interpreting the findings and to conduct similar research in different locations to ensure a more comprehensive understanding.

Time constraints posed a challenge during data collection, as employees, students and faculty in educational institutes may have limited availability to participate in research activities. This constraint could have affected the sample size and potentially introduced sampling biases. Biases inherent in self-reported data and participant responses may

have influenced the accuracy and reliability of the results. It is important to be aware of potential biases and to employ rigorous data collection and analysis techniques to mitigate their impact. These limitations indicate areas for further exploration and highlight the need for future research to expand the scope, consider different contexts, and employ robust methodologies to enhance the understanding of ethical leadership, knowledge sharing, and the creation of an ethical working climate.

6.4. Recommendations for future Researchers:

There are several recommendations for further research in the context of ethical leadership in creating an ethical working climate with the mediating role of knowledge sharing. Firstly, it is advisable to extend the research to other industries in Pakistan, such as the construction industry, manufacturing industry, and hospitality industry. This expansion would provide a broader understanding of the impact of ethical leadership and knowledge sharing on creating an ethical working climate in different organizational settings. Secondly, conducting similar studies in different regions of Pakistan would be beneficial to capture the diversity of cultural and regional factors that may influence ethical leadership and knowledge sharing practices. This would enhance the generalizability of the findings and provide a more comprehensive understanding of the topic. To enhance the reliability and accuracy of the results, researchers could consider employing a variety of data collection methods. In addition to self-reporting questionnaires, incorporating behavioral observations, interviews, and formal/informal discussions would provide a more holistic view of the ethical working climate and the mediating role of knowledge sharing. These methods can help reduce potential biases associated with self-reporting and offer valuable insights into actual behaviors and experiences.

Furthermore, future research could explore additional mediators or moderators that might influence the relationship between ethical leadership, knowledge sharing, and the ethical working climate. This would contribute to a deeper understanding of the underlying mechanisms and potential boundary conditions of the relationship.

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Annexure – I Survey Questionnaire

The Role of Ethical Leadership in Creating Ethical Working Climate: The

Mediating Role of Knowledge Sharing

I am a research Scholar of MS in Management Sciences from COMSATS University, Lahore Campus. My research topic is "The Role of Ethical Leadership in Creating Ethical Working Climate: The Mediating Role of Knowledge Sharing" You are kindly requested to respond to the following statements. We therefore, value your cooperation very highly. The survey comprise of different kind of questions. There is no right and wrong answer to the question. We are only interested in your personal opinions. Your responses will be treated in strict confidence and will only be used for research purposes.

Thanking you in advance.

Demographic:

Gender	Age	Qualification	Experience
• Male • Female	• 26–35 years • 36–45 years • 46–55 years • Above 55 years	• Intermediate • Becholers • Master • Doctorate	• 1-5 years • 6-10 years • 11-15 years • Above 15 years

Ethical Leadership						
1.	I conduct my professional life in an ethical manner.	1	2	3	4	5
2.	I define success not just by results but also by the way I've obtained it.	1	2	3	4	5
3.	I carefully listen to what my subordinates want to share.	1	2	3	4	5
4.	I always ensure the discipline of my subordinates who violate ethical standards.	1	2	3	4	5
5.	I always make fair and balanced decisions.	1	2	3	4	5

6.	I used to discuss business ethics or values with my subordinates.	1	2	3	4	5
7.	I always try to set an example of how to do things the right way in terms of ethics.	1	2	3	4	5

Knowledge Sharing

Knowledge Sharing Mechanism

8.	The institution established a smooth information exchange platform for knowledge sharing.	1	2	3	4	5
9.	The institution held meetings periodically or irregularly for problem-solving.	1	2	3	4	5
10.	The directors/managers/supervisors advocated collective wisdom to solve the problem.	1	2	3	4	5
11.	The institution developed a detailed document management system.	1	2	3	4	5

Informal Knowledge Sharing

12.	I usually share my experience with colleagues on informal occasions.	1	2	3	4	5
13.	When I receive new information, I would share it with my colleagues/subordinates in a chat room or chat face-to-face.	1	2	3	4	5
14.	I usually share my work documents and material when my colleagues/subordinates need them.	1	2	3	4	5
15.	I usually discuss problems encountered in the work with my colleagues/subordinates freely.	1	2	3	4	5

Formal Knowledge Sharing

16.	I usually share my report or useful files on formal occasions.	1	2	3	4	5
17.	I usually share my experience in a meeting or through other official channels.	1	2	3	4	5
18.	I usually write reports or articles about my professional knowledge to share with my teammates.	1	2	3	4	5

Ethical Working Climate

Caring

19.	Everyone in this institution follows best practices is a major consideration.	1	2	3	4	5
20.	The well-being of all the people is the most important concern in this institution.	1	2	3	4	5
21.	People observe each other's good in this institution.	1	2	3	4	5
22.	I always expected to do what is right for the employees and students in this institution.	1	2	3	4	5

Efficiency

23.	The major responsibility of people in this institution is to consider efficiency first.	1	2	3	4	5

24.	The individual is expected to work efficiently above all in this institution.	1	2	3	4	5
25.	In this institution, for any problem, efficient solutions are sought.	1	2	3	4	5
Social Responsibility						
26.	It is expected that I will always do what is right for the community.	1	2	3	4	5
27.	In this institution, individuals have a high sense of responsibility towards the outside community.	1	2	3	4	5
28.	The interest of the community is given more concern by people in this institution.	1	2	3	4	5
29.	The primary concern in this institution is the effect of decisions on community.	1	2	3	4	5