



Interplay of Ethical Leadership and Openness to Experience on Readiness for Change and Outcomes

Iqra Yasmin

Ph.D. Scholar, Department of Business Administration, Ghazi University, Dera Ghazi Khan
iqrayasmeen45@gmail.com

Rafia Yasmin

Ph.D. Scholar, Department of Business Administration, Ghazi University, Dera Ghazi Khan
rafiayasmin13@gmail.com

Ahmad Din

Lecturer, Department of Business Administration, Ghazi University, Dera Ghazi Khan
abuzdar@gudgk.edu.pk

Ansar Abbas

Institute of Commerce and Management, Shah Abdul Latif Univeristy, Khairpur
Corresponding Author: ansarabbas6980@gmail.com

Muhammad Yasir Idrees

M.Phil. Scholar, Department of Business Administration, Ghazi University, Dera Ghazi Khan
yasiridrees123@gmail.com

Abstract

Ethical leadership influences employee outcomes (creativity) through their readiness to adapt, according to the current study model, which draws inspiration from social learning theory. An ethically led workforce, according to the idea, encourages high levels of innovation and flexibility among workers. This study also provided support for the hypothesis that leaders with high levels of openness to experience are more likely to be ethical leaders, and that this correlation is stronger in leaders with low levels of openness to experience. A quantitative research methodology was used to assess the results. Due to the adoption of a time-lag research strategy, 317 participants were included in the sample. The data came from a variety of sectors in Pakistan. The findings lend support to the idea that employees' flexibility mediates the relationship between moral leadership and creativity. Another noteworthy link between change readiness and ethical leadership is moderated by openness to experience, according to the research. This is the result of the present study's analysis of its theoretical and methodological merits, as well as its implications and future research limitations.

Keywords: *ethical leadership, readiness for change, openness to experience, creativity*



Introduction

One of the most studied subjects; employee creativity has drawn the interest of both academic researchers and policy makers (Metwally et al., 2019). According to various academics, employee creativity is a key factor in commercial firms' competitive edge (Nazir et al., 2021). Employee innovation must be promoted if organizational success is to be maintained or increased in today's dynamic and fiercely competitive workplace (Kalyar et al., 2020). Finding the factors that predict employee creativity in firms is a focus for many researchers. Furthermore, in today's uncertain markets, many corporate stakeholders have pointed to organizational leadership as a critical component (Özsungur, 2019).

In previous research, leaders' encouragement and ethical training have been demonstrated to impact employees' levels of creativity. Muafi et al., (2019) specifically requested future researchers undertake research on various leadership philosophies to examine how these beliefs affect employee creativity. This study examines ethical leadership as a factor that may be used to anticipate how creative employees would be to address this demand. Since ethical leadership places a strong emphasis on fostering positive attitudes among subordinates and communicating, encouraging, and reinforcing their ethical conducts, such as acting as a good corporate citizen and demonstrating inventiveness on the job (Ye et al., 2022). Leaders in an organization may only inspire employees to act ethically and creatively if they demonstrate these qualities.

According to Moutousi & May, (2018), ethical leader can foster a positive work atmosphere by establishing efficient communication lines, which in turn encourage employee creativity.

According to Soomro et al., (2021), numerous studies on ethical leadership have emerged linking ethical leadership with various concepts like employee commitment, job satisfaction, individual performance, organizational justice, social justice, job engagement, organizational citizenship behavior. There are also many mediating processes that link morally upright leadership with innovation (Orkibi, 2021).

However, ethical leadership's contribution to fostering employees' readiness to change inside businesses has not been specifically discussed in study. Apak, Taat, & Suki, (2021) specifically addressed change in their studies on ethical leadership; however, they did not assess how ethical leadership affected employees' readiness to change. Future researchers are specifically encouraged by the calls made by Alblooshi et al., (2021) to look at additional mediators in order to better understand how ethical leadership affects employee creativity. However, ethical leaders



also offer moral leadership and are dependable, just, and people-focused (Yeap et al., 2021). They have many important features that might help employees deal with stress and anxiety during times of transition and uncertainty. According to Maddux et al., (2021), stress causes people to become resistant to change, therefore ethical leader may help people become more change-ready.

People who are willing to try new things are inherently creative, autonomous, risk-takers, and visionaries (Tan et al., 2021). On the other hand, those with low OPE scores tend to have more conventional problem-solving methods, have limited interests, lack analytical skills, and do not actively seek out novel approaches to a given problem (Bhutto et al., 2021).

According to earlier research, personality qualities like the Big Five are strongly associated with behavioral intentions and motivation for certain outcomes, such job performance (Huang et al., 2022). Openness to experience has received less attention from researchers than the other four of the Big Five attributes. This is unexpected given that openness emphasizes intellectual curiosity and is connected to innovation, searching out new, autonomous avenues for research and expression, and ethical leadership (Lumpkin & Achen, 2018). This demonstrates that when leaders offer their people ethical direction, when they display openness to new experiences, their employees respond by becoming change-ready (Zaccaro et al., 2018). Leaders that uphold ethics motivate their teams to act morally by rewarding and punishing them for their behavior. Because readiness for change is regarded as ethical workplace behavior, employees who report to ethical leaders are more likely to request it from coworkers in order to be considered for rewards. Employees who are highly open to new experiences may still be willing to adapt, which in turn translates into their overt performance in the form of inventiveness.

To fill the knowledge gap and accomplish the research objectives, the following sections are detailed below: After introducing the theoretical framework that will form the backbone of the research model, this part will go on to review the pertinent literature and formulate hypotheses. The paper then briefly discusses the technique that was employed before presenting and discussing the empirical findings and their implications. The essay ends by acknowledging the limits of the research and providing a launch pad for potential future research directions.



Literature Review

Theoretical framework and hypotheses development

Social learning theory (SLT)

A person's social environment changes their intentions and, in turn, their behaviors, according to the social learning theory (Akers & Jennings, 2015). In the course of social learning, individuals gain knowledge from reputable informational sources, such as role models. People perceive the role models more believable in various ways, such as looks, social learning, which is an individual learning process, is more successful (Bandura, 1969).

Credibility is therefore a crucial element that encourages social learning in people. Social learning, which relates to social commerce, is the process of learning from the information, experience, and skill of other individuals who are on our list of social media friends and whom we regard as credible. Social connection in various kinds of groups fosters social learning (Hill et al., 2009).

Ethical leadership and employee creativity

The requirement for an ethical leadership style has become crucial given the frequency of ethical issues in the majority of enterprises. According to Duan et al., (2018), ethical leadership is "the representation of contextually appropriate behavior either through nearer to leisure affairs as well as interpersonal relations, and also the progress of certain behavior to adherents via two-way interaction, assist, and judgment. As a result, this definition highlights three essential traits of a successful ethical leader: the person who (1) strives to place what he or she talks about into practice, (2) has fait accompli in the area of concern, and (3) has fait accompli in the area of decision-making. Researchers have paid a lot of attention to how ethical leadership might encourage employee creativity (Asif et al., 2022). According to research, ethical and proactive leadership has a substantial effect on employee innovation. Managers who provide their employees with specific instructions are likelier to foster an environment conducive to innovation (Feng et al., 2018).

With aid of Social Learning Theory as an illustrative model, one can better comprehend how employees recognize key characteristics of a model's behavior (the Attention Process), how well they tend to remember those behaviors (the Retention Process), and how they learn specific model behaviors (Reproduction process). Employees are more likely to recognize, imitate, and learn such habits from a leader who exhibits high moral standards and ethical behavior (Gang Li



et al., 2022). Furthermore, according to Feng et al., (2018), when employees feel that their leaders are treating them ethically and responsibly, as determined by the social learning process, they will reciprocate those behaviors and foster an ethically consistent environment across the entire company. Additionally, ethically acceptable behaviors among followers are produced through ethical organizational practices, which boost organizational performance. Social learning theory states that via everyday encounters with leaders, followers can increase their inventiveness (Gang Li et al., 2022).

Rather than approaching the topic from a purely moral perspective, a number of scholars have devoted considerable attention to ethical leadership on the notion that individuals dedicated to ethical practices are more likely to put in extra effort than those driven merely by economic or social considerations. There is a positive correlation between employees' sense of purpose and worth in the workplace and their propensity to collaborate on creative projects (Ma et al., 2013). When moral leaders guide employees, they are more likely to take initiative and learn new things, which can spark more creative thinking. Ethical leaders foster an environment of trust, honesty, compassion, morality, and justice in their relationships with employees, allowing them to appreciate and accommodate their diverse perspectives and beliefs. Building and influencing organizational culture, encouraging employee autonomy, and enjoying their perspectives contribute to a more creative workforce (Tetteh et al., 2023). According to the findings and recommendations of the aforementioned studies, the following hypothesis has been put out by researchers:

H1. Ethical leadership has a significant positive influence on employee creativity

Ethical leadership and readiness for change

By making decisions, communicating effectively, and providing positive reinforcement, ethical leaders demonstrate good behaviour and inspire their followers to do the same (Metwally et al., 2019). While ethical ideals are present in other leadership paradigms including transformational leadership, authentic leadership, and spiritual leadership, ethical leadership primarily focuses on moral governance (Ahmed & Siddiqui, 2020). To be an ethical leader, you need a moral manager and a moral individual. The moral manager acts ethically while on the job, whereas the moral person considers a manager's personality quirks and character attributes (Sharif & Scandura, 2014). However, honest, trustworthy, and fair leaders encourage these qualities in the workplace.



They model ethical conduct for their followers to emulate, and they act in a way that inspires others to do the same (Shafi et al., 2021).

In accordance with the social learning theory, people pick up on appropriate behavior through watching how other people act and what happens as a result. Through role modeling in the workplace, ethical leaders help their staff members develop their ethical obligations. To put it another way, ethical leader serve as "examples of moral behavior that become the targets of affiliation and imitation for followers (Akhtar et al., 2022). Additionally, because leaders have the authority to define an employee's career path, workers will be more likely to exhibit behaviors that are consistent with their leaders' expectations and leadership philosophies. If disciplinary procedures are taken against people who act unethically at work, employees will be less likely to engage in such behavior them.

Companies that foster two-way communication between leaders and subordinates, have transparent corporate ethics policies, fair incentive structures, and encourage these things will enable employees to feel more at ease and concentrate on the advantages of organizational reforms. So, ethical leaders should ensure their teams know there will be rewards (such as money and acclaim) for concentrating on the positive aspects of change. When moral leaders reward and punish moral conduct, employees are less incentivised to engage in immoral behavior.

Additionally, ethical leaders are more likely to foster a favorable environment by exhibiting normatively acceptable behaviors (such as a readiness for change), which might inspire subordinates to emulate them and later emphasize the advantages of changes (Al-Tahitah et al., 2018) came to the conclusion that there is indication that leadership has a positive and significant impact on employees' readiness for change. Therefore, we came up with the following statement
H2. Ethical leadership has a significant positive influence on readiness for change

Mediating role of readiness for change

The organizational setting is being emphasized more and more by researchers as a key factor influencing behavior at work. Leadership is a key organizational aspect in this area and is more effective when it is based on ethical beliefs and the wellbeing of members. Therefore, it should not be surprising that ethical leadership has recently gained a lot of study interest (Thakur & Srivastava, 2018).

According to Jones et al., (2005), people who work under ethical leaders will likely experience consistent, long-term, supportive, and humane treatment, which should boost their sentiments of



security. Since ethical leaders satisfy employees' demands for stability and inspire trust in them (particularly regarding their long-term intentions and behaviour, as well as the changes they bring about), they may mitigate some of the instability accompanying organizational changes (Kirrane et al., 2017). The most effective response to any change process may be achieved when employees led ethically feel less fear, more security, more knowledge, and more control over their own lives (Santhidran et al., 2013). When leaders act ethically, they delegate authority and are thus more likely to include their staff in driving change. This is because they demonstrate confidence in their team members' abilities, which raises their perceptions of their own efficacy (Engida et al., 2022). To understand and respond to the environment effectively as well as to be prepared for any change, such improvement in self-efficacy perceptions is essential. Therefore, we speculate that:

H3. Readiness to change mediates the influence of ethical leadership and employee creativity.

Openness to experience as a moderator

As an additional mediator between ethical leadership and change preparedness, we propose that receptivity to experience acts as a boundary condition. Research on receptivity to new information has found some encouraging results when applied to a variety of leadership theories, such as transformational and entrepreneurial models (Shi et al., 2016). On the other hand, the role of trait similarity/congruence in overall and ethical leadership specifically remains largely unknown (Niazi, 2017).

Scholars contend that employee traits, among other things, affect how good a leader they are (Singh & Mehdi, 2022). Indeed, for decades, academics have debated how followers' characteristics, particularly personality, affect how they perceive and respond to charismatic/transformational leadership. Openness to experience is defined as the degree to which a person fervently pursues, heightens, endures, and investigates novel situations. It consists of a conglomeration of related ideas, including creative expertise, intellectual curiosity, and a propensity for unconventional or novel things (Brandt et al., 2015).

Individuals that score little on openness tend to behave conservatively. Openness to new experiences is associated to creativity (Colquitt et al., 2002). Every step of the creativity process is inextricably tied to being open to new experiences. According to the social learning hypothesis, people pay attention to how others act and behave at work (Bujisic et al., 2015). People who score highly on openness to the leader's experiences are more inclined to pay



attention to the leader's actions (Chen, 2016). As a result, willingness to alter relationships is a prerequisite for ethical leadership. Therefore, we suggest the following:

H4. Openness to experience moderates the effect of ethical leadership on readiness to change such that the positive effect is stronger among employees with high openness to experience.

Research Methodology

Participants and procedures

We employed a quantitative hypothetico-deductive strategy for hypothesis testing to reach our objective. Workers in the banking, educational, and telecommunications sectors of the service sector contributed the information. As these businesses typically include frequent interactions (for example, regular meetings) between supervisors and employees, we feel that choosing such organizations presents the chance to research the pertinent variables. More specifically, information was gathered from managers employed in the aforementioned industries.

We used a three-wave research design to simultaneously isolate the following variables: T3, employee creativity; T2, readiness for change; and T1, ethical leadership and openness to experience, which served as both a predictor and a moderator. Two to three weeks passed between each measuring point. The potential problems that could arise from only using self-reported and single-source data-collection methods are reduced by using a temporally separated architecture. According to evidence from several studies, there is a low probability of common method biases in research that find moderating effects. This is because the likelihood of false positive results is reduced (Simons & Peterson, 2000). Using a peer report, data on the dependent variable were gathered. In collectivistic societies, where individuals are more attuned to the actions of others around them, peer evaluations of creative work have proven to be highly effective (Raja and Johns, 2010). Peer reports have an advantage over supervisor reports in that they permit specific dyadic pairing, which eliminates the data nesting problems brought about by using a single supervisor for several respondents. In Islamabad and Dera Ghazi Khan (Pakistan), employees of twelve different service-related businesses, including two telecom firms, seven banks, and three universities, were invited to participate in a field survey. Before agreeing to take part in the study, participants were given a cover letter explaining its purpose and promising complete confidentiality. The letter reassured participants that their participation was entirely optional and included the contact information for the study's main investigator in case they had



any concerns or wished to submit feedback. More respondents received assurances that the survey was voluntary and that the data collected would be analyzed as a whole. To ensure that they can fairly assess employee performance, the peers were chosen by the workers themselves and had known them for at least six months.

At time zero, we distributed 600 surveys; 490 were returned for an adequate 81% response rate. Four hundred participants (or 66% of the total) completed a follow-up survey we sent them three weeks after T1. Lastly, three weeks after T2, we contacted the same participants again and had them fill out a third survey to gauge the study's efficacy. Our responders' coworkers were also asked to complete a survey with creative evaluation items at T3. A total of 327 matching self-report surveys were returned after three cycles. After removing ten peer-reported forms with missing data, we were left with 317 valid replies, with an overall response rate of 53%.

Men comprised most of the study's subjects (78%). A master's degree was the highest level of education obtained by 67% of the respondents, and most of those who responded were entry-level managers (69%). In addition, 23.3% of the participants held managerial roles at the intermediate level or above. Finally, the data shows that 49.8% of those who took the survey work for private companies.

Measures

All Pakistani offices use English for correspondence, and all Pakistani high schools and universities use it as their official language of education, therefore that's why that's how the polls were administered. Research in similar fields has used English questionnaires in Pakistan before with no issues with respondents' ability to understand or complete the questions (Naseer et al., 2016). Additionally, the time separation of the data allowed us to clarify the survey-filling procedures and remove any potential ambiguities. This led us to retain the English versions of all the metrics rather than translate them into Urdu for our surveys. Unless specified differently, all items were assessed using a Likert scale, where 1 indicates "strongly disagree" and 5 means "strongly agree." For this study, we relied on the 10-item ethical leadership scale that was created by Brown & Rector, (2008). A 6-item scale was created to measure readiness for change, and its reliability is 0.93 (Holt et al., 2007). Donnellan et al., (2006) designed a 4-item scale to measure openness to experience; in this study, Cronbach's alpha reliability was 0.75. In this study, the reliability score of the 13-item Creativity scale produced by Zhou & George, (2001) was 0.86, and the Cronbach's alpha reliability of the aforementioned scale was 0.77.



Control Variables

We found that our dependent variable varied with the organization's name using a one-way variance analysis. We coded a single dummy variable for each organization name with more than one category.

Confirmatory factor analysis

To determine the discriminant validity of the variables that were measured simultaneously and using the same source, we performed a confirmatory factor analysis (CFA). In order to carry out one-on-one CFA, we followed the guidelines laid out by Anderson & Gerbing, (1988) and used a two-factor alongside a single-factor model. As shown in Table1, the results of CFA and reported that two factor of the ethical leadership and openness to experience at time 1 ($\chi^2 = 282.03$, $df = 90$, $\chi^2/df = 3.13$, , RMSEA = .08; CFI = .97, TLI= .954, GFI = .91) and of 1 factor model it shows ($\chi^2 = 4226.12$, $df = 135$, $\chi^2/df = 31.30$, , RMSEA = .30; CFI = .35, TLI= .27, GFI = .42) Lastly, for full model of ethical leadership, openness to experience, readiness for change and creativity ($\chi^2 = 470.38$, $df = 168$, $\chi^2/df = 2.80$, , RMSEA = .08; CFI = .94, TLI= .97, GFI = .95) and for 1 factor model ($\chi^2 = 3612.38$, $df = 209$, $\chi^2/df = 17.28$, RMSEA = .27; CFI = .42, TLI= .57, GFI = .56).

Data Analysis

See how the study's essential variables fared in terms of descriptive statistics, bivariate correlations, and Cronbach's alpha reliability in Table 2. There was a positive correlation between ethical leadership and three variables: openness to experience ($r=0.42$, $p<0.01$), readiness for change ($r=0.31$, $p<0.01$), and creativity ($r = 0.62$, $p<0.01$). Also, being receptive to new experiences had a positive correlation with both being ready for change ($r=0.15$, $p<0.01$) and being creative ($r = 0.59$, $p<0.01$). Furthermore, there was a favourable correlation between creativity and readiness for change ($r=0.45$, $p<0.01$).



Table 1
Result of Confirmatory Factor Analysis

Measurement Models	χ^2	Df	χ^2/Df	TLI	CFI	GFI	RMSEA
1 EL and OTE (Time 1) (2 factor)	282.03	90	3.13	.94	.97	.91	.08
EL and OTE (Time 1) (1factor)	4226.12	135	31.30	.27	.35	.42	.30
FullModel(4 factors)	470.38	168	2.80	.97	.94	.95	.08
3 FullModel(1factor)	3612.38	209	17.28	.57	.42	.56	.27

Notes: Better fit indices are presented in bold EL = Ethical leadership; OTE = openness to experience; four-factor model = ethical leadership, openness to experience, readiness for change and creativity.

Table 2

Means, Standard deviations, Correlations and Reliabilities of the study variable.

Sl#	Mean	SD	1	2	3	4
1 Ethical leadership	3.30	1.07	(.93)			
2 Openness to experience	4.12	0.59	.427**	(.77)		
3 Readiness for change	2.77	0.69	.314**	.152**	(.75)	
4 Creativity	3.66	0.62	.432**	.593**	.455**	(.86)

N = 317; *p < 0.05; **p < 0.01. The alpha reliabilities are given in parenthesis; T1 denotes time one, T2 denotes times two, and T3 denotes time three.

According to Hayes (2015), in order to assess the mediating and moderating effects, we employed PROCESS macro procedures using the bootstrapping method. In order to look for moderating effects, we showed the important interactions that came from basic slope analyses for mean SD. The outcomes for the direct and mediation hypotheses are shown in Table 3.

According to hypothesis H1, ethical leadership positively impacts creativity (B = 0.41, t = 8.12, p < 0.001). There is strong evidence supporting H2 due to the positive correlation between ethical leadership and change preparation (t-value 17.03, p-value less than 0.001). Ethical leadership indirectly influences creativity through openness to change (indirect impact = 0.35, p < 0.001)



lends credence to H3. The bootstrapped 95% confidence intervals surrounding the indirect effects of creativity did not contain zero, providing additional evidence for H3 (0.04,0.18).

The fourth hypothesis (H4) postulated that the positive correlation between change readiness and ethical leadership could only exist in receptiveness to new experiences. The results from Table 4 show that with solid openness to experience, there was a significant interaction term between Ethical Leadership and Readiness for Change ($B = 0.05$, $SE = 0.06$, $p < 0.00$). Table 4 shows that the bootstrap results confirmed the conditional direct impacts of ethical leadership on change readiness at different levels of moderator, especially for cases with high experience openness. Subsequently, the mean + SD interface was created.

In support of hypothesis H4, Figure 2 demonstrates that although there was a weak positive relationship between ethical leadership and readiness for change when openness to experience was low ($b = 0.05$, $t = 2.26$, $p < 0.01$), this relationship became more pronounced and significant when openness to experience was high ($b = 0.32$, $t = 12.47$, $p < 0.001$). Thus, H4 was upheld.

Table 3
Mediation Regression Analysis

Sr.#	Variables	R	R ²	B	SE	T	P
1	Step 1	.31	.09				0.000
	Direct effects of ethical leadership on readiness for change	—	—	.31	.12	17.03	0.000
2	Step 2	.44	.19				0.000
	Direct effects of ethical leadership on creativity	—	—	.41	.02	8.12	0.000
3	Step 3	.55	.31				0.000
	Direct effects of readiness for change on creativity	—	—	.35	.04	7.22	0.000
Bootstrap result for indirect effects							
				Effect	SE	LLCI	ULCI
				.064	.02	.04	.18

Note: $n = 317$, organization name is control variables. Size of the Bootstrap sample=5000, LL=Lower limit, CI= Confidence Interval, UL= Upper Limit.

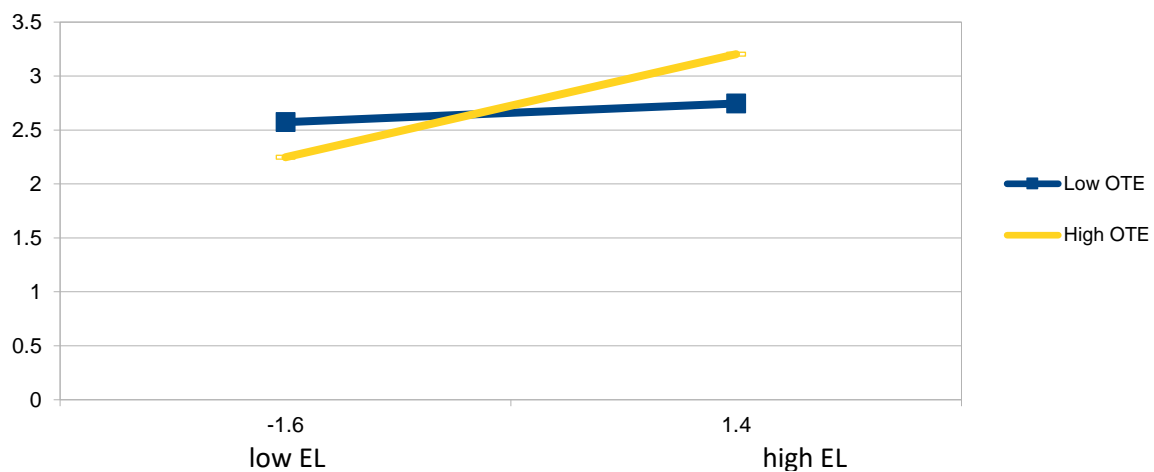


Table 4
 Hierarchical Moderated Regression Analysis Results

Predictors	Readiness for change						
	R	R ²	Estimate	SE	LLCI	ULCI	
Step-1	0.36	0.13					
Constant			0.67**	0.81	3.16	6.38	
Ethical leadership			0.19*	0.26	1.23	0.21	
Openness to experience			0.16*	0.20	1.04	0.25	
Step 2	ΔR^2	0.04					
(EL x OTE)			0.22**	0.06	0.09	0.34	
Conditional direct effects of x on y at values of moderator (i.e. Openness to experience OTE)							
Moderator							
OPENNESS TO EXPERIENCE (OTE)			Effect	Boot SE	P	LLCI	ULCI
OTE Low			0.10*	0.04	.07	0.01	0.19
OTE Moderate			0.21***	0.03	.000	0.14	0.29
OTE high			0.32***	0.05	.000	0.22	0.43

Take note: there are 317 individuals. The regression coefficients that are not standardized are published. The lower limit is LL, the confidence interval is CI, and the upper limit is UL. The bootstrap sample size is 5000. Assuming EL stands for ethical leadership, OTE is for openness to experience, and RFC is for readiness for change. **p<0.01; and ***p<0.001 all indicate statistical significance

Figure 1





Conclusion and Discussion

Discussion

It has been proposed that ethical leadership can affect organizational and employee outcomes (Hoang et al., 2023). On the other hand, research on how ethical leadership affects employee creativity is limited (Rasheed et al., 2023). This study explores the idea that employees are more creative in their responses when they witness an ethical leader at work. This study also investigates how readiness for change mediates the link between ethical leadership and creativity. Relationship between transition readiness and ethical leadership is also investigated in this study, focusing on how openness to experience mediates this relationship. According to the results, ethical leadership positively affects creativity, and being prepared for change mediates the relationship between the two. High openness to experience correlates more strongly with moral leadership and a readiness to change than low openness to experience. For the empirical findings, information was gathered from many sectors in Pakistan, including the financial industry, academic institutions, and the telecom business. Social learning theory (Alabdullah & AL-Qallaf, 2023) was utilized as the overarching theoretical foundation. Study's conclusions have a number of theoretical and real-world ramifications, some of which are explored below.

Theoretical implications

Based on our study's findings, there are substantial theoretical ramifications for the literature on ethical leadership. We first investigate the connection between ethical leadership and creativity, and then we explain how change preparedness mediates this relationship. Our research shows that when leaders act ethically, it makes their people feel more prepared for change, which in turn boosts their creativity. Our results support the body of research suggesting that employees' openness to change is a crucial emotional resource that encourages them to work more creatively (Islam et al., 2023). Ethical leadership can increase employee creativity, but how and why this happens is best understood using employee change preparedness as a mediator. Second, the effect of moral leadership on workers' change preparedness is complicated, and this study recognizes that openness to experience is a central confounding element. According to earlier research, cultural influences could affect how successful ethical leadership is (Amory et al., 2024).



Practical implications

The first finding of our study, which supports the idea that ethical leadership, is helpful in fostering employees' creativity, points to the importance of ethical leadership in creating a work climate where people feel more encouraged to be creative. Second, it is suggested that organizations and leaders should foster situations that will help them improve workers' perceptions of their ready for change because this study shows that ethical leadership has an indirect impact on employee outcomes through the mediator readiness for change.

In light of the above, businesses looking to institute training programs should make it a priority to help managers foster a genuine desire for and awareness of the importance of such behavior among their colleagues, particularly during times of organizational upheaval. Additionally, such training initiatives need to help managers create ethical behaviors in an instinctive and natural way by strengthening their cognitive-autonomous reasoning, enabling them to connect these behaviors to their sense of self (Guangping Li et al., 2024).

Limitations and future research directions

While this study does provide new light on ethical leadership, it is not without its flaws. Because not all study variables were assessed at every time, our study cannot be characterized as a pure longitudinal design, even though it used a time-lagged research design and data from various sources. Through self-reports, both moral leadership and openness to new experiences were simultaneously assessed. But support for both moderation and mediation suggests that this may not have been the case.

The research model variables can all be monitored at all times in a full longitudinal research design, which can be used by future researchers. Exploring additional processes and situations where ethical leadership could lead to diverse outcomes is an area where future research can expand upon our current paradigm. To illustrate the connection between ethical leadership and results, it may be instructive to consider psychological elements as intermediaries. Future studies might compare the effects of moral leadership in contexts of both developed and developing nations by theorizing and testing cross-cultural models. Researchers can look at additional factors that could help them understand how and why ethical leadership might result in favorable outcomes for particular people. For instance, it is possible to look at perceived organizational support and the atmosphere of human resources support as moderators that explain how under unethical leadership, individuals achieve successful career outcomes.



Conclusion

To sum up, our research provides distinctive perspectives on how and for whom ethical leadership produces positive outcomes. Our findings offer strong evidence for the benefits of moral leadership in the context of developing nations like Pakistan. Our study also reveals an important finding: compared to those with great openness to experience, those with poor openness to experience may be harmful to organizations. Future studies should look into cross-cultural models in an effort to better understand the factors that contribute to ethical leadership emerging in businesses.

References

- Ahmed, Z., & Siddiqui, D. A. (2020). Organisations Ethical environment, Change Management and Commitment: The Role of Change Readiness, Resistance, and Employees' Withdrawal. *Change Management and Commitment: The Role of Change Readiness, Resistance, and Employees' Withdrawal* (August 29, 2020).
- Akers, R. L., & Jennings, W. G. (2015). Social learning theory. *The handbook of criminological theory*, 230-240.
- Akhtar, N., Abbas, S. F., Varikkodan, S., & Pinitod, A. A. (2022). Service Innovation Readiness of Academic Institutions: Mediation of Ethical Leadership and Employee Satisfaction. *Asia-Pacific Social Science Review*, 22(4).
- Al-Tahitah, A., Muthaliff, M. M. A., Abdulrab, M., & Al-Maamari, Q. A. (2018). Paper review on the relationship between transformational leadership and readiness for change. *International Journal of Energy Policy and Management*, 3(1), 1-7.
- Alabdullah, T. T. Y., & AL-Qallaf, A. J. M. (2023). The Impact Of Ethical Leadership On Firm Performance In Bahrain: Organizational Culture As A Mediator. *CASHFLOW: Current Advanced Research On Sharia Finance And Economic Worldwide*, 2(4), 482-498.
- Alblooshi, M., Shamsuzzaman, M., & Haridy, S. (2021). The relationship between leadership styles and organisational innovation: A systematic literature review and narrative synthesis. *European Journal of Innovation Management*, 24(2), 338-370.
- Amory, J., Wille, B., Wiernik, B. M., & Dupré, S. (2024). Ethical Leadership on the Rise? A Cross-Temporal and Cross-Cultural Meta-Analysis of its Means, Variability, and Relationships with Follower Outcomes Across 15 Years. *Journal of Business Ethics*, 1-29.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological bulletin*, 103(3), 411.
- Apak, J., Taat, M. S., & Suki, N. M. (2021). Measuring teacher creativity-nurturing behavior and readiness for 21st century classroom management. *International Journal of Information and Communication Technology Education (IJICTE)*, 17(3), 52-67.



- Asif, M., Miao, Q., Jameel, A., Manzoor, F., & Hussain, A. (2022). How ethical leadership influence employee creativity: A parallel multiple mediation model. *Current Psychology, 41*(5), 3021-3037.
- Bandura, A. (1969). Social-learning theory of identificatory processes. *Handbook of socialization theory and research, 213*, 262.
- Bhutto, T. A., Farooq, R., Talwar, S., Awan, U., & Dhir, A. (2021). Green inclusive leadership and green creativity in the tourism and hospitality sector: serial mediation of green psychological climate and work engagement. *Journal of Sustainable Tourism, 29*(10), 1716-1737.
- Brandt, M. J., Chambers, J. R., Crawford, J. T., Wetherell, G., & Reyna, C. (2015). Bounded openness: The effect of openness to experience on intolerance is moderated by target group conventionality. *Journal of personality and social psychology, 109*(3), 549.
- Brown, S. D., & Rector, C. C. (2008). Conceptualizing and diagnosing problems in vocational decision making. *Handbook of counseling psychology, 4*, 392-407.
- Bujisic, M., Bilgihan, A., & Smith, S. (2015). Relationship between guest experience, personality characteristics, and satisfaction: Moderating effect of extraversion and openness to experience. *Tourism Analysis, 20*(1), 25-38.
- Chen, I.-S. (2016). Examining the linkage between creative self-efficacy and work engagement: the moderating role of openness to experience. *Baltic Journal of Management, 11*(4), 516-534.
- Colquitt, J. A., Hollenbeck, J. R., Ilgen, D. R., LePine, J. A., & Sheppard, L. (2002). Computer-assisted communication and team decision-making performance: The moderating effect of openness to experience. *Journal of Applied psychology, 87*(2), 402.
- Donnellan, M. B., Oswald, F. L., Baird, B. M., & Lucas, R. E. (2006). The mini-IPIP scales: tiny-yet-effective measures of the Big Five factors of personality. *Psychological assessment, 18*(2), 192.
- Duan, S., Liu, Z., & Che, H. (2018). Mediating influences of ethical leadership on employee creativity. *Social Behavior and Personality: an international journal, 46*(2), 323-337.
- Engida, Z. M., Alemu, A. E., & Mulugeta, M. A. (2022). The effect of change leadership on employees' readiness to change: the mediating role of organizational culture. *Future Business Journal, 8*(1), 31.
- Feng, J., Zhang, Y., Liu, X., Zhang, L., & Han, X. (2018). Just the right amount of ethics inspires creativity: A cross-level investigation of ethical leadership, intrinsic motivation, and employee creativity. *Journal of Business Ethics, 153*(3), 645-658.
- Hill, J. R., Song, L., & West, R. E. (2009). Social learning theory and web-based learning environments: A review of research and discussion of implications. *The Amer. Jnl. of Distance Education, 23*(2), 88-103.
- Hoang, G., Yang, M., & Luu, T. T. (2023). Ethical leadership in tourism and hospitality management: A systematic literature review and research agenda. *International Journal of Hospitality Management, 114*, 103563.



- Holt, D. T., Armenakis, A. A., Feild, H. S., & Harris, S. G. (2007). Readiness for organizational change: The systematic development of a scale. *The Journal of applied behavioral science*, 43(2), 232-255.
- Huang, Z., Sindakis, S., Aggarwal, S., & Thomas, L. (2022). The role of leadership in collective creativity and innovation: Examining academic research and development environments. *Frontiers in psychology*, 13, 1060412.
- Islam, T., Khatoun, A., Cheema, A. U., & Ashraf, Y. (2023). How does ethical leadership enhance employee work engagement? The roles of trust in leader and harmonious work passion. *Kybernetes*.
- Jones, R. A., Jimmieson, N. L., & Griffiths, A. (2005). The impact of organizational culture and reshaping capabilities on change implementation success: The mediating role of readiness for change. *Journal of management studies*, 42(2), 361-386.
- Kalyar, M. N., Usta, A., & Shafique, I. (2020). When ethical leadership and LMX are more effective in prompting creativity: The moderating role of psychological capital. *Baltic Journal of Management*, 15(1), 61-80.
- Kirrane, M., Lennon, M., O'Connor, C., & Fu, N. (2017). Linking perceived management support with employees' readiness for change: the mediating role of psychological capital. *Journal of Change Management*, 17(1), 47-66.
- Li, G., Li, L., Xie, L., & Lopez, O. S. (2024). The effects of ethical leadership on creativity: A conservation of resources perspective. *Current Psychology*, 43(6), 1-11.
- Li, G., Lu, Y., & Eliason, R. G. (2022). How does ethical leadership enhance employee creativity during the COVID-19 Pandemic in China? *Ethics & Behavior*, 32(6), 532-548.
- Lumpkin, A., & Achen, R. M. (2018). Explicating the synergies of self-determination theory, ethical leadership, servant leadership, and emotional intelligence. *Journal of leadership studies*, 12(1), 6-20.
- Ma, Y., Cheng, W., Ribbens, B. A., & Zhou, J. (2013). Linking ethical leadership to employee creativity: Knowledge sharing and self-efficacy as mediators. *Social Behavior and Personality: an international journal*, 41(9), 1409-1419.
- Maddux, W. W., Lu, J. G., Affinito, S. J., & Galinsky, A. D. (2021). Multicultural experiences: A systematic review and new theoretical framework. *Academy of Management Annals*, 15(2), 345-376.
- Metwally, D., Ruiz-Palomino, P., Metwally, M., & Gartzia, L. (2019). How ethical leadership shapes employees' readiness to change: The mediating role of an organizational culture of effectiveness. *Frontiers in psychology*, 10, 434635.
- Moutousi, O., & May, D. (2018). How change-related unethical leadership triggers follower resistance to change: A theoretical account and conceptual model. *Journal of Change Management*, 18(2), 142-161.
- Muafi, Fachrunnisa, O., Siswanti, Y., El Qadri, Z. M., & Harjito, D. A. (2019). Empowering leadership and individual readiness to change: the role of people dimension and work method. *Journal of the Knowledge Economy*, 10, 1515-1535.



- Naseer, S., Raja, U., Syed, F., Donia, M. B., & Darr, W. (2016). Perils of being close to a bad leader in a bad environment: Exploring the combined effects of despotic leadership, leader member exchange, and perceived organizational politics on behaviors. *The Leadership Quarterly*, 27(1), 14-33.
- Nazir, S., Shafi, A., Asadullah, M. A., Qun, W., & Khadim, S. (2021). How does ethical leadership boost follower's creativity? Examining mediation and moderation mechanisms. *European Journal of Innovation Management*, 24(5), 1700-1729.
- Niazi, S. (2017). Personality traits as predictor of self-esteem of university students: Moderating role of openness to experience. *Journal of Behavioural Sciences*, 27(2), 102-119.
- Orkibi, H. (2021). Creative adaptability: Conceptual framework, measurement, and outcomes in times of crisis. *Frontiers in psychology*, 11, 588172.
- Özsungur, F. (2019). Ethical leadership, intrapreneurship, service innovation performance and work engagement in chambers of commerce and industry. *Journal of Human Behavior in the Social Environment*, 29(8), 1059-1081.
- Rasheed, M. I., Hameed, Z., Kaur, P., & Dhir, A. (2023). Too sleepy to be innovative? Ethical leadership and employee service innovation behavior: A dual-path model moderated by sleep quality. *Human Relations*, 00187267231163040.
- Santhidran, S., Chandran, V., & Borromeo, J. (2013). Enabling organizational change—leadership, commitment to change and the mediating role of change readiness. *Journal of business economics and management*, 14(2), 348-363.
- Shafi, M. Q., Raza, A., Haider, A., & Gul, N. (2021). Impact of paternalistic leadership on organizational readiness for change: Mediating role of employee engagement and moderating role of Islamic work ethics. *Journal of Islamic Business and Management*, 11(1), 126-143.
- Sharif, M. M., & Scandura, T. A. (2014). Do perceptions of ethical conduct matter during organizational change? Ethical leadership and employee involvement. *Journal of Business Ethics*, 124, 185-196.
- Shi, B., Dai, D. Y., & Lu, Y. (2016). Openness to experience as a moderator of the relationship between intelligence and creative thinking: A study of Chinese children in urban and rural areas. *Frontiers in psychology*, 7, 182359.
- Simons, T. L., & Peterson, R. S. (2000). Task conflict and relationship conflict in top management teams: the pivotal role of intragroup trust. *Journal of Applied psychology*, 85(1), 102.
- Singh, L. B., & Mehdi, S. A. (2022). Entrepreneurial orientation & entrepreneurial intention: Role of openness to experience as a moderator. *The international journal of management education*, 20(3), 100691.
- Soomro, B. A., Memon, M., & Shah, N. (2021). Paternalistic leadership style, employee voice and creativity among entrepreneurs: empirical evidence from SMEs of a developing country. *Management decision*, 59(2), 285-305.



- Tan, A. B., Van Dun, D. H., & Wilderom, C. P. (2021). Innovative work behavior in Singapore evoked by transformational leaders through innovation support and readiness. *Creativity and innovation management*, 30(4), 697-712.
- Tetteh, S., Dei Mensah, R., Opata, C. N., & Mensah, C. N. (2023). Ethical leadership and employee creativity among engineering employees: evidence from a developing economy. *Benchmarking: An International Journal*.
- Thakur, R. R., & Srivastava, S. (2018). From resistance to readiness: The role of mediating variables. *Journal of Organizational Change Management*, 31(1), 230-247.
- Ye, P., Liu, L., & Tan, J. (2022). Creative leadership, innovation climate and innovation behaviour: the moderating role of knowledge sharing in management. *European Journal of Innovation Management*, 25(4), 1092-1114.
- Yeap, S. B., Abdullah, A. G. K., & Thien, L. M. (2021). Lecturers' commitment to teaching entrepreneurship: do transformational leadership, mindfulness and readiness for change matter? *Journal of Applied Research in Higher Education*, 13(1), 164-179.
- Zaccaro, S. J., Green, J. P., Dubrow, S., & Kolze, M. (2018). Leader individual differences, situational parameters, and leadership outcomes: A comprehensive review and integration. *The Leadership Quarterly*, 29(1), 2-43.
- Zhou, J., & George, J. M. (2001). When job dissatisfaction leads to creativity: Encouraging the expression of voice. *Academy of Management journal*, 44(4), 682-696.