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THE IMPACT OF LEADERSHIP INTEGRITY ON ORGANIZATIONAL CULTURE AND EMPLOYEE MORALE

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Abstract: *This study investigates the role of leadership integrity in shaping organizational culture and employee morale, highlighting its importance in fostering trust and satisfaction while supporting long-term success. A qualitative approach, involving case studies and organizational analysis, was used to explore this topic. The findings reveal that ethical leadership, demonstrated through transparency and fairness, significantly enhances employee trust and morale, contributing to a cohesive workplace culture. Practices such as clear communication and fair decision-making were found to increase job satisfaction and reduce employee turnover. Conversely, a lack of leadership integrity was associated with trust erosion, disengagement, and higher turnover rates. This research underscores the need to embed integrity within leadership practices and identifies inclusivity, transparency, and ethical decision-making frameworks as effective strategies for improving organizational outcomes. The study provides valuable insights for leaders aiming to create sustainable and positive work environments.*

Keywords: *leadership, integrity, morale, employees*

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Introduction

Leadership integrity is essential in shaping organizational culture, maintaining employee morale, and driving productivity. Leaders who demonstrate ethical behavior build trust within their teams, creating a positive and cohesive organizational culture (Groves & LaRocca, 2019). Trust is a cornerstone of organizational success, as it fosters an environment where employees feel valued, respected, and aligned with the organization's mission. When employees perceive their leaders as ethical, they are more likely to engage fully with their work, leading to higher productivity, increased satisfaction, and reduced turnover rates (Brown & Treviño, 2021). Conversely, the absence of leadership integrity can lead to significant challenges that undermine these benefits, creating a negative cycle of disengagement and inefficiency. One major issue arising from a lack of integrity in leadership is the erosion of trust within the organization. When leaders fail to adhere to ethical standards, employees lose faith in their leaders, which can lead to a decrease in morale and motivation (Ugaddan, 2021). Without trust, employees become disengaged, resulting in higher turnover rates as they seek workplaces that align better with their personal and professional values. The absence of trust also contributes to a decrease in organizational productivity, as employees are less likely to collaborate or openly share ideas (Huhtala, 2020).

Additionally, a lack of integrity often leads to an inconsistent organizational culture. When leaders do not model ethical behavior, employees struggle to align with the organization's core values, leading to confusion and misalignment with the company's vision (Giles, 2018). This breakdown in cultural consistency results in a fragmented workforce where employees may feel disconnected from one another, further hindering collaboration and productivity. Furthermore, low morale and poor engagement become inevitable consequences of a leadership deficit in integrity. Employees who feel undervalued or distrustful of their leaders often lose motivation, contributing to a decline in overall organizational performance (Zhou, 2019).

Another critical issue arises when leaders focus solely on short-term results, prioritizing immediate gains over ethical considerations. This creates pressure for employees to compromise their personal values or make difficult decisions that conflict with their ethical standards. The resulting ethical dilemmas can lead to significant stress and reduced job satisfaction, as employees struggle with the misalignment between their values and the organization's goals (Neubert et al., 2019). Over time, this misalignment increases turnover, as employees seek organizations that better align with their personal values. Furthermore, leaders who lack integrity often make decisions based on self-interest or short-term organizational gains, rather than considering long-term sustainability and ethical implications (Huhtala, 2020). From a local perspective, leadership integrity is crucial for creating a transparent, fair, and cohesive workplace culture. Leaders who uphold ethical standards foster trust, which in turn enhances employee satisfaction and engagement. Ethical leadership leads to high morale, improved performance, and lower turnover rates as employees feel valued and aligned with the organization's core values (Ugaddan, 2021). However, when leadership integrity is compromised, organizations face negative outcomes such as poor morale, disengagement, and high employee turnover.

From a global perspective, leadership integrity plays an equally vital role in multinational organizations, helping to maintain a cohesive culture across diverse regions. In international companies, ethical leadership ensures that employees from different cultural backgrounds can work together toward common organizational goals, fostering unity and high morale across borders (De Cremer & Moore, 2019; Stouten et al., 2021). Moreover, ethical leadership

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strengthens an organization's reputation, attracting top talent and enhancing overall performance. Companies like Patagonia and Starbucks demonstrate the benefits of leadership integrity by promoting transparency and fairness, which contributes to high employee morale and global competitiveness (Graham, 2020). This paper explores the profound impact of leadership integrity on organizational culture, morale, and productivity, while also addressing the critical issues that arise in the absence of integrity. These issues, such as the erosion of trust, inconsistent organizational culture, and poor decision-making, highlight the importance of maintaining ethical leadership practices to ensure long-term organizational success. The discussion further integrates both local and global perspectives to demonstrate how integrity-based leadership is crucial in fostering positive work environments and achieving sustainable business outcomes.

Discussion

The positive impact of integrity in leadership

Trust as a foundation of organization

When leaders show a strong integrity, they foster trust among employees, which is essential for bring a positive organizational culture in company. Trust is a cornerstone of a positive organizational culture. Employees are more likely to feel secure, valued, respected in a work environment where they believe that their leader are honest and ethical. For example, Howard Schultz, the former CEO of Starbucks, provided examples of ethical leadership by making transparency and valuing employee's health. It led to Starbucks being consistently ranked among some of the best places to work in. As highlighted by Gallup (2019), companies in the higher trust categories enjoyed 50 % enhanced productivity and 76% higher staff engagement as compared to the lower trust levels. This means that when employees can understand their leaders as honest and ethical, they will always feel that they belong to a certain team and therefore, be part and parcel of promoting teamwork. For instance, a company that openly discusses challenges and engages their employees in problem solving creates more harmony and collaborative environments. An example of how it has been implemented is Patagonia where managers engage employees in decision making especially on sustainable development issues. They foster cooperation and social unity in the workplace, hence ensuring that employees' values are supportive of the goals and objectives of the organization (Ughulu, 2024). When employees perceived their leaders as honest and ethical, it cultivates a sense of security and belonging, encouraging collaboration and teamwork (Liu & Wang, 2019).

Enhancing Employee Satisfaction and Morale

Integrity also significantly affects employee morale by creating a courteous, welcoming, and encouraging work environment. Workers who believe their managers are just, moral, and sincerely concerned about their welfare are more likely to feel appreciated and inspired. When morale is pleasant it results into more satisfaction at work, resultant increased productivity and less turnover rates (Kim & Lee, 2024). For example, Patagonia clothing firm which is among the few firms that embrace ethical leadership, and corporate sustainability engages employees in decision making and rewards them. It has fostered the culture of employees' feelings of employment and their pride in their work. That is why satisfaction and retention rate among the employees of Patagonia always remain at a high level. Back this up, Forbes (2020) report reveals that firm with good ethical standards have 94% tendency to retain their employees. Additionally, companies which promote an inclusive environment and reward moral behaviour

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see an increase in employee loyalty and dedication, which feeds back into the positive cycle of performance and morale.

Strengthening Organizational Reputation

In addition, integrity has an impact on organizational image and competitiveness of the company such it helps an organization gain and maintain employees. When companies are associated with ethical leadership, they are the best employers thus have an advantage in the market (Iqbal & Parray, 2025). For employee morale, integrity in leadership contributes to overall satisfaction. When employees feel their leaders are honest, fair, responsible and ethical, they are more likely to be satisfied with their jobs and want to do better in their job. This satisfaction often leads to higher productivity and lower turnover rates. For instance, in the organization where leader recognize and reward ethical Behavior, employees are more likely to feel fulfilled in their work and tasks contributing to a positive atmosphere in the workplace. For instance, Satya Nadella had been leading a change that refocused Microsoft's organizational culture on trust, empathy, and cooperation. Not only that, by focusing on strong ethics, Nadella was able to change the internal climate, attracting the best employees, and demonstrating amazing financial results. Companies with high ethical standards like Microsoft and Salesforce are frequently ranked among the best companies to work for, making them even more attractive to candidates. A study by SHRM (2021) shows that ethical leadership can bring down turnover by up to a quarter underscoring the broad and lasting worth of doing what is right for the employees to get the best outcomes for the company.

Long-term Organizational Success

Lastly, integrity influence engagement through fostering of a fairness in the working environment through trust, inclusion and ethical standards. When the trust in the leadership is established, workers are willing to work harder to meet their and organizational targets. Leaders who act with integrity inspire employees to be more engaged in their work. Employees are motivated to give their best effort when they believe their leaders are committed to ethical practices and the wellbeing of the team. An organization that encourages their employee's participation in initiatives and listens to their concerns promotes a culture of engagement, resulting in higher morale and commitment to organizational goals. According to Afsar & Umrani (2020) when leaders act with integrity, they create a trusting environment that enhances employee engagement and satisfaction. For instance, Salesforce Company fosters integrity among its employees and engage them in organizational integrity related tasks. Salesforce has ensured that employees are heard and that their opinions are appreciated, thus creating an atmosphere of high integrity, involvement, and reinforcement of organisational objectives. In support of this, Zhang and Zhang (2022) argued that companies which are led by leaders who deem integrity as a significant aspect they should uphold enjoyed higher levels of engagement and satisfaction from their employees hence higher performance. However, the Deloitte Millennial Survey (2021) also stated that 73% of the employees would rather work for companies that have high ethical standards proven through the relation between integrity, staff motivation and morale.

Challenges to Keep The Integrity

Lack of Accountability

A lack of accountability among the leaders can create a cultivate a situation of irresponsibility where unethical behavior is tolerated or ignored, causing long-term impact to the organization. For example, Uber company illustrated this problem, as uncontrolled leadership misconduct led

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to a toxic workplace culturally characterized by harassment, discrimination, and unethical practices. Employees were demoralized and disengaged as the saw unethical behavior go unpunished, which led to high turnover rates and negatives impact to the business (Alotaibi,2020). This can create a catastrophic precedent in the workplace where there is no accountability because there exists a belief that this wise leader cannot be held accountable or punished because of ties or status, or the absence of such accountability. When employees see that nothing is done to address these problems, they lose faith that the face in the company is ready to do their jobs. It may also create an environment of fear, where employees hesitate to raise concerns about unethical behaviors, leading to a decline in trust and efficiency within the organization. To tackle this problem all leaders in an organization should be made to be accountable for all decisions made in the organization hence ensuring accountability is deeply rooted in an organization. Training and whistleblowing policies should be adopted so that people record unethical practices happening in organizations without facing any adverse effects. Moreover, when organization responds with consequence for ethical violations equally whether the violator is a low rank or an executive then this asserts that integrity is not negotiable. These actions not only have the effect of fostering fairness and trust, but also ensure staff are equipped to maintain high ethical standards, hence generate healthier and more efficient workplace, and decrease turnover rates (Serang et al., 2024).

External Pressures and Ethical Dilemmas

Managers themselves might also have external influences from the stakeholders, markets, and competitors that can exert enormous influence on the overall ethical standards they embrace. These pression are often able to influence leaders to make choices that are favourable towards economic returns than taking the ethical route. For instance, in the cases of Volkswagen emissions scandal, external pressures to meet regulatory requirements coupled with the need to have a competitive advantage over the other manufacturing firms forced the company to manipulate emissions information. While helping Volkswagen to wake up its market dream for a while, this unethical decision brought billions of dollars in fines and legal sanctions as well as reputational loss after the emergence of the deceptive behaviors of the company (Zhang & Zhang, 2022). Such dilemmas give an insight of challenges that leaders experience when trying to meet stakeholder expectations as well as working on their ethical legal requirements. Withdrawing to take-pressure is not only detrimental to the legal financial aspects but also have a negative effect on the morale of the employees and their turnover rates. The study concludes that the employees who practice the organizational culture that makes them fell that compromising on ethics is needed to meet organizational goals and aims are likely to feel cognitive dissonance, which would eventually cause job dissatisfactory and intent to turnover. Instead, organizations should encourage free flow of information and communications between organizations leaders and stakeholders about ethical practices and why it is important and helpful in the future. While external pressures force organizations to act and focus on short term results, ethical decision making and sustainable success support talent management and reputation preservation of organizations in the future.

Pressure to deliver results

Leaders are responsible for creating ethical standards of a company, but different realities can affect a leader and prevent them from being ethical. There is pressure to perform and deliver a good result is one of major challenges. In contemporary world of increasingly competitive organizations, managers experience high levels pressure to delivery results which may result to unethical behavior. This pressure is because of the desire to achieve certain amount of production, fulfil stakeholder expectations and so on. If the interests of the organization are

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short-term profits over, the long-term repercussions of ethical functioning, it means leaders will engage in acts like faking results or distorting data (Brown & Treviño, 2019). It erodes the ethical standards of organization and causes lack of trust among the employees which results in poor morae and unhealthy working environments. For instance, many employees of the Wells Fargo bank were forced to open at least fifty new accounts per day and this led to the production of at least two million fake customer accounts. Such unethical behaviour cost the organisation more than $3 billion in fines, generally erode its reputation, and lead to employee dissatisfaction and high turnover rates (Brown & Treviño, 2019). Those staff who end up with unattainable targets are likely to lose interest, experience stress, and develop organizational culture that makes them unsuitable for work placing them at risk for turnover rates. Likewise, Enron demonstrated that performance pressure from shareholders distorts the business's records, including its written records. This set goal post led to the failure of the company to adapt and become sustainable to steer clear of the intense competition hence causing the company to close, leaving thousands of employees without jobs, and investors had no confidence. This also goes to prove that the pathetic performance pressure that pushes leaders into engaging in unethical behavior puts organizations, and their stakeholders, at high risk of being chopped down with an axe, resulting in massive lay off. Organizations face these two challenges due to the improper training of ethical leaders to resist weakness under unethical pressures and emphasize the right results for the organization. In the same way, companies must strengthen their accountability system, including performance assessments that always stress the ethical issue and extend the generations' gains at the preliminary increases' expense. By embedding integrity in the workplace, organisations protect themselves from unethical practices as well as promoting employees' and stakeholders' loyalty and, therefore, decreasing turnover rates.

Lack of Ethical Decisions-Making Training

Leaders can lack a proper preparation for the ethical decision-making process and for addressing ethical issues, as these are often not black and white. Ethical dilemmas occur when a leader must find the best solution between two possible choices that have diverse but conflicting values like utility, stakeholders' well-being and Corporate Social Responsibility. Lack of training may lead the leaders to make decisions that are self-seeking or organization seeking at the expense of ethical consideration. For instance, during the Boeing 737 MAX crisis, cost containment and production schedule overrode key factors that influenced decision making. It has no ethical foresight in developing a system that was approved and accepted which resulted in the loss of their lives, fatal crashes, vast losses which led to both in money and reputation to the company (Gelles, 2019). The consequences of this tragedy also gave rise to further reflections on corporate culture and leadership choices together with their implications for corporate safety and ethical responsibility. All these issues raise the need for orientation of the leaders on how and when to see ethical issues and the legal body set to ensure that the potential impact of their industry does not harm the public. This could be solved by engaging in structured ethical decision-making training that includes typical case, dramatization, and provisions that the organization's leaders can use in making decision involving conflict of interest. This kind of training is useful as it makes it easier for a leader to have extensive understanding of an ethical problem to produce the correct decision. Additionally, providing patients or clients easy paths to ethics committees or advisors who can offer some guidance if a situation is ever encountered can help empower leaders by giving them the tools needed to do what is right. These measures can help in developing a culture that promotes ethical concerns as well as the overall financial and operational goals and hence enhance organizational integrity and performance.

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Differentiate and Comparison Between Ethical and Unethical Leadership

	Ethical Leadership	**Unethical Leadership**
Impact on Trust and Morale	Strengthens organizational trust which results in morale, workers' engagement, and satisfaction.	Erases credibility hence lower morale, lack of commitment, and belief in the leaders.
Short-term and Long-term Sustainability	Focuses on long-term success, creating a positive environment for innovation and employee loyalty.	Based mainly on revenues and penetration of unethical policies that may have devastating effects on the firm in the long run.
Workplace Environment	They work to ensure that the community is both diverse and inclusive with space for most anybody to be themselves and communicate their concerns.	Puts a culture within the enterprise that makes employees feel belittled or threatened thereby preventing them from freely communicating.
Organizational Reputation	Strengthens the reputation of the organization in issues to do with fairness, honesty and corporate and social responsibility.	Compromises the organization's reputation, resulting in the organization being under pressure of public protests, scandals and increased customer distrust.

Impact on Trust and Morale

Ethical leadership is crucial since it lays the basic structure of trust at the workplace (Malik, 2024). Those managers, who act honestly and are objective in decision making processes, are the ones who create conversation where employees feel protected and valued. For instance, a manager who frequently shares with members of the organization organizational objectives, norms, constructive criticism, and appreciation of employees strengthens the member's trust. This results to better morale, improved productivity, and improved organisational commitment. Through trust, the employees will hence continue to work hard as they feel appreciated by the leaders (Adnan, Bhatti & Baykal, 2023). On the other hand, unethical leadership erodes this trust. For example, if the leader is an information-withholder, a blunt performer, or uses dishonest means, their people will work with fear and animosity. The employees may experience stress or disillusion which reduces their morale different under such leadership. When employees have trust in their leader, in the sense that he/she is genuine in their intentions then the employees are likely to be productive towards their work. In some cases, it could mean high turnover rates experienced at the facility, due to employees seeking a healthier workplace to work in.

Short-term and Long-term Sustainability

Ethical leadership is all about striving to create sustainable high-quality value for the organization as well as the community in general through the creation of a culture that encourages the right kind of innovative behaviour (Ullah, Mirza & Jamil, 2021). Thus, ethical leaders know establishing positive organizational culture, ensuring employee commitment and

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sustaining innovation are key steps on the way to the sustainable business development. For instance, ethical leaders can sponsor employee training and promotion, facilitate communication and act in ways that address long-term stakeholder issues, such as the physical environment or cash flows. In the long run, it helps the organization to be competitive, elastic and resistant to any change that may come along. In contrast, unethical leadership tends to focus more on the short-term profits, which can be realised at the cost of sustainable business (Liu, 2024). For instance, a leader who violates safety standards or workers to the diminution of organizational profits is likely to record short- term gains; however, short-term gains often time come with significant costs in the long run such as fines, reputational loss or lack of workforce. Said short-term orientation increase the current and short-term profit, but have extremely bad long-term impact, as it will eventually lead to the erosion of trusted relationships with employees, and legal consequences, not to speak of the fact that the effect of a bad reputation will be long-lasting.

Workplace Environment

An ethical leader strives to make the workplace is friendly and accepting for all gender because gender diversity in the workplace is highly valued. Ethical leadership therefore encompasses the fostering of diversity, encouragement of dissent and ideas as well as aversion to discrimination that would demean the ability of some staff to produce their best (Dey at al., 2022). For example, where a leader promotes openness and consistently solicits feedback from the subordinates, demanding proper environment where staff could freely report any uncomfortable situations seen at workplace. This can make employees feel at ease and this makes them increase on innovation, teamwork and reduces on employee isolation in the workplace. On the other hand, unethical leadership leads to the development of a toxic workplace culture. The culture of bullying, discrimination, or favouritism must be instilled by a leader who allows these vices to happen will only put the employees' morale in danger (Ughulu, 2024). For example, if a leader fosters nepotism regularly, does not involve certain people in decision making or ignores office bullying, employees do not have a chance to freely share their ideas or even raise issues. It may lead to lack of innovation, decline in productivity rates and increased stress and dissatisfaction in workplaces.

Organizational Reputation

Good ethical leadership enhances the stability of organizational images by promoting activities that are ethical to society and organization. Ethical leaders act in their own and organisation's interest as well as in the interest of the community, environment and other people (Malik, 2024). Ethical companies are always in a better position to attract their customers, investors and its employees since everyone understands what ethical means. For instance, an organization that adopts friendly environmental policies or engages in providing funds for the needy organizations leadership improves its image and increases credibility among the stakeholders. Unethical leadership, on the other hand, negatively affects an organization's image (Zaim, Demir & Budur, 2021). When managers and other people in the leadership positions act fraudulently, discriminating or being dishonest in any way, they expose the company's image to severe detrimental. For example, if a firm is accused of violating the rights of workers, cheating on the environment or cheating on it in terms of finance it feels the heat. More violence may ensue, business interruptions, public demonstrations or boycotts, or media publicity that will affect customer confidence and lead to low sales and a bad image. Such a process ultimately takes its toll on trust and prevents the organization from easily finding new customers and employees.

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Suggestion and Recommendation

Ongoing Leadership Development

Leadership development is a key component in building ethical leadership within an organization but is frequently considered a single act in numerous organizations (Adnan, Bhatti & Baykal, 2023). One of the emerging concerns is that organizations often fail to initiate leadership development programs at a particular time and even when started, they may be done at certain times in a leader's career for instance at entry, transition or promotion occasion. Unfortunately, this approach seems not to have understood the fact that leadership ethics need to be constantly reminded to become relevant in the real world. To reconcile this, leadership development must be of strategic significance to the organizations and becomes a continuous process. This can be done through normal leadership training sessions, coaching sessions and seminars that promote and reinforce professionalism in ethical decision making. Additionally, leaders should allow occasional scenario-based ethical dilemmas with which they are faced by companies to beef up on decision-making in volatile conditions (Liu, 2024). Through these forums, leadership development becomes a dynamic process as organisations revisit ethical principles, to meet emerging ethical issues challenging leadership, thus keeping ethical leadership central to organisational culture.

Incorporating Ethical Decision-Making Framework

One of the most important issues in contemporary leadership and management practice is embedding ethical principles into the professional practices and routines of organizational actors (Arar & Saiti, 2022). This seems to be particularly relevant in practice where leaders are often operating under complex and time-sensitive conditions. In such situations, leaders might be driven to make decisions in several ways. Make decisions based on achieving the goal regardless of the unethical means required or consider the ethical implications of that decision and approach it differently (Small & Lew, 2021). To reverse this culture, Thomas asked organizations to rotate head of departments to reset their power bases and demanded that they cancel all processes that enabled the influence of personal agendas over ethical frameworks, culture planning, and short-term goals. They emphasized the importance of institutionalizing ethical decision-making and situating these frameworks into standard procedures. For example, routine processes in a business such as strategy or operation timeframes that set the framework within which decisions are made are essential in the promotion of ethical decision making.
Strengthening Accountability Mechanism

The main problem with developing ethical leadership is the absence of accountability which ensures that leaders are still ethically responsible for their actions (Knights, 2022). A lot of firms seem to take performance evaluations too far such that the actual core of achieving set targets in business is disregarded. This view fails to understand that the conduct of a leader within an organization is critical to that organization in the sense that the leader attachment to ethical issues will greatly hinder the success of the organization. To enhance accountability on the vertical nature of authority in organizations, it has been suggested that robust feedback systems that are more than just 360 degrees are needed so that leaders are assessed not just on their professional accomplishments but also on ethical matters. Such systems enhance the appraisal of leadership effectiveness by incorporating esteem from colleagues, inferiors and done agencies, thereby generating more accountability within the leadership. Furthermore, it is also true that by actively embedding ethics within the framework of the leaders' assessments it is highly possible for a leader to be responsible in terms of a business result as well as the ethics that shaped the result (Malik, 2024). This kind of dual focus on result and moral integrity puts

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pressure on leaders to factor in their decisions effects on a business and its stakeholders in the future.

Clear communication of Ethical Standards

Lack of clarity of the ethical standards for leadership and employees remains one of the leading impediments to ethical leadership (Knights, 2022). Ethical standards can be verbally communicated and practiced ineffectively in many organizations so that there are possible misunderstandings or the general assumption that ethical behavior is not valued and is not enforced. As a result, organisations should pay attention to making their ethical standards easily comprehensible to ensure all the organizational members, especially leaders, adhere to the created guidelines (Serang et al., 2024). This can be a done by having the approval of the formal code of ethical standards for the organization that are reviewed as often as could be necessary to reflect the ethical standards of the organization. These standards must not just remain as policies in a book or on a computer, one should ensure those papers are kept alive in leadership meetings, trainings, assessments. These behaviors can be strengthened by ongoing, open conversations about ethical standards during leadership meetings or in a leadership workshop with case studies displayed on screen or on paper. Furthermore, the ethical standards should be included in the induction process for new employees so that the company has a clear indication that ethical issues will not be tolerated when an employee joins that company. Through setting exemplified, comprehensible and emphasized ethical norms, organizations build ethical environment within the companies where ethics is mandatory and valued.

Conclusion

In conclusion, leadership integrity plays a crucial role in determining organizational success, shaping a positive workplace culture, and enhancing employee morale. Leaders who embody ethical principles, such as transparency, fairness, and accountability, serve as catalysts for trust, collaboration, and loyalty within their organizations. Ethical leadership not only strengthens employee engagement but also promotes long-term sustainability by fostering a culture that values inclusion, innovation, and shared goals. Employees who perceive their leaders as ethical are more likely to feel secure, valued, and committed to achieving organizational objectives, leading to increased productivity, job satisfaction, and lower turnover rates. However, the absence of leadership integrity presents significant challenges, including the erosion of trust, disengagement, and a fragmented organizational culture. When leaders prioritize short-term gains over ethical considerations, they risk creating environments that compromise employee morale and organizational stability. Issues such as lack of accountability, external pressures, and ethical dilemmas further complicate the landscape, often leading to reputational damage, financial losses, and diminished stakeholder confidence. To address these challenges, organizations must institutionalize ethical decision-making frameworks, provide ongoing leadership development, and ensure accountability mechanisms are firmly in place. Clear communication of ethical standards and regular reinforcement through training and assessments are critical to sustaining an integrity-based culture. By doing so, organizations can protect their reputation, attract top talent, and achieve enduring success. Ultimately, this study highlights the profound impact of leadership integrity on organizational culture and employee morale, offering valuable insights for practitioners and policymakers. As businesses face increasingly complex challenges, the emphasis on ethical leadership will remain pivotal in ensuring not only the survival but the thriving of organizations in a competitive global environment.

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