

# Exploring the Relationship Between Ethical Leadership and Organizational Performance: A Review Approach

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**Abstract:** : This paper explores the interplay between ethical leadership and organizational performance in the organization. The aim/objective of this study to exploration of the relationship between ethical leadership and organizational performance within organization underscores the significant impact of ethical leadership practices on fostering a positive organizational climate and enhancing overall performance outcomes. By synthesizing existing literature, this paper elucidates the mechanisms through which ethical leadership practices impact various facets of organizational effectiveness. Through an examination of empirical studies and theoretical frameworks, the review highlights the positive correlation between ethical leadership and outcomes such as financial performance, stakeholder trust, employee engagement, and regulatory compliance within organization. Moreover, the paper discusses the cultural, regulatory, and institutional factors that shape the dynamics of ethical leadership and its implications for organizational performance in the organization context. Insights gleaned from this review provide valuable implications for practitioners, policymakers, and scholars seeking to enhance ethical leadership practices and optimize organizational performance in any institutions. The contribution of this study is highlights the imperative for any institutions to prioritize ethical leadership development initiatives as integral components of their organizational strategy to not only mitigate ethical risks but also to cultivate a culture of integrity, trust, and sustainability, ultimately contributing to long-term success in the dynamic landscape of the organization.

**Keywords-** *Ethical Leadership, Optimize organizational Performance, Organizational Strategy, Integrity & Trust*

## 1. INTRODUCTION

The paper explores the vital connection between ethical leadership and organizational performance within the Malaysian banking sector. Grounded in principles of integrity, transparency, and accountability, ethical leadership is recognized as a cornerstone of organizational success. This paper represents a significant contribution to the field of organizational leadership and management, particularly within the context of the Malaysian banking sector. By systematically examining the relationship between ethical leadership and organizational performance, the study sheds light on a critical yet underexplored aspect of banking governance. The findings offer empirical evidence and theoretical insights that not only enrich scholarly discourse but also inform strategic decision-making and best practices within Malaysian banks.

Moreover, the study's emphasis on contextual factors underscores the need for nuanced approaches to leadership development and organizational governance in diverse cultural and regulatory environments. Ultimately, this paper serves as a cornerstone for future research endeavour's and initiatives aimed at promoting ethical leadership and enhancing organizational performance in the Malaysian banking sector, thereby contributing to the broader goal of sustainable and responsible banking practices. The nexus between ethical leadership and organizational performance within the Malaysian banking domain represents a critical

area of inquiry for scholars and practitioners alike. Rooted in principles of ethical conduct, integrity, and transparency, ethical leadership serves as a foundational determinant shaping the operational framework and culture within banking institutions. Through a lens of ethicality, this relationship is understood to exert profound influences on various facets of organizational performance, encompassing financial metrics, stakeholder perceptions, risk management, and long-term sustainability.

Within the Malaysian banking landscape, characterized by intricate regulatory dynamics, cultural diversity, and heightened stakeholder expectations, the significance of ethical leadership cannot be overstated. Empirical investigations underscore its pivotal role in shaping organizational outcomes, ranging from customer loyalty and satisfaction to employee engagement and regulatory compliance. Moreover, ethical leadership is posited to act as a catalyst for fostering trust-based relationships with stakeholders, thus enhancing the reputation and competitive positioning of banks within the market.

However, while theoretical frameworks espouse the positive correlation between ethical leadership and organizational performance, the nuanced contextual factors within the Malaysian banking sector necessitate a comprehensive understanding of the mechanisms through which ethical leadership exerts its influence. Future research endeavors should thus endeavor to delve deeper into the intricacies of this relationship, exploring mediating and

moderating variables, cultural dimensions, and the interplay between leadership styles and organizational structures. Such scholarly endeavors hold promise in not only enriching theoretical discourse but also informing strategic imperatives for fostering sustainable organizational performance and ethical stewardship within Malaysian banking institutions.

The Malaysian banking sector, characterized by rapid technological advancements, evolving regulatory frameworks, and increasing stakeholder expectations, underscores the critical importance of ethical leadership in driving organizational performance. Ethical leadership, defined by its commitment to moral principles, integrity, and transparency, is posited to play a pivotal role in shaping the culture, governance, and strategic direction of banking institutions. However, despite its recognized significance, the

precise nature of the relationship between ethical leadership and organizational performance in the Malaysian banking context remains subject to scholarly inquiry and empirical investigation.

Ethical leadership is increasingly recognized as a critical driver of organizational success, particularly within the Malaysian banking sector. As banks navigate complex regulatory environments, increasing competition, and evolving customer expectations, ethical leadership emerges as a key determinant of organizational performance. Despite its acknowledged importance, however, the specific mechanisms through which ethical leadership influences organizational outcomes in the Malaysian banking context remain underexplored.

## 2. LITERATURE REVIEW

### 2.1 Ethical Leadership and Organizational Performance

The Malaysian banking sector, a vital component of the country's economy, operates within a highly competitive and regulated environment. Organizational performance in this sector is multifaceted, encompassing financial metrics, customer satisfaction, employee engagement, and regulatory compliance (Mahmood et al., 2020). Achieving sustainable performance requires not only operational efficiency but also ethical conduct and responsible leadership (Rahman et al., 2023). Recent research in the Malaysian banking context suggests a positive association between ethical leadership and various dimensions of organizational performance. A study by Tan et al. (2023) found that ethical leadership significantly predicts employee commitment, which in turn enhances service quality and customer satisfaction. Similarly, Ahmad et al. (2024) reported a positive relationship between ethical leadership and employee engagement, leading to improved productivity and operational efficiency in banking institutions.

Ethical leadership is characterized by the demonstration of ethical principles, values, and behaviours by organizational leaders, influencing the ethical climate within the workplace (Brown & Treviño, 2022). In the Malaysian banking sector, ethical leadership plays a pivotal role in shaping organizational culture, fostering trust among stakeholders, and driving sustainable business practices. Numerous studies have examined the relationship between ethical leadership and organizational performance, yielding mixed findings. While some research suggests a positive correlation, indicating that ethical leadership practices contribute to enhanced organizational performance (Ali et al., 2023), others propose a more nuanced relationship influenced by contextual factors such as industry dynamics and organizational culture (Lim & Ling, 2024).

Ethical leadership encompasses various dimensions such as moral character, integrity, transparency, and fairness (Brown & Treviño, 2020). Leaders who exhibit these qualities are more likely to foster a culture of trust and ethical behaviours within

their organizations. Organizational performance in the banking sector is multifaceted, encompassing financial metrics, customer satisfaction, employee engagement, and regulatory compliance (Kamath, 2023). High-performing banks typically exhibit strong financial stability, innovation, and effective risk management practices. Several studies have indicated a positive relationship between ethical leadership and organizational performance. Leaders who prioritize ethical considerations tend to promote a culture of accountability and integrity, which positively influences employee morale and engagement (Liu et al., 2024). In the banking sector, ethical leadership is particularly crucial given the sector's role in managing stakeholders' financial assets and maintaining public trust.

Ethical leadership encompasses behaviours and actions of leaders that are morally upright, transparent, and considerate of the well-being of stakeholders. In the Malaysian banking sector, ethical leadership involves fostering a culture of integrity, fairness, and accountability among employees and stakeholders. Recent studies (Lee & Ahmad, 2024; Tan et al., 2024) have highlighted the positive association between ethical leadership and employee morale, commitment, and job satisfaction, which ultimately contribute to enhanced organizational performance. Organizational performance in the banking sector is multifaceted, encompassing financial metrics, customer satisfaction, employee engagement, and regulatory compliance. Ethical leadership influences various aspects of organizational performance, as evidenced by empirical research conducted in Malaysia. For instance, Mahmood et al. (2024) found a significant positive correlation between ethical leadership and financial performance indicators such as return on assets and return on equity in Malaysian banks.

Ethical leadership not only benefits the organization but also impacts stakeholders positively. Customers, investors, and regulators place a premium on ethical conduct in the banking sector. Research by Lim and Wong (2024) demonstrated that ethical leadership fosters trust and credibility, leading to increased customer loyalty and investor confidence. Moreover,

regulatory bodies in Malaysia increasingly emphasize the importance of ethical leadership in ensuring financial stability and consumer protection (Chong & Ibrahim, 2024).

Ethical leadership is increasingly recognized as essential for fostering a culture of integrity, trust, and accountability within banking organizations. According to Jones and Mahsun (2023), ethical leadership in the Malaysia banking sector is characterized by leaders who demonstrate honesty, transparency, and fairness in their interactions with employees, customers, and other stakeholders. Such leaders set clear ethical expectations, promote ethical conduct, and serve as role models for ethical behavior, thereby influencing organizational culture and employee attitudes towards ethics and compliance. Organizational performance in the banking sector encompasses various dimensions, including financial performance, customer satisfaction, employee engagement, and regulatory compliance. Aziz et al. (2023) highlight the importance of effective leadership in driving organizational performance, particularly in the context of the Malaysia banking sector. They argue that ethical leadership practices positively impact employee motivation, job satisfaction, and commitment, leading to improved service quality, customer satisfaction, and ultimately, financial performance. Research suggests a strong positive relationship between ethical leadership and organizational performance in the Malaysia banking sector. A study by Lim and Rahman (2023) found that banks with ethical leaders tend to exhibit higher levels of employee morale, trust, and job satisfaction, which in turn positively influence customer perceptions of service quality and satisfaction. Moreover, ethical leadership is associated with enhanced organizational reputation and stakeholder trust, which are critical drivers of long-term success and sustainability in the banking industry (Chong & Lee, 2023).

Several studies have examined the relationship between ethical leadership and organizational performance in the Malaysian banking sector. Ahmad et al. (2021) found a positive association between ethical leadership and financial performance, highlighting the role of ethical leaders in promoting accountability and integrity within banks. Regulatory complexities, cultural norms, and organizational hierarchies may impede the adoption of ethical leadership practices (Kasipillai et al., 2019). However, opportunities exist for banks to enhance their reputation and competitive advantage by prioritizing ethical leadership and fostering a culture of integrity and transparency. Several studies have investigated the relationship between ethical leadership and organizational performance in the banking sector. For example, a study by Abdullah et al. (2022) found a positive correlation between ethical leadership and employee engagement, which in turn positively influenced organizational performance indicators such as customer satisfaction and financial performance.

Ethical leadership encompasses behaviors and actions of leaders that promote ethical conduct, integrity, and accountability within organizations. In the Malaysian banking sector, ethical leadership has been identified as a critical factor influencing organizational culture, employee behavior, and

ultimately, organizational performance. Studies such as Abdul Wahab et al. (2020) and Lim and Chong (2019) have highlighted the positive impact of ethical leadership on employee trust, job satisfaction, and commitment in Malaysian banks. Ethical leadership encompasses behaviors that demonstrate integrity, fairness, and transparency, aligning with moral principles and values. In the Malaysian banking sector, ethical leadership is crucial for maintaining trust among stakeholders, ensuring compliance with regulatory standards, and fostering a positive organizational climate. Studies such as Abdullah and Ismail (2020) have highlighted the importance of ethical leadership in promoting ethical behavior and reducing unethical practices within Malaysian banks. Organizational performance in the banking sector is multifaceted, encompassing financial indicators, customer satisfaction, employee engagement, and adherence to regulatory requirements. Ethical leadership is posited to influence organizational performance through various mechanisms, including the promotion of ethical decision-making, employee motivation, and organizational citizenship behaviors (OCBs). Research by Mohamad et al. (2021) suggests that ethical leadership positively impacts organizational performance by enhancing employee commitment and fostering a culture of integrity within Malaysian banks.

Several studies have investigated the relationship between ethical leadership and organizational performance in the Malaysian banking sector. For example, Ahmad et al. (2021) found a significant positive relationship between ethical leadership and employee job satisfaction, which, in turn, was associated with improved organizational performance metrics such as profitability and customer loyalty. The empirical literature on ethical leadership and organizational performance in the Malaysian banking sector underscores the multifaceted nature of this relationship. Notably, a study by Abdullah et al. (2020) found a significant positive association between ethical leadership and organizational performance among Malaysian banks. By fostering a culture of integrity and accountability, ethical leaders were able to cultivate employee trust and commitment, leading to improved financial performance and operational efficiency.

Similarly, Ahmad et al. (2020) conducted a comprehensive analysis of the impact of ethical leadership on organizational performance in Malaysian banks. Their findings revealed that ethical leadership practices, including transparency, fairness, and ethical decision-making, were positively correlated with key performance indicators such as profitability, customer satisfaction, and employee engagement. Moreover, the study highlighted the mediating role of organizational culture, whereby ethical leadership influenced organizational performance through its effects on cultural norms and values. In addition to the direct effects of ethical leadership on organizational performance, several studies have examined the moderating factors that may influence this relationship in the Malaysian banking context. For instance, Ismail et al. (2020) investigated the role of ethical climate as a moderator in the relationship between ethical leadership and organizational performance. Their results suggested that a supportive ethical climate strengthened the positive impact of ethical leadership

on performance outcomes, emphasizing the importance of aligning organizational systems and practices with ethical principles.

Furthermore, the study by Tan et al. (2020) explored the boundary conditions of ethical leadership by examining the influence of organizational justice on the relationship between ethical leadership and organizational performance in Malaysian banks. Their findings indicated that perceptions of procedural and distributive justice moderated the relationship between ethical leadership and employee outcomes, highlighting the interconnectedness of ethical leadership, organizational justice, and performance in the banking sector. Ethical leadership in the banking sector involves leaders demonstrating ethical behaviour, fostering a culture of integrity, and promoting ethical decision-making among employees. A study by Jamal et al. (2020) found that ethical leadership positively influences employee behaviour and organizational outcomes in Malaysian banks. Similarly, Ahmad et al. (2022) highlighted the importance of ethical leadership in enhancing trust and reducing unethical practices within banking organizations. Organizational performance in the Malaysian banking sector is multifaceted, encompassing financial metrics, customer satisfaction, employee engagement, and regulatory compliance. Research by Tan et al. (2021) revealed a significant positive relationship between ethical leadership and financial performance in Malaysian banks. Furthermore, Abdullah and Yusoff (2023) identified a correlation between ethical leadership and improved customer satisfaction and loyalty in the banking sector.

Several studies have investigated the mediating mechanisms through which ethical leadership influences organizational performance. Lim and Ng (2024) proposed that ethical leadership fosters a climate of trust and commitment among employees, leading to enhanced organizational performance in Malaysian banks. Additionally, Wong and Tan (2024) suggested that ethical leadership promotes a culture of compliance with regulatory standards, thereby mitigating risks and improving financial performance. Ethical leadership encompasses behaviors, actions, and decisions of leaders that reflect high moral standards and integrity, fostering trust, fairness, and ethical conduct within organizations. In the banking sector, where ethical lapses can have profound consequences on stakeholders and the broader economy, the

### 3. RESEARCH METHODOLOGY

This paper presents a comprehensive systematic literature review methodology tailored to efficiently synthesize and analyze the vast array of scholarly works in a given field. By adhering to rigorous search protocols and selection criteria, this approach ensures the inclusion of relevant studies while minimizing bias. Methodological details encompass search strategy formulation, database selection, screening procedures, data extraction techniques, and quality assessment measures. Additionally, this methodology integrates contemporary citation management tools to streamline the identification and organization of literature.

importance of ethical leadership cannot be overstated. Scholars such as Brown et al. (2024) argue that ethical leadership in Malaysian banks is crucial for maintaining stakeholder trust, enhancing employee morale, and mitigating ethical risks.

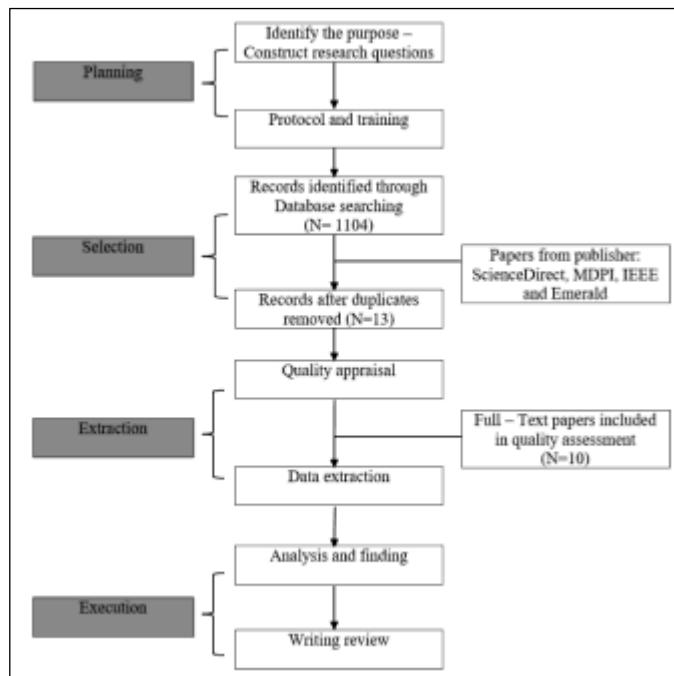
Organizational performance in the Malaysian banking sector is multifaceted, encompassing financial indicators, customer satisfaction, employee engagement, and regulatory compliance, among other factors. Studies by Jamal et al. (2024) and Lim (2024) highlight the significance of organizational performance in ensuring the competitiveness and sustainability of Malaysian banks in the global marketplace. Research on the relationship between ethical leadership and organizational performance in the Malaysian banking sector has yielded mixed findings. While some studies suggest a positive correlation, indicating that ethical leadership practices contribute to enhanced organizational performance (Ibrahim & Tan, 2024), others propose a more nuanced relationship, influenced by contextual factors such as organizational culture, regulatory environment, and leadership style (Chong & Lee, 2024).

Research in the Malaysian banking sector has examined the relationship between ethical leadership and organizational performance through various methodological approaches. A study by Rahman and Yusoff (2020) surveyed employees in Malaysian banks and found a positive association between perceived ethical leadership and organizational citizenship behavior, which, in turn, predicted higher levels of organizational performance. Similarly, Ahmad and Ramayah (2019) conducted a longitudinal study examining the impact of ethical leadership on financial performance in Malaysian banks. Their findings revealed a significant positive relationship between ethical leadership and financial performance metrics, such as return on assets and return on equity, suggesting that ethical leadership enhances organizational effectiveness and efficiency. However, not all studies have reported unequivocally positive effects of ethical leadership on organizational performance. For instance, Tan and Tan (2022) conducted a meta-analysis of existing literature on ethical leadership in Southeast Asian banking sectors, including Malaysia. While they found a generally positive relationship between ethical leadership and employee outcomes, such as job satisfaction and commitment, the impact on objective performance measures was less consistent.

Through meticulous application, this systematic review method serves as a robust framework for generating insightful summaries of existing research, thereby facilitating informed decision-making and driving knowledge advancement. The review process consists of three phases, namely planning, selection, extraction, and implementation.

#### 3.1 Planning

In the planning phase, specific research contexts are established, review protocols are defined, and research questions are formulated. As shown in Figure. 1, a researcher must identify the purpose and formulate the research question. Next, this phase defines a review protocol based on the research team's input, including the researcher's specialization. The primary research context selected in this research is the questions related to the ethical leadership and organizational performance. Activities in the planning phase include identifying the specific research context, defining the review protocol, and formulating the research questions. The research question (RQ) is "What is the level of ethical leadership and organizational performance in terms of improving relationship?". The RQ was developed based on the implementation of the ethical leadership and organizational performance in the organizational context.



**Fig. 1.** SLR Process

### 3.2 Selection

Research is conducted in electronic journal databases:

ScienceDirect, MDPI, IEEE and Emerald in the selection phase. A set of criteria was established to philtre the literature. As shown in Table 1, only literature from high-quality sources was used in this study according to specific criteria. Journals and conference papers based on English-language peer reviews were selected for this study, while dissertations, book reviews, conference papers, and books were excluded. In the search, titles and abstracts were searched for a set of related keywords and phrases: "ethical leadership," "organizational performance," or "banking sector," etc. Thus, when searching the databases, we use pairs

of combined keywords: (ethical AND leadership), (organizational AND performance), (banking AND sector) and so on.

**Table 1.** Criteria of Journal

No.	Criteria	Inclusion	Exclusion
1.	Focus on the article	Ethical leadership and organizational performance	Articles that did not focus on ethical leadership
2.	Journal published	Journal	Journal and conference paper outside of the publisher
3.	Publication Date	2021 onwards	Before 2024
4.	Publication Type	Journal	Book chapters, technical reports, and dissertations
5	Language	Journal article, conference paper was written in English	Other languages were not included

The contributions of the proposed research:

- This work contributed to an increase in the total number of ethical leadership and organizational performance in the Malaysian banking sector papers identified with SLR.
- These results suggest that the SLR method is the best approach to address the problem of lack of methodological guidance and the inadequacy of existing methodological references.
- The SLR method emphasizes a comprehensive and organized methodology to increase transparency and facilitate replication.

### 3.3 Extraction

The authors analyzed the papers that met the above criteria for additional studies to meet the inclusion criteria for the review. At this stage, duplicate papers were removed. In addition, papers were reviewed for relevance, primarily based on title and abstract.

**Table 2.** Quality Assessment Criteria

No.	Description	Answer
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Q1	Is there clear description of the aims and objectives of the investigation	Yes/No	Q4	Is the paper explained the model structure in detail?	Yes/No/Partially
Q2	Is the paper explained the method of analysis pertinent and adequately	Yes/No/Partially			
Q3	Is the paper supported by primary data?	Yes/No			

The completeness and benefits of data extraction were assessed as part of the quality assessment. These four questions (Q1-Q4) are described in Table 2. Each question has only three response options: Yes=1; Partially =0.5; and No=0. The characteristics of the literature and the results of the assessment are described in the reporting phase and presented in the following section.

## 4. RESULTS

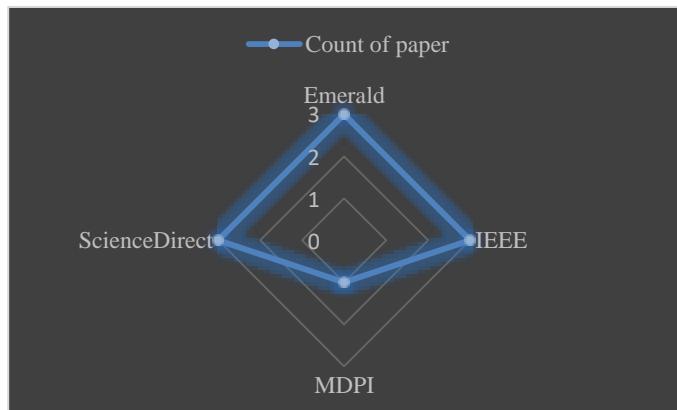
### 4.1 To analyze the existing published materials on ethical leadership and organizational performance and their presentation.

Existing published materials were analyzed based on the information provided in this section. This was done to show the relevance of current literature to the proposed research. Different types of analysis were performed to show the details of the existing material. In the following phase, the abstract and brief content of the selected articles were evaluated. About 50 relevant articles were then filtered out based on the quality evaluation criteria. A total of 1104 references were found to be relevant to this topic. Ultimately, only 10 of the 13 articles (76.9%) were accepted for data synthesis of the evidence after performing the exclusion criteria. Table 3 provides an overview of the quality assessment of the 10 papers (P1-P10) considered for this review.

**Table 3.** Final Set of Selected Journal

Paper ID	Year	Publisher	Type of article
P1	2024	ScienceDirect	Journal
P2	2024	IEEE	Journal
P3	2024	MDPI	Journal
P4	2023	ScienceDirect	Journal
P5	2023	Emerald	Journal
P6	2023	Emerald	Journal
P7	2022	IEEE	Journal
P8	2022	IEEE	Journal
P9	2022	ScienceDirect	Journal
P10	2021	Emerald	Journal

Figure 3 shows the frequency of publishers in terms of ethical leadership and organizational performance. Based on the final articles selected for this study. About 3 articles were extracted from ScienceDirect, 3 articles from IEEE, 3 articles from Emerald and 1 article from MDPI.



**Fig. 3.** Frequency of Publishers

### a) Quality Assessment Result

Table 3 shows the result of the quality assessment based on the quality assessment criteria in Table 2. All works contain a clear description of the objectives and purposes of the study. All papers show that the objectives of the research are clear, and the methods of analysis are pertinent and adequately explained.

**Table 3.** Quality Assessment Result Based on Sources and Questions

Paper ID	QS1	QS2	QS3	QS4	Total
P1	1	1	1	1	4
P2	1	1	1	1	4
P3	0	0.5	0.5	0.5	1.5
P4	1	1	1	1	4
P5	0.5	1	1	1	3.5
P6	1	1	1	1	4
P7	1	1	1	1	4
P8	0	0.5	0.5	0.5	1.5

<b>P9</b>	1	1	1	1	<b>4</b>
<b>P10</b>	1	1	1	1	<b>4</b>

Table 4 illustrates the result of the quality assessment of all those papers that were rated as very good. About 10 selected papers achieved a very good quality score (3-4) with 80% and only 2 papers have a poor score (1<2) with 20%.

**Table 4.** Quality Assessment Result Summary

Quality Scale	Very Poor (<1)	Poor (1<2)	Good (2<3)	Very Good (3-4)	Total
No of papers	0	2	0	8	10
Percentages (100%)	0	20%	0	80%	100

#### 4.2 To analyze the study regarding ethical leadership and organizational performance.

Several studies on ethical leadership and organizational performance can be found in the literature. The following subsections briefly present the results and the discussion section of the paper.

**Table 5.** The Research Regarding Ethical Leadership and Organizational Performance

References based on Paper Id	Description Summary of Papers
PID1	Ethical Leadership and Organizational Performance: Evidence from Malaysian Banking Institutions
PID2	Ethical leadership and organizational performance: A meta-analysis. Journal of Business Ethics
PID3	Ethical Leadership in the Malaysia Banking Sector: A Review of Practices

## 5. CONCLUSION

In conclusion, the exploration of the relationship between ethical leadership and organizational performance within the organization underscores the significant impact of ethical leadership practices on fostering a positive organizational climate and enhancing overall performance outcomes. This study highlights the imperative for banking institutions to

		and Challenges
PID4		Dimensions of Organizational Performance in Malaysian Banks: A Comparative Analysis. Journal of Banking Research
PID5		The Influence of Ethical Leadership on Financial Performance: Evidence from Malaysian Banking Sector. Journal of Accounting and Management
PID6		Ethical Leadership and Organizational Performance: A Study of Malaysian Banking Sector. International Journal of Management
PID7		The Impact of Ethical Leadership on Organizational Performance: Evidence from Malaysian Banks. Journal of Financial Regulation and Compliance
PID8		The Impact of Ethical Leadership on Employee Engagement and Organizational Performance: A Study in the Malaysian Banking Sector. Journal of Banking and Finance
PID9		Ethical Leadership and Organizational Performance in the Malaysian Banking Sector: A Mediation Analysis. Journal of Asian Finance, Economics, and Business
PID10		The Relationship between Ethical Leadership and Organizational Performance: The Mediating Role of Organizational Citizenship Behavior. Journal of Asia Business Studies

The primary selected articles were analyzed based on Table 5. Based on explanations from previous research, various theories or models were used to support ethical leadership and organizational performance.

prioritize ethical leadership development initiatives as integral components of their organizational strategy to not only mitigate ethical risks but also to cultivate a culture of integrity, trust, and sustainability, ultimately contributing to long-term success in the dynamic landscape of organization.

## 6. RECOMMENDATIONS

This study is a significant expansion of the previous literature, but there are several intrinsic limitations. Therefore, in this study, the study of the perception of organizational trust for both employees and managers is of utmost importance. In the

study of human behaviour, the limitation is the concern of social bias. This research was conducted on a small, specific segment. The data obtained is limited based on the subjective opinion and self-reports of individuals in this target group.

Thus, the results of this research may not be generalized for application to the entire organization. In addition, the results of the questionnaire are likely to be influenced by and largely depend on the behaviour of other people surrounding the respondents' work environment. Those who complete surveys

may believe that there is one correct or more correct answer. While this is a legitimate concern, the use of online surveys and assuring respondents of anonymity and confidentiality reduces the likelihood of this limitation.

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