ATTRIBUTES OF ETHICAL LEADERSHIP IN LEADING GOOD GOVERNANCE

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ABSTRACT

The aim of this study is to present a practical and rational perspective of corporate governance. Specifically, this study explores the concept of ethical leadership in relation to corporate governance. It introduces morality as a core element in creating good governance practices, starting from the premise that corporate governance is subjective. We must therefore consider the social reality in which corporate governance is based. As such, inquiry about the social reality is required. Based on that premise, qualitative methodology is employed to gather views about the concept of ethical leadership in the context of corporate governance. The socially constructed reality of this study is represented by individuals who were categorised as experts and corporations known to have a high standard of corporate governance. Views from the subjects about ethics in the perspective of corporate governance were gathered. Content analysis was used to analyse the data. Triangulation techniques of data collection were adopted to provide richness and thickness to the data. Interviews, document analysis and observations were used to understand the reality of the research issue. Triangulation techniques support the validation and reliability of data. The research found several ethical leadership attributes that are essential to guide corporate governance practices. They are fundamental elements that have emerged from the data. This paper develops a framework around the dimensions of ethical leadership relative to the Malaysian business environment. The paper advances an understanding of ethical leadership in the Malaysian business environment and offers an agenda for future research in the corporate governance field.

Keywords: Corporate Governance; Ethics; Qualitative; Ethical Leadership; Ethical Culture; Ethical Structure; Ethical Management.

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1. INTRODUCTION

Corporate governance is about leadership. As stated in the Kings Report (2002) corporate governance is essentially associated with leadership. The report specifically emphasized the power of leadership in connection with the governance of a corporation, and described it as being about efficiency, probity, responsibility, transparency and accountability. With such traits one would predict the leaders to show exemplary corporate governance practices.

Prediction aside, there are claims linking the survival of a system with leadership. A good leader leads an organization transparently, and sets a good example at all levels of governance (Nnablife, 2010). Also, due to their significant influence in governing corporations, leaders are expected to make ethical decisions (Banerji and Krishnan, 2000). Banerji and Krishnan (2000) also noted the importance of leader beliefs, values, visions and actions that set the tone and standard of governance in corporations. Specifically, leaders are said to influence ethical choice (Banerji and Krishnan, 2000). On top of all this, it is also suggested that ethical corporations depend on the values and moral principles held by individuals, in particular the leaders, in the corporations (Ferrell, Fraedrich and Ferrell, 2000).

The question is, do we see the above traits in 21st century leadership? What we observe in the last two decades is that the credibility of leaders is constantly being scrutinized and questioned. The many infamous stories of corporate scandals reflect the contradicting appeal of leaders. In the cases of Enron, Tyco, and most recently Olympus, unethical leadership was linked to their poor governance practices.

The question is how do we create ethical leadership that can direct and control corporations towards good governance? Abundant literature has been examined the importance of ethical leadership, yet there is no single clear link between ethical leadership and good governance practices. In order to fill the lacuna in understanding this issue, this study attempts to explore aspects of ethical leadership in the context of corporate governance. Specifically, this study explores the attributes of an ethical leader from the perceptions of corporate governance. This study develops a framework for the dimensions of ethical leadership most appropriate for Malaysian business environment. The study advances an understanding of ethical leadership in Malaysian business environment and offers an agenda for future research in corporate governance field.

2. LITERATURE REVIEW

Much past literature has discussed the issue of leadership; however, it focused on leadership style. There was much empirical evidence that studied leadership related with ethics. For instance, Hood (2003) studied leadership style and ethical practices. Hood (2003) found there were relationship between leadership style and ethical practices. Hood (2003) studied the relationship between leadership style and ethical practices in 2000 small to medium size high technology firms throughout the US. Leadership style was measured using a leadership questionnaire based on Bass and Avalio (1995), where several dimensions were structured as measurements: charisma, inspiration, individual consideration, intellectual stimulation, contingent reward, management-by-exception, active and passive. Ethical practice on the

other hand, was measured using formal ethical policies and training programmes about valuing diversity. Based on 19.6% respondent rate, a positive relationship between leadership style and ethical practice was revealed. It was found that leaders who exhibit such values are likely to foster ethical practices. Specifically, a transformation leadership style, for example, exhibits higher ethical practices than do laissez fair and transactional leaders. This is due to the fact that transformational leaders are committed to more than just the legal prescription of practices. The study confirmed that the ethical orientation of the leader, i.e. the CEO, is an important factor that must be taken into consideration in understanding ethical practice. Banerji and Krishnan (2000) studied leadership style and ethical climate, and found leadership style has a significant influence on corporations. They examined a convenience sample of 203 large companies in Australia. Transformational leaders were measured using Multifactor leadership questions by Bass and Avalio, 1995 and ethical climate measurement, using Victor and Cullen (1987). The findings indicated a positive relationship between transformational leaders (i.e. who were intellectual stimulating, idealized influence, inspirational and individualized) and ethical climate (i.e. codes, rules, independence and care in the work unit) and altruism.

Neubert et al., (2009) also found a similar outcome, where a positive relationship was found between ethical leadership style and ethical climate. Using an internet survey, Neubert et al. (2009) investigated the influence of the ethical leadership of 250 Caucasian managers who were employed full time. They found that ethical leaders respond positively to an ethical climate and the commitment of other members of the organization. The findings revealed that managers have a moral authority (being fair, honest, trustworthy and considerate) that influences members of organizations. Their actions promoted such conduct in their followers. Their study found that ethical leadership demonstrates a role model influence on ethical climate (i.e. organization ethical character), which influences the job satisfaction and commitment of members of the organization. Other evidence with similar results, was also found by Trevino, Brown and Hartman (2003). They conducted a qualitative analysis on the transcripts of 40 semi-structured interviews of twenty corporate ethics and twenty senior executives representing medium to large American companies. The content analysis revealed that executive leaders are people focused (i.e. they care, respect, develop and treat people properly). The study revealed furthercriteria ofethical leaders: 1) Visible ethical action and traits, 2) Broad ethical awareness and 3) Decision-making processes.

The expansion of ethical leadership literature is also noted in the study conducted by Hind, Wilson and Lenssen (2009). They examined leadership competences that ensure the sustainability of corporations. They performed a survey of 108 European companies and in-depth interviews of 11 leading european multinational companies. The answers to the survey support findings concerning the nature of qualities that support responsible leadership. A total of 30 attributes ordered into 7 categories (acting with integrity, caring for people, demonstrating ethical behaviour, communicating with others, long term perspective, being open minded and responsible) were identified for evaluation. It was found that acting with integrity is the most important competency for supporting responsible leadership qualities, followed by caring for people, demonstrating ethical behaviour, communicating, long-term perspective and being open minded. In addition, a content analysis performed on interview data revealed additional

leadership competencies that involved: 1) knowledge, 2) skills, and 3) attitudes. Data also revealed 'reflexive abilities', which are an emotional and intellectual capacity that includes factors such as systematic thinking, embracing diversity, managing skills, balancing control, meaningful dialogue and developing a new language and emotional awareness. These variables are identified as leadership qualities that can be developed to ensure the sustainability of a business. Reflexive abilities are suggested as being core to managing business development that supports the sustainability of corporations.

3. METHODOLOGY

Congruent with the subjective and exploratory nature of the present study, an interpretive approach was adopted. Kaptein and Dalen (2000) confirmed that interpretive study is suitable for research that is exploratory in nature. Interpretive approach requires an interpretative understanding of meaning through interaction with actors of the study. Actors in this sense are the subjects chosen to study the phenomenon.

3.1. *Qualitative approach*

We adopted a qualitative approach as our research methodology. The exploratory nature of our research questions required us to employ a qualitative approach. We adopted the interpretive inquiry approach as our research method. Reasons for using this approach were based on the characteristics of our research and the sensitivity of the research topic, which is ethics. As mentioned by Kaptein and Dalen (2000) research with an ethical content requires an exploratory approach. Key (1999) also stated that surveys limit the exploration of ethical content, as questionnaires limit one's ability to share views.

3.2. *Choice of subject*

Based on the nature of the research question (i.e. how to create ethical leadership towards good corporate governance practices), the study is directed towards exploring the subjects view point. In relation to this study, the views of the people whose knowledge is highly specialized is required. People whose knowledge is highly specialized, as described by Ritchie, Spencer and O'Conner (2003, p. 33), are known as 'specialists'. Thus, two groups of subjects were selected; 1) experts on corporate governance in Malaysia, and 2) companies that are recognized as high scoring corporate governance practice companies. The first group was represented by individuals who were influential and involved with the Malaysian corporate governance reforms. They include representatives from associations, regulators, and academics. Their views are significant. The list of experts included: former country leader (1), professional bodies (3), non-profit organisations (2), corporate governance consultant (2), academic (1), major institutional investor (1), shareholder institution (1), and regulators (2). The second group of subjects were fifteen public listed companies (PLC) selected from the 'List of Companies in the Corporate Governance Survey Report 2008'. The report was produced through a Joint Survey University of Nottingham and Malaysian Shareholder Watchdog Group (2008). The report identified companies that are recognized as adopting a high standard of corporate governance practices. The rationale for choosing high standard corporate governance practices was based on Gasorek (2003) and Kaptein and Dalen (2000). Gasorek (2003) defined good ethics to

mean good business practices. Kaptein and Dalen (2000) on the other hand, asserted if one looks at the ethical content of organization as the extent to which unethical acts are absent, it is called a normative ethics context. These 'specialists' were selected specifically for their relevance to the research interest. In addition, the representatives were selected based on the 'specialised' criteria suggested by Steward and Cash (2003) as cited in Muthiah et al., (2008). Steward and Cash (2003) stated that the level of information or expertise, availability for interview, willingness to participate, and ability to transmit information freely and accurately were several criteria for subject selection.

3.3. *Data gathering process*

Based on the exploratory nature of our study, where interaction between enquiry and enquirer is needed, multiple data collection methods were used. Creswell (2007) stated that multiple data collection methods are appropriate for a study that requires interactions between enquiry and enquirer. Based on that recommendation, we used multiple data collection methods, which were: primary (interview data) and secondary (documents). Interviews were recommended as a good technique to understand how people think and feel (Esterberg, 2002). Interviews are also emphasised as key to qualitative data collection methods (Ritchie, Spencer and O'Conner, 2003). Documents on the other hand, enhance the construct validity of research findings (Yin, 2003).

We conducted two stages of interview sessions, first with the experts and then with the representatives from the companies. The aim of the interviews with the experts was mainly to gain an insight into the expert views about the leadership attributes that would provide good corporate governance in companies. We believed that the experts experience, knowledge and skills would provide an in depth findings for the research questions. In addition, we interviewed representatives from companies. We aimed to understand the insight of the companies ethical leadership attributes in relation to good governance practiced in their companies.

Soon after each interview session, we dictated the impression of the subjects in a diary. The verbal and non-verbal expressions of the subjects were both noted. The diary was kept to reflect the events of the interaction with each of the subjects. This is a kind of reflexivity activity that we believed would enhance the data when the analysis process took place. The reflexivity activity involved note taking, which normally described the emotions and personality of the subjects, and the environment of the setting. The purpose was to determine the respondent's interpretation of the ethics and governance practices, if possible. Face to face interviews were conducted, of 90 -120 minutes duration with the experts, and 90-150 minutes with the company representatives. Most of the interviews were conducted at the premises of the subjects, so as to immersed oneself in the natural setting and gain first-hand knowledge of the situation, as suggested by Singleton et al., (1988). The frequency of interactions varies according to the availability of the subjects. Several kindly provided three sessions of interview meetings, while others provided two sessions and some preferred email as a follow up to the first encounter. A loose structure of questions was used to gain insight into the issue, where probing was used as the key to obtaining rich data. At times, playing devil's advocate, hypothetical questions were used to gain rich information related to the research question. As mentioned by Merriam (1998), posing different types of questions is the key to obtaining meaningful data.

Supplementing the interview data were the secondary sources of data, i.e. documents. Documents added value to the research data, supporting and triangulating the information gathered during interviews. Lincoln and Guba (1985), for example, support the use of documents as a triangulation method. They claim that documents are useful due to their availability, stability and being rich sources of information that are legally unassailable, representing formal statements. In relation to this study, annual reports were used as the main secondary data, as well as books, reports, and publicly accessible information related to the companies selected. Annual reports are easily accessible, and the information in the annual report reflects the governance practices of the companies. The annual reports of the companies indicated the corporation leaders details and further information, such as who the leaders are, and leader backgrounds.

However, to validate our view, we also conducted an interview with other parties (i.e. institutional investors). This gave credibility to and confidence in the information gathered to support the information about ethical leadership qualities gathered from the subject (i.e. experts and companies).

3.4. Data analysis

We support our data analysis process (i.e. data management) with the assistance from computer aided qualitative data analysis software NVIVO 8. NVIVO 8 assisted us in data management i.e from the general coding process to specific emergent patterns that make sense of our data. NVIVO was found to be very useful in performing this procedure as it simplified and managed the voluminous data obtained from both the interviews and documents.

Specifically, the content analysis technique was used to organize the data process, including coding, memoing, patterned meaning and most importantly making sense of the data. The following addresses the content analysis procedure for our research.

First, we listened to each tape twice prior to making a transcription. The aim was to get familiar with the data. At this stage, we were able to identify the categories of meaning gathered from the words spoken about by the subject. Verbatim transcriptions were later made for each recorded conversation with the respondents. Second, a semantic procedure was used, where words and sentences from the text (transcriptions) were categorized into codes. The function of the process at this stage was to ensure clarity of understanding from the conversation and to avoid any misrepresentation and omission of data. Third, once the recurring classifications of codes were gathered, the next step was to conduct descriptive procedures, where codes were analysed to another level of abstraction. This process is termed as classification of data into themes. The themes were later analysed into higher order level of abstraction, which is described as an explanatory account. At this point, we conceptualise the themes of interpreting data into meaning. An example of the above process is as prescribed in Table 1:

We validated our process of coding by showing the categories developed to several other qualitative researchers, i.e. peer checking. The aimed was to validate the interpretation of the meaning of our themes, as representing the words of the respondents. Most importantly, we also validated the themes with the subject themselves, i.e. member checking.

Table 1: Process of analysis

Quote	First level of analysis (coding – data management)	Second level of abstraction (descriptive accounts)	Higher level of abstraction - conceptualised the meaning (explanatory accounts)
'… if tomorrow [the leader] met with an accident, business activities in the organization should remain the same as they are today..."	• corporation stands for its values regardless of the situation. • a legacy in that organization	Institutionalized leadership	Leader attributes

4. FINDINGS AND DISCUSSION

Based on the content analysis conducted, the study found good governance practices emerged from the data, reflecting the principles of the corporations and corporate members that have become the foundation of good practices in the Malaysian corporate environment. Good governance, based on the respondents words were: 1) accountability, 2) integrity, 3) fairness, 4) responsibility, 5) responsiveness, and 6) transparency. In addition, the content analysis revealed that ethical leadership is an element that empowers good governance practices. Ethical leadership based on the analysis of the data means a leader that does not compromise on ethics and has a strong moral code.

Generally, the subjects of our study emphasised ethical leadership as a moral compass in a corporation, directing corporate governance practices. The subjects of our study identified an ethical leader as a moral compass who created the tone of the entire organization.
As said by the subjects:

• '…everything starts from the top, the board, the CEO, the senior management… it is all about leadership...' (experts no.6).

• '…corporate governance is about leadership and not just corporate leadership, also national leadership...' (no. 1)

• '…[leader's name], I believe in him, as a person of integrity, he shows how to behave. I cannot give you specific cases because it would not be right, but generally speaking, integrity according to what I believe is: not taking it [any personal benefit] when it is presented and standing up to what matters. [the leader's name] demonstrates both … if [the leader] is asked this and that, he will stand up,...' (no. 11)

A similar trend of understanding ethical leadership was found in the literature, where ethical leadership is placed in an important role in corporate governance practices. Davies (2006) points out that the nature of leadership plays a major role in the effectiveness of the desired corporate governance practices. Leaders are required to behave ethically, thus commitment

from ethical leadership is essential. Ethical leadership, according to the literature, involves those leaders who have ethical recognition by high-level business managers (Wu, 2006). Some view ethical leadership as managers who display appropriate conduct through personal action and interpersonal relationships and promote actions to followers through communication, reinforcement and decision making (Neubert, et al., 2009).

4.1. Ethical leadership attributes

Our study shows that recognition of good corporate governance practices among our subjects is partly due to the nature of the corporate leaders. Interestingly, we found that the ethical attributes of the corporate leaders contributed to the companies to be awarded as Malaysian high achievers in corporate governance, as all the companies were ranked among the top thirty five companies from the total of nine hundred over companies listed in the Joint Survey University of Nottingham and Malaysian Shareholder Watchdog Group (2008).

Specifically, our study showed several ethical leadership attributes that contribute to stimulating good corporate governance. Table 2 illustrates the link between ethical leadership attributes and good governance practices.

Table 2: Good governance and ethical leadership attributes

Ethical leadership attributes	Ethical leadership attributes
Accountability	
• duties and obligation	roles
• independent	separation of duties
• sincerity	example
• work collectively	ethical decision making
Responsive	act immediately to solve dilemmas
Integrity	honesty in disclosure of information to board members, shareholders conforms to principles (personal and standard)
Fairness	work for stakeholders. concern for minority shareholders.
Transparency disclosure	
• openness	willingness to disclose remuneration detail, any conflicts of interest
• trustworthiness	listeners
• due diligent	makes decision
• honesty	discloses information
Responsibility	
• answerable	communicates and interacts with stakeholders
• proprietary (property)	working for others property

Source: findings of the research

Congruent with the literature, the leadership attributes which emerged from the data (see Table 2) explained leadership response to corporate governance practices. Davies (2006) illustrated leadership response to governance complemented by our findings in regards to ethical leadership attributes.

Table 3: Criteria of Leadership Qualities In Relation To Corporate Governance

Governance	Leadership response
Dispersion of power	Empower widely
Accountability	Give and obtain commitment
Openness	Communicate freely
Integrity	Set example
Honesty	Set and monitor standards rigorously
Objectivity	Establish checks and balances
Selflessness	Use servant leader approach
Fair rewards	Motivate by opportunity rather than just money
Look to long term	Think and act strategically

Source : "Best practice in Corporate Governance Building Reputation and Sustainable Success" by Davies (2006), England: Gower Publishing Limited, p. 41.

As well as the abovementioned ethical leadership attributes, several other attributes were seen as linked with ethical leadership: physical energy to talk to people, ability to use the energy, to energise positively and execute decisions well, passion and perception. One of the subjects (i.e. representation from company no. 15), addressed that leaders should have the above attributes (Table 3). He claimed these six attributes (physical energy to talk to people, ability to use the energy, to energise positively and execute decision well, passion and perception) stimulated good governance practices. Specifically, our subject emphasized passion as the essential ethical leadership for good governance practices, as he said '…a leader should possess a quality of passion to deal with subordinates and employees …a leader with passion would deliver better and be accepted by the employees …this is because the perception of the people towards the leader is important …'. He stated that the employee will give respect if they have a good perception of the leader. Based on his experience he believed that the perception of employees is crucial to making things work. He stressed that all the six attributes build the character of ethical leadership. Consistent with previous studies, ethical practices depend on leaders who lead with transparency and set a good example at all levels of governance (Nnablife, 2010).

Further analysis of our content analysis indicated that ethical leadership attributes, as found from the data, indicated 'servant leader' type of leadership style. Servant leaders, as perceived by our subjects, are leaders that are perceived as supporting ethical leadership in guiding a corporation towards corporate governance practices. Below is the description of a servant leader leadership style provided by the subject from company no. 7, describing the company leaders.

- '…servant leader behaviour. He [subject no.7 company Chief Executive Officer] feels that he is a leader that serves the company and not the other way round. Meaning he does not expect anything from the company but he expects to serve the company. I think that is the behaviour of one of the humblest individuals I have ever met...'

In essence, we found that the servant leadership type (see Table 2 and Table 3 descriptions of ethical leadership) accorded with the transformational attributes described by Bass (1985 as cited in Banerji and Krishnan, 2000). The common descriptions shared by the subjects in terms of the nature of the servant leadership type suggested that their corporate leadership guided their corporations towards high standard of governance practices. The award winning achievements of the corporate leaders are evidence for this assertion about corporate leadership style.

The literature on leadership states that the transformational leadership type is the leadership style that reflects ethical leader attributes. Bass (1985 as cited in Banerji and Krishnan, 2000) identified four features of transformational leader types, namely: charisma, inspirational leadership, intellectual stimulation and individualized consideration. Kanungo and Mendonca (1996) believe that transformational leaders influence process, and, hence, influence moral legitimacy. Empowering strategies such as demonstrating exemplary behaviour, showing confidence in follower abilities, and verbal encouragement towards accomplishing task objectives are some of the self-determination strategies projected by transformational leaders that lead to ethical behaviour (Kanungo and Mendonca, 1996).

In addition to the four features described by Bass (1985), our findings also revealed our subjects' descriptions of the servant leadership type, include professional qualities, religious, and reputable qualities. Professional qualities, for example are considered crucial for solving governance issues in corporations. There are events that require a leader to be responsive to situations when governing corporations. The subjects explained that the professional qualities of a leader would be reflected in that leader making good decisions and showing a high quality of work ethics. Subjects often highlighted leaders from the multinational corporations as the kinds of leader that showed professional qualities. Professional qualities relate to the background, knowledge and aspirations, or as the subjects described it, 'belief and norms', concerning corporate governance practices. The professional qualities in regards to background, as addressed by the subjects are described as such:

- '…basically we get the best people around. Their background is strong so when they go to board meetings they can contribute...'.

The subjects description of leaders backgrounds were validated in the documents (e.g. see annual reports). Information from the annual reports confirmed the information given by the subject related to their leaders background Further, the subjects believed that the leader's professional background influenced their ethical leadership qualities. This was noted in several conversations with the respondents. The professionalism of the leader helps to make governance practices easier. As mentioned by companies no. 4 and no. 11, respectively:

- '... his [CEO] background is accountancy, in fact he is an auditor. That is what made him pursue corporate governance...'

- '…our board, in terms of background, is able to contribute from different perspectives and on different matters. What is important is to be able to look at any issue in a holistic way…. Our composition of board covers almost all perspectives. We need the board to be knowledgeable in order to run the company better. We have that. They have very diverse backgrounds, for example, from finance and legal....'

In terms of knowledge, the subjects emphasised knowledge in the field of responsibilities (for example, engineering as profession to lead engineering based corporations), as an asset of management skills that enables a leader to make professional business decision. Data indicates that an ethical leader would make informed decisions based on their knowledge in their field of experience.

Another professional quality considered is the belief and norms of the leaders. This is observed by subject from company no. 2.

- '…[the culture] is built over years and I guess the stability of the management and the founder being there for [number of years], as part of the process, is part of the infrastructure ...'.

The belief and norms identified relate to values such as the integrity of the leader. As pointed out by the subject:

- '…a lot of integrity...' (company no. 10)
- '…the existence of values develops responsibility...' (company no. 15)

The subjects of our study explained that religion is also an attribute of servant leadership style qualities that guides the individual to be 'ehsan'. 'Ehsan' as defined by our subjects as a strong inner consciousness that directs individual towards ethical acts regardless of the circumstances and whether or not anyone is there to observe them. The presence of 'ehsan' in a person guarantees conformity to ethical behaviour. This description of leaders, i.e. trustworthy, indicates that the leaders conformed to the stewardship theory. Stewardship theory explains that managers should be trustworthy and good stewards of the company resources (Kota and Tomar, 2010).

Last, but not least, is the reputation described by our subject. Reputable quality relate with the reputation of the corporate leaders. In addition to the reputation upheld by corporate leaders, the companies in our study indicated that the nature of their business and their concern for the company's reputation are motivating factors that cause leaders to act ethically. We found that the subjects were very concerned for their corporation's ethical reputation, in particular, if they were financial institutions. The subjects of our study informed us that their companies

were aware of their stakeholders concerns for ethical business. The data indicated that a clear concern for ethical decision making was found among the corporations which have a strong reputation in society and on whom the government places high reliance. Some of the companies are government linked companies (GLC). The subjects regarded ethics as a major factor in their company's success due to their reputation as GLC. They believe that the credibility of their name is a major reason to adhere to good governance practices.

5. CONCLUSION

This study found that the above mentioned attributes of ethical leadership supported the proposition that ethical leadership associated with good governance practices. Ethical leadership attributes emerged which were described (in Table 1 and Table 2) as supporting the process of good governance practices in the context of this study. Overall, the findings of this study are useful for three main groups: academics, practitioners and regulators. This study extended the literature on corporate governance practices by linking ethics in corporate governance perspective. Empirical development in the corporate governance field largely neglects to recognize ethics as an element of good governance; this study provides empirical justification that ethics, particularly ethical leadership is crucial in the construction of good governance practices. Such findings establish corporate governance as a social process rather than as economic logic. Additionally, pragmatic academic contributions have been made in terms of the methodology employed, as this research provides an interpretivist approach, rather than a positivist approach. The interpretivist approach provides rich and 'first hand' information. The richness and justification of data reveals its valuable contribution of knowledge from an academic perspective. The study also contributes to the work of practitioners and regulators in several ways; the findings highlighted the important of ethics, and thus acknowledge the managerial implications of incorporating ethical based governance into the system.

There were several limitations noted. The greatest limitation is the scope of the study. As ethics is a sensitive issue, an in depth description of practice, through case research, was impossible. Attempts were made, but permission to conduct case studies was denied on numerous occasions. Following discussions concerning several enquiry approaches with scholars and supervisors, social constructionism was employed as an alternative. However, in order to enrich the findings, a case study would be recommended for future research. A deductive approach should also be used in the future. We would recommend an objective view of the research that would provide a causal effect of the attributes of ethical leadership and corporate governance practices. We predict future research could build an insight into explaining the relationship between ethical leadership and good governance.

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