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The Mediating Role of Corporate Social Responsibility in Ethical Leader's Effect on Corporate Ethical Values and Behavior

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Abstract

In this study, the correlation between ethical leadership, corporate ethical values, ethical behavior and corporate social responsibility is investigated. The research was carried out in SMEs operating in Konya province of Turkey. In the study, the ethical leadership scale developed by Brown, Treviño, & Harrison (2005), corporate ethical values and individuals' ethical behaviors scale developed by Baker, Hunt, & Andrews (2006) and social responsibility scale developed by the researchers based on Atlığ's (2006) study were used. As a result of the study, it was concluded that ethical leadership affects corporate social responsibility positively, and social responsibility in turn affects corporate ethical values and behaviors positively. Besides, partial mediating role of corporate social responsibility was also determined in the study.

Keywords: Corporate ethical values and ethical behavior; Ethical leadership; Corporate social responsibility.

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1. Introduction

The concept of globalization concerned with the whole world triggered the enhancement of democratic applications in communities. This led to a more sensitive community and increasing social pressure in this period increased corporation's need for social responsibility, ethical behavior and ethical leadership (Hoogh & Hartog, 2008; Brown et al., 2005; Gallagher & Tschudin, 2010). The issue of ethics in corporations has developed in parallel with ethical leadership. As a matter of fact, the words and behaviors of an ethical leader are evaluated by his/her followers (Walumbwa & Schaubroeck, 2009) and ethical leader directs ethical values and behaviors of a corporate. Concordantly, ethical values are mentioned in many definitions of leadership and leadership approaches (Price, 2003; Brown, 2007; Kanugo & Mendonca, 1996). On the other hand, adoption of leader by other employees will not be possible without the surmise that s/he will be an ethical leader. Ethic which increases the reliability of leader has recently become a more outstanding feature (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009). Ethical

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leadership has applications in terms of corporate social responsibility (Consolandi, Innocenti, & Vercelli, 2009). Therefore, in this study the relation between ethical leadership, corporate social responsibility, ethical value and behavior was investigated.

2. Literature Review and Hypotheses

2.1. Ethical leadership

Studies on leadership and especially those studying ethics systematically are increasing in number and interest in ethical theoretical applications has increased as well. This interest isn't new and dates at least as early as the times when Barnard (1938/1966) discussed ethical aspect of management (Kanugo et al., 1996). Today, these studies are focused on ethical leadership rather than leadership only. Gardner (1990) defines leadership in his book "On Leadership" based on Shakespearean saying: "One of the tasks of leadership—at all levels—is to revitalize those shared beliefs and values, and to draw on them as sources of motivation for the exertions required of the group" (Price, 2003). That is, it is emphasized that leadership is all about sharing values and beliefs. Besides, emphasis on ethical aspect of leader led to the development of ethical leadership concept. According to *Brown et al, Ethical Leadership* is "The demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown et al., 2005). There are many different approaches to the questions of who is an ethical leader? How should s/he be? In the literature, ethical leader is characterized as a leader who makes correct decisions, who is honest and has principles and cares about his work. Ethical leader is in an ethical communication with his followers to set up ethical standards by making use of awards and punishments (Brown et al., 2006). Besides, ethical leader seeks to enhance the reputation and development of organization and people around him, and to carefully consider, understand and increase the value of team and individuals in terms of professional values (Gallagher et al., 2010). Besides, Payne & Joyner (2006) emphasize that ethical leader is to show effort to solve ethical controversies including responsibilities for people outside, customer satisfaction, employees' happiness, corporate culture and their own values (Haris et al., 2009). Besides motivating ethical basis, ethical leadership also internalizes social responsibility norms (Hoogh et al., 2008). In this respect, sensitivity of ethical leadership to corporate social responsibility is attention grabbing.

2.2. Corporate social responsibility

CSR can be defined as ethical compliances of corporations beyond complying with state regulations (Kilcullen & Kooistra, 1999). However, the production of goods and services includes creativity and profitability. This function determines how a good corporate should perform and their social preferences (Oketch, 2004). In its new form in globalizing world, CSR can be based on seven fundamentals: operational effectiveness or group efficiency, maximum security, product quality and innovation, environmental protection, dialogue with partners, improvement of competencies and responsible citizenship (Perrini, 2005). The first thing that comes to mind with regard to environment is global warming. Although global warming was first discussed in the 1970s (p, 2008: 431), its popularity has been increasing recently. Environmental consciousness increasing with global warming steers corporations into adaptation of environment-friendly production methods and produce environment-friendly products (Zhang, Kuo, Lu, & Huang, 1997). In corporate social responsibility, two basic aims comes to fore: One of them is to raise entrepreneurs environmental and social consciousness level and make it sustainable and the other is to develop the best implementation and corporate culture through changes in work and social relations (Albareda, Tencati, Lozano & Perrini, 2006). When the basis of CSR is considered, it can be emphasized that it creates added value for corporations. After all, CSR applications social expenses can turn back as award, as customers are willing to pay more for products of that firm and employees can be more laborious (Baron, 2008). It can be said that corporate social responsibility, ethical values and behaviors of corporation will have a positive influence on customers purchasing behaviors (Baker et al., 2006), and in today's world of harsh competition, complying with them is no longer a preference but a compulsion.

2.3. Corporate ethical values and behavior

Ethical values have emerged with the importance attached to life quality (Kareiva, 2005). In other words, ethical values of a corporation, as a sub-dimension of corporate culture, include a mutual interaction between various formal

and informal systems in controlling behaviors (Baker, Hunt, & Andrews, 2006). In other words, ethical behavior is a basic approach used to remove unethical norms from company and to determine what is correct and what is wrong. (Baker et al., 2006). Employees in a corporation direct their behaviors with the clues they learn from ethical leader's behaviors (Mayer et al., 2009). In this context, it can be said that ethical behavior is to behave according to the system of ethical values. Managers and academicians seek ways to create more ethical organizations (Wells et al., 2001). One way to achieve this is training on ethics. There are three basic rationales behind ethical education. Firstly, it helps organization employees improve their ethical considerations. Secondly, it supports employees to engage in more ethical activities. Finally, it boosts general ethical atmosphere of the organization, which enhances level of success in organization (Wells et al., 2001).

2.4. Ethical leadership and corporate ethical values and behavior

The effect of role model process managed by ethical leader on the followers of leaders is called "Cascading Effect" (Mayer et al., 2009). To put it succinctly, the dictum that "*The rear wheel follows where the front wheel goes*" points out the positive role of ethical leader on employees as a role model. In a similar way, according to Whitmeyer (2000), leaders having a good reputation will affect his/her followers positively in terms of credibility. In their study, Tyler & DeGoey (1996) emphasize that working with a creditable leader will encourage other employees to engage in positive behaviors (Hall et al., 2004: 516; Burke et al., 2007). Ethical leader is to be eager to manage high ethical standards, to behave devotedly and take risks on behalf of the organization to achieve collective aim. Because the inspiring behaviors and motivation of ethical leader will make followers get into the work and keep their enthusiasm fresh and broaden their visions for the future (Cho & Dansereau, 2010). Concordantly, it can be emphasized that creative features of ethical leader are to come forth to achieve sustainable performance of ethical corporations and qualified work life. Hypothesis 1 was developed based on these approaches. Hypothesis 1. Ethical leadership is positively related to corporate ethical values and behavior.

2.5. Ethical leadership and corporate social responsibility

There are various studies on the relation between ethical leadership and social responsibility. For example, according to Kanungo (2001), other employees observing ethical leader's behaviors will be influenced and avoid from unethical behaviors. On the other hand, according to Howell & Avolio (1992), unethical leaders use their powers for their own interests and ignore the requirements of social responsibility (Hoogh et al., 2008). According to the results of a study on leader's social responsibility perception and realities by Hoogh & Hartog which is based on multi-faceted source consideration, it was determined that leaders with high social responsibility have high level of ethical leadership (Hoogh et al., 2008). Concordantly, it is considered that there will be positive relation between ethical value and behavior and corporate responsibility. Based on the results of this study, this study investigates the relation between ethical leadership and social responsibility. In line with this aim, hypothesis 2 is developed. Hypothesis 2. Ethical leadership is positively related to corporate social responsibility.

2.6. Corporate social responsibility and corporate ethical values and behaviors

In corporations with the highest level of corporate responsibility, those who use initiative to choose CSR standard and use information have rather great influences on ethical values of corporations by taking shareholders reaction into consideration (Consolandi et al., 2009). Studies on corporate responsibility focus on four main dimensions, namely; corporate social responsibility, ethic, environment and governance (Egri & Ralston, 2008). After Enron's bankruptcy, as a result of increasing pressures to have ethical values, the USA government has engaged in very important legal endeavors. According to Waldman & Siegel (2008), Sarbanes Oxley Act which was enacted as a result of these endeavors keep irresponsible or potentially irresponsible firms under control in terms of social responsibility and ethical behavior. A behavior contrary to this will place a great financial burden for the corporation (Waldman & Siegel, 2008). Based on the results of that study, this study investigates the relation between corporate social responsibility and ethical values and behavior. In line with this aim, Hypothesis 3 was developed. Hypothesis 3. Corporate social responsibility is positively related to corporate ethical values and behavior. Finally, it was considered that corporate social responsibility will have a mediating effect on ethical value and behaviors of ethical leader and

Hypothesis 4 was developed. Hypothesis 4. Corporate social responsibility has a mediating role on the relation between ethical leadership corporate ethical values and behavior.

3. Methodology

3.1. Research Goal

In this study, the effect of corporate ethical values, ethical behavior, and ethical leadership on corporate social responsibility was investigated.

3.2. Sample and Data Collection

The study includes five SMEs (in accordance with the European Union definition, annually employing less than 250 people) in Konya province of Turkey. The sum of the participants who joined the study is 200. The sample mostly consists of male (77.5 %) and 82.5% are married and 31% are collage graduate. Most of the participants are between the ages 29 and 38 (%50.5). Average age of the participants is 35.17. Besides, it was tried to reach almost any type of work position at the factory.

3.3. Analyses and Results

In this research, ethical leadership scale, corporate ethical values and ethical behavior scale and corporate social responsibility scale were benefited. The response categories for each item were anchored by never (1) and always (5). More detailed information about the scales is given below. Ethical leadership scale: Ethical leadership scale has been formed benefiting from the study of Brown, Treviño, & Harrison (2005). The initial version scale was comprised of 48 items. This initial version was turned into ten-item scale its validity and reliability was determined using seven-stage CFA (Confirmatory Factor Analysis). The Cronbach Alpha reliability of Ethical leadership scale was found 0.90. Each item was followed by a 5-point Likert-type response format (1= never to 5 = always). In this research, at the result of CFA implemented on ethical leadership scale it was achieved the new scale formed in two sub dimensions with six items as employee-oriented ethical leadership (3 items) and work-oriented ethical leadership (3 items).

Corporate ethical values and ethical behavior: Corporate ethical values and ethical behavior scale is comprised two dimensions. The initial version of corporate ethical values is a five itemised scale developed by Hunt & his friends (1989). In Hunt & Andrew's study (2006), it was derived from this scale a four itemised new scale. In this study it was used a new four itemised type. One item was reversed scored. The answers were categorized with a 5-likert scale (1= strongly disagree to 5 = strongly agree). Cronbach Alpha value was found 0.79. The initial version of ethical behavior was based on Fraedrich's (1993) study, who adapted his measure from the one originally developed by Ferrell & Skinner (1988). The scale used in this research was taken from Baker, Hunt & Andrews (2006). It is comprised five items and each item was followed by a 5-point Likert-type response format (1= strongly disagree to 5 = strongly agree). Scores for each item were reversed scored. Cronbach Alpha value was found 0.78. In this research, at the result of CFA carried out on corporate ethical values and ethical behavior scale, it was achieved the new scale formed in two sub dimensions with six item as corporate ethical values (3 items) and ethical behavior (3 items).

Corporate social responsibility: Corporate social responsibility scale is formed by six-items taken from Atlığ (2006). Each item is followed by a 5-point Likert-type response format (1= strongly disagree to 5 = strongly agree). In this research, at the result of CFA carried out on corporate social responsibility scale it was achieved the new scale formed in two sub dimensions with six items as social sensitivity (3 items) and business ethics (3 items). In this research, the data were evaluated by the packaged software of SPSS 10.0. To examine the content validity of the measures, was tested by confirmatory factor analysis (CFA) and path analysis was performed by LISREL VIII program (Joreskog & Sorbom, 1996) using a sample of 200 employees in companies in Konya, province of Turkey. Besides the descriptive statistics and correlation analyses were also carried out.

Table 1. Items and Item Loadings from Confirmatory Factor Analyses

Items	(CFA) Initial version	(CFA)*	(CFA)*	Item reliability	t- Value	CR	AVE	Mean	SS	Item-total correlations	
Ethical leadership (EL)	Standardized loadings		Standardized loadings			.91	.64				
1.	.70 ^c										
2.	.64 ^c										
3.	.70 ^c										
4.	.75		.83	.81	.6561	13.03	.86	.66	3.58	1.00	.875**
5.	.75	Employee-oriented	.83	.85	.7225	14.01			3.81	.97	.812**
6.	.71	Work-oriented	.75	.78	.6084	12.47			3.94	.96	.630**
7.	.72		.78	.78	.6084	12.22	.83	.61	3.77	1.01	.815**
8.	.72		.75	.75	.5625	11.57			3.84	1.02	.837**
9.	.71		.80	.81	.6561	12.81			3.85	.97	.847**
10.	.63 ^c										

Note: Standardized item loadings reported for CFA. p < .001 for all loadings. c Item dropped based on factor loadings was not above 0.70. **Correlation is significant at the 0.01 level (2-tailed). CR: Construct reliability. **Correlation is significant at the 0.01 level (2-tailed). cItem was dropped based on factor loadings not above .70. Items were dropped based on modification indices.

Ethical leadership scale CFA has been applied and one factor structure has been reached. Factor loadings relating to each factor are given in Table 1. Since the factor loadings of each item should be over 0.70, for 0.50 level as allowable reliability limit, 4 items have been dropped from the scale and two staged CFA re-performed. The goodness-of-fit measures were used to assess the overall model fit. (Goodness-of-fit statistics: $\chi^2/df = 271.93/35 = 7.77$, NNFI=.76, CFI=.81, AGFI=.66, GFI=.79, IFI=.82, RMSEA=.184). At the result of analysis it wasn't able to achieve a scale with high validity. In consideration of both the scale's purport and the modification indices, it has been decided it should be joined in two different dimensions. Hereunder, it has been decided they should be joined in subdimensions as work-oriented (4th, 5th and 6th items) and employee-oriented (7th, 8th and 9th items) of the scale of ethical leadership and confirmatory factor analysis has been re-performed. The Goodness-of-Fit of this scale has been examined. The results of confirmatory factor analysis done to test the validity of EL is given in Table 1 in order to accept the validity of a scale statistically, as a result of confirmatory factor analysis, some of the fit indices' values are supposed to be acceptable. Goodness-of-fit statistics*: $\chi^2/df = 15.50/8 = 1.93$, NNFI=.97, CFI=.99, AGFI=.93, GFI=.97, IFI=.99, RMSEA=.06. All the fit indices above for the CFA model indicate an acceptable fit.

Table 2. Items and Item Loadings from Exploratory and Confirmatory Factor Analyses

Items	(CFA) Initial version	(CFA)*	(CFA)**	Item reliability	t- Value	CR	AVE	Mean	SS	Item-total correlations
Corporate ethical values and ethical behavior						.93	.68			
Corporate ethical values						.85	.66			
1.	.49 ^c									
2.	.69	.69	.68	.46	10.32			3.38	1.22	.829**
3.	.88	.88	.88	.77	14.12			3.47	1.21	.879**
4.	.84	.84	.86	.74	13.71			3.47	1.25	.883**
Ethical behavior						.88	.71			
5.	.62 ^c									
6.	.85	.85	.82	.67	13.50			3.25	1.38	.884**
7.	.88	.88 ^d								
8.	.85	.85	.80	.64	13.08			3.13	1.43	.866**
9.	.87	.87	.90	.81	15.33			3.13	1.46	.920**
10.	.87	.87 ^d								

Note: Standardized item loadings reported for CFA. p < .001 for all loadings. p < .01, Standardized item loadings reliability < .40. p < .05

After achieving adequate overall fit indices, the measurement model was further evaluated for its reliability and validity. Item reliability is greater than 0.50 that considered evidence of reliability (Nusir & Hua, 2010: 315). Besides, t value is also supposed to be significant (Hui, 2003). The reliability of the measure included in the model ranges from 0.56 to 0.72 thus it indicates good item reliability. Besides, t value is also supposed to be significant (See. Table 1). To test the reliability of the constructs, reviewers suggested us reporting composite reliability (CR) instead of Cronbach Alpha (internal consistency of measures). As it is seen in Table 1, CR coefficients are found at the allowable limit between .83 to .91. The scale of ethical leadership offers construct reliability accordingly. The average variance extracted (AVE) was used to assess convergent validity (Nusir & Hua, 2010). As shown in Table 1, AVE coefficient is between 0.61 to .66, i.e., over the limit of 0.50. Hereunder EL scale offers construct validity. It appears to be the values of mean at high level. Item-total correlations of factors were examined for level of internal consistency for scale. The median of the distinguish abilities of the items has been found 0.83, which means that it is a pretty high value. The item-total correlations for EL items were values varying from 0.63 to 0.88. Hereunder, it could be stated that the scale of ethical leadership shows a good level of internal consistency for the scale.

The initial version of the scale of ethical value and behavior has been implemented CFA “confirmatory factor analysis” and it has been achieved two factor structure. Factor loads relating to each factor are given in Table 2. Subsequently it has been examined the Goodness-of-fit of this scale. The goodness-of-fit measures were used to assess the overall model fit. Goodness-of-fit statistics: $\chi^2/df = 182.05/34 = 5.35$, NNFI=.86, CFI=.89, AGFI=.75, GFI=.85, IFI=.89, RMSEA=.148. For the level 0.50 which is the allowable reliability limit, since the factor loadings of each item are supposed to be over 0.70, two items have been dropped from the scale. For the reason that the scale isn’t supposed to compromise only 2 items and is close to the value 0.70, the second item hasn’t been dropped from the scale. Subsequently it has been examined the Goodness-of-fit of this scale. The goodness-of-fit measures were used to assess the overall model fit. Goodness-of-fit statistics*: $\chi^2/df = 121.99/19 = 6.42$, NNFI=.87, CFI=.91, AGFI=.75, GFI=.87, IFI=.91, RMSEA=.165. According to the modification indices, 7th and 10th item have been dropped from the scale and the Goodness-of-fit of the scale has been re-examined. It is seen at the allowable level accordingly. (Goodness-of-fit statistics*: $\chi^2/df = 33.93/18 = 4.24$, NNFI=.92, CFI=.96, AGFI=.86, GFI=.95, IFI=.96, RMSEA=.10). All the factor loadings are seen to be over 0.70 (except for an item resulted in 0.68). In this new version of the scale there is one item which has the value of item reliability below 0.50 (0.46). The reliability of the measure included in the model range from 0.46 to .81 thus indicating good item reliability. Besides, the value t is also found significant (See. Table 2). As seen in Table 2, CR coefficient, which varies from 0.85 to .93, is at the allowable limit. The scale of ethical value and behavior offers construct reliability accordingly. As shown in Table 2, AVE coefficient varies from 0.66 to 0.71, i.e. it exists over the limit 0.50. Hereunder, the scale of ethical value and behavior offers construct validity. It appears to be the values of mean at high level. The item-total correlations for the three items were: The item-total correlations for EL items were values varying from 0.82 to 0.92. Hereunder, it could be stated that the scale of ethical leadership shows a good level of internal consistency for the scale.

Table 3.Items and Item Loadings from Exploratory and Confirmatory Factor Analyses

Items	(EFA)		(CFA)	Item reliability	t-Value	CR	AVE	Mean	SS	Item-total correlations
	Factor 1	Factor 2								
Corporate social responsibility						.89	.57			
		Social sensitivity				.79	.56			
4.	.825		.79	.62	11.47			3.79	.93	.799**
5.	.823		.72	.52	10.37			3.65	.93	.811**
6.	.809		.73	.53	10.58			3.73	.99	.793**
		Business ethics								
9.		.874	.55	.30	7.87	.80	.58	3.88	.85	.696**
10.		.852	.93	.86	13.73			3.92	.84	.852**
11.		.708	.75	.56	10.83			3.99	.81	.833**
Initial eigenvalues	2.273									
% variance	69.054									

Note: EFA Exploratory factor analysis. Standardized item loadings reported for CFA. p < .001 for all loadings. p < .01, Standardized item loadings reliability < .40. p < .05, **Correlation is significant at the 0.01 level (2-tailed).

The scale of corporate social responsibility has been developed by the authors by having taken 3 items from Atlıđ (2006) study. The scale of corporate social responsibility consists of 6 items which has been formed by having consulted the experts who are active in the field. This process has been followed by the stage of a pre test which was performed for the purpose of a questionnaire, its format and review of the items. The questionnaire has been discussed and negotiated by 3 separate groups one of which appears to be the same profiles with the one in the sample group. Thus, using an explorative approach, it has been tested the feasibility of the scales, items and the comprehensibility and validity of the questionnaire. Besides, for the scale expert's judgement it has been given to 10 lecturer from Faculty of Economy and Administrative Sciences and School for Health Sciences, Selcuk University and Academy for Tourism and Hotel Management of Ali Akkanat, Beysehir, and they have been asked to grade the questionnaire ranking between 1 to 10 with respect to the suitability to the items on the scale. According to the expert's opinion the means and standard deviances have been calculated and shown in Table 4.

Table 4.Means and Standard Deviations of Items According to Expert Opinions

Corporate social responsibility	Mean	SS
Social sensitivity		
It offers a more permanent achievement to the corporate to develop the society and to be sensitive to the environment.	4.50	.53
The society, especially the consumers gradually watch more sensitively the corporate susceptibility to the social problems.	3.40	.52
If any practice of the corporate is against the morals of the society, it will abandon even if it is profitable.	3.30	.48
Business ethics		
Behaviors and practices fitted to the ethics values give important superiority to the corporate in the long term on the issues such as social responsibility, competitive superiority and productivity.	4.20	.42
The professional ethics and social responsibility interacting with each other need to be rigidly integrated in the management processes.	3.20	.42
The professional ethics fortifies the mentality of the corporate social responsibility.	3.60	.52

When you examine Table 4 it will be seen that according to the expert's opinion the means of items are quite high. At the result of the pre test no modifications have been performed over the items. The scales to be used in the analyses performed at the end of the pilot study have been applied the tests of validity and reliability and the present scales, the scale developed for this study and the whole questionnaire have been sifted in the terms of comprehensibility and clarity. The items have been graded by the five Likert (1= strongly disagree to 5 = strongly agree). Following this stage of the pre test, on the purpose of the pilot test and fitted for the criteria of the sample set of the study, the ultimately-formatted items and the questionnaire have been applied twice at every 15 days' intervals to 47 similar-profiled people from 2 SMEs in Konya and the correlation coefficient for 2 dimensions has been found as 0.54 and 0.34. In order to determine reliability of subscales of social responsibility, it has been checked Cronbach Alpha coefficient for inner consistency and reliability of test retest. To ensure the reliability of test retest the scale has been re-applied to the 47 participants at a 15 day interval. Cronbach Alpha coefficients for inner consistency for the subscales of social responsibility vary from 0.80 to 0.96 and reliability coefficients of test retest from 0.90 to 0.95. For construct validity of the scale of corporate social responsibility it has been applied by exploratory factor analysis. We conducted an exploratory factor analysis (principal axis factoring) with a varimax rotation, allowing for correlations among factors. When handling the whole scale which consists of 6 items, the scale appears to be a structure with two factors. The loading values in the factors of 6 items on the scale vary from 0.71 to 0.87. A single factor on the scale explains the 69% of total variance. Only items that demonstrated a factor loading greater than 0.40 (Hinkin, 1995). In exploratory factor analysis, factor loadings are over 0.70. Corporate social responsibility scale, in the second stage it has been applied CFA "confirmatory factor analysis" and found two factor structures. Factor loadings relating to each factor are given in Table 3. For 0.50 levels which is the allowable reliability limit, the factor loadings for each item are supposed to be over 0.70 and only one item (9th item) breaks the rule. For the reason that the dimension with 2 items is supposed to consist of 3 items at least, 6 items have also been considered acceptable. Besides, since it didn't violate validity and reliability this item didn't need to be dropped. Subsequently it has been investigated the scale of Goodness-of-fit. The goodness-of-fit measures were used to assess the overall model fit. Goodness-of-fit statistics: $\chi^2/df = 10.16/8 = 1.27$, NNFI=.99, CFI=.99, AGFI=.96, GFI=.98, IFI=.99, RMSEA=.037. All the above fit indices for the initial CFA model indicated an acceptable fit. All the factor loads are seen to be over 0.70 (except for 9th item). The reliability of the measure included in the model range from 0.30 to .86 thus indicating good item reliability. Besides, values t have been found significant. (See. Table 3). As seen in Table 3, CR coefficient varying from 0.79 to

.89 is within the allowable limit. Hereunder, the scale of corporate social responsibility ensures construct reliability. As shown in Table 3, AVE coefficient varying from 0.56 to .58 i.e., it is over limit 0.50. The scale of social responsibility ensures construct validity. The median of the items' distinguishabilities has been found 0.81, which is a pretty high value. The item-total correlations for the three items were: values varying from 0.70 to 0.85. Therefore it could be stated that scale of corporate social responsibility shows a good level of internal consistency for the scale accordingly. The AVE for ethical leadership was 0.64 while the shared professional ethic variance between .011 and other constructs ranged from 0.004 to 0.011, an indication of discriminant validity. The goodness-of-fit indices are for the hypothesized structural model. The model has a good model fit to the data (χ^2/df 3.6, RMSEA .114, CFI 0.92, IFI 0.92, NFI 0.90, RFI 0.74). The hypothesized model is depicted in Fig. 1. The results of the hypothesized structural model indicated a support of H1 with a path coefficient of 0.63 between ethical leadership and corporate social responsibility. The findings also supported H2 with a path coefficient of 0.24 between corporate social responsibility and corporate ethical values and behavior. In addition, the results supported H3 with a path coefficient of 0.28 between ethical leadership and corporate ethical values and behavior. The analysis results of the model built for ethical leadership, social responsibility and corporate ethical values and behavior are shown in Fig. 1. It seems that there are significant relations exist among all the variables in the model. As examined the Goodness-of-fit indices of the model, it has been determined that CFI (Comparative fit index) value is 0.92, GFI (Goodness of fit index) value 0.97, AGFI (Adjusted goodness of fit index) value 0.88, χ^2 (statistics of chi-square) value 21.62, degree of freedom (df)=6 and RMSEA (Root mean square error of approximation) value 0.114. Even though RMSEA value isn't at the expected level it could be stated the model acceptable because other values yield values of Goodness-of-fit. All hypotheses (H1, H2, H3) built for this model have been supported. Ethical leadership as a whole affect corporate social responsibility positively; Corporate social responsibility, corporate ethical values and behaviour positively; ethical leadership, corporate ethical values and behaviour positively and significantly. Suggested by Baron & Kenny (1986) for testing hypothesis H4 and determining mediating effect of social responsibility, data have been analyzed under conditions of the intermediate variable. In the first stage, the relations between ethical leadership and corporate ethical values and behaviour have been determined by all-alone path analysis. At the result of the path analysis done it has been determined the path coefficient between ethical leadership and corporate ethical values and behaviour as -.43 ($p < .01$). This result fulfills the first of the condition of intermediate variable and it points that there could be a relation. In the second stage it has been examined the model in Fig. 1 in order to specify the effect of intermediate variable between corporate social responsibility and ethical leadership and corporate ethical values and behaviour. After the examination was done, it has been located that the relations are significant between ethical leadership and corporate social responsibility (.63, $p < .01$), corporate social responsibility and corporate ethical values and behaviour (.24, $p < .01$) and ethical leadership and corporate ethical values and behaviour (.28, $p < .01$). According to these results all the conditions of intermediate variables have been fulfilled. In the final stage it has been tried to be determined whether work stress is a fully or partially mediating variable. According to the conditions of intermediate variable, it indicates that there is no relation between ethical leadership, corporate ethical values and behaviour, which means that it is a fully mediating, and there is a significant relation and it has dropped down, which means that it is a partially mediating. Because the path coefficient between ethical leadership and corporate ethical values and behaviour has dropped from 0.43 to 0.28 we mention partially mediating. As a conclusion it could be stated that ethical leadership affects partially corporate ethical values and behaviour by means of corporate social responsibility. Hypothesis 4 has been supported.

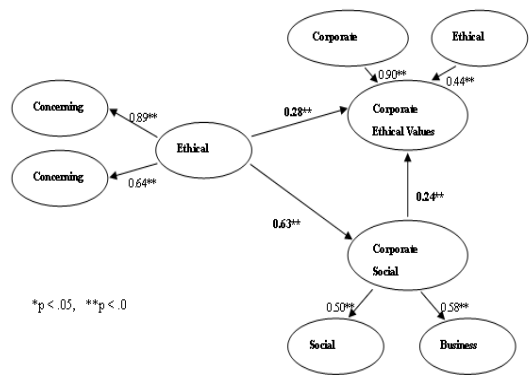


Fig. 1. Model of the Research

4. Conclusion

As a result of the study, it was concluded that ethical leadership affect corporate social responsibility positively and in turn social responsibility positively affect corporation ethical values and behaviors. It was also concluded that social responsibility has a partially mediating role. In the literature, there are studies which report results similar to our results. In their study on 788 employees in food sector in Korea Jung, Namkung, & Yoon (2010) found a positive relation between work ethics perception of employees and organization-worker compatibility. The results of Jung et al. and the result of our study that there is a positive relation between corporate ethic value and behavior and ethical leadership can be said to be parallel. It is seen that our result that corporate social responsibility is positively related to corporate ethical values and behavior is parallel with the results of Hunt et al. In a similar way, as a result of a study by Hunt, S.D., Wood, V.R., & Chonko, L.B. (1989) on more than 1200 professional marketers, supermarket managers, sales representatives, market researchers and advertisement agency managers, it was found out that there is a strong relation between organizational responsibilities and corporate ethical values (Hunt, Wood, & Chonko, 1989). According to Joyner & Payne (2002), the economic effect of ethics on firm performance is increasing and most of the statistics support integration of ethical values and social responsibility in modern business world (Joyner & Payne, 2002: 353). In literature, there are parallel results which indicate that there is a relation between ethical leadership and corporate social responsibility. For example, according to Baker et al. (2006) there is a positive relation between creation of ethical values in corporate and enhancement of ethical behavior level of individuals in corporations. Besides, in their study Hoogh et al. (2008) point out the relation between ethical leadership and social responsibility. In this respect, the results of their study and those of our study are parallel. Finally, the results of this study provide us prominent information about the nature of positive interaction between ethical leadership-ethical value/behavior and social responsibility. Moreover, by pointing out the prominence of ethical leadership, ethical values, ethical behavior and social responsibility, the results of this study contribute to the achievement of desired success and provide guidelines for employees in the world of business where a harsh competition is seen due to globalization. The limitation of this study is that it included a limited number of corporations in Konya province. It is envisaged that addition of corporate governance (transparency, fairness and accountability) as a new variable among other variables will bring a new dimension to the study. Furthermore, it is considered that further studies in more densely industrialized regions with a larger number of firms from more sectors can find more satisfying results.

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