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# Does Ethical Leadership Create Public Value? Empirical Evidences from Banking Sector of Pakistan

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#### **ABSTRACT**

Public value is relatively new concept in the field of public administration and got considerable attention from the public administrators and researchers. Public value is considered as the contribution of an organization to the society. Citizens pay taxes to the government and in return they demanded benefits, respects and extra care of their rights at public offices. The major focus of researchers is how to create public value. In this article we discuss the role of ethical leadership (EL) in creating public value among employees. Leaders of an organization are the key persons who formulate the behavior of their subordinates. With their vision, directives, attitude and behavior they give a direction to their subordinates that how they have to act in that particular organization. Ethical leaders in an organization develop the ethical values in their employees and they always ready to maintain ethical standard of the organization. They consider them as a servant of public and facilitate them beyond their expectation. They feel that they are accountable towards public because they are custodian of public money. These ethical values create public value among the employees and they wholeheartedly devote themselves to fulfill the expectations of public and their customers. We tested our hypothesis on 180 employees of public sector bank in Pakistan. The result of this analysis confirms that EL is an important phenomenon to create public value among employees.

Keywords: Public Value, Ethical Leadership, Public Organization, Public Managers

**JEL Classification:** D73

### 1. INTRODUCTION

Concept of public value is new but in recent years researchers paid considerable attention towards it. The term public value was firstly used by the Moore in his book, creating public value (1995) in which he define public value as, "A framework that helps us connect what we believe is valuable. and requires public resources, with improved ways of understanding what our 'publics' value and how we connect to them." Public value is a contribution of an organization towards society and its way to contribute it (Colon and Guerin-Schneider, 2015). Constable et al. (2008) defined that Public value is considered as a comprehensive approach to think about improvement in public service and public management. The major purpose of public organization is to give best and desirable services to the citizens. Kelly and Mulgan (2002) argued that public value in an organization is constructed on three building

blocks which are services, outcome and trust. The first and most important function of an organization is to provide best services to its customer or to the whole society and outcome of these services should be positive and valuable for whole society and above all trust of society or customer on the provided services and its result is most important. If the public have not trust on the organization despite the best services and positive outcome then it will jeopardize the concept of public value. In the concept of public value, ordinary public considered as a shareholder like in private organization and managers do their job as desired by the public. Based on the idea of Blaug et al. (2006) that public satisfaction is not enough to measure public value but some others features are also need to be considers like what are the expectation of public before providing them a particular service, in which way this service is provided them how they use this service. According to Moore (1995) the final purpose of a management in public sector organization is public value.

Most of the public value debate is focused on how to create public value Colon and Guerin-Schneider (2015) emphasized that public value is created under the influence of leader Spano, (2009) argued that the cooperation between politicians, public managers, private and public organization and users is required to create public value. For creating public value focus should not be the individual person but the whole community and it should not be for the current citizens but for the future generations. Stoker (2006) suggest that public sector organizations should make a network with other public sector organizations and private sector organizations to create public value. Thompson and Rizova (2015) argued that public value is created by the government by managing risks and promoting stability. According to Moore (1995) the creation of public value is the core function of public managers. They use their imagination and skills to produce public value. According to Morse (2010) public value can be created by leadership of an organization by solving the problems, improve efficiency, effectiveness or fairness of public services, enhance public service, or respond to public service. Kelly and Mulgan (2002) and Denhardt and Denhardt (2003) emphasized that the creation of public value is the sole responsibility of public managers, they can create or destroy the public value. Williams and Shearer (2011) emphasized that the work should be done to find out that who is responsible to create public value.

Although so many researchers has discussed relationship between leadership and public value yet there is less emphasize on the role of ethical leadership (EL) in creating public value. The focus of our research is to investigate the relationship between EL and public value.

#### 2. LITERATURE REVIEW

#### 2.1. Public Value

Public value is considered as the contribution of an organization towards the society. This term was first used by Harvard professor Moore who finds that it is like shareholder value in public management. Public value explains how a manager can act as an entrepreneur to serve a common man. Today public value is not only used for public sectors but for all types of organizations such as non-governmental organizations and private sector firms. According to Hartley et al., (2015) public value framework require more entrepreneurial activities by the public managers. The public value researcher (Meynhardt, 2009) from the University of St. Gallon and Luneburg University uses the term public value as how an organization can serve a common society. He uses the management concepts, such as shareholder value, stakeholder value, customer value, sustainability or corporate social responsibility to describe public value. According to him we can show the impact of organizational contribution to common good by legitimizing these management concepts. He uses the socialpsychological structures and their relationships to explain public value and how it emerges for individuals from the experiences made in social structures. We can say that public value is the necessity and a resource for successful living.

We can use the idea of public value to calculate the performance of public services (Moore, 1995). It provides a complete structure

for investigating the performance of public organizations on the formation of public value for citizens (Alford and O'Flynn, 2009; Kelly et al., 2004). By the use of public value idea, we can judge the performance of public organizations (Moore, 1995). Page et al. (2015) propose a three-dimensional framework of public value which are democratic accountability, procedural legitimacy and substantive outcomes. These dimensions establish the priorities and concerns of public managers.

Moore himself defines it as:

"A framework that helps us connect what we believe is valuable. and requires public resources, with improved ways of understanding what our 'publics' value and how we connect to them." (Moore, 1995).

Public value has been described as "A comprehensive approach to thinking about public management and about continuous improvement in public services" (Constable et al., 2008. p. 9).

Blaug et al. (2006) provide five answers to the question of what public value is:

- An academic approach, so it is a new theory of public management based on the work of Moore.
- A "corrective" and alternative to new public management.
- A verbal method and a request to public service providers to bring around the public sector.
- A unique kind of established domination, based on set-ups, rounded liability and variety of sources with public aid.
- Equivalent to private consumer value, created in the market by private companies.

According to Kelly et al. (2002. p. 17), public value has three "building blocks:"

- 1. Services
- 2. Outcomes
- 3. Trust.

Services are the actual way that carries public value; an outcome represents a developed accomplishment, such as public health. Finally, trust is acute to public value formation. If the trust cannot be properly constructed, still there is a chance that public value may abolish, even if we get our required results.

Bozeman (2007) defines public values by stating:

- The rights, benefits, and privileges to which citizens should (and should not) be permitted
- The responsibilities of citizens to society, the state and one another
- The values on which governments and policies should be based.

#### 2.2. EL

There is an increasing consideration in the growth and advancement of EL and leader efficiency in organizations for the past few years.

According to Freeman and Stewart (2006), "Ethical leader is a person with right values and strong character that sets examples for others."

From the past few studies we can originate that conduct of an ethical leader can result in many positive effects, such as better employee performance, confidence in leaders, organization obligation, further determination, job gratification, and affective commitment (e.g. Cheng et al., 2014; Yen-Ku, 2013; Avey et al., 2011; Walumbwa et al., 2011). Many researchers are provoked by these tributary studies which provided appreciated understandings and emphasized the importance of EL, and as result they contribute to the present understanding of the nature of EL performance.

#### EL is defined as:

"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).

We can consider ethical leaders as who have high levels of honesty, locate moral standards, making ethical decisions, and being caring. Researchers have connected EL to the positive attitudes of groups at work, such as employment satisfaction, administrative obligation, effort incentive (Toor and Ofori, 2009), and extrarole activities, such as judgment conduct, structural citizenship behavior, and relation-oriented behavior (Lindblom et al., 2015; Brown and Treviño 2006; Mayer et al., 2009; Širca et al., 2013).

#### 2.3. Creating Public Value

Current research has focused on examining the role of EL in creating public value. Many researchers like Jorgensen and Bozeman (2007), Fisher and Grant (2013) and Bryson et al. (2014) stated that public value is created by the ethical behavior of public managers who implement the policy in the organization. Mark Moore's (1995) claim that public value creation is the central activity of public managers. Public value can be created or destroyed by the managers when they are involved in delivering public services (Kelly and Mulgan, 2002), (Denhardt and Denhardt, 2001). It is most important challenge of today's public managers to find out that what is valuable for the public and then make efforts to provide this to public (Hartley et al., 2015). Wallis and Gregory (2009) urged the public managers to take responsibility to mobilize networked governance to establish public value seeking leadership.

Ethical behavior is very important for leader's sincerity and it helps the subordinates at all stages in an organization (e.g., Brown et al., 2005; Piccolo et al., 2010). Subordinates follow their ethical leaders who act as their role model by showing moral standards, positive employment outlooks, and productive and moral behaviors which is parallel to their ethical leaders (Mayer et al., 2009) and these followers respond to EL by showing preferred work behaviors (Hansen et al., 2015; Hassan et al., 2013). According to Den Hartog (2015), when employees have ethical leaders, they have a tendency to differentiate between morally good or bad which help them to establish pro social behavior and avoid antisocial behavior. Ethical leaders inform their subordinates about ethical values and make them responsible for any violation (Trevino et al., 2003). EL is a worth motivated form of leadership which has the tendency to change the self-concepts and belief of

followers (e.g., Den Hartog and Belschak, 2012; Eisenbeiß and Brodbeck, 2014). Piccolo et al. (2010) studies the benefits of EL which help their subordinates to significantly understand their jobs, which improved their effort and dynamic behavior. Followers of ethical leaders are more fundamentally encouraged. Den Hartog and Belschak (2012) found the positive relationship between the EL and employee commitment, which later helps in more advantage and less deviation. Hannah et al. (2014) advocated that EL increases the job commitment of subordinates. Also Den Hartog (2015) and Kalshoven et al. (2013) found that EL accelerates the follower creativity and supporting attitude. Ethical leaders generate a psychologically safe and healthy work atmosphere to create strong relationships with subordinates, which provoke them to involve in uncertain social behaviors, such as expressing ideas and taking initiative (Kalshoven and Boon, 2012; Walumbwa and Schaubroeck, 2009).

The impact of EL on the societal characteristics, especially ethical cultural values, the spirit and implementation of human rights is theoretically proposed by (Eisenbeiß and Giessner, 2012).

EL improves the quality of service in terms of equity and justice. Giessner and van Quaquebeke (2010) discusses that the cohesive approach of leadership which make public sector leaders to be more responsible towards stakeholders and community.

EL has covered equally suitable performance that enhances the optimistic ideas of competence and business excellences (Rehman, 2011) Through the basics of EL, we come to know that public sector has been succeeded in a way that nurtures transparency and condensed exploitation, thus EL contributes to the complete range of ethical obligation. By this outlook, we can say that the source of EL represents the increasing expectation of leaders and the public to meet an extensive collection of ideal standards.

At the time of high profile value gap in public sector, EL raises the common utilization and orientation to moral decision (Chi et al., 2012). Alshammari et al. (2015) and (Rehman, 2011) further deals with this, by saying that within the viewpoint of moral good, the stakeholders have smoothed increasing expectation of the ethical attitudes to carry out a wide range of activities. This increasing awareness, attached to social value and public interests which has been the essential code of EL and management. It is on this context, that the stakeholders have become more insistent in demanding for tranceprancy and liability in public sector.

(Chi et al., 2012) share the idea of the intermediate effect of EL, within the perception of moral individuality, which improves capability and indicates a variable of moral identity. According to Rehman (2011) leaders in public sector are instructed to set leading examples on issues of trust and reliability that regulates the activities of the public sector that are not harmful to the values of the society but rather enhance the usefulness of human needs.

By revealing ethical manners, leaders in public sector motivate their followers to involve in what is right, good and fair. This approach helps in inspiring the moral consciousness of the followers leading to highly motivated employees, high rate of job gratification, self-actualization and increased effectiveness in service distribution. In light of this, Litschka et al. (2011) prove a critical appreciation of modern management placing EL on the alliance that includes the consistence in an effort to stand-in ethical behavior. In view of this Giessner and van Quaquebeke (2010) point out that through EL business and public sector activities have succeeded in investing into more growing and cross public policy initiatives allowing a high production catalog. From this we can conclude that ethical leaders participate in creating the accurate atmosphere and provide necessary situation for a culture of success, clearness and liability. Efficiency in productivity enhances by adopting moral development among the followers.

According to Alshammari et al. (2015) EL exercise in public sector has occurred on the basis of planned review. In order to improve the combined method that allow leaders to understand the environment of their business practice and start moral basis programs on managerial ethics; maintenance of ethical leaders is very much essential. The key role of this route is to improve the essence of capability attached with ethical decision making process that drives the public interest, and social expectations. Obviously, the association of excellence production within the purviews of transformational management helps the requirements of ethical leaders in the public sector (Chi et al., 2012). Through initiatives such as risk taking as well as promise, it is reasonable to note that the methodical thinking of public risk taking initiative tolerates quality obligation further to the public sector ethical climate. With respect to this, it is obvious that ethical leaders have absorbed on features of both transactional and transformational leadership to possibly implement clear cut approach that benefits the wide dimension of service delivery within the environment of the public sector. Based on the above discussion study proposed following hypotheses:

Hypothesis 1 states that EL has a positive relationship with public value (societal interest [SI]).

Hypothesis 2 of the study states that EL has a positive relationship with public value (user and public focus [UPF]).

Hypothesis 3 of the study that EL has a positive relationship with Public value (lean thinking and sustainability [LTS]).

#### 3. METHODOLOGY

## 3.1. Sample and Measures

A random sample of 250 employees from public sector bank of the Pakistan was taken for the study. Total received feedback was 180 questionnaires form the employees of banking sector of Pakistan with a response rate of 72%. However, response contains missing data which was treated with median imputation to replace the missing value with the median value of the constructs. EL was measured using 30 items EL scales adapted from Kalshoven, et al. (2011) which is validated for multi-dimensional measure. All responses were recorded on a five point Likert type scale with response options ranging from 1 (strongly disagree) to 5 (strongly agree).

Public value was measured by 26 items scale which was adopted from Andersen et al. (2012) and Syahira (2014). All responses were recorded on a five point Likert type scale with response options ranging from 1 (I don't know) to 5 (very important).

Demographic part contains some information which describes the characteristics of the respondents. First section of the questionnaire contains demographic information, which could categorize respondents according to the age, gender, qualification and experience. The frequency distribution of the sample is illustrated in Table 1.

Table 1 shows that the 67.2% of the respondents were male rest 32.8% of the respondents were female. Median age of the respondents lies with in 36-40 years. Total 75 respondents belongs to this age group, 11.7% belongs to the 25-30 years age group, 8.9% belongs to 31-35 and 29.4% belongs to the age group 41-45 years and 8.33% belongs to the age above than 45 years. Median experience of the respondents were 1-5 years, 46% respondents were lies in this category.

#### 3.2. Dimensions of Public Value

Data reductions techniques have been applied to investigate the subsets of the set of questions normally called dimensions. Many scientific studies are featured by the fact that "numerous variables are used to characterize objects" (Rietveld and Van Hout, 1993. p. 251). Generally exploratory factor analysis (EFA) consist of two stages. Stage one start with analysis of common variation through principal component analysis. Stage two is rotated component Analysis which identifies components which cause variation in latent construct. This section provides results for EFA for each factor under study.

Public value is multi-dimensional construct. However, there is a lack consensus about what dimensions of public value are considerable (Rutgers, 2015; Moore, 2012; Kalambokidis, 2014; Chappell and Knell, 2012; Stoker, 2006; Guthrie et al., 2014; Kelly and Mulgan, 2002; Talbot, 2008; Bozeman, 2007; Prebble, 2015; Bryson et al., 2014; Meynhardt, 2012; de Graaf et al., 2014; Osmani et al., 2014; Alford and Yates, 2014; O'Flynn, 2007; Karunasena and Deng, 2012). This limit the adaption of measures

**Table 1: Demographic characteristics of respondents** 

Demographics	Frequency	Percentage
Gender		
Male	121	67.22
Female	59	32.78
Total	180	100.00
Age		
25-30	21	11.67
31-35	16	8.89
36-40	75	41.67
41-45	53	29.44
Above 45	15	8.33
Total	180	100.00
Experience (years)		
1-5	83	46.11
5-10	47	26.11
More than 10	50	27.78
Total	180	100.00

used for public value. Thus, public value constructs needs to be factorized to identify its dimensions. EFA has been applied to investigate the different dimensions of the public value. Public value construct has been measured through 26 items used by the Andersen et al. (2012) and Syahira (2014). Kaiser-Meyer-Olkin (KMO) and Bartlett's test used to verify that data adequate for the factor analysis.

Table 2 shows two tests that indicate the suitability of data for dimension reduction analysis (EFA). The KMO measure of sampling adequacy, which indicates the proportion of variance in latent construct that might be caused by underlying factors. High value 0.875 indicates suitability of data for factor analysis. Bartlett's test of sphericity result shows P < 0.05, which establish evidence to reject null hypothesis "correlation matrix is an identity matrix" and establish relevancy of the factors and provide basis for application of the factor analysis.

Rotated component matrix is indicating three components extracted from the multi-dimensional scale to measure public value, comprise of 26 questions (items). Each dimension consist of multiple items, further theses dimensions has been suggested

Table 2: KMO and Bartlett's test

KMO measure of sampling adequacy	0.875
Bartlett's test of sphericity	
Approximately Chi-square	3.066E3
df	528
Significant	0.000

KMO: Kaiser-Meyer-Olkin

name based on the nature of the items included in each component. Component 1 consist of the question related to SI, consist of eight items ranging factors loading 0.59-0.86, producing 20.2% of rotated sum of variation. Factor 2 named UPF consist of six items factor loading range from 0.65 to 0.81 and variation 18.57%, Factor 3 has suggested the name LTS according to nature of items comprise of 12 items, factor loading range 0.59-0.78, producing 13.2% variation (Table 3).

#### 3.3. Measurement Model Validation

The current study has used structural equation modeling (SEM) statistical techniques to specify the measurement models and the structure model quality criteria for practical work. SEM statistical techniques were used in the current study to specify the measurement models and the structure model quality criteria for practical work. Then, after fixing the indicators of the measurement, the research model was worked and transferred to a SEM, and then the partial least squares (PLS) approach was utilized. The analysis of PLS is considered one of the statistical procedures for SEM, which analyses both the measurement model and the structural model (Hair Jr et al., 2013). PLS method can be carried out by the Smart PLS 3.2 software (Hair Jr et al., 2013). The first phase of PLS includes the evaluating of goodness of measurement model through convergent and discriminant validity (construct validity). The second phase of PLS includes testing of SEM to confirm the hypothesized relationship in terms of predictive inference. In addition, the predictive relevance and co-efficient of determination (R<sup>2</sup>) were computed.

Table 3: Rotated component matrix for public value

Please mark one option in each row	SI	UPF	LTS
Political loyalty (e.g., loyal to the current political government)			
Judicial values/due process	0.79		
Independent professional standards (freedom to use professional discretion in a qualified manner)	0.77		
Balance SI (e.g., considering special interests without letting them dominate in decision making process)	0.62		
Satisfying immediate needs of customers		0.81	
High productivity			0.59
Businesslike operations			0.62
Accountability to society in general		0.77	
Public insight and transparency (citizens and others can always ask questions and look us over the shoulder)		0.78	
Listen to the public opinion (ensure alignment between public opinion and our activity)		0.65	
Equal treatment (avoid discrimination based on gender, ethnicity and religion in encounters with customer)	0.63		
Continuity (look at the long term and maintain traditions)			0.67
Innovation			72
Ensure good career opportunities for employees	0.72		
Strengthen user democracy (e.g., opportunity to the customers to be closely involved in planning and		0.81	
provision of services channels			
Networking (moving beyond sector limits and traditional jurisdictions)	0.86		
Good relationship with customer		0.67	
Economic awareness and properly manage the funds			0.66
Expense within the budget allocation			0.73
Loyalty to the rules and regulations	0.59		
Flexible mode of response (i.e., phone, email, web, letter)			0.64
Knowledge driven activities			0.78
3R (recycle/reuse/reduce) activity			0.71
Energy saving activity			0.85
Greener environment and using green materials			0.65
Innovation support and collaboration with stakeholders			0.66
Variance explained	20.216	18.573	13.211

SI: Societal interests, UPF: User/public focus, LTS: Lean thinking and sustainability

In measurement model all the items which have been confirmed through confirmatory factor analysis are further tested to check whether all the confirmed items of constructs significantly contribute as a whole in the proposed model of the current study. In confirmatory factor analysis all the constructs tested individually with their items. Measurement model had been tested on multiple stages.

In order to evaluate the measurement models, the PLS algorithm procedure was performed by examination of construct reliability and construct validity, which is composed of convergent and discriminant validity, and loadings of all indicators to their respective constructs (Urbach and Ahlemann, 2010).

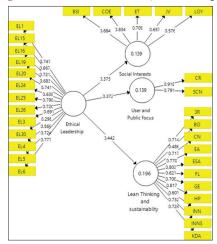
Thus, the main focus in assessing and goodness of the measurement model is to determine the construct validity and reliability. While giving the outline on construct validity, Cronbach and Meehl (1955) referred that "the construct validation is implicated when a test is to be inferred as a measure of some attribute or quality which is not operationally defined." Hair et al. (2011) defined "the construct validity as the extent to which a set of measured variable is actually measuring what it is supposed to measure based on the grounded theoretical measure." It refers to the degree of correspondence between constructs and their measures, and therefore it can be undertaken that construct validity is necessary condition for theory development and testing (Jarvis et al., 2003). The construct validity can be measured through convergent and discriminant validity.

Convergent validity is the construct indicators that reflect a large amount of the mutual proportion of variance among factors. It determines the amount of correlation among the measures of the same concept (Hair et al., 2010). Convergent validity deals with construct loadings, average variance extracted (AVE) and construct reliabilities. AVE is the sum of square of standardized factor loadings to represent how much variation in each item is explained by latent. The AVE is the average percentage of variation explained by the measurement items in a construct. The standard value of AVE is 0.50 or greater. To analyze the convergent validity it is important to investigate whether all the items are significantly loaded on a construct. Figure 1 represents factor loadings of all the items which are loaded significantly on the constructs. The question items with main loading value of 0.5 and above are retained suggested by Hair et al. (2013). The initial results showed some items have less factor loadings. These items were dropped from further analysis. These items showed low factor loadings. Figure 1 shows the outer loading of the measurement model.

# 3.4. Structural Model (Hypothesis Testing)

The researcher proposed three hypotheses in the current study. Hypothesis 1 states that EL has a positive relationship with public value (SI). Path coefficient of the EL  $\rightarrow$  SI was 0.373 with R² value 13.9% and P < 0.05. This indicates the existence of significant positive relationship between EL and SI. Hypothesis 2 of the study states that EL has a positive relationship with public value (UPF). Path coefficient of the EL  $\rightarrow$  UPF was 0.372 with R² value 13.9% and P < 0.05. This indicates the existence of significant positive relationship between EL and UPF. Similarly path coefficient of

Figure 1: Measurement model (outer loadings)



 $EL \rightarrow LTS$  was 0.442 with  $R^2$  value 19.2 and P < 0.05 confirms the existence of positive relationship of EL with LTS dimension of public value. This confirms the hypothesis 3 of the study that EL has a positive relationship with public value (LTS).

### 4. CONCLUSION

In this study we examined the role of EL on creating public value. Our study is consistent with previous studies which stated that leaders and managers of an organization played an important role in creating public value. The result of this study shows that EL creates public value among employees. The analysis of our data indicates that there is positive and significance relationship between EL and different dimensions of public value. SI among employees is created by the EL in the organization similarly to attain the user focus is also possible by EL. In the current era of global warming sustainability is the major focus of every organization. Citizens require the pollution free environment and demanded to adopt energy saving techniques in organization. It is empirically proved that ethical behavior of the supervisor is the core source to create environment friendly attitude among employees which ultimately create public value.

#### 4.1. Policy Recommendation

Government and CEOs play a very important role in establishing organizational culture, influencing middle and lower level management and ultimately organizational performance. They act as role model for their subordinates and clearly communicate the values of the organization. Our study give a vision to elite leadership i.e. government and CEO's of the organizations that what kind of leadership is required for them. The empirical evidence of this study proves that employee and subordinate always follow their leaders. If they are good, fair and ethical in their dealing with them then subordinates will remain more loyal with the organization. They will work with more devotion and always ready to provide extra satisfaction to their customers. So to create public value among their employees, higher leadership should follow ethical characteristics of leadership in their organization.

#### 4.2. Managerial Implication

CEOs of the organization set the vision and it is middle management which implements this vision. Ethical behavior of middle management is also important for creating public value. Lower or front desk staff takes direct influence of their immediate supervisor. If middle management follows and implements the ethical standards of top management in the organization in true spirits then it will have positive impact on lower and front desk employees and they will treat their customers in a positive manner. Our study suggests that manager or supervisor should follow ethical standards in their dealing with their staff to create public value. This work give a guideline to managers that what kind of ethical behavior is required for creating public value. It is very useful for managers to implement EL in their organization which ultimately create public value.

#### 4.3. Limitation and Future Direction

Although it is very comprehensive study on the topic yet it has some limitations as well. First of all it focuses on only one organization which cannot represent the whole scenario. Secondly responses were collected from the subordinates only in which they have to evaluate the ethical behavior of their manager/supervisor. Their responses can be biased because every employee has a different relation with his supervisor.

For future researcher it is suggested that they should test our result in different organization and make a comparative analysis. They can also conduct this study in other countries and in different cultures to validate the result. Future researcher can also use potential mediators like organizational culture or organizational politics to check their influence on the relationship of EL and public value.

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