

**AUTHENTIC LEADERSHIP, ORGANIZATIONAL, SOCIAL LEARNING
AND ETHICAL BEHAVIOR OF EMPLOYEES IN COMMERCIAL
BANKS IN KENYA**

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DECLARATION

This thesis is my original work and has not been previously submitted to any institution or university for the award of any degree or examination

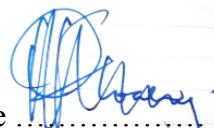
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DEDICATION

This thesis is dedicated to my late parents Jacob Mbata and Wilkista Akello and my step mother Cathorina Obwaya, for their unwavering support and encouragement

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LIST OF ABBREVIATION AND ACRONYMS

AL: Authentic Leadership

CB: Commercial bank

CBS: Commercial Banks

HR: Human resource

HRM: Human Resource Management

EBE: Ethical Behavior of Employees

OI: Organizational Identification

SIT: Social Identity Theory

SL: Social Learning

SLT: Social Learning Theory

ABSTRACT

This study tested the effect of authentic leadership on ethical behavior of employees mediated and moderated by organizational identification and social learning respectively. Researchers have confirmed the effect of authentic leadership on ethical behavior of employees. However, ethical behavior has rarely been studied as a criterion variable thus hampering managers efforts to manage it. Furthermore, studies on ethical behavior both as predictor and outcome variable have found conflicting results and the variance explained has been low to moderate, suggesting the possibility of the presence of other factors in the relationship. Some scholars have argued that organizational identification may play a role in the relationship between authentic leadership and ethical behavior of employees. It is argued in this study that as employees respond positively to the admirable qualities of their leaders, the strength of their identification with their respective organizations is likely to increase. It was therefore proposed that organizational identification would mediate the relationship between authentic leadership and ethical behavior of employees. The available research evidence points to a moderating role for social learning in the relationship between authentic leadership and ethical behavior of employees. However, the evidence referred to is not conclusive. The current study, therefore, incorporates social learning as a moderating variable on the relationship between authentic leadership and ethical behavior of employees. Therefore, the overall purpose of this study was to investigate the mediating and moderation role of organizational identification and social learning in the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. The study was guided by positivist philosophical orientation. The conceptual model and hypotheses were drawn from the reviewed literature and related gaps in knowledge. The study was anchored on four theories namely integrity, authentic leadership, social identity and social learning theories. Descriptive cross-sectional survey design was used. Data was collected from a sample of 384 employees drawn randomly from all the commercial banks in Kenya. Structured five-point Likert scale questionnaire was used to collect the data. The study was guided by four hypotheses corresponding to the four objectives. The hypotheses were tested using descriptive and inferential statistics. The findings indicated that authentic leadership had a significant influence on ethical behavior of employees; Organizational identification partially mediated the relationship between authentic leadership and ethical behavior of employees while social learning did moderate the relationship between authentic leadership and ethical behavior of employees and the joint effect of authentic leadership, organizational identification and social learning was statistically significant. The findings have various implications for policy, practice and research. The study results will be of value to policy makers in human resource management and commercial banks in understanding the nature of leadership in influencing ethical behavior of employees in their respective banks. The findings also suggest significant contribution to knowledge by validating the propositions of the theories that informed the study as well as advancing the mediating role of organizational identification on the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. The study therefore recommends that the commercial banks in Kenya leadership make efforts to promote authentic leadership so as to enhance organizational identification and thus improve ethical behavior of employees in their respective banks. The study suggests that future studies consider the non-financial sector and perhaps the adoption of a longitudinal methodology for the purpose of determining causality among the variables in this study.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Extant literature shows that leaders in various organizations today face increased public demand to be more accountable, transparent, honest, and ethical in their practice. The demand for leaders to be ethical, transparent and honest is conceptualized in authentic leadership (Gardner, Cogliser, Davis & Dickens, 2011). The importance of authentic leadership is that it reduces hefty penalties associated with unethical employee behaviors, interruptions of business operations, high employee turnover, employee commitment, bad recruitment processes, erosion of public trust and internal conflicts (Nash, 1990). The role of leaders in enhancing authenticity and developing ethical behavior is key because of the massive influence that leaders have in organizational success (Bowen & Ostroff, 2004).

Studies show that authentic leaders play an important role in improving employee behaviors (Holt Larsen & Brewster, 2003; Sikora & Ferris, 2014). This is on the backdrop that authentic leaders possess the skills and motivation to work with everyone within the organization including human resource practitioners and line managers for smooth implementation of organizational goals. According to Sanders and Frenkel (2011), authentic leadership is based on honesty and ethical practices that enhance trust and organizational identification among employees. The assumption that authentic leadership can contribute to ethical behavior through organizational identification is worth testing. This study hence attempted to examine the intervening role of organizational identification in the influence of authentic leadership on ethical behavior of employees for the generalization of findings.

Authentic leadership is a process of leader influence leading to self-awareness and advances effective growth of employees (Luthans & Avolio, 2003). According to Gill, Gardner, Claeys, and Vangronsvelt, (2018), authentic leaders can play a remarkable role in creating alignment between purposed, actual, and perceived human resource management practices which eventually may influence employee behaviors. According to Leroy, Palanski and Simons, (2012), authentic leaders' intrapersonal qualities allow them to have a consistent implementation of organizational practices enabling them to achieve high results.

Studies have shown that authentic leadership is learnt through social platforms that enable leaders have open transactional relationships (Brewster, 2003). It can then be argued that for authentic leadership to exist and be effective, social learning has to be present. Through consensus it has been shown in the literature reviewed that there is a relationship between authentic leadership and ethical behavior of employees, studies show that, that relationship can be moderated by social learning. This study adopted social learning as a moderating variable in the relationship between authentic leadership and ethical behavior.

The relationship between authentic leadership, organizational identification, social learning and employee ethical behavior is explained well in integrity theory (Kaptein and Wempe, 2002), Authentic Leadership theory (Luthan & Avolio, 2003), Social Learning theory (SLT) by Bandura (1977) and social identification theory (Tajfel (1978). Integrity theory advocates for the simultaneous and balanced application of deontological, utilitarian and virtue ethical dimensions

offering a diversity of perspectives which aids in understanding ethical issues at the workplace (Palanski & Yammarino, 2009).

Authentic leadership theory on the other hand contend that authentic leaders influence the behavior of subordinates through their actions, and constructive modeling (Gardner et al., 2011). Social learning theory assumes new knowledge can be obtained by observing the actions and the consequences of those actions from others. Social identity theory explains behavior of people in groups and the solidarity within a group (Tajfel, 1979). These theories are expected to predict effectively the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya with the adoption of social learning and organizational identification as mediating and moderating variables respectively.

The focus on Commercial Banks in this study was motivated by the reality that the industry has considerable prospect for generating jobs and drives the growth of various sectors and industries, and that aspect requires authenticity that enhances trust among stakeholders (Kenya Bankers Association, 2017). The commercial banks have been accused of in-house deals that lead to vault theft and other unethical behaviors that reduce customer trust in the banking industry. Authentic leaders can build a distinct outcome on the behavior of employees as employees identify with the actions of their leaders through organizational identification and eventually imitate the leaders through social learning (Sluss & Ashforth, 2007). Authentic leaders through transparent and consistent display of their individual values which permits employees to acknowledge a belief that they share the leader's beliefs can promote ethical behaviors among employees through moral imitations (Avolio, Gardner, Walumbwa, Luthans & May, 2004).

Ethical behavior in commercial banks promotes appropriate acts which develop shared gain for the stakeholders like customers, employees and shareholders. In executing their business activities, commercial banks can focus on the morality and the lawfulness of their transactions. According to Banking Fraud Investigation Unit (2022) several fraudulent reports have been launched that involve investigation of employees due to loss of depositors' money. This has resulted into the collapse of some commercial banks due to theft involving employees themselves or in conjunction with outsiders. For commercial bank employees to work diligently, authentic leadership, social learning, organizational identification and ethical behavior has to exist.

1.1.1 Authentic Leadership

Authenticity was considered by Illies, Morgeson and Nahrgang (2005) as an extension of the construct of psychology implying a person's propensity of regarding oneself inside a person's community and act as per the strength of the values held by an individual member of the community. Authenticity is an indication of a person's relationship with and acceptance of a person's individual experiences such as feelings, ideas, desires or behaviors as expressed by the direction of one's understanding. It is also an individual's behavior that conveys a self in a way that is in line with their emotions and ideas (Erickson, 1995; Harter, 2002). Kernis (2003) proposed a multi-dimension of authenticity that include impartial processing, consciousness, relational biasness and behaviors that offer ground for leadership which is honest and transparent.

Literature show that authentic Leadership is a design of clear and ethical leader actions that promote transparency in dispensing knowledge required to make decisions while acknowledging employees' contributions (Avolio et al., 2004). According to Eagly (2005), authentic leadership is a social process of interaction between leaders and followers. Walumbwa, Avolio, Gardner, Wensing, and Peterson (2008) defined AL as a type of leader behavior based on constructive

psychological capacities that improves self-awareness, openness in processing information, transparency, and self-progression.

Shamir and Eilam (2005) argue that the interpersonal dimension of authentic leadership embraces the leaders' self-concept and demonstrates real leadership that lead from confidence and genuineness. Authentic leadership explains how a leader relates with employees at the place of work and the way the employees are influenced by the form of leadership (Maximo, Stander & Coxen, 2019). Northouse (2013) identified four key elements of authentic leadership as: relational transparency, self-awareness, internalized balanced processing as well as moral perspective. Authentic leadership integrity is geared towards individual traits like moral courage, consistency of internal values and action, and honesty (Du Plessis & Boshoff,2018; Audi & Murphy, 2006). George (2003) explained that self-awareness incorporates the appreciation of one's competencies and experiences.

A central attribute of authentic leadership is that it defies ingrained notions of leadership as a process of influence that works from the top down to persuade followers to support and carry out the leader's ideas (Avolio & Gardner, 2005) but alternatively, authentic leadership leans on the idea of empowerment and particularly proposes that leaders' influence can occur through creating space in order to ensure the authenticity of other stakeholders such as employees, human resource business partners as well as top management (Gardner, Avolio, Luthans, May, & Walumbwa, 2005). As more demand for accountability increases in organizations, the kind of vibrant progression on influences that challenge outdated ideas of strategic alignment, tend to force those in leadership together with their followers to go along with such process in ensuring full implementation of strategic goals in human resource department and/or top management.

The immense call for authentic leadership has been witnessed in both the academia and practice, due to its emphasis on honesty and reliability of leaders and the leadership. A dominant attribute of authentic leadership is that it confronts old notions of leadership as top-down processes of influencing employees to collaborate with and implement the vision of the leader and instead empowers employees by making room for their ideas thus enabling co-development of a vision that is viewed as genuine in the whole organization (Avolio & Gardner, 2005). This eventually encourages alignments of employees and leaders forcing a fit within the organization (Gardner, Claeys, & Vangronsvelt, 2018).

1.1.2 Organizational Identification

The concepts of organizational identification and that of organizational commitment can be used interchangeably as they only vary in rhetorical nature unlike the original conceptualization and/or difference in measurement (Mowday, Steer & Porter's, 1979). Among the key pillars known in organizational studies is organizational identification (OI), which is found under the umbrella of organizational commitment (Blader, Patil & Packer, 2017; Cheney, 1983). The more notable element of organizational identification is that it enhances organizational commitment. According to Meyer and Allen (1997), organizational identification refers to personal attitude or orientation linking his/her identity to the respective organization, thus, matching the goals of both parties together. The concept of commitment was defined by O'Reilly and Chatman (1986) as a psychological bondage that link organizations and their employees.

O'Reilly and Chatman (1986) further defined the aspect of identification as a procedure in which a person or an employee use to accept group influences for the sake of establishing and/or maintaining a given relationship. Therefore, this can make an individual to respect the values of a

group or an organization and lead to an increase of their adoption, unlike for internalization where the acceptance of influences comes as a result of persuaded values or attitudes which corresponds with one's own, or the aspect of compliance where individuals declare acceptance just because they want to win a certain benefit.

Identification was shown as a cognitive process for categorizing individuals (Lee, Park, & Koo, 2015; Ashforth & Mael, 1989). According to Ellemers, Kortekaas and Ouwerkerk (1999), identification can be envisioned in three-faceted processes, which include commitment as an affective component, cognitive and evaluative. The perspective of SIT was introduced in the study of organizational identification by Ashforth and Mael (1989). Organizational identification is categorized into four principles namely: perceptual-cognitive concept, experiences realized at personal level, using a social category to describe oneself and identification based on given organization.

In addition, Dutton, Dukerich and Harquail (1994) came up with a different description of organizational identification by defining it based on attributes of members and their respective organizations. They noted that organizational identification becomes strong when: the organizational identification of individuals is perceived to be more outstanding unlike the alternative identities; and self-concept of an individual share same attributes as those of his or her organization. Hogg and Abrams (1988) postulated that incorporation of members' attributes to characteristics of an organization affirms self-conceptualization of the social group (firm). In the current perception, the aspect of self-concept denotes self-descriptions in totality and part of self-evaluations prevailing in an individual.

According to Tajfel (1978), the social identity of a person represents his or her know how on social group(s)' membership that come along with importance of emotional and values joined to an individual's membership. The diverse application of SIT has been on the explanation of the relationship between employees and organizations (Ashforth, Harrison, & Corley, 2008). Identification of an organization is experienced in oneness of employees and employers which make them have a feeling of belongingness (Dutton, Dukerich, & Harquail, 1994). Generally, Organizational identification describes how much of an individual's membership is defined in relation to their organizational membership (Hogg & Terry, 2001).

This relationship is potentially inclined towards generation of a number of employees' as well as organizations' positive outputs like employee performance, organizational citizenship behavior, low turnover intentions, employee satisfaction and well-being (Riketta, 2005). The immediate leaders of employees play a vital role in the daily routine of their organizations which have an effect on their behaviors. Therefore, the employees' viewpoint on leadership behaviors could be shaped by the existing relationships and social identification within their respective organizations (Ellemers, De Gilder & Haslam, 2004).

1.1.3 Social Learning

Social learning is a state where individuals tend to learn other peoples' attitudes or behaviors plus the outcomes that come along with the learned attributes and eventually choose to either adopt or ignore the behaviors (Bandura, 1977). The procedure of acquiring new behavior begins by making a careful observation of a behavior, taking the information in and finally adopting that behavior (Liu, Kwan, Fu, & Mao, 2014). The model of social learning further states that individuals learn various behaviors through attentions they get or give, by observing, and by imitating their role

models (Bandura, 1986). Through observing the behavior of their respective role models, the consequences of the same behaviors, people tend to gain knowledge on perceived linkage between behaviors and consequences, thus directing and imitating those behaviors (Resick, Hargis, Shao & Dust, 2013).

According to Brown, Treviño, and Harrison, (2005), the initial thought on social learning was that individuals learn from their role models, where one conceives the idea based on other peoples' behaviors which he/she finds to be attractive and credible. Conspicuously, the process of gaining knowledge occurs in an individual's mindset within a period of time when putting in mind the set targets. According to Resick, Hargis, Shao, and Dust (2013), the likelihood of the process occurrence would happen at the minute the behavior of role models is concerned with ethical conducts and at the same time when they are being directed by a role model from higher levels within their respective organizations. It was suggested for authentic leaders to be acting as an example of an individual with morals (moral perspective) and therefore, the employees will perceive them as role models by emulating them at individual levels. In addition to aforementioned, single individual impact on a single role model relationship, the social learning model application can be based on context of collective teams.

Study findings have indicated simulated learning role in social learning theory as ideas which individuals acquire in the norm to behave suitably from the social context (Mayer, Aquino, Greenbaum, & Kuenzi, 2012). In relation to the social learning theory tenets, the ethical climate of an organization has ability of influencing attitudes and behaviors of employees because of the environment in which the team is tapped to. Based on perspective of the team, authentic leaders act as moral managers that influence the ethical climate of their teams while creating moral paths

for their juniors, and they end up influencing the behaviors of employees in a process of social learning.

The definition of role model by Gibson (2004) was a cognitive design founded on the people's attributes within social set up of individuals who tend to have some similarities with aspirations of increasing chances to emulate the same attributes. There is a need for individuals to be identified with others who they look up to and in the long run they learn from the same model (Weaver, Trevino & Agle, 2005). Nonetheless, when people are exposed to role models, it does not necessarily mean that they will imitate all their traits, but only the most relevant ones or alternatively, the unfolding of individuals sub-processes of attention and retention within social learning process in each subordinate's mind can be observed, learnt, or formed over time where an individual would end up behaving like his/her role model (Bandura, 1971).

The behaviors of a particular role model can only become essential in the case where target behavior is conducted in ethical manner (Brown, et. al., 2005). Credible morals of an authentic leader should be dependable, fair, and trustworthy. The characteristics of a moral person can be admired or valued when they attract the individuals' attention and in turn has expectation of affecting the feeling of employees by influencing their perceptions towards the leader (Brown & Trevino, 2006). By learning through observing, the ethical conduct norms of a moral person or individuals are in a position of understanding and/or determining the appropriate and acceptable behaviors (Trevino, Hartman, & Brown, 2000). This implies that the actions and characteristics of an authentic leader are informed by the contents of his/her role model in the social realm (Folger & Konovsky, 1989).

1.1.4 Employee Ethical Behavior

Velasquez, (2014) explains ethics as a part of behaviors that deals with the morals that govern how people manage the right or wrong behaviors, as well as the good or bad of thoughts and purposes for their actions. The foundation of ethical behavior involves issues and choices about right or wrong of an action and their consequences (Beauchamp & Bowie, 2008). The choice and quantity of its moral matters might reveal whether a business is considered to be at odds with non-economic societal ideals because the commercial activity is carried out by bank staff (Alzola, 2015). Most of the time, ethics was divided into normative and descriptive categories. (Vranceany, 2014).

Normative ethics focuses mostly on employee career specialization, descriptive ethics includes characterizing people's actions and the moral principles they adhere to (Muller, Turner, Andersen, Jingting, & Kralnes, 2014). Ethical concerns arise when individuals deal with issues that involve accountability, such as accepting a bribe, being honest, or using businesses or public resources for personal gain. At the organizational level, moral issues are linked to the code of conduct that governs how companies make decisions and act (Enderle, 2015).

According to Jones (1991), good ethical behavior involves the adherence to the prescribed ethical norms, whereas unethical behavior has an implication of ignoring the prescribed moral norms and as a consequence, unethical behavior inside and outside of business firms are those behaviors which are ethically not accepted by the larger population. According to Kaptein and Wempe, (2011) ethical behavior does not violate the widely accepted values within an organization or an individual, it embraces legitimate behavior, observance of rules and compliance to formal and clear regulations directly or indirectly while on the other hand, unethical behavior is one that

deliberately contravenes the commonly accepted moral values of a society or a firm. This violation can be by individual employees of an organization or the organization against the employees or clients.

Ethical standards could be weakened when leaders communicate conflicting signs to the workers. This can only be corrected by leadership that is genuine in its communication and deeds which eventually reinforces compliance to moral standards of an organization (Kaptein, 2011). Ethical issues exist when people at individual levels are confronted with matters requiring individual control like using resources meant for public use for personal motives. Lewis (1985) describes ethics as the principles, regulations, guiding ethically acceptable behavior. According to Kaptein (2008), commercial firms and their employees carry the weight of moral obligations.

Borrowing from stakeholder theory which is mostly used theory to ground these moral obligations, the stakeholders of a business encounter multiple relationships with different categories of people, groups and firms. These stakeholders get engaged in a relationship with business firms as well as individual employees to care of or advance their affairs. Since stakeholders and business organizations depend on each other, they are expected to have mutual relationships among each party calling for an engagement with each other's interests in a moral and responsible way. (Kaptein (2011) contends that since there is always existence of varied moral responsibilities to individual stakeholder, various kinds of unethical behavior can be present towards the most critical stakeholder categories such as clients, financiers, employees, suppliers as well as the general public.

1.1.5 Commercial Banks in Kenya

Commercial banks in Kenya are very critical in speeding up economic progress as well as stability and growth of economy of a nation. They accept deposits from their customers' thus providing safe custody and make money available for customers who need them as well as facilitating convenient payments. In order to register success in both the short and the long term, commercial banks depend largely on the certainty and trust between the stakeholders which according to Levine (2004) are supported by moral values and acts. A reputable bank is supposed to display integrity, social responsibility, honesty, accountability and fairness through its leadership and employees. According to Carse, (1999), Banks are making decisions in the gray areas of ethics under heightened levels of pressure that may destroy their status and this may lead.

Commercial banks in Kenya have reported several fraudulent activities involving loss of depositors' money resulting to some commercial banks collapsing due to theft involving employees themselves or in conjunction with outsiders. A trustworthy and respectable bank has to display highest level of social responsibility, honesty, accountability, integrity and fairness through its leadership and employees. According to Levine (2004), the increasing distress level in banks is because some of the banks were set up with minimal ethics in mind for example insider lending has been on the rise. This meant that some of the local banks were created to enable the investors mobilize funds for other business ventures. The ordinary bank customers lack adequate knowledge as well as opportunities to understand most of the transactions in the banking and this requires that both the management and employees exhibit high moral values and authentic leadership so as not to exploit the customers either in the name of the organization or personal which authentic leadership can provide.

There are forty-five (45) commercial banks operating in Kenya under the banking act, Cap 488 laws of Kenya and Prudential Regulation that are issued there under with the Central Bank of Kenya (CBK) as the regulating body. Out of the forty-five (45) banks, four have significant government shareholding. According to the Economic Intelligence Unit and Banking Fraud (BFIU,2022), many Kenyans have lost substantial amount of money due to fraud which in many cases points at the collusion between bank employees and the fraudsters. According to the Central Bank of Kenya Fraud Investigation Unit (2022) report, many clients have lost faith in commercial banks in Kenya due to fraud. According to World Bank (2003), some of the un-ethical conducts in commercial banks are: - interest fraud, float abuse, unfair trade practices, in appropriate decisions by managers, employee theft, insider trading and invasion of privacy. As a result of these un-ethical activities within commercial banks in Kenya, the Kenya Bankers Association (KBA) recognized ethics in banking leading to the development of Banking Code which was operationalized in 2001 to guide the subscribing banks on how to deal with the clients. Key commitments of this code included professional behavior, fairness and being reasonable when handling customers and considering issues related to products and services to be within ethical paradigm (KBA, 2001).

Studies in the banking industry showed codes of ethics which were developed to control the behavior of employees in most of the banks appeared mechanical and failed to place much emphasis on complying with ethical norms (Jasevičienė, 2012). Since the success of banks depends to a large extent on trust as well as confidence the stakeholders have in them, authentic leadership and ethical behavior play a very critical role in creating confidence and mutual trust is needed in order to improve their performance (Levine, 2004). This study hence attempts to solve the

industry's problem by testing the influence of authentic leadership on ethical behavior by adopting social learning and organizational identification as mediating and moderating variables.

1.2 Research Problem

Studies have shown that there is a relationship between authentic leadership and ethical behavior (Gill et al., 2018). Ethical issues have caused a lot of distress for business organizations for a long time. The field of organizational ethics is concerned with the ethics of business firms and of employees in business enterprises. Lewis (1985) asserted that business ethics are made up of the regulations, norms, philosophies or rules providing parameters for ethically well-founded behavior. Jones (1991) conceptualized ethical behavior as action and decisions that comply with the ethical principles which are accepted by the larger society. Geeta, Pooja and Mishra (2016) noted that in business activities, ethical behavior has received continuous concerns.

Though authentic leadership has been found to have strong hold on ethical behaviors of employees, some studies have indicated the contrary. For example, Shea (2016) in a study of authentic leadership's influence on ethical behavior found that authentic leadership does not have effect on ethical behavior of employees; Gill et al. (2018) found that boundary issues such as country or context can limit authentic leadership's influence on ethical behavior. Such conflicting results call for further study to be undertaken, and this study is done to find out if the influence of authentic leadership on ethical behaviors is significant for the generalization of findings.

The conflicting results observed in the previous studies could have been due to other variables or factors that were not known. It was important for this study to investigate further the other variables that could play a role or enhance the relationship between authentic leadership and ethical behavior

of employees. Studies have shown that social learning play a role in strengthening that relationship effectively. It has been indicated that social learning has influence on behavior since people learn from others through observation (Hannah, Avolio, &Walumbwa, 2011). However, most studies have considered the effect of social learning on behavior of employees as an independent variable. While there is nothing wrong with this, the current study treats it as a moderating variable in the relationship between authentic leadership and ethical behavior of employees in Commercial banks in Kenya.

Studies have also shown that employees' identification with their organization influences their behavior. However, these studies have produced mixed results. Umphress, Bingham, and Mitchell, (2010), found that employees may neglect the ethical standards in favor of behaviors that aid the firm while Mael and Ashforth (1989), found that employees who identify with their firms stick to and act in line with the rules and culture of the firm. Commercial banks in Kenya in their financial reports show fairly big margins of profit even at a time when the business environment faces challenges such as lock down imposed by the government during the peak of Covid-19 pandemic.

The question is whether such profit is genuine or is a result of employees engaging in un-ethical behavior which benefits their organizations. This observation is consistent with the research finding by Umphress, Bingham, and Mitchell, (2010) that employees can engage in unethical behavior that benefits their organization if they identify highly with their organizations and more so if there is reciprocal employee support by the organization. It is therefore not clear whether organizational identification can play a role in the influence of authentic leadership on ethical behavior of employees. The current study therefore examines the role of organizational

identification as a mediator variable in the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya.

Commercial banks in Kenya are expected to operate in an accountable, transparent and ethical manner for them to win a continuous confidence from their clients. Ethics in commercial banks is simply about the extent to which customers and other stakeholders perceive employees of the banks as faithful and honest, impartial, trustworthy, value key governance principles and perform their duties in a transparent way (Kour, 2021). In the context of the current study, banking operations are becoming more intricate and the dividing line between what is permissible and what is not continues to be more blurred (World Bank, 2003). Studies around ethical matters and ethical activities in banks have been of great interest (Fetinuic, 2014).

Some of these studies have given more light to the important role of ethical conduct in enhancing loyalty of the customers, profitability as well as overall performance. A significant number of the studies were done with a view of understanding bank failures both in the international and local Kenyan context, for example a study by Dorasamy and Abdel-Baki (2014) which found that unethical banking practices were responsible for commercial banking failures in Egypt. A literature review by Kuor (2021) found that some of these studies blamed unethical behavior as well as failure by banks to observe the codes of ethics as the major causes for most bank failures.

According to the Economic Intelligence Unit and Banking Fraud (2022), many Kenyans have lost substantial amount of money due to fraud which in many cases points at the collusion between bank employees and the fraudsters. These cases include disclosure of account details of the bank clients to fraudsters, inadequate disclosure of vital information regarding bank charges and many

other criminal acts being investigated and prosecuted by the Banking Fraud Investigation Unit under the directorate of criminal investigations. The World Bank (2003), highlighted some of the un-ethical conducts in commercial banks as: - interest fraud, float abuse, unfair trade practices, inappropriate decisions by managers, employee theft, insider trading and invasion of clients' privacy.

Studies in Kenya on the link between authentic leadership and ethical behavior of employees in commercial banks are limited. Mathenge (2013) did a study on the value system of commercial banking in Kenya and emphasized on the need to enhance ethical values in the banking industry in Kenya by establishing policy that leads banks to develop ethical work environment for banks. As apparent from the foregoing literature, ethical behaviors still remain a concern in organizations especially the banking sector and needs more research that may lead to better solutions.

Literature reviewed suggests that authentic leadership influences employee work attitudes and behaviors that contribute to organizational performance. It is therefore likely that authentic leadership can explain ethical behavior of employees. Authentic leadership has the potential to improve moral behavior in organizations by an approach that is inspiring, encouraging and enticing and thus gives employees a sense of obligation. This being true, no known study by the researcher has been conducted in the commercial bank industry that involved the influence of authentic leadership on ethical behavior of employees in CBs with mediation role of organizational identification and the moderating influence of social learning. The study hence examines this intricate relationship by asking the following question: What is the role of organizational identification and social learning in the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya?

1.3 Research Objectives

The major objective of this study was to carry out a study into the effect of authentic leadership organizational identification, social learning and ethical behavior of employees in Commercial Banks in Kenya.

However, specific objectives were to:

- i. Establish the effect of authentic leadership on ethical behavior of employees in the commercial banks in Kenya.
- ii. Determine the mediating effect of organizational identification in the relationship between authentic leadership and ethical behavior of employees in the commercial banks in Kenya.
- iii. Examine the moderating effect of social learning on the relationship between authentic leadership and ethical behavior of employees in the commercial banks in Kenya.
- iv. Establish if the joint effect of authentic leadership, social learning and organizational identification on ethical behavior of employees is significant in the commercial banks in Kenya.

1.4 Value of the Study

The study provided an integrated frame work which links authentic leadership, organizational identification, social learning and ethical behavior of employees in commercial banks in Kenya which adds value to theory building particularly on the theories that explain the relationship among the variables in this study especially on the joint effect. The finding of this study formed the basis of further research, by expanding knowledge of authentic leadership and its influence on ethical behavior of employees and forming a foundation for future studies.

The effect of authentic leadership has been studied more in the developed world and more so in relation to firm performance. Little had been shown on the consequences it had on ethical behavior of employees in Commercial Banks in Kenya. Studies that linked organizational identification and social learning to employee behaviors received binary attention. The joint effect of this study is integrating all these factors to have a joint effect on ethical behavior of employees in commercial banks in Kenya. The study therefore contributed to policy formulations in the Commercial Banks in Kenya which may lead to desirable employee behaviors resulting in an economically empowered Kenya and hopefully enable the banking sector develop policies that tie leadership with behaviors of employees that are key to good governance.

To enhance practice, organizations would benefit from the study by strengthening the position of their leaders. The study brought insight for leaders to remain responsible for developing social bond between the employees and the employers since a number of them are losing the capacity to sternly dare or give an objective opinion on the guidelines and practices in the organizations. This fear only makes leaders role passive favoring communicating standards rather than actively promoting ethical behavior. Through this study the practice of authentic leadership and ethical behavior would be enhanced.

1.5 Chapter Summary

Chapter one presented the background of the study, a brief discussion of the variables of the study which include authentic leadership, social learning, organizational identification and ethical behavior of employees as well as the context of the study which is commercial banks in Kenya. In addition, the chapter provided an overview of the theories that underpin the study namely integrity theory, authentic leadership theory, social learning theory and social identity theory. This chapter also presented the research problem, the objectives of the study and value of the study. The next Chapter presented the theoretical foundation of the study, literature review, conceptual framework and hypotheses of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this section, theories informing this study are discussed. Literature showing the relationships among the various variables of the study are also discussed and presented. Finally, the chapter presented gaps in knowledge summarized from the review of empirical studies. An illustration of the relationship among the variables of the study derived from the conceptual framework was also presented.

2.2 Theoretical Foundation

The study was founded on integrity theory and complimented by authentic leadership theory, social learning and social identity theories. Integrity theory postulates the values of ethical leaders (Kaptein & Wempe, 2002). Authentic leadership theory predicts that leaders' behavior is based on integrity and responsibility and impacts the behavior of their employees (Gardner et al., 2011). Social learning theory assumes learning can be achieved through observing and then choosing to emulate, disregard or change the behavior observed. Social identity theory predicts that people more often tend to identify with organizations that offer shared similarity of values. Strongly Identified employees work towards meeting the standards of the social unit and the organizational goals (Tajfel, 1978).

2.2.1 Integrity Theory

Integrity theory was put forth by Kaptein and Wempe (2002). They argued that the theory involves the integrative determination and the management of personality traits and behavior that include behavior consequences. Integrity theory was meant to create coherence between the three major

ethical theories; deontological, consequentialism and virtue. Six (2010) posit that integrity has several faces and ranges from integrity as completeness to ideal ethical act or as the value of behaving in line with statutes and regulations and defined integrity as the standard of acting according to widely agreed upon ethical values and standards in advancing the public interest. Integrity requires actors to implement exemplary practices to guarantee that one remains whole. Wholeness is concerned with the values and assumptions a person protects.

Adopted from Latin word *integritas*, integrity theory combines consequentialist, deontological, and virtue ethical theories (Kaptein & Wempe, 2002). For consequentialist ethics, ethical considerations are anchored on the outcomes of the act while in deontological ethics, consideration is on the type of an act. Virtue ethics considers the disposition of the person and the reasons informing the act. Integrity theory places emphasis on consistency between these theories. The integrity approach considers the whole: the person, the situation, and the past. The theory is adaptable in that it ignores taking first position by preferring either consequences or virtues or principles. Integrity theory addresses ethical behavior of employees since it is centered on ethics.

Integrity theory argues that behavior of an individual is guided by core values and beliefs which should be consistent over a time (Six & Huberts, 2008). Integrity theory predicts the behaviours of authentic leaders and ethical behavior of employees in commercial banks in Kenya since the values and philosophy of authentic leaders act together with the results aimed at, forming a coherent whole. The expressions as well as actions of people of integrity are consistent which supports the actions and behaviors of authentic leaders. Integrity is concerned with the level of integration people have at personal level and towards others. Integrity controls the link between

the objectives, actions and outcomes. Integrity needs uniformity of ideas and deeds. Additionally, it demands for commitments to beliefs, (Kaptein & Wempe 2002).

Though integrity theory has been lauded for postulating realistic and achievable demands that are connected to roles of leaders, it has also been criticized for simply laying out what is acceptable behavior and what is not acceptable. Acceptability of a behavior or otherwise is contingent to specific environment and not more often be generalized (Kaptein & Wempe 2002). However, since contexts that cannot be handled solely by abiding to rules also arises; actual wisdom is needed in executing a role accordingly. Six and Huberts (2008) observed that in order to make proper assessment of situations and determination of sound courses of action, suitable values and assumptions must be internalized. When leaders possess the skills and abilities to explain their actions, then they could be perceived to be honest and accountable.

2.2.2 Authentic Leadership Theory

Authentic leadership theory was put forth by Luthans (2003). The theory postulates that authentic leadership enhances leader's self-awareness and honesty (Tibbs, Green, Gergen, & Montoya, 2016). Gill et al, (2018) posited that the understanding of authentic leadership theory steers the organization and the employees to openness and transparent work behaviors. George (2010) emphasized that it is the authenticity of the leader and not his/her leadership style that matters. Authentic leaders, know their intention, exercise strong values, set up connected relationships, show self-discipline and steer people with their heart and learns from themselves as well as from their subordinates (Zhang, Bowers & Mao,2020; George, 2010). Authentic leadership theory proposes that the development of fit is more dynamic and involves both leaders and followers in addition to leaders and their HR business partners (Leroy, Anseel, Gardner, & Sels, 2015).

Therefore, the study is in support of the view that HR process can be considered as a combined process requiring numerous leadership actions.

Authentic leadership allows employees and leaders to conserve its distinctive position, while also looking for communality to develop a strong, individually recognized, and shared identity (Bourenane,2022; Gardner et al., 2005), and as a result, the desired, actual, and perceived employees' practices will be more closely aligned. Furthermore, authentic leadership reduce misalignment because authentic leadership assist in creating more understanding, distinctiveness as well as the HR system's consistency (Gill et al, 2018; Bowen & Ostroff, 2004). Authentic leaders are assumed to be sincere and truthful to themselves. It assumes that authentic leaders effect the behavior of subordinates by making them to be aware of themselves, be transparent and use available information objectively to arrive at decisions.

Authentic leadership theorists believed that the key component of authentic leadership is made up of passion, values, relationship, self-discipline and heart (Covelli and Mason, 2015). Theory and research on authentic leadership illuminates the difficulties that line managers in organizations struggle with such as competing pressures and complex systems which they operate under. Authentic leadership theory demonstrates in a dynamic way how the leader's actions and honesty in his or her behavior not limiting the implementation of particular HR practices can contribute to human resource management field. An authentic leader ensures that the perceived integrity of every employee is captured in the implementation of human resource practices. Leroy, Palanski and Simons (2012) linked authentic leadership to integrity. On the other hand, Gardner et al.,

(2011) related authentic leadership to identification of followers, their trust, as well as the quality of relationship with their leaders.

In as much as some previous researches have acknowledged the important role played by authentic leadership theory, the theory has been criticized as a theory that only focused on integrating external pressures for honesty than exhibiting innate honesty behaviors (Bourenane, 2022; Deci & Ryan, 2000). The concept of authenticity is therefore more dynamic as compared to a mere idea focusing on a constant “true self” which tend to oppose demands realized from external environments (Wood, Linley, Maltby, Baliousis, & Joseph, 2008). The criticisms related to authentic leadership theory have admitted that the “true self” is ever undergoing changes contingent to circumstances and environmental influences (Ibarra, 2015; Algera & Lips-Wiersma, 2012). However, this study therefore predicts that authentic leadership theory would support the objective of this study that authentic leadership influence ethical behavior of employees in commercial banks in Kenya.

2.2.3 Social Identity Theory

Social Identity Theory (SIT) was proposed by Tajfel (1978). It is a social psychological theory that tries to describe thoughts as well as behavior of people by the aid of group processes. It was coined from social identity which made reference to how people behave in a process or people identify with the group. Social identity is concerned with the individual feelings and pride of being a member of a group. Trepte (2006) described social identity as the individual’s awareness of belonging to a particular social group emotionally and places strong values important to him/her

in the membership of the group. Social identity theory attempts to explain the behavior of people in a group (Hamilton, 1981).

Studies on social identity theory has majorly received stimulation by the ideas on social settings and groups (Tajfel & Turner, 1979). Turner (1982) suggested that merely categorizing groups can lead to discrimination in favor of the in-group and against the designated out-group. Compared to the vast majority of social psychology theories, social identity theory does not start with the idea of taking the person into account but instead makes reference to a social group which is composed of a number of people who identify with the group, have a feeling of belonging, and who are referred to as members of the group by others.

Social identity theory assumes that all forms of group behavior like solidarity within groups is a part of social identity processes which aims to achieve positive self-esteem and self-enhancement (Abrahams & Hogg, 1988). Social identity theory postulates that a large extent of person's self-concept depends on the importance and relevance attributed to the group membership (Turner & Oakes, 1986). The theory argues that the individual's motivation for practical identity and esteem is influenced by the social evaluations they make (Tajfel & Turner, 1979). The attitude and behavior of individual members of a group is influenced by the main features connected with the group particularly when class or group comparisons feature group difference in favor of one's in-group over a relevant out-group are advantaged. Accordingly, distinctions across groups are accentuated and inconsistencies within groups are minimized (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987).

According to Tajfel and Turner (1985) categorization of people in terms of religious affiliations, organizational membership, gender, and even age cohort are provided for by social identity theory. As suggested by these examples, people may use different schemas to categorize themselves into various groups. Categories in this case are explained in terms of prototypical attributes found from the members (Turner, 1985). Social categorization cognitively a portion and categorizes the social environment, furnishing the individual with a structured method of describing others. It is largely stated that, social identification is the perception of belonging to a group of people; it is a result of grouping people together, the reputation and distinctiveness of the group, the importance of outgroups, and conditions that are traditionally associated with group formation. Social identification results in actions that are consistent with the identity, support for organizations that incorporate the identity, stereotypical perceptions of oneself and others.

Role conflict and intergroup relations are addressed through the lens of this paradigm. Organizational identification is based on social identity theory, which has long been recognized as a significant factor in the literature that influences behavior, individual satisfaction, and organizational effectiveness (Rotondi, 1975; Brown, 1969; O'Reilly & Chatman, 1986; Hall, Schneider, & Nygren, 1970; Lee, 1971; Patchen, 1970). Social identity theory has been criticized for discriminatory perspectives (Shamir, House & Arthur, 1993). It has also been shown that social identification is associated with self-regulation and therefore authentic leaders' explication of openness and acknowledgement of their own weaknesses, challenges, transparency and accountability for their actions may be biased to some extent.

However, social comparisons that arises from the processes of social identity leads to stereotyping and strong identification with the organization possess challenge to the moral behaviors since what the organizations members consider moral might not be moral in the eyes of the general society. Brewer (1991) contends that in-group-outgroup differences generally comprise of pro-in-group favoritism rather than anti-outgroup partisanship, and consequently at the same time outgroup members are positively perceived, in-group members are perceived and treated even more positively. Despite such criticisms social identity theory remains one of the key theories that predicts employee loyalty and belongingness to the organization.

2.2.4 Social Learning Theory

A significant number of psychologists have been associated with social learning theory (SLT). Distinguished among them are Bandura and Dollard. Bandura (1977) explanations of human behavior as a continuous and corresponding relationship between behavioral and environmental impacts and further believed that reinforcement alone is not directly accounting for each and every type of learning. The social learning theory introduced a social component, making an argument that people are able to learn new ideas and practices by paying attention to how other people behave. Bandura (1977) recognized the fact that reinforcement from the external environment was not solely responsible for influencing learning as well as behavior but also inherent reinforcements such as satisfaction, pride and feeling of a sense of achievement. In other words, learning is considered to be a social activity that is based on one's needs as a human being to fit in with others in a society or an organization.

According to SLT, individuals learn diverse behaviors by paying attention to, observing, and imitating role models (Bandura,1986). As people observe role models' behaviors and the

consequences of those behaviors, they establish their understanding of the links between these behaviors' causes and the resulting outcome, which informs their emulation of those behaviors (Liu, Kwan, Fu, & Mao, 2014; Resick, Hargis, Shao, & Dust, 2013). As initially formulated, social learning through role modelling is an individual learning process. Particularly, one learns from the behavior of another person that he/she finds acceptable and attractive.

Primarily, this process of learning takes place within an individual person's mind over a period of time as a person closely observes the target and most probably to take place when the behavior of the role model is admirable (Brown et al., 2005). According to the social learning theory's tenets, the environment may have an effect on a learner's attitudes and behaviors because it engages the vital social learning processes of external and indirect reinforcement. From the viewpoint of the team, a role model shapes the team's environment and paves the way for others to follow, which in turn affects people's behaviors via a multi-level social learning process (Mayer et al., 2012).

However, the weakness of social learning theory was noted in that, just exposing people to models does not guarantee that people would adopt the qualities they observed because they can be perceived differently by different people (Bandura, 1977). Instead, when a person observes, learns, and creates his or her own opinions about the degree to which a target is a role model. Effective learning from a role model fundamentally necessitates that people's attention be focused on both the model itself and the model's behavior (Wood & Bandura, 1989). When the behavioral aim is admirable, the role model's behavior becomes especially significant (Brown et al., 2005). In this situation, a leader who demonstrates credibility and dependability will likely grab people's attention because these qualities are commonly seen as virtues and respected as such (Brown &

Trevino, 2006). These admirable qualities should, in turn, affect people's emotions and shape how they view the leader in their own minds and consequently how they are likely to behave.

Studies further argued that, individuals encode the characteristics, actions, and behaviors of role models into a series of symbols, such as verbal cues, succinct descriptions, or striking pictures (Brown & Trevino, 2006). As a result of becoming ingrained in people's thoughts, these codes and symbols help people retain the knowledge they have learned and act as a model for how to behave in comparable situations. In application, leaders' actions are more likely to be noticed by the team when they are viewed as crucial and essential to the group and wins the hearts and minds of team members by embodying traits and displaying actions that are highly esteemed and admired by the group (Van Knippenberg & Hogg, 2003).

Social learning has been criticized for exposing learners to both positive and negative social aspects and more often learners tend to adopt negative social behaviours than the positive behaviors (Ilies, Morgeson, & Nahrgang, 2005). As posited by Bandura (1977), if the learners do not have the interest and ability to retain the observed behaviors, social learning will not achieve much. Employees would then choose to emulate or disregard the observed behavior depending on the observed outcomes of those behaviors. Despite such criticism, consistent behaviors of authentic leaders with positive outcomes can influence employees to learn new responses that can change their behaviors. Since significant amount of learning has been found to occur through direct experience, social learning theory is appropriate to predict how learning takes place in work environment.

2.3 Empirical Literature Review

The main aim of literature review was to provide understanding of the interrelationships between variables of the study and how they relate to ethical behavior of employees. The literature was reviewed along the relationship between authentic leadership and ethical behavior of employees, the relationship between authentic leadership, organizational identification and ethical behavior of employees, the relationship between authentic leadership, social learning and ethical behavior of employees and finally the joint effect of the study variables on ethical behavior of employees in commercial banks in Kenya.

2.3.1 Authentic Leadership and Employee Ethical Behavior

Studies have shown that there is a relationship between authentic leadership and ethical employee behavior. Authentic leadership is a form of influence that stimulates and fosters positive mental abilities as well as highlighting the ethical part of behavior (Lopez, Garcia-Guiu, Alonso, Morales, & Moriano-Leon, 2015). Authentic leadership has a strong link to integrity of leaders (Leroy, Palanski & Simons, 2012) as well as identification of their followers, together with quality bond with their respective leaders (Du Plessis, & Boshoff, 2018; Gardner et al., 2011).

Authentic leadership has a critical role in aiding organizations to realize changes they need by allowing employees to discover meaning in their life as well as work by reinforcing a favorable work environment (Maximo, Stander, & Coxen, 2019; Avolio & Gardner, 2005). Gardner et al. (2005), established that authentic leadership have a remarkable result on employees' conduct by creating hope, trust, productivity and job satisfaction. This study did not consider the ethicality in achieving productivity, for example employees may decide to ignore ethical issues as they generate better income for their organizations (Umpruss et al, 2010). Datta (2015) established that authentic leadership influence ethical behaviors of employees by consistently using moral reasoning and

ethical scope when making and supporting their commitments which employees emulate. They also build as well as supporting and sustaining a moral organization culture.

Zhang et al, (2012) opined that the concept and authentic leadership still generates a lot of contradictions. For example, they established that what is valid in the western context is not valid in Chinese context bringing the same argument to the African context more so the Kenyan context. Studies have also indicated that authentic leaders are closely associated with improvements in leaders and the employees as well as the organizational outcomes. For example, Wong et al (2010) found that authentic leadership strongly influence the confidence in the nurses, faith in their administrator and their perceptions of the quality of care as well as feeling more satisfied.

Covelli and Mason (2017) found that authentic leadership development influences the employee's attitudes and behaviors in organization. Cianci et al. (2014) while studying the effect of authentic leadership on follower's moral decisions more so when faced with temptations found a strong relationship between authentic leadership and temptations in arriving at ethical decisions. Based on these lines of thought, this study aimed at establishing the influence of authentic leadership on ethical behavior of employees in the commercial banks in Kenya for the generalization of findings.

2.4 Authentic Leadership, Social Learning and Employee Ethical Behavior

Literature have suggested that there are external social influences on ethical development of people which should be considered. One of these external factors is social learning. Lester et al. (2010) found that the admirable examples set by leaders provides effective role modeling on employees' moral development as they observe the leader's behavior and the effect of social learning influence on ethical behavior of employees. It has been proposed that leaders who are authentic are idealized

by employees since they are attractive role models (Arulio et al. 2004). Lord and Brown (2004) also found that attractive leader behaviors motivate employees to imitate the leader's behavior. Indirect and direct effects on followers are both a part of authentic leadership (Gill & Caza, 2018). Through social learning, an employee's co-workers' experiences with authentic leadership are likely to have an impact on that employee's conduct. According to SLT, individuals can be affected by the social group they belong to by favoring certain actions and learning from others' examples (Bandura, 1971). Co-workers can provide valuable advice on proper conduct for an employee (Hogg, 2001). When it comes to authentic leadership, follower behaviors will be influenced by how peers respond to the leader, including their identification with the leader and their perception of the leader's reliability.

Consequently, if employees' exhibits strong measure of authentic leadership, the more they are likely to demonstrate ethical behaviors (Cialdini & Goldstein, 2004; Turner, 1991). Additionally, authentic leadership and social learning both have the potential to indirectly impact followers through social contagion. Co-workers can impact each other in accidental, unconscious ways known as social contagion (Coxen, Van der Vaart, & Stander, 2016; Meindl, 1990). Authentic leadership is more likely to elicit favorable emotive responses from followers, and these emotions may spread to other people as a result of emotional contagion (Hsee, Hatfield, Carlson, & Chemtob, 1990). According to research (Sy, Côté, & Saavedra, 2005), emotional contagion can affect interactions and group dynamics, such as conflict and collaboration. As a result, social contagion among members of a group is likely to have an impact on an employees' actions to resemble those of peers, offering a further way that authentic leadership may influence employees' behavior both individually and collectively.

Additionally, social learning and authentic leadership also has the potential to have an indirect impact on employees via social contagion. Social contagion is the unintended, non-conscious means in which co-workers can exert influence on one another (Meindl, 1990). Authentic leadership is more likely to elicit favorable emotive responses from employees, and these feelings may broaden to other people as a result of emotional contagion (Hsee, Hatfield, Carlson, & Chemtob, 1990).

Luthans and Avolio, (2003) argue that values and behaviors applied and conveyed by authentic leaders can be transferable to the employees, and the employees discover their energy and value in their work, giving rise to employees' behavior enhancement. Following this perspective, this study assumes that there is a constructive connection between authentic leadership and employees' ethical behavior through social learning processes. Social learning supports acquisition of new behavior by stimulating behavior changes leading to promotion of new responses which integrate current behavioral alternatives (Barsade, 2002). The leaders act as great role model in the constructive behavioral growth of their employees.

Kernis (2003) found that authentic leaders are suitable for role modelling of employees' behavior impacting positive change in the behavior of employees. Fredrick (2003) found that as employees and leaders work together, their moods and emotions meet together through emotional communication. Hanah et al (2011) found that leaders who initiate structures as well as placing emphasis on behavior influence the ethical frameworks of their employees'. These frameworks can include formalism as well as utilitarianism behaviors employees observe from their leaders.

Studies have also revealed that the state of a leader's moral reasoning influences moral reasoning of their employees especially when employees level of ethical reasoning are on the same line or meet together (congruent). This leads to employees' commitment as well as satisfaction (Shminke et al 2005).

The study of Hannah et al (2011) established that authentic leadership has a significant impact on the pro-social behaviors of employees. This study was carried out in a military organization where there is a significant amount of salient hierarchical systems as well as unique attraction and selection process which does have a strong influence on the leadership because of strong discipline which may portray the leaders to be role models. Most of the studies that examined authentic leadership were centered on performance and did not consider social learning as an intervenor variable. The current study is shifting the focus to employee ethical behavior. Ideal behavior by leaders do impact the behavior of employees as the employees learn from the examples set by the leaders which serves as role model (Lester, 2010). This is because people learn a lot from their role models as they observe what they do and emulate them. This study hence aimed at determining the moderating influence of social learning in the relationship between authentic leadership and employee ethical behavior.

2.5 Authentic Leadership, Organization Identification and Employee Ethical Behavior

Studies show that leaders can directly influence individual responses of their followers or employees (Du Plessis & Boshoff, 2018; Wu et al., 2010). However, authentic leadership may generate differentiated responses as followers perceive their leader's behavior. Individual identities describe how those persons think of themselves (Kreiner et al., 2006). When someone feels that their relationship with a target is a significant, self-defining part of who they are, they

are said to be identified with that target (Sluss & Ashforth, 2007). So, for a follower to identify with a leader, they must think that following that leader plays a significant role in who they are as a person.

By constantly and transparently showing their own beliefs, authentic leaders can encourage followers to identify with them. This helps followers to either realize they share the leader's values or decide they want to emulate them (Avolio et al., 2004). According to Gardner, Avolio, Luthans, May, and Walumbwa (2005), the values connected to authentic leadership are typically regarded as normative and appealing, so when they are demonstrated, they can cause the leader to appear as an inherently admirable individual who followers would want to identify with (Luthans & Avolio, 2003).

Additionally, the self-awareness, openness, and internalized moral perspective of an authentic leader (Lopez et al., 2015) make the leader an appealing role model who exhibits high ethical standards, honesty, and integrity. This makes the leader an appealing target for identification. Additionally, an authentic leader is more likely to discuss their values with followers and to place an emphasis on the advancement of followers due to their transparency and balanced thinking (Avolio & Reichard, 2008). This increases the chances of value identification as a result of similarity in values. Empirical studies have demonstrated a connection between Personalized Authentic Leadership and follower identification (Walumbwa et al., 2010; Wong, Spence Laschinger, & Cummings, 2010).

Authentic leadership increases work attitudes and conduct of employees by the process of social identification with the organization and personal identification with fellow employees (Javaid et al. 2015). They emphasized the importance of both social and personal identification which the current study adopted and operationalized organizational identification as personal and social identification. According to Kark and Shamir (2002) personal identification is a state where employees or people value their leaders and define themselves according to their values.

Authentic leadership gives a primary role to employees' personal identification with their leader in organizations since authentic leadership have influence over employees' behavior (Conger & Kanungo, 1998). Personal identification with authentic leaders can possibly impact employees' identification with the company and workgroup since the individual leader takes actions that benefits the group and makes efforts that leads to realizing goals critical to the firm. On the other hand, social identification according to Abrahams and Hogg (1988)) is a state where individuals feel proud to be members of a group and be defined by that group. A study by Avolio et al. (2004) found that authentic leaders expand employees' social identification when the leaders treat the employees with increased level of integrity and honesty. Hog, Terry and White (1995) argue that organization identification provides employees with social environment of how employees behave. This gives employees chances to regulate their behavior for the satisfaction of their association with their organization.

Mael and Ashforth, (1992) found that strong identity with organizations make employees to behave consistently with the requirements of their organizations. They consider the success and failure of their organizations as their own. However, Umpruss et al. (2010) found that strong

organizational identification may lead to employees ignoring ethics as long as they aide the organization achieve its desired objectives. This may lead to un-ethical conduct for the sake of the organization. Van Knippenberg (2000) found that organizational identification guides how employees behave across different situations, more so whenever the identity of the firm is most dominant, or initiated cognitively. The leaders who are authentic will have employees who solidly identify themselves with the firm as well as their leader when value compatibility of the leader and follower are closer. Based on literature, it can be argued that the relationship between authentic leadership and ethical behavior of employees can only be effective through organizational identification. Hence this study aimed to assess the mediating role of organizational identification in the relationship between authentic leadership and ethical behavior of employees.

2.6 Authentic Leadership, Organizational Identification, Social Learning and Employee Ethical Behavior

Authentic leaders may make a significant difference in ensuring that implemented procedures are understood by staff members and other line managers in the way that it was intended (Gill et al., 2018). But because every employee is unique, they may not always support the leaders' decisions or be influenced in the same way (Kuvaas, 2008; Meindl, 1990; Shamir, 2007). However, Leroy et al. (2015) found that authentic leaders give space for distinctive, divergent viewpoints while establishing a new, common reality that most followers can concur with. To do this, they engage in an open discussion with followers in a respectful way that makes organizational policies applicable and accessible to employees (Van Quaquebeke & Felps, 2016). In particular, authentic leaders welcome opposing ideas from followers while simultaneously promoting their own (for example, relational transparency) by attempting to enhance self-awareness through feedback

seeking and balanced processing of self-relevant information such as accepting feedback (Du Plessis & Boshoff, 2018; Khilji & Wang, 2006; Purcell & Hutchinson, 2007). Followers may eventually comprehend the leaders' point of view through this two-way communication and move closer to adopting organizational practices, even if they do not agree with them.

By emphasizing the most pertinent and ethical practices that are most relevant to them, authentic leaders may further develop their ability to understand people through discussion and be able to modify their actions to fit a work group or particular person. According to Bandura (1979), employees are more inclined to reciprocate by adopting new procedures and other viewpoints when their leaders listen to them and respond to their feedback. Further, employees are more likely to identify with authentic leaders' ideas and vision due to their inherent attractiveness, which is derived from their self-awareness, balanced processing, relational transparency, and internalized moral perspective.

Literature reveals that authentic leaders enhance attitudes as well as work behaviors of employees through social and personal identification with the organization and the employees (Avolio, et al., 2004). According to Walumbwa, et al., (2010) authentic leadership enhances personal identification with their employees by being respectful to those they lead as well as being open and accountable in their relationship with the employees. According to (Javaid, et al., 2015) authentic leaders can expand employee social identification when they handle employees with increased amount of integrity and honesty. Hogg (2001) argue that as employees develop strong identification within themselves, the concern for the leaders regarding assessments, recognitions and recommendations are greatly controlled by authenticity.

Authentic leadership focuses majorly on the leaders' authenticity, better moral standards, integrity, and honesty and they role model their employees by guiding and showing them the true picture of their objectives with fairness (Wong, Laschinger, & Cummings, 2010). When employees observe and adopt authentic leaders' behaviors like being transparent, accountable for their actions as well as acknowledging their own weaknesses, they tend to learn new behavioral responses which make them change their behavior and align their principles and confidence to that of the leader and the organization (Gill & Caza, 2015). Authentic leaders are aware that their employees get powerful messages from their ethical behavior.

Gardener et al., (2005) found that authentic leadership influences employee's behavior in terms of creating hope, developing trust, engagement, job satisfaction, and productivity. Additionally, they explained the critical role of authentic leadership in modifying the behavior of their followers and stated that authentic leaders' firm conduct and expressions are founded on balanced processing, self-awareness, transparency and authentic behavior which are critical elements for development of the followers that have authentic behavior.

However, there have been contradiction in the previous researches for example Shea (2016) found that authentic leadership has no bearing on behavior of employees. The role of ethical behavior in businesses cannot be wished away and commercial banks being agents between the depositors and lenders must be sensitive to the ethicality of their actions as their success depends on their reputation as much as their performance (Jasevičienė, 2012). As a result of the foregoing arguments, the moderation and mediation effect of organizational identification and social learning

is critical to the relationship of authentic leadership and employee ethical behavior and forms a strong knowledge gap for the current study. This study hence aimed at establishing if the joint effect of authentic leadership, organizational identification, social learning on ethical behavior of employees would be significant.

2.7 Summary of Research Gaps

Studies involving authentic leadership, social learning, organizational identification and ethical behavior of employees have been done separately in different contexts. Majority of the studies have examined the relationships of the study variables focusing on financial performance of the firms and other employee outcomes other than ethical behavior of employees. The aim of this study is to provide support and close the gap in theory and perspective by providing a conceptual integration of these study variables and empirically establish the relationships. A summary of previous studies reviewed focusing on the research gaps is presented in Table 2.1. The gaps identified structure the foundation for this study. A conceptual framework of this study was derived from the empirical literature. The studies that have been picked depicted the gaps which the current study sought to address.

Table 2.1: Summary of Research Gaps

Author(s)	Focus of the study	Methodology	Findings	Study gap	How to address the study gap
Maximo, N., Stander, M.W., & Coxen, L. (2019).	Authentic leadership and work engagement	A cross-sectional survey design	Authentic leadership influences work engagement	Proposed studies be expanded to other organizations	Study is in banking industry which had not been previously studied
Gill et al., (2018)	Using theory on authentic leadership to build a strong human resource management system	Case study	Authentic leadership has a strong impact on alignment of behavior both at individual and group level	The study noted that there could be country boundary conditions. The context of the study was western culture	The current study is considering a third world country, Kenya
Nikolic B & Halvorsen B (2018)	Authentic Leadership	Cross sectional Survey	Authentic leadership is emerging as a new positive form of leadership	Personal values framework could be a deciding factor on whether authentic leadership is genuinely ethically good authentic leadership or malfunctioned authentic leadership.	The current study focused on the mediating role of social learning and moderating role of organizational identification as enablers of how personal values are obtained by the employees of an organization
Copeland, K.M. (2016)	Leadership effectiveness	Cross sectional Survey	Authentic, ethical and transformational leadership	Focused on the leaders	Focusing on employees.

			behaviors contribute to leadership effectiveness		
Shea, K.L. (2016)	The impact of authentic leadership on ethical behavior	Case study	The study established that authentic leadership does not influence behavior	Conflicted earlier results like Hannah et al., (2011)	The current study will focus in a non-military set up
Avolio, B.J., &Walumbwa , F.O. (2015).	Authentic Leadership: moving HR Leaders to a Higher Level	Cross sectional Survey	There is a link between Authentic leadership and HR outcomes.	Proposed further studies to consider other factors	Introduced mediating and moderating variable to strengthen the influence and non-western context
Avolio et al. (2015)	Authentic leadership and HR leaders	Cross sectional Survey	Authentic leadership is ideal and can move HR performance to higher levels	Focused on organization performance and	Focusing on employee behaviors
Jasevičienė, (2012)	Ethics in banking	Cross sectional Survey	Codes of ethics are mechanical and do not focus on ethical norms	Focus was on the institutions	Focus on influencing individual employee behavior
Hannah, et al., (2011)	Relationships between Authentic Leadership, Moral Courage, and Ethical and Pro-	Case study	Moral courage is positively related to Ethical and Pro-Social behaviors	Focused in a military context. What is regarded ethical and pro-social behavior in a military set	Focusing in financial institutions where there are a lot of temptations

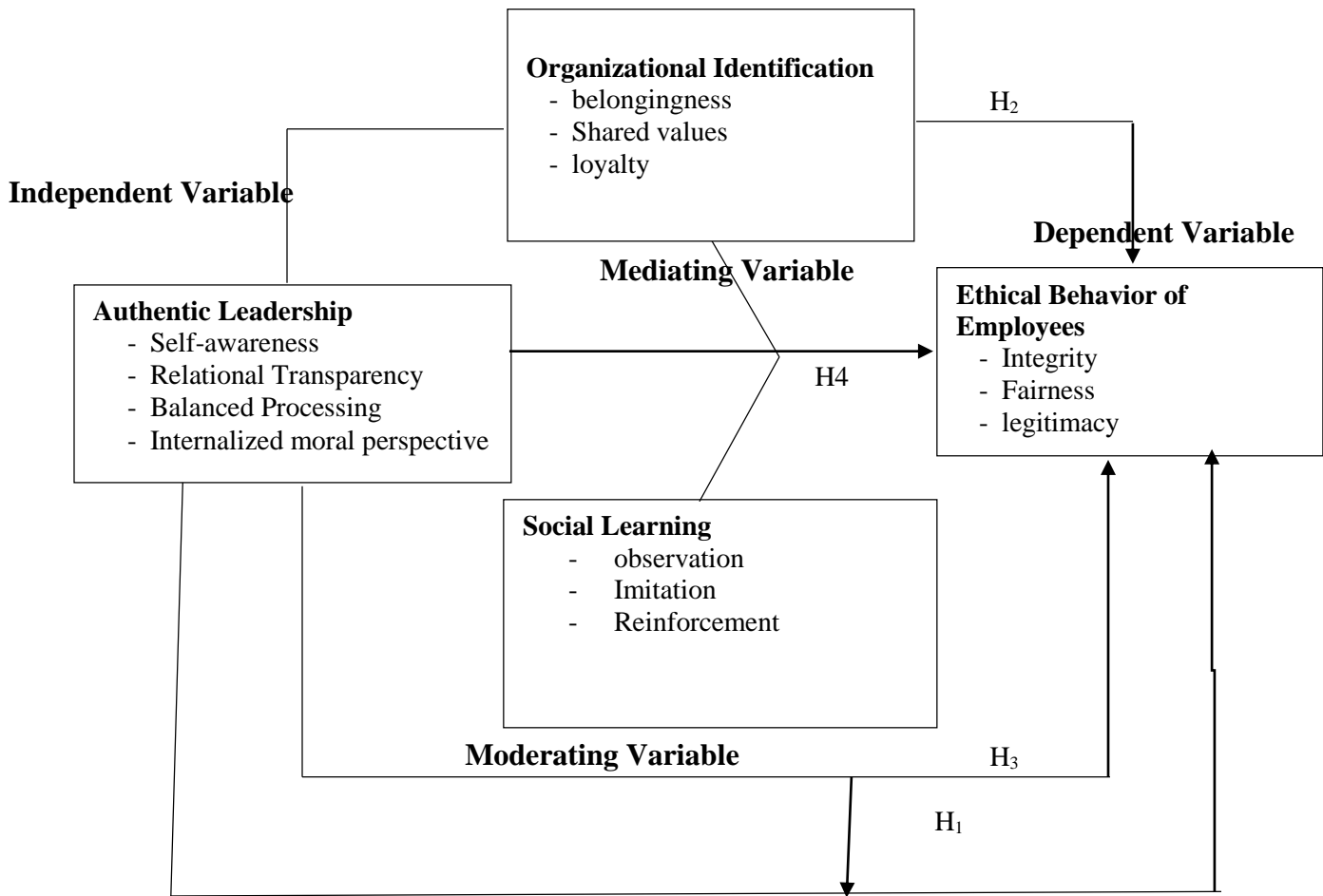
	Social Behaviors			up is enforced since the most dominant discipline in the military is forced	
Umpress, et al. (2010)	Unethical Behavior in the Name of the Company	Cross sectional Survey	The study found that organizational identification can as well lead to unethical behavior by employees	The results are conflicting the previous positions that organization identification can lead to positive employee behaviors	The current study will examine whether this position can lead to employee ethical lapses in the banks in Kenyan context
Nichols, W.T. (2008)	Authentic transformational Walumbwa (2006) leader behaviors and implicit leadership theories	Cross sectional Survey	Authentic leadership is a perfect manifestation of leadership.	Addressed the American context.	Contextualize the study in the Kenyan organizations.

Source: Researcher (2023)

2.8 Conceptual Framework

A conceptual framework is a model which is made up of constructs encapsulated by different variables of study which are used to generate and stimulate knowledge, inter-relationships which form the basis upon which the proposed research objectives are founded. The conceptual model is presented in Fig.2.1. Based on theoretical foundation and empirical evidence, the study conceptualizes relationships whereby authentic leadership influences ethical behavior of employees mediated by organizational identification and moderated by social learning.

Figure 2.1: Conceptual Model



Source: Researcher 2023

2.9 Research Hypotheses

The study hypothesized that authentic leadership has no influence on ethical behavior of employees and that this relationship could not be mediated by Organizational Identification and not moderated by Social Learning. Furthermore, the study proposed that the combined effect of authentic leadership, organizational identification and social learning was not significant. The hypotheses are presented below.

H0₁: Authentic leadership does not influence ethical behavior of employees.

H0₂: Organizational identification does not mediate the relationship between authentic leadership and ethical behavior of employees.

H0₃: Social learning does not moderate the relationship between authentic leadership and ethical behavior of employees.

H0₄: The joint effect of authentic leadership, organizational identification and social learning on ethical behavior of employees is not significant.

2.10 Chapter Summary

Chapter two presented discussions on the theoretical foundations of the study which included integrity theory, authentic leadership theory, social learning theory and social identity theory. A detailed review of theoretical and empirical literature on the variables of the study that generated knowledge gaps were also presented under this chapter. The main aim of literature review was to provide understanding of the interrelationships between variables of the study and how they relate to ethical behavior of employees. A conceptual framework and hypotheses of the study were also presented. Chapter three presented the research methodology.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research philosophy, research design, and target population are the three main areas of focus in this chapter. Additionally, the chapter comprises processes and techniques for testing the hypotheses, tests of the validity and reliability of the research instruments, operationalization of the research variables, and methods and tools for data collection and analysis.

3.2 Research Philosophy

Research philosophy describes the orientation of the researcher in making assumptions and a phenomenon. Research orientation can be guided by ontological argument on what constitutes reality or epistemology argument on how knowledge is obtained about the reality (Saunders, Lewis, & Thornhill, 2007). Social science research usually applies positivism and phenomenological research paradigms. Positivism is an epistemological view built on the premise of independence of the researcher from what is being observed. The preference of the positivists are quantitative research designs that permit use of deductive reasoning. Positivists also use scientific approaches which examine theories, formulate research hypothesis and finally collect data and analyze to confirm or disconfirm the theories (Creswell, 2014). Positivist view the world as guided by laws which are constant and govern the causal relationships among the variables drawn from the existing theories.

Conversely, phenomenology is concerned with theory development. The major focus is on the researcher's immediate experience (Zikmund, 2003). It is based on the premise that conducting research entails gathering a substantial amount of data through in-depth interviews to support

uncovering of meaning and gain deeper understanding of the phenomenon the issues under study (Cavaye, 1996). Phenomenologists argue that researchers should steer clear of previous premises about theory, hypotheses and quantification of issues in order to be objective.

Failure to observe objectivity may lead to false focus on narrow issues and not the bigger picture. According to phenomenologists reality is subjective and differs from one individual to another. However, the major limitation of this philosophy is that it generates ambiguous and distorted results. This study adopted the positivist philosophical view as it is based on theory and quantitative evidence. It was anchored on theories and tested research hypotheses and linkages among study variables using empirical data. The researcher reviewed literature from related past studies on the basis of which the development of a conceptual model and the formulation of hypotheses that were tested using statistical methods were based.

3.3 Research Design

A descriptive cross-sectional survey research design was used in the study. The choice of the design was informed by the desire to quantitatively test objectives by use of hypotheses and collection of primary data through questionnaires to establish the relationship among the variables of study. The design entailed an examination of phenomena of interest across different banks once in a time. A descriptive research design allows the collection of data for measuring several variables of the study at the same time. The choice was consistent with Mugenda and Mugenda's (2003) argument that descriptive research is robust in relationship studies and the comparative analysis implied by various research objectives. Further, the design offered opportunity for capturing population attributes as well as examining hypotheses.

Furthermore, it provides the researcher with room for analyzing, interpreting and reporting research findings as they occurred without manipulation. It also facilitated the results to the target population. The design is most appropriate to test the relationship among the study variables which are: - authentic leadership, social learning, organizational identification and ethical behavior of employees in commercial banks in Kenya. This was intended to establish whether remarkable links existed among the variables (Cooper & Schindler, 2006). The approach has been employed in related studies before for testing linear relationships with promising results (Wanjiru, 2018; Machuki, 2011).

3.4 Population of the Study

This study's population consisted of all the employees in the commercial banks in Kenya. At the time of this study, the commercial banking industry in Kenya was made up of forty-five (45) commercial banks as per appendix I. These banks also have branches in most of the major towns across Kenya. The CBK supervision report (2018) indicates that there were 10,499 managers, 6785 supervisors, 12,431 clerical and secretarial staff and 2,174 support staff in the commercial banks industry in Kenya. The individual employee of the commercial bank served as the unit of analysis for this study. The population was picked from the branches since it was identified that banking activities are mostly carried out at the branch level.

3.5 Sampling Procedure

The study's sample size was derived using the formula outlined by Kothari, Cooper, and Schindler (2006) as well as Zikmund, Babin, Carr, and Griffin (2010) for population larger than 10,000 in the following manner:

$$n = \frac{Z^2 pq}{e^2}$$

$$d^2$$

Where

n = desired sample size

z = degree of confidence set at 95% confidence level

p = represents the percentage of the population (50 percent or $p = 0.5$) that possesses the feature to be measured for maximizing the variance expected and ensuring that the sample size is sufficient)

q = $(1 - p)$ the target population's expected percentage of those without the qualities being measured, which is $(1-0.5) = 0.5$.

pq = sample dispersion measurement

d = the proportion's standard error (set at 5 percent)

$$\text{Therefore: } n = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2} = 384$$

Based on the sample size of 384, The study applied stratified random sampling and Purposive sampling techniques to distribute the sample size across the 45 commercial banks in Kenya using the CBK's supervision report (2020) which categorized commercial banks in three major categories as Large Peer group, Medium Peer group and small peer group. Stratified random sampling is a type of probability sampling technique which stratify or classify respondents into groups following specific characteristics known as stratum. Stratified random samples are generally more accurate in representing the population. Purposive sampling technique is a non-probability sampling method where the researcher uses his or her own discretion to select variables for the sample population depending on the judgement of the researcher and knowledge of the context. A random sample was selected from each stratum based upon the percentage that each category represents in the population. The

researcher then purposively distributed the questionnaires equally to banks as shown in table 3.1 and appendix 3

Table 3.1: Respondents Distribution

Peer group	Number of banks	Number of employees	Selected sample
Large peer group	10	12,955	156
Medium peer group	8	5,480	66
Small peer group	27	13,453	162
Total	45	31,889	384

Table 3.1 shows the number of respondents selected from each category of commercial as stratum based upon the percentage of employees that each category of the banks represents in the population. The large peer group had a population of employees of 12,995 representing 40.625%, medium peer group had 5,480 representing 17.184% and the small peer group had 13,453 representing 42.187%. the percentages represented by the population was used to distribute the respondents in the commercial banks. Large peer group was allocated 156 slots, medium peer group 66 and small peer group 162. These numbers were purposively distributed based on the researcher appreciation to each individual bank in their respective categories as indicated in appendix xiv.

3.6 Data Collection

Data was collected by use of structured questionnaires from the chosen respondents. The study gathered primary data by administering structured questionnaires directly to the respondents using a drop and pick method. The questionnaires (appendix II) were administered in three batches in five-day period to capture the unique working arrangements occasioned by covid-19 pandemic to access adequate number of respondents. The choice of researcher administered questionnaire is

guided by Cooper and Schindler (2006) argument that response rate can be enhanced by personally administering questionnaires. The questionnaire was divided into five parts along the variables and objectives of the study. Part A captured the background information of the participants, Part B captured authentic leadership, part C social learning, part D organizational identification and part E ethical behavior of employees. The operational indicators of the variables found in the literature were used to develop the questionnaire. A five-point Likert-scale ranging from one to five (1-5) was applied to gather information from the respondent.

The respondents were composed of the employees of commercial banks performing banking activities. Those performing support activities were outsourced and therefore were not eligible to participate in the study. The respondents were made aware of the intention of the study by expounding its intention and requesting their cooperation and assuring them of anonymity and confidentiality. To raise the response level and acceptance by the respective authorities, a letter of introduction from the University of Nairobi and authorization by National Commission for Science, Technology and Innovation (NACOSTI) research license (appendix III) were attached to the questionnaires. The respondents were guaranteed anonymity and privacy. The research aid team followed up via text messages, phone calls, and personal visits. After four reminders, surveys that had not yet been returned were deemed unanswered.

3.7 Operationalization of Study Variables

As presented in the conceptual model, operationalization of the research variables focusing on the operational indicators are made to enable collection and analysis of quantitative data. Authentic leadership (independent variable) was operationalized using the dimensions from Walumbwa et al. (2010). These included internalized moral perspective, relational transparency, self-awareness, and balanced processing. Self-awareness is concerned with a leader's appreciation of his/her

weaknesses and strengths. Relational transparency is concerned with genuineness of the leader and followers' relationship, where sharing of information is open and straight forward. Balanced processing of information is concerned with a leader's consideration of all views available from the concerned stakeholders before coming up with a decision. The Internalized moral perspective is concerned with the leader's internal values and consistency of his/her actions and sticking to his/her moral standard by avoiding both internal and external pressures. The measurements were done using authentic leadership scales which were adapted from Walumbwa et al (2008) and adjusted to match the context of the study.

The moderating variable, social learning, was measured using observation, imitation and reinforcement. Observation of a behavior has positive impact on the observer through role modelling (Bai, Han, & Harms, 2016). Employees can learn from their leader's actions, for instance, if they deem him or her credible and appealing. It is interesting to note that while a person studies the target, this learning process gradually takes place in their minds. The employee determines whether to imitate the initiative to act pro-actively by how they see the leader behave. Imitation refers to how much attention is paid to both the role model's actions and to the role model itself (Wood & Bandura, 1989). When the behavior of the role model is ethical, it becomes especially significant (Brown et al., 2005). In reinforcement, retention is concerned with the individual's memory about the role model being observed. One's behavior cannot be influenced much if he/she has cannot remember what he/she observed. For the leader to be perceived as a guide (Bandura, 1986).

The mediating variable (organizational identification) was operationalized and measured as belongingness with the organization and its members, shared values and loyalty behaviors

(Ashforth, Harrison, and Corley (2008). Belongingness is concerned with members association with the organization while shared values relate to the need for similarity of values in the membership of a given group. Loyalty is concerned with the members’ feelings of being supportive towards the achievement of their organizational goals and obeying the policies of the organization. The measurement scale for organizational identification was adapted from Ashforth, Rogers, and Corley (2011) and improved to match the context of the study. Ethical behavior of employees (dependent variable) was measured using the Shea (2016) ethical behavior scale. The scale consisted of integrity, fairness and legitimacy. It was modified to fit in the context of the study. Table 3.2 provides an overview of the operationalization of the study variables.

Table 3.2: Operationalization of Study Variables

Variable	Role of the Variable	Operational Indicator (s)	Explanation Indicators	Measurement Scale	Questionnaire Items
Authentic Leadership	Independent Variable	Self-awareness	- Self-concept -Thoughts -Feelings	5-Point Likert scale	PART B
		Relational transparency	-Openness -Trust	5-Point Likert scale	PART B
		Balanced Processing	-Emotions -Distortion levels -Ignoring level -Exaggeration levels		
		Internalized moral perspective	-Consistency -Justice -Objective judgement	5-Point Likert scale	PART B
		Observation	-Attention -Retention	5-Point Likert-type scale	PART C

Social Learning	Moderating Variable		- Reproduction		
		Imitation	-Actions -Interactive levels -Cloning behavior	5-Point Likert-type scale	PART C
		Reinforcement	-obeying policies - rewarding behaviors - value function	5-Point Likert-type scale	PART D
Organizational Identification	Mediating Variable	Belongingness	-friendship -Intimacy -acceptance	5-Point Likert-type scale	PART D
		Shared Values	-credibility - differentiation -emotional levels	5-Point Likert-type scale	PART D
		Loyalty	-Affinity -attachment -trust	5-Point Likert-type scale	PART D
Ethical Behavior of Employees	Dependent Variable	Integrity	-sincerity -compliance - responsibility	5-Point Likert-type scale	PART E
		Fairness	-equity -respect -stewardship	5-Point Likert-type scale	PART E
		Legitimacy	-conformity -beliefs -consent	5-Point Likert-type scale	PART E

Source: Researcher (2023)

3.8 Reliability Tests

A measurement is deemed reliable if consistently measures what is expected to measure. (Cooper & Schindler, 2006). Because a Likert scale was used to collect the data, Reliability was measured by computing Cronbach's Alpha (α) coefficient which is in the range of 0 to 1. Whitley (2002) observed Cronbach's Alpha (α) is the more popular applicable measure of reliability when Likert scale type questions are used. Nunnally (1978) suggested that constructs with alpha value above 0.70 should be considered for further analysis. Although there is no fixed rule for internal consistencies, most scholars concur on a minimum internal consistency coefficient of 0.70. For this study, a scale was considered reliable if Cronbach alpha coefficient was 0.6 or above.

3.8.1 Test of Validity

Validity is the level at which the results achieved by analyzing the data collected is a true representative of the phenomenon being studied (Zickmund, 2010). It is concerned with whether research instruments measure the intended phenomenon with accuracy (Cooper & Schindler, 2014). Measures such as criterion, content, discriminant, and construct validity are used to evaluate the validity of measurements. Discriminant validity examines the degree to which constructs are well defined and are separate from one other. Content validity is concerned with the adequacy and representativeness of the set of questions that measures the concepts. The term "criterion validity" describes the capacity to forecast outcomes or make estimates of the state of the situation.

Construct validity confirms the results produced from applying the measure which fits the theories around the intended study (Zhao, Li, Lee & Chen, 2011). The present study was primarily concerned with content and construct validity which was ensured through the application of survey

items generated from the previous theory-oriented research. Determination of content validity was done by a pilot study from selected employees of commercial banks.

Since the study employed data collection instruments used in earlier studies, confirmatory factor analysis was used to determine the validity of the study instruments for this study. Factor analysis was used to identify the underlying factors or variable (Williams, Brown & Osman, 2012). Principal component analysis (PCA) was applied to extract the factors. The questionnaires were adapted from the Walumbwa (2008) authentic leadership questionnaire (ALQ) and improved where appropriate to increase levels of clarity from the information produced by the pilot research. Social learning questionnaire was adapted from Bandura (1977) questionnaire and adapted to match the context of the investigation. Organizational identification questionnaire was taken from Umpruss et al (2010) and adapted to the circumstances of the research and final ethical behavior of employees' questionnaire was adapted from Shea (2016) questionnaire and modified to meet the study context.

3.9 Diagnostic Tests

The confirmation that the data meets the requirements of regression analysis was conducted. This included testing for linearity, normality as well as multicollinearity of data. The relationship between the dependent and independent variables is significantly influenced by linearity. How the dependent and independent variables are related is significantly influenced by linearity. If the link is linear in character, multiple linear regression is a useful tool for predicting the relationship between dependent and independent variables (Osborne & Waters, 2002).

According to Patton (2002), social sciences frequently encounter nonlinear interactions; for this reason, a linearity test is required. Data were gathered from a population that exhibits a linear

relationship between the independent and dependent variables. By analyzing the normal probability plot, linearity was evaluated (Q-Q plot). The observed value for each score in this plot is compared to the value predicted by the normal distribution. A normal distribution is suggested by a substantially straight line. The Shapiro-Wilk test was used to check for normality, and Kolmogorov-Smirnov and Q-Q plots were used to validate it. The outcome of the Shapiro-Wilk test must be statistically insignificant for the data to be regarded as normal (sig. value of more than 0.05). The observed value for each score was compared to the expected value predicted by the normal distribution in the Q-Q plot. A normal distribution is suggested by a substantially straight line.

To make sure that the analysis stage does not violate the normality assumptions, a normality test was carried out. Both graphical and numerical techniques were used to establish the normality of the data. According to Atman and Bland (1996), neither the numerical data nor the visual representations alone offer convincing proof of normalcy. As a result, the study established the normality of data for each variable both numerically and graphically. Means, standard deviations, and coefficients of variation were used as descriptive statistics to describe the normalcy of the data. A properly distributed set of data should have skewness and kurtosis close to zero and a mean that is closer to the median

When there is a high correlation between two or more predictor variables, multicollinearity is said to have occurred, and it makes it difficult to determine how much each predictor variable contributed to the model's success (Hair, Anderson, Tatham, & Black, 1998). To interpret for multicollinearity, the variance inflation factor (VIF) and tolerance values were utilized. As a general rule, a VIF score more than 5 is seen as a sign of multicollinearity issues. If the problem

is noted the data will be standardized before fitting the model. Regression analysis assumes that data is drawn from a population whose residual value is constant (O'Brien, 2007). Homoscedasticity represents a state in which, for all values of the independent variable, the error term has the same value.

Homoscedasticity is the expectation that the dependent variable demonstrates a comparable amounts of variance across the latitude of values for an independent variable. When variability among independent variables is not constant as it may be larger for some values of independent variables, it may result in the error variance lacking consistency and a state of heteroscedasticity is achieved which may affect the regression analysis coefficients by making them less precise.

To assess for homoscedasticity, the regression standard residuals were shown against the dependent variable using a scatter plot, and the independent variables (authentic leadership, social learning, and organizational identification) were utilized as the independent variables (ethical behavior of employees). Factor analysis was also conducted to condense statements that are related.

3.10 Data Analysis

To prepare data for analysis, composite scores were computed for the predictor and criterion variables by combining the domains to create a single score for the variable. Descriptive and inferential statistics were used to analyze the data. In order to comprehend the demographics of the respondents, frequency distribution and central tendency measurements were used. Inferential statistics was used to determine the kind and extent of correlations between the variables (Cooper & Schindler, 2014).

The influence of the independent variable on the dependent variable was assessed using linear regression analysis (H0₁); organizational identification served as a mediator in the relationship between authentic leadership and employee ethical behavior and was assessed using hierarchical regression analysis(H0₂); and social learning which served as a moderator in the relationship between authentic leadership and employee ethical behavior (H0₃), was assessed using stepwise regression analysis based on the Baron and Kenny's (1986) recommendation.

Lastly, multiple regression analysis was used to determine the joint effect of authentic leadership, organization identity and social learning on the employees' ethical behavior (H0₄). The overall significance and robustness of the regression models was determined by use of F-test, obtained from Analysis of Variance (ANOVA) while significance of beta values was determined through parametric t-test statistic at 95% significance level. Table 3.4 provides a summary of the statistical tests that were conducted on the hypotheses.

Table 3.3: Summary of Research Objectives, Hypotheses and Analytical Models

OBJECTIVE	HYPOTHESES	ANALYTICAL MODELS	INTERPRETATION
To establish the influence of authentic leadership on employee ethical behavior in the commercial banks in Kenya	H0₁: Authentic leadership does not influence employee ethical behavior.	Simple linear regression analysis Employees ethical behavior = f (Authentic leadership) $Z = \alpha + \beta_1 AL + \varepsilon$ Where: Z = Employee ethical behavior α = regression constant β_1 = regression coefficient AL = Composite Index of Authentic leadership ε = error term.	R^2 show explanatory power of independent variables F-test show goodness of fit of the model Beta coefficient show unit change in predictor variable t – test determined whether to accept or reject the hypothesis P-Value confirms or otherwise the significance of the statistical test level. (P=value <0.05)
To determine the mediating role of organizational identification in the relationship between authentic leadership and employee ethical behavior in the commercial banks in Kenya	H0₂: Organizational identification does not mediate the relationship between authentic leadership and employee ethical behavior.	Hierarchical regression analysis Employees ethical behavior = f (Authentic leadership + organizational identification) Four steps procedure: Step 1: $Z = \alpha + \beta_1 AL + \varepsilon$ Step 2: $OI = \alpha + \beta_1 AL + \varepsilon$ Step 3: $Z = \alpha + \beta_2 OI + \varepsilon$ Step 4: $Z = \alpha + \beta_1 ALOI + \varepsilon$ Where: Z = employee ethical behavior, α = regression constant AL = Composite Index of Authentic Leadership	R^2 show explanatory power of independent variables F-test show goodness of fit of the model Beta coefficient show unit change in predictor variable t – test determined whether to accept or reject the hypothesis P-Value confirms or otherwise the significance of the statistical test level. (P=value <0.05)

<p>To examine the moderation influence of social learning in the relationship between authentic leadership and employee ethical behavior in the commercial banks in Kenya</p>	<p>H0₃: Social learning dose not moderate the relationship between authentic leadership and employee ethical behavior.</p>	<p>OI= Composite Index of organizational identification β_1, β_2 and β_3 = regression coefficients of AL and OI respectively.</p> <p>Three steps procedure: Step 1: $Z = \alpha + \beta_1 AL + \varepsilon$ Step 2: $Z = \alpha + \beta_1 AL + \beta_2 SL + \varepsilon$ Step 3: $Z = \alpha + \beta_1 AL + \beta_2 SL + \beta_3 AL * SL + \varepsilon$</p> <p>Where: Z = Employee ethical behavior α = Regression constant AL = Composite Index of Authentic leadership SL= Composite Index of organizational identification β_1, β_2 and β_3= regression coefficients of AL, SL and AL*SL respectively.</p>	<p>R^2 show explanatory power of independent variables</p> <p>F-test show goodness of fit of the model Beta coefficient show unit change in predictor variable</p> <p>t – test determined whether to accept or reject the hypothesis</p> <p>P-Value confirms or otherwise the significance of the statistical test level. (P=value <0.05)</p>
<p>To establish if the joint effect of authentic leadership, social learning and organizational identification on ethical behavior of employees is significant in the commercial banks in Kenya.</p>	<p>H0₄: The joint effect of authentic leadership, organizational identification and social learning on employee ethical behavior is not significant.</p>	<p>Multiple regression analysis $Z = \alpha + \beta_1 AL + \beta_2 OI + \beta_4 SL + \varepsilon$</p> <p>Where: Z = Employee ethical behavior α = regression constant AL = Composite Index of Authentic leadership OI = Composite Index of Organization identity SL = Composite Index of Social learning β_1, β_2, & β_3 regression coefficients for AL, OI and SL, respectively ε = the error term.</p>	<p>R^2 show explanatory power of independent variables</p> <p>F-test show goodness of fit of the model Beta coefficient show unit change in predictor variable</p> <p>P-Value confirms or otherwise the significance of the statistical test level. (P=value <0.05)</p>

Source: Researcher (2023)

3.10 Chapter Summary

In chapter three, a research methodology adopted for the current study was presented. Under the chapter, a description of the study's guiding research philosophy, the design of the study, population of the study, the method used to collect data from the respondents, the reliability as well as validity of the study instruments were also discussed. The research variables were also operationalized together with a brief discussion of techniques used to analyze the data were also presented under the chapter. Further, a presentation of the analytical techniques was also presented under this chapter.

CHAPTER FOUR

DESCRIPTIVE STATISTICS

4.1 Introduction

The study was carried out in CBs in Kenya. The findings of the study were based on the study objectives. The descriptive results are presented in this chapter. The chapter presented the demographics of the respondents, outlined in frequency distributions, means, standard deviations and coefficient of variation. The chapter also presents the score for test o reliability, test for validity, factor analysis and results from projected diagnostic tests.

Descriptive analysis was based on the response behavior, age distribution, gender parity, levels of education and different attributes in relations to the variables used in the study namely; authentic leadership. Organizational identification, social learning and ethical behavior of employees. These described how employees in the commercial banks in Kenya vary in behavior from the expectations (mean). The individual employees of the commercial banks were the unit of analysis. Descriptive statistics were used to determine the behavioral characteristics of the employee in the commercial banks in Kenya. The descriptive findings are shown as follows;

4.2 Response Rate

The target population for this study was all the employees of CBs in Kenya. The number of questionnaires distributed to employees of CBs in Kenya were 384 in total. Out of the 384 questionnaires administered, 253 were filled and returned. Out of the 253 returned questionnaires, five were not fully filled and therefore were not used in the analysis. This left an effective sample of 248 for analysis representing 64.5 percent.

The response rate was deemed representative in comparison to other studies and the opinions of experts like Mugenda and Mugenda (2003). Despite the lack of scholarly agreement on what constitutes a response rate that is statistically significant, Saunders, Lewis, and Thornbill (2007) contend based on the features of the chosen questionnaire, response rates may vary.

A response rate of between 30% and 50% has been recognized by academics as reasonable and relatively high, hence suitable for use with distributed and collected questionnaires, as in the case of this study. In comparison to earlier studies, the response rate for this study is relatively high. Kuo (2011) recorded a response rate of 37.2% while Khadra and Rawabdeh (2006) recorded a response rate of 54.7%. Murgor (2014) had 58.7 percent, Kidombo (2007) obtained 64 percent, Ambula (2014) obtained 66.7 percent.

4.3 Reliability and Validity Tests

A measurement is deemed reliable if consistently measures what is expected to measure. (Cooper & Schindler, 2006). Because a Likert scale was used to collect the data, Reliability was measured by computing Cronbach's Alpha (α) coefficient which is in the range of 0 to 1. Whitley (2002) observed Cronbach's Alpha (α) is the more popular applicable measure of reliability when Likert scale type questions are used. To determine the construct validity of the variables, exploratory factor analysis was utilized. Social learning questionnaire was adapted from Bandura (1977) questionnaire and adapted to match the context of the investigation. Organizational identification questionnaire was taken from Umpruss et al (2010) and adapted to the circumstances of the research and final ethical behavior of employees' questionnaire was adapted from Shea (2016) questionnaire and modified to meet the study context. Tests of reliability and validity were presented in Table 4.1 and Table 4.2 under test of reliability and test of validity respectively.

4.3.1 Test of Reliability

Nunnally (1978) suggested that constructs with alpha value above 0.70 should be considered for further analysis. For this study, a scale was considered reliable if Cronbach alpha coefficient was 0.6 or above. It is proposed that reliability should be equivalent to or exceed 0.60. Table 4.1 presents the findings.

Table 4.1: Test of Reliability

Section	Predictors	No of items	Cronbach's Alpha values	Comment
Part B	Authentic leadership	13	0.868	Reliable
Part C	Social learning	10	0.736	Reliable
Part D	Organizational identification	10	0.808	Reliable
Part E	Ethical Behavior of Employees	15	0.766	Reliable

Dependent Variable: Ethical Behavior

Source: Field Data (2023)

The findings in Table 4.1 demonstrate that the Cronbach's Alpha coefficient for each variable is more than 0.70 indicative of a high level of internal consistency of this scale. Authentic leadership had 12 items with a Cronbach's Alpha 0.868, social learning had 10 item and a Cronbach's Alpha 0.736, and organizational identification had 10 items and a Cronbach's Alpha 0.808. Therefore, the instrument is reliable in its measurements since its Cronbach's alpha is above the recommended value of more than 0.60.

4.3.2 Validity Test

Validity is how accurately an instrument measures a phenomenon or the degree to which a result genuinely represents a phenomenon (Zikmund et al.2010). Types of validity include: - face validity, content validity and construct validity. Since the study employed data collection

instruments used in earlier studies concerning authentic leadership, confirmatory factor analysis was used to determine the validity of the study instruments for this study. Factor analysis was used to identify the underlying factors or variable (Williams, Brown & Osman, 2012). Principal component analysis (PCA) was applied to extract the factors. The extracted factors were then rotated by varimax with Kaiser Normalization method. According to Kaiser (1960), factors with eigenvalues more than one are retained. Factor analysis scores was presented in Table 4.2

Table 4.2: Test of Validity Scores

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.908
Bartlett's Test of Sphericity	Approx. Chi-Square	2239.874
Df		248
Sig.		0.000

Source: data analysis 2023

Table 4.2 show that KMO scores on data collection statements was adequate at 0.908. Overall, the results were significant at p-value less than 0.05, indicating that 90.8 percent of the variability in employee ethical behavior was explained by authentic leadership, organizational identification and social learning. The results implied that the statements used in the study were sufficient for data collection. Results further showed that chi-square was 2239.874 which was high and implied that the variables used in the study were suitable for the study.

The method applied in this study was principal component analysis which helped the researcher in extracting fewer components that provided same information produced by many components. The factor loading >0.5 guided the present study when grouping items or factors under their respective variables. Sample adequacy and reliability were assessed using the Kaiser-Meyer-Olkin (KMO) and Bartlett's tests sphericity where p value of <0.05 indicated

reliability (Kline, 1994). Total variance explained was produced to aid in measuring the extracted factors through the use of Eigenvalues ≥ 1 (Bartholemew, Knott & Moustaki, 2011). The scree plot was used to plot the coefficient of the Eigenvalues. Thereafter, the study developed rotated component matrix. The results are as shown in the following sub headings; authentic leadership, social learning, organizational identification and ethical behavior of employees as appendixes 1a to 1h

Principal Component Analysis (PCA) results obtained showed the communalities extraction scores for each item. The communalities results ranged from 0.512 to 0.853, which were high. Communalities with high values indicate that the factors explained a higher variation. The results were hence significant. Results for communalities were presented in Table 4.3.

Table 4.3: Communalities Scores

Items	Initial	Extraction
I defend my organization no matter the situation	1.000	0.738
I sacrifice my spare time to work for this organization without extra pay	1.000	0.746
Aware of his or her strengths and limitations	1.000	0.808
Knows how he/she is Seen or viewed by others	1.000	0.631
Impacts or influences others	1.000	0.771
Share's information freely with others	1.000	0.744
Reinforces openness with others	1.000	0.621
Demonstrates beliefs that are consistent with actions	1.000	0.669
Makes decisions based on his/her core values	1.000	0.618
Asks you to take positions that support your values	1.000	0.863
Makes difficult decisions based on high standards of ethical conduct	1.000	0.833
Understands how specific actions impact others	1.000	0.703
Analyzes relevant data before coming to a decision	1.000	0.822
Solicits sufficient opinions and viewpoints prior to making important decisions	1.000	0.636
My leader influenced me to Say exactly what I mean	1.000	0.840

Items	Initial	Extraction
My leader influenced me to be open and transparent with my organization's work	1.000	0.891
My leader Encourage everyone to speak their mind	1.000	0.762
That employees' behavior such as reporting to work late or leaving work early is influenced by, he or she	1.000	0.823
That wastage of Bank's resources is influenced by examples set by some bank leaders.	1.000	0.898
That use of official bank resources for personal gains by employees is influenced by examples set by some Bank leaders.	1.000	0.904
Employees tend to emulate the leader's behavior	1.000	0.593
Employees admire the leaders	1.000	0.669
Employees observe closely the actions of the leaders	1.000	0.549
Employees identify with the leader's actions	1.000	0.774
My leader influenced me to Say exactly what I men	1.000	0.853
My leader influenced me to be open and transparent with my organization's work	1.000	0.578
My leader Encourage everyone to speak their mind	1.000	0.784
That employees' behavior such as reporting to work late or leaving work early is influenced by, he or she	1.000	0.594
That wastage of Bank's resources is influenced by examples set by some bank leaders.	1.000	0.761
That use of official bank resources for personal gains by employees is influenced by examples set by some Bank leaders.	1.000	0.768
I always get a sense of satisfaction with the bank	1.000	0.716
When positive things are said about this bank, I feel good	1.000	0.739
I am very interested in what people say about the bank	1.000	0.563
Success of this bank is like my success	1.000	0.711
Failure of the bank is like my personal failure	1.000	0.680
Employees feel a strong sense of "belonging" to the Bank	1.000	0.558
When I talk about the bank, I usually say 'we' rather than 'they'	1.000	0.813
Negative Media reports on this bank always embarrasses me	1.000	0.586
Any critic of the bank is like a personal insult on me	1.000	0.729

Items	Initial	Extraction
I always identify with and get involved in the activities of the bank	1.000	0.672
I always get a sense of satisfaction with the bank	1.000	0.614
When positive things are said about this bank, I feel good	1.000	0.861
I am very interested in what people say about the bank	1.000	0.683
Honesty	1.000	0.792
Bribery, gifts, and entertainment	1.000	0.823
Conflict of interest	1.000	0.898
Confidentiality	1.000	0.828
Insider trading	1.000	0.729
Fair bank charges	1.000	0.799
Legal activities	1.000	0.823
Use of banking system	1.000	0.828
Disclosure of information	1.000	0.683
If it would help my organization, I would misrepresent the truth to make my Bank look good	1.000	0.799
If needed, I would hide information from the public that could be damaging to my Bank	1.000	0.760
I would do whatever it takes to help my Bank	1.000	0.657
If needed, I would conceal information from the public that could be damaging to my Bank	1.000	0.729
If it would benefit my organization, I would withhold negative information about my Bank	1.000	0.646

Extraction Method: Principal Component Analysis.
Source: Field Data (2023)

Factor extraction method was important to weed out statements that were less effective in the study. The extraction criterion rule was that only factors that scored above 0.50 as the baseline retention criteria were to be retained. Table 4.3 show that communalities extraction values were all above 0.5. The factors ranged from 0.549 to 0.904, suggesting that the statements were suitable to measure the relationship between authentic leadership and employee ethical

behavior with the intervention of organizational identification and the moderation of social learning. All the statements met the set criterion and were used to collect data.

4.4 Diagnostic Tests

For statistical tests to be depended upon, some expectations about variables used in analysis must be met. Osborne and Waters (2002) assert that if these assumptions are not fulfilled, the results may not be accurate, resulting in type I or type II error or an overestimation or underestimating of statistical significance, respectively. It is crucial to test for these postulations since doing so helps to prevent type I or type II mistakes and guarantees that the analysis adheres to the related assumptions. We tested normality, linearity, multicollinearity, and homoscedasticity as postulates for linear regression.

4.4.1 Test of Normality

Normal distribution of data is a condition that many statistical operations require to be met before the data proceeds for further analysis. According to Osborne and Waters (2002) regression analysis focuses a lot of attention on the assumption of normality of data distribution. When data is not normally distributed, there could exist a great chance of distortion in the relationships and the significance of the tests which may have adverse effect on the statistical inference. However, with large enough sample sizes of more than 30, a waiver of normality violation can be allowed with no serious concern and parametric procedures can still be conducted (Pallant, 2007; Elliott & Woodward, 2007). The current study has a large enough observation that can warrant the waiver since the observations are more than 30.

The data was tested for normality by utilizing the Shapiro-Wilk test and verified by the Q-Q plots. Tabachnik and Fidell (2007) suggest that significance value more than 0.05 indicates that

the data is normally distributed for Shapiro-Wilk test. A significance value below 0.05, however, indicates that the assumption of normality has not been met for Shapiro-Wilk test. Table 4.4 displays the results.

Table 4.4: Results for tests of Normality

	Shapiro-Wilk		
	Statistic	Df	Sig.
Ethical Behavior	0.915	248	0.280
Authentic Leadership	0.964	248	0.815
Social Learning	0.858	248	0.056
Organizational Identification	0.980	248	0.965

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Source: Field Data (2023)

The findings in Table 4.4 demonstrate that each variable's significant value is more than 0.05. Ethical behavior 0.915, p- value = 0.280 >0.05; authentic leadership 0.964, p- value= 0.815>0.05; social learning 0.858, p-value= 0.056 >0.05; organizational identification 0.980, P-value= 0.965>0.05. This shows that the data used for the study were normally distributed around the mean. The observations of this study were 248 which is also large enough to warrant the application of the central limit theorem and justify further processing of the data. It was, therefore, concluded that the variables under study followed a normal distribution such that since the p-values were more than 0.05, the study made a conclusion that the samples were taken from a normal population.

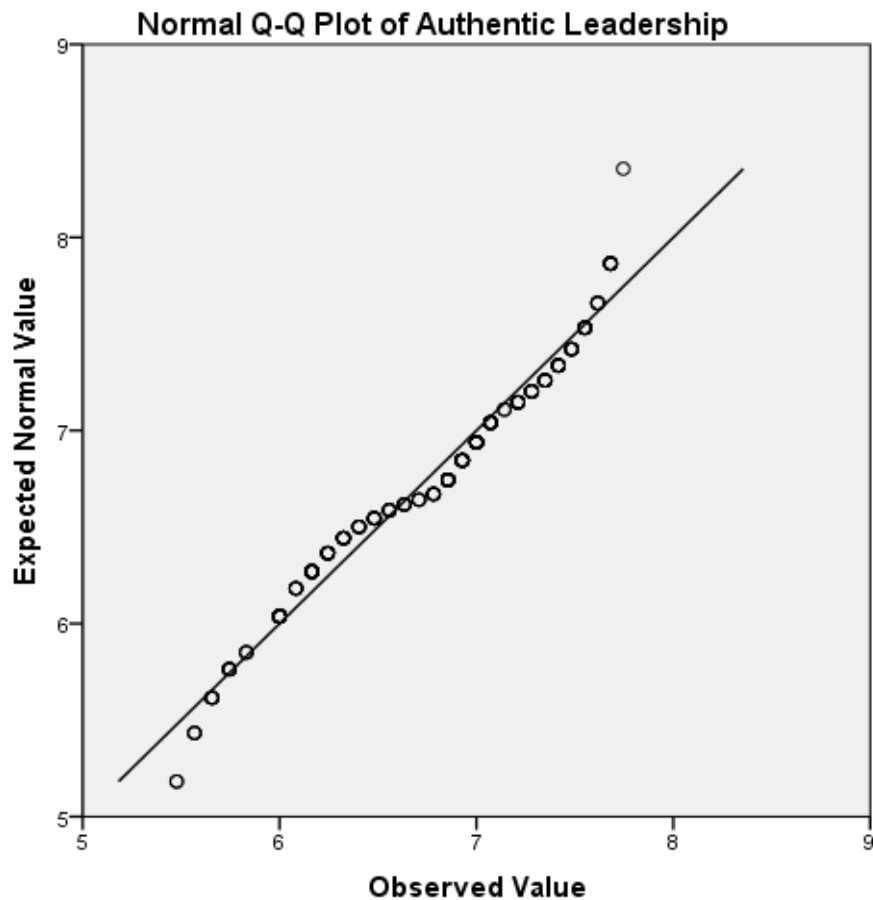
4.4.2 Test of Linearity

Linearity of data refers to values of the outcome variable for a single increase in value of a predictor variable which lie along a straight line (Osborne & Waters, 2002). In the relationships between the dependent and the independent variable, linearity is of great importance since an accurate estimation of the existing relationships between the dependent and the independent variable can only be made by multiple linear regression if the relationship is linear in nature. Non-existence of linear relations between the independent variables and the dependent variables produces parameter estimated values that underestimate the exact true relationship.

To test for the assumption of linearity, the normal probability plot (Q-Q plot) was used to measure linearity. The observed value for each score in this plot is plotted against the value predicted by the normal distribution. A normal distribution is suggested by a substantially straight line. Generally, a straight line denotes a linear relationship. The Q-Q plots demonstrate that the results did not depart significantly from the predicted values, as shown in Figures 4, 4.1, 4.2, and 4.3.

The Q-Q plots shown in Figures 4. to 4.3 shows overall linearity with slight deviations from a few cases away based on the line of optimum fit (the regression line). When the data used is in line with the conditions for linearity, the values of the dependent variable form a fairly straight line. Relationship between the dependent and independent variable is usually explained by linearity. The results were plotted graphically as shown in the Q-Q plot. The data sets were subsequently subjected to linearity analysis and results presented in Figure 4. Linearity may be exhibited even if a few cases deviate slightly away from 45-degree line. If data is in conformity to linearity, the predictor variables values will lie along a 45-degree line.

Figure 4. Linearity plot of authentic leadership



The results as shown in Figure 4 shows that the data plots for Authentic Leadership followed a linear path with some few cases slightly deviating away from the line of best fit or the regression line and two outliers were noted. These outliers were considered insignificant and therefore, the study concluded that Authentic Leadership met the condition for linearity. The data conformed to linearity since the values of the predictor variable were along a 45-degree line. Osborne and Waters (2002) proposed that in inability of independent variables and dependent variables to relate linearly the outcomes are likely to under-estimate the true relationship in the results of a linear regression analysis.

Organizational identification test for linearity regression used Q-Q plots as shown in Figure4.5b. The results indicated that the overall linearity exists with slight deviations from a

few cases away from the line of best fit (the regression line). When the data used is in line with the conditions for linearity, the values of the dependent variable form a fairly straight line. Relationship between the dependent and independent variable is usually explained by linearity. Linearity assumption for organizational identification was done using the Q-Q plots as shown in Figures 4.1. The results were plotted graphically as shown in the Q-Q plot. Linearity may be exhibited even if a few cases deviate slightly away from 45-degree line. If data is in conformity to linearity, the predictor variables values lie along a 45-degree line.

Figure 4.1: Linearity plot for organizational identification

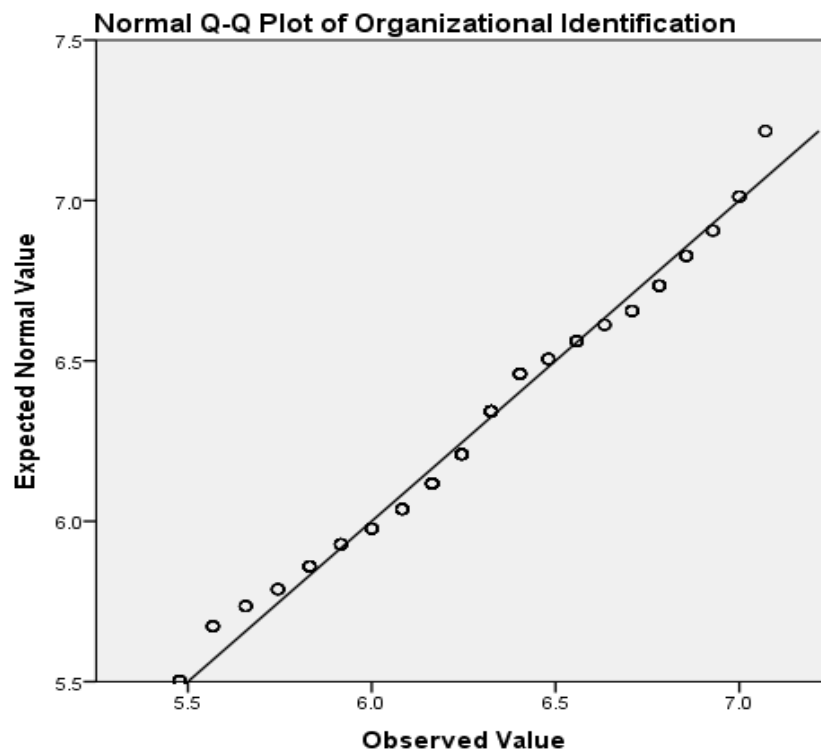


Figure 4.1 shows that data plots for organizational identification followed a linear path although there existed slight deviations from the 45-degree line and one outlier which was treated as insignificant was noted. Since one outlier is insignificant organizational identification results met the linearity condition. Therefore, data conformed to linearity since the values of the predictor variable lie along a 45-degree line. According to Osborne and Waters

(2002), in the absence of a linear relationship between the independent and dependent variables, an under-estimation of the true relationship in the results of a linear regression analysis.

For social learning, the study tested linearity regression using of Q-Q plots as shown in Figure 4.2. When data conforms to linearity, it shows that the values of the criterion variable for the predictor variable lie along a straight line. Linearity describes the relationship between the dependent and independent variable. The Q-Q plot shows the results the graphical plotted plot social learning. Linearity may be exhibited with a few cases slightly away from 45-degree line. If data conforms to linearity, the values of the predictor variables lie along a 45-degree line.

Figure 4.2: Linearity plot for Social Learning

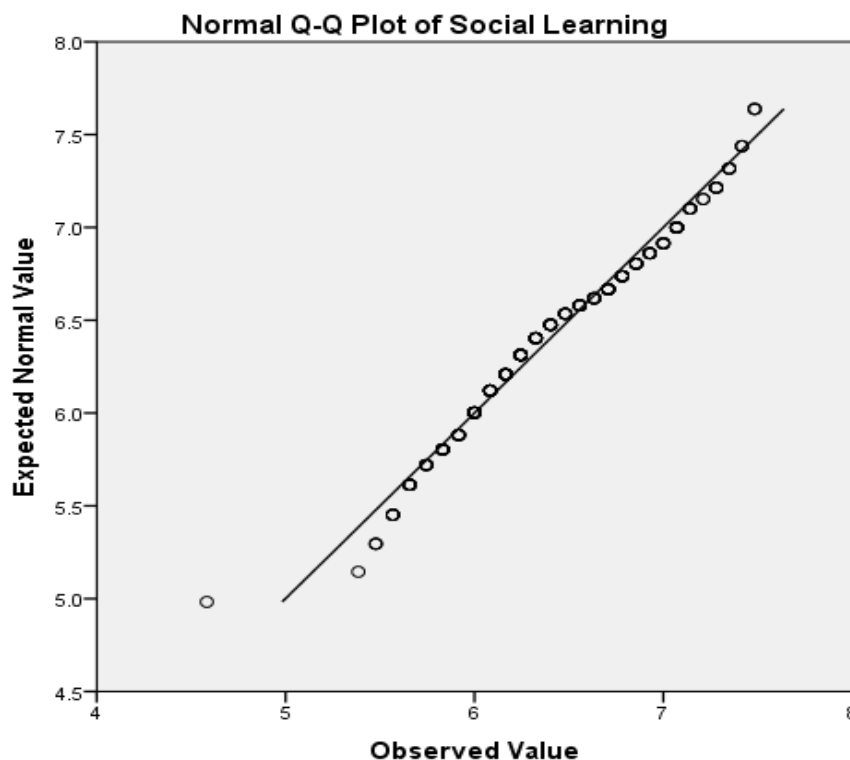


Figure 4.2 shows that data plots for social learning followed a linear path although there was slight departure from the 45-degree line and three outliers were noted. These outliers were insignificant and therefore social learning met the linearity condition. Consequently, the data

complied with linearity since the values of the predictor variable lie along a 45-degree line. Osborne and Waters (2002) argue that if a linear relationship between independent variables and dependent variable did not exist, an under-estimation of the true relationship in the results of a linear regression analysis might occur.

For ethical behavior of employees, the study's test for linearity regression used Q-Q plots as shown in Figure 4.3 which shows linearity with a few cases moderately departing away from the regression line (line of best fit). When data conforms to linearity, it implies that the values of the outcome variable for the predictor variable lie along a straight line. The results were plotted graphically as shown in the Q-Q plot. The data sets were subjected to linearity tests and results shown in figure 4.3. Linearity may be exhibited with a few cases slightly away from 45-degree line. If data conforms to linearity, the values of the predictor variables lie along a 45-degree line.

Figure 4.3: Linearity Plot for Ethical Behavior of Employees

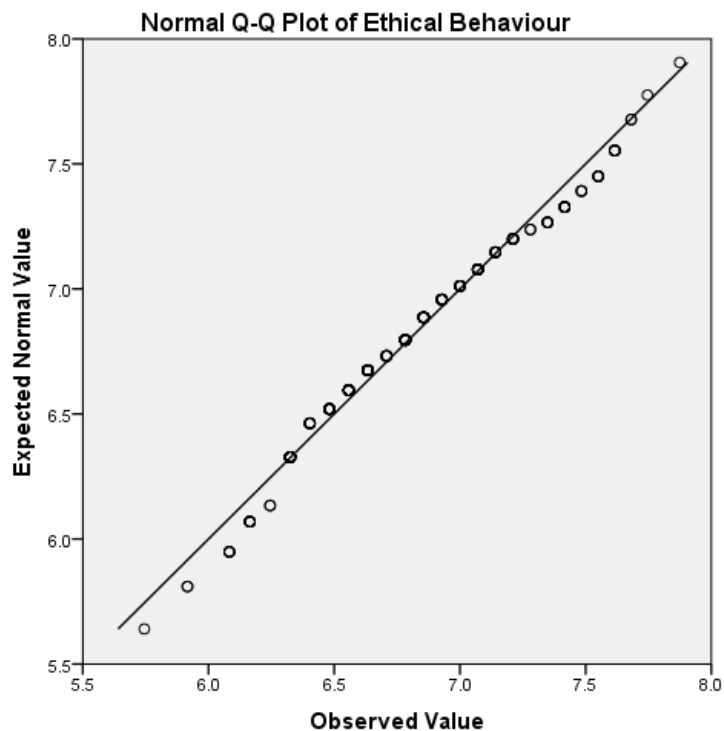


Figure 4.3 shows that data plots for ethical behavior of employees in commercial banks in Kenya followed a linear path although there were moderate deviations from the 45-degree line. The outliers noted were insignificant and therefore ethical behavior of employees met the linearity condition. Consequently, the data conformed to linearity since the values of the predictor variable lie along a 45-degree line. Osborne and Waters (2002) proposed that the lack of a linear link between independent factors and dependent variables leads to an underestimation of the true relationship in the results of a linear regression analysis.

4.4.3 Multicollinearity

When there is a significant level of correlations between independent variables, multicollinearity occurs (Ombaka, 2014). The presence of multicollinearity was investigated in this study using the variance inflation factor (VIF) and tolerance values. The VIF shows whether there is a significant linear relationship between one predictor variable and another. According to Hair, Anderson, Tatham, and Black (1998), a VIF score greater than 5 indicates collinearity and might raise some red flags. While certain variables should otherwise be statistically significant, multicollinearity raises the standard errors of the coefficients and causes some of them to lose their significance. O'Brien (2007) asserts that severe collinearity issues are present when the tolerance value is less than 0.20. The results of multicollinearity tests are presented in table 4.5

Table 4.5: Multicollinearity Test

Model		Collinearity Statistics		
		Sig.	Tolerance	VIF
1	(Constant)	0.000		
	Authentic leadership	0.870	0.547	1.828
	Social learning	0.003	0.491	2.036
	Organizational identification	0.477	0.677	1.477

a. Dependent Variable: Ethical behavior

Source: Field Data (2023)

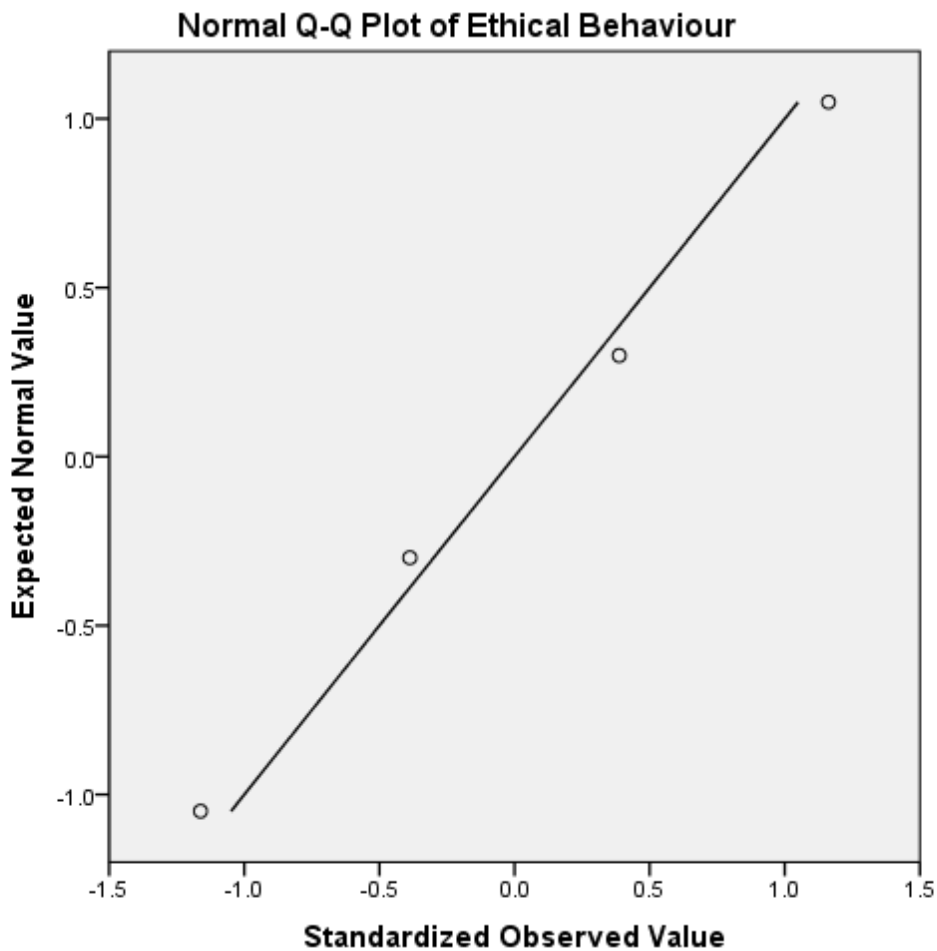
The findings in Table 4.5 show VIF and tolerance values for all the variables under study. As indicated, the VIF for all the variables are below 5 and ranges from 1.477 to 2.036 which indicated that there is no multicollinearity between variables. The results of tolerance also indicated values more than 0.2 demonstrating the absence of multicollinearity and was therefore fit for further analysis.

4.4.4 Homoscedasticity

Homoscedasticity is the presumption that the dependent variable will exhibit a similar degree of variance throughout the range of values for the independent variable. According to Tabachnick and Fidell (2007), homoscedasticity denotes a condition in which the error term is the same for all independent variable values. In this case, homoscedasticity was assessed using

a scatter plot with the regression standard residuals for the independent variables (authentic leadership, social learning, and organizational identification, were plotted against the dependent variable) (ethical behavior of employees). A scatterplot is a visual technique that demonstrates both the form and the direction of a relationship between variables. Scatter plots homoscedasticity test was shown Figures 4.6.

Figure 4.4: Residual scatter plot for Standardized Residual Regression Scores, dependent variable being Ethical behavior



Source: Field Data (2023)

Scatter plot figure 4.4 presents the visual results of homoscedastic test for authentic leadership and ethical behavior of employees in commercial banks in Kenya. According to Tabachnick and Fidell (2007), a scatterplot is a visual representation of a relationship between variables

that shows both the shape and the direction of the association. The variations on either side of the trend line are supposed to be almost equal (homogenous) for the result not to be distorted. It was visually evident from Figure 4.4 that the standardized residuals against regression standardized predicted values cleaved along the straight line, implying that deviations on either side of the trend line are almost equal (homogenous). This implies that the error term is equal across all values of the independent variable (authentic leadership) and therefore does not suffer from heteroscedastic. Further regression analysis requires that the error term exhibits similar variations across all values so that the results are not distorted.

4.5 Demographic Characteristics of Respondents

The demographics of the respondents who took part in the study were able to provide a wider understanding of the scope of the investigation, which was provided by the study. Participants in the survey were individuals who worked for commercial banks in Kenya that offered banking services. It was requested of the respondents that they point out the various demographic aspects that were pertinent to the study. The outcomes of the demographic distributions of the respondents are presented in the subsequent subsections.

4.5.1 Distribution of the Respondents by Gender

The study examined the respondents' gender differences. The reason for this objective was to gather opinions from people on both ends of the gender spectrum. Table 4.6 shows the frequency distribution of respondents by gender.

Table 4.6: Distribution of the Respondents by Gender

Gender	Frequency	Percent
Female	125	50.4
Male	123	49.6
Total	248	100

Source: Field Data (2023)

Table 4.6 reveals that one hundred and twenty-six (126) of the respondents representing 50.6 percent of the respondents were female while one hundred and twenty-three (123) representing 49.4 % were male. This suggests that majority of the employees of CBs in Kenya were female. The gender distribution shows gender parity in commercial banks in Kenya is not an issue and therefore the views of the employees are expected to fairly represent the views of both genders.

This distribution solves the concern of Northouse (2007) who observed that the glass ceiling concept makes women to view leadership positions as a reserve for men. Three things, namely the differences between men and women in terms of human capital, the general disparities between men and women, and prejudice and discrimination against female employees and leaders, account for the majority of the explanations for the glass ceiling idea. Human capital refers to the degree of education, professional experience, and possibilities for personal growth, all of which are likely to differ between men and women.

Further explanation emphasizes how men and women differ in terms of leadership effectiveness and style. Stereotypical assumptions are linked to the "glass ceiling. Men are stereotyped as having traits that are associated with men, such as assurance, assertiveness, independence, reason, and decisiveness. Women are stereotyped as being sensitive, friendly, and helpful (Heilman, 2001). This explains why women and men may view their leaders differently. The results as presented in Table 4.10 indicating that 50.4 percent (125) are female while 49.6 percent (123) are male demonstrate an implication that the information sought by the study is captured adequately across the gender divide.

4.5.2 Distribution of respondents by Level of Education

The study sought to determine the respondent's level of education. The application of key informants' methodology demands that the respondents attain a minimum level of education that can enable them to understand the study items. The level of education is an indication of

the respondent's ability to accurately respond to the study items. To determine the extent of one's education, the study classified levels of education in six categories with the highest being doctorate (Ph.D.) and the lowest being ordinary level. The results are presented in Table 4.7.

Table 4.7: Distribution of the Respondents by highest Level of Education

Education attained	Frequency	Percentage
Ordinary level	0	0
Diploma	25	10.08
Post graduate diploma	0	0
Bachelors	111	44.76
Masters	75	30.24
Doctorate	37	14.92
Total	248	100

Source: Field Data (2023)

Findings presented in Table 4.7, show that vast majority of the respondents attained university level of education with Bachelor's degree level being the largest at 111 (45 %), master's level followed at 75 (30 %), Doctorate 37 making 15 % of the total number of people who are employed in CBs in Kenya and Diploma level of education 25 (10 %). There was no secondary level of education captured during the study. The findings shown in Table 4.19 imply that the respondents had the right knowledge and ability to understand the study questions and respond appropriately.

4.6 Organizational Demographics of Commercial banks in Kenya

The sought both primary and secondary data about the ownership structure of the commercial banks in Kenya. The ownership structure was determined by classifying the banks into two categories such as locally owned and foreign owned. According to the CBK supervision report 2020, commercial banks ownership is categorized in three major categories as local public,

local private and foreign. This study modified the categories to suit the study and classified the commercial banks in two categories as locally owned to include both public and privately owned banks in Kenya and foreign owned where the parent bank originated outside Kenya. The results are presented in Table 4.8.

Table 4.8: Distribution by Ownership of the Banks

Ownership	Frequency	Percentage
Locally owned	13	28.26
Foreign owned	33	71.73
Total	46	100

Source: Field Data (2023)

The findings in Table 4.8 point to the fact that fully locally owned CBs in Kenya are 13 banks (28.26%) and mixed foreign and local ownership makes the bigger chunk of 33 banks (71.73%). There are fully foreign owned CBs operating in Kenya. The ownership structure influences policies and behavioral practices of employees based on organizational culture and practices. According to Kour and Khurana's (2017) comparison of ethical standards in public and private sector banks in India, there are no differences between the two when it comes to the bank code, professional banking, and ethical lending.

However, significant differences were found to exist in the case of moral banking and the moral outlook of managers in both sectors. The difference consisted in adhering to the law, exercising good judgment, and upholding their own precepts. The results imply that the behavioral and organizational culture is aligned to the context of the current study since all the commercial banks ownership blends with the Kenyan culture since their ownership is either fully local or mixed local and foreign.

4.6.1 Distribution of Respondents by Length of Service

The study sought to determine the duration of service of the respondents in their respective commercial banks in Kenya. Respondents' length of service provided a clear view of the respondents' acquaintances with their organizations as well as their fellow employees. Employee's length of service is associated with organizational identification (O'Reilly & Chatman 1986). The respondents were requested to state the period of time they have served their banks. The results are presented in Table 4.9

Table 4.9: Distribution of Respondents by Length of Service

Experience (years)	Frequency	Percent
0-2	2	0.8
3-5	87	35.1
6-8	101	40.7
9-11	42	16.9
12-14	13	5.2
15 and above	3	1.2
	248	100

Source: Field Data (2023)

According to the findings presented in Table 4.9, approximately 40.7% (101) of the total respondents have been working in their current banks for a period of time ranging from six to eight years. A total of 87 (35.1%) of the respondents have been employed at their current banks for a period ranging from three to five years. The results also indicated that about 42 (16.9%) have been with their respective banks for a period of service between nine to eleven years. Approximately 13 (5.2%) of the respondents indicated having stayed in their banks for a period between twelve to fourteen years. The results also showed that three respondents representing

(1.2%) have stayed in their banks for a period of fifteen years and above. Two (2) respondents representing (0.8 %) have stayed in their banks for a period between zero to two years.

In light of these findings, it can be deduced that the vast majority of the respondents have stayed in their banks for a considerable time frame that provided them with adequate knowledge about the banks and can effectively evaluate their leaders and fellow employees. According to Ambula (2015), the period of service in one particular organization for an individual employee is sufficient period of time to suggest that employees like their organization and have accumulated enough information about the leadership and behavior of their leadership and behavior of employees accordingly, the period of time the respondents have been with their respective organizations is considered adequate for the respondents to evaluate the leadership of their various banks as well as their fellow employees.

Additionally, the findings are consistent with earlier research from Kidombo (2007) and Murgor (2014), which found that when 40.3% of employees had been with the company for more than 5 years, they had a good knowledge of its procedures. According to the results, the majority of respondents have worked for their banks for a sizable amount of time, which has given them sufficient knowledge about the banks and enabled them to evaluate their managers and co-workers in an objective manner.

4.7 Descriptive Analysis

The measurement scale consisted of the four dimensions measured on a five-point Likert. The respondents were asked to indicate the degree to which the measuring statements applied to their leaders. The mean score, standard deviation, and coefficient of variation for each of the four variables were analyzed. Likert scale was used to measure the influence of authentic

leadership, organizational identification and social learning on employee ethical behavior. The scale responses were structured as: very strong extent = 5, strong extent = 4, moderate extent = 3, less extent = 2 and very less extent = 1. The interpretations for the descriptive statistics are presented in Table 4.10

Table 4.10: Interpretation for the Descriptive Scores for Authentic Leadership

Standard deviation	Interpretation	Mean	Interpretation	Coefficient of variation	Interpretation
≥ 1	Respondents strongly agree	≤ 1 to 1.5	Very less extent	0 - 10	Behavior is very strong
		≤ 1.5 to 2.5	Less extent	10 - 20	Behavior is strongly demonstrated
≤ 1	Respondent slightly agree	≤ 2.5 to 3.5	Moderate extent	20 - 30	Behavior is moderately demonstrated
< 1	There was disagreement on opinion	≤ 3.5 to 4.5	Large extent	30 and above	Behavior is unlikely demonstrated
		≤ 4.5 to 5.0	Very large extent		

Source: Researcher (2023)

The standard deviation (SD) reveals how far the data values normally deviate from the mean (Coopers & Schindler, 2006). The majority of the sample means are likely to be close to the mean. The study analyzed the respondent's views of each variable of the study.

4.7.1 Authentic Leadership

Using Avolio et al. (2015), the characteristics of authentic leadership were operationalized as self-awareness, relational transparency, balanced information processing, and internalized moral perspective. Descriptive analysis was conducted along the dimensions of authentic leadership to assess their contribution to authentic leadership and eventually how they influence the ethical behavior of employees individually and collectively. Authentic leadership

has been analyzed using the four dimensions which consisted of self-awareness, relational transparency, balanced processing of information and internalized moral perspective. The first dimension of authentic leadership to be measured was self-awareness which is concerned with the interpersonal dimension of authentic leadership which embraces the leaders' self-concept and exhibits real leadership that lead from confidence and genuineness and incorporates the appreciation of one's competencies and experiences (Shamir & Eilam, 2005; George, 2003). The results are presented in Table 4.11.

Table 4.11: Descriptive Statistics for Measures of Authentic Leadership

Statements	N	Mean	Standard Deviation	Coefficient of Variation
Aware of his/her strength	248	3.55	0.975	0.275
Knows how he/she is Seen or viewed by others	248	3.64	0.974	0.268
Impacts or influences others	248	3.78	0.931	0.246
Average means	248	3.66	0.960	0.263
Relational transparency				
Share's information freely with others	248	3.91	0.904	0.231
Reinforces openness with others	248	3.94	0.882	0.224
Demonstrates beliefs that are consistent with actions	248	3.82	0.851	0.223
Average means	248	3.89	0.879	0.226
Balanced Processing				
Understands how specific actions impact others	248	3.87	0.890	0.223
Analyses relevant data before coming to a decision	248	4.13	0.793	0.192
Solicits sufficient opinions and viewpoints prior to making important decisions	248	4.1	0.817	0.199
Average means	248	4.03	0.833	0.204
Internalized moral Perspective				
Makes decisions based on his/her core values	248	3.75	1.002	0.267
Asks you to take positions that support your values	248	3.65	1.028	0.282
Makes difficult decisions based on high standards of ethical conduct	248	3.75	0.905	0.241
Average means	248	3.71	0.978	0.263
Composite	248	3.82	0.913	0.239

Source: Field Data (2023)

The respondents were asked to indicate the extent to which their leader is characterized by the measurement statements. The results in Table 4.11 demonstrates the response from the respondents regarding the items of self-awareness. The respondents were asked to indicate the appropriate statements that resonates with their leaders. The first question was to evaluate the leaders based on how self-aware they were of both their capabilities and their weaknesses. The analysis of the statement showed a score of (Mean = 3.55, SD = 0.075, CV = 0.275), suggesting that the respondents moderately demonstrated the knowledge of their leader's strengths and weaknesses. In addition, the respondents were asked to rank their leader based on how others see him or her. According to the findings, the scores were (mean = 3.64, SD = 0.974 and CV= 0.268).

From the analysis, it can be concluded that the respondents to a large extent are aware of how other see them. The participants were further asked to rank their leaders according to whether or not those leaders have an impact on other people. The response indicated score of (mean =3.78, SD = 0.931 and CV= 0.246). The analysis indicated that the respondents showed that their leaders to a large extent are aware of how they impact others. From the analysis of self-awareness as a dimension of authentic leadership, the overall average mean for the dimension was 3.66 which exhibited a substantial presence of self-awareness within the leaders of commercial banks in Kenya demonstrating a significant contribution to authentic leadership.

The second dimension of authentic leadership is relational transparency which is concerned with a leaders' genuine relationship with subordinates where sharing of information is in open mode (Walumbwa et al., 2010). Relational transparency represents a leader's action in an open and transparent manner both in private and in public. Three items were used to evaluate the employee's response towards this dimension of authentic leadership. The respondents were

asked whether their leaders share information freely with others. The response indicated a score of (mean = 3.91, SD = 0.904 and CV= 0.231). This implied that the employees of commercial banks in Kenya agreed that to a large extent, sharing of information is adequate. The second parameter was whether the leaders Reinforces openness with other. The responses yielded a mean score of (mean = 3.94, SD = 0.and CV = 0.224). This implied that the leaders of CBs in Kenya demonstrated adequately that information is freely sharable to a large extent, demonstrating authentic leadership.

The respondents were further asked whether their leaders demonstrate beliefs that are consistent with actions. A score of (mean =3.82, SD = 0.851 and CV = 0.223) were achieved implying that the employees observed that their leaders to a large extent demonstrated authentic leadership by acting consistently with their beliefs. From the analysis an overall average mean for this dimension was 3.89 which showed that this dimension of authentic leadership to a large extent significantly contributed to overall authentic leadership.

The third dimension of authentic leadership measured was balanced processing of information which is concerned with a leader's honest consideration of all pertinent data or information availed to him/her by all the stakeholders before coming up with a decision (Gardner et al., 2005). Before coming up with a decision, a leader objectively examines the relevant data, analyzes it, and encourages views that challenge the positions. Three items were used to evaluate the employee's responses towards this dimension of authentic leadership. The respondents were asked to indicate whether their leader understands how specific actions impact others. The responses generated a score of (mean = 3.87, SD = 0.890 and CV = 0.223) which implied that the employees of commercial banks are in agreement that their leaders to a

large extent possess this particular quality which makes authentic leaders value others as they make decisions.

On whether the leader take time to analyze relevant data before coming to a decision, the result generated scores of (mean = 4.13, SD = 0.793 and CV = 0.192). The results implied that the respondents generally agreed that to a large extent, the leaders take time to analyze the relevant information before making decisions. Whether the leaders Solicit sufficient opinions and viewpoints prior to making important decisions yielded scores of (mean = 4.1, SD = 0.817 and CV = 0.199) demonstrating that the leaders to a large extent do objectively gather and analyze relevant information before making decisions. From the analysis, overall average mean of 4.03 was obtained for the dimension which implied that to a large extent balanced processing of information is practiced by the leaders and received a better rating and contribution to authentic leadership.

The fourth dimension of authentic leadership measured was Internalized moral perspective which refers to a leader's internalized and integrated form of self-regulation concerning his or her actions based on moral values and ethical standards. The leader exhibits ethical and moral behavior at higher level (Walumbwa et al., 2008). The decisions and behaviors of authentic leaders who possess internalized moral perspective are consistent with their internalized values (Hannah et al., 2011). Authentic leaders are always expected to behave in a more ethical manner and tend to act in accordance with their value structures (Rego et al., 2014).

To capture the views of employees in commercial banks in Kenya, the study used three items of internalized moral perspective to evaluate the employee's response towards this dimension of authentic leadership. The study sought to know whether the leaders Makes decisions based

on his/her core values. The study generated scores of (mean = 3.75 SD = 1.002 and a CV = 0.267). This result implied that though a significant number of employees agreed that leaders' decisions to a large extent are guided by their values, the opinions were varied resulting in a large value for standard deviation. Leaders Asks you to take positions that support your values obtained scores of (mean = 3.65 SD = 1.028 and CV = 0.282).

The result demonstrated that leaders to a large extent do encourage employees to follow their values with varied opinions. However, the opinions were varied giving rise to a large value for standard deviation. The leader makes difficult decisions based on high standards of ethical conduct was evaluated and the results indicated (mean = 3.75 SD = 0.905 and CV =0.241). The results implies that the employees of commercial banks in Kenya agreed significantly that to a large extent, the leaders consider ethics as they make difficult decisions. An average mean score of 3.71 was achieved for this dimension showing that internalized moral perspective is present in the bank leaders and contributes to authentic leadership in commercial banks in Kenya.

The results shown in table 4.11 indicates that self- awareness which an authentic leader uses to have knowledge of themselves and where a person derives and makes meaning of the world around them as well as acknowledging the strengths, weaknesses, values, beliefs and self- understanding scored an average mean of 3.66 which is a demonstration of the presence of the construct within the leaders of commercial banks in Kenya.

Relational transparency where the leader presents the authentic self to others as opposed to fake self as well as clearly sharing ideas, expresses his/her feelings and thoughts openly providing opportunities for others also to express their feelings, ideas leading to development of trust between the leader and the employees. A mean score of 3.89. The result indicated that

employees of commercial banks in Kenya agreed that their leaders displayed transparency in their actions. Balanced processing which deals with objectivity in the evaluation of available information before making a decision scored the highest mean of 4.03. This implied that the leaders in the commercial banks in Kenya do acknowledge the role of participation of all the stake holders in making critical decisions which is consistent with the definition of authentic leadership by Walumbwa et al., (2008).

Internalized moral perspective which is the internalized and integrated form of self-regulation which guides behaviors based on ethical standards and values leading to decisions and behaviors of leaders being consistent with their values. A mean score of 3.71 was obtained which demonstrated that leaders of commercial banks in Kenya do consider their internal values as they make decisions. An overall mean of 3.82 was achieved for authentic leadership. This implied that the employee's evaluation of their leaders based on the four components of authentic leadership yielded a good presence of authentic leadership in commercial banks in Kenya. Authentic leaders are expected to behave in a more ethical manner and tend to act in accordance with their value structures (Hannah et al., 2011; Rego et al., 2014).

4.7.2 Social Learning

Through the process of social learning, people are able to pick up new behaviors if they pay attention to, emulate, and model themselves after role models (Bandura, 1986). People gain a knowledge of the causal relationships between the activities of other people and the consequences of those actions when they observe the behaviors of role models and the results of those actions. This understanding directs them in how they should replicate those actions in their own lives (Liu, et al., 2014; Resick, Hargis, Shao, & Dust, 2013).

The measurement scale consisted of ten items based on a five-point Likert scale ranging from 1 (never), 2 (less extent), 3 (moderate extent), 4 (great extent), and 5 (very great extent). The scores were computed as mean, standard deviations and mean and coefficient of variation for the three dimensions of social learning. The interpretations for the descriptive statistics for social learning is presented in Table 4.12

Table 4.12: Interpretation for the Descriptive Scores for Social Learning

Standard deviation	Interpretation	Mean	Interpretation	Coefficient of variation	Interpretation
≥ 1	Respondents had divergent opinions	≤ 1 to 1.5	Never	0 -10	Behavior is very strong
		≤ 1.5 to 2.5	Less extent	10 - 20	Behavior is strongly demonstrated
≤ 1	Respondent opinions slightly diverge	≤ 2.5 to 3.5	Moderate extent	20 - 30	Behavior is moderately demonstrated
< 1	There was convergence on opinion	≤ 3.5 to 4.5	Great extent	30 and above	Behavior is unlikely demonstrated
		≤ 4.5 to 5.0	Very great extent		

Source: Researcher (2023)

Social learning was measured using observation, imitation and reinforcement. Observation of a behavior has positive impact on the observer through role modelling (Bai, Han, & Harms, 2016). Employees can learn from their leader's actions, for instance, if they deem him or her credible and appealing. It is interesting to note that while a person studies the target, this learning process gradually takes place in their minds. The employee determines whether to imitate the initiative to act pro-actively by how they see the leader behave. The results of the ten items used to evaluate the impact of social learning are presented in Table 4.13

Table 4.13: Descriptive Statistics for Measures of Social Learning

Statement	N	Mean	Standard deviation	Coefficient of variation
Reinforcement				
My leader influenced me to Say exactly what I mean	248	4.15	0.880	0.212
My leader influenced me to be open and transparent with my organization’s work	248	3.22	1.165	0.361
My leader Encourage everyone to speak their mind	248	3.61	0.945	0.262
Average mean	248	3.62	0.890	0.295
Observation				
That employees’ behavior such as reporting to work late or leaving work early is influenced by, he or she	248	3.51	0.996	0.275
That wastage of Bank’s resources is influenced by examples set by some bank leaders.	248	1.82	0.681	0.374
That use of official bank resources for personal gains by employees is influenced by examples set by some Bank leaders.	248	1.81	0.598	0.330
Average mean	248	2.38	0.758	0.326
Imitation				
Employees tend to emulate the leader’s behavior	248	1.76	0.580	0.329
Employees admire the leaders	248	3.75	1.116	0.298
Employees observe closely the actions of the leaders	248	4.1	0.897	0.218
Employees identify with the leader’s actions	248	3.84	1.072	0.279
Average mean	248	3.36	0.916	0.281
Composite mean	248	3.16	0.893	0.293

Source: Field Data (2023)

The results in table 4.13 demonstrates the response from the respondents regarding the items social learning. The respondents were asked to indicate the extent to which their leader is characterized by the measurement statements. My leader influenced me to Say exactly what I mean. The scores were (mean = 4.15, SD = 0.88 and CV = 0.212). The results implied that the employees to a very great extent with convergent opinion approved of their leaders influence on what they say. My leader influenced me to be open and transparent with my organization’s work was rated with scores of (mean = 3.22, SD = 1.165 and CV = 0.361). The results of this question received a high variation in response but the mean score indicated that to moderate extent, the respondent’s approval. My leader Encourage everyone to speak their mind obtained a scores of (mean = 3.61, SD = 0.945 and CV = 0.262) implying that the leaders of commercial

banks are positively modelling the behavior of their employees to a moderate extent with a convergent opinion.

The respondents were asked to rate the leaders whether employees' behavior such as reporting to work late or leaving work early is influenced by, he or she. The response generated scores of (mean = 3.51, SD = 0.996 and CV = 0.275). The result implied that to a moderate extent, employees' behaviors are as a consequence of the results of the outcome of the behavior of their leader's convergence in the opinions of the respondents. That wastage of Bank's resources is influenced by examples set by some bank leaders, results generated were (mean = 1.82, SD = 0.681 and CV = 0.374). The result indicated that employees having evaluated the consequences of using bank resources for purposes not benefiting the organization were to less extent influenced by such examples but with convergent opinions. That use of official bank resources for personal gains by employees is influenced by examples set by some Bank leaders, scores of (mean = 1.81, SD = 0.598 and CV = 0.330) was obtained from the respondents. This implied that employees to a less extent were influenced by the examples set by the bank leaders or no such examples are set by the bank leaders.

The employees were asked to indicate the extent to which they agree that Employees tend to emulate the leader's behavior. A score of (mean =1.76, SD = 0.58 and CV = 0.329) were obtained. The response implied that to a less extent, the employees are emulating the behavior of their leaders. Employees admire the leaders obtained scores of (mean = 3.75, SD = 1.116 and CV = 0.298). The result showed that to a great extent, the employees admire their leaders with varied opinions. Employees identify with the leader's actions achieved scores of (mean = 3.84, SD = 1.072 and CV = 0.279) which implied that to a great extent, employees identify with the actions of their leaders with varied opinions.

From the analysis above, an average mean of 3.16 was achieved for social learning indicating that to a moderate extent, the leaders' behaviors as observed by employees moderately capture the attention of individuals. As observed by Wood & Bandura (1989), modelling basically requires that peoples' attention be focused on the model itself as well as the model's behavior (Wood & Bandura, 1989). The role model's behavior becomes particularly important when the behavioral target is ethical conduct (Brown et al., 2005).

4.7.3 Organizational Identification

The organizational identification was operationalized and measured as belongingness with the organization and its members, shared values and loyalty behaviour (Ashforth, Harrison, and Corley (2008). Belongingness is concerned with members association with the organization while shared values relate to the need for similarity of values in the membership of a given group. Loyalty is concerned with the members' feelings of being supportive towards the achievement of their organizational goals and obeying the policies of the organization.

Organizational identification was analyzed along the three operational components. Descriptive analysis was conducted on along each dimension of organizational identification. The Means, SD and CV for Organizational Identification were computed. The measurement scale consisted of ten items on a five point-Likert scale ranging from 1=Not at all 2=to a less extent 3=moderate extent 4=great extent 5= to a very great extent. Interpretation for the Descriptive Scores for Organizational Identification are presented in Table 4.14

Table 4.14: Interpretation for the Descriptive Scores for Organizational Identification

Standard deviation	Interpretation	Mean	Interpretation	Coefficient of variation	Interpretation
≥ 1	Respondents had divergent opinions	≤ 1 to 1.5	Not at all	0 - 10	Behavior is very strong
		≤ 1.5 to 2.5	Less extent	10 - 20	Behavior is strongly demonstrated
≤ 1	Respondent opinions slightly diverge	≤ 2.5 to 3.5	Moderate extent	20 - 30	Behavior is moderately demonstrated
< 1	There was convergence on opinion	≤ 3.5 to 4.5	Great extent	30 and above	Behavior is unlikely demonstrated
		≤ 4.5 to 5.0	Very great extent		

Source: Researcher (2023)

Organizational identification was analyzed using ten items along the three operational components. The measurement scale for organizational identification was adapted from Ashforth, Rogers, and Corley (2011) and improved to match the context of the study. Descriptive analysis was conducted and the Means, SD and CV for Organizational Identification were computed. The results are presented in Table 4.15

Table 4.15: Descriptive Statistics for Measures of Organizational Identification

Statement	n	Mean	Standard deviation	CV
Similarity of values				
I always get a sense of satisfaction with the bank	248	3.79	0.765	0.201
when positive things are said about this bank, I feel good	248	4.07	0.772	0.190
I am very interested in what people say about the bank	248	3.61	0.704	0.393
Average mean	248	3.82	0.747	0.261
Belongingness				
Success of this bank is like my success	248	3.55	0.717	0.202
Failure of the bank is like my personal failure	248	3.347	0.678	0.203
Employees feel a strong sense of “belonging” to the Bank	248	3.81	0.900	0.236
When I talk about the bank, I usually say ‘we’ rather than ‘they’	248	4.06	0.835	0.206
Average mean	248	3.65	0.782	0.212
Loyalty				

Negative Media reports on this bank always embarrasses me	248	4.00	0.882	0.220
Any critic of the bank is like a personal insult on me	248	3.67	1.073	0.292
I always identify with and get involved in the activities of the bank	248	4.06	0.749	0.184
Average mean	248	3.91	0.901	0.232
Composite Mean	248	3.91	0.807	0.212

Source: Field Data (2023)

Table 4.15 shows the results of OI with the first dimension being Similarity of values which measures employee's similarity with the organization's members. To measure the three items of Similarity of values, the respondents were asked to indicate the extent to which they agree with the statements on the three items. I always get a sense of satisfaction with the bank got scores of (mean =3.79, SD = 0.765 and CV = 0.201). The result implied that to a great extent, the employees of commercial banks in Kenya demonstrated that their organizations provide them with a sense of satisfaction. When positive things are said about this bank, I feel good was rated with scores of mean = 4.07, SD = 0.772 and CV = 0.190.

The respondents' ratings demonstrated that to a great extent the employees feel good with positive news about their banks. I am very interested in what people say about the bank obtained scores of (mean = 3.61, SD = 0.704 and CV = 0.393) implying that to a great extent, the employees take interest of what other people say about their banks. From the analysis of similarity as a dimension of organizational identification, average scores of (mean=3.82, SD =0.747 and CV = 0.261) implying that to a great extent similarity had a significant contribution to organizational identification in commercial banks in Kenya.

Belongingness was measured as the second dimension of organizational identification which is concerned with employees need for association with members and the organization. To measure the four items of belongingness, the respondents were asked to indicate the extent to which they agree with the statements on the four items. Success of this bank is like my success

received scores of (mean = 3.55, SD = 0.717 and CV = 0.202). The result implied that to a great extent, the employees of commercial banks in Kenya are in solidarity with each other and their organization. Failure of the bank is like my personal failure obtained scores of (mean = 3.347, SD = 0.678 and CV = 0.203) implying that employees to a moderate extent regard the outcome of the bank in solidarity with their own.

Employees feel a strong sense of “belonging” to the Bank (mean = 3.81, SD = 0.900 and CV = 0.236) indicating that to a great extent employees feel being part of their banks with convergence in opinion of employees. When I talk about the bank, I usually say ‘we’ rather than ‘they’ obtained scores of (mean = 4.06, SD = 0.835 and CV = 0.206). The item received the highest mean indicating that to a very great extent, employees are in solidarity with both their banks and members. The average mean achieved for this component is 3.65 which is above moderate. The third element of OI measured was loyalty which is concerned with the support that employees give to their organizations towards achievement of the organizational goals. To measure the three items of loyalty, the respondents were asked to indicate the extent to which they agree with the statements on the three items. Negative Media reports on this bank always embarrasses me obtained scores of (mean = 4.00, SD = 0.882 and CV = 0.220).

The result indicated that to a great extent, the employees approve of the statement and significantly offer support for the banks. Any critic of the bank is like a personal insult on me was rated at (mean = 3.67, SD = 1.073 and CV = 0.292). This result shows that to a moderate extent, employees approved of it suggesting identification with the organization but divergent opinions. I always identify with and get involved in the activities of the bank obtained scores of (mean = 4.06, SD = 0.749 and CV = 0.184) receiving the highest rating for this component

of organizational identification and implying that to a great extent, the employees identify with their banks and are actively involved in the activities of their organizations.

From the analysis, the results showed that Similarity of values had an average mean score of 3.82 demonstrating a moderate considerable contribution to organizational identification. Belongingness scored an average mean of 3.65 implying a moderate approval by the employees and loyalty scored an average mean 3.91 implying a great contribution to organizational identification. The overall result generated a mean of 3.79 demonstrating that to a great extent, the employees accepted existence of organizational identification in commercial banks in Kenya.

4.7.4 Ethical Behavior of Employees

Ethical behavior does not violate the widely accepted values within an organization or an individual, it embraces legitimate behavior, observance of rules and compliance to formal and clear regulations directly or indirectly (Kaptein & Wempe, 2011). The measurement scale for the dimensions of ethical behavior of employees consisted of five items on a Likert type scale ranging from 1=Not at all; 2=Very little extent; 3= little extent; 4=Great extent; and 5 =Very great extent. Interpretation for the Descriptive Scores for Ethical Behavior of Employees are presented in Table 4.16

Table 4.16: Interpretation for the Descriptive Scores for Ethical Behavior of Employees

Standard deviation	Interpretation	Mean	Interpretation	Coefficient of variation	Interpretation
≥ 1	Respondents had divergent opinions	≤ 1 to 1.5	Not at all	0 -10	Behavior is very strong
		≤ 1.5 to 2.5	Very little extent	10 - 20	Behavior is strongly demonstrated
≤ 1	Respondent opinions slightly diverge	≤ 2.5 to 3.5	Little extent	20 - 30	Behavior is moderately demonstrated

<1	There was convergence on opinion	≤ 3.5 to 4.5 ≤ 4.5 to 5.0	Great extent Very great extent	30 and above	Behavior is unlikely demonstrated
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Source: Researcher (2023)

Ethical behavior of employees in commercial banks in Kenya was analyzed in three dimensions which consisted of integrity, fairness and legitimacy. Descriptive analysis was conducted along the three dimensions of ethical behavior. Means, standard deviation and coefficient of variation were computed for the three dimensions of ethical behavior. Table 4.17 presents the findings.

Table 4.17: Descriptive Statistics for Measures of Ethical Behavior of Employees

Statement	N	Mean	Standard deviation	Coefficient of variation
Integrity				
kindly rate the banks ethical standard	248	3.23	0.661	0.205
Honesty	248	4.10	0.811	0.198
Bribery, gifts, and entertainment	248	2.25	1.094	0.486
Conflict of interest	248	2.38	1.075	0.452
Confidentiality	248	3.96	0.928	0.234
Average mean	248	3.18	0.914	0.315
Fairness				
Insider trading	248	2.68	1.070	0.399
Fair bank charges	248	3.88	0.909	0.234
Legal activities	248	3.95	0.865	0.219
use of banking system	248	4.04	0.908	0.225
Disclosure of information	248	3.74	1.057	0.283
Average mean	248	3.66	0.962	0.272
Legitimacy				
If it would help my organization, I would misrepresent the truth to make my Bank look good	248	2.43	1.272	0.523
If needed, I would hide information from the public that could be damaging to my Bank	248	2.77	1.381	0.498
I would do whatever it takes to help my Bank	248	3.76	1.163	0.309
If needed, I would conceal information from the public that could be damaging to my Bank	248	2.81	1.429	0.508

If it would benefit my organization, I would withhold negative information about my Bank	248	2.8	1.308	0.467
Average mean	248	2.91	1.311	0.461
Composite Mean	248	3.25	1.062	0.349

Source: Field Data (2023)

The results in table 4.17 demonstrates the response from the respondents regarding the items of integrity as the first dimension of ethical behavior of employees in commercial banks in Kenya. The respondents were asked to rate their bank’s ethical standard. The results indicated scores of (mean = 3.23, SD =0.661 and CV = 0.205) implying that the commercial banks in Kenya to a little extent, tend portray ethical standard. Honesty received scores of (mean = 4.10, SD =0.811 and CV = 0.198) implying that most of the respondents agreed that to a great extent most bank employees are honest. Bribery, gifts and entertainment obtained scores of (mean = 2.25, SD =1.094 and CV = 0.486) implying that to a very little extent employees receive bribes, gifts and entertainment but with varied or divergent opinion. The respondents were further asked to rate Conflict of interest, scores of (mean = 2.38, SD =1.075 and CV = 0.452) was obtained implying that to a very little extent, conflict of interest is witnessed among the employees of commercial banks in Kenya but with varied views from the respondents. Confidentiality obtained scores of (mean = 3.96, SD = 0.928 and CV = 0.234). This result demonstrated that the respondents to a great extent observed an average level of confidentiality.

The second dimension of ethical behavior of employees measured was fairness which is concerned with employees making decisions and acting in a fair and equitable manner, without bias or prejudice, taking into account only the merits of the matter, and respecting the rights of affected persons. The results show that Insider trading obtained scores of (mean = 2.68, SD =1.070 and CV = 0.399) implying that there is little existence of insider trading though with varied observations from the respondents. Fair bank charges obtained scores of (mean = 3.88, SD =0.909 and CV = 0.234). This indicated that the respondents agreed that to a great extent,

commercial banks charge their clients fairly. Legal activities in commercial banks obtained scores of (mean = 3.95, SD = 0.865 and CV = 0.219) which indicated that to a great extent, most of the activities in the commercial banks are within the legal framework as provided by the regulator and does not violate the ethical principles by the larger society. Use of banking system received scores of (mean = 4.04, SD = 0.908 and CV = 0.225). This implied that to a great extent, the systems are mostly used for the intended purposes. Disclosure of information which is concerned with giving the clients adequate and accurate information regarding their accounts and any other relevant information received scores of (mean = 3.74, SD = 1.05 and CV = 0.283) indicating a highly varied opinions from the respondents, however, to a great extent they moderately agreed with the statement.

The third dimension of ethical behavior of employees measured was legitimacy which is concerned with the actions and behaviors of employees following laws of a given society. It requires that people in positions of authority to act lawfully, impartially and without fear or favour, for the clients, stakeholders and their employer. The respondents were asked whether if it would help their organization, they would misrepresent the truth to make the bank look good. Scores of (2.43, SD = 1.272 and CV = 0.523) was achieved.

This construct was meant to test whether the employees can engage in an unethical behavior so long as it benefits the organization. The result achieved implied that to a very little extent, the bank employees can misrepresent the truth if it benefits the bank but with a high degree of variation in opinions. The study further asked the respondents whether if needed, they would hide information from the public that could be damaging to my bank, score of (mean = 2.77, SD = 1.381 and CV = 0.498) was obtained from the respondents. This result implied that to a little extent, employees can engage in unethical acts for the sake of their organizations. I would

do whatever it takes to help my bank scored (mean = 3.76, SD =1.163 and CV = 0.309) indicating that the respondents are to a great extent willing to act even unethically so long as they are helping their banks. If needed, I would conceal information from the public that could be damaging to my bank scored (mean = 2.81, SD =1.429 and CV = 0.508) implying that to a little extent a number of bank employees could hide information regarded dangerous to the bank though with high variance in responses from the respondents' indicating differences in opinions. If it would benefit my organization, I would withhold negative information about my bank received score of (mean = 2.80, SD =1.308 and CV= 0.467).

High deviation and variation indicated differences in how employees of various commercial banks handle this construct but to a very little extent, the employees are likely to withhold negative information for the sake of the bank. As indicated in table 4.17 above, the three dimensions of ethical behavior of employees got a fair rating. Integrity got an average mean score of 3.18. Fairness obtained a mean rating of 3.64 and finally, legitimacy had a mean score of 3.66. The overall mean score for all the three dimensions was 3.49 demonstrating that to a little extent, ethical behavior moderately exists in commercial banks in Kenya.

4.8 Correlation among the Study Variables

The broad purpose of this research was to establish the relationship between authentic leadership organizational identification, social learning and ethical behavior of employees in Commercial Banks in Kenya. In order to establish the existence of this relationship, the Pearson product moment technique was used to conduct a correlation analysis. Correlation is the linear relationship of two variables. The goal of the analysis was to determine the direction as well as the strength of the relationships among the study variables.

The key variables under study included authentic leadership, social learning, organizational identification and ethical behavior of employees. Heir et al., (2006) posit that strength of correlation coefficient ranges from very strong, moderate, weak and no correlation represented by coefficient values of 0.81 to 1 representing very strong, 0.61 to 0.80 represent strong, 0.41 to 0.60 for moderate, 0.21 to 0.40 for weak and 0.00 shows none existence of correlation. A summary of the results of correlation analysis are presented in table 4.18

Table 4.18: Correlation among Study Variables

		Ethical Behavior	Authentic Leadership	Social Learning	Organizational Identification
Ethical Behavior	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	248			
Authentic Leadership	Pearson Correlation	0.218**	1		
	Sig. (2-tailed)	0.001			
	N	248	248		
Social Learning	Pearson Correlation	0.290**	0.621**	1	
	Sig. (2-tailed)	0.000	0.000		
	N	248	248	249	
Organizational Identification	Pearson Correlation	0.245**	0.466**	0.551**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	248	248	248	248

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data (2023)

The study estimated the degree of association between the study variables. The results shown in table 4.18 indicate a positive and significant relationships among authentic leadership, social learning, organizational identification and ethical behavior of employees in CBs in Kenya. According to the findings, authentic leadership is positively and statistically associated with ethical behavior of employees (R- value of 0.218 and P- value is $0.001 < 0.05$) implying a moderate positive relationship. The results further show that social learning has a positive association with organizational identification (R- value of 0.290 P- value of $0.000 < 0.05$).

Similarly, organizational identification demonstrated a positive association with ethical behavior of employees ($R = 0.245$ and $P\text{-value} = 0.000 < 0.05$). In a nutshell, it can be concluded that the entire set of predictor variables used in this study (authentic leadership, social learning as well as organizational identification) have significant association among themselves as well as the dependent variable (ethical behavior). The correlation results gave the researcher confidence to proceed with the test of hypotheses in chapter five.

4.9 Chapter Summary

In chapter four, the study's findings which were based on the study objectives were presented. The results were presented in descriptive statistics. The demographics of the respondents were presented in the chapter in the form of frequency distributions, means, standard deviations, and coefficients of variation. The chapter also discussed the test of reliability scores, test of validity, factor analysis, and results from projected diagnostic tests. Tests of hypothesis and discussion of the study findings are presented in the next chapter.

CHAPTER FIVE

HYPOTHESES TESTING AND DISCUSSION OF THE FINDING

5.1 Introduction

In this chapter, test of the study's hypotheses was conducted and discussion of the results of the tests are done. The study had four null hypotheses that were tested namely; authentic leadership does not influence ethical behavior of employees; Organizational identification does not mediate the relationship between authentic leadership and employee ethical behavior; Social learning does not moderate the relationship between authentic leadership and employee ethical behavior and the joint effect of authentic leadership, organizational identification and social learning on employee ethical behavior is not significant. The results of the tests of hypotheses are presented in the following sub-sections.

5.2 Test of Hypotheses

This section presents the findings of tests of hypotheses of the study. The hypotheses describe the relationship between variables of the study as conceptualized and presented in the conceptual model. The study focused on four objectives and four corresponding hypotheses. The hypotheses which were tested comprised the effect of authentic leadership on ethical behavior of employees, the mediation effect of organizational identification on the relationship between authentic leadership and ethical behavior of employees, the moderation effect of social learning on the relationship between authentic leadership and ethical behavior of employees and the joint effect of authentic leadership, organizational identification and social learning on ethical behavior of employees. A composite index for each of the study variables was computed as the sum of responses divided by the total number of measurement items. The results are presented under the following headings.

5.2.1 Influence of Authentic Leadership on Ethical Behavior of Employees

The first objective was set to determine the direct effect of authentic leadership on ethical behavior of employees in commercial banks in Kenya. To determine the effect, the following hypothesis was developed and put to test.

H0₁: Authentic leadership has no influence on the ethical behavior of employees in commercial banks in Kenya.

This hypothesis was analyzed by the use of simple linear regression analysis. This was done by regressing ethical behavior of employees on authentic leadership. The independent variable was measured using a composite index for the four aspects of authentic leadership, while the dependent variable was measured using a composite index for the fifteen indicators of employees' ethical behavior. Composite index is popular in assessing complex phenomena with distinct facets that are not directly measurable and not are uniquely defined (Jahan, 2015). The regression results are presented in Table 5.1

Table 5.1: Results of the Effect of Authentic Leadership on Ethical Behavior of Employees

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.228 ^a	0.052	0.048	0.49083

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.259	1	3.259	13.529	0.000
	Residual	59.505	247	0.241		
	Total	62.764	248			

Coefficients ^a						
Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B

	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	5.739	0.333		17.212	0.000	5.082	6.396
1 Authentic leadership	0.181	0.049	0.228	3.678	0.000	0.084	0.278

a. Dependent variable: Ethical Behavior of Employees

b. Predictors: (constant), Authentic Leadership

Source: primary data 2023

The regression results in Table 5.1 comprise the model summary, the ANOVA and the coefficients of the regression model. The model regression summary results show a positive correlation between authentic leadership and ethical behavior of employees in commercial banks in Kenya ($R = 0.228$). In addition, the results demonstrate that 5.2 % of variation in ethical behavior of employees in commercial banks in Kenya is explained by authentic leadership ($R^2 = 0.052$, $P = 0.001 < 0.05$). The remaining 94.8 % of variation in employee ethical behavior was not explained by the model and thus is a result of other elements that the study did not cover.

The above results suggests that authentic leadership is a weak but significant predictor of ethical behavior of employees in commercial banks in Kenya. The Analysis of variance (ANOVA) of authentic leadership and the ethical behavior of employees in CBs in Kenya intended to gauge if the regression model used fits the data used to predict ethical behavior of employees in CBs in Kenya. The ANOVA results indicated that the overall model was statistically significant as F- statistics, $F = 13.259$, $P = 0.000 < 0.05$) confirming that the model is reliable enough for use to predict the study's results in line with objective of the study which was set out to determine if there was effect of authentic leadership and ethical behavior of employees in CBs in Kenya.

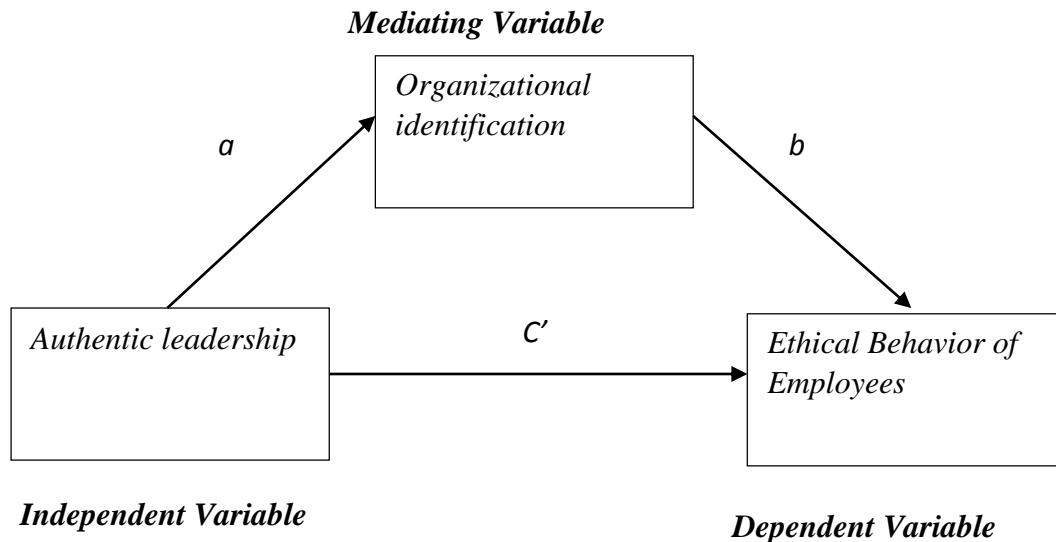
The regression coefficients demonstrated a significant effect of authentic leadership on ethical behavior of employees in Kenyan commercial banks, as seen in table 5.1. The coefficient of the constant term ($\beta_0 = 5.739$, $p\text{-value} < 0.05$ and authentic leadership ($\beta_1 = 0.181$, $t = 3.678$, $p < 0.05$) exhibited statistical significance. The regression analysis model for authentic leadership was $Y = 5.739 + 0.181X$, which implied that a change of one unit in authentic leadership is associated with 0.181 increase in ethical behavior of employees in commercial banks while keeping all other variables or predictors constant.

Consequently, the study concludes that authentic leadership and ethical behavior of employees in CBs in Kenya are positively and linearly related. The study hypothesized that authentic leadership has no significant effect on the ethical behavior of employees in CBs in Kenya. The results indicated that authentic leadership has impact on ethical behavior of employees and hence the null hypothesis was rejected.

5.2.2 Authentic Leadership, Organizational Identification and Ethical Behavior of Employees

The purpose of the second objective was to determine if organizational identification mediated the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. The relationship was assessed using Baron and Kenny's (1986).

Figure 5: Illustration of Baron and Kenny path analysis for testing mediation



Source: Baron & Kenny (1986).

The independent variable (in this study, authentic leadership) and the dependent variable (ethical behavior of employees) must be significantly correlated for the first condition of mediation relationship to be met (path c). The second step should demonstrate that a significant relationship exists between the independent variable (authentic leadership) and the mediating variable (organizational identification) which is demonstrated by path A.

There must be a significant correlation between the mediator and dependent variable in path B to meet the second condition for mediation. When the independent variable and mediator variable are simultaneously incorporated into the model to predict the dependent variable and demonstrate mediation, Path C' either reduces or loses significance in the final stage (stage four for mediation to be inferred). When all or at least one of the first three steps are significant, or when the effect of the independent variable on the dependent variable is not significant but is greater than zero in step four, partial mediation is confirmed (Baron & Kenny,1986).

The paths are made up of three simple linear regression models and one multiple linear regression model. The four paths that are referred to as steps in this study are explained below. In order to ascertain the mediation effect of organizational identification in the relationship between authentic leadership and ethical behavior of employees in Kenyan commercial banks, hypothesis was formulated two and tested.

H₀₂ organizational identification does not mediate the relationship between authentic leadership and ethical behavior of employees.

This hypothesis was tested using the mediation path model proposed by Baron and Kenny (1986). This test involves four steps. The dependent variable (employee ethical behavior) was first regressed on the independent variable (authentic leadership) in the first step. If this step provided insignificant result, the process would cease since there could be no mediation if there was no relationship between the two variables. The mediating variable (organizational identification) was regressed on the independent variable (authentic leadership) in the second step, and the beta coefficient was examined for size, direction, and significance.

If the outcome of this step was insignificant, then organizational identification could not mediate the hypothesized relationship and vice versa. In the third step, ethical behavior of employees was regressed on organizational identification. Beta coefficient was examined for its significance. The process would only move to the fourth step if step three results were significant. The effect of authentic leadership (the predictor variable) on ethical behavior of employees was tested in the fourth step while controlling for the effect of organizational identification (mediator variable). Steps 1,2 and 3 must be significant for the full mediation to be confirmed, while in step 4 authentic leadership's effect on ethical behavior of employees

should not be significant in the presence of organizational identification for full mediation to be confirmed. The regression results for each of the four steps are shown in the tables below.

Step 1. Test of influence of authentic leadership on ethical behavior of employees

Table 5.2: Effect of Authentic Leadership on Ethical Behavior of Employees

Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	0.228 ^a	0.052	0.048	0.49083			

ANOVA^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.259	1	3.259	13.529	0.000
	Residual	59.505	247	0.241		
	Total	62.764	248			

Coefficients							
Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Beta			Lower Bound	Upper Bound
1	(Constant)	5.739	0.333	17.212	0.000	5.082	6.396
	Authentic leadership	0.181	0.049	0.228	3.678	0.000	0.084

a. Dependent variable: Ethical Behavior of Employees

b. Predictors: (constant), Authentic Leadership

Source: primary data 2023

The model summary results ($R = 0.228$, $p\text{-value} < 0.05$) show a positive effect of the independent variable (authentic leadership) on the dependent variable (ethical behavior of employees in commercial banks in Kenya). Furthermore, the results show that authentic leadership accounted for 5.2% of the variation in ethical behavior of employees in Kenyan commercial banks ($R^2 = 0.052$, $p < 0.05$). The model, however, did not explain 94.8% of the

variation in employee ethical behavior, implying that there are other factors associated with ethical behavior of employees in commercial banks in Kenya that were not included in the regression model. Step one results revealed that the overall model was statistically significant (F ratio = 13.529, p-value < 0.05), indicating that the regression model achieved goodness of fit and thus was appropriate for use.

The regression results in step one also indicates that authentic leadership has a significant impact on the ethical behavior of Kenyan commercial bank employees (authentic leadership $\beta_1 = 0.181$, $t = 3.678$, $p < 0.05$) and ($\beta_0 = 5.739$, $p\text{-value} < 0.05$). This means that one unit change in authentic leadership leads to 0.181 change in employee ethical behavior. As a result, the study concludes that authentic leadership has a significant effect on ethical behavior of employees in commercial banks in Kenya and therefore step one in testing for mediation was confirmed. Results in step one was significant and the test therefore proceeded to step two.

Step 2. Test of influence of authentic leadership on organizational identification

The second step involved a simple linear regression analysis in which organizational identification was regressed on authentic leadership. The results of regression analysis were shown in Table 5.3.

Table 5.3: Effect Authentic Leadership on Organizational Identification

Model		Model Summary			Std. Error of the Estimate
		R	R Square	Adjusted R Square	
1		0.460 ^a	0.211	0.208	0.40717

Model		ANOVA ^a		Mean Square	F	Sig.
		Sum of Squares	Df			
1.	Regression	10.971	1	10.971	66.174	0.000 ^b
	Residual	40.950	247	0.166		
	Total	51.921	248			

Model		Coefficients ^a			T	Sig.
		Unstandardized Coefficients B	Standardized Coefficients Beta			
		Std. Error				
1	(Constant)	4.911	0.443		11.096	0.000
	Authentic leadership	0.111	0.055	0.139	2.026	0.044

1. Predictors: (Constant), Authentic leadership
2. Dependent variable: Organizational Identification

Source: Field Data (2023)

Table 5.3 shows that the model summary shows a relatively moderate correlation ($R = 0.460$, p -value < 0.05). This suggests a moderate positive correlation between the independent variable (authentic leadership) and organizational identification. In addition, authentic leadership explained 21.1 % of variation in organizational identification ($R^2 = 0.211$, $P = 0.000 < 0.05$). R^2 increases from 0.052 in step one to 0.211 in step two. This implies that authentic leadership has a strong and significant influence on organizational identification.

The ANOVA results showed that the F ratio ($F = 66.174$, $p < 0.05$) and beta coefficients ($= 0.333$, $t = 8.135$, $p < 0.05$) were statistically significant. This demonstrated that the second condition for mediation was satisfied. The significant F ratio attests to the goodness of fit and applicability of the regression model. The effect of authentic leadership on organizational identification presented in Table 5.3 was significant, hence the test proceeded to step 3.

Step 2. Test of influence of organizational identification on ethical behavior of employees

Step three involved testing the influence of organizational identification on ethical behavior of employees. The results of the test are shown in Table 5.4

Table 5.4: Effect Organizational Identification on Ethical Behavior of Employees

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	0.256 ^a	0.066	0.062	0.48722	
ANOVA^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	4.129	1	4.129	17.395	0.000 ^b

Residual	58.635	247	0.237
Total	62.764	248	

Model	Coefficients ^a			T	Sig.
	Unstandardized Coefficients B	Standardized Coefficients Beta	Std. Error		
1 (Constant)	5.225		0.417	12.521	0.000
Organizational Identification	0.282	0.256	0.068	4.171	0.000

Predictors: (Constant), Organizational Identification
 Dependent variable: ethical behaviour of employees

Source: Field Data (2021)

Table 5.4 show that the model summary in step three was significant ($R = 0.256$, $p\text{-value} < 0.05$). This result indicates a positive correlation between organizational identification and ethical behavior of employees in commercial banks in Kenya. The results further indicate that 6.6 % of variance in ethical behavior of employees is explained by organizational identification ($R^2=0.066$, $p < 0.05$). R^2 changes from 0.211 in step two to 0.066 in step three ($R^2\text{change} = -0.145$). This implies that organizational identification significantly impacted ethical behavior of employees. In the results of ANOVA, F ratio indicates that the regression model achieved goodness of fit ($F=17.395$, $p\text{-value} < 0.05$). The beta coefficient is positive and significant ($\beta = 0.282$, $t=4.171$, $p < 0.05$). Based on these results, the third condition for mediation has been met and the test thus proceeds to step 4. At step four, multiple linear regression was used, with ethical behavior of employees as the response variable and both authentic leadership and organizational identification as predictor variables. Results are presented in table 5.5.

Table 5.5: Multiple Regression Results for the influence of Authentic Leadership and Organizational Identification on Ethical Behavior of Employees

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	0.285 ^b	0.081	0.074		0.48419	
ANOVA^a						
Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	5.092	1	2.546	10.859 0.000 ^c	
	Residual	57.672	247	0.234		
	Total	62.764	248			
Coefficients^a						
Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.		
	B	Std. Error	Beta			
1	(Constant)	4.911	0.443	11.096	0.000	
	Authentic leadership	0.111	0.055	0.139	2.026 0.044	
	Organizational Identification	0.212	0.076	0.192	2.796 0.006	

Dependent variable: ethical behavior of employees

Predictors: (Constant), Authentic leadership, Organizational Identification

Source: Field Data (2023)

From Table 5.5, it is observed that the effect of the predictor variables on ethical behavior of employees is significant ($R = 0.285$). Coefficient of determination is equally significant ($R^2 = 0.081$, $p < 0.05$). This suggests that 8.1 % change in ethical behavior of employees is explained by both authentic leadership and organizational identification. ANOVA results indicate a significant F ratio ($F = 10.859$, $p < 0.05$). The results further show significant results for organizational identification ($\beta = 0.212$, $t = 2.796$, $p < 0.05$) and authentic leadership ($\beta = 0.111$, $t = 2.026$, $p < 0.05$). It is noted that the effect of authentic leadership (independent variable) on ethical behavior of employees is significantly reduced but not to zero in the presence of organizational identification (mediating variable).

Therefore, condition for partial mediation is satisfied. It is hence concluded that organizational identification partially mediates the relationship between authentic leadership and ethical behavior of employees. Based on this finding, the null hypothesis that organizational identification does not mediate the relationship between authentic leadership and employee ethical behaviour is rejected.

5.2.3 Authentic Leadership, Social Learning and Ethical Behavior of Employees

The third objective of the study was set to determine the moderating effect of social learning on the relationship between authentic leadership and ethical behavior of employees. The moderation effect is the phenomenon in which the direction or strength of a relationship between two variables is changed by the addition of a third variable called the moderator, which has three possible outcomes. The first outcome or effect is enhancement of the effect of the independent variable (authentic leadership) on the criterion variable (ethical behavior of employees).

The second possible effect concerns the buffering effect which reduces the effect of the independent variable (authentic leadership) on the criterion variable (ethical behavior of employees). The third possible effect is the interaction impact where the moderator variable reverses the influence of the dependent variable (Baron & Kenny, 1986). The moderating effect is measured in terms of magnitude and significance of change in the effect of the independent variable (authentic leadership) on the dependent variable (ethical behavior of employees) arising from the introduction of the interaction term (authentic leadership*social learning). The following hypothesis was developed and tested in order to determine the moderating effect.

H03: Social learning does not moderate the relationship between authentic leadership and ethical behavior of employees.

Stepwise regression analysis, as proposed by Baron and Kenny (1986), was used to test the hypothesized moderating effect. The first step was to assess the impact of authentic leadership on ethical behavior of employees in CBs in Kenya. In the second step, the influence of predictor variables (authentic leadership and social learning) on the criterion variable (ethical behavior of employees) was tested using multiple regression analysis.

An interaction term is introduced in the regression equation in the third step (computed as the product of authentic leadership and social learning) and evaluated to establish its effect on ethical behavior of employees. Moderation is confirmed if the effect of the interaction term on ethical behavior of employees in the third step is significant. Results of regression for the moderation of social learning on the relationship between authentic leadership and ethical behavior of employees are shown in Table 5.6

Table 5.6: The Effect of Social Learning on the Relationship between Authentic Leadership and Employee Ethical Behavior.

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics F Change	df1	df2	Sig. F Change
1	0.228 ^a	0.052	0.048	0.49083	0.052	13.529	1	248	0.000
2	0.309 ^b	0.096	0.088	0.48034	0.044	11.906	2	247	0.001
3	0.326 ^c	0.106	0.095	0.47858	0.010	2.812	3	246	0.095
ANOVA^a									
	Model		Sum of Squares	Df	Mean Square	F			Sig.
1	Regression		3.259	1	3.259	13.529			0.000 ^b
	Residual		59.505	247	0.241				
	Total		62.764	248					
2	Regression		6.006	2	3.003	13.016			0.000 ^c
	Residual		56.758	246	0.231				
	Total		62.764	248					
3	Regression		6.650	3	2.217	9.679			0.000 ^d
	Residual		56.114	245	0.229				
	Total		62.764	248					
Coefficients^a									
	Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T			Sig.
1	(Constant)		5.739	0.333		17.212			0.000
	Authentic leadership		0.181	0.049	0.228	3.678			0.000
2	(Constant)		5.493	0.334		16.444			0.000
	Authentic leadership		0.051	0.061	0.064	0.828			0.408
	Social Learning		0.181	0.053	0.266	3.450			0.001
3	(Constant)		5.018	0.437		11.481			0.000
	Authentic leadership		-0.094	0.106	-0.118	-0.887			0.376
	Social Learning,		0.144	0.057	0.212	2.541			0.012
	Social learning *authentic leadership		0.261	0.155	0.241	1.677			0.095

a. Dependent Variable: Ethical Behaviour

b. Predictors: (Constant), Authentic leadership, Social Learning, Social Learning*Authentic Leadership

Source: Data Analysis (2023)

In the first step, the study sought to determine whether independent variable (authentic leadership) is a significant predictor of ethical behavior of employees (dependent variable) in commercial banks in Kenya. The model summary results ($R = 0.228$, $R^2 = 0.052$, $p < 0.05$) show a positive correlation between authentic leadership and ethical behavior of employees in

Kenyan commercial banks. As portrayed in Table 5.6, authentic leadership accounts for 5.2 percent of the variance in ethical behavior of employees ($R^2=0.052$, $p < 0.05$). The ANOVA results show that the overall model was statistically significant ($F=13.529$, $p < 0.05$). Furthermore, the beta coefficient was statistically significant ($\beta = 0.181$, $t= 3.678$, $p < 0.05$). This implies that one unit change in authentic leadership is associated with a 0.181 change in employee ethical behavior. The first step produced significant results.

As shown in table 5.6, the addition of the moderator, social learning, significantly reduced the influence of authentic leadership on ethical behavior of employees. Authentic leadership and social learning explained 9.6 percent of variance in ethical behavior of employees ($R^2= 0.096$, $p > 0.05$). Overall, the model was statistically significant ($F = 13.526$, $p < 0.05$). Similarly, there was statistically significant beta coefficient ($\beta=-0.181$, $t= 3.450$, $p < 0.05$) for social learning and non-significant results for the effect of authentic leadership on ethical behavior of employees ($\beta=0.051$, $t=0.828$, $p > 0.05$).

The third step entailed entering all of the variables, including authentic leadership, social learning, and the interaction between authentic leadership and social learning into the regression model. The results show that R^2 increased from 0.052 in the first step to 0.096 in the second and from 0.096 to 0.106 in step three. The R^2 change was 0.010 in step three indicating that the interaction of authentic leadership and social learning had an insignificant effect on ethical behavior of employees. The overall regression model was statistically significant ($F=9.679$, $p < 0.05$). This indicates that goodness of fit was achieved. When the interaction term was included in the regression model, the beta coefficient for the interaction term was insignificant ($\beta = 0.241$, $t= 1.677$, $p > 0.05$). This means that social learning did not moderate the relationship between authentic leadership and ethical behavior of employees in Commercial

Banks in Kenya. Based on the findings, the null hypothesis that the influence of authentic leadership on ethical behavior of employees is not moderated by social learning was not rejected. The null hypothesis was hence confirmed.

5.2.4 Joint Effect of Authentic Leadership, Organizational Identification and Social Learning on Ethical Behavior of Employees is not significant.

The purpose of the fourth objective of the study was to ascertain if the joint effect of authentic leadership, social learning, and organizational identification on ethical behavior of employees in commercial banks in Kenya is not significant. The following hypothesis was put forward and tested:

H04: The joint effect of Authentic Leadership, Organizational Identification and Social Learning on ethical behavior of employees in commercial banks in Kenya is not significant.

To test the hypothesis, multiple regression analysis was used. Thus, predictor variables were entered in the regression equation. Ethical behavior of employees was regressed on the three predictors as shown in Table 5.7. Table 5.7 shows the results.

Table 5.7: The Joint Effect of Authentic Leadership, Social Learning and Organizational Identification on Ethical Behavior of Employees

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	0.324 ^a	0.105	0.094		0.47885	
ANOVA^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.586	3	2.195	9.575	0.000 ^b
	Residual	56.178	245	0.229		
	Total	62.764	248			
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.034	0.440		11.432	0.000
	Authentic leadership	0.033	0.062	0.042	0.539	0.591
	Organizational Identification	0.130	0.081	0.118	1.590	0.113
	Social Learning	0.146	0.057	0.213	2.553	0.011

a. Dependent Variable: Ethical Behaviour

b. Predictors: (Constant), Social Learning, Organizational Identification, Authentic leadership

Source: Field Data (2023)

Table 5.7 shows the results of the joint effect of authentic leadership, social learning and organizational identification on ethical behavior of employees. The regression results show that the joint effect of authentic leadership, organizational identification and social learning was weak but significant ($R^2 = 0.105$, $F = 9.575$, $p < 0.05$). This indicates that authentic leadership, organizational identification and social learning jointly explain 10.5% of variation in ethical behavior of employees in commercial banks in Kenya leaving out 89.5% of change in employee ethical behavior unexplained. At p value 0.05, the F ratio indicates that the regression model was statistically significant, and thus goodness of fit was achieved.

In conclusion, the joint effect of Authentic Leadership, Organizational Identification and Social Learning on ethical behavior of employees was found to be low but significant ($R^2 = 0.105$, F

= 9.575, $\beta = 0.146$, $t = 2.553$, $p < 0.05$). Though the multiple regressions results were low, they were significant enough to reject the null hypothesis.

5.2.5 Summary of the Results of the Tests of Hypotheses

The purpose of this study was to determine the role of social learning and organizational identification in the relationship between authentic leadership and ethical behavior of employees among employees working in commercial banks in Kenya. Four hypotheses were developed and tested in order to achieve the overall goal or purpose of the study. A summary of the specific objectives and hypotheses that informed the study, as well as the results and conclusions are presented in Table 5.8.

Table 5.8: Summary of the Tests of Hypotheses and Results

Objective	Hypothesis	Results	Decision
Objective 1. To establish the effect of authentic leadership on employee ethical behavior	H0 ₁ : Authentic leadership does no influence employee ethical behavior.	Authentic leadership influence ethical behavior of employees in commercial banks in Kenya.	Rejected
Objective 2. To establish if organizational identification mediates the effect of authentic leadership on employee ethical behavior	H0 ₂ : organizational identification does not mediate the relationship between authentic leadership and ethical behavior of employees	Organizational identification mediates the effect of authentic leadership on ethical behavior of employees	Rejected
Objective 3. To determine the moderating effect of social learning on the effect of authentic leadership on ethical behavior of employees	H0 ₃ : social learning does not moderate the relationship between authentic leadership and employee ethical behavior	Social learning has no moderating effect on the effect of authentic leadership on ethical behavior of employees in commercial bank in Kenya	Not rejected
Objective 4. To establish if the joint effect of authentic leadership, social learning and organizational identification on employee ethical behavior is significant.	H0 ₄ : The joint effect of authentic leadership, social learning, and organizational identification on employee ethical behavior is not significant.	The joint effect of authentic leadership, social learning and organizational identification on ethical behavior of employees is significant	Rejected

Source: Researcher (2023)

From table 5.8, the results showed a significant statistical effect and positive effect of authentic leadership on ethical behavior of employees in commercial banks in Kenya. It was discovered

that authentic leadership has both an indirect and direct effect on ethical behavior of employees, implying a partial mediation by organizational identification between authentic leadership and ethical behavior of employees in Kenya commercial banks. The findings also show that social learning has no moderating effect on the relationship between authentic leadership and ethical behavior among employees in commercial banks in Kenya. Finally, the study found that the combined effect of authentic leadership, social learning, and organizational identification on ethical behavior of employees in commercial banks in Kenya was low but significant.

5.3 Discussion of the research Findings

This section deals largely with a discussion of the findings of this study. Four objectives and four hypotheses developed and addressed. The discussions are organized around the study's specific objectives and their corresponding hypotheses. The results of the hypotheses test are discussed in relation to the findings of previous similar, but not necessarily identical studies. The findings are also discussed in terms of their theoretical, policy, and practical implications. The theories that anchored of the study are also covered in the discussion. The discussion is structured around the research objectives.

5.3.1 Influence of Authentic Leadership on Ethical Behavior of Employees

The first goal of the study was to determine the impact of authentic leadership on the ethical behavior of employees in commercial banks in Kenya. The study predicted that authentic leadership has no significant influence on the ethical behavior of employees in commercial banks in Kenya. To measure the dimensions of authentic leadership, the study used the authentic leadership questionnaire (ALQ) developed by Walumbwa et al (2008). The findings of descriptive analysis revealed that most of the respondents indicated that authentic leadership is practiced in commercial banks in Kenya. The results implied that using the Likert scale, the

respondents agreed that authentic leadership has influence on ethical behavior of employees in commercial banks in Kenya.

A simple linear regression analysis was carried out to ascertain the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. The regression results showed a positive relationship with a 5.2% change in ethical behavior of employees in commercial banks in Kenya being accounted for by authentic leadership. The model demonstrated a statistical significance and the beta coefficients indicating that as authentic leadership increases, ethical behavior increased by 0.181 to a unit change in authentic leadership. As a result, authentic leadership is considered a predictor of ethical behavior among employees in commercial banks in Kenya. However, the correlation coefficient revealed a weak but significant relationship between authentic leadership and ethical behavior of employees in CBs in Kenya. The overall correlation coefficient for authentic leadership and ethical behavior of employees in commercial banks in Kenya indicated that there was a positive relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya.

In comparison, the findings of this study are comparable to the argument of Lopez at al., (2015) study which established that authentic leadership is emerging as a form of influence that stimulates and fosters positive mental abilities and highlights the ethical part of behavior. This compares well with the findings of the current study that authentic leadership which accounts for 5.2 % of variation in ethical behavior of employees in commercial banks. The study produced a positive correlation coefficient, which indicates a favorable impact on ethical behavior of employees in commercial banks in Kenya.

Gardener et al. (2005) discovered that authentic leadership have a remarkable result on employees' conduct by creating hope, trust, productivity and job satisfaction through fairness and integrity. The beta coefficients indication of ethical behavior increases of 0.181 to a unit change in authentic leadership is comparable to the findings of Gardener et al. (2005) who found that authentic leadership have a remarkable result on employees' conduct by creating hope, trust, productivity and job satisfaction. The results are also similar to the findings of Datta (2015) who demonstrated that authentic leadership influences ethical behaviors of employees by consistently using moral reasoning and ethical scope when making and supporting their commitments which employees emulate as well as promoting and sustaining a moral organizational culture.

Wong et al. (2010) discovered that authentic leadership strongly influence the confidence in the nurse's faith in their administrator and their perceptions of the quality of care as well as feeling more satisfied when their administrators act fairly comparing well with the findings of this study that authentic leadership through internalized moral perspective which more of integrity has positive influence on ethical behavior of employees in commercial banks in Kenya.

Covelli and Mason (2017) found that authentic leadership development influences the employee's attitudes and behaviors in organization which compares well with the findings of this study that authentic leadership influences ethical behavior of employees in commercial banks in Kenya. Cianci et al. (2014) while studying the effect of authentic leadership on follower's moral decisions more so when faced with temptations found a strong relationship between authentic leadership and temptations in arriving at ethical decisions. The findings of

this study support this position since authentic leadership has been found to be a significant influencer of ethical behavior of employees in commercial banks in Kenya.

However, the findings of this study are not consistent with Shea (2016) whose study revealed that authentic leadership alone does not have much effect on ethical behavior of employees. The inconsistency of the results is in tandem with Zhang et al, (2012) who found that authentic leadership theory still generates a lot of contradictions on contexts. They observed that what is valid in the western context is not valid in Chinese context, bringing the same argument to the African context, more so the Kenyan context.

With regard to the anchoring theory (integrity theory), the results are consistent with the findings since the results reveal that authentic leadership has a link to integrity of leaders and eventually has influence on ethical behavior of employees in commercial banks in Kenya. The results support the predictions of Leroy, Palanski and Simons (2012) that authentic leadership theory may be used in strategic human resource management and is highly possible for line managers who have acquired authentic leadership skills to implement human resource management practices as intended by the organizations and the general stakeholders of the organization as required for the benefit of the whole organization (Den Hartog & Boon, 2013; Gilbert, De Winne, & Sels, 2015; Purcell & Hutchinson, 2007). Authentic leadership theory holds that authentic leaders influence the behavior of their subordinates through self-awareness, transparency, and the objective use of all available information before making decisions. The results of this study established that authentic leadership has positive influence on ethical behavior of employees in commercial banks in Kenya positively.

Authentic leadership theory predicted that authentic leaders have the ability and motivation to collaborate with HR practitioners, other line managers, and subordinates to implement HR practices, not only because they have interpersonal skills, but also because they are driven to maintain integrity between intended, espoused, and implemented practices and to ensure that employees perceive integrity in the implementation of HR practices and their daily job assignments. The results of this study revealed that authentic leadership explains 5.2% of variation in ethical behavior of employees in commercial banks and a positive correlation. The results therefore, confirms the argument of Gill et al, (2018) that authentic leadership theory can be used to establish a solid strategic human resource management system that can ensure the implementation of the intended HR practices.

5.3.2 The mediating effect of Organizational Identification in the relationship between Authentic Leadership and Ethical Behavior of Employees

The second objective of the study was to determine if the influence of authentic leadership on ethical behavior of employees in commercial banks in Kenya is indirect through organizational identification. To this end, it was hypothesized that “The effect of authentic leadership on ethical behavior of employees is not mediated by organizational identification”. The results failed to support the fourth condition in testing for mediation. The regression model was statistically significant in the fourth step when organizational identification was controlled.

Overall, the model was statistically significant. The beta coefficient for organizational identification was significant, while authentic leadership remained significant. The findings provide enough evidence to support the partial mediation of organizational identification in the relationship between authentic leadership and ethical behavior of employees. Partial mediation is inferred when the first three steps in testing for mediation are met but the fourth step is missed. Partial mediation implies both direct and indirect effect of the independent variable on the dependent variable (Baron & Kenny, 1986).

The first three steps generated results that indicated positive influence. Results in the first step revealed that 5.2 percent of variance in ethical behaviors of employees was explained by authentic leadership. Overall, the model was statistically significant. The results in the second step showed that authentic leadership explained 21.1 % of variation in organizational identification. The F ratio and the beta coefficient were both statistically significant. The results further confirmed the third step that 6.6 % of variance in ethical behavior of employees was explained by organizational identification. This implies that organizational identification is a predictor of ethical behavior of employees and as authentic leadership declines ethical behavior of employees also declined. The F ratio demonstrated that the model demonstrated statistical significance. The beta coefficients showed the model achieved goodness of fit and therefore a good predictor.

The study therefore concluded that the effect of authentic leadership on ethical behavior of employees is both direct and indirect through organizational identification. Studies that used organizational identification as a mediator are limited. Organizational identification has been used in limited studies as both independent and an intervening variable.

As an intervening variable, Umpruss et al., (2010) combined organizational identification and positive reciprocity as the mediating variables in their study of the un-ethical behavior in the name of the company and found employees who identify much with their firms coupled with reciprocity beliefs would definitely tend to act un-ethically in favour of the organization. The results of this study show that organizational identification may not only lead to un-ethical behavior but can also lead to the improvement of ethical behavior in organizations ($\beta= 0.192$, $t=2.796$, $p <0.05$) implying that ethical behavior in commercial banks in Kenya would change by 0.192 in response to a unit change in organizational identification. The finding further

implies that in the absence of organizational, the effect of authentic leadership on ethical behavior of employees in commercial banks in Kenya would decline by 0.192, in other words, organizational identification is a partial conduit through which authentic leadership contributes to positive change in ethical behavior of employees in commercial banks in Kenya.

The results of the correlation analysis revealed a positive relationship, an indication that organizational identification has a favorable impact on ethical behavior of employees. This result is in support of the direct relationship that is possible in a partial mediation situation. Also, the indirect relationship result is in support of Ashforth and Mael (1989) who used organizational identification as an independent variable and established that organizational identification lead to improvement of behavior since as people identify more with their organization, they tend to stick and act in accordance with the organization's rules. Similarities in the results can be compared to Conger & Kanungo, 1998) who found that Authentic leadership and personal identification affect the primary behavior of followers since authentic leadership has influence on ethical behavior of employees.

The results are also similar to the finding of Van Knippenberg (2000) who found that organizational identification guides how employees behave across different situations, more so whenever the identity of the firm is most dominant, or initiated cognitively. The results imply that leaders who are authentic will have employees who solidly identify themselves with the firm as well as their leader when value compatibility of the leader and follower are closer.

The direct and indirect effect of the study findings can further be compared to Wu et al., (2010) who found that by interacting with followers, leaders have both direct and indirect influence on their individual responses and additionally, authentic behavior of leaders towards their

followers may generate differentiated responses as followers perceive their leader's behavior. The finding of the study is comparable to Avolio et al., (2004) finding that authentic leaders induce followers' identification by transparently and consistently displaying their personal values, allowing followers to recognize that they share similar values with the leader or decide that they want to emulate the leader's values. According to the findings of Lopez et al., (2015), an authentic leader's self-awareness, transparency, and internalized moral perspective make the leader an appealing role model who demonstrates high ethical standards, honesty, and integrity which compares well with the finding of this particular study. This finding supports the findings of the current study that organizational identification has partial mediation effect on ethical behavior of employees.

The results of the study provide support for social identity theory which assumes that all forms of group behavior like solidarity within groups is a part of social identity processes which aims to achieve higher self-esteem and self-improvement (Abrahams & Hogg, 1988). In line with social identity theory, the results show that a good portion of the importance of a person's self-concept is determined by and is attributed to the group membership (Turner and Oakes, 1986).

The theory argues that the individual's motivation for practical identity and esteem is influenced by the social evaluations they make (Tajfel & Turner, 1979). The attitude and behavior of individual members of a group is influenced by the main features connected with the group particularly when class or group comparisons feature group difference in favor of one's in-group over a relevant out-group are advantaged. Accordingly, distinctions across groups are accentuated and inconsistencies within groups are minimized (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987).

The results of the study which provided partial mediation provide support for inclusion of HRM practices that encourage employees to identify with their organizations as this when combined with authentic leadership can enhance ethical behavior of employees as well as other HRM outcomes in general. The finding is similar to the findings of Hog, Terry and White (1995) who established that organizational identification provides employees with social environment which shape their behaviors. Such environment gives employees chance to regulate their behavior for the satisfaction of their association with their organization. A study by Mael and Ashforth, (1992) found that strong identity with organizations makes employees behave consistently with the requirements of their organizations. This is because they consider the success and failure of their organizations as their own.

5.3.3 The moderating effect of Social Learning in the relationship between Authentic Leadership and Employee Ethical Behavior

The third objective of the study was intended to investigate the impact of social learning on the relationship between authentic leadership and ethical behavior of employees working in commercial banks in Kenya. To test the moderating effect, the following hypothesis was formulated “The influence of authentic leadership on ethical behavior of employees is not moderated by social learning”. This hypothesis was tested Stepwise regression analysis.

The three dimensions of social learning were tested for their effect on ethical behavior of employees in commercial banks in Kenya. The moderation hypothesis was tested by regressing employee ethical behavior on authentic leadership, social learning, and the interaction of authentic leadership and social learning at the same time. Moderation is inferred conventionally if the interaction effect of the independent variable and moderator on the dependent variable is significant at a predetermined p-value, in this study $p < 0.05$.

The results show that the beta coefficient for the interaction term (authentic leadership*social learning) is insignificant. This finding suggests that social learning has no effect on the relationship between authentic leadership and ethical behavior of employees among employees in Kenyan commercial banks. The third hypothesis proposed that social learning would not moderate the effect of authentic leadership on employee ethical behavior. Given the nature of the results, the null hypothesis was not rejected. The absence of support for moderation suggests that commercial banks in Kenya lack the enthusiasm for institutionalizing social learning practices given the fact that observation which is a major dimension of social learning recorded a mean score 2.38 which the study considered below average on a five-point Likert scale. The other aspects of social learning such as imitation recorded mean score of 3.16 and reinforcement recorded mean score of 3.62 which are above average on the 5-point Likert scale. In a study, a moderator is a variable that can either strengthen or weaken the relationship between the independent and dependent variables.

However, the results show support for Bandura (1977) that social learning theory which suggests that simply exposing people to models does not guarantee that they will choose the most relevant characteristics from the model's many attributes, or that they will perceive accurately the aspects they do notice. This study's findings do not support Bandura's (1986) social learning theory postulations that people learn diverse behaviors through observation and attention to role models and then choose whether or not to imitate them.

The findings that social learning does not moderate the relationship between authentic leadership and ethical behavior of employees is consistent with previous research, such as Mayer et al., (2012), who established that the role of vicarious learning in social learning theory, for example, the notion that a person learns new norms for behaving from the social

environment is dependent on the person's choice. People may observe another person's behavior but still fail to imitate the observed behavior. The findings, which are based on the postulates of social learning theory, show that the environment can potentially influence learner attitudes and behaviors because it taps into the key social learning processes of external and vicarious reinforcement. The result is similar to Brown et al (2005) implication that social learning is accomplished through role modelling and is an individual learning process which takes place in an individual's mind and only when the role model's behavior is admirable.

The current study deviated from the past studies that investigated social learning as an independent variable. Those studies showed that social learning influence the behavior of employees, for example Lester et al. (2010) found that the admirable examples set by leaders provides effective role modeling on employees' moral development as they observe the leader's behavior and the effect of social learning as a moderator and authentic leadership as antecedent for ethical behavior of employees.

Lord and Brown (2004) found that attractive leader behaviors motivate employees to imitate the leader's behavior. Cialdini and Goldstein (2004) established that if the majority of a follower's co-workers exhibit high levels of authentic leadership, the follower is more likely to observe and be reinforced for exhibiting the outcomes associated with authentic leadership. For example, co-workers' identification with the leader will increase the group's likelihood of consistently reinforcing certain values such as openness, honesty, and integrity. This reinforcement will influence a follower to adopt those values, and as a result, the follower will become more similar to the leader, making the follower more likely to identify with the leader and have positive feelings about the leader.

5.3.4 The joint effect of Authentic Leadership, Social Learning and Organizational Identification on Ethical Behavior of Employees

The fourth objective was meant to establish the joint effect of authentic leadership, organizational identification and social learning on ethical behavior of employees in commercial banks in Kenya. To establish the joint effect, the study formulated a corresponding hypothesis that the “joint effect of Authentic Leadership, Organizational Identification and Social Learning on ethical behavior of employees is not significant in CBs in Kenya”.

The fourth hypothesis was tested using multiple linear regression analysis. It was found that authentic leadership, organizational identification and social learning had a substantial joint impact on the ethical behavior of employees in commercial banks in Kenya. These findings demonstrated that the predictor variables explained 10.5 % of the variation in ethical behavior of employees in commercial banks in Kenya. The beta coefficient was positive and significant suggesting that for every unit change in the predictor variables (joint effect) there is a corresponding 0.146 change in ethical behavior of employees in commercial banks in Kenya. The contribution of the organizational identification and social learning to the relationship between authentic leadership and ethical behavior of employees was found to be significant.

The joint effect results indicated that 10.5% of variance in ethical behavior of employees in CBs in Kenya was jointly explained by authentic leadership, organizational identification and social learning ($R = 0.324$, $R^2 = 0.105$, $p < 0.05$). Going by the results, the joint effect was low but significant. Therefore, from the results, the hypothesis that the joint effect of authentic leadership, organizational identification and social learning was not significant was rejected.

The results provided evidence to support authentic leadership theory postulation which places it as a multidimensional leadership theory which captures attributes of most leadership theories

which assume that leaders impact the awareness and values of their employees or followers as posited by Covelli and Mason (2015) leading to organizational identification and impacting behavior of followers through social learning. On the hand, the results provided support for social learning theory which assumes employees or followers learn from observing the behavior and actions of their leaders and the subsequent results of the observed behaviors thereby choosing either to imitate or ignore the observed behavior (Bandura, 1977). The results did provide support social identity theory on the finding of Shamir et al., (1993) which assumed that the attitudes and behaviors of individual employees to are impacted by the main features of a group where an individual belong.

Studies that have combined authentic leadership, social learning organizational identification and ethical behavior of employees are limited. Authentic leadership focuses majorly on the leaders' authenticity, better moral standards, integrity, and honesty and they role model their employees by guiding and showing them the true picture of their objectives with fairness. The result of the study is similar to Avolio, et al., (2004) study which found that authentic leaders enhance attitudes as well as work behaviors of employees through identification with the organization at a social and personal level. The study results supported Walumbwa, et al., (2010) who found that authentic leadership enhances personal identification with their employees by being respectful to those they lead as well as being open and accountable in their relationship with the employees. Javaid, et al., (2015) found that authentic leaders can expand employee social identification when they handle employees with increased amount of integrity and honesty.

5.4 Summary of Chapter

In chapter five, the results of tests of hypotheses and discussion of findings were presented. The first objective was to establish the influence of authentic leadership on ethical behavior of

employees. The Results indicated that authentic leadership has influence on ethical behavior of employees though the strength of the relationship is weak. The second objective was the mediating effect of organizational identification on the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. the results showed a partial mediation effect. The third object tested the moderation effect of social learning on the relationship between authentic leadership and ethical behavior of employees. The results indicated no moderation effect. Lastly, the fourth object tested the joint effect of authentic leadership, organizational identification and social learning on the relationship between authentic leadership and ethical behavior of employees. The results indicated that the joint effect is significant. Discussions of the findings of the study were conducted along the study hypotheses.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter provides a summary of the study based on the four study objectives and the corresponding hypotheses that guided the research. The summary also includes the study's key findings as well as recommendations, limitations, and implications for theory, policy, and practice. Finally, recommendations for future research are made. The primary goal of this research was to look into the role of organizational identification and social learning in the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. Specific objectives of the study were to: establish the effect of authentic leadership on ethical behavior of employees in the commercial banks in Kenya; determine the mediating effect of organizational identification on the effect of authentic leadership on ethical behavior of employees in the commercial banks in Kenya; examine the moderation effect of social learning on the effect of authentic leadership on ethical behavior of employees in the commercial banks in Kenya and to establish if the joint effect of authentic leadership, social learning and organizational identification on ethical behavior of employees in the commercial banks in Kenya is significant.

6.2 Summary of Findings

Based on theoretical and empirical literature reviewed, the study developed a conceptual model which showed the linkages between the variables studied. Four hypotheses were formulated and tested by use of inferential statistics such as simple linear, hierarchical, stepwise and multiple regression analysis. Authentic leadership was linked to ethical behavior of employees and the direct effect was tested. The effect of authentic leadership on ethical behavior of employees was tested through Organizational identification as a mediator variable. The effect

of authentic leadership on ethical behavior of employees was also tested with social learning as the moderating variable. Lastly the joint effect of authentic leadership, organizational identification and social learning on ethical behavior of employees was tested. The summary of the findings were based on the objectives of the study and presented in the following sub-headings.

6.2.1 Authentic Leadership has no significant influence on Ethical Behavior of Employees

The objective of the study was to examine the effect of authentic leadership on ethical behavior of employees in commercial banks in Kenya. The researchers hypothesized that authentic leadership has no effect on the ethical behavior of employees in CBs in Kenya. The results showed that authentic leadership has an effect on ethical behavior of employees in commercial banks in Kenya. Authentic leaders are expected to act ethically and in accordance with their value structures (Hannah et al., 2011; Rego et al., 2014). Authentic leadership through its main dimensions such self-awareness impact the behavior of employees by acknowledging their own strengths and weaknesses as well as recognizing the strengths and weaknesses of their followers and work towards improving on their own weaknesses and those of their followers there by impacting the behavior of their followers.

The results underscore the importance of considering authentic leadership as an important concept for leaders in the banking industry which is critical in generating jobs and promoting growth of other sectors on the economy due to its positive effect on the ethical behavior of employees. The study noted that the effect of authentic leadership on ethical behavior of employees has not been studied much in the commercial banking industry in Kenya. The effect of authentic leadership on ethical behavior of employees is based on the pattern of authentic leaders' promotion of transparency in their decisions, balancing the information available before coming up with solutions and ethical perspective which inspires the employees to act in a similar way as their leaders. Authentic leadership can align the HR practices that ensure proper selection of employees with moral compass to improve ethical behavior in their organizations. As a result, the study concludes that authentic leadership has a positive effect on ethical behavior of employees in CBs in Kenya and so the null hypothesis was rejected.

6.2.2 The mediating role of Organizational Identification in the relationship between Authentic Leadership and Ethical Behavior of Employees

The second goal of the study was to determine whether authentic leadership has an indirect effect on ethical behavior of employees in Kenyan commercial banks through organizational identification. The results showed that organizational identification has a partial mediation effect on the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. This conclusion is based on the fact that statistical tests in step one to three confirmed the necessary conditions for mediation. Partial mediation implies that the independent variable has both direct and indirect influence on the dependent variable (Baron & Kenny, 1986). Authentic leadership and organizational identification can inspire the employees in the commercial banks to embrace ethical behavior that is beneficial to their respective banks.

Organizational identification was discovered to be a significant predictor of ethical behavior of employees in CBs in Kenya. This could be attributed to the assumption that employees who identify much with their organizations tend to behave in a manner consistent with the requirements of their organizations and disapprove the assumption that employees who identify much with their organizations may look away or disregard ethical standards and engage in actions that benefit only the firm, whether unethical. As a result, the study concluded that the impact of authentic leadership on ethical behavior of employees is both direct and indirect via organizational identification. The null hypothesis that organizational identification does not mediate the relationship between authentic leadership and ethical behavior of employees was rejected.

6.2.3 The moderating role of Social Learning in the relationship between Authentic Leadership and Employee Ethical Behavior

The objective was to investigate the moderating effect of social learning on the effect of authentic leadership on ethical behavior of employees in CBs in Kenya. A moderator is a variable in a study that has the ability to strengthen or weaken the relationship between the independent and dependent variables. The study hypothesized that social learning would not have a moderating effect on the effect of authentic leadership on ethical behavior of employees in commercial banks in Kenya. The finding of the regression analysis suggests that social learning has no effect on the relationship between authentic leadership and ethical behavior of employees among employees in Kenyan commercial banks.

The lack of support for moderation suggests that commercial banks in Kenya may be lacking enthusiasm for institutionalizing social learning practices, given that observation, a major dimension of social learning, recorded a mean score of 2.38 on a five-point Likert scale, which the study considered below average, implying that respondents agreed to a lesser extent that employees pay close attention to the behavior of their leaders. Other aspects of social learning, such as imitation, received a mean score of 3.16 and reinforcement received a mean score of 3.62 on a 5-point Likert scale, indicating that the two aspects of social learning can only be linked to a moderate extent by employees' behaviors. Due to the nature of the results, the null hypothesis was not rejected.

6.2.4 The joint effect of Authentic Leadership, Social Learning, Organizational Identification on Ethical Behavior of Employees

The fourth objective was meant to establish the joint effect of authentic leadership, organizational identification and social learning on ethical behavior of employees in CBs in Kenya. The hypothesis predicted that “the joint effect of Authentic Leadership, Organizational Identification and Social Learning on ethical behavior of employees was not significant in CBs in Kenya. The study found that authentic leadership, organizational identification and social

learning had a weak but significant effect on the ethical behavior of employees in commercial banks in Kenya.

The findings confirmed that the combined effect of authentic leadership, social learning and organizational identification on ethical behavior of employees was significant. The effect is low but significant. Authentic leadership may lead to organizational identification and social learning may change the behavior of employees. Authentic leaders promote and sustains moral organizational culture leading to employee's identification with their leaders and the organization and eventually impacting the behavior of employees through learning. As a result of the findings, the study concluded that the hypothesis that the combined effect of Authentic Leadership, Organizational Identification, and Social Learning on ethical behavior of employees in commercial banks in Kenya was not significant was rejected.

6.3 Conclusion

The purpose of this study was to carry out a study into the effect of authentic leadership organizational identification, social learning and ethical behavior of employees in Commercial Banks in Kenya. The First test focused on the effect of the predictor variable and was tested with ethical behavior of employees as the dependent variable. The findings revealed a statistically significant effect of authentic leadership on ethical behavior of employees. This research has therefore reconfirmed that authentic leaders play an important role as contributors to the quality of behavior exhibited by of employees. To this end, authentic leaders directly and indirectly enhance the self-awareness of employees by seeking feedback frequently and through balanced processing of information received from employees through feedback.

The results also provided support for authentic leadership theory which predicts that authentic leaders impact the behavior of subordinates through self-awareness, transparency, internalized moral perspective, and balanced information processing. Organizational identification demonstrated a partial mediation, which implies that authentic leadership has both indirect and direct effect on ethical behavior of employees in CBs in Kenya. Indirect effect is through organizational identification. Thus, organizational identification plays a significant role in shaping the behavior of employees in CBs in Kenya. The moderating effect of social learning on the effect of authentic leadership on ethical behavior of employees was not supported. The interaction of authentic leadership and social learning had no significant effect on ethical behavior of employees. Further, the joint effect of authentic leadership, organizational identification and social learning on ethical behavior of employee was supported. The joint effect was low but significant.

Overall, the study produced consistent results and exhibited statistical significance. Hypothesis one demonstrated that authentic leadership can improve Human Resource function by impacting positively on ethical behavior of employees in CBs in Kenya. Hypothesis two showed that organizational identification is a necessary condition for authentic leadership to induce positive impact on the ethical behavior of employees in CBs in Kenya. It provided enough evidence to support mediation in the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. The third hypothesis produced a statistically insignificant result showing that the impact of social learning in the relationship between authentic leadership and ethical behavior of employees is not significant, although the extant literature supported the hypothesis

6.4 Implications of the Study

The primary goal of this study was to carry out a systematic inquiry into the relationship between authentic leadership, organizational identification, social learning and ethical behavior of employees in Commercial Banks in Kenya. The study's findings confirmed the existence of a statistically significant relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya. The study found enough evidence to support partial mediation of organizational identification in the relationship between authentic leadership and ethical behavior of employees. The moderation of social learning was not supported. Similarly, the results showed that the combined effect of the predictor variables was significant. Consequently, findings of this study have theoretical, policy, and practical implications for Kenyan commercial banks. These are explained below.

6.4.1 Theoretical Implications

One of the assumptions of authentic leadership theory is that leaders who are honest, accountable, transparent and ethical, overtime tend to develop a pool of employees with similar attributes. This assumption is supported by the finding of this study which showed a significant relationship between authentic leadership and ethical behavior of employees in CBs in Kenya. The findings further revealed that organizational identification has a partial mediation effect on ethical behavior of employees in commercial banks in Kenya. This finding supports social identity theory, which states that people who identify with their organizations tend to act in accordance with the intentions of the organization. In other words, the study's mediation findings support the social identity theory that as employees identify more with their organizations, they tend to behave in accordance with the norms and standards of the organization (Ashforth & Mael,1989). The results further support the notion that the behavior of employees who identify both with their leaders and organizations, tends to be in tandem

with the ethical requirements of their respective organizations as posited by Turner and Oakes (1986).

The results are also in tandem with the postulation of social identity theory that individuals' motivation for practical identity and esteem has influence on the attitude and behavior of members of a group, particularly if the main features connecting the group are comparable. Accordingly, Shamir, House and Arthur (1993), argument that social identification is associated with self-regulation and therefore authentic leaders' explication of openness and acknowledgement of their own weaknesses, challenges, transparency and accountability for their actions enable employees to willingly associate with leaders, as well as the values and activities associated with the leaders and organization. These views are consistent with the findings of this study.

The findings did not support the hypothesis that social learning moderates the effect of authentic leadership on ethical behaviour of employees. Failure of social learning to moderate the relationship between authentic leadership and ethical behavior of employees supports Bandura's (1977) postulation of social learning theory, which proposed that simply exposing people to models does not guarantee that they will necessarily select the most relevant ones from the model's numerous characteristics, or that they will even perceive accurately the aspects they happen to notice.

The study did not support the social learning theory, which states that people learn various behaviors by paying attention to, observing, and imitating role models (1986). Social learning theory predicted that as one observes the actions of role models as well as the consequences of those actions, he or she gains knowledge about the causal relationships that exist between these behaviors and the outcomes which inform their imitation of those behaviors (Liu et al., 2014;

Resick et al., 2013). As initially formulated, social learning through role modelling is a personal learning procedure. Particularly, one learns from another person's behavior that he or she finds acceptable and appealing. This learning process occurs primarily within one's mind over time as he or she observes the target and is most likely to occur when the role model's behaviors are admirable (Brown et al., 2005).

6.4.2 Implications for Practice

The result of this study established the link between authentic leadership, organizational identification social learning practices and ethical behavior of employees. According to the findings, the behaviour of a leader can have a significant impact on employee's behavior. The findings provide support for authentic leadership. The findings further support the findings by Gill et al., (2018) who referred to authentic leadership as an emerging new force in managing HR in organizations. The study's findings indicate that authentic leadership has a significant impact on ethical behavior of employees in commercial banks in Kenya. The findings of this study can be used by top management teams in Kenya's commercial banking sector to build internal capacity in key areas of human resource management (HRM) leadership in order to deliver sustained ethical behavior in their organizations. Commercial banks in Kenya can institutionalize authentic leadership practices to enhance employee commitment and improved behavior which, in turn, can maintain customer confidence and retention, leading to improved profitability.

6.4.3 Implications for Policy

The findings of this study can be used by policy makers to strengthen various areas of HRM policy as well as practice. Authentic leaders are necessary for organizations so as to design Human Resource Management processes such as programs for selection, advancement, and training to effectively address employee ethical behavior lapses by influencing the behavior of their employees. Key areas to be addressed include leadership practices such as authentic

leadership. Authentic leadership is a foundational construct in the leadership literature that encompasses other leadership perspectives and therefore is of great importance for effective management of organizations.

6.4.4 Recommendations for Policy and Practice

The study established that authentic leadership has significant impact on ethical behavior of employees in CBs in Kenya. The findings of the study also established that the joint effect of authentic leadership, organizational identification and social learning on ethical behavior of employees was significant. The study also established that organizational identification has a partial mediating effect on ethical behavior of employees in CBs in Kenya, a finding that suggested that authentic leadership impact the ethical behavior of employees in commercial banks in Kenya both directly and indirectly through organizational identification.

It is therefore important for commercial banks in Kenya to promote organizational identification so as to increase both the direct and indirect impact that AL has on the ethical behavior of employees in CBs in Kenya. Previous studies had proposed that organizational identification may encourage employees to behave in accordance with the ethical standards of an organization and or may encourage employees to ignore their own ethical convictions so as to perform acts that benefit the organization whether the acts are unethical.

As a result of this study's findings, we propose that leaders at all levels of the organization and especially line managers should exhibit authenticity in their behaviors so that they can bring more strength to the HR system of their respective organizations and eventually influence organizational outcomes as they will align behaviors that are intended by the organization in terms of practices and the actual practices and employees' perceptions.

6.5 Contribution to Knowledge

The findings of this study on the impact of authentic leadership on the ethical behavior of employees in commercial banks add significantly to the body of knowledge in human resource management. Previous empirical research concentrated on the effect of authentic leadership on employee and organizational performance or employee outcomes. The current study adds to our understanding by empirically demonstrating that authentic leadership can help HR to improve employees' ethical behavior in organizations by winning the employees trust through self-awareness, relational transparency, objective use of information before coming to decisions and ethical consideration of all actions taken by the leaders.

These findings lend empirical support to the significance of authentic leadership as a channel for influencing the ethical behavior of employees and can easily be achieved. This implies that the influence of authentic leadership is direct. Given that the majority of empirical studies on authentic leadership have been conducted in developed countries, this study adds to the body of knowledge in a developing country like Kenya. The study's context was commercial banks in Kenya. The study provides empirical evidence on the extent to which the variables in the study impact ethical behavior of employees. The findings show that authentic leadership has a significant impact on ethical behavior of employees. Similarly, organizational identification acts as a mediator between authentic leadership and ethical behavior of employees. Social learning did not moderate the relationship between authentic leadership and ethical behavior of employees in CBs in Kenya. This adds to human resource management knowledge by confirming the relationships between the study variables. The findings also revealed that learning which is one the human resource management practices if done in a social manner

alone does not improve ethical behavior of employees. Organizational identification which is one of the employee outcomes can be used to develop better employee ethical responses.

6.6 Limitations of the Study

Notwithstanding the notable effect of authentic leadership, organizational identification and social learning, the study had some limitations which necessitate consideration when interpreting results. Despite the fact that respondents are expected to provide objective responses, they may have their own perceptions that lead to misleading responses. The study was based on quantitatively collected and analyzed data and the interpretation was majorly based on the assumptions of quantitative research which could limit the generalization to quantitative research paradigm alone.

The variables in the study were assessed on a five-point Likert scale. One of the most notable drawbacks of the Likert scale is its closed nature in capturing the respondents' true responses. Respondents are more likely to present themselves in a more socially acceptable manner rather than being forthright, consequently avoiding extreme response classifications. Correspondingly, respondents' views may be swayed by lack of their true response alternative but only to select what is considered convenient response (for example, being neutral). This may result in an incorrect estimate of the true relationship between study variables. Despite these limitations, the study's standard was not compromised. The design of the study followed a high scientific standard based on a comprehensive review of the literature. Statistical techniques were used to test hypotheses and develop a conceptual model. As a result, these limitations have no negative impact on the study's findings. Overall, the findings have made a significant contribution to the existing body of knowledge in human resource management.

6.7 Suggestions for Future Research

The focus of the study was the relationship between authentic leadership, organizational identification, social learning and ethical behavior of employees in CBs in Kenya. The results of the study indicated that the impact of authentic leadership on ethical behavior of employees in commercial banks in Kenya is both direct and indirect through organizational identification. The moderating effect of social learning in the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya was insignificant. Future research could think about qualitative research to find more in-depth issues regarding authentic leadership, organizational identification and social learning on ethical behavior of employees. The study provides a point of reference for those wishing to investigate the link between authentic leadership and ethical behavior of employees in addition to other HRM practices and outcomes and link leadership and human resource management in handling ethical conduct of employees in organizations.

6.8 Chapter Summary

The researchers could use any of the human resource management practices and other environmental factors to see if they can act as mediators or moderators and get the same results. The study used a quantitative approach, future research could use qualitative research design by focusing on a detailed case study to bring out additional information since human behavior is dynamic and could be affected by many other factors including time. Qualitative research may give more insight since it involves close observation over a period of time and generate an objective view since the researcher is independent and not a full-time employee of the organization where a flawed employee selection process could have been used to get the employee into the organization thereby affecting the objectivity of their view of their leaders if those leaders favored them ignoring the right HR selection criteria to recruit them in the organization. The results of this study were self-reporting which made the assumption that the responses were objective and that the respondents would provide accurate information. The

information was gathered using self-administered questionnaire by drop and pick method. The application of this method of data collection makes it difficult to tell whether the respondents attitudes swayed the way they answered.

The chapter presented the summary of findings based on the objectives of the study. A summary of hypothesis testing is also provided. The first hypothesis on the direct effect of authentic leadership on ethical behavior of employees. The results study showed that authentic leadership has effect on ethical behavior of employees. The second hypothesis on the mediating effect of organizational identification on the effect of authentic leadership on ethical behavior generated a partial mediation. The moderation effect of social learning on the effect of authentic leadership on ethical behavior of employees was not significant. The joint effect of authentic leadership, organizational identification and social learning was found to be low but significant. The chapter also presented discussions on contribution to knowledge and practice in human resource management. Implications of the study, limitations and suggestions for future research were also discussed.

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APPENDICES

Appendix 1a: Eigenvalues for Authentic leadership

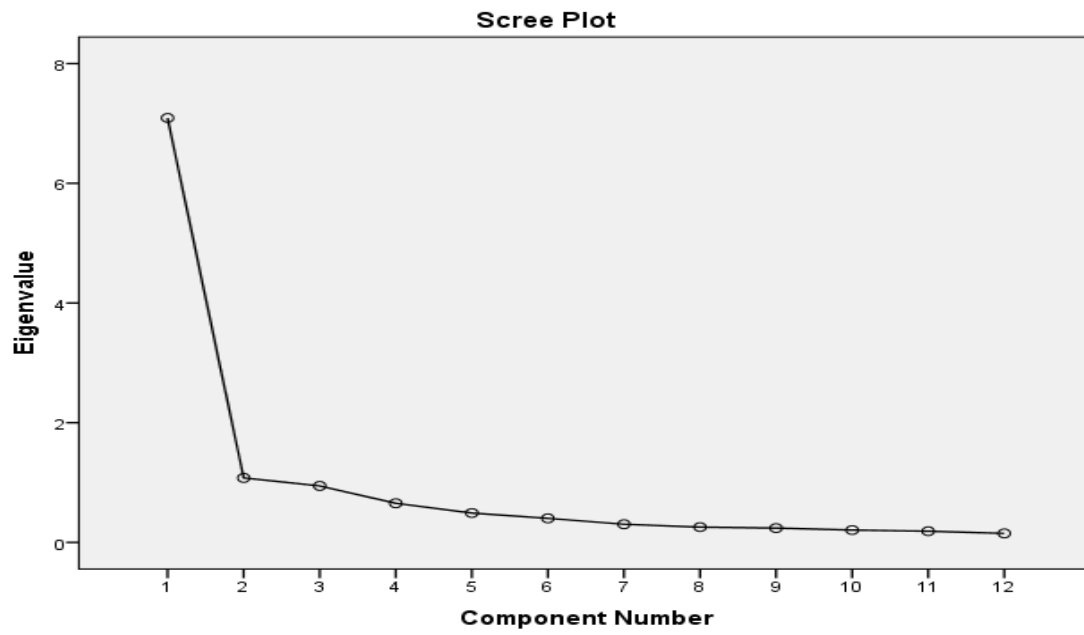
Total Variance Explained						
Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.091	59.094	59.094	4.474	37.287	37.287
2	1.077	8.976	68.070	3.694	30.783	68.070
3	0.943	7.859	75.930			
4	0.653	5.445	81.375			
5	0.491	4.093	85.469			
6	0.402	3.353	88.822			
7	0.303	2.529	91.351			
8	0.255	2.129	93.480			
9	0.239	1.992	95.472			
10	0.206	1.717	97.190			
11	0.187	1.556	98.746			
12	0.151	1.254	100.000			

Rotated Component Matrix		
	Component	
	1	2
Aware of his or her strengths and limitations	0.808	
Knows how he/she is Seen or viewed by others	0.631	0.503
Impacts or influences others	0.771	
Share's information freely with others	0.744	
Reinforces openness with others		0.621
Demonstrates beliefs that are consistent with actions	0.669	0.539
Makes decisions based on his/her core values	0.618	0.615
Asks you to take positions that support your values		0.863
Makes difficult decisions based on high standards of ethical conduct		0.833
Understands how specific actions impact others		0.703
Analyzes relevant data before coming to a decision	0.822	

Solicits sufficient opinions and viewpoints prior to making important decisions	0.636	
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

Source: Field Data (2021)

Appendix 1b: Scree plot for Authentic Leadership



Source: Field Data (2021)

Appendix 1c: Eigenvalues for Social Learning

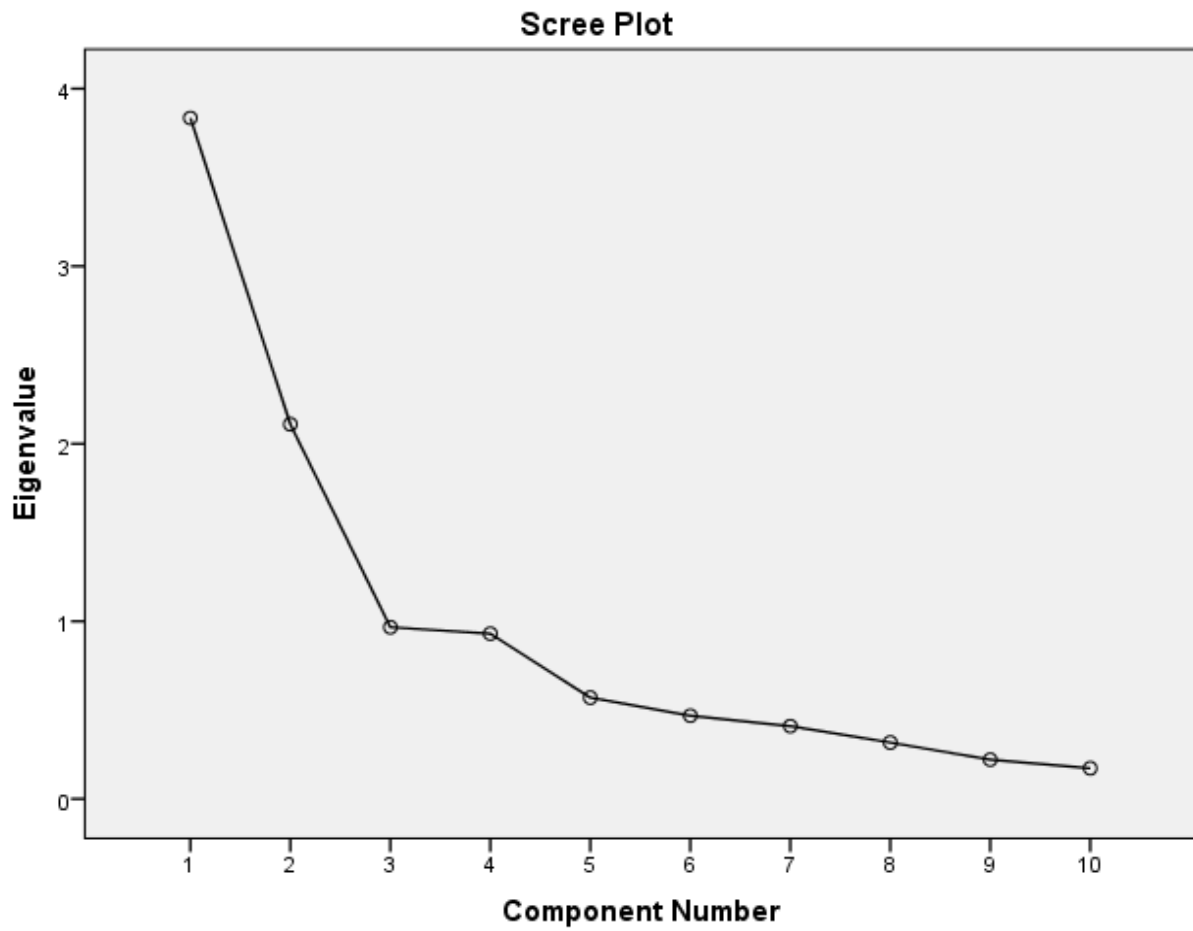
Total Variance Explained						
Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.835	38.348	38.348	3.487	34.872	34.872
2	2.110	21.098	59.446	2.457	24.574	59.446
3	0.967	9.669	69.115			
4	0.930	9.301	78.415			
5	0.570	5.701	84.116			
6	0.469	4.685	88.801			
7	0.410	4.098	92.899			
8	0.317	3.171	96.070			
9	0.221	2.207	98.277			
10	0.172	1.723	100.000			

Rotated Component Matrix		
	Component	
	1	2
My leader influenced me to Say exactly what I mean	0.840	
My leader influenced me to be open and transparent with my organization's work	0.891	
My leader Encourage everyone to speak their mind	0.762	
That employees' behavior such as reporting to work late or leaving work early is influenced by, he or she		0.823
That wastage of Bank's resources is influenced by examples set by some bank leaders.		0.898
That use of official bank resources for personal gains by employees is influenced by examples set by some Bank leaders.		0.904
Employees tend to emulate the leader's behavior		
Employees admire the leaders	0.789	

Employees observe closely the actions of the leaders		
Employees identify with the leader's actions	0.748	
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

Source: Field Data (2021)

Appendix 1d: Scree Plot for Social Learning



Source: Field Data (2021)

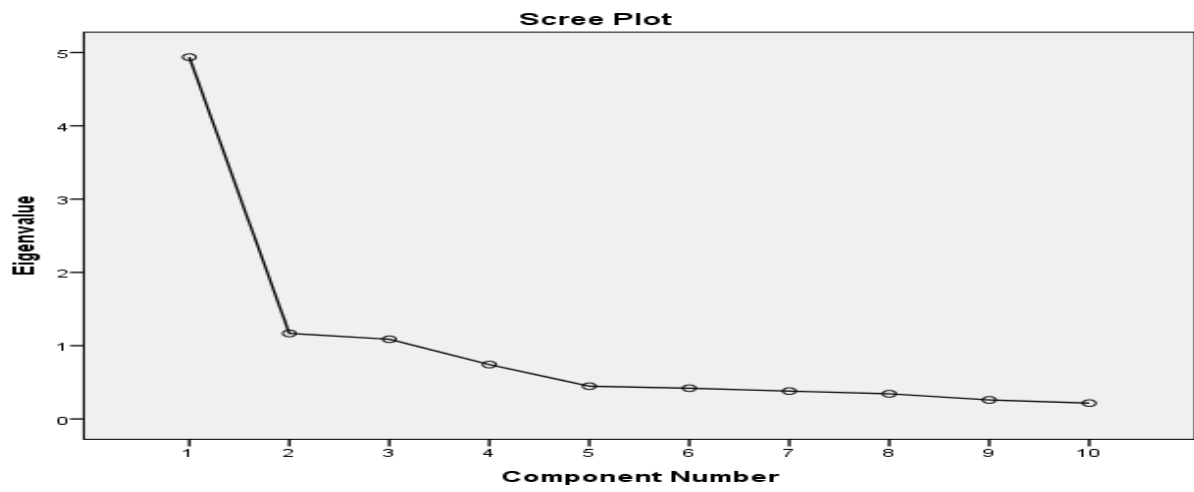
Appendix 1e: Eigenvalues for Organizational Identification

Total Variance Explained						
Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.937	49.369	49.369	3.035	30.345	30.345
2	1.167	11.673	61.042	2.272	22.722	53.068
3	1.088	10.876	71.917	1.885	18.850	71.917
4	0.743	7.427	79.344			
5	0.447	4.470	83.815			
6	0.420	4.199	88.013			
7	0.380	3.798	91.811			
8	0.344	3.436	95.247			
9	0.260	2.596	97.843			
10	0.216	2.157	100.000			
Rotated Component Matrix						
	Component					
	1	2	3			
I always get a sense of satisfaction with the bank	0.784					
When positive things are said about this bank, I feel good	0.729					
I am very interested in what people say about the bank		0.845				
Success of this bank is like my success		0.867				
Failure of the bank is like my personal failure		0.705				
Employees feel a strong sense of “belonging” to the Bank	0.572		0.581			

When I talk about the bank, I usually say ‘we’ rather than ‘they’	0.831		
Negative Media reports on this bank always embarrasses me			0.726
Any critic of the bank is like a personal insult on me			0.901
I always identify with and get involved in the activities of the bank	0.718		
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			

Source: Field Data (2021)

Appendix 1f : Scree Plot for Organizational Identification



Source: Field Data (2021)

Appendix: 1g: Eigenvalues for Ethical Behavior of Employees

Total Variance Explained						
Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.553	30.353	30.353	3.051	20.338	20.338
2	2.905	19.367	49.720	2.996	19.976	40.314
3	1.717	11.446	61.166	2.744	18.293	58.607
4	1.054	7.025	68.191	1.438	9.584	68.191
5	0.817	5.448	73.639			
6	0.642	4.278	77.917			
7	0.606	4.042	81.959			
8	0.523	3.489	85.448			
9	0.461	3.076	88.524			
10	0.383	2.554	91.079			
11	0.369	2.460	93.539			
12	0.333	2.219	95.757			
13	0.289	1.927	97.684			
14	0.216	1.437	99.122			
15	0.132	0.878	100.000			

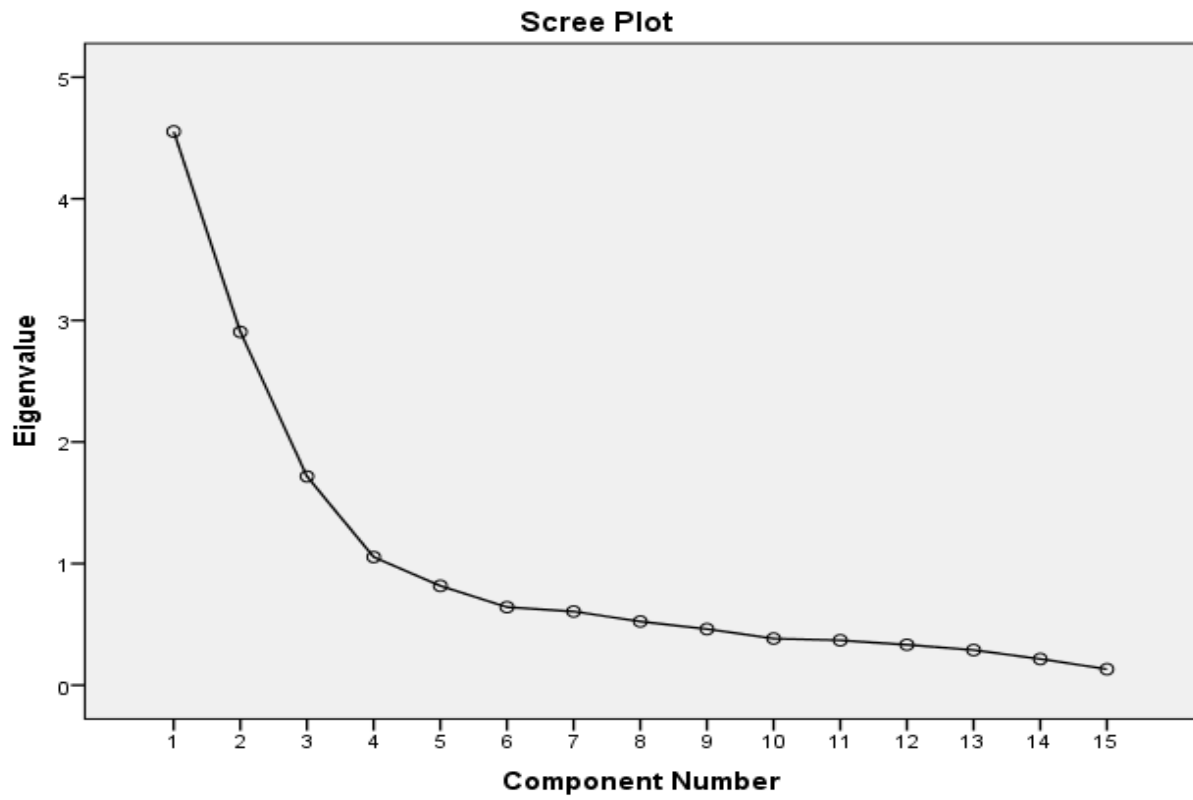
Extraction Method: Principal Component Analysis.

Rotated Component Matrix				
	Component			
	1	2	3	4
Honesty	0.792			
Bribery, gifts, and entertainment			0.874	
Conflict of interest			0.834	
Confidentiality	0.828			
Insider trading			0.810	

Fair bank charges	0.799			
Legal activities				0.683
Use of banking system	0.657			
Disclosure of information	0.511			
If it would help my organization, I would misrepresent the truth to make my Bank look good		0.614		
If needed, I would hide information from the public that could be damaging to my Bank		0.861		
I would do whatever it takes to help my Bank				0.760
If needed, I would conceal information from the public that could be damaging to my Bank		0.838		
If it would benefit my organization, I would withhold negative information about my Bank		0.849		
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization.				

Source: Field Data (2021)

Appendix 1h: Scree Plot for ethical behavior of employees



Source: Field Data (2021)

Appendix 2: Questionnaire

This questionnaire is designed to collect data on Authentic Leadership, Organizational Identification, Social Learning and Employee Ethical Behavior in Commercial Banks in Kenya. Kindly respond to each item in the questionnaire. The information provided will be used for academic purpose only and will be treated with strict confidence.

NB: Please select or tick or fill the box with the most appropriate response.

PART A: BACKGROUND INFORMATION

1. Gender: Tick one of the brackets Male [] Female []
2. Indicate your highest academic qualification
 - i) Ph. D (Doctorate)
 - ii) Masters
 - iii) Bachelors
 - iv) Higher diploma
 - v) Diploma
 - vi) Ordinary
3. Kindly indicate the ownership structure of the bank. Tick where appropriate
 - I) Fully locally owned
 - ii) Fully foreign owned
 - iii) Mixed foreign and local
4. Indicate the number of bank leaders according to gender
 - i) Female-----
 - ii) Male-----
5. How long have you worked in this organization:

Tick one of the boxes

0-2 years	3-5 years	6-8 years	9-11 years	12-14 years	15 years and above

PART B: AUTHENTIC LEADERSHIP

To what extent is the leader characterized by the following statements

KEY: 1 = Not at all 2 = Once in a while 3 = Sometimes 4 = fairly often
5 = Always

S/N	STATEMENT	RATING				
		1	2	3	4	5
o	MY LEADER					
	SELF-AWARENESS					
1	Aware of his or her strengths and limitations					
2	Knows how he/she is Seen or viewed by others					
3	Impacts or influences others					
	TRANSPARENCY:					
4	Share's information freely with others					
5	Reinforces openness with others					
6	Demonstrates beliefs that are consistent with actions					
	ETHICAL/MORAL					
7	Makes decisions based on his/her core values					
8	Asks you to take positions that support your values					
9	Makes difficult decisions based on high standards of ethical conduct					
	BALANCED PROCESSING:					
10	Understands how specific actions impact others					
11	Analyzes relevant data before coming to a decision					
12	Solicits sufficient opinions and viewpoints prior to making important decisions					

PART C: MODELING BEHAVIOR (SOCIAL LEARNING)

Use the provided key to indicate the extent to which you agree with each of the following statements: Key: 1=Never, 2=less extent, 3 = moderate, 4 = great extent 5 = very great extent.

S/NO	STATEMENTS	RATING				
		1	2	3	4	5
	POSITIVE MODELLING					
1	My leader influenced me to Say exactly what I mean					
2	My leader influenced me to be open and transparent with my organization’s work					
3	My leader Encourage everyone to speak their mind					
	REINFORCEMENT					
4	That employees’ behavior such as reporting to work late or leaving work early is influenced by, he or she					
5	That wastage of Bank’s resources is influenced by examples set by some bank leaders.					
6	That use of official bank resources for personal gains by employees is influenced by examples set by some Bank leaders.					
	ATTENTION/RETENTION					
7	Employees tend to emulate the leader’s behavior					
8	Employees admire the leaders					
9	Employees observe closely the actions of the leaders					
10	Employees identify with the leader’s actions					

PART D: ORGANIZATIONAL IDENTIFICATION

Use the provided key to indicate the extent to which you agree with each of the following statements.

KEY: Key: 1=Not at all 2=to a less extent 3=moderate extent 4=great extent 5= to a very great extent

S/N o	Statement	Rating				
		1	2	3	4	5
	SOLIDARITY					
1	I always get a sense of satisfaction with the bank					
2	when positive things are said about this bank, I feel good					
3	I am very interested in what people say about the bank					

	SHARED CHARACTERISTICS					
4	Success of this bank is like my success					
5	Failure of the bank is like my personal failure					
6	Employees feel a strong sense of “belonging” to the Bank					
7	When I talk about the bank, I usually say ‘we’ rather than ‘they’					
	ATTITUDINAL AND BEHAVIORAL SUPPORT					
8	Negative Media reports on this bank always embarrasses me					
9	Any critic of the bank is like a personal insult on me					
10	I always identify with and get involved in the activities of the bank					

PART E: ETHICAL BEHAVIOR

1. In your view, kindly rate the banks ethical standard?

Very Poor () Below Average () Average () Above Average ()
Excellent ()

To what extent do you consider employees to be characterized by each of the following? Please tick accordingly using a 5-point scale where:

Key: 1=Not at all 2=Very little extent 3= Little extent 4=Great extent 5
=Very great extent

S/No	Statement	Rating				
		1	2	3	4	5
	INTEGRITY					
2	My company means what they say					
3	My company has zero tolerance to bribery and gifts					
4	We always declare any conflict of interest in projects					
5	We maintain confidentiality in matters relating to our company					
	FAIRNESS					

6	Insider trading					
7	Fair bank charges					
8	Legal activities					
9	use of banking system					
10	Disclosure of information					
	LEGITIMACY					
11	If it would help my organization, I would misrepresent the truth to make my Bank look good					
12	If needed, I would hide information from the public that could be damaging to my Bank					
13	I would do whatever it takes to help my Bank					
14	If needed, I would conceal information from the public that could be damaging to my Bank					
15	If it would benefit my organization, I would withhold negative information about my Bank					

Thank you.

Appendix 3: Respondents Distribution

BANK	SAMPLE
Large Peer Group	
1. Kenya Commercial Bank Ltd.	16
2. Equity Bank Kenya Ltd	16
3. NCBA Bank Kenya PLC	16
4. Co-operative Bank of Kenya Ltd	16
5. Absa Bank Kenya Plc	16
6. Standard Chartered Bank (K) Ltd	16
7. Diamond Trust Bank Kenya Limited	15
8. Stanbic Bank Kenya Ltd	15
9. National Bank of Kenya Ltd	15
10. Family Bank Ltd.	15
Medium Peer Group	
11. Bank of Baroda (K) Limited	8
12. Prime Bank Ltd	8
13. Citibank N.A. Kenya	8
14. I & M Bank Limited	10
15. Bank of India	8
16. Ecobank Kenya Ltd	8
17. SBM Bank Kenya Ltd	8
18. HFC Ltd	8
Small Peer Group	
19. Victoria Commercial Bank Limited	6
20. Guaranty Trust Bank Limited	6
21. Bank of Africa Ltd	6
22. Gulf African Bank Limited	6
23. African Banking Corporation Ltd	6
24. Sidian Bank Ltd	6
25. Habib Bank A.G Zurich	6
26. Credit Bank Ltd	6
27. First Community Bank Ltd	6
28. UBA Kenya Bank Ltd	6
29. Development Bank of Kenya Ltd	6
30. Guardian Bank Limited	6
31. Mayfair CIB Bank Ltd	6
32. M Oriental Commercial Bank Limited	6
33. Kingdom Bank Limited	6
34. DIB Bank Kenya Ltd	6
35. Consolidated Bank of Kenya Limited	6
36. Paramount Bank Ltd	6
37. Middle East Bank (K) Ltd	6
38. Access Bank Plc	6
39. Spire Bank Limited	6
40. Imperial Bank Ltd	6
41. Chase Bank (K) Ltd	6
42. Charterhouse Bank Ltd	6
43. Fina Bank Ltd	6
44. Fidelity Bank Ltd	6

45. Equatorial Commercial Bank Ltd	6
TOTAL	384

Source: CBK (2022)

Appendix 5: Letter of Registration



UNIVERSITY OF NAIROBI GRADUATE SCHOOL

Telephone: 020 491-0000/8031
Email: gs@uonbi.ac.ke
OUR REF: D80/50435/2016

P. O. Box 30197 00100
NAIROBI, KENYA
4th February 2021

Mr. Crispin Angonga Mbata
C/o Dean,
School of Business

Dear Mr. Mbata,

EXTENSION OF PhD REGISTRATION PERIOD (TERMINAL)

Reference is made to your request on the above subject dated 21st December 2020 to the Director, Graduate School.

The Director, Graduate School has approved **terminal extension** of your registration in the Ph.D Programme for **eighteen (18) months** to enable you complete your studies. This extension will take effect from the date of this letter.

Please note that this is the final extension and failure to complete your course within this period will lead to de-registration from the programme.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Catherine Njue'.

CATHERINE NJUE (MS.)

FOR: DIRECTOR, GRADUATE SCHOOL

c.c. Dean, School of Business
Associate Dean, GBS – School of Business
Chairman, Department of Business Administration

CN/mv

Appendix 6: Admission Letter



UNIVERSITY OF NAIROBI GRADUATE SCHOOL

Telephone: 020 491-0000/3129
Email: gs@uonbi.ac.ke
Our Ref: D80/50435/2016

P. O. Box 30197 00100
NAIROBI, KENYA
4th February 2021

Mr. Crispin Angonga Mbata
C/o Dean,
School of Business

Dear Mr. Mbata,

FULL ADMISSION TO POSTGRADUATE STUDIES (DOCTORATE)

Following your application for a higher degree at this University, I am pleased to inform you that the Director, Graduate School has approved your application for full registration for the degree of Doctor of Philosophy in Business Administration in the School of Business. She has also approved **Prof. Peter K'Obonyo, Dr. Mercy Flora Oluoch and Dr. Florence K. Muindi** as the supervisors of your thesis entitled; **"Authentic Leadership and Ethical Behaviour of Employees in Commercial Banks in Kenya."** The Guidelines on Postgraduate Supervision can be accessed on our website (www.gs.uonbi.ac.ke) while the Research Notebook is available at the University Bookstore.

The degree for which you are registered will be offered by coursework, research and thesis.

Your registration is governed by the common regulations for Doctorate degrees in all Faculties and the School of Business. You will be expected to carry out supervised thesis research in your chosen area of study for a minimum period of four (4) semesters, with effect from the date of this letter, culminating in a doctoral thesis. You shall be required to file quarterly progress reports to Graduate School to confirm the progress in your research work.

Please note that all fees and other charges due shall be paid by Direct Cash Deposits, EFT (Swift Code is "BARCKENX) or RTGS transfer to UON CESSP Collection Account No. 2032771362 at Barclays Bank (ABSA), Barclays Plaza Nairobi, Kenya or at any Barclays Bank (ABSA) Branch countrywide using the Reference Number quoted above. Personal Cheques, Bankers Cheques or Institutional Cheques are NOT acceptable. The student account will be updated the next working day after payment and can be accessed through the student online portal (<http://smis.uonbi.ac.ke>) available in the University website (www.uonbi.ac.ke).

You will also be required to provide evidence of 2 publications or 2 letters of acceptance from peer reviewed journals from your PhD work before the oral defence. The publication should be co-authored with the supervisors.

Details regarding payment of fees and other charges remain as outlined in the attached fees structure.

Yours sincerely,

CATHERINE NJUE (MS)
FOR: DIRECTOR, GRADUATE SCHOOL

c.c. Dean, School of Business
Associate Dean, Graduate Business School
Chairman, Dept. of Business Administration, School of Business
Prof. Peter K'Obonyo (Supervisor) – Dept. of Business Administration, School of Business
Dr. Mercy Flora Oluoch (Supervisor) – Dept. of Business Administration, School of Business
Dr. Florence K. Muindi (Supervisor) – Dept. of Business Administration, School of Business

Encl. Fees structure
CN/mv

Appendix 7: Introductory Letter for Research



UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
SCHOOL OF BUSINESS
DOCTORAL STUDIES PROGRAMME

Telephone: 4184160/1-5 Ext. 231
Email: dean-business@uonbi.ac.ke

P.O. Box 30197
Nairobi, Kenya

10 February 2021

INTRODUCTORY LETTER FOR RESEARCH
MBATA CRISPIN ANGONGA - REG. No: D80/50435/2016

The above named is a registered PhD candidate at the University of Nairobi, School of Business. He is conducting research on *"Authentic Leadership and Ethical Behaviour of Employees in Commercial Banks Kenya"*.

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the thesis. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

A handwritten signature in black ink, appearing to read 'Prof. Mary Kinoti'.

Associate Dean, Graduate Business Studies
School of Business

MKinoti

Appendix 8: Letter for Research Data

Crispin A Mbata

University of Nairobi,

P.O Box 30197-00100

Nairobi.

15th, February 2021

Dear Respondent,

RE: REQUEST FOR ACADEMIC RESEARCH DATA

I am a Ph.D candidate at the University of Nairobi School of business undertaking a course leading to Doctor of Philosophy in Business Administration. As part of the requirements for the award of this degree, one is required to undertake a research study. For this reason, I am undertaking an academic research thesis on; authentic leadership and ethical behavior of employees in commercial banks in Kenya.

Your bank and you are part of the population of interest. I humbly request for your participation in the study. The information collected will be used for this academic research only and will be treated with utmost confidentiality. I will be grateful if you could spare your time to respond to the questions in the questionnaire. I further request you to be objective and honest as possible.

Thanks very much for your participation and cooperation.

Yours faithfully,



Crispin A. Mbata

Appendix 9: Originality Report



Approved and Signed by DR. Mercy Florah Oluoch
23/11/2023

AUTHENTIC LEADERSHIP, ORGANIZATIONAL, SOCIAL LEARNING AND ETHICAL BEHAVIOR OF EMPLOYEES IN COMMERCIAL BANKS IN KENYA

by CRIPIN MBATA

Submission date: 21-Nov-2023 07:39PM (UTC+0300)

Submission ID: 2235299054

File name: THESIS_20_11_2023_MBATA.docx (1.79M)

Word count: 50308

Character count: 287628

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