

# EXPLORING ETHICAL LEADERSHIP INFLUENCE ON ORGANIZATIONAL EFFECTIVENESS WITHIN VIETNAMESE SMEs AND THE MEDIATING CONTRIBUTIONS OF KNOWLEDGE SHARING AND ORGANIZATIONAL LEARNING

VAN – HIEN NGUYEN

PhD, Business Administration, Lecturer, Department of Business Administration, East Asia University of Technology, Vietnam. Email: Hiennv@eaut.edu.vn

## Abstract

This research delves into the intricate dynamics of ethical leadership within the context of Vietnamese Small and Medium Enterprises (SMEs). By scrutinizing its impact on organizational effectiveness, the study unveils a comprehensive understanding of the interconnectedness between ethical leadership, knowledge sharing, and organizational learning. Employing a mixed-methods approach, the research investigates the mediating roles played by knowledge sharing and organizational learning in the relationship between ethical leadership and organizational effectiveness. Through empirical analysis and case studies, this study contributes valuable insights to the literature, offering practical implications for fostering ethical leadership practices in Vietnamese SMEs to enhance overall organizational effectiveness. The findings shed light on the nuanced mechanisms through which ethical leadership contributes to sustainable success, emphasizing the pivotal roles of knowledge sharing and organizational learning in this intricate relationship.

**Keywords:** Ethical Leadership; Organizational Effectiveness; Knowledge Sharing; Organizational Learning; SMEs.

## 1. INTRODUCTION:

In the dynamic landscape of Vietnamese Small and Medium Enterprises (SMEs), ethical leadership stands out as a pivotal factor shaping organizational effectiveness (Kia et al., 2019, Yuan et al., 2022). As these enterprises navigate the complexities of the global business environment, understanding the impact of ethical leadership becomes imperative for sustainable growth and success (Tushar and Governance, 2017). This research embarks on a comprehensive exploration, aiming to unravel the intricate puzzle of ethical leadership and its implications for organizational effectiveness in the context of Vietnamese SMEs (Allioui and Mourdi, 2023, Harriott et al., 2023).

Ethical leadership, characterized by moral integrity, fairness, and a commitment to ethical values, is increasingly recognized as a driving force behind organizational success. In the unique setting of Vietnamese SMEs, where cultural nuances and business practices play a significant role, the dynamics of ethical leadership warrant careful examination (Vu et al., 2023). This study seeks to bridge the existing gap in literature by investigating how ethical leadership influences organizational effectiveness in the specific context of Vietnamese SMEs (Vu et al., 2023, Yuan et al., 2022).

Central to our inquiry is the recognition of knowledge sharing and organizational learning as potential mediating factors in the relationship between ethical leadership and organizational effectiveness (Kim and Thapa, 2018, Saha et al., 2020, Qing et al., 2020). Knowledge sharing, as facilitated by ethical leadership, fosters a culture of openness and collaboration, empowering organizations to adapt and thrive in a rapidly changing business environment (Sheikh et al., 2019, Goswami and Agrawal, 2023, Memon et al., 2020, Hashimy et al., 2023). Concurrently, organizational learning, driven by ethical leadership principles, becomes a catalyst for continuous improvement and innovation (Khan and Khan, 2019, Begum et al., 2020, Dzhengiz, 2020).

Our research design incorporates a mixed-methods approach, combining quantitative analysis and qualitative case studies to provide a holistic understanding of the interplay between ethical leadership, knowledge sharing, organizational learning, and organizational effectiveness (Kordab et al., 2020, Pellegrini et al., 2020). By doing so, this study not only contributes to the theoretical discourse surrounding ethical leadership but also offers practical insights for Vietnamese SMEs seeking to enhance their organizational effectiveness through ethical leadership practices (Sharma et al., 2019, Zaim et al., 2021).

As we embark on this journey of exploration, our aim is to shed light on the multifaceted relationships that underlie the effectiveness of Vietnamese SMEs, ultimately contributing to the broader discourse on ethical leadership and organizational success (Zaim et al., 2021, Banks et al., 2021).

## **2. CONCEPTUAL FRAMEWORK AND HYPOTHESIS**

### **2.1. The Relationship between Ethical Leadership and Knowledge Sharing, Organizational Learning:**

In the context of Vietnamese Small and Medium Enterprises (SMEs), the relationship between ethical leadership and knowledge sharing, organizational learning is a vital dynamic that shapes the adaptive capacity and competitiveness of these businesses (Do et al., 2022, Zhang et al., 2023). Ethical leadership, characterized by moral integrity, fairness, and a commitment to ethical values, plays a pivotal role in influencing the organizational culture and practices related to knowledge sharing and learning (Azeem et al., 2021, Alshammari, 2020, Olan et al., 2019).

Ethical leaders within Vietnamese SMEs serve as exemplars of principled conduct, fostering a work environment where employees feel empowered to share their knowledge and experiences openly (Helmy et al., 2019). This ethical foundation establishes a culture of trust, reducing barriers to communication and encouraging the free flow of information within the organization (Helmy et al., 2019, Wei et al., 2020, Mutonyi et al., 2020).

Knowledge sharing, in this context, becomes a natural outgrowth of ethical leadership. When employees perceive that their leaders prioritize ethical behavior and value transparency, they are more likely to engage in collaborative knowledge-sharing activities (Wang and Hu, 2020, Chedid et al., 2020, Gerbin and Drnovsek, 2020). This, in turn, contributes to a collective knowledge pool within the organization, enhancing its adaptive capacity and problem-solving

capabilities(Smaldino et al., 2022, Shteynberg et al., 2020).

Furthermore, ethical leadership positively influences organizational learning within Vietnamese SMEs(Vu et al., 2023). Leaders who prioritize ethics are more inclined to promote a culture of continuous learning and improvement(Yuan et al., 2017). This commitment to learning from both successes and failures encourages employees to be more adaptable and innovative in response to changing market conditions(Alblooshi et al., 2021).

The reciprocal nature of this relationship is evident as well(Flückiger et al., 2020). Knowledge sharing and organizational learning contribute to the reinforcement of ethical leadership within SMEs(Bhatti et al., 2021). A learning-oriented culture encourages leaders to stay informed about ethical best practices and adapt their leadership styles accordingly(Birasnav et al., 2023).

In the ever-evolving business landscape of Vietnamese SMEs, leveraging the symbiotic relationship between ethical leadership, knowledge sharing, and organizational learning becomes a strategic imperative(Aslam et al., 2022). Organizations that prioritize ethical behavior and foster a culture of continuous learning are better equipped to navigate challenges, seize opportunities, and establish a foundation for long-term success and positive societal impact(Bellemare et al., 2020). Understanding and cultivating this relationship can contribute significantly to the resilience and competitiveness of Vietnamese SMEs in the dynamic business environment(Do et al., 2022, Azeem et al., 2021).

*Hypothesis H1: There is a positive relationship between Ethical Leadership and knowledge sharing.*

*Hypothesis H2: There is a positive relationship between Ethical Leadership and organizational learning.*

## **2.2. The Relationship between Ethical Leadership and Organizational Effectiveness**

The relationship between ethical leadership and organizational effectiveness in the context of Vietnamese Small and Medium Enterprises (SMEs) is a crucial dynamic that shapes the overall success and sustainability of these businesses(Vu et al., 2023). Ethical leadership, characterized by moral integrity, fairness, and a commitment to ethical values, plays a central role in influencing various aspects of organizational functioning(Vu et al., 2023, Mutonyi et al., 2020).

In Vietnamese SMEs, where cultural nuances and business practices often differ from larger enterprises, the impact of ethical leadership becomes particularly significant(Kia et al., 2019, Zaim et al., 2021). Ethical leaders serve as guiding beacons, setting a tone of trust and integrity within the organization(Azeem et al., 2021, Birasnav et al., 2023). This, in turn, fosters an ethical organizational culture where employees are more likely to engage in behaviors that contribute to the greater good of the company(Bhatti et al., 2021, Kim and Thapa, 2018).

The relationship between ethical leadership and organizational effectiveness can be observed through several key mechanisms(Banks et al., 2021, Alblooshi et al., 2021, Bhatti et al., 2021). First and foremost, ethical leadership influences employee morale and commitment(Helmy et al., 2019, Van et al., 2023, Vu, 2023). When employees perceive their leaders as ethical role models, they are more likely to be motivated, engaged, and committed to the organization's

goals, ultimately contributing to increased effectiveness (Song et al., 2020, Zhang et al., 2023). Moreover, ethical leadership contributes to the establishment of transparent communication channels and a positive work environment (Tushar and Governance, 2017, Pellegrini et al., 2020). This open communication fosters a sense of trust among team members and between employees and leadership, leading to improved collaboration and efficiency (Yuan et al., 2017, Van et al., 2023).

Additionally, ethical leaders are more likely to make decisions that consider the long-term impact on the organization and its stakeholders (Birasnav et al., 2023, Bhatti et al., 2021, Castellano et al., 2021). This forward-thinking approach enhances strategic planning and overall organizational resilience, factors that are integral to sustained effectiveness, especially in the dynamic business environment of SMEs (Dzhengiz, 2020, Olan et al., 2019).

It is crucial to recognize that the relationship between ethical leadership and organizational effectiveness is reciprocal (Dzhengiz, 2020, Helmy et al., 2019, Memon et al., 2020). Effective organizations, in turn, reinforce and support ethical leadership by acknowledging and valuing ethical behavior, creating a reinforcing loop that contributes to the overall success and sustainability of Vietnamese SMEs (Memon et al., 2020, Kia et al., 2019, Dzhengiz, 2020, Gerbin and Drnovsek, 2020).

Understanding and leveraging the positive interplay between ethical leadership and organizational effectiveness is imperative for SMEs seeking to thrive in the Vietnamese business landscape (Gerbin and Drnovsek, 2020, Olan et al., 2019, Tushar and Governance, 2017). By fostering ethical leadership practices, SMEs can enhance employee engagement, build trust with stakeholders, and establish a foundation for long-term success and positive societal impact (Bhatti et al., 2021, Van et al., 2023, Vu, 2023, Yuan et al., 2022).

*Hypothesis H3: There is a positive relationship between Ethical Leadership and organizational effectiveness.*

### **2.3. The Relationship between Knowledge Sharing and Organizational Learning to Organizational Effectiveness**

The relationship between knowledge sharing and organizational learning is intricately linked to organizational effectiveness, forming a critical nexus that shapes the success and adaptability of modern enterprises (Birasnav et al., 2023, Castellano et al., 2021, Bhatti et al., 2021). Understanding and harnessing this relationship is paramount for organizations seeking to thrive in dynamic and competitive environments (Tushar and Governance, 2017, Oh et al., 2020, Memon et al., 2020).

Knowledge sharing serves as the conduit through which valuable insights, experiences, and expertise flow within an organization (Smaldino et al., 2022, Shteynberg et al., 2020, Yaghi and Ethics, 2019). When individuals freely exchange information, ideas, and lessons learned, it creates a collaborative environment that fosters a collective intelligence (Suran et al., 2020, Thi Trang Nhung and Vu, 2023, Vu et al., 2020). This collective intelligence, in turn, becomes a cornerstone for organizational learning (Memon et al., 2020, Ali et al., 2020, Christofi et al.,

2023). Organizational learning, on the other hand, involves the systematic process of acquiring, interpreting, and applying knowledge to improve performance (Purwanto, 2020, Chienwattanasook and Jermstittiparsert, 2019). It encompasses not only individual learning but also the ability of the entire organization to adapt and innovate based on shared knowledge (Azeem et al., 2021). As organizations learn from their experiences and the experiences of their members, they become more agile, responsive, and capable of navigating complexities (Chienwattanasook and Jermstittiparsert, 2019, Kim and Thapa, 2018, Sharma et al., 2019).

The interplay between knowledge sharing and organizational learning contributes directly to organizational effectiveness (Birasnav et al., 2023, Memon et al., 2020). Organizations that actively promote knowledge sharing create a fertile ground for continuous learning (Memon et al., 2020, Russ, 2021). This, in turn, enhances problem-solving capabilities, innovation, and overall adaptability, which are essential components of organizational effectiveness (George et al., 2019, Abubakar et al., 2019).

Furthermore, the relationship is reciprocal – organizational learning reinforces the importance of knowledge sharing (Abubakar et al., 2019, Memon et al., 2020). As organizations learn from both successes and failures, they recognize the value of disseminating this knowledge across the organization to facilitate broader learning and improvement (Russ, 2021, Memon et al., 2020, Yaghi and Ethics, 2019).

In summary, the relationship between knowledge sharing and organizational learning is a symbiotic one that significantly influences organizational effectiveness (Chedid et al., 2020, Mutonyi et al., 2020, Wang and Hu, 2020). Organizations that prioritize and facilitate knowledge sharing create a culture conducive to continuous learning, adaptability, and innovation, thereby enhancing their overall effectiveness in achieving strategic goals and staying competitive in today's fast-paced business landscape (Vu et al., 2023).

*Hypothesis H4: There is a positive relationship between knowledge sharing and organizational effectiveness.*

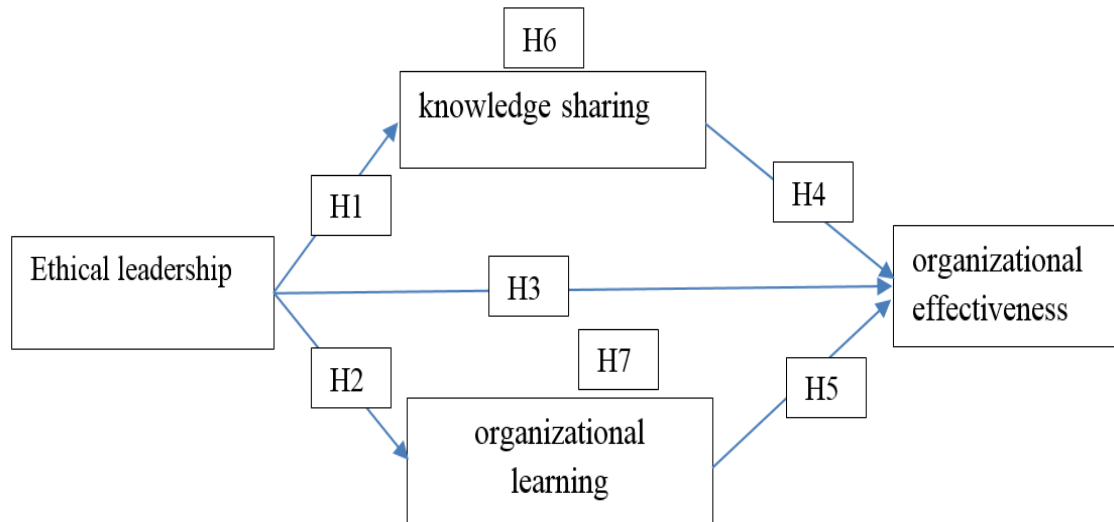
*Hypothesis H5: There is a positive relationship between Organizational learning and organizational effectiveness.*

#### **2.4. Knowledge Sharing and Organizational Learning mediate between ethical leadership and Organizational Effectiveness.**

This theoretical framework posits that Knowledge Sharing and Organizational Learning act as crucial mediators between Ethical Leadership and Organizational Effectiveness (Vu et al., 2023, Olan et al., 2019). Ethical Leadership sets the ethical tone, encouraging open communication and collaboration (Kordab et al., 2020, Olan et al., 2019). Knowledge Sharing facilitates the exchange of information, while Organizational Learning fosters continuous improvement (Olan et al., 2019, Gerbin and Drnovsek, 2020). The interconnected roles of Knowledge Sharing and Organizational Learning create pathways to enhance Organizational Effectiveness, making them integral components in the relationship between Ethical Leadership and overall organizational success (Do et al., 2022, Yaghi and Ethics, 2019).

*Hypothesis H6: Knowledge Sharing mediates the relationship between ethical leadership and Organizational Effectiveness*

*Hypothesis H7: Organizational Learning mediates the relationship between ethical leadership and Organizational Effectiveness*



**Figure 1: Research Model (Source: Self-Developed)**

### 3. RESEARCH METHODOLOGY

#### 3.1. research design:

This study focuses on unraveling the impact of ethical leadership on organizational effectiveness in Vietnamese Small and Medium Enterprises (SMEs). The research design employs a sample of 473 SMEs, utilizing a structured survey and interviews. The survey instrument measures ethical leadership, knowledge sharing, organizational learning, and organizational effectiveness. Structural Equation Modeling (SEM) is employed for analysis, with a specific focus on mediating roles. Ethical considerations, data analysis procedures, and limitations are carefully addressed. The study aims to provide valuable insights into the intricate dynamics of ethical leadership and its mediating effects on organizational effectiveness in the context of Vietnamese SMEs.

#### 3.2. Measures

##### 3.2.1. Ethical Leadership

In this study, we employed a scale comprising seven items adapted from to evaluate Ethical leadership (Vu et al., 2020) Following Vu et al., (2020) Confirmatory Factor Analysis (CFA), all seven items exhibited robust factor loadings well above the acceptable threshold of 0.50. These items were rated on a five-point scale, ranging from 1 = "Not at all" to 5 = "Very much." As an example, one of the items read, "Leaders in our organization actively promote a culture of

transparency and openness.?"

The internal consistency and reliability of the Ethical leadership scale were evaluated using Cronbach's alpha coefficient, which yielded a highly satisfactory result of .973.

Additionally, a Confirmatory Factor Analysis (CFA) was conducted for the Ethical leadership scale, which demonstrated a strong fit to the data ( $\chi^2(37) = 87.360$ , IFI = 0.836, GFI = 0.855, AGFI = 0.888, NFI = 0.833, TLI = 0.992, CFI = 0.835, RMSEA = 0.428, and RMR = 0.045). This analysis confirmed that the Ethical leadership scale is unidimensional and possesses strong validity and reliability (Cronbach's alpha = .973). These results underscore the Ethical leadership scale's robust internal consistency and reliability, surpassing the recommended alpha threshold of .70.

### **3.2.2. Knowledge Sharing**

In this study, we employed a scale comprising four items adapted from to evaluate Knowledge Sharing (Setini et al., 2020) Following Setini et al., (2020), Confirmatory Factor Analysis (CFA), all seven items exhibited robust factor loadings well above the acceptable threshold of 0.50. These items were rated on a five-point scale, ranging from 1 = "Not at all" to 5 = "Very much." As an example, one of the items read, " Knowledge-sharing activities are recognized and rewarded within our organization"

The internal consistency and reliability of the Knowledge Sharing scale were evaluated using Cronbach's alpha coefficient, which yielded a highly satisfactory result of .926.

Additionally, a Confirmatory Factor Analysis (CFA) was conducted for the Knowledge Sharing scale, which demonstrated a strong fit to the data ( $\chi^2(11) = 5.320$ , IFI = 0.979 GFI = 0.961, AGFI = 0.926, NFI = 0.973, TLI = 0.971, CFI = 0.979, RMSEA = 0.096, and RMR = 0.055). This analysis confirmed that the Knowledge Sharing scale is unidimensional and possesses strong validity and reliability (Cronbach's alpha = .926). These results underscore the Knowledge Sharing scale's robust internal consistency and reliability, surpassing the recommended alpha threshold of .70.

### **3.2.3. Organizational Learning**

In this study, we employed a scale comprising four items adapted from to evaluate Organizational Learning(Bilan et al., 2020). Following Bilan et al., (2020), Confirmatory Factor Analysis (CFA), all four items exhibited robust factor loadings well above the acceptable threshold of 0.50. These items were rated on a five-point scale, ranging from 1 = "Not at all" to 5 = "Very much." As an example, one of the items read, "Employees in our organization are provided with opportunities for ongoing training and skill enhancement."

The internal consistency and reliability of the Organizational Learning scale were evaluated using Cronbach's alpha coefficient, which yielded a highly satisfactory result of .897.

Additionally, a Confirmatory Factor Analysis (CFA) was conducted for the Self-efficacy scale, which demonstrated a strong fit to the data ( $\chi^2(11) = 4.654$ , IFI = 0.977, GFI = 0.964, AGFI = 0.931, NFI = 0.971, TLI = 0.969, CFI = 0.977, RMSEA = 0.088, and RMR = 0.059). This

analysis confirmed that the Organizational Learning scale is unidimensional and possesses strong validity and reliability (Cronbach's alpha = .897). These results underscore the Organizational Learning scale's robust internal consistency and reliability, surpassing the recommended alpha threshold of .70.

### 3.2.4. Organizational Effectiveness

In this study, we employed a scale comprising four items adapted from to evaluate Organizational Effectiveness (Kareem and Hussein, 2019) Following Kareem and Hussein, (2019), Confirmatory Factor Analysis (CFA), all seven items exhibited robust factor loadings well above the acceptable threshold of 0.50. These items were rated on a five-point scale, ranging from 1 = "Not at all" to 5 = "Very much." As an example, one of the items read, "The organization maintains efficient and effective internal processes.". The internal consistency and reliability of the Organizational Effectiveness scale were evaluated using Cronbach's alpha coefficient, which yielded a highly satisfactory result of .898.

Additionally, a Confirmatory Factor Analysis (CFA) was conducted for the Organizational Effectiveness scale, which demonstrated a strong fit to the data ( $\chi^2(2) = .717$ , IFI = 0.987, GFI = 0.981, AGFI = 0.959, NFI = 0.982, TLI = 0.982, CFI = 0.987, RMSEA = 0.072, and RMR = 0.037). This analysis confirmed that the Organizational Effectiveness scale is unidimensional and possesses strong validity and reliability (Cronbach's alpha = .898). These results underscore the Open Innovation scale's robust internal consistency and reliability, surpassing the recommended alpha threshold of .70.

## 4. RESULTS AND DISCUSSION

### 4.1. Descriptive Statistics

**Table 1: Descriptive statistics, correlations and scale reliabilities (Source: Self-developed)**

Variable	Mean	Std. Deviation	age	Gender	Education	Tenure	SL	SC	TP	OI
age	2.40	0.92	1							
Gender	1.45	0.50	-.229	1						
Education	2.38	0.84	.306	-.279	1					
Tenure	2.40	0.91	.247	-.173	.218	1				
Ethical Lea	3.50	0.94	.108	-.147	.072	.048	1			
Know Shar	3.81	0.65	.253	-.228	.217	.255	.248	1		
Orga Learn	3.64	0.72	.271	-.292	.210	.213	.113	.582	1	
Organ Effect	3.79	0.66	.252	-.131	.177	.157	.126	.220	.199	1

Note

(1). Cronbach alpha reliabilities for observed variables are in parenthesis in the diagonal

(2) \* Correlation is significant at the .05 level (2-tailed)

\*\* Correlation is significant at the .01 level (2-tailed). N = 4

(3) The square root of AVE for discriminant validity are in parentheses along the diagonal



The means, standard deviations, and zero-order Pearson correlations for all key variables are displayed in Table 1. In Fig. 1, the research model illustrating the relationships among gender, age, education, tenure, Ethical leadership, Knowledge Sharing, Organizational Learning and Organizational Effectiveness is presented. Examining Table 1, it's observed that Age exhibits a negative correlation with gender ( $r = -.229$ ), gender is negatively correlated with education ( $r = -.279$ ), tenure ( $r = -.173$ ), Ethical Leadership ( $r = -.147$ ), Knowledge Sharing ( $r = -.228$ ), Organizational Learning ( $r = -.292$ ), and Organizational Effectiveness ( $r = -.131$ ). On the other hand, education and tenure show positive correlations with Ethical leadership, Knowledge Sharing, Organizational Learning and Organizational Effectiveness

#### 4.2. Convergent and Discriminant Validity

In this investigation, we performed an Exploratory Factor Analysis (EFA) utilizing Principal Axis Factoring to examine the interrelationships among the observed variables. The Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test affirmed that the dataset was suitable for factor analysis (KMO = 0.922). Notably, the Factor loadings in Table 2 were highly significant ( $p < 0.000$ ) and exceeded 0.600, indicating strong discriminant validity. Furthermore, all variables exhibited Cronbach's alpha coefficients surpassing 0.897, signifying high internal consistency and reliability.

To address potential common method bias, we conducted Harman's single-factor test. This involved subjecting sets of questions related to Ethical Leadership (ten items), Knowledge Sharing (six items), Organizational Learning (six items), and Organizational Effectiveness (five items) to a principal component factor analysis. Results indicated that the initial factor in the model accounted for only 33.777% of the total variance, suggesting that common method bias did not significantly impact the study's findings.

These analytical procedures were rigorously implemented to fortify the trustworthiness and validity of the data, specifically addressing concerns related to common method bias. The outcomes of these steps underscore the robustness of the dataset and provide substantial assurance regarding the credibility of subsequent analyses. The detailed attention to these methodological aspects enhances the overall reliability of our study's findings.

**Table 2: Item loading of the latent constructs (Source: Self-developed)**

	Factor				Cronbach's Alpha
	Ethical Lea	Know Shar	Orga Learn	Organ Effect	
EL1	.887				<b>.973</b>
EL2	.888				
EL3	.898				
EL4	.856				
EL5	.888				
EL6	.824				
EL7	.910				
EL8	.896				
EL9	.906				
EL10	.892				
KS1		.653			<b>.926</b>

KS2		.955			
KS3		.725			
KS4		.637			
KS5		.939			
KS6		.929			
OL1			.720		<b>.897</b>
OL2			.867		
OL3			.630		
OL4			.857		
OL5			.849		
OL6			.711		
OE1				.735	<b>.898</b>
OE2				.847	
OE3				.776	
OE4				.826	
OE5				.817	
<i>Extraction Method: Principal Axis Factoring.</i>					
<i>Rotation Method: Promax with Kaiser Normalization.</i>					

### 4.3. Hypothesis testing

The authors employed Structural Equation Modeling (SEM) through the AMOS software (version 22) to scrutinize both direct and indirect effects. Figure 2 presents the standardized structural coefficients, while various fit measures and correlation coefficients were examined to evaluate the model's appropriateness for the data.

The comprehensive assessment of the model revealed favorable fit indices across all scales. Specifically, the chi-square test ( $\chi^2(321) = 11.882, p = .000$ ) indicated a statistically significant fit. Other fit measures included Incremental Fit Index (IFI = 0.795), Goodness of Fit Index (GFI = 0.784), Adjusted Goodness of Fit Index (AGFI = 0.746), Normed Fit Index (NFI = 0.743), Tucker-Lewis Index (TLI = 0.736), Comparative Fit Index (CFI = 0.759), Root Mean Square Error of Approximation (RMSEA = 0.152), and Root Mean Square Residual (RMR = 0.086). These collectively demonstrated that the model aligns well with the observed data.

In Figure 2, the application of structural equation modeling is depicted, illustrating how the independent variables Ethical Leadership, Knowledge Sharing, and Organizational Learning directly and indirectly impact Organizational Effectiveness. The robustness of the model, supported by the diverse fit indices, strengthens the credibility of the findings and underscores the effectiveness of SEM in unraveling the complex relationships within the study.

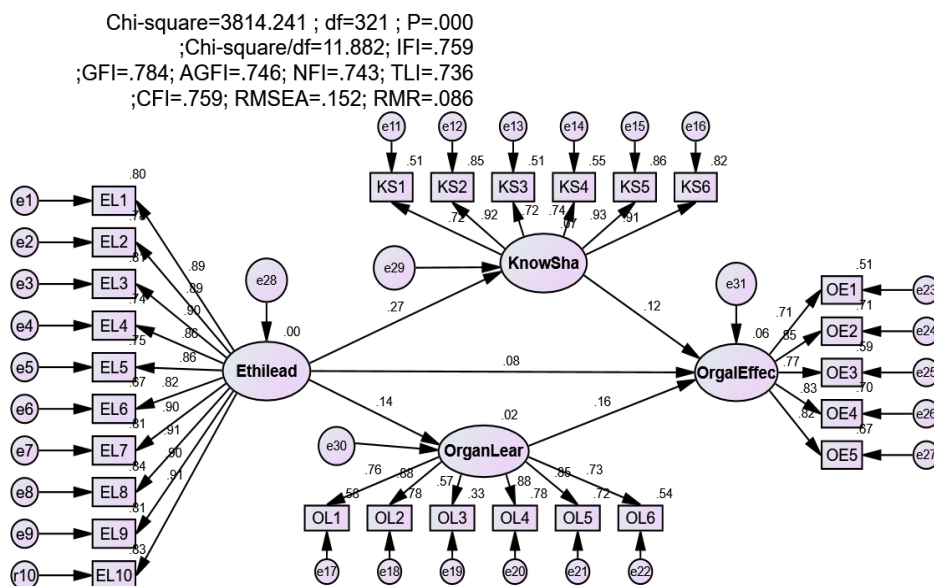


Figure 1: Results of structural equation model (Source: Self-developed)

Table 3 presents the standardized estimation outcomes for the primary parameters. It's noteworthy that all associations are determined to be statistically significant at the 5% level ( $p < 0.05$ ). Moreover, these results corroborate the legitimacy of the measurement scales for the conceptual variables incorporated in the model. Each measurement is observed to have a relationship with other measurements as anticipated based on theoretical expectations.

Table 3: Structural model result (direct, indirect and total effects). (Source: Self-developed)

Effect from	To	Direct effects <sup>a</sup>	Indirect effects <sup>a</sup>	Total effects <sup>a</sup>
Ethical leadership	Knowledge Sharing	.156**		.156**
Ethical leadership	Organizational Learning	.098**		.098**
Ethical leadership	Organizational Effectiveness	.052**	0.033***	.085**
Knowledge Sharing	Organizational Effectiveness	.122**		.122**
Organizational Learning	Organizational Effectiveness	.140**		.140**
Goodness of fit statistics	Chi-square = 686.304; chi-square/df = 11.882; df = 321; P=0.000; IFI=.759; GFI=.784; TLI=.736; CFI=.759; RMSEA=.152, RMR= .086			

Note: <sup>a</sup> Standardized Structural Coefficients: \*\*\*  $p < .001$ .

In summary, the study's comprehensive analysis supports the affirmation of all seven hypotheses. Ethical leadership is found to positively influence knowledge sharing, organizational learning, and ultimately organizational effectiveness. Knowledge sharing and organizational learning are identified as significant mediators in the relationship between ethical leadership and organizational effectiveness. These findings contribute valuable insights to our understanding of the interplay between ethical leadership, knowledge dynamics, and overall organizational success.

## **5. CONCLUSION**

### **5.1. Study Limitations**

Despite the robustness of this study, several limitations merit acknowledgment:

**Cross-Sectional Nature:** The research design adopted a cross-sectional approach, limiting the ability to infer causality. Future longitudinal studies could provide a more nuanced understanding of the dynamic relationships explored.

**Generalizability:** The study primarily focused on a specific context (Vietnamese SMEs), potentially impacting the generalizability of the findings. Caution should be exercised when extrapolating results to different industries or cultural settings.

**Self-Reported Data:** Data were reliant on self-reported measures, introducing the possibility of response bias or social desirability. Future research could incorporate diverse data sources to enhance objectivity.

**Common Method Bias:** Despite measures taken to mitigate common method bias, the possibility remains, given the self-reporting nature of the survey. Employing additional techniques, such as procedural remedies, could further address this concern.

**Mediation Complexity:** The study explored the mediating roles of knowledge sharing and organizational learning, yet the intricacies of these processes may vary. Further research could delve deeper into the mechanisms through which these mediating factors operate.

Acknowledging these limitations provides a foundation for refining future research endeavors and enriching the understanding of ethical leadership, knowledge sharing, organizational learning, and organizational effectiveness.

### **5.2. Future Research**

Building on the insights gained from this study, avenues for future research are identified to deepen our understanding of the complex dynamics within ethical leadership, knowledge sharing, organizational learning, and organizational effectiveness:

**Longitudinal Investigations:** Conducting longitudinal studies would enable a more comprehensive exploration of the causal relationships between ethical leadership, knowledge sharing, organizational learning, and organizational effectiveness over time.

**Cross-Cultural Analyses:** Extending research to diverse cultural contexts can uncover how cultural nuances influence the relationships studied, providing valuable insights for global organizations.

**Qualitative Approaches:** Complementing quantitative analyses with qualitative methodologies, such as interviews or case studies, can offer a richer understanding of the contextual factors shaping ethical leadership, knowledge-sharing practices, and organizational learning.

**Impact of Leadership Styles:** Exploring the impact of different leadership styles within the realm of ethical leadership on knowledge sharing, organizational learning, and organizational effectiveness can contribute to a more nuanced understanding of leadership dynamics.

**Technological Influences:** Investigating the role of emerging technologies in facilitating knowledge sharing and organizational learning, and their impact on organizational effectiveness, is crucial in the ever-evolving digital landscape.

**Employee Perspectives:** Future research could delve into employee perceptions and experiences, providing insights into the subjective nature of ethical leadership, knowledge sharing, and organizational learning.

**Mediation Mechanisms:** Further examining the intricate mechanisms through which knowledge sharing and organizational learning mediate the relationship between ethical leadership and organizational effectiveness will enhance the depth of understanding.

By addressing these avenues, future research endeavors can contribute to the continual development of organizational behavior literature and provide practical implications for leaders seeking to enhance ethical practices, knowledge dynamics, and overall organizational effectiveness.

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