

# Effect Of Moral Intelligence And Ethical Leadership On Leader Effectiveness

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## **Abstract**

*The Research Study Assessed The Influence Of Ethical Leadership And Moral Integrity On Leader Effectiveness At The Ghana Revenue Authority. The Objective Of The Study Was To Assess The Influence That Moral Intelligence And Ethical Leadership Have On Leader Effectiveness. It Is Believed That Ethical Codes And Values Of Organizations Written Black And White, Alone Could Not Lead To Absolute Leader Effectiveness. And So The Moral Intelligence And Integrity Of The Leader Counts A Lot In Making The Leader Effective, And To Attain The Goals Of The Organization.*

*The Study Was Purely Quantitative And Descriptive Statistics Was Adopted In Analyzing The Data Gathered. A Sample Size Of 212 Participants Was Used In The Study. Simple And Multiple Regression Calculation And Analysis Were Conducted.*

*The Findings From The Analysis Indicated That Both Moral Intelligence And Ethical Leadership Has A Significant Regression Equation. Thus Moral Intelligence And Ethical Leadership Combined Influences The Effectiveness Of Leaders. It Is Recommended That The Leaders At The Ghana Revenue Authority Should Institute Measures To Promote The Consistent Harnessing Of The Moral Intelligence Of The Staffs, And Demonstration Of Ethical Values And Behaviors.*

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## I. INTRODUCTION

### **Background of the Study**

The corporate scandals that rocked the world and further implications of the credit crunch in the later parts of the 20<sup>th</sup> century to the early parts of the 21<sup>st</sup> century has compelled a lot of business players in the international community to question about morality, ethics and effectiveness of leadership. The common questions asked were, who are the corporate managers? Where were the corporate managers? And are they ethical? It therefore implies that leaders need to be ethical and apply their moral intelligence in their daily endeavors.

The performance of every organization is basically dependent on the kind of employees of that organization, and most importantly, the kind of leadership that is being exhibited (Shafie, Baghersalimi, & Bargi, 2013; Malcalm & Tamatey, 2017). Meaning that the leader is equally an employee, and the presence of the leader in organizations is the key tool for the success or failure of the organization. Every leader in any organization is expected to exhibit key characteristics of being ethical and morally intelligent, in order to be effective in achieving the objectives of the organization.

Brown, Trevino and Harrison (2005), affirmed that ethical leadership has to do with the leader demonstrating normatively appropriate conduct by using personal actions and relationships, as well as ensuring that the conduct of followers are appropriate, through a two way communication, reinforcement and decision making. Ethical leadership involves leading in a manner that respects the rights and dignity of others (Ciulla, 2004). Moral intelligence on the other hand is defined as the means through which a leader is able to apply universal moral principles of integrity, responsibility, compassion and forgiveness, due to his mental capacity and orientation.

In research conducted by Beheshtifar, Esmaeli and Moghadam (2011), it was realized that moral intelligence is highly associated with leadership effectiveness and that; successful leaders will be faced constantly with moral and ethical choices.

The proper implementation of ethical principles in any organization is dependent more on the moral intelligence of the leader. Thus the values, rules and ethical code of ethics could be enshrined and documented. The ethical leader is expected to implement these values, but if the leader is morally corrupt, these values would only gather dusts on the shelves of organizations, without their enforcements. This study therefore seeks to ascertain the influence of moral intelligence and ethical leadership on leader effectiveness in Ghana, using the Ghana Revenue Authority as a case study.

## **Problem Statement**

Ethics and morality are two different things. While morality has to do with internationally accepted, as well as one's individual values and beliefs, ethics are set out rules or regulations in the form of ethical codes of conduct for organizations that one is obliged to obey. Most leaders are unable to enforce ethical codes enshrined in their organizations, because they are perceived to have lost their moral intelligence and courage. For a leader to be effective, he has to ensure that the organizations ethical codes and values are well respected and obeyed. Consequently, it is believed that when a leader is morally intelligent, he becomes effective in ensuring the ethical codes and values are well adhered to, which lead to the overall attainment of the organization's objectives. Unlike when there exist ethical codes but the leader is not morally intelligent.

Prior researches have not combined the effect of both moral intelligence and ethical leadership on leader effectiveness. Instead they are concentrated on either only one of the independent variables, and other mediating variables.

Moral intelligence has been established to positively affect leader effectiveness in the research of Beheshtifar, Esmaeli and Moghadam (2011). Mottaghi et al. (2014) adopted a descriptive and correlational study in their bid to investigate and determine the relationship between leadership styles and moral intelligence. Equally, in a study by Wen, Wu and Long (2021), they investigated the impact of ethical leadership on employees' innovative behavior: the mediating role of organization based self-esteem and flexible human resource management. Copeland (2016) studied the impact of authentic, ethical, transformational leadership on leader effectiveness. In the research conducted by Mashud, Yukl and Prussia (2013), they expressed the existence of positive effects of ethical leadership on leader effectiveness. Wolmarans (2014) studied the effect of ethical values on ethical leadership, organizational justice, ethical climate and leader effectiveness. In a study by Kalshoven and Den Hartog (2009), they investigated the prototypicality and trust on ethical leader behavior and leader effectiveness.

Additional research is therefore required to ascertain the effect of moral intelligence of a leader and ethical leadership on leader effectiveness. The researcher is poised to examine the influence of both ethical leadership and moral intelligence on leader effectiveness in the Ghana Revenue Authority. This is because, in Ghana, most organizations has codes of ethics and conduct, and the employees and managers of the organizations are expected to abide by them but it appears this is not the case.

## **Objectives of the Study**

The main objective of this study is to assess the influence of ethical leadership and moral intelligence on leader effectiveness. Specifically, the study seeks to:

- i. Determine the effect of ethical leadership and moral intelligence on leader effectiveness at the Ghana Revenue Authority;

## **Hypotheses**

H<sub>0</sub>: Ethical leadership and moral intelligence has no significant effect on leader effectiveness;

H<sub>1</sub>: Ethical leadership and moral intelligence has significant effect on leader effectiveness.

## **II. Theoretical Literature Review**

Leadership was defined as a process in which an individual sets direction and carries others along in that direction with competence and productivity (Jaques & Clement, 1991). Vigoda-Gadot (2006) also opined that, leadership determines the extent of successes and failures of organizations. The leader is expected to set the tone of the organization, show the direction and carry all his followers along in order to realize the set goals and objectives (Malcalm & Tamatey, 2017). The effectiveness of a leader is determined by how he treats his followers. According to Anderson and Adam (2016), leadership is all about people. The leader is therefore expected to act ethically and morally in order to be effective. Ethical leadership includes the ability of a leader to persuade people to always do what is right. Ethics and codes of conducts are all time stipulated in organizational documents and both leaders and followers are expected to abide by them. The followers get more encouraged to live by these codes and ethics of conduct, whenever they see their leaders living according to them.

Interestingly, despite the enshrinement of these ethics and codes for people to follow, most leaders sometimes feel that they are above the ethics and codes of conduct. They think those documents were created for the followers alone, and not for them. Such practices send wrong signals to the followers who end up not giving their utmost best. Leaders in order to be effective must apply ethical principles. It is believed that, it is only when the leader has moral intelligence that he will appreciate the effects of applying the ethical codes of conduct.

Moral intelligence has been defined as the mental capacity to decide how to apply universal moral principles to one's personal values (800-CEO-READ, 2005). This implies that the leader must have certain values, and must try to relate them to the universal principles. Moral Intelligence was described as a skill, and ability-based instead of trait-based (Doug & Kiel, 2011). Doug and Kiel (2011) further developed a model of moral

intelligence which identified four basic competencies that every leader must develop in order to have moral intelligence. These are Integrity, Responsibility, Forgiveness and Compassion. These competencies as identified are synonymous to the attributes of a transformational leader.

### **Ethical Leadership**

Piccolo et al (2012) emphasized that ethical leaders must demonstrate moral management behavior, communicate ethics, reward employees for ethical compliance and not compromise ethical standards in his quest to achieve the objectives of their organizations. Ethical leadership is defined by Zhu et al (2011) as the exhibition of normatively appropriate conduct by a leader through the means of personal actions and interpersonal relationships through a two way communication, reinforcements and decision making, and encouragement of others to conduct themselves in that same appropriate manner.

This means the leader must consistently act within the restraints of the expectations of the followers at the work place or in a group. Some of the conducts expected to be consistently exhibited by the leader are fairness, honesty, principled, trustworthy, reward and punish where appropriate. Thus leaders are to exhibit these traits and take decisions considering the appropriateness of those decisions and their consequences.

According to Wolmarans (2014) there are two key components of ethical leadership. These are 'Moral Person' and 'Moral Manager'. In his wisdom, the moral person entails leader's personal traits such as honesty, integrity and trustworthiness. Meaning that, the ethical leader must behave ethically by doing the right thing when faced with difficult challenges and decisions. They must also be seen to be honest in dealing with their followers, especially when communicating, and also, show some level of concern for their followers and other peoples. It was then concluded by Piccolo (2012) that the moral person of the ethical leader, during decision making must uphold their values in as much as they live according to standards of morality.

The Moral manager on the other hand refers to the ethical leader's conscious effort to be able to influence his followers and other people, and guide their ethical behavior. Thus the ethical leader serves as the role model to the followers and they tend to exhibit ethical standards when they see their leader exhibiting same. The moral manager instills the ethical behavior into his followers by rewarding and/or punishing in accordance to the ethical standards. On a regular basis, the moral manager communicates the importance of ethics to his followers (Eissenbeiss, 2012; Piccolo et al, 2012; Zhu et al, 2011).

It is therefore refreshing to espouse that the ethical leader when able to acquire these two moral components should be able to be effective. This implies that the leader being a moral person must have some personal ethical standards and values which influence his behavior ethically, and as a moral manager, must be able to exhibit these ethics and values as a leader to the admiration of his followers, and as well impact them. Through that, he would be affectionately accorded the necessary respect, seen as a role model, and will be able to influence his followers to also act ethically. Remarkably, this emphasizes the notion that without the leader being a moral person, he cannot be a moral manager. Thus the goals of the organization cannot be achieved if the leader is only a moral manager without being a moral person. The moral manager may have enshrined codes of ethics and organizational values in documents to be put up with. But if the leader is not seen to be the ethical leader and perceived to be a role model to the followers, those code of ethics documents will forever be black and white on the shelves.

### **Moral Intelligence**

Lennick and Kiel (2011) the authors of moral intelligence and the originators of the term moral intelligence, defined moral intelligence as 'ones mental capacity to determine how universal human principles, like those embodied by the golden rule, should be applied to our personal values, goals and actions'. Thus there exist a universal moral principles as well as ones individual ethics and moral principles. Basically, it is the ability to be able to differentiate between right and wrong as defined by the universal principles. Now the leader must have the mental ability to ensure that he exhibits the universal moral principles in conformity to his personal values. According to Kohlberg (1969) as cited in (Maureen, 2014) moral intelligence is not just about avoiding the repercussions of breaking a law by not breaking it and aligning to it or the deliberate purpose to avoid some punishment. This means that, legislations may stipulate what is right and wrong and how it is expected to be obeyed, but moral intelligence and ethical behavior supersedes the operation of the law. Moral intelligence is said to be the bedrock of ethical leadership. There are several values that embodied the term ethics, but commonly, there are universally accepted ones which every human being is expected to know and exhibit. Researchers such as Kinnier et al (2000), Mele and Sanchez-Runde (2013) as cited in (Maureen, 2014) found out some key virtues such as wisdom, justice, courage, temperance, humanity and transcendence that are observed and shared among religions that reveals a 'convergence across time, place and intellectual tradition.

Finally, Lennick and Kiel (2011) also postulated that integrity, responsibility, compassion and forgiveness are the universally accepted values and principles. Leaders who have strong moral intelligence are seen to have some pertinent characteristics that make them stand out tall among other leaders. Such leaders are

more committed, they are humble, they are not self-seeking, and they risk their personal goals for the general good of their organizations, and continuously learn from others (Beheshtifar, Esmaeli, & Moghadam, 2011). The significance of moral intelligence need to be seriously upheld because moral intelligence and leadership effectiveness are found to be positively correlated (Beheshtifar, Esmaeli, & Moghadam, 2011). Thus moral intelligence is the central intelligence for all humans. Beneficially, moral intelligence directs our other forms of intelligence to do something meaningful and it gives our life purpose. It is actually moral intelligence that tells us and makes us understand why we do what we do.

This study focused on the four principles propounded by Lennick and Kiel (2011). These include integrity, responsibility, compassion and forgiveness.

**Integrity:** means creating harmony through what we believe and how we act, doing what we know is right and always telling the truth. This is the foundation of the moral sense of every human being. Any leader that has moral intelligence has integrity as the source of his moral uprightness.

**Responsibility:** means taking personal responsibility, admitting mistakes and failures, and embracing responsibility for serving others. This principle also has to do with a leader being able and willing to accept blame for his actions and the consequences thereof. This principle of moral intelligence suggests that a leader after applying his integrity, by taking decisions without any undue influence, should be capable of accepting any blame and consequences of the aftermath of the decisions taken.

**Compassion:** means actively caring about others. This also involves a leader being able to care and show respect to other people. This includes communicating effectively out of respect. The leader must respect and accept the views of other people and try to encourage his followers to also show respect to him and any other person.

**Forgiveness:** means letting go of one's mistakes and letting go of others mistakes too. This is a very crucial principle of moral intelligence. It is the act of recognizing and accepting the fact that there is a possibility of making mistakes because we are all imperfect. Through this recognition the leader will be able to tolerate the mistakes of his followers due to their imperfections.

### **Leader Effectiveness**

The goal of every organization is to be able to achieve its goals and objectives. The leadership of the organization is entrusted with the responsibility to ensure the goals and objectives are met. The success of the organization cannot occur without the direct impact of the leader and so the leader is accorded the necessary accomplishment. Meaning that whenever the leader is successful it is considered that the leader has been very effective and also the organizations performance has improved. The leader is considered effective when he is able to create a congenial ethical climate and communicate it effectively to the followers. It is said that the existence of codes of ethics in itself, does not promote a good moral conduct in the organization. Implying that the leader needs to convey the codes of ethics to all the employees and followers. The leader should be able to also implement these codes across the entire organization in a very transparent way (Lloyd & May, 2010).

The successful implementation of ethical codes depends on the leader of the organization, and so when it is effectively implemented then the leader is regarded as an effective leader. Without the effectiveness of the leader, the codes will be considered as an impression creating tool. According to Kuntz et al (2013) the effective leader is supposed to ensure the existence of codes of ethics, as well as demonstrate and motivate behaviors in that regard. Additionally, the effective leader is supposed to eschew all act of unethical behavior in the organization. The leader himself must be perceived to be an ethical leader by his followers. This will also improve the follower's perceptions of the work environment and further stimulate to a very large extent the moral culture of the organization. Through this the leader will be able to influence positively the performance of the organization and thereby considered an effective leader (Engelbrecht, Wolmarans, & Mahembe, 2017).

The followers or employees are easily influenced when they perceive their leaders to be very ethical, appealing, authentic and reliable role models that engage in morally acceptable behaviors. Leadership effectiveness is based on the ethical leadership with attributes such as openness, consideration and fairness (Yukl, 2013). The employees expect their leaders to discipline wrongdoers, treat followers fairly and considerately, and trustworthy. By doing so, the employees get satisfied and influenced to perceive their leaders as effective. Consequently, this leads to a better performance of the organization which also culminates in leadership effectiveness.

For the leader to be considered as an effective leader, there are some behaviors expected from him as a role model. These behaviors include maintaining an outward oriented people focus, having good listening skills, being open and communicating, and a very strong sense of personal accountability (Donaldson, 2017). Donaldson (2017) went on to say that there are three key ways in which leaders can set the tone from the top management of the organization. These are 'firstly making sure there are very clear expectations made. Thus everyone in the organization must know what is expected from him or her and also what is expected of other people as well'.

Secondly, ‘the expectations must be very realistic. Meaning that, the followers must understand the expectations and they must be achievable expectations. The followers must see the expectations attainable and so they will feel satisfied and intrinsically motivated’. And finally, ‘the leader must mirror the behaviors he expects from his followers. Hypocrisy and double standards from leaders are serious attitudes that put employees off completely. Nobody likes a leader who says one thing but does something completely different (Donaldson, 2017).

### **Empirical Literature Review**

Empirically, there has not been much research conducted in this field of the study in Ghana. Moreover, the few studies found, has been focused on only either ethical leadership and leader effectiveness or moral intelligence and leader effectiveness. Thus the researcher has not found any study yet conducted that has both variables of moral intelligence and ethical leadership in one study.

In this regard, Wolmarans (2014) studied the effect of ethical values on ethical leadership, organizational justice, ethical climate and leader effectiveness and found out that ethical leadership has a direct influence on leader effectiveness (Wolmarans, 2014). Wolmarans’s study was conducted with the objective to find out and determine the factors that contribute to leader effectiveness in South Africa. In this pursuit, other variables such as ethical leadership, ethical climate, core ethical values and organizational justice were investigated to find out how they relate and influence leader effectiveness. In a study by Kalshoven and Den Hartog (2009), they investigated the prototypicality and trust on ethical leader behavior and leader effectiveness. They found out that, the relationship between ethical leader behavior and leader effectiveness is mediated by prototypicality and trust. Also, Hassan *et al.* (2013) resorted to find out ethical and empowering leadership and leader effectiveness. The findings show that, ethical leadership and empowering leadership has a positive association with leader effectiveness. Engelbrecht, Wolmarans and Mahembe (2017) stated that “A successful leader is both an ethical and an effective leader. An organizations leadership is seen as the most critical element in establishing and maintaining an ethical climate in the organization. This was after Engelbrecht et al. decided to investigate the relationship among perceived leader effectiveness, ethical climate and ethical leadership. Their desire in this topic was precipitated on the fact that they believe ethics cultivation at the workplace is the responsibility of the leadership, through the ethical leader behavior and creating an ethical climate.

Additionally, Beheshtifar *et al.* (2011) researched into effects of moral intelligence on leadership. They found out that moral intelligence is highly associated with leadership effectiveness. The leader will be confronted on daily basis with options to choose morality and ethics. Similarly, Fard (2012) in his research about ethical leadership and moral intelligence, tried to focus on the emergence and role model of ethical leadership and the implication of the model with a common connection to the spiritual dimension of leadership. He found out that, managers rely on moral values. Mottaghi et al. (2014) adopted a descriptive and correlational study in their bid to investigate and determine the relationship between leadership styles and moral intelligence. They found out that, the democratic leadership style has a direct significant relationship with moral intelligence. This was because the democratic leadership style has the highest score among the leadership styles studied.

### **III. Methodology**

The quantitative approach was chosen for this study in the process of data gathering. Creswell (2013) indicates that quantitative research can easily be measured and analyzed statistically. This is appropriate for this study as research questionnaire was used to gather the needed data, and the deductive approach of analysis was utilized. According to Sudeshna and Shruti Datt (2016) research approach is a plan and system that comprises of the types of broad assumptions to detailed methods of data collection, analysis and interpretation.

A research design is also considered as an outline for research which directs, which questions to study, which data are relevant, what data to collect, and how to analyze the results (Ader, Mellenbergh, & Hand, 2008). The study collected in-depth description of the knowledge, skills, attitudes, behaviors and practices of the management and leaders at the Ghana Revenue Authority, focusing primarily on the effect of exhibiting ethical leadership and moral intelligence on their effectiveness as leaders. This study was done once but cut across all the departments and sections of the Ghana Revenue Authority head office.

Creswell (2013) defined the target population for a research study to include the entire set of units for which the study data are to be used to make inference. For the purpose of this study, the total population includes all the leaders at the Ghana Revenue Authority (GRA). The total number of this population was estimated to be four hundred and fifty two (452).

The purposive sampling technique was used, and a total of two hundred and twelve (212) of the managers were sampled. The sampled size was statistically derived by adapting the Yamane (1967) formula.

$$n = \frac{N}{1 + N(e^2)}$$

Where n = number of sample size,

e = error term which is 5% for this study

N = Total number of study population.

$$n = \frac{452}{1 + 452(0.05^2)} = 212$$

The respondents comprised of the leaders at the Ghana Revenue Authority. Thus, both the middle and top-level managers. Both probability and non-probability sampling techniques was used. Purposive and convenience sampling was also used to select the leaders/managers. Respondents who were willing to answer the questionnaire were considered greatly. Furthermore, emphasis was put on the objectives and the research questions of the study in choosing these sampling techniques. Convenience sampling is a type of nonprobability sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study' (Etikan, Musa, & Alkassim, 2016). Purposive sampling on the other hand was further defined by Etikan, Musa, and Alkassim (2016) as a deliberate choice of a participant due to the qualities the participants possess.

The source of data used in this study included both primary and secondary. The primary data was gathered through research questionnaires whilst the secondary data was also gathered through recent publications and studies on ethical leadership, moral intelligence and leader effectiveness. Hox and Boeije (2010) indicated that questionnaires should be used in data gathering because it is relatively less costly and provide possible anonymity to participants with no recourse to bias.

The researchers used questionnaires as basic data collection instruments, in their quest to find answers to the research question and hypothesis. Three different kinds of instruments was adapted and administered to gather the required data from the leaders/managers and their subordinates at the Ghana Revenue Authority. These questionnaires were mostly close ended with a few open ended. The researcher adapted the ethical leadership at work questionnaire (ELW) which was developed by Kalshoven, Den Hartog and De Hoogh in 2011 to examine the ethical behavior of leaders. This questionnaire was adapted to thirty eight (38) item scale and used to determine the ethical leadership of leaders. The second questionnaire is the leader effectiveness questionnaire (LEQ) which was developed by Ehrhart and Klein (2001). This instrument contains a six (6) item scale that is used to rate the leader effectiveness by their subordinates (Brubaker, 2013). Furthermore, the study made use of an adapted moral competency inventory questionnaire (MCI) which was developed by Martin in the year 2010. The MCI attempts to measure the dynamic nature of one's moral intelligence. All these questionnaires used in this study were adapted to suite the five point likert scale of responses which ranges from strongly disagree to strongly agree, from definitely yes to Definitely no, and from never to in all situations respectively. These questionnaires sought to primarily find out the influence that ethical leadership and moral intelligence has on leader effectiveness.

Gibbs (2007) mutually indicated that, the validity test is employed to check the accuracy of findings, while the reliability test is for the researcher to ensure that his approach in data collection and analysis is consistent with other different researches and projects. The researcher measured the validity and reliability of this study's instruments by testing the content and face validity, as well as the internal reliability by measuring the Cronbach's Alpha for the questionnaires that was used. According to Creswell, (2007) the validity and reliability scores of the data instrument from previous use by researchers in their studies can be described when using an existing instrument.

The study used Statistical Packages for Social Sciences (SPSS) version 22.0.0 for the coding and entering of the questionnaires. The study also used Microsoft Excel in the presentation of the data in the form of tables and figures. A multiple regression tests were conducted with the use of SPSS in order to ascertain whether ethical leadership and moral intelligence has influence on leader effectiveness. The analysis is done descriptively on the quantitative information gathered from the questionnaire responses.

Data Analysis is the application of reasoning to understand and interpret the collected data, (Kothari, 2004). Data analysis refers to the process of deriving meaning from the data that had been collected in a study. According to Yin (1994), the goal of analyzing data is to treat the evidence fairly, to produce compelling analytical conclusions and to rule out alternative interpretations.

#### **IV. Data Analysis and Discussion**

The main objective of this research study was to assess the influence of ethical leadership and moral intelligence on leader effectiveness at the Ghana Revenue Authority. In order to validate the stated hypotheses of the study, Pearson correlation coefficient was calculated and used to assess the relationship between the variables and also the sub-divisional variables in the research instruments. The regression analysis was also used to determine how ethical leadership and moral intelligence combined impacts the leader effectiveness.

According to Saunders et al. (2016) the reliability and validity of the instrument and data to be collected is assessed properly through a pilot test. The validity and reliability of the research instruments used in this study was confirmed to be appropriate. A pilot study questionnaire was administered to forty five participants before the final questionnaire was administered to the sampled participants. This pilot test was conducted at the Customs division of the Ghana Revenue Authority and the instrument was found to be reliable, valid and accurate because the respondents confirmed to understanding the questions and also provided the suitable answers.

The ELW scales show good variability and high reliability. All reliabilities of the ELW scales are above 0.80 and a Cronbach's  $\alpha$  was .90. The construct validity was also tested and it indicated that when compared with a similar instrument (ELS) it reported a significantly positive correlation, with a range from  $r=.51$  to  $r=.79$ . This was done using the principal component factor analysis (PCA) and Oblimin rotation. This instrument has seven sub divisions on ethical leadership behaviors, comprising of fairness, people orientation, role clarification, ethical guidance, environment orientation, power sharing and integrity. Convergent validity as well as divergent validity were all conducted on this instrument and found out to be valid and reliable in measuring and identifying ethical leadership behaviors.

Basic descriptive statistics and reliability estimates for the MCI were established and all yielded acceptable alpha levels. In order to extract and better understand the structure of the MCI, Principle Axis Factoring procedure for extraction with direct Oblimin rotation was further used.

The following skewness was recorded for these variables as showed on Table 3 above. Ethical leadership -0.66 (SE=.24), moral intelligence 0.555 (SE=.24) and leader effectiveness -0.23 (SE=.24). The kurtosis also recorded 1.06 (SE=.47), 1.16 (SE=.47) and 1.21 (SE=.47) for ethical leadership, moral intelligence and leader effectiveness respectively. The researcher had therefore concluded based on the above figures that the data is well skewed and kurtotic so the data is normally distributed.

**Moral Intelligence and Ethical leadership Influence Leader Effectiveness**

The objective was to assess the combined effect of both ethical leadership and moral intelligence on leader effectiveness. In doing this calculation, the researcher used the multiple linear regressions. The researcher tested the effect moral intelligence and ethical leadership on leader effectiveness at the Ghana Revenue Authority. The findings from the analysis are shown in table 6 below;

**Table 6: Regression Analysis**

<b>Ethical Leadership and Moral Intelligence on Leader Effectiveness</b>					
R	R Square	Adjusted R Square		Std. Error of the Estimate	
0.595 <sup>a</sup>	0.354	0.341		4.01509	
<u>Unstandardized Coefficients</u>		Standardized Coefficients	t	Sig.	
B	Std. Error	Beta			
(Constant)	-5.418    4.640		-1.168	0.246	
Moral Intelligence	0.035    0.026	0.105	1.318	0.191	
Ethical Leadership	0.182    0.025	0.586	7.367	0.000	

A multiple regression calculations was conducted and shown in tables 6 above. It indicated that the  $R^2$  which is the coefficient of determinations is 0.354. This gives the proportion of the variance of the dependent variable that can be explained by variation in the independent variable. Thus approximately 35% of the proportion of leader effectiveness can be explained by a variance in the moral intelligence and ethical leadership in this study. The measure of dispersion for the prediction equation was also given by the standard error which also recorded 4.01509. The significance level as shown on the table is 0.000. This implies that there is a significant regression. Additionally, the ANOVA summary also gives the variables in the equation as  $Y=a+b_1X_1+b_2X_2$ . The dependent variable is the Y and the X are the predictors. From the analysis, the variable 'a' is -5.418 and the 'b's are .182, and .035. The equation therefore becomes 'leader effectiveness = -5.418 + .035 (moral intelligence) + .182 (ethical leadership).

The multi linear regression was calculated to predict the effect of ethical leadership and moral intelligence on leader effectiveness. After the analysis, a significant regression equation was found ( $F(2,102) = 27.952, p < .001$ ), with an  $R^2$  of .354. This means that there is a relationship between the independent variables joined together on leader effectiveness. From this analysis, the hypothesis has been tested and it became evident that the null hypothesis which states that ethical leadership and moral intelligence does not influence leader effectiveness has been rejected and the alternative hypothesis accepted. This is because the ethical leadership and moral intelligence influences the effectiveness of leaders. Unfortunately, the researcher has not yet come across any research in this area that combined both ethical leadership and moral intelligence to predict the influence on leader effectiveness. This research will therefore serve as the reference point for future studies to be conducted in this area.

## V. Conclusion

This study was to assess the influence of ethical leadership and moral intelligence on leader effectiveness at the Ghana Revenue Authority. The objective was to find out whether ethical leadership and moral intelligence influences the effectiveness of leaders at the Ghana Revenue Authority. It was found out that, both ethical leadership and moral intelligence combined influences the effectiveness of leaders at the Ghana Revenue Authority. This therefore means that the leaders at the Ghana Revenue Authority in order to get more effective must exhibit more ethical leadership behaviors and consistently apply their moral intelligence appropriately.

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