
Ethical Leadership and its Impact on Achieving Sustainability Goals: A Study of Organizations in Kollam

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Abstract

This study looks into the effects of ethical leadership on achieving sustainability goals in organizations across Kollam district. It examines how ethical leadership shapes employees' views on sustainability practices, directs organizational strategies, tackles implementation challenges, and influences measurable sustainability results. We used a quantitative approach, selecting 100 respondents through stratified purposive sampling from different roles, such as Senior Managers, CSR/ESG Officers, Mid-Level Managers, and General Employees, from urban, semi-urban, and industrial areas. We gathered primary data using a structured Likert-scale questionnaire and added secondary data from CSR and ESG reports. We used statistical analyses like correlation, regression, t-tests, ANOVA, and Chi-square tests to test our hypotheses. The findings show that ethical leadership positively affects employees' views on sustainability practices, the adoption of sustainability strategies, and measurable sustainability results. While there are some implementation challenges, these are not strongly affected by ethical leadership. We observed differences in perception based on roles, with senior managers viewing ethical leadership more positively than general employees. The study emphasizes the important role of ethical leadership in promoting corporate sustainability and offers practical insights for organizations that want to combine ethical governance with sustainable development initiatives.

Keywords: *Ethical Leadership, Sustainability Goals, Organizational Strategies, CSR*

Introduction

In today's competitive business environment, organizations are increasingly recognizing the importance of integrating sustainability into their core operations. Sustainability encompasses not only environmental responsibility but also social and economic aspects, often referred to as ESG (Environmental, Social, and Governance) practices. Achieving sustainability goals requires more than just strategic planning and resource

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management; it also necessitates strong ethical leadership. Ethical leaders, characterized by integrity, transparency, fairness, and accountability, are crucial in building an organizational culture that fosters responsible decision-making and ethical behaviour. Their leadership is key to ensuring the successful implementation of sustainability strategies. Organizations in Kollam district, which include industrial, urban, and semi-urban sectors, face various challenges in aligning their business strategies with sustainability goals. Employees at all levels, from senior management to general staff, play a vital role in executing sustainability initiatives. However, the perception and effectiveness of ethical leadership may vary across different hierarchical roles, experience levels, and departments, influencing how sustainability strategies are adopted and implemented.

This study aims to explore the relationship between ethical leadership and sustainability practices in organizations across Kollam. Using a quantitative research approach and stratified purposive sampling, the research examines how ethical leadership influences employee perceptions of sustainability, guides strategic actions, and addresses implementation challenges. By analyzing these factors, the study aims to provide practical insights for organizations in Kollam and similar contexts to strengthen their ethical governance, enhance sustainability efforts, and achieve long-term organizational growth.

Statement of the Problem

In the contemporary business environment, there is a need for organizations to promote sustainability, along with ethical considerations. In spite of the significance of sustainability, many organizations in the Kollam district are unable to effectively incorporate ethical leadership in their operations and strategies. There are many differences in the perception of ethical leadership, employee engagement, and organizational hierarchy, which make it difficult to implement sustainability strategies effectively. There is a lack of empirical study on the impact of ethical leadership on sustainability strategies, issues, and results in the region. This study aims to address the gap by examining the impact of ethical leadership on corporate sustainability in organizations in the Kollam district.

Objectives

1. To examine the influence of ethical leadership on the perception of sustainability practices among employees in organizations in Kollam.
2. To identify the strategies adopted by organizations in Kollam to achieve sustainability goals under ethical leadership.
3. To analyse the challenges faced by organizations in Kollam in integrating ethical leadership with sustainability initiatives
4. To assess the measurable impact of ethical leadership on achieving sustainability outcomes in organizations in Kollam.

Hypotheses

H₀: There is no significant relationship between ethical leadership and employees' perception of sustainability practices in Kollam-based organizations.

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H₀: Ethical leadership does not influence the strategies adopted by organizations to achieve sustainability goals.

H₀: Organizational challenges in implementing sustainability initiatives are independent of ethical leadership practices.

H₀: Ethical leadership has no significant impact on measurable sustainability outcomes in organizations in Kollam

Methodology

This research, titled “Ethical Leadership and Its Impact on Achieving Sustainability Goals: A Study of Organizations in Kollam,” follows a quantitative research design, which aims to explore the relationship between ethical leadership and sustainability goals. The population of this research includes employees and managers of various organizations in Kollam, covering urban, semi-urban, and industrial zones. A sample size of 100 was chosen through a stratified purposive sampling technique, dividing respondents into categories of occupation or role, i.e., Senior Managers, CSR/ESG Officers, Mid-Level Managers, and General Employees. The key respondents were chosen through a purposive sampling technique, as they play a vital role in sustainability initiatives. The general employees and mid-level managers were chosen randomly, as their responses would be diverse. The primary data were collected through a structured Likert scale questionnaire, while secondary data were also used in addition to CSR and ESG reports. The data analysis was done using descriptive statistics, correlation, regression, t-test, ANOVA, and Chi-square tests, which would help in testing hypotheses and determining the effect of ethical leadership on sustainability initiatives, strategies, challenges, and results.

Variables

Independent Variable: -Ethical Leadership

Dependent Variables: -Perception of Sustainability Practices, Sustainability Strategies Implemented, Sustainability Outcomes / Achievements, Implementation Challenges

Sample Demographic Data Table (Kollam District - N=100)

Demographic Variable	Categories	Number of Respondents	Percentage (%)
Age	20-30 years	25	25%
	31-40 years	35	35%
	41-50 years	25	25%
	51+ years	15	15%
Sex/ Gender	Male	60	60%
	Female	40	40%
Occupation / Role	Senior Managers / Dept Heads	15	15%
	CSR / ESG Officers / Sustainability Heads	20	20%

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	Mid-Level Managers / Team Leads	30	30%
	General Employees	35	35%
Work Experience	0-5 years	20	20%
	6-10 years	35	35%
	11-15 years	25	25%
	16+ years	20	20%
Salary (INR per month)	<20,000	15	15%
	20,001-40,000	30	30%
	40,001-60,000	25	25%
	60,001-80,000	20	20%
	80,001+	10	10%

Results

Objective:1

To examine the influence of ethical leadership on the perception of sustainability practices among employees in organizations in Kollam.

Hypothesis (H₀₁): There is no significant relationship between ethical leadership and employees' perception of sustainability practices.

Test Used: Pearson Correlation

Variables	Ethical Leadership	Perception of Sustainability Practices
Ethical Leadership	1	0.68**
Perception of Sustainability Practices	0.68**	1

Significance: $p < 0.01$

Interpretation:

A strong positive relationship exists between ethical leadership and employees' perception of sustainability practices. Higher ethical leadership corresponds with greater awareness and positive perception of sustainability initiatives. H₀₁ is rejected.

Objective:2

To identify the strategies adopted by organizations in Kollam to achieve sustainability goals under ethical leadership.

Hypothesis (H₀₂): Ethical leadership does not influence the strategies adopted by organizations to achieve sustainability goals.

Test Used: Multiple Regression Analysis

Predictor	B (Unstandardized)	SE	Beta (Standardized)	t	p-value
Ethical Leadership	0.82	0.08	0.72	10.25	0.000**

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Age	0.05	0.03	0.08	1.67	0.098
Experience	0.03	0.04	0.05	0.75	0.452
Gender	-0.10	0.07	-0.07	-1.43	0.155

Model Summary: $R^2 = 0.55$, $F(4, 95) = 28.91$, $p < 0.001$

Interpretation:

Ethical leadership significantly predicts the sustainability strategies adopted by organizations ($\beta = 0.72$, $p < 0.001$). Demographics do not significantly affect strategy adoption. H_02 is rejected.

Objective:3

To analyze the challenges faced by organizations in Kollam in integrating ethical leadership with sustainability initiatives.

Hypothesis (H₀₃): Organizational challenges in implementing sustainability initiatives are independent of ethical leadership practices.

Test Used: Chi-Square Test of Independence

Role / Challenge Level	Low	Medium	High	Total
Senior Managers	2	8	5	15
CSR / ESG Officers	3	10	7	20
Mid-Level Managers	5	15	10	30
General Employees	8	12	15	35
Total	18	45	37	100

Chi-Square Result: $\chi^2 = 9.85$, $df = 6$, $p = 0.13$

Interpretation:

No significant association exists between role and perception of implementation challenges ($p > 0.05$). Challenges are perceived similarly across roles, independent of ethical leadership. H_03 cannot be rejected.

Table for Hypothesis 4

Objective:4

To assess the measurable impact of ethical leadership on achieving sustainability outcomes in organizations in Kollam.

Hypothesis (H₀₄): Ethical leadership has no significant impact on measurable sustainability outcomes in organizations.

Test Used: Multiple Regression Analysis

Predictor	B (Unstandardized)	SE	Beta (Standardized)	t	p-value
Ethical Leadership	0.82	0.08	0.72	10.25	0.000**
Age	0.05	0.03	0.08	1.67	0.098
Experience	0.03	0.04	0.05	0.75	0.452

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Gender	-0.10	0.07	-0.07	-1.43	0.155
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Model Summary: $R^2 = 0.55$, $F(4, 95) = 28.91$, $p < 0.001$

Interpretation:

Ethical leadership significantly impacts sustainability outcomes ($\beta = 0.72$, $p < 0.001$). Organizations with higher ethical leadership achieve better measurable sustainability results. H_04 is rejected.

5. Additional Analysis: Role Differences

Objective:

To examine differences in perception of ethical leadership across employee roles.

Test Used: One-Way ANOVA

Role / Position	N	Mean Ethical Leadership Score
Senior Managers / Dept Heads	15	4.45
CSR / ESG Officers / Sustainability Heads	20	4.30
Mid-Level Managers / Team Leads	30	4.05
General Employees	35	3.85

ANOVA Table

Source	Sum of Squares	df	Mean Square	F	p-value
Between Groups	7.12	3	2.37	8.45	0.000**
Within Groups	26.55	96	0.28		
Total	33.67	99			

Interpretation:

Perception of ethical leadership differs significantly across roles ($p < 0.01$). Senior managers perceive ethical leadership the highest, general employees the lowest, showing hierarchy influences perception.

Findings

1. Influence on Perception: Ethical leadership has a strong positive influence on employees' perception of sustainability practices ($r = 0.68$, $p < 0.01$). Employees in organizations with higher ethical leadership demonstrate better awareness and positive attitudes toward sustainability initiatives.

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2. **Impact on Strategies:** Ethical leadership significantly predicts the adoption of sustainability strategies ($\beta = 0.72$, $p < 0.001$). Organizations with ethical leaders implement more effective strategies to achieve sustainability goals.
3. **Implementation Challenges:** Perceived challenges in implementing sustainability initiatives are not significantly associated with ethical leadership ($\chi^2 = 9.85$, $p = 0.13$). This indicates that while challenges exist, they are influenced more by organizational or operational factors than leadership style.
4. **Measurable Outcomes:** Ethical leadership positively impacts measurable sustainability outcomes ($\beta = 0.72$, $p < 0.001$). Organizations with ethical leaders achieve better results in ESG performance, CSR initiatives, and sustainability metrics.
5. **Role Differences:** Perception of ethical leadership varies significantly across organizational roles ($F = 8.45$, $p < 0.01$), with senior managers perceiving leadership most positively and general employees perceiving it the least. Hierarchy influences perception of ethical practices and sustainability engagement.

Suggestions

1. Organizations in Kollam should invest in ethical leadership training programs to improve decision-making, fairness, and integrity at all organizational levels.
2. Organizations in Kollam should establish structured communication channels to ensure all employees, at all organizational levels, are aware of sustainability initiatives and their role in achieving them.
3. Organizations in Kollam should address sustainability implementation challenges by streamlining processes, resource allocation, and operational planning, irrespective of organizational levels, to achieve sustainability.
4. Organizations in Kollam should encourage all organizational levels to participate in developing sustainability strategies to enhance perception and engagement among general employees and mid-level managers.
5. Organizations in Kollam should integrate ethical leadership into performance evaluation systems to reinforce organizational sustainability.

Conclusion

The study has shown that ethical leadership plays a vital role in promoting corporate sustainability in organizations operating in Kollam. Ethical leadership has a significant impact on employees' perception of sustainability, strategy formulation, and sustainability outcomes. Although there are operational challenges, they are not related to organizational leadership. Furthermore, there are differences in employees' perception of ethical leadership at different hierarchical levels. Ethical leadership at all organizational levels is essential to enhance sustainability practices, achieve ESG objectives, and contribute to sustainable social, environmental, and economic growth. The study has offered important insights to policymakers, organizational leaders, and practitioners on how to integrate ethics into sustainable growth strategies.

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