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# Servant Leadership and Ethical Climate in Enhancing Employee Ethical Behavior through Moral Identity in Service Organizations

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**Abstract.** Ethical employee behavior is essential for maintaining trust, service quality, and organizational sustainability, particularly in service organizations where employees interact closely with customers and stakeholders. This study examines the effects of servant leadership and ethical climate on employee ethical behavior through the mediating role of moral identity. A quantitative explanatory research design was employed involving 250 employees from various service organizations selected using purposive sampling. Data were collected through a five-point Likert-scale questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results demonstrate that servant leadership and ethical climate significantly and positively influence moral identity and employee ethical behavior. Moral identity also has a significant positive effect on employee ethical behavior and emerges as the strongest predictor in the structural model. Furthermore, moral identity partially mediates the effects of both servant leadership and ethical climate on employee ethical behavior. These findings indicate that ethical conduct is shaped by the interaction between leadership practices, organizational ethical environments, and employees' internalized moral values. Service organizations should therefore strengthen servant-oriented leadership, maintain consistent ethical standards, and promote employees' moral development to foster sustainable ethical behavior.

**Keywords:** Employee Ethical Behavior;Ethical Climate; Moral Identity; Servant Leadership; Service Organizations.

## 1. INTRODUCTION

Ethical behavior has become increasingly important in service organizations because employees interact directly with customers and stakeholders, making their actions highly visible and consequential. Ethical conduct supports responsible service delivery and strengthens relationships between organizations and their stakeholders (Kao & Cheng, 2017). Conversely, unethical employee behavior may lead to service failures, weaken customer relationships, and create negative perceptions of organizational practices (Yeşiltaş & Tuna, 2018). Therefore, strengthening employee ethical behavior represents an important organizational priority.

Leadership represents an important mechanism for encouraging employees to demonstrate responsible and ethical workplace behavior. Servant leadership emphasizes serving others, humility, empathy, responsibility, and employee development while prioritizing collective interests over personal interests. This leadership approach can encourage constructive employee behavior by establishing supportive relationships and promoting employees' internal motivation (Brière et al., 2021). Moreover, servant leadership has been

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associated with positive employee attitudes and behavioral outcomes across organizational settings (Rosa-Díaz et al., 2023). Beyond leadership, ethical climate provides shared perceptions regarding appropriate ethical standards, organizational practices, and responsible decision-making. A strong ethical climate establishes behavioral expectations that guide employees when dealing with complex workplace situations (Jiang et al., 2016). This mechanism is particularly relevant in service organizations because employees frequently make decisions involving customers. Furthermore, an ethical organizational environment can transmit leadership values and influence employees' workplace attitudes and behavioral intentions (Ullah et al., 2021).

However, leadership and organizational climate may not fully explain why employees consistently behave according to ethical standards. Moral identity reflects the extent to which moral characteristics become central to an individual's self-concept and guide workplace decisions (Al Halbusi et al., 2023). Employees with strong moral identities are more likely to translate ethical values into responsible actions. Servant leadership may also strengthen moral identity and subsequently reduce employees' tendency toward moral disengagement (Jameel et al., 2024).

Despite these findings, previous research has generally examined leadership, ethical climate, and moral identity through separate theoretical relationships. Studies have particularly emphasized ethical leadership when explaining the interaction between leadership and employees' moral identity (Gerpott et al., 2019). Consequently, limited attention has been devoted to integrating servant leadership and ethical climate with moral identity in explaining employee ethical behavior, especially within service organizations where ethical employee-customer interactions are particularly important.

Accordingly, this study addresses whether servant leadership and ethical climate influence employee ethical behavior and whether moral identity mediates these relationships. The study aims to examine the direct effects of servant leadership and ethical climate on moral identity and employee ethical behavior, as well as the mediating role of moral identity. This integrated framework contributes to explaining how leadership, organizational ethical environments, and employees' moral self-concepts jointly promote ethical behavior in service organizations.

## 2. LITERATURE REVIEW

### Business Ethics and Employee Ethical Behavior

Business ethics refers to the application of moral principles and ethical standards in organizational decisions, practices, and relationships with stakeholders. Ethical values provide employees with behavioral guidance for distinguishing appropriate from inappropriate workplace conduct. A supportive ethical environment also establishes shared expectations regarding responsible behavior and strengthens employees' identification with organizational values (Teresi et al., 2019). Leadership and ethical organizational conditions can consequently become important foundations for maintaining responsible employee behavior (Kumar & Ramraj, 2025).

Employee ethical behavior represents actions consistent with moral principles, professional responsibilities, and organizational standards. Such behavior involves honesty, fairness, responsibility, respect for others, and avoidance of actions that may harm organizations or stakeholders. Ethical employee behavior is conceptually distinguishable from counterproductive workplace behavior because it reflects employees' willingness to follow legitimate moral standards in performing organizational responsibilities (Wiernik & Ones, 2018). Therefore, identifying organizational and individual factors that promote ethical employee behavior remains important for service organizations.

### Servant Leadership

Servant leadership is a leadership approach that prioritizes serving, empowering, and developing followers rather than emphasizing leaders' personal authority or interests. Servant leaders demonstrate empathy, responsibility, concern for others, and commitment to employee development. These characteristics distinguish servant leadership as an employee-centered and ethically oriented leadership approach (Canavesi & Minelli, 2022). Its emphasis on serving broader stakeholder interests also makes this leadership approach relevant to responsible and sustainable organizational practices (Beehner, 2020).

The influence of servant leadership can extend beyond employees' attitudes because leaders provide observable examples of appropriate workplace conduct. Through consistent service, responsibility, fairness, and concern for employees, servant leaders can become behavioral role models from whom employees learn organizationally desirable values. Such leadership remains relevant across various organizational environments and can promote constructive employee responses (Udin, 2024). Supportive servant-oriented leadership can also sustain employee service behavior during challenging organizational circumstances (Heine et al., 2023).

**Ethical Climate**

Ethical climate refers to employees' shared perceptions regarding ethically appropriate behavior, organizational standards, and the procedures used to address ethical issues. It establishes a contextual framework through which employees interpret organizational expectations when confronting workplace decisions. Different forms of ethical climate can consequently influence organizational identification and employee behavior (Teresi et al., 2019). A strong ethical climate therefore provides organizational guidance that helps employees translate abstract ethical values into responsible workplace decisions.

Leadership practices, organizational policies, communication, and behavioral expectations contribute to the development of ethical climate. When ethical principles are consistently incorporated into organizational practices, employees receive clearer signals concerning appropriate and inappropriate conduct. Such conditions can strengthen commitment and shape employee organizational behavior (Kumar & Ramraj, 2025). Ethical climate can also encourage employees to undertake ethically responsible actions when they encounter organizational misconduct or questionable workplace practices (Cai et al., 2024).

**Moral Identity**

Moral identity reflects the extent to which moral values and characteristics are central to an individual's self-concept. Employees with strong moral identities consider characteristics such as honesty, compassion, fairness, and responsibility important components of who they are. Consequently, their behavioral decisions are more likely to reflect internalized moral standards. Individual characteristics remain relevant in understanding variations in moral identity and ethical self-perceptions among employees (Telkamp & Anderson, 2025).

In organizational settings, moral identity can function as a psychological mechanism connecting external ethical influences with employees' actual behavior. Employees may receive ethical signals from leaders and organizational environments, but those signals become more behaviorally meaningful when incorporated into their moral self-concepts. Employees with strong moral identities are therefore more likely to maintain consistency between moral values and workplace actions. This perspective positions moral identity as an important mechanism explaining employee ethical behavior.

**Servant Leadership and Moral Identity**

Social Learning Theory provides an important explanation for the relationship between servant leadership and moral identity. Employees observe influential organizational figures and learn behavioral standards from leaders whose conduct is considered credible and appropriate. Servant leaders demonstrate service, responsibility, empathy, and concern for others, providing

moral examples that employees can observe and internalize. Through repeated exposure to such behavior, employees may increasingly incorporate similar moral characteristics into their own self-concepts.

Previous studies have supported the relevance of servant leadership for employees' moral development. The ethical and follower-oriented characteristics embedded in servant leadership make leaders potential role models for developing employees' moral orientation. Servant leadership can therefore contribute not only to observable workplace outcomes but also to employees' internal moral structures. Accordingly, the following hypothesis is proposed: H1: Servant leadership positively influences moral identity.

**Ethical Climate and Moral Identity**

An ethical climate provides employees with recurring information regarding the ethical values considered important within their organization. Clear standards of fairness, responsibility, and appropriate conduct can encourage employees to recognize ethical values as meaningful components of organizational membership. Ethical climates consequently influence not only observable workplace behavior but also how employees interpret and internalize organizational expectations (Teresi et al., 2019).

Continuous exposure to organizational ethical standards may strengthen employees' moral self-concepts. When organizations consistently reinforce honesty, fairness, responsibility, and concern for stakeholders, employees are more likely to integrate these values into their understanding of appropriate professional identity. Ethical climate therefore provides a contextual mechanism that can strengthen employees' moral identity. Based on this reasoning, the following hypothesis is proposed: H2: Ethical climate positively influences moral identity.

**Servant Leadership and Employee Ethical Behavior**

Social Learning Theory also explains how servant leadership can directly encourage employee ethical behavior. Employees learn workplace behavior by observing leaders and interpreting the consequences associated with their actions. Servant leaders who consistently demonstrate service, fairness, empathy, and responsibility establish behavioral examples that employees can reproduce in their interactions with colleagues, customers, and other stakeholders. Servant leadership can therefore encourage ethical conduct by establishing credible behavioral standards.

Furthermore, servant leadership emphasizes responsibility toward employees and broader stakeholders rather than personal interests. Such an orientation can encourage employees to engage in workplace actions consistent with organizational and moral

expectations. The positive organizational consequences associated with servant leadership provide additional support for its behavioral relevance (Canavesi & Minelli, 2022). Accordingly, the following hypothesis is proposed: H3: Servant leadership positively influences employee ethical behavior.

**Ethical Climate and Employee Ethical Behavior**

Ethical climate provides contextual guidance concerning how employees should respond to workplace situations involving ethical considerations. Employees operating within a strong ethical climate receive clearer information regarding acceptable conduct, organizational expectations, and consequences associated with inappropriate behavior. Ethical climates can therefore shape different forms of employee workplace behavior by establishing shared ethical standards (Teresi et al., 2019).

This relationship is particularly relevant within service organizations because employees frequently interact with customers and make decisions that can directly affect organizational stakeholders. A strong ethical climate can reduce ambiguity by providing employees with consistent ethical reference points. Employees are consequently expected to demonstrate stronger ethical behavior when they perceive their organizational environment as supportive of ethical principles. Therefore: H4: Ethical climate positively influences employee ethical behavior.

**Moral Identity and Employee Ethical Behavior**

Moral Identity Theory explains that individuals seek consistency between their self-concepts and their behavior. When moral characteristics become central to employees' identities, acting contrary to those characteristics can create inconsistency between their self-perceptions and actual behavior. Employees with stronger moral identities are therefore expected to demonstrate greater commitment to ethical workplace conduct because moral values function as internal behavioral standards.

Moral identity consequently provides an individual-level explanation for why employees exposed to similar organizational conditions may demonstrate different levels of ethical behavior. Employees who strongly define themselves through moral characteristics are more likely to translate ethical judgments into actual workplace actions. Accordingly, the following hypothesis is proposed: H5: Moral identity positively influences employee ethical behavior.

**Mediating Role of Moral Identity**

The relationship between servant leadership and employee ethical behavior may occur partly through employees' internalization of moral values. Social Learning Theory suggests that employees observe and learn from credible leaders, while Moral Identity Theory explains how these observed moral standards become incorporated into employees' self-concepts. Servant leaders can therefore strengthen employees' moral identity, which subsequently encourages behavior consistent with ethical principles.

This mechanism indicates that servant leadership influences ethical behavior not only directly through role modeling but also indirectly by developing employees' moral self-concepts. Moral identity thus provides a psychological bridge connecting leaders' ethical examples with employees' actual workplace behavior. Accordingly: H6: Moral identity mediates the relationship between servant leadership and employee ethical behavior.

A similar psychological mechanism can explain the influence of ethical climate. Organizational ethical standards continuously expose employees to expectations regarding fairness, responsibility, and appropriate conduct. When these standards are internalized, employees may increasingly perceive moral characteristics as central to their professional self-concepts. Stronger moral identity subsequently encourages employees to behave consistently with those internalized standards.

Therefore, ethical climate is expected to influence employee ethical behavior both directly and indirectly through moral identity. This mediation mechanism integrates the organizational environment with employees' internal moral processes and provides a more comprehensive explanation of ethical behavior. Accordingly: H7: Moral identity mediates the relationship between ethical climate and employee ethical behavior.

**Conceptual Framework**

Based on Social Learning Theory and Moral Identity Theory, this study positions servant leadership and ethical climate as independent variables, moral identity as the mediating variable, and employee ethical behavior as the dependent variable. The proposed model examines both direct and indirect relationships to determine how organizational leadership and ethical environments translate into ethical employee conduct.

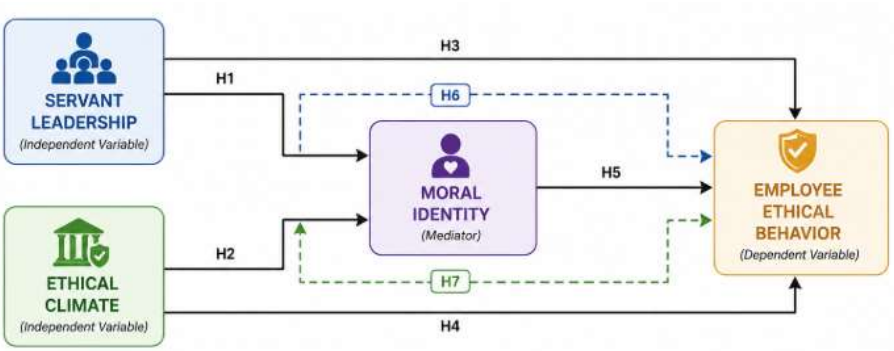



**Figure 1.** Conceptual Framework.

The revised conceptual relationships are: H1: Servant Leadership → Moral Identity, H2: Ethical Climate → Moral Identity, H3: Servant Leadership → Employee Ethical Behavior, H4: Ethical Climate → Employee Ethical Behavior, H5: Moral Identity → Employee Ethical Behavior,H6: Servant Leadership → Moral Identity → Employee Ethical Behavior, H7: Ethical Climate → Moral Identity → Employee Ethical Behavior

## 3. METHOD

This study employed a quantitative method with an explanatory research approach to examine the relationships among servant leadership, ethical climate, moral identity, and employee ethical behavior. The population consisted of employees working in service organizations who interacted directly or indirectly with organizational leaders and service processes. Respondents were selected using purposive sampling based on these criteria. Data were collected through a structured questionnaire using a five-point Likert scale ranging from strongly disagree to strongly agree.

The measurement model assessed servant leadership, ethical climate, moral identity, and employee ethical behavior, followed by instrument validity and reliability testing. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis included evaluation of the outer model and inner model, followed by hypothesis testing using path coefficients, t-statistics, and p-values. Direct and indirect effects were examined to determine the structural relationships and the proposed mediation mechanism.

## 4. RESULTS AND DISCUSSION

### Results

This study involved 250 employees working in various service organizations. Respondents were employees who had direct or indirect interaction with organizational leaders and service processes. The sample represented different demographic characteristics, service

sectors, and organizational positions. This diversity provided an appropriate basis for examining employees' perceptions of servant leadership, ethical climate, moral identity, and employee ethical behavior.

**Table 1.** Demographic Characteristics of Respondents.

| Characteristic | Category | Frequency | Percentage (%) |
|---|---|---|---|
| Gender | Male | 132 | 52.8 |
| | Female | 118 | 47.2 |
| Age | 20–29 years | 76 | 30.4 |
| | 30–39 years | 94 | 37.6 |
| | 40–49 years | 55 | 22.0 |
| | ≥50 years | 25 | 10.0 |
| Education | High school/Diploma | 48 | 19.2 |
| | Bachelor's degree | 154 | 61.6 |
| | Postgraduate | 48 | 19.2 |
| Work experience | <3 years | 57 | 22.8 |
| | 3–5 years | 83 | 33.2 |
| | 6–10 years | 69 | 27.6 |
| | >10 years | 41 | 16.4 |

The demographic profile shows relatively balanced gender representation, with male respondents accounting for 52.8% and female respondents for 47.2%. The largest age group was 30–39 years (37.6%), while 61.6% of respondents held bachelor's degrees. Furthermore, most respondents had at least three years of work experience, indicating that they had sufficient organizational exposure to evaluate leadership practices, ethical conditions, and workplace behavior.

**Table 2.** Characteristics of Service Organizations and Work Positions.

| Characteristic | Category | Frequency | Percentage (%) |
|---|---|---|---|
| Service sector | Financial services | 58 | 23.2 |
| | Hospitality | 49 | 19.6 |
| | Education | 55 | 22.0 |
| | Health services | 46 | 18.4 |
| | Other services | 42 | 16.8 |
| Work position | Operational staff | 121 | 48.4 |
| | Administrative staff | 61 | 24.4 |
| | Supervisor | 43 | 17.2 |
| | Manager | 25 | 10.0 |
| **Total Respondents** | | **250** | **100.0** |

Financial services represented 23.2% of the respondents, followed by education at 22.0% and hospitality at 19.6%. Almost half of the respondents were operational staff (48.4%), while 24.4% worked in administrative positions. The composition indicates substantial representation of employees involved directly in service processes, where ethical decisions and interactions with customers or other stakeholders frequently occur.

**Descriptive Statistics**

Descriptive analysis was conducted to determine employees' general perceptions of the research variables. Mean scores closer to five indicate stronger perceptions of the respective

construct. The results presented in Table 3 demonstrate generally high levels across all four variables.

**Table 3.** Descriptive Statistics of Research Variables.

| Variable | Mean | SD | Interpretation |
|---|---|---|---|
| Servant Leadership (SL) | 4.08 | 0.61 | High |
| Ethical Climate (EC) | 4.12 | 0.58 | High |
| Moral Identity (MI) | 4.19 | 0.55 | High |
| Employee Ethical Behavior (EEB) | 4.23 | 0.52 | High |

Employee ethical behavior recorded the highest mean value (M = 4.23), followed by moral identity (M = 4.19), ethical climate (M = 4.12), and servant leadership (M = 4.08). These results indicate that respondents generally perceived servant-oriented leadership and a supportive ethical environment within their organizations. Employees also demonstrated strong moral self-concepts and high levels of ethical workplace behavior.

**Measurement Model Evaluation (Outer Model)**

The measurement model was evaluated through indicator reliability, convergent validity, and internal consistency reliability. Indicator loadings above 0.70, average variance extracted (AVE) above 0.50, and Cronbach's alpha and composite reliability (CR) above 0.70 were considered satisfactory.

**Table 4.** Outer Model Evaluation.

| Construct | Loading Range | Cronbach's Alpha | CR | AVE |
|---|---|---|---|---|
| Servant Leadership | 0.762–0.891 | 0.902 | 0.925 | 0.674 |
| Ethical Climate | 0.748–0.884 | 0.889 | 0.918 | 0.652 |
| Moral Identity | 0.781–0.906 | 0.874 | 0.914 | 0.727 |
| Employee Ethical Behavior | 0.773–0.898 | 0.895 | 0.923 | 0.706 |

All constructs met the required measurement criteria. Indicator loadings ranged from 0.748 to 0.906, while AVE values ranged between 0.652 and 0.727. Cronbach's alpha and CR values were consistently above 0.70. These results confirm satisfactory convergent validity and internal consistency reliability, indicating that all measurement constructs were appropriate for subsequent structural model evaluation.

**Structural Model Evaluation (Inner Model)**

The structural model was evaluated using the coefficient of determination ($R^2$) and predictive relevance ($Q^2$). Moral identity obtained an $R^2$ of 0.584, indicating that servant leadership and ethical climate jointly explained 58.4% of its variance. Employee ethical behavior recorded an $R^2$ of 0.672, meaning that 67.2% of its variance was explained by servant leadership, ethical climate, and moral identity.

**Table 5.** Inner Model Evaluation.

| Endogenous Variable | $R^2$ | $Q^2$ | Interpretation |
|---|---|---|---|
| Moral Identity | 0.584 | 0.401 | Moderate predictive power |
| Employee Ethical Behavior | 0.672 | 0.462 | Substantial predictive power |

Both $Q^2$ values were greater than zero, confirming the predictive relevance of the structural model. The $R^2$ results also indicate that the proposed model possesses satisfactory explanatory capacity, particularly for employee ethical behavior.

**Hypothesis Testing**

Bootstrapping analysis was performed to evaluate the direct structural relationships. A relationship was considered statistically significant when the t-statistic exceeded 1.96 and the p-value was below 0.05.

**Table 6.** Direct Effect and Hypothesis Testing.

| Hypothesis | Relationship | β | *t*-Statistics | *p*-Values | Decision |
|---|---|---|---|---|---|
| H1 | SL → MI | 0.386 | 6.742 | < 0.001 | Supported |
| H2 | EC → MI | 0.451 | 7.863 | < 0.001 | Supported |
| H3 | SL → EEB | 0.218 | 3.927 | < 0.001 | Supported |
| H4 | EC → EEB | 0.263 | 4.684 | < 0.001 | Supported |
| H5 | MI → EEB | 0.417 | 7.218 | < 0.001 | Supported |

The results support all five direct hypotheses. Servant leadership positively influenced moral identity ($\beta = 0.386$), supporting H1. Ethical climate demonstrated an even stronger influence on moral identity ($\beta = 0.451$), supporting H2. Both servant leadership ($\beta = 0.218$) and ethical climate ($\beta = 0.263$) significantly enhanced employee ethical behavior, supporting H3 and H4. Finally, moral identity showed the strongest direct effect on employee ethical behavior ($\beta = 0.417$), supporting H5.

**Mediating Role of Moral Identity**

Specific indirect effects were examined to determine whether moral identity transmitted the effects of servant leadership and ethical climate to employee ethical behavior.

**Table 7.** Mediation Analysis.

| Hypothesis | Indirect Relationship | β | *t*-Statistics | *p*-Values | Mediation | Decision |
|---|---|---|---|---|---|---|
| H6 | SL → MI → EEB | 0.161 | 5.126 | < 0.001 | Partial | Supported |
| H7 | EC → MI → EEB | 0.188 | 5.843 | < 0.001 | Partial | Supported |

Moral identity significantly mediated the relationship between servant leadership and employee ethical behavior ($\beta = 0.161$, $p < 0.001$), supporting H6. It also significantly mediated the relationship between ethical climate and employee ethical behavior ($\beta = 0.188$, $p < 0.001$), supporting H7. Because the corresponding direct effects remained statistically significant, both mediation relationships were classified as partial mediation.

**Discussion**

The positive effect of servant leadership on moral identity demonstrates that leadership practices can contribute to employees' internalization of moral values. Servant leaders emphasize service, empathy, responsibility, and concern for others, providing employees with observable ethical examples. This result supports Social Learning Theory, which suggests that employees learn appropriate behavior by observing influential role models. The finding is consistent with the literature emphasizing the ethical and employee-centered characteristics of servant leadership (Canavesi & Minelli, 2022).

The significant relationship between ethical climate and moral identity further indicates that moral development is influenced by organizational conditions. Employees exposed to clear standards concerning honesty, fairness, responsibility, and appropriate conduct may gradually incorporate these values into their own moral self-concepts. This finding corresponds with previous evidence demonstrating that ethical climate influences employees' organizational identification and workplace behavior (Teresi et al., 2019). Importantly, ethical climate exerted a stronger effect on moral identity than servant leadership.

Both servant leadership and ethical climate directly enhanced employee ethical behavior. Servant leaders can encourage ethical conduct by providing behavioral examples and reinforcing responsibility toward other organizational members and stakeholders. Similarly, a positive ethical climate reduces ambiguity regarding acceptable workplace conduct. This finding reinforces the importance of leadership and organizational ethical conditions in shaping employee behavior and is consistent with evidence linking ethical climate and leadership practices with organizational behavior (Kumar & Ramraj, 2025).

Moral identity demonstrated the strongest direct effect on employee ethical behavior among the predictors examined. This result supports Moral Identity Theory because employees whose moral values form an important part of their self-concepts are more likely to translate those values into workplace actions. Ethical behavior therefore appears to depend not only on external organizational expectations but also on the extent to which employees internalize moral characteristics as part of their identities.

The mediation results provide an important explanation of how organizational influences translate into employee ethical behavior. Servant leadership strengthened moral identity, which subsequently increased ethical behavior, while ethical climate produced a similar indirect mechanism. The indirect effect of ethical climate through moral identity ($\beta = 0.188$) was slightly stronger than that of servant leadership ($\beta = 0.161$). These findings demonstrate that external ethical conditions become particularly meaningful when they

contribute to employees' internal moral development. Overall, the findings integrate Social Learning Theory and Moral Identity Theory by demonstrating that employee ethical behavior develops through both social and psychological mechanisms. Employees observe ethical examples from servant leaders and receive ethical guidance from their organizational environments, while moral identity facilitates the internalization of these external influences. The findings therefore extend previous research by positioning moral identity as a psychological bridge connecting leadership and organizational ethical conditions with actual employee ethical behavior.

From a practical perspective, service organizations should not rely solely on ethical rules or formal codes of conduct. Organizations should develop leaders who demonstrate service, empathy, fairness, responsibility, and ethical consistency while simultaneously creating organizational climates that clearly reinforce acceptable ethical standards. Employee development programs should also encourage moral reflection and internalization of ethical values. Integrating leadership development, ethical organizational practices, and employee moral development can provide a more sustainable foundation for ethical behavior in service organizations.

## 5. CONCLUSION AND RECOMMENDATIONS

This study concludes that servant leadership and ethical climate significantly enhance employee ethical behavior in service organizations, both directly and indirectly through moral identity. Ethical climate demonstrates a stronger influence on moral identity, while moral identity emerges as the strongest predictor of employee ethical behavior and partially mediates the effects of both organizational antecedents. These findings emphasize that ethical conduct develops through the combination of leadership practices, supportive organizational environments, and employees' internalized moral values. Therefore, service organizations are recommended to strengthen servant-oriented leadership, establish clear and consistent ethical standards, and provide employee development programs that promote moral awareness and ethical responsibility. Future research should examine the proposed relationships across broader service sectors, larger samples, and different organizational contexts to improve the generalizability of the findings.

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