

The Relationship between Ethical Leadership and Empowerment of Employees in the Tax Affairs of Isfahan City

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Abstract

The present study is conducted to examine the relationship between ethical leadership and empowerment in the tax affairs of Isfahan city. The study sample included all employees of the tax administration of Isfahan city ($n = 722$) was in 1392 which 200 employees randomly stratified according to gender were selected as sample. The research method was descriptive and correlational. In this study, we have used standard questionnaires ethical leadership and empowerment. The data from this study by one sample t test, t for two independent samples, and (F) analysis of variance, multiple regression analysis has been used. Results of statistical analysis showed that ethical leadership ($X=3/45$) and empowerment ($X=4/45$) was higher than average. Correlation between ethical leadership and Empowerment was 0/96 and coefficient determination was 0/883 and ($P = 0/000$). Also multiple correlation between the components of ethical leadership and empowerment ($R = 0/69$) and the coefficient of determination ($R^2 = 0/69$ and $P = 0/000$) has been and beta coefficients respectively for of fairness component was ($\beta = 0/98$ and $P = 0/000$) component of transparency ($\beta = 0/98$ and $P = 0/000$) and for the sharing of power ($\beta = 0/87$ and $P = 0/000$), was respectively.

Keywords: leadership, ethical leadership, employee empowerment and tax administration.

1 – Introduction

Today, the management rather than having to subordinates to obey, consider to enable them and Organizations also need effective and efficient managers and employees to enable achieve their goals for growth and overall development. When the effectiveness, is the goal of leadership, means that leaders are not only looking to do so properly, rather they want to do the right things and this requires the leaders of moralism. The ethical of leadership indicates correct decisions and actions with good intentions and behaviors with high spirits in which insists on correct behavior, logical and practical leadership on relationship with subordinates.

Ethical manager offers with their behavior, working environment based on calm, security and confidence and thereby contribute to the empowerment of employees in the organization. Today organizations are influenced by factors such as increased global competition and sudden changes and need to quality and after-sales service and limited resources and Was under a lot of pressure. After many years of experience, the world has concluded that if an organization wants to be a leader in economic and business affairs and stay on the competition arenas need to human resource with professionals, creative and highly motivated (Sajedi and Omidvari, 1385).

Naturally and logically, leaders that tends to be moral in their behavior, this commitment and responsibility are well in front of others shows at the ends of the organization and their employees. This process through modeling is extended to the staff and they are also with energy, vitality and strength work and things are advancing (Golparvar et al, 1389). Ethical Leadership because of impact that leaders have on organizational behavior and ultimately on organizational performance is of particular importance and uniqueness. Direction and management of human resources as the most important corporate resource has always been a major concern of managers. Variety of human attitudes, beliefs, values and diverse cultures, requires a certain type of management. Variables are many and varied as the people who control them is almost impossible. But is clear that achieving the organization's goals through guidance and moral leadership are not allowed to perform defined tasks. Organization Management should identified internal and external factors that could have an impact on employee performance and under their control to be able to achieve maximum efficiency and productivity of human resources (Kate and Amin, 1387).

Considering that one of the requirements is employee empowerment in Organization and leadership style, while leadership styles is based on authoritarian and autocratic and ethical manner, Cannot move toward empowering employees, because this method does not allow employees involved in decision making and employees can only carry out orders (Abtahi and Abasy, 1386).

Looking at the Iranian economy and plans to change the tax system, the role of human resources in the organization's tax affairs will be stronger than before So demand broad and deep transformation in various aspects of labor.

2 - Research Literature

2-1 - Ethical Leadership

Studies on moral leadership characteristics indicate features such as moral character and integrity, ethical awareness, orientation to the community and people empowerment and encouragement and is moral accountability (Resick et al, 2006). Among the features, the moral character, refers to the pattern of intentions, desires and righteousness, which provides the foundation for ethical behavior. According to many theorists, moral character, through his humility, loyalty, piety, generosity and forgiveness reveals. This feature requires a commitment to virtue and righteousness in all the circumstances. Moral awareness, as the second feature of moral leadership, including the ability to understand and be sensitive to the ethical issues that deserve attention in choosing a major and significant impact on the others leave. Also, ethical leader emphasis and focus on best serve to the public and seriously attention on how their actions affect others (Gini, 1997).

Dahogh and Harotg (2000), three elements have provided the moral leadership that include: fairness, transparency and sharing of power.

Fairness: a moral leaders with integrity and treat others fairly, and do not advocate and undertakes personal responsibility for their own actions. In general, fairness is the key element of ethical leadership (Kalshoven et al, 2011).

Mohsen Wand (1387) states, to be effective, efficient, and the transcendent, the party leadership four elements, perception and improve. These elements include: purpose, knowledge, authority and trust. Attention devoted to each of these components separately, it is incomplete and misleading.

2.2 - Empowering Employees

Today has proved to be one of the most important assets of any organization, its staff, who are certainly in need of leadership and management. Resource management is a field of personnel management the size of the whole old. But naturally has changed and evolved. The turning point in the evolution where instead of personnel management, human resource management is discussed.

The concept of human resource management was introduced in the mid eighties and aims to provide procedures for managing staff and help improve organizational performance. Human resources organization, nor as a source of money, but to gain a competitive advantage is seen as a valuable asset. That is why human resource planning is a high priority and the role of human resource management in the early detection of potential manpower and facilities for their prosperity (Saadat, 1391).

So far, researchers and scholars in many fields of research have focused on empowerment. They have different definitions of empowerment in their importance are discussed below:

Empowerment means enabling the employee to set goals for their work, responsibility and authority to make decisions and solve problems on their own Howe (Literl, 2007, p 92).

Empowerment means the transfer of official authority or legal power to employees (Argyris, 1998, p 12).

Empowerment is not only giving authority to employees, but also makes employees acquire knowledge, skills and motivation to improve their performance. Empowerment is a process that stretches from the top management of the organization to the lowest category (Scott & Jaffe, 1375, p 50).

Power Infusion is meant to empower the employees. Organizations should strengthen employees' sense of personal power (Gilser, 2005, p 48).

Empower, strengthen and build their confidence in their beliefs about themselves and attempt to effect organizational activities (Gordon, 1993).

Conger and Kanungo Believe that the process of enabling people to increase the competency of the organization, identify the conditions that lead to not having a sense of the power of. also try to resolve them with techniques and methods of formal and informal organizational activities and provide information on the effectiveness (Conger and Kanungo, 1988).

2-3 - The relationship between ethical leadership and employee empowerment

During the early years of the third millennium of moral leadership, the field of creating a healthy work environment and to the outcomes of mediation organization, group or individual

who is associated with, is highly regarded. In this type of leadership, moral values acceptable to all, such as justice, fairness, integrity, honesty and right deeds are centered focus.

A manager or supervisor, through the principles that were considered, showcase, besides establishing intimate relationships with employees, staff and organizational practices to meet the needs of humanity and start glancing targeted to achieve horizons brings together the individual and collective growth and excellence. This performance was undoubtedly greater health and safety in the atmosphere will prevail. Theoretical reason why moral leaders are able to leave such a big impact. Primarily to the presence of social learning processes in the workplace is concerned. Since each manager or supervisor in a world of his work is heavily monitored by the staff, It is natural that the commitment to ethical values and principles, such as fairness and justice, as a model for benchmarking will be selected by the employees. On the other hand managers with ethical behavior, provide work environment based on peace, security and reassurance. This phenomenon has been shown through studies that moral leadership is the effect on staff moral identity, as well as traceable. So the moral leadership is able to focus on the processes of moral atmosphere and modeled its effect on employees at all levels to the leave. Ethical leadership is among the variables that can affect psychological empowerment, a sense of energy and creativity in the work cited (Golparvar, 1389).

Empowering employees, begins within by changing managers and leaders. The manager needs to realize that empower, is not give up control, it is the control. Empowerment should be behavior and attitudes of the organization, managers and employees arise, basically consists of orientation to work together. So one of the five leadership skills, is Empowerment. Empowerment is a skill that with the establishment of effective processes, people and organizations are involved in options related to goal setting, planning and decision making are sufficiently involved. A fundamental requirement of this process is to help people gain the knowledge, skills and special abilities that give them the ability to play that role. Empowerment is a step that longer than the delegation and Responsibility (Zomorodian, 1379).

Expected that ethical leaders consider more than the rest of the other leaders, staff development needs and Employees are placed in positions where they experience fit and feel something significant role in their work. Such leaders may behave respectfully with their employees and they are not considered as a means to achieve the goal. The respect for human dignity should experience a strong sense of meaning in the workplace can lead employees because their purpose is in line with corporate objectives.

Valumba and et al (2011) moral leadership as a factor to strengthen corporate identity. Positive corporate identity can be formed where the people saw was that people express their best performance and organizational citizenship behavior. Accordingly, one can assume that ethical leadership can positively affect the empowerment of employees, because those with a sense of intimacy between himself and the leaders feel for the success leaders and organizations of all skills and their ability to use and if you lack the skills to create new training and education is an important factor in empowering employees.

Because moral leadership willing to support the basic rights of sovereignty, Probably form their jobs such a way that employees can accurately make decisions about aspects of their job and their organizations should play larger role in decision-making structures. Such an independence burns sense of autonomy in the workplace employee and its confidence between leaders and their followers, there are ethical bonds.

If the leaders of organizations such as editing tasks people develop expectations of each individual and group, set the scope to observe the options and determine organizational priorities and their organizations to develop, then we can expect that employees express behaviors such as coordination of behavior and organizational culture, the organization coordinating and prioritizing their needs and requirements, learn new skills to improve the quality of their work, create effective work teams to improve performance in order to strengthen organizational effectiveness factor is that the to its occurrence, that reflected a sense of job satisfaction and commitment of people towards the organization. Ethical leaders are likely to impact the opportunities for employee to understand their position and generally have the organization make. Such leaders encourage full commitment to their work because it increases the human spirit for understanding a person's dreams and create the kind of work that the person involved is not alone helps. In general, ethical leadership behaviors that will protect the rights of individual employee. Employee would probably feel more empowered (Zhu, 2008).

2.4 - Background Research

1 - Kalshoven et al in research (2011) entitled "Ethical Leadership at Work Questionnaire: development and validation of a multidimensional scale" to assess the relationship between ethical leader behavior (fairness, honesty, moral guidance, people orientation, power sharing, Transparent roles and concern for stability) with variables such as different leadership styles, attitudes subordinates, organizational citizenship behavior, confidence, effectiveness and efficiency leader paid employees. The results thus obtained are: 1 - leadership behaviors positively associated with transformational leadership and transactional leaderships, but there was a negative relationship between passive and authoritarian. 2 - Between practice of ethical leadership with trust in management, perceived leader effectiveness, job satisfaction and organizational commitment are positively correlated, but there is a negative relationship between cynicism and mistrust. 3 - Fairness, power sharing and people-oriented has a significant positive relationship with organizational citizenship behavior. 4 - Ethical leadership behavior is positively associated with trust in leader.

Aschermuly et al in 2011 in the research entitled "Effect of empowerment Officers on job satisfaction and burnout in primary school German" revealed according to the results of empowerment, structural equation modeling with a strong indirect relationship between job satisfaction revealed by emotional exhaustion. No significant correlation was found between empowerment and emotional exhaustion on the statistical findings. The dimensions of empowerment, competence, and significant results were the strongest predictors. Emotional exhaustion and days missed from work were positively correlated.

3 - Balluchi in 1389 in a research entitled "Empowering Human Resources Operating Present a Model (Case Study: Electricity Distribution Company Shiraz)" aims to provide a model for empowering employees Electricity Distribution Company Shiraz came to the conclusion that order, delegating agents authority, teamwork, formal training and job rotation, with an average of more than 3, the empowerment of employees of the company are effective so that some of the sub-characteristics of the delegation of four and only one of the items that mean more than the average agent job rotation 3, respectively.

4- Khaleghi in 1390 in a research entitled "Components of organizational health and its relationship with empowerment at the Isfahan medical university" showed a significant relationship between organizational health and empowerment of employees. Also focus on the purpose, adequate communication, use of resources, unity and solidarity, morale, innovativeness, environmental compatibility of all components of employee empowerment, with sense of competence and effectiveness of the optimum distribution of power between autonomy and independence (autonomy), the sufficient to solve the problem with a sense of merit, there is a significant positive correlation.

3 - Statistical population, sample size, sampling method

The statistical population studied included all official and contract staff administration of Isfahan city tax, which in 1392 had a total of 722 Person that the Number of men is 621 and 101 are women. In general, Sampling in research is done in several ways, such as simple random sampling, systematic random stratified cluster sampling. According to experts, if the population is limited but is heterogeneous, should be done by stratified random stratified sampling. Given that this study population was limited, however, are different in terms of gender, the stratified random sampling proportional to size as well.

A stratified random sampling method is random sampling that will be selection from among a defined target population subgroups based on the sample. This method is chosen because of the sample was selected ratio to the Population size, representativeness rise (Sarai, 1386). Therefore, in this study, a stratified random sampling proportional to size was used.

In this study, for the first pilot study on a sample size of 30 subjects performed the variance estimated using the sample size Kukran formula is predicted. According to experts, if the variable has been quantitative studied and is at a distance, the following formula can be used. (Kerlinjer, 1388).

$$n = \frac{Nt^2 \cdot s^2}{Nd^2 + t^2 s^2}$$

Statistical Society = N
 Statistical Indicators = t^2
 Variance = s^2
 Confidence interval = d^2

$$n = \frac{722 \times (2/045)^2 \times 0/498}{722 \times (0/1)^2 + (2/045)^2 \times 0/498} = 200$$

Thus, according to the variance of the estimated sample size was 200 people who were selected randomly stratified according to gender variable. The following table shows the sample selection according to gender.

Table (1) population and sample sizes vary according to gender

sample	%	The frequency	sex
172	86	621	man
28	14	101	woman
200	100	722	total

4 - Estimation results

In the scientific research from various instruments such as questionnaires, interviews, tests are used. Questionnaire is one of the most common and direct method for obtaining data in the scientific research. Questionnaire items that are set by their interests, attitudes and beliefs of individuals are measured. Questionnaire measures by using different scales such as Likert, attitudes and beliefs of the individual (Sarmad et al, 1391). Since the objective of this study was to investigate the relationship between ethical leadership and empowerment is a standardized questionnaire was used.

Table 2. Normality test scores as indicators of moral leadership and its components

P	Zks	S	Q3	Q1	\bar{X}	Md	M0	n	Ethical Leadership And components
0/35	/931 0	/76 0	3/8	3/1	/35 3	3/3	3/4	200	Equity
/469 0	/848 0	/85 0	4/2	3/4	/63 3	/63 3	3/8	200	Clarification of the role
/487 0	/836 0	0/9	/81 3	/45 2	/17 3	/17 3	3/2	200	Power sharing
/812 0	/637 0	/67 0	/78 3	/13 3	/39 3	/46 3	/13 3	200	Ethical Leadership

As shown in Table 2, observed ksZ values observed from Kalmogrof Smirnov test univariate for total score of moral leadership and its components, namely fairness, transparency role, sharing the power from detecting the critical value is smaller from critical value in the table, $\alpha = 0/05$. Therefore, the null hypothesis of normal distribution of scores of moral leadership and its components is verified against the hypothesis that claims that the distribution of scores is not normal, is rejected. Indices of table shows that index tends to center (mean, median, mode) and measures of Distribution (quartiles) pretty close together and therefore, due to the small difference between the indices and scores ksZ can say that scores of moral leadership and its components from distribution obey normal.

Table 3 index of test the normality of the total empowerment scores

P	Zks	S	Q3	Q1	\bar{X}	Md	M0	n	Empowerment and Components
/510	/8180	/690	/264	3/4	/743	3/8	4	200	Empowerment

As shown in Table 3, observed values obtained ksZ Kalmogrof Smirnov test for univariate total empowerment scores is smaller from critical value in the table, $\alpha = 0/05$. Therefore, the null hypothesis is confirmed in the all cases against the other hypothesis is rejected. The above results shows that between index distribution together and indexes, including the first and third quartile, there is very little difference. Due to the small difference between the index values and observed Zks can be inferred that the distribution of scores on empowerment and its components should follow a normal distribution.

The estimated results are as the following table:

Table 4. Multiple regression on the explanatory and predictive of empowerment

P	F	Mean square	DF	Square	Source of change
0/000	82/6	17/53	3	52/6	Regression
		0/212	196	41/6	Residual
			199	94/2	total

$$R = 0/747 \quad R^2 = 0/558 \quad \text{Adjusted } R^2 = 0/552$$

Table 5. Regression analysis on predicted of empowerment based on component of moral leadership

P	T	β	SEB	B	Components of ethical leadership
0/000	6/38	-	0/172	1/094	Constant
0/000	5/98	0/357	0/054	0/322	Equity
0/000	6/27	0/342	0/044	0/278	Clarification of the role
0/000	4/03	0/229	0/043	0/174	Power sharing

Results Table 5 shows the multiple correlation between components of of moral leadership and empowerment score is 0/747, and the coefficient of determination is, 0/558 and the coefficient of determination adjusted is 0/552. This ratio shows that 55/2percent of the variance in change scores of the city's tax affairs of empowering employees by the of moral leadership component of fairness, transparency and sharing of power can be explained. The calculated F value with 3 and 196 degrees of freedom at the level of detection $\alpha = 0/01$ is significant. Thus, the multiple

correlation coefficient of determination adjusted for the population with a confidence level of 99% to be applied.

Results in Table 5 also shows that the standard multiplication between fairness and empowerment is 0/357, transparency the role and empowerment is 0/342 and the sharing of power and empowerment is 0/229, respectively. T values for the components of fairness, transparency and sharing of power is significant. Thus the components fairness, transparency and sharing of power separately also were significantly correlated with empowerment. Predictive equation in the this model is the following:

$$\hat{Y} = 0/357X_1 + 0/342X_2 + 0/229X_3$$

Table (6) model coefficients, confirmatory factor analysis of hidden variable of moral leadership

Prob	The critical ratio	SE	Standardized factor loadings (lambda)	Component
0/000	8/8	0/11	0/74	Equity
0/000	7/3	0/13	0/65	Clarification of the role
0/000	8/4	0/14	0/64	Power sharing

The data in the above table shows that the coefficient of fairness and moral leadership is 0/74 and the transparent and ethical leadership is 0/65, the sharing of power and moral leadership is 0/64, respectively. So standardized coefficients show that each component has a high correlation with moral leadership. Critical values are obtained for all components in $\alpha = 0/01$ was significant. This model is validated by measuring ethical leadership.

Table 7: Model coefficients for confirmatory factor analysis of hidden variables empowerment

Prob	The critical ratio	SE	Standardized factor loadings (lambda)	Component
0/000	8/38	0/146	0/73	Significant
0/000	9/44	0/106	0/86	Competence
0/000	9/1	0/114	0/89	Autonomy
0/000	9/5	0/112	0/85	To be effective

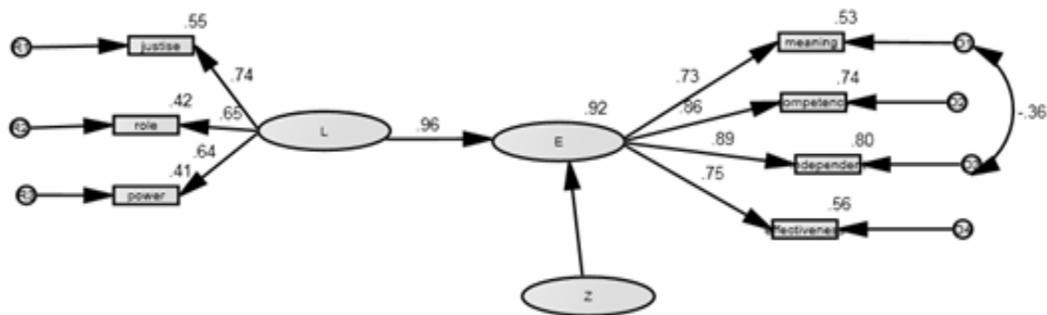
The data above indicate that a significant component and empower is 0/73, between the components of competence and empowerment is 0/86, among the autonomy and empowerment is 0/89 and between components to be effectively and empower is 0/85, respectively. Standardized coefficients indicate that the components are highly correlated with the ability. Critical values are obtained for all components with $\alpha = 0/01$ was significant. Thus enabling measurement model is confirmed.

Table (8) structural model of the relationship between ethical leadership and empowerment of hidden variables

P	The critical ratio	R ² adjusted	R	variables	
				Hidden variable criterion	Hidden variable predicted
0/000	7/8	0/883	0/96	Empowerment	Ethical Leadership

Data in Table (8) shows that moral leadership with a correlation coefficient of 0/96 and the coefficient of determination 0/883 on the ability to influence and impact the critical ratio obtained is significant. So according to the model predicted eighty-eight and three-tenths percent of the employee's formidable moral leadership by administrators describe, explain and be explained. (Figure 1) shows the structural equation model.

Chart 1 Structural equation model of the relationship between ethical leadership and empowerment



A structural equation analysis identified a single criterion to decide on the acceptance or rejection of models exist. Therefore, the fitting factor models, structural confirmation and there are several indicators. This index includes three indicators of absolute fit, comparative and frugal is divided. According to experts, a structural equation model fit when at least one of each of the indices of absolute and comparative data frugal to verify the model. The following table shows the various model parameters.

Table (9) fit indices of structural equation model (measurement model and structural model)

result	Amount	Fit indices	Types of indicators
confirmation	3/7 0/899 0/877 0/99	CMIN/DF GFI AGFI RMR	Absolute
confirmation	0/78 0/74 0/79	IFI TLI CFI	Comparative
confirmation	0/5 0/1	PRATIO RMSEA	مقتصد

As the above table it is observed ratio chi-square to degrees of freedom less than 4, the index of goodness of fit index plots amended with values close to 0/9 and low root mean square residual index value fitted incremental index of fit Tukr Lewis comparative index of less than about one and the ratio of the economy and the square root of the mean square error of the estimated parameters are close to zero thrifty. So according to the values of parameters obtained by fitting the model prediction is borne out of the well.

5 - Analysis of Results

Studies conducted indicate that the mean fairness component is 3/35 with a standard deviation is 0/76, the mean transparency is 3/63 with a standard deviation is 0/85, mean sharing power is 3/17 with a standard deviation is 0/9 and average ethical leadership scores is 3/39 with a standard deviation is 0/67. Thus, the ranking shows the components of moral leadership that transparency is a priority component and this indicates that employees are of the opinion that if their role is well defined and they know what the job process operation must do for an organization to be effective. The fairness component represents the organizational justice and equal individuals in the organization and selection is based on merit, they will be prompted to create a sense of security. The same terms as the second most important component of employee moral leadership know. Third component of the employees have the power sharing they are of the opinion that if a well-defined job roles justice and equality exist in the organization, this process can also be effective in sharing power and leaders will not abuse their power. Golparvar studies showed that average of moral leadership is 25/75.

Studies conducted indicate that the mean scores of significant is 3/18 with a standard deviation is 0/87, the mean scores of competence is 4/03 with a standard deviation is 0/77, Autonomy mean scores is 3/94 with a standard deviation is 0/75 and mean effectiveness scores is 3/83 with a standard deviation is 0/98 and average total empowerment scores is 3/74 with a standard deviation is 0/69. The ranking shows the components of empowerment that employees deserve to know the most important components to enhance and extend their skills and staff believe that if you increase the job skills can properly make use of their skills on the

job. Autonomy and freedom of action in the second rank as the most important factor in increasing their capabilities. Ranked third and fourth in the effective component is assigned to the component significance which is illustrated the effectiveness of the individual in order to achieve organizational goals can also enhance job ability people. Abili in his study entitled "Exploring the relationship between psychological empowerment and organizational commitment of nursing personnel in the city of Zahedan." showed that psychological empowerment mean is 57/91, that represents the capabilities of employees.

Correlation coefficients and coefficients of determination showed a significant positive correlation among the significant with fairness, competence, autonomy, and is effectiveness. The results indicate that the fairness factor with the most effectiveness and least significant relationship with the autonomy of components.

The results showed a significant positive correlation between components interchange with all components of the empowerment in which between transparency the role with significance is the highest and the lowest correlation was between autonomy.

Kalshoven et al (2011) and Kim and Brimmer (2011) in their study reported that moral leadership is considered one of the most important factors in improving organizational performance because this type of leadership integrity is a key component employees and the integrity of its leaders, and higher fidelity and all your efforts will be undertaken in line with organizational goals.

The findings of the study Amery (1390) also suggests that ethical leadership has been able to empower employees to create. This finding with Ziaee et al research (1388), Golparvar et al (1389), Valumba et al (2010) and Kalshoven et al (2011) is also consistent because the studies reported in the present study are consistent with the report.

Results based on the results of the multiple correlation between the components of ethical leadership and empowerment scores indicate a significant positive correlation between them. Results indicate that 55/2% of the variance of scores of city tax official capacity by the ethical Leadership component of fairness, transparency and sharing the role power, can be explained. T values obtained for these components separately states also have a significant positive correlation with empowerment. In other words, if there is the moral leadership, employee empowerment half of the course will be covered.

If the behavior leaders, such as management, employee participation in major decisions of the organization, delegate important tasks to subordinates, subordinates in consultation with the organization's strategy and assistance in setting performance objectives in the implementation of their subordinates, followed by behaviors such employees based on organizational goals, efforts to improve performance, compliance with organizational values and skills to do the job, acquire new knowledge to improve performance, positive attitude to work and gain qualifications to do the job, show and are useful for the people.

It is recommended to promote ethical leadership in organizations to the strengthen components the fairness, Transparency and sharing the role power in the organization aims to enhance the significance of empowerment, competence, autonomy, and their effectiveness is reinforced and by strengthening leadership component of leadership, components provide increased employee empowerment and to provide moral leadership training to leaders and managers a means to empower organizations to provide employees.

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