Direct and Indirect Effects of Transformational Leadership on Workplace Deviance: Evidence from Non-Profit Organizations of Pakistan

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Abstract

This study investigated the effects of transformational leadership and organizational ethical climate on workplace deviance in non-profit organizations. Managers, coordinators, community facilitators and social organizers were selected by convenience sampling *and* data were collected *using self-administered questionnaires. A total of 500 questionnaires were distributed of which 324 were usable. Results of this study show a positive relationship between transformational leadership and organizational ethical climate, and a negative association between transformational leadership and workplace deviance. The result of this study also indicated a negative association between organizational ethical climate and workplace deviance. Results further revealed that organizational ethical climate mediates the relationship between transformational leadership behavior and workplace deviance. Thus, to reduce the emergence of workplace deviance, organizational decision makers should seek to select, train and retain authentic transformational leaders, specifically those who have the ability to promote the establishment of ethical organizational climate. Lastly, this is the first study to examine the interrelationship between transformational leadership, ethical climate, and workplace deviance, specifically in the non-profit organizations of Pakistan.*

Keywords: Transformational Leadership; Ethical Climate; Workplace Deviance; Non-profit Organizations.

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Introduction

After numerous high-profile corporate scandals, ethics has become an important organizational issue in the contemporary era. Some of the serious consequences of workplace deviance include augmented psychological distress, low productivity, higher turnover rates (Appelbaum, Iaconi, & Matousek, 2007; Penney & Spector, 2005), increased fear at work, damaged self-esteem (Griffin, O'Leary-Kelly, & Collins, 1998; Henle, Giacalone, & Jurkiewicz, 2005), and diminishing stakeholders' return (Lu & Lin, 2014).Thus, with workplace deviance prevailing in organizations, researchers and practitioners are compelled to find solutions to this dilemma(Peng, Tseng, & Lee, 2011). Therefore, to reduce the level of deviant workplace behavior, researchers are increasingly interested in the role of leadership (Aryati, Sudiro, Hadiwidjaja, & Noermijati, 2018; Brown & Treviño, 2006; Grojean, Resick, Dickson, & Smith, 2004; Lapointe & Vandenberghe, 2018; Mayer, Kuenzi, & Greenbaum, 2010; Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008; Yasir & Rasli, 2018).

Previous literature shows positive effects of transformational leadership on organizational commitment (Khan et al., 2014), job satisfaction (Yıldız & Şimşek, 2016), organizational change capacity (Yasir, Imran, Irshad, Mohamad, & Khan, 2016), and organizational performance (Para-González, Jiménez-Jiménez, & Martínez-Lorente, 2018).Transformational leadership (B. Avolio & Bass, 1991), which is part of the change-oriented leadership models, is the most dominating theory for nearly 30 years, which surprisingly lacks investigation with regards to the ethical and moral underpinnings of leadership behavior(Groves & LaRocca, 2011). However, scholars such as Treviño & Brown (2005) argue that empirical evidence is needed to understand the processes by which transformational leaders influence followers' behavior and any association between transformational leadership style and ethics-related outcomes.

Furthermore, the previous literature shows that leaders play a significant role in establishing an ethical climate for an organization (Cheng & Wang, 2015; Jaramillo & Noboa, 2015; Mayer et al., 2010; Mulki, Jaramillo, & Locander, 2009). An ethical climate comprises of normative beliefs and values concerning moral issues shared by the employees of an organization (Jones & Education, 2010). Previous research also shows that transformational leaders play an important role in the formation of an ethical organizational climate (Dimaculangan & Aguiling, 2012; Engelbrecht, Van Aswegen, & Theron, 2005; Sagnak, 2010).For instance, Conger (1999) view that a transformational leader seeks to change attitudes and behavior of their followers. Treviño *et al.*

(2003) view ethical behavior as the base for transformational leadership style, so if these leaders have ethical conduct then followers will also have ethical conduct, as followers look to their leader as role models(Mayer et al., 2010; Yasir & Mohamad, 2016). Thus, when followers observe that they receive intangible benefits like support, motivation, and trust or tangible benefits from their leader, they are likely to reciprocate with positive work behavior(Gouldner, 1960). In contrast, when employees experience poor responsibilities and resources(Skarlicki & Folger, 1997), and also observe the unethical behavior of their leaders, followers are more likely to engage in negative workplace behaviors(Brown & Mitchell, 2010). These negative behaviors, also known as deviant workplace behaviors, can be referred to as behaviors that are directly harmful to the organization or individuals or both (Bennett & Robinson, 2000).

The authors of this study observe that previous literature lacks empirical evidence regarding the association between transformational leadership and workplace deviance, and the underlying mechanism through which transformational leadership is related to workplace deviance, specifically in non-profit organizations. Traditionally, workplace deviance has been studied with respect to for-profit organizations, however, non-profit organizations also experience deviance, therefore scholars argue that further research is needed to understand workplace deviance in other organizations like non-profit organizations (Kimemia, 2014; Nair & Bhatnagar, 2011). Therefore, this study provides several contributions. First, this study contributes to the literature by investigating the effects of transformational leadership and ethical climate on workplace deviance. Second, this research investigates ethical climate as a mediator between transformational leadership and workplace deviance. Third, this study is conducted for the first time in non-profit organizations of Pakistan. This study assumes that if the supervisors, managers or other organizational decision-makers in non-profit organizations demonstrate transformational leadership behavior, specifically having moral and ethical conduct, focuses on a collective sense of mission, and values that can help establish an ethical organizational climate. The authors believe that supervisors who demonstrate such practices will influence employees to act responsibly in the workplace. Thus, this study provides a framework by linking transformational leadership behavior to workplace deviance through organizational ethical climate.

The objectives of this study are;1) to examine the relationship between transformational leadership behavior and organizational ethical climate, 2) to investigate the relationship between transformational

leadership behavior and workplace deviance, 3) to analyze the effect of organizational ethical climate on workplace deviance, and 4) to investigate organizational ethical climate as a mediator in the relationship between transformational leadership behavior and workplace deviance, specifically in the context of non-profit organizations working on social, economic, and developmental issues in Pakistan.

Literature Review
Transformational leadership
Transformational leadership theory has received a great attention in the last few decades and has emerged as one of the most dominant leadership theories (Banks, McCauley, Gardner, & Guler, 2016). The transformational leadership approach is widely known for its change-oriented leadership at individual, group and organizational level of analysis(Conger, 1999; Judge & Piccolo, 2004). Scholars view that one of the key concern of a transformational leader is employees' moral development(Bernard M Bass, 1999; Zohar & Tenne-Gazit, 2008). These leaders challenge their subordinates' ways of thinking while inspire and motivate them to attain high moral values which ultimately guide their performance (Bernard M Bass, Avolio, Jung, & Berson, 2003).Bernard M Bass and Avolio (1997)identified five main dimensions of transformational leadership, i.e. idealized influence (attributed), idealized influence (behavioral), inspirational motivation, individual consideration and intellectual stimulation that could mutually uplift leader and followers to a higher level of morality and motivation (Burns, 1978) as followers will replicate leaders with ethical conduct (Calabrese & Roberts, 2001; Trevino, Hartman, & Brown, 2000).Some scholars also view ethical behavioras the base for transformational leadership (Treviño, Brown, & Hartman, 2003)as in the case of a leader who considers high moral standards while formulating a vision for an organization (Mendonca, 2006). These leaders act as a role model, provide challenges(B. J. Avolio & Bass, 2004), evoke emotionsand foster a climate of trust within the organization (Harms & Credé, 2010).

Organizational Ethical Climate
An ethical climate refers to the holistic impression that individuals have regarding ethical policies, procedures,and practices within an organization(Mayer et al., 2010).Victor and Cullen (1987), defined ethical climate as "the shared perceptions of what is ethically correct behavior and of how ethical issues should be handled" (p. 51-52). Literature provides several different conceptualizations for organizational ethical climate (Arnaud, 2010; Babin, Boles, & Robin,

2000; Newman, Round, Bhattacharya, & Roy, 2017; Stone & Henry, 2003). Several researchers view ethical climate as a multi-dimensional construct, whereas some consider it as a uni-dimensional construct. For instance, Victor and Cullen (1988) identified five dimensions of organizational ethical climate, namely: *instrumental*, *rules*, *caring*, *law and code* and *independence*. Whereas, Schwepker (2001)view ethical climate as a uni-dimensional construct, and identified ethical climate as employees' perceptions of the top-management actions in terms of ethics and the overall existence of organizational policies with regards to ethics.

Workplace Deviance
In previous literature, different terminologies are used to describe workplace deviance or negative behaviors, such as organizational retaliation behavior (Skarlicki & Folger, 1997, 2004), organizational aggression (O'Leary-Kelly, Griffin, & Glew, 1996), and counterproductive work behavior (Fox, Spector, & Miles, 2001; Gruys & Sackett, 2003). These deviant behaviors are all harmful to the organizations and/or its members(De Clercq, Bouckenooghe, Raja, & Matsyborska, 2014; Lin & Johnson, 2018). Workplace deviance is defined as "voluntary behavior that violates significant organizational norms and in so doing threatens the well-being of the organization, its members, or both" (Robinson & Bennett, 1995, p. 556). Workplace deviant behavior is based on two dimensions, i.e. interpersonal versus organizational and minor versus serious. It is further categorized into four distinct quadrants, i.e. the first quadrant, *production deviance* includes relatively minor but still organizationally harmful behaviors*;* the second quadrant, *property deviance* includes serious and organizationally harmful behaviors; the third quadrant, *political deviance* includes relatively minor and interpersonally bad behaviors; and the fourth quadrant, *personal aggression* includes serious and interpersonally bad behaviors(Bennett & Robinson, 2000; Robinson & Bennett, 1995).

Transformational Leadership and Organizational Ethical Climate
Leadership plays a significant role in shaping organizational climate with ethical norms that guide themoralbehavior of the subordinates (Dickson, Smith, Grojean, & Ehrhart, 2001; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Mayer et al., 2010). Previously, Schein (1985) identified five key mechanisms a leader can use to influence organizational culture/climate:(1) what leaders pay attention to, what they control and what they measure; (2) the leaders reactions to critical incidents within the organization; (3) their deliberate role modeling and coaching; (4) the criteria leaders use for allocation of rewards; and (5) the criteria utilized

for recruitment, selection, promotion, and retirement. With these mechanisms, a transformational leader can greatly shape organizational ethical culture/climate (Carlson & Perrewe, 1995).Previous literature also shows that transformational leadershipis positively associated with the formation of ethical organizations (Hood, 2003) and social justice (Eberlin & Tatum, 2008). A transformational leader builds awareness regarding what is good, acceptable and essential for the organization and goes beyond their self-interest for the good of an organization (B. M Bass & Avolio, 1994). Hence, previous literature asserts a positive relationship between transformational leadership and organizational ethical climate (Dimaculangan & Aguiling, 2012; Endriulaitienė & Genevičiūtė-Janonienė, 2015; Engelbrecht et al., 2005; Sagnak, 2010). Therefore, this study hypothesizes that transformational leadership is positively associated with organizational ethical climate.

H1:There exists a positive relationship between transformational leadership and organizational ethical climate.

Transformational Leadership and Workplace Deviance
A transformational leader seeks to change the attitudes, values, and beliefs of the followers (Conger, 1999). As in transformational leadership process, leader and followers mutually uplift themselves to a higher level of motivation and morality (Burns, 1978). Therefore, some scholars view ethical behavior as the base for transformational leadership (Sagnak, 2010; Treviño et al., 2003).Previous literature also shows that transformational leadership is positively associated with high moral reasoning (Turner, Barling, Epitropaki, Butcher, & Milner, 2002), and these leaders also focus on drawing follower's interests away from the self, moving towards the group, thereby enhancing the potential for organizational integrity and ethical conduct (Parry & Proctor-Thomson, 2002). The previous literature further highlights that employees look upon their leader's behavior as a role model in organizations (Mayer et al., 2010). Therefore, as discussed earlier, if a leader has ethical conduct, the subordinates will have an ethical conduct (Trevino et al., 2000). Prior literature furthershows a negative relationship between transformational leadership behaviors and follower aggression (Tucker, Turner, Barling, & McEvoy, 2010).Previous literature also shows a negative association between transformational leadership and counterproductive work behaviors (Bruursema, 2005; Hsi, 2017). Hence, this study postulates that thereexists a negative association between transformational leadership and workplace deviance.

H2:There exists a negative relationship between transformational leadership and workplace deviance.

Organizational Ethical Climate and Workplace Deviance
An ethical organizational climate involves shared perception of how ethical issues should be handled and what are ethically correct behaviors(Appelbaum, Deguire, & Lay, 2005). Previous literature shows a strong support for the effect of ethical climates on misconducts(Mayer et al., 2010; Vardi, 2001).For instance, Martin and Cullen (2006) found that an ethical climate is negatively related to dysfunctional organizational behavior. Previous literature further shows that organizations having ethical climate are found to have lower organizational deviance (Peterson, 2002). Thus, prior literature shows a negative association between ethical climate and workplace deviance (Aryati et al., 2018; Yasir & Rasli, 2018).Hence, this study assumes that when the level of organizational ethical climate is higher, workplace deviance will be lower.

Hypothesis 3:Thereexists a negative relationship between organizational ethical climate and workplace deviance.

Organizational Ethical Climate as Mediator
In previous literature, ethical climate as a mediator has been found in few empirical studies. Cheng and Wang (2015)Identified that ethical climate mediates in the relationship between paternalistic leadership and team identification. Demirtas and Akdogan (2015) Identified that ethical climate mediates between the relationship of ethical leadership and individual's outcomes. Shin, Sung, Choi, and Kim (2015) study shows that ethical climate mediates in the relationship between top management ethical leadership and organizational outcomes. A recent study of Yasir and Rasli (2018)reveals that ethical climate mediates in the relationship between ethical leadership and workplace deviance. However, the existing literature regarding ethical organizational climate as a mediator in the relationship between transformational leadership and workplace deviance lacks empirical evidence. Therefore, current study hypothesizes that organizational ethical climate is the driving force through which transformational leadership is related to workplace deviance.

H4: Organizational ethical climate mediates the relationship between transformational leadership and workplace deviance.

Methodology
Sampling
This study is based on the survey of 27non-profit organizations working for women development in Pakistan that is related to education health, civil rights, and economic empowerment. Data were collected from a convenience sample of managers, social organizers and community facilitators using questionnaires. Moreover, 500 questionnaires were distributed of which 324 were returned and usable.

Instruments
The questionnaire was having four sections, namely demography, transformational leadership, ethical climate and workplace deviance. Transformational leadership was measured using 20 items from the Multifactor Leadership Questionnaire by Bass and Avolio (1995). The organizational ethical climate was measured usingSchwepker (2001) Ethical Climate Questionnaire which comprised of 7 items. Workplace deviance was measured using Bennett and Robinson (2000) Workplace Deviance Scale having 19 items. For transformational leadership, ethical climate, and workplace deviance, a five-point Likert-type scale was used. Items for transformational leadership and organizational ethical climate were anchored at "1= strongly disagree", "2= disagree", "3= neutral", "4= agree", "5= strongly agree". And for workplace deviance, items were anchored at "1= never", "2= rarely", "3= sometimes", "4= often", "5= always".

Results
The majority of the respondents were females (52.8%), within the age group of 20 to 40 years (71.6%) with 1 to 5 year(s) job experience (38.4%). The analysis was further conducted totest the hypothesized model using AMOS 18. The measurement model showed results of the goodness-of-fit indices whereby the values for CMIN/df =3.021, GFI = .936, AGFI = .914, CFI = .943, TLI = .947 and RMSEA = .072, thus indicating goodness of fit. Moreover, convergent validity wasexamined based on high factor loading which should be greater than 0.50 (Holmes-Smith, Coote, & Cunningham, 2006).Composite Reliability(CR) should be greater than 0.7 (Hair, Black, Babin, & Anderson, 2010) and Average Variance Extracted (AVE)should be equal to or greater than 0.50 (Chin, 1998).Results show that this study does not violate convergent validity of the constructs as shown in Table 1.

Table 1: Convergent validity

Construct	Items	Standardized loading	Composite reliability	Average variance extracted
Transformational leadership	20	0.630 to 0.794	0.762	0.522
Organizational ethical climate	7	0.601 to 0.783	0.833	0.514
Workplace deviance	19	0.613 to 0.764	0.754	0.517

Subsequently, discriminant validity of the constructs was examined. Results show that the square root of AVE is greater than the inter-construct correlation of the constructs and the correlations between the constructs are all less than 0.85, thus indicating adequate discriminantvalidity(Kline, 2015).Hence this study did not violate the discriminant validity of the constructs as shown in Table 2.

Table 2: Discriminant validity

Sr.	Constructs	1	2	3
1	Workplace Deviance	(0.719)		
2	Transformational Leadership	-0.433	(0.722)	
3	Organizational Ethical Climate	-0.523	0.478	(0.717)
Note: Square root of AVE is shown in parenthesis.				

Further, in the direct effect, results show that transformational leadership is positively associated with ethical climate having path coefficient value 0.562, critical ratio 12.421 and p-value 0.00. Thus, Hypothesis 1 is supported. In addition, a value of the goodness-of-fit indices indicates that the model fitted the data adequately. For instance, CMIN/df = 2.231, GFI = .925, AGFI = .911, CFI = .929, TLI = .931 and RMSEA = .070.

Moreover, a result indicates a negative relationship between transformational leadership and workplace deviance having path coefficient value -0.411, critical ratio 11.042 and p-value 0.00, thus Hypothesis 2 is also supported. In addition, results of the goodness-of-fit indices showeda good model fit. For instance, CMIN/df = 2.547, GFI = .932, AGFI = .923, CFI = .935, TLI = .942 and RMSEA = .058.

In addition, results show that organizational ethical climate is negatively associated with workplace deviance having path coefficient value -0.634, critical ratio 13.102 and p-value 0.00, therefore Hypothesis 3 is also supported. Moreover, results showeda good model fit. For instance, CMIN/df = 2.912, GFI = .934, AGFI = .921, CFI = .926, TLI =

.933 and RMSEA = .077.Finally, indirect effect (see Figure 1) and their significance through bootstrapping was examined.
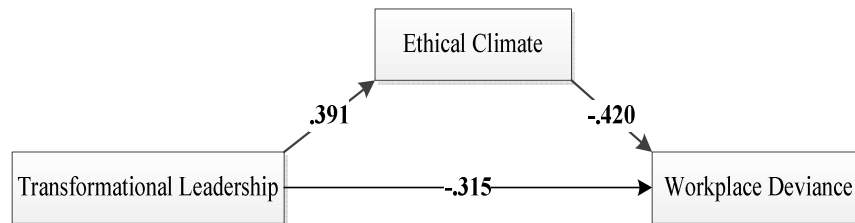

Figure 1: Indirect Effect

Results showed a good model fit for the indirect effect, as CMIN/df =3.053, GFI = .936, AGFI = .920, TLI = .951, CFI = .937 and RMSEA = .064. Moreover, the indirect effect of transformational leadership on workplace deviance is -0.164. Resultsfurthershow that p-value (bootstrap) for the indirect effect of transformational leadership on workplace deviance is less than 0.05. In addition, upper confidence level is-0.032 whereas the lower confidence levelis-0.184. Prior literature highlights that if the confidence interval does not include "zero", hence the mediation effect is significant (MacKinnon, Cheong, & Pirlott, 2012; MacKinnon, Lockwood, & Williams, 2004). Previous literature also highlights that if the direct and indirect effects are significant, hence indicating partial mediation (Mathieu & Taylor, 2006), and in this study, both direct and indirect effect was significant, therefore proving that ethical climate partially mediates the relationship between transformational leadership and workplace deviance, hence Hypothesis 4 is also supported (see Table 3).

Table 3: Indirect effects

Path	Direct effect	Indirect effect	Bootstrap p-value	Total effect	Bias-corrected confidence interval	
					Lower confidence level	Upper confidence level
TL→EC→WD	-.315**	-.164**	.023	-.479**	-.184	-.032
Note: TL = transformational leadership, EC = ethical climate, WD = workplace deviance.						

Discussion
Findings of this research were based on 324 employees working in the non-profit organizations in Pakistan. Results of this study indicated that transformational leadership and organizational ethical climate are positively associated, thereby Hypothesis 1 was supported. These findings are in line with the previous literature which highlights the

positive association between transformational leadership and organizational ethical climate(Dimaculangan & Aguiling, 2012; Endriulaitienė & Genevičiūtė-Janonienė, 2015; Engelbrecht et al., 2005; Sagnak, 2010; Van Aswegen & Engelbrecht, 2009).Previous literature highlights that what a leadervalues will set the ethical tone for decision making at all levels thereby influencing the establishment of an ethical organizational climate, thus a transformational leader has the ability to positively influence and shape an ethical organizational climate (Carlson & Perrewe, 1995; Dimaculangan & Aguiling, 2012; Van Aswegen & Engelbrecht, 2009). Hence, transformational leadership behavior and organizational ethical climate are positivelyassociated specifically in the context of non-profit organizations in Pakistan.

Furthermore, results showed a negative relationship between transformational leadership and workplace deviance, thus Hypothesis 2 was also supported. Previous literature shows that transformational leaders promote equality and justice in organizations (Carey, 1992), and focuses on the need to promote ethical policies and procedures, and enforcement of ethical conduct (Bernard M Bass & Steidlmeier, 1999). Treviño and Brown (2005) highlighted that transformational leaders should raise followers' level of moral development and focus on followers' attention to higher level needs and values.Turner et al. (2002) Found that transformational leaders are higher in moral reasoning. Moreover, transformational leaders are thought to influence subordinates to develop a collectivistic orientation rather than a selfish one, thereby internalizing moral values transmitted by the leader (Shamir, House, & Arthur, 1993; Turner et al., 2002).Tucker et al. (2010) study showed a negative relationship between transformational leadership behaviors and follower aggression.Hsi (2017) and Bruursema (2005) studies showed a negative association between transformational leadership and counterproductive work behavior. Hence, transformational leadership behavior and workplace deviance are negatively correlated specifically in the context of non-profit organizations in Pakistan.

Moreover, results also indicated that organizational ethical climate is negatively associated with workplace deviance, therefore Hypothesis 3 was supported. This is also in line with the previous literature which shows the negative association between organizational ethical climate and workplace deviance (Martin & Cullen, 2006; Mayer et al., 2010; Peterson, 2002; Vardi, 2001). For instance,Bulutlar and Öz (2009) identified that deviant workplace behavior like bullying is closely related to the ethical climate of an organization. Recently, Yasir and Rasli (2018) found a negative relationship between ethical climate and workplace deviance. Therefore, organizations having ethical climate are

found to have minimum workplace deviance (Appelbaum et al., 2005; Aryati et al., 2018; Peterson, 2002). Hence, there exists a negative association between organizational ethical climate and workplace deviance in the non-profit organizations in Pakistan.

Lastly, results of this study show that organizational ethical climate partially mediates the relationship between transformational leadership and workplace deviance; hence Hypothesis 4 was also supported. In previous literature organizational ethical climate is identified to have a key mediating role between various leadership styles and work outcomes (Cheng & Wang, 2015; Demirtas & Akdogan, 2015; Erben & Güneşer, 2008; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009; Shin et al., 2015). Thus organizations having leaders who encourage ethical conduct and discipline unethical conduct results in establishing an ethical organizational atmosphere where employees tend to engage in ethical behavior and refrainfrom deviant behaviors(Aryati et al., 2018; Brown & Treviño, 2006; Lu & Lin, 2014; Mayer et al., 2010).Therefore, organizational ethical climate is established, modified and maintained over time by the behavior of organizational leaders as they are perceived as role model and their behavior is interpreted by followers, thereby influencing followers' behavior to a great extent (Dickson et al., 2001; Lu & Lin, 2014; Zhang & Zhang, 2016). Therefore, a transformational leader as a role model should focus on the need to promote ethical policies and procedures, and enforcement of ethical conduct (Bernard M Bass & Steidlmeier, 1999), thereby positively influencing the formation of an ethical organizational climate (Carlson & Perrewe, 1995; Dimaculangan & Aguiling, 2012; Van Aswegen & Engelbrecht, 2009) leading toward less likelihood of the occurrence of deviant workplace behavior. Hence, this study shows that organizational ethical climate is one of the underlying psychological mechanism through which transformational leadership behavior is linked to deviant workplace behavior, specifically in the context of non-profit organizations in Pakistan.

Implications
This study implies that a transformational leaderhas the ability to establish an ethical climate of the organization hence minimizes the emergence of deviant workplace behavior. Thus, top management of the non-profit organizations should seek to select, train and retain transformational leadersand specifically those who are better inestablishing an ethical organizational climate. Moreover, the top management needs to consider during their selection methods to include assessments of integrity, ethics and moral standards of the individualsand

need to organize training programs for the employees tocommunicate them the importance of ethics and how to attain and retain an ethical organizationalclimate. Because ethical climate provides direction to the employees as to how they should respond to ethical issues. Thus, these strategies will help in building awareness of ethical issues and acceptable individualsbehavior.

Limitation and future research
There are several limitations of this study. One limitation is that transformational leadership and organizational ethical climate has been examined uni-dimensionally. However, impacts of the dimensions of these variables are suggested to be tested with workplace deviance in future research. A second limitation of the current study is relating to its target population, which is the non-profit organization only. Therefore, future studies should consider the role of transformational leadership and ethical climate on workplace deviance in other public or for-profit organizations. Thirdly, this study is limited to a relatively smaller sample size. Thus, future studies may replicate this study by incorporating a larger sample size. Forth limitation is its cross-sectional research design. Therefore, the current study is unable to make a causal conclusion. Thus, a follow-up of this study should be carried out with an experimental or longitudinal design. Moreover, future research is needed to be tested in a culturally diverse organization to add depth to the existing knowledge. Also, it would be an interesting future study to examine the present study model with other leadership styles (ethical leadership or servant leadership), and potential mediators such as organizational justice.

Conclusion
After popular corporate scandals and the prevalence of deviant workplacebehavior, it is an alarmingsituation for the employers as to how they can reduce workplace deviance. This study suggests that authentic transformational leadershipbehaviorhelps in creating an organizational ethical climate which has the ability to positively influence the behavior of subordinates; there by subordinates are less likely to engage indeviant workplace behaviors, specifically in the context of non-profit organizations in Pakistan.

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