Investigating the Effect of Principal's Ethical Leadership on Organizational Virtuousne of Teacher with Mediating Role of Corporate Identity, Organizational Trust and Organizational Commitment (Case Study of Primary Schools in the City of Khorramabad)

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Abstract: This study aims to explain the relationship between principal's ethical leadership and organizational virtuousne with mediating role of corporate identity, organizational trust and organizational commitment of Khorramabad's primary school teachers. The method of this research is a description from correlation type and structural equation modelling, the study was conducted with 300 teachers that were chosen with the random exemplification method and based on the table of Morgan. For the purpose of collecting data three questionnaires were used Kalshoven ethical leadership questionnaire, Nahapiet and Ghoshal social capital questionnaire, Cameron Organizational virtuousne questionnaire. After calculating the validity and reliability, these criteria were distributed among samples. For data analyzing data and studying hypothesis, the Structural Equation Modelling and Partial Least Square method was used, therefore Smart pls.2 and SPSS Version 19 Software was used. Finally the findings confirmed all hypothesis of research, so that, ethical leadership style has a meaningful relation with organizational virtuousne; especially this relation has greater strength by entering intermediary variables of corporate identity, organizational trust and commitment to equations. In other words, it can be said that corporate identity, organizational trust and organizational commitment, increase the intensity of ethical leadership effect on organizational virtuousne .

Key words: Ethical leadership, virtuousne, identity, trust, commitment

INTRODUCTION

Positive psychology has grown up and found in workplace under several identities including positive workplace, positive organization, positive organizational behavior, Positive organizational scholarship, positive occupational health psychology (Donaldson and Dollwet, 2013). One of the concepts studied in this movementis organizational virtuousne. Organizational virtuousne refers to employment, support, growth, development and continuation of habits, interests and activities like altruism, honesty and integrity, forgiveness and trust at individual and organization level (Cameron, 2010). Organizational virtuousness means the organization has positive attitude toward virtuousness. In other words, the meaning of virtuousness in organizations is promoting, supporting, nurturing behaviors, habits, actions and sublime and transcendental tendencies such as humanity, humanity, honesty, forgiveness, trust and loyalty in individual and collective level in an organization (Rego et al., 2011). Tourj et al. (1973) researched a study entitled investigating the relationship between social capital and organizational virtuousne. The result of the

study shows that as social capital increases, organizational virtuousness will develop and improve. Social capital which has sociological roots, is a successful levering and has a great chance. Social capital has many dimensions and components that are in accordance with society's culture. Components such as trust, participating in civil organizations (society), appropriate interactions with others, commitment and responsibility, cooperation, teamwork spirit, sense of collective identity. Trust and reliability are the most important component of social capital (Ahmadi and Feizabadi, 1970). Considering the role of social capital's components in improving organizational ethics, it has been endeavored to measure the role of three components of trust, identity and commitment in organizational virtuousne.

In various studies a meaningful relationship is reported between organizational virtuousness and job performance (Cameron et al., 2004), moral qualities (Chun, 2005) and ethical leadership (Behzadi et al., 1974). Therefore, from the perspective of virtue theory, ethical leadership look for the majority of the people out of themselves for ethical guidance (Alzola, 2008). Ethical leadership is a form of the leadership requiring

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development of ethical standards managing employee's behaviors and application of the ethical standards effectively with their behavior (Yilmaz, 2010). In this kind of leadership, the accepted ethical values for everyone, such as justice, fairness, honesty, integrity and rightness are in center of attention (Golparvar and Fariba, 1969). Ethical leadership is one of sub-categories in ethical behaviors that recently has been an important issue in organizations (Mcgregor, 2010). Walumbwa *et al.* (2011) ethical leadership has been defined as exhibiting appropriate normative behavior through individual actions and interpersonal relationships and promoting these behaviors to followers by reciprocal interactions, Reinforcement and decision-making. From the studies conducted, researchers conclude that ethical leadership in organization has been effective in creating, maintaining and reinforcing inter-organizational trust (Avatefi *et al.*, 1971).

Trust is a multi-dimensional construct that has been studied in social exchange theory and it is revealed as a form of exchange communication between employees and organization and dynamic exchange communication between employees and supervisors. Managers attempt to create relationships based on trust to increase coordination between employees, managers and others. Moreover, they attempt to reduce anxiety between employees and managers (Monji and Ortlepp, 2012). In other words, organizational trust is individual's understanding of organizational support and belief in reliability of managers. In organizations that are ruling with trust, open participatory atmosphere, responsive employees and organizational commitment could be seen (Nadi and Moshfeghi, 1968).

Organizational commitment is an important occupational and organizational attitude that has been a topic of interest during the past years for many researchers of organizational behaviors and psychology especially social psychology. Organizational commitment is an attitude toward employee's loyalty to organization and it is a continuous process through which the organization members show their interest in organization, its success and efficiency (Moghimi, 2006). Commitment is defined in various ways and different viewpoints. Some define commitment as an identification of individuals with a particular organization and the degree of involvement and partnership with organization. The indicator that they used for measuring this variable include the section of motivation, intention to stay in the organization and identifying valuable individuals in organizations (Fry, 2003). The concept of corporate identity is among employees attitudes that since the 1980s has moved to the forefront of organizational studies and has increased

understanding of managers of employees behavior and organization (Kernis and Goldma, 2006). Corporate identity includes the features that members of organization feel them as the main features of organization, features that that describe the organization in a unique way and they have a relative stability over time. In other words, when looking to the past, present and future of the organization the characteristics that are the most pivotal, constant and distinctive constitute the organization (Puusa and Tolvano, 2006).

Therefore, the topic of ethics consider the point that how existence of values and common ethical norms between members of the organization, improves exchanges between employees and also between leaders and employees. Moreover, promotes honesty and mutual trust in the organization (Scandura and Pellegrini, 2008). However, in organizational studies, systematic investigations of virtue, especially the factors that cause them, have not been considered until recently. Accordingly, in this research it has been endeavor to study the most important predictors of organizational virtuousne. Thus, ethical leadership, organizational trust, organizational commitment and corporate identity has been studied.

Theoretical fundamentals
Organizational virtuousne: Organizational virtuousne is among the important organizational concepts that has been paid attention to by organizational sciences in recent years and refers to those organizational contexts in which virtues (such as humanity, integrity and trust) are supported, nurtured, promoted and continued both in individual and social level (Cameron *et al.*, 2004).

Organizational virtuousness is ethical characteristics that is learned from perceptions collection of a kind of behavior in life. Some researchers have suggested a five-factor model of organizational virtuousness comprising optimism, forgiveness, trust, compassion and integrity (Rego *et al.*, 2011).

Organizational optimism: It means members of the organization believe that they will succeed, even when faced with major challenges.

Organizational forgiveness: It means missteps are quickly forgiven and used as an opportunity to learn in the field with high standards of performance.

Organizational trust: It shows that people are treated with courtesy, consideration and respect in this organization and people trust one another and also the leadership of this organization.

Organizational compassion: It mean acts of compassion, concern and caring for other people are common between individuals.

Organizational integrity: It states that honesty, trustworthiness and respect are common and plentiful in the organization (Rego *et al.*, 2011).

One of positive throughputs of organizational virtuousne is the ability of the organization in dealing with major problems that organization faces and development of organizational virtuousne reduces the negative influences of these problems (Barclay *et al.*, 2012).

Ethical leadership: Ethical leadership is the first antecedent variable. Ethical leadership is a form of the leadership requiring development of ethical standards and managing employee's behaviors and application of the ethical standards effectively with their behaviors. Ethical leadership is having ethical values of a leader and acting upon these values (Yilmaz, 2010). Daft (1967) remind that ethical leadership is to act in accordance with the rules, responsibility and goodwill against employees, society and any attitude and behavior.

Generally, it can be said that, a moral manager is characterized by making proactive efforts to influence follower's ethical andunethicalbehaviors and making ethics an explicit part of his/her organization. Thus, ethical leaders stressethical values both in their personal life and in their professional life (Stouten *et al.*, 2011).

Some of researchers suggest various factors for ethical leadership comprising people orientation, fairness, power sharing, concern for sustainability, ethical guidance, Role clarification and integrity (Kalshoven *et al.*, 2011).

Corporate identity: The first mediator variable of this study is corporate identity. Since identity, plays an important role in theorization of social sciences, this concept as corporate identity, entered the organizational literature (Corley *et al.*, 2006). Managers are always looking for the evaluation and promotion of identity among their employees, since they are interested in its positive results such as organizational effectiveness, more job satisfaction, stronger sense of dependence and belonging, more citizenship behavior and organizational commitment (Mohammad ., 1970). Therefore, corporate identity can be defined as an element which express main coordinates of an organization.

Harris and Cameron (2005) according to Mal explain that corporate identity is determined based on internalizing characteristics, goals and organization

achievements by employees, so that the individual has a sense of unity and belonging. In addition it refers to employee's acceptance rate of goals, values and purposes.

Organizational identification is sometimes measured in terms of objectives and common values between organization and its members and as a tool for creating solidarity across organization (Dutton *et al.*, 1994).

From management viewpoint, identification is advantageous, because it increases the probability of making decision for profitability of the organization even in the absence of supervision in the organization (Rastegar *et al.*, 1971).

Organizational trust: Trust is the second mediator variable that is one of important issues in human behaviors and relations which affects sense of employees trust to leader, organizational life and behavior and also relationships between employees and organization (Nadi and Moshfeghi, 1968). Trust is the expectations or beliefs that individuals like to represent them in a predictable way but not for self- profit (Bair and Amand, 1995. Researches indicate that organizations with high level of trusthave more innovation, adapting themselves to changes and are successful than the organizations with lower levels of trust (Shockley-Zalabak *et al.*, 2000). Generally, organizational trust causes members of the organization to believe and have full confidence to the organization which in turn increases security, performance and productivity.

Organizational trust indicates that the organization is ruling with goodwill, consideration and respect. In addition, individuals trust each other and their leaders (Ribeiro and Rego, 2009). Researches show that the followers who trust their leaders have better performance, more citizenship behavior and higher organizational commitment and job satisfaction (Palanski and Yammarino, 2009). Moreover, study of trusting principals as organizational leaders in schools environments, has background in the past researches inside the country (Zeidbadi and Rastegarpour, 2010). As a result, in this study, school principals are considered as leaders and trust in leader or perception of behaviors mean teacher's attitude toward their school principals.

Organizational commitment: The last mediator variable of this research is organizational commitment. Organizational commitment is an attitude and a psychological state that indicates desire, requirement and necessity to continue activities in an organization. Therefore, loyalty to values and goals of the organization

and also the sense of belonging and dependence to the organization is called organizational commitment (Moalefi and Mohammad, 2009). In organizational commitment people with a sense of calling and membership will become attached, loyal toand want to stay in organizations that have cultures based on values and altruistic love (Fry, 2003). On the other hand, organizational commitment is an effective factor in organizational behaviors of employees and productivity of organizations and shows the positive and negative attitudes of individuals toward the whole organization. An individual with organizational commitment, has a strong sense of loyalty (Moghimi, 2006).

History of research: Researches that have been studied in association with the subject of the current paper, in several studies, a meaningful relation has been reported between organizational identity with organizational commitment (Harris and Cameron, 2005); ethical leadership (Walumbwa *et al.*, 2011); Organizational citizenship behavior and affective commitment (Rahman and Saghavani, 1792). Furthermore, results of DeConinck (2011) studies point out that aspects of occupational ethical climat has a direct impact on supervisors trust and organizational identification.

A lot of research has been done in the field of organizational trust such as (Allen and Meyer, 2005) researches that studied (the impact of) organizational trust on organizational cooperation and organizational commitment (Shirazi *et al.*, 1971; Rego *et al.*, 2011) researches that investigated the positive and meaningful impact of virtue on organizational commitment with mediating role of employees happiness. What's more, Khanifar *et al.*, 2009) studied the relation between factors of trust and organizational commitment of employees in Jihad Keshvarzi organization and education and traininig organization, the results report a strong relation between these factors.

Considering the importance and style of ethical leadership of managers in advancing organization's goals, a lot of research has been done in this field. Here the cases that were in accordance with our study, are mentioned.

Investigating the relation between ethical leadership and organizational citizenship behavior (Baharlou *et al.*, 1974), organizational trust and organizational commitment of employees (Gucel *et al.*, 2012), with employees trust (Avatefi *et al.*, 1971), with teachers' organizational trust(Mohammad *et al.*, 1973), impact of its dimensions on organizational commitment (Doostar *et al.*, 1974) with job satisfaction and ethical commitment of managers (Kim and

Brymer, 2011) and (Anwar *et al.*, 2012), with organizational citizenship behavior (Chiaburu and Lim, 2008; Brown and Trevino, 2006).

Since, organizational virtuousne is one of dimensions of organizational citizenship behavior, therefore it can be said that the first hypotheses of this paper is confirmed. Salehnia (1971) investigates the impact of ethical leadership on ethical climate of organization. Results of this study point out that ethical leadership can have an impact on ethical climate of organization by making connection with ethical communications, playing the ethical role for employees and intentness regarding organizations ethics.

Finally, research results of Behzadi (1974) indicates that one of important consequences of ethical leadership along with variables like increasing ethical climate and Conscientiousness, organizational virtuousne is reported.

In addition, Okpara and Wyun (2008), conducted a research between business, industrial and transport mangers, that shows ethical organizational climate has positive impact on different types of organizational commitment, identity and involvement in organization and loyalty to the organization.

Shafer (2009) in a research with the title "Ethical climate, organizational-professional conflict and organizational commitment" that was conducted among Chinese accountants, concluded that ethical climate has a positive relation with ethical commitment.

In a study carried out by Puusa and Tolvanen (2006), in a conceptual and theoretical way, the relation between organizational trust and corporate identity is referred.

Ponnu and Tennakoon (2009) in a research with the title "The Association Between Ethical Leadership and Employee Outcomes the Malaysian Case" in results showed that ethical behavior of leader has positive effect on employees organizational commitment and their trust to leaders.

Aims of the study: This study aims to investigate the direct impact of the ethical leadership on organizational virtuousne and also the indirect impact of ethical leadership with mediating role of variables such as corporate identity, organizational trust and commitment on organizational virtuousn . Therefore, considering the studies and the subject of research, conceptual model for the research is presented as follows (Fig. 1). Based on the conceptual model, hypotheses of the study are:

- Principals ethical leadership affects teachers' organizational virtuousne
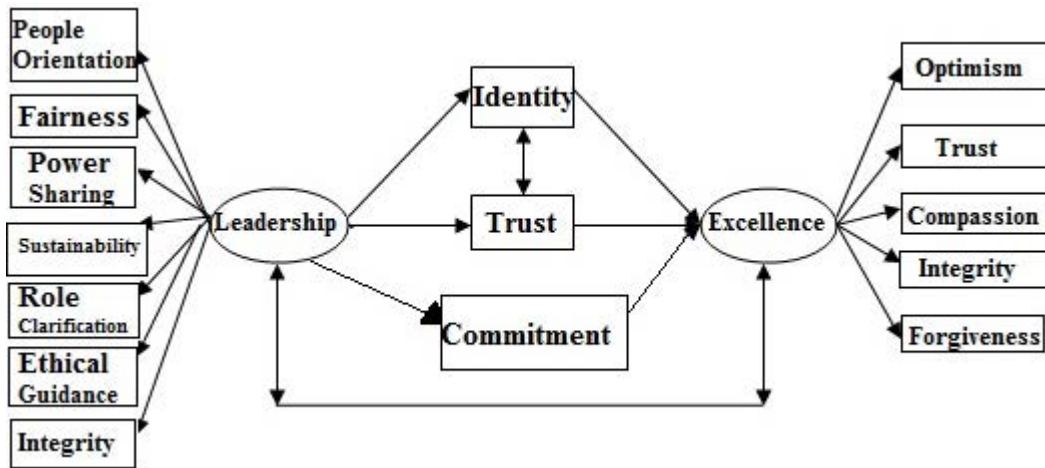
Fig. 1: Conceptual research model

- Principals ethical leadership affects teacher's corporate identity
- Principals ethical leadership affects teacher's organizational trust
- Principals ethical leadership affects teacher's organizational commitment
- Corporate identity affects teacher's organizational trust
- Corporate identity affects teacher's organizational commitment
- Organizational trust affects teacher's organizational commitment
- Corporate identity affects teacher's organizational virtuousne
- Organizational trust affects teacher's organizational virtuousne
- Organizational commitment affects teacher's organizational virtuousne

Main hypotheses: Upon the relationship between principals ethical leadership and teacher's organizational virtuousne (Organizational trust and commitment and corporateidentity) have anintermediary effect.

MATERIALS AND METHODS

The method of this research is a description from correlation type and structural equation modelling that checks the structural causal direct and indirect relation of variables, which is done with a correlation design. In the proposed model, the variable of ethical leadership is suggested as an independent or exogenous variable and the variables such as organizational trust, organizational commitment and corporate identity is assumed as an

intermediate variable which affects teache's organizational virtuousne variable. The study was conducted with 1258 school teachers of Khorramabad city that were chosen with the random simple exemplification method and based on the table of Morgan, 300 individuals selected. It has to be said that after collecting information, data was analyzed with the Smart PLS.2 and SPSS Version 19 Software. For the purpose of collecting data three questionnaires were used as follows:

- Kalshoven *et al.* (2011) questionnaire that has 38 questions and 7 factors: people orientation, fairness, power sharing, concern for sustainability, ethical guidance, role clarification, integrity. Every question is based on 5 options Likert scale of (5.very high, 4.high, 3.moderate, 2.low and 1.very low). Kalshoven and et alreported Cronbach alpha coefficients of 0.91 for this questionnaire
- Nahapiet and Ghoshalsocial capital questionnaire which has 22 item and 3 main dimensions and 9 components as follows: cognitive dimension (shared language and culture), relational dimension (trust, commitment and expectations, norms and identity) and structural dimension (networked relation, formation and composition of organization, appropriate organization). Answering this questionnaire is based on 5 options Likert scale of (5. very high, 4. high, 3. moderate, 2. low and 1. very low). Reliability of Nahapiet and Ghoshal questionnaire was reported with Cronbach alpha coefficients of (0.9). In this studyonly the component of relational dimension (trust, commitment and expectations, norms and identity) was inserted in the model

- Cameron *et al.* (2004) questionnaire which has 15 questions and 5 factors of optimism, forgiveness, trust, compassion and integrity. Every question is graded in a 5 option scale (5. compeletly true to 1. Compeletly false). Cameron *et al.* reported Cronbach alpha coefficients of 0.91 for the questionnaire

RESULTS AND DISCUSSION

First stage: Evaluation of Validity and reliability of the measurement model: To evaluate convergent validity, we used Average Variance Extracted (AVE) for each latent variable with its indicator. The high value of 0.5 shows that this criteria is adequate and appropriate. As shown in Table 1 the value of AVE for all of first and second order constructs are appropriate and above 0.5 (Table 1).

To evaluate Divergent validity, we use the matrix developed by Fornell and Larker. The AVE square root value of latent variable is in the main diameter and other places in matrix is the amount of correlation between latent variables (Table 2).

According to Table 2, since values of square root of AVE is more than the values of lower and left cells of main diameter, we can say that in the research model, latent variables interact more with questions of themselves rather than other constructs. In other words this table shows the desirability of the divergent validity model.

Structural model: In fact, structural model is the paths between latent variables and is measured by t-value, R^2, F^2, Q^2 criteria.

According to Fig. 2 and 3, except the t-value between identity and organizational virtuousne that was more than 1.64 and is meaningful in 90% level, the t-value between main variables of the research is above 1.96 which shows that these paths are meaningful (in level of certainty of 95%) and the structural model is appropriate.

R^2 criterion: It is a criterion that shows the amount of effect of exogenous variable on an endogenous variable, three values of 3.19, 0.0and 0.67 are considered as criteria for weak, medium and strong values of R^2. As you see in Table 3, theamount of this criterion for the constructs of trust, identity, commitment and organizational virtuousne in respect are 0.109, 0.534, 0.218 and 0.396. According to thedeclared classification, it confirms fit of the model.

F^2 and Q^2 criterion

F^2 criterion: Specifies the intensity of the relation between constructs. The more the value of this criterion, the intensity effect is higher. The values of 0.02, 0.15 and 0.35 in respect are the amount of the small, medium and large effect of a latent variable on another latent variable. The effect of variables on each other is given in Table 3.

Q^2 criterion: Specifies the predictive power of the model in dependent variables about all of the endogenous variables. Three amounts of 0.02, 0.15 and 0.35 are determined as low, average and strong predictive power. According to Table 3, Q^2value of endogenous construct model, indicates the average predictive power of model of this construct.

Table 1: Results of Cronbach alpha coefficient, composite reliability and convergent validity coefficient

Subject in model	AVE>0.05	Cronbach alpha coefficient (α>0.7)	Composite reliability coefficient (α>0.7)
Ethitical leadership			
People orientation	0.76	0.94	0.95
Fairness	0.73	0.92	0.94
Power sharing	0.59	0.86	0.89
Sustainability	0.84	0.9	0.94
Ethical guidance	0.69	0.92	0.94
Role clarification	0.69	0.88	0.91
Integrity	0.64	0.8	0.87
Organizational virtuousne			
Optimism	0.94	0.97	0.98
Trust	0.54	0.59	0.78
Compassion	0.64	0.67	0.82
Integrity	0.7	0.77	0.87
Forgiveness	0.77	0.84	0.9
Trust	0.86	0.83	0.92
Identity	0.517	0.75	0.83
Commitment	1	1	1
Ethical leadership	0.504	0.92	0.93
Organizational virtuousne	0.52	0.8	0.84

Table 2: Results of divergent validity

| Constructs	Trust	Identity	Commitment	People orientation	Fairness	Power sharing	Sustainability	Ethical guidance	Role clarification	Integrity	Optimism	Trust	Compassion	Integrity	Forgiveness
Trust	0.9														
Identity	0.002	0.71													
Commitment	0.72	0.01													
People orientation	0.18	0.5	0.15	0.87											
Fairness	0.15	0.19	0.11	0.22	0.85										
Power sharing	0.29	0.24	0.18	0.17	0.24	0.76									
Sustainability	0.09	0.7	0.07	0.6	0.16	0.19	0.91								
Ethical guidance	0.1	0.45	0.05	0.5	0.09	0.12	0.61	0.83							
Role clarification	0.17	0.17	0.1	0.15	0.7	0.31	0.11	0.008	0.83						
Integrity	0.28	0.13	0.19	0.16	0.19	0.73	0.1	0.11	0.27	0.8					
optimism	0.13	0.3	0.14	0.38	0.36	0.23	0.33	0.15	0.39	0.22	0.96				
Trust	0.18	-0.03	0.2	0.1	0.08	0.18	0.02	0.07	0.14	0.29	0.11	0.73			
Compassion	0.24	0.21	0.26	0.16	0.12	0.17	0.25	0.22	0.16	0.13	0.21	0.27	0.78		
Integrity	0.59	0.01	0.49	0.13	0.14	0.3	0.03	0.09	0.19	0.39	0.18	0.67	0.3	0.83	
Forgiveness	0.11	0.11	0.18	0.11	0.4	0.17	0.13	0.05	0.45	0.05	0.24	0.19	0.04	0.17	0.87
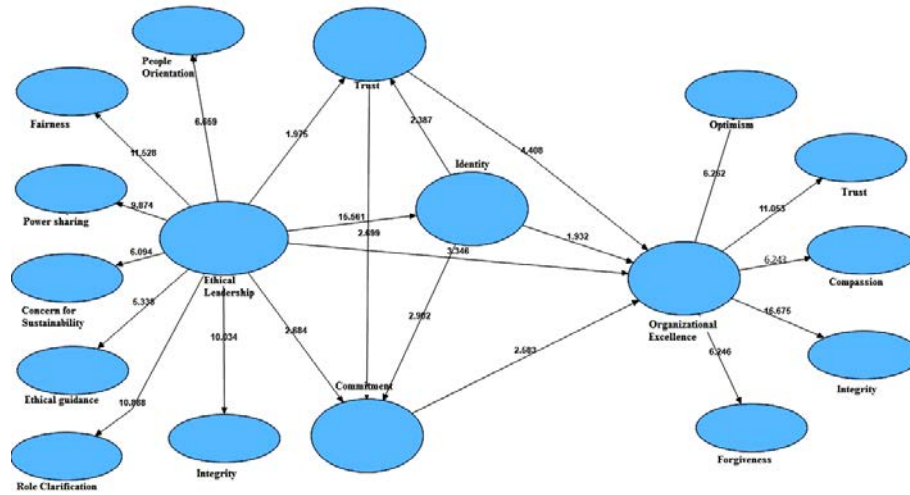
Fig. 2: t-values coefficient of structural model of this research
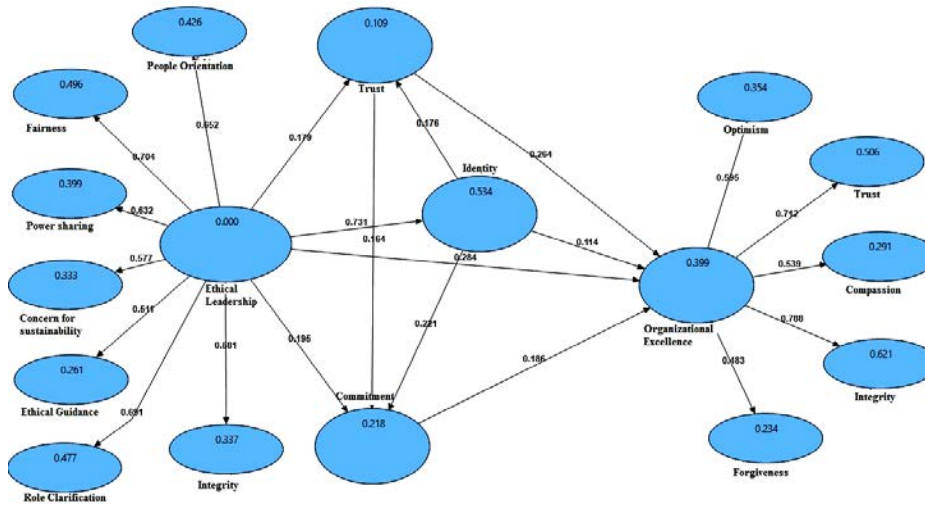
Fig. 3: Standardized factor loading coefficients pf research model

Table 3: results of structural and general fit criteria

GOF	F^2	Q^2	R^2	Constructs/Path
$\sqrt{\text{Communalities} \times R^2} = \sqrt{0.67 \times 0.36} = 0.49$	-	0.093	0.109	Trust
	-	0.244	0.534	Identity
	-	0.218	0.218	Commitment
	-	0.110	0.399	Organizational virtuousne
	-	-	-	Ethical leadership
	0.085	-	-	F^2(Trust>Organizational virtuousne)
	0.015	-	-	F^2(Identity>Organizational virtuousne)
	0.045	-	-	F^2(Commitment>Organizational virtuousne)
	0.040	-	-	F^2(Ethical leadership>Organizational virtuousne)
	0.040	-	-	F^2(Trust>Organizational virtuousne)
	0.040	-	-	F^2(Identity>Organizational virtuousne)
	0.023	-	-	F^2(Ethical leadership>Organizational virtuousne)
	0.023	-	-	F^2(identity>Organizational virtuousne)
	0.016	-	-	F^2(ethical leadership>Organizational virtuousne)

Table 4: Results of hypothesis test

Result of the test	Statistics		Hypothesis
	t-values	Path coefficient	
Confirmed	3.34	2.284	Principals ethical leadership on organizational virtuousne
Confirmed	15.5	0.731	Principals ethical leadership on corporate identity
Confirmed	1.97	0.179	Principals ethical leadership on organizational trust
Confirmed	2.68	0.195	Principals ethical leadership on organizational commitment
Confirmed	2.38	0.17	corporate identity on organizational trust
Confirmed	2.90	0.22	corporate identity on organizational commitment
Confirmed	2.90	0.22	organizational trust on organizational commitment
Confirmed	2.69	0.16	corporate identity on organizational virtuousne
Confirmed	4.40	0.26	organizational trust on organizational virtuousne
Confirmed	2.58	0.18	organizational commitment on organizational virtuousne

Table 5: Results of main hypothesis test

Test result	Total effect	Indirect effect	Direct effect
Main hypothesis of research			
Confirmed	0.62	0.33	0.284

General model: There is a criterion named GOF (Goodness of Fit) for evaluating general model, three values of 0.01, 0.25 and 0.36 are suggested as weak, average and strong values for GOF. According to the Table 3 the value of GOF criterion was equaled to 0.5, considering the declared classification, that value indicates strong fit of the general model of research.

After confirming the model in three part of structural, measurement and general, we review the declared hypothesis. In Fig. 1 because all of existing paths in t-value model are above 1.64 and 1.96, all of the declared hypothesis are confirmed at the level of 95 and 90%. According to Fig. 4, since the calculated statistics value of t for all hypothesis is above 1.96, we conclude that all of hypothesis in Table 4 are confirmed at the level of 95%.

Since, ethical leadership effects organizational virtuousne in different ways and t-values between various variables indicates that all of paths are meaningful. Ethical leadership has both direct and indirect effect on organizational virtuousne (Table 5).

CONCLUSION

Social capital refers to links and connections between members of a network, as a valuable resource that managers and leaders by creating trust and corporate identity and commitment to the shared values of organization, effectively cause the achievement of goals and organizational virtuousne. Generally, results of the current paper, shows that all environmental factors of organization (such as ethical leadership, trust, commitment and identity) have relation with organizational virtuousne and are good predictors for its formation.

First hypothesis: Principals ethical leadership on organizational virtuousne confirmed with direct effect of 0.284 and t-value of 3.34 that findings of this hypothesis is consistent with studies of Brown and Trevino (2006), Chiaburu and Lim (2008) and Baharlou *et al.* (1974).

Second hypothesis: Principals ethical leadership on corporate identity confirmed with direct effect of 0.731 and t-value of 15.5 that findings of this hypothesis is consistent with studies of DeConinck (2011).

Third hypothesis: Principals ethical leadership on organizational trust confirmed with direct effect of 0.179 and t-value of 1.97 that findings of this hypothesis is consistent with research results of (Mohammad Davoudi *et al.*, 1973; Gucel *et al.*, 2012). Therefore, principals and their employees as main element of organization, play an important role in creating organizational trust (DeConinck, 2011).

Fourth hypothesis: Principals ethical leadership on organizational commitment confirmed with direct effect of 0.195 and t-value of 2.68 that research results of Doostar *et al.* (1974), Kim and Brymer (2011) and Anwar *et al.* (2012) confirm these findings.

Fifth hypothesis: Corporate identity on organizational trust confirmed with direct effect of 0.17 and t-value of 2.38. It is consistent with researches of Puusa and Tolvano (2006).

Sixth hypothesis: Corporate identity on organizational commitment confirmed with direct effect of 0.22 and t-value of 2.90, that match (Rahman and Saghavani, 1972; Harris and Cameron, 2005).

Seventh hypothesis: Organizational trust on organizational commitment confirmed with direct effect of 0.16 and t-value of 2.69 that is consistent with studies of Khanifar *et al.* (2009) and Allen and Meyer (1996); therefore, commitment increases with the sense of trust.

If an individual believes in trustworthiness of organization and its manager, his/her commitment will increase (Allen and Mayar, 1996).

Eighth hypothesis: Corporate identity on organizational virtuousne confirmed with direct effect of 0.11 and t-value of 1.93; that match findings of Safavi, so organizational identification is often measured by goals and shared values between organization and its membersand it is Seen as a tool for building solidarity across the organization (Dutton *et al.*, 1994).

Ninth hypothesis: Organizational trust on organizational virtuousne confirmed with direct effect of 0.26 and t-value of 4.40 that match findings of Hassanzadeh Samarin, it means that by increasing trust, organizational virtuousne increases and by decreasing trust, organizational virtuousne reduces.

Tenth hypothesis: Organizational commitment on organizational virtuousne confirmed with direct effect of 0.18 and t-value of 2.85; that is consistent with findings of the researches by Shafer (2009; Rego *et al.* (2011) and Chun (2005). As a result, the total effect of ethical leadership on organizational virtuousne is obtained from the sum of direct and indirect effect and the result is 0.62 which indicates that with an increase of a standard deviation in ethical leadership, we would see a 0.62 increase of standard deviation in organizational virtuousne .

Based on the mentioned points, it is obvious that between predictive variables, ethical leadership has a higher predictively. The results of this study is consistent with theoretical orientationof other researches such as De Coninck (2011), Okpara and wyun (2008), Ponnu and Tennakoon (2009), Behzadi (1974) and Salehnia (1971). Therefore, if leaders appropriately arrange and support values, norms and ethical fundamentals of organization, these ethical elements provide a guided framework, so that leader and members of organization have ethical interaction and make ethical and more accurate decisions . On the other hand, recently some of researchers have been interested in the study about the effect of ethics, ethical fundamentals and ethical environment on employees trust and commitment. Ethical environment is one the factors shaping inter organizational interactions and employees attitudeand has a major impact in organizational results. Organizational performance will increase by improving trust between employees and managers and increasing employees commitment and therefore an intense following and adherence. Employees who perceive that their organization is ethicaland they are treated with respect and justice, the can trust their manager and organization more and are more principled and promising. Therefore, there is a relation between virtuousne and better performance, more perseveranceand being good tempered in work environment (Salehnia, 1971).

Ethics include concepts such as trust, honesty, integrity, keeping promises, loyalty, respect, responsibility, commitment to others and community service. Generally, ethics have a close relation with values and virtuesand are seen as a factor to convert values into actions.

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