

MEMBERS' MORAL INTEGRITY AS A DRIVER OF ORGANIZATIONAL SUCCESS AND SUSTAINABILITY: A CONCEPTUAL REVIEW

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ABSTRACT

Organizations are increasingly expected to achieve sustainable performance while maintaining high ethical standards amid rapid technological advancement, globalization, and growing stakeholder expectations. Although ethical leadership and corporate governance have received considerable scholarly attention, the role of members' moral integrity as a collective organizational capability remains underexplored. This study aims to examine the concept of members' moral integrity within organizational contexts, analyze the theoretical perspectives explaining its influence on organizational success and sustainability, identify key antecedents that strengthen moral integrity, and develop an integrated conceptual framework for future research. This study employed a qualitative conceptual review using a systematic literature review approach. Secondary data were collected from peer-reviewed journal articles, academic books, and seminal literature on organizational ethics, strategic management, stakeholder management, and organizational sustainability. The selected literature was synthesized through qualitative content analysis to identify recurring themes, theoretical relationships, and conceptual patterns. The findings indicate that members' moral integrity represents an important intangible organizational resource that enhances ethical decision-making, stakeholder trust, organizational commitment, innovation, and long-term organizational resilience. The review further identifies ethical leadership, organizational values, and ethical climate as key antecedents that foster members' moral integrity and strengthen organizational sustainability. By integrating the Resource-Based View, Stakeholder Theory, Social Exchange Theory, Ethical Climate Theory, the Triple Bottom Line framework, and the Balanced Scorecard perspective, this study proposes a comprehensive conceptual framework explaining how moral integrity contributes to sustainable organizational success. The proposed framework extends the existing organizational ethics literature by positioning members' moral integrity as a strategic organizational capability rather than merely an individual characteristic. The study also provides practical implications for managers and policymakers seeking to cultivate integrity-based organizational cultures that support sustainable performance and long-term competitive advantage.

Keywords: Balanced Scorecard, ethical leadership, moral integrity, organizational sustainability, stakeholder theory

1. INTRODUCTION

Organizations today operate in increasingly dynamic business environments characterized by globalization, digital transformation, environmental uncertainty, and rising stakeholder expectations regarding ethical conduct and sustainable organizational performance. Success is no longer measured solely by financial achievement but also by an organization's ability to create long-term economic, social, and environmental value. This perspective aligns with the Triple Bottom Line (TBL) concept, which emphasizes the integration of economic prosperity, social responsibility, and environmental sustainability as essential pillars of organizational success (Elkington, 1997). Likewise, Stakeholder Theory argues that sustainable organizations create value not only for shareholders but also for employees, customers, suppliers, governments, and society as a whole (Freeman, 1984). Consequently, organizations are increasingly expected to strengthen ethical values and moral responsibility as strategic foundations for sustainable development.

Despite the widespread implementation of corporate governance systems, codes of ethics, and compliance mechanisms, unethical organizational behavior remains a significant global concern. Numerous organizational failures continue to result from fraud, corruption, abuse of authority, and unethical decision-making by organizational members rather than from weaknesses in formal governance structures alone. These realities indicate that organizational sustainability depends not only on institutional regulations but also on the moral integrity of individuals who consistently demonstrate honesty, accountability, fairness, and responsibility in their professional conduct (Palanski & Yammarino, 2007; Schlenker, 2008). Recent studies further confirm that leadership integrity strengthens ethical decision-making and organizational excellence (Abdulai et al., 2025), while integrity-based leadership also promotes positive employee outcomes through ethical leadership and corporate social responsibility (Iqbal & Parray, 2025). Moreover, ethical leadership has recently been shown to stimulate green innovative behavior through organizational knowledge sharing, highlighting integrity as a strategic organizational capability rather than merely an individual ethical characteristic (Nazir & Khadim, 2026).

Previous studies have predominantly focused on ethical leadership, corporate governance, organizational ethics, and corporate social responsibility as determinants of organizational performance. Chun et al. (2013) demonstrated that corporate ethics enhances firm financial performance through organizational commitment and organizational citizenship behavior. Similarly, Florea et al. (2013) argued that organizational sustainability is fundamentally supported by shared organizational values that guide ethical behavior and long-term decision-making. Ethical Climate Theory further explains that organizational ethical climates influence

employee behavior and decision quality by establishing shared ethical norms throughout the organization (Victor & Cullen, 1988). In addition, Social Exchange Theory suggests that ethical interactions characterized by fairness, honesty, and mutual trust encourage reciprocal behaviors that strengthen cooperation, organizational commitment, and sustainable relationships among organizational members (Blau, 1964).

Although these studies have significantly advanced the literature on ethics and organizational sustainability, an important research gap remains. Most previous research examines integrity primarily from the perspective of leaders or individual ethical behavior, while limited attention has been devoted to understanding members' moral integrity as a collective organizational capability that contributes directly to organizational success and sustainability. From the perspective of the Resource-Based View (RBV), intangible organizational resources that are valuable, rare, difficult to imitate, and organizationally embedded constitute sustainable competitive advantages (Barney, 1991). Members' moral integrity may therefore represent an important strategic resource capable of strengthening organizational culture, stakeholder trust, ethical decision-making, innovation, and sustainable competitive advantage. Furthermore, existing studies have rarely integrated multiple theoretical perspectives into a comprehensive framework explaining how members' moral integrity influences organizational sustainability.

Based on this research gap, this conceptual review seeks to answer the following research questions: (1) What constitutes members' moral integrity within organizational contexts? (2) Which theoretical perspectives explain the relationship between members' moral integrity and organizational success? (3) What organizational antecedents strengthen members' moral integrity? (4) How does members' moral integrity contribute to long-term organizational sustainability? Accordingly, the objectives of this study are to examine the concept of members' moral integrity, analyze relevant theoretical perspectives, identify factors influencing moral integrity, develop an integrated conceptual framework linking members' moral integrity with organizational success and sustainability, and propose future research directions. The findings are expected to contribute theoretically by enriching the literature on organizational ethics and sustainability while providing practical implications for managers and policymakers in developing integrity-driven organizational cultures. Organizational performance is also viewed from a multidimensional perspective consistent with the Balanced Scorecard, which emphasizes financial performance, customer value, internal business processes, and organizational learning as integrated dimensions of sustainable organizational success (Kaplan & Norton, 1996).

The originality of this article lies in proposing an integrated conceptual framework that combines the Resource-Based View, Stakeholder Theory, Social Exchange Theory, Ethical Climate Theory, Triple Bottom Line Theory, and organizational performance perspectives to explain how members' moral integrity functions as a strategic organizational capability. Unlike previous studies that primarily emphasize ethical leadership or governance mechanisms, this study positions the collective moral integrity of organizational members as a fundamental

intangible resource that enhances ethical organizational culture, strengthens stakeholder relationships, improves strategic decision-making, and supports sustainable organizational success. This integrated perspective provides a novel theoretical foundation for future empirical research examining the role of moral integrity in achieving long-term organizational sustainability.

2. LITERATURE REVIEW

The relationship between ethics, integrity, and organizational sustainability has received increasing attention in organizational and management research. Previous studies consistently indicate that ethical values influence organizational performance, employee commitment, stakeholder trust, and long-term competitiveness. However, the existing literature approaches integrity from different theoretical perspectives, creating opportunities for further conceptual integration.

Chun et al. (2013) investigated the relationship between corporate ethics and firm financial performance by examining the mediating roles of organizational commitment and organizational citizenship behavior. Their findings demonstrated that ethical organizational practices positively affect financial performance through stronger employee commitment and voluntary organizational behavior. The strength of this study lies in its empirical explanation of the indirect relationship between ethics and organizational performance. Nevertheless, it focuses primarily on corporate ethics at the organizational level without specifically examining members' moral integrity as a collective organizational capability.

Similarly, Florea et al. (2013) argued that organizational sustainability is fundamentally supported by organizational values that guide ethical behavior and long-term decision-making. Their study emphasized that sustainability requires the integration of ethical values into organizational culture and strategic management. Although this research successfully connects organizational values with sustainability, it pays relatively little attention to the behavioral mechanisms through which employees' moral integrity contributes to sustainable organizational outcomes.

More recent studies have concentrated on integrity-based leadership. Abdulai et al. (2025) found that leadership integrity serves as a strategic pillar for ethical decision-making and organizational excellence. Likewise, Iqbal and Parray (2025) demonstrated that ethical leadership supported by integrity improves employee outcomes through corporate social responsibility, while Nazir and Khadim (2026) revealed that ethical leadership encourages green innovative behavior through knowledge sharing. These studies provide valuable evidence regarding the importance of ethical leadership; however, they predominantly focus on leaders rather than considering integrity as a shared organizational resource possessed collectively by organizational members.

Overall, previous research confirms that ethics, leadership integrity, and organizational values contribute significantly to organizational effectiveness and sustainability. However, limited attention has been devoted to integrating multiple organizational theories to explain

how members' moral integrity functions as a strategic capability that simultaneously influences ethical climate, stakeholder relationships, organizational performance, and long-term sustainability. This gap provides the theoretical foundation for the present conceptual review.

Moral integrity refers to the consistency between ethical values, principles, decisions, and actual behavior across different organizational situations. Individuals with high moral integrity consistently demonstrate honesty, accountability, fairness, responsibility, transparency, and ethical courage, even when confronted with organizational pressures or personal interests (Palanski & Yammarino, 2007; Schlenker, 2008). Unlike ethical compliance, which emphasizes adherence to formal organizational rules, moral integrity reflects an individual's internal commitment to ethical principles that guide responsible organizational behavior. Within organizational contexts, members' moral integrity extends beyond individual ethical characteristics and becomes a collective organizational asset. When employees consistently demonstrate integrity, organizations are more likely to develop ethical cultures characterized by trust, collaboration, accountability, and responsible decision-making. Such environments reduce opportunistic behavior, strengthen organizational legitimacy, and improve relationships with internal and external stakeholders.

This study integrates several complementary theories to explain how members' moral integrity contributes to organizational success and sustainability. The Resource-Based View (RBV) argues that sustainable competitive advantage is created through valuable and inimitable organizational resources; accordingly, members' moral integrity represents an intangible strategic asset that strengthens trust, ethical decision-making, and organizational resilience (Barney, 1991). Stakeholder Theory emphasizes that organizations achieve sustainability by balancing the interests of diverse stakeholders through ethical and responsible behavior (Freeman, 1984). Social Exchange Theory further explains that integrity, fairness, and mutual trust foster reciprocal relationships that enhance employee commitment and organizational effectiveness (Blau, 1964).

In addition, Ethical Climate Theory suggests that shared ethical norms influence employees' judgments and behaviors, thereby promoting responsible organizational conduct and reducing unethical practices (Victor & Cullen, 1988). Finally, the Triple Bottom Line (TBL) framework highlights that organizational sustainability requires balancing economic, social, and environmental performance (Elkington, 1997), while the Balanced Scorecard emphasizes that sustainable organizational performance should be evaluated through financial, customer, internal process, and learning perspectives (Kaplan & Norton, 1996). Collectively, these theories provide a comprehensive foundation for understanding how members' moral integrity supports long-term organizational success and sustainability.

Based on the reviewed literature, this study proposes that members' moral integrity functions as a strategic organizational capability influencing organizational success and sustainability through multiple organizational mechanisms. Organizational values, ethical leadership, and ethical climate strengthen members' moral integrity, which subsequently enhances stakeholder trust, decision quality, employee commitment, organizational innovation,

and ethical organizational culture. These organizational capabilities ultimately contribute to sustainable organizational performance measured through economic, social, environmental, and strategic organizational outcomes.

This conceptual framework integrates the Resource-Based View, Stakeholder Theory, Social Exchange Theory, Ethical Climate Theory, Triple Bottom Line Theory, and Balanced Scorecard perspectives into a unified explanation of how members' moral integrity contributes to long-term organizational success. Compared with previous studies that primarily focus on leadership integrity or corporate ethics separately, this review positions members' moral integrity as the central intangible organizational capability that connects ethical behavior with sustainable organizational performance.

3. METHODS

This study employed a qualitative approach using a conceptual review design. Qualitative research aims to understand and interpret social phenomena by systematically examining concepts, theories, and existing knowledge to generate comprehensive explanations (Sugiyono, 2022). In this study, the conceptual review approach was selected because it enables the integration of theoretical perspectives and previous empirical findings regarding members' moral integrity, organizational success, and organizational sustainability.

The research focused on scholarly publications discussing organizational ethics, moral integrity, ethical leadership, organizational sustainability, stakeholder management, and strategic management. The data consisted of secondary sources, including peer-reviewed journal articles, academic books, and seminal theoretical literature relevant to the research topic. Literature was selected based on its relevance, theoretical contribution, credibility, and consistency with the objectives of the study.

Data collection was conducted through a systematic literature search and document review. Relevant publications were identified using keywords such as moral integrity, organizational integrity, ethical leadership, organizational sustainability, stakeholder theory, resource-based view, ethical climate, and organizational performance. The selected literature was then screened and organized according to its contribution to the development of the proposed conceptual framework.

Data were analyzed using qualitative content analysis, which involved data reduction, data classification, thematic synthesis, and interpretation to identify patterns, relationships, and theoretical propositions. Following Sugiyono (2022), qualitative data analysis was conducted interactively through data collection, data reduction, data display, and conclusion drawing. The analysis integrates the Resource-Based View, Stakeholder Theory, Social Exchange Theory, Ethical Climate Theory, Triple Bottom Line Theory, and Balanced Scorecard perspectives to develop a comprehensive conceptual framework explaining how members' moral integrity contributes to organizational success and long-term sustainability.

4. RESULTS AND DISCUSSION

4.1 Members' Moral Integrity as a Strategic Organizational Resource

The conceptual analysis indicates that members' moral integrity represents a strategic intangible resource that contributes significantly to organizational success and sustainability. Unlike previous studies that primarily associate integrity with leadership behavior, the reviewed literature suggests that integrity should also be understood as a collective organizational capability embedded within employees' ethical values, behaviors, and decision-making processes. From the Resource-Based View (RBV), members' moral integrity fulfills the characteristics of valuable, rare, difficult-to-imitate, and organizationally embedded resources, thereby creating sustainable competitive advantages (Barney, 1991).

Organizations with members who consistently demonstrate honesty, accountability, fairness, and responsibility are more capable of building organizational trust, reducing unethical behavior, and strengthening organizational resilience. Consequently, moral integrity should be considered not merely an individual ethical attribute but also an organizational resource that supports long-term competitiveness.

4.2 Theoretical Perspectives Explaining the Relationship Between Moral Integrity and Organizational Sustainability

The literature synthesis demonstrates that no single theory adequately explains the relationship between members' moral integrity and organizational sustainability. Instead, multiple theoretical perspectives complement one another. Stakeholder Theory explains that members' moral integrity strengthens organizational legitimacy by encouraging ethical relationships with customers, employees, investors, governments, suppliers, and society (Freeman, 1984). Social Exchange Theory further suggests that ethical behavior generates reciprocal trust, organizational commitment, and collaborative relationships among organizational members (Blau, 1964). Ethical Climate Theory indicates that organizations characterized by shared ethical norms promote responsible decision-making while reducing unethical practices (Victor & Cullen, 1988).

Moreover, the Triple Bottom Line framework explains that organizations with strong moral integrity are more capable of balancing economic performance, social responsibility, and environmental sustainability (Elkington, 1997). Organizational success should therefore be evaluated not only through financial outcomes but also through broader organizational performance dimensions represented by the Balanced Scorecard, including customer value, internal business processes, and organizational learning (Kaplan & Norton, 1996).

4.3 Antecedents Strengthening Members' Moral Integrity

The literature identifies several organizational factors that reinforce members' moral integrity. Ethical leadership consistently emerges as the most influential antecedent because leaders establish behavioral standards that shape organizational values and ethical decision-making (Abdulai et al., 2025; Iqbal & Parray, 2025). Likewise, organizational values and ethical climate encourage employees to internalize ethical principles and apply them consistently in

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4.4 Conceptual Framework Linking Members' Moral Integrity with Organizational Success and Sustainability

Based on the synthesis of previous studies, this review proposes an integrated conceptual framework positioning members' moral integrity as the central organizational capability connecting ethical leadership, ethical climate, stakeholder relationships, and organizational sustainability. The proposed framework suggests that ethical leadership, organizational values, and ethical climate function as organizational antecedents that strengthen members' moral integrity. Strong moral integrity subsequently improves ethical decision-making, stakeholder trust, employee commitment, organizational citizenship behavior, and organizational innovation. These organizational capabilities ultimately contribute to sustainable organizational performance reflected in financial performance, customer satisfaction, internal operational excellence, organizational learning, and long-term sustainability.

4.5 Theoretical and Practical Implications

This conceptual review contributes to organizational behavior and sustainability literature by extending the understanding of moral integrity beyond an individual ethical characteristic toward a strategic organizational capability. Unlike previous studies that mainly emphasize ethical leadership, this study demonstrates that sustainable organizational success is achieved through the collective moral integrity of organizational members. Practically, organizations should strengthen integrity through ethical leadership development, value-based organizational cultures, ethics education, transparent governance, and organizational learning systems. Managers should recognize that sustainable organizational performance depends not only on governance mechanisms but also on cultivating ethical behavior consistently across all organizational members. These findings provide valuable guidance for organizations seeking to enhance competitiveness while maintaining ethical responsibility and long-term sustainability.

5. CONCLUSION AND LIMITATION

This conceptual review demonstrates that members' moral integrity constitutes a critical organizational capability that significantly contributes to organizational success and long-term sustainability. Drawing upon the Resource-Based View, Stakeholder Theory, Social Exchange Theory, Ethical Climate Theory, Triple Bottom Line, and Balanced Scorecard perspectives, the study argues that moral integrity should be recognized not merely as an individual ethical characteristic but as a collective organizational resource that strengthens ethical decision-making, stakeholder trust, organizational commitment, innovation, and sustainable competitive advantage. The review further identifies ethical leadership, organizational values, and ethical climate as key antecedents that foster members' moral integrity and ultimately improve organizational performance across financial, social, environmental, and governance dimensions. By integrating multiple theoretical perspectives into a unified conceptual framework, this study contributes to the organizational behavior and sustainability literature by offering a more comprehensive understanding of the mechanisms through which members' moral integrity supports organizational excellence and long-term organizational sustainability.

This study has several limitations. As a conceptual review, the proposed framework has not been empirically validated using organizational data, limiting its ability to establish causal relationships among the proposed constructs. Furthermore, the review synthesizes findings from diverse organizational contexts, which may reduce its applicability to specific industries, cultural settings, or institutional environments. Future research should empirically examine the proposed conceptual model using quantitative, qualitative, or mixed-method approaches across different organizational sectors and countries. Comparative studies investigating the moderating roles of organizational culture, national culture, digital transformation, corporate governance, and environmental uncertainty would further enhance the understanding of how members' moral integrity influences sustainable organizational performance. Such research would provide stronger empirical evidence for developing integrity-based management practices that promote organizational resilience and sustainability.

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