

**THE IMPACT OF ETHICAL LEADERSHIP ON EMPLOYEES'
ETHICAL BEHAVIOR AND JOB PERFORMANCE IN APPAREL
SECTOR IN RATNAPURA DISTRICT**

By:



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ABSTRACT

This study explores the impact of ethical leadership and employees' ethical behavior on job performance within the apparel sector in the Ratnapura district of Sri Lanka. Using a sample of 288 employees, the research employed descriptive, correlation, regression, and mediation analyses to achieve its objectives. The findings reveal high levels of ethical leadership, ethical behavior, and job performance among employees. A strong positive correlation was observed between both ethical leadership and ethical behavior with job performance, indicating that ethical practices significantly enhance employee effectiveness and productivity.

The regression analysis further confirmed that ethical leadership and ethical behavior together explain a substantial portion of the variance in job performance, reinforcing the importance of ethical practices in organizational success. The study contributes to the existing literature by offering empirical evidence from a localized context and providing practical insights for managers and policymakers in the apparel industry.

While the study offers valuable insights, it is limited by its focus on a single sector and region, reliance on self-reported data, and cross-sectional design. To address these limitations, future research is recommended to expand to other sectors and regions, adopt longitudinal designs, and include additional organizational variables. Overall, the study underscores the critical role of ethics in driving employee performance and offers actionable recommendations for building ethical leadership and cultures in the workplace.

Keywords: *Ethical Leadership, Ethical Behavior, Job Performance*

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