## THE NEXUS OF ETHICAL LEADERSHIP, JOB PERFORMANCE, AND TURNOVER INTENTION: THE MEDIATING ROLE OF JOB SATISFACTION IN HOTEL INDUSTRY IN POLONNARUWA DISTRICT



Ву

MADANGALA GEDARA JANANJAYA SAPUN WEERANAYAKA

REG NO: EU/IS/2013/MS/84

INDEX NO:-MS 1614





A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Business Administration (BBA).

DEPARTMENT OF MANAGEMENT FACULTY OF COMMERCE AND MANAGEMENT EASTERN UNIVERSITY, SRI LANKA 2019

## **ABSTRACT**

Hotel industry is the world's largest industry that employees are the largest amount of human resources. From the early decades till now there are large number of hotels those employees were more number of manpower. The role of manpower in hotel industry is very significant. Considering Polonnaruwa district, there are number of hotels are providing quality services and very competitive. In sri lankan context, there are few research studies associated with the nexus of ethical leadership, job performance and turnover intention the mediating role of job satisfaction in hotel industry. The objective of this study were to find out the existing level, significant relationship among ethical leadership, job satisfaction, job performance and turnover intention of hotel industry in Polonnaruwa' district and whether there is a mediating influence of job satisfaction.

This study was categorized as quantitative research. The targeted population of the present study were employees of the hotels in Polonnaruwa district. According to the purpose of the study, with feasibility to the samples, in order to collect the data, convenient sampling technique has been applied in this study. To randomly select 150 employees of selected hotel firms in Polonnaruwa district, questionnaires were distributed. The variables in the research were measured through questionnaires with five point likert scale and nominal scale which were completed by the respondent themselves as they perceived respond to each and every questions.

According to this study, descriptive statistics and other analyzed method were formulated in order to come up with finding related to the research problem. The study was conducted with hundred and fifty operational employees of hotel industry in Polonnaruwa. Frequency analysis was used to understand the sample profile and descriptive statistics were used to investigate the level of the research. And also correlation and regression analysis were used to observe research objectives. As a result of this study, when increase ethical leadership then decrease turnover intention and increase job performance. It is a major point to hotel industry in competitive situation. But there is a mediation influence of job satisfaction to relationship among ethical leadership, turnover intention and job performance.

## TABLE OF CONTENTS

Aknowledgement	i
Abstracti	i
Table of Contentsii	i
List of Tablesvii	i
List of Figuresx	ζ.
Abreviations X	i
Chapter – 1: INTRODUCTION	
1.1 Background of the study	
1.2 Problem Statement/Research Gap	2
1.3 Research Questions	1
1.4 Research Objectives,	4
1.5 Significant of the study	1
1.6 Scope of the Study	5
1.7 Chapter Organization	5
1.8 Chapter Summary	5
Chapter - 2: LITERATURE REVIEW	
2.1 Introduction	7
2.2 Hotel Industry in Sri Lanka	7
2.3 Ethical Leadership	9
2.4 Employees' Turnover Intention	0
2.5 Job Performance	1
2.6 Job Satisfaction	2
2.7 Ethical Leadership and Job Satisfaction	3
2.8 Ethical Leadership and Employees' Turnover Intention	4
2.9 Ethical Leadership and Job Performance	5

	2.10 Job Satisfaction and Job Performance	16			
	2.11 Job Satisfaction and Employees' Turnover Intentions	17			
	2.12 Development of Conceptual Model	18			
	2.13 Chapter Summary	19			
Chapter - 3: CONCEPTUALIZATION AND OPERATIONALIZATION					
	3.1 Introduction				
	3.2 Conceptualization	20			
	3.3 Definition of Variables	21			
	3.3.1 Ethical Leadership	22			
	3.3.2 Job Satisfaction	22			
	3.3.3 Turnover Intention	23			
	3.3.4 Job Performance	23			
	3.4 Operationalization of Variables	23			
	3.5 Chapter Summary				
(	Chapter - 4: RESEARCH METHODOLOGY				
	4.1 Introduction				
	4.2 Research Philosophy	27			
	4.2.1 Research Approach				
	4.2.2 Research Strategy	28			
	4.3 Study Population	29			
	4.3.1 Sampling plan	29			
	4.3.2 Collection of Data	30			
	4.4 Method of Measurements	31			
	4.4.1 Method of Measuring the General and Personal Information	31			
	4.4.2 Method of Measuring Ethical Leadership, Job Performance, T				
	Intention and Job Satisfaction	31			
	4.5 Data Presentation	32			

	4.5.1 Data Presentation for Personal Information	. 32
	4.5.2 Data Presentation for Research Variables	. 32
	4.5.3 Reliability Test	. 32
	4.6 Data Analysis and Evaluation	. 33
	4.6.1 Statistical Tools	. 33
	4.6.2 Univariate Analysis and Evaluation	33
	4.6.3 Bivariate Analysis and Evaluation	34
	4.6.4 Mediation Analysis	35
	4.6.5 Regression Analysis and Evaluation	. 36
۷	4.7 Chapter Summary	. 37
Ch	apter - 5: DATA PRESENTATION AND ANALYSIS	
5	5.1 Introduction	. 38
5	5.2 Analysis of Reliability for the Instrument	. 38
5	5.3 Data Presentation- General and Personal Information	
	5.3.1 Hotels	
	5.3.2 Position of the Respondent	
	5.3.3 Service Duration	. 41
	5.3.4 Gender	. 41
	5.3.5 Age	. 42
	5.3.6 Education Level	. 42
5	5.4 Data Presentation for the Research Variable	. 43
	5.4.1 Ethical Leadership	. 43
	5.4.2 Job Satisfaction	. 44
	5.4.3 Turnover Intention	. 45
	5.4.4 Job Performance	. 46
	5.5 Univariate Analysis	47

	5.5.1 Mean and Standard Deviation of Ethical Leadership	47
	5.5.2 Mean and Standard Deviation of Job satisfaction	48
	5.5.3 Mean and Standard Deviation of Turnover Intention	48
	5.5.4 Mean and Standard Deviation of Job Performance	48
	5.6 Bivariate Analysis	49
	5.6.1 Correlation Analysis	49
	5.6.2 Simple Regression Analysis	50
	5.6.3 Multiple Regression Analysis	58
	5.7 Mediating Analysis	61
	5.8 Chapter Summary	64
(	Chapter – 6: DISCUSSION AND FINDINGS	
	6.1 Introduction	65
	6.2 Discussion on General and Personal Information	65
	6.2.1 Name of the Hotels	65
	6.2.2 Position of the Respondent #	
	6.2.3 Service Duration /	
	6.2.4 Gender	66
	6.2.5 Age	66
	6.2.6 Education Level	67
	6.3 Discussion of Research Information	67
	6.3.1 Discussion on Objective 1.	67
	6.3.2 Discussion on Objective 2.	69
	6.3.3 Discussion on Objective 3	69
	6.4 Chapter Summary	71
C	Chapter – 7: CONCLUSIONS AND RECOMMENDATIONS	
	7.1 Introduction	73

7.2 Conclusions	73
7.2.1 First Objective of the Study	73
7.2.2 Second Objective of the study	74
7.2.3 Third Objective of the Study	74
7.3 Contribution of the Study	75
7.4 Recommendations	75
7.5 Limitations of the Study	76
7.6 Future Research Direction	76
List of References,	77
Appendix	
Appendix 01: The Questionnaires used for the study	85
Appendix 02: The Output of the Data Analyses	88