

**THE MODERATING INFLUENCE OF ETHICAL LEADERSHIP
TO THE RELATIONSHIP OF EMPLOYEE ORGANIZATIONAL
COMMITMENT AND EMPLOYEE ORGANIZATIONAL
CITIZENSHIP BEHAVIOUR : SPECIAL REFERENCE TO
APPAREL SECTOR IN NUWARA ELIYA DISTRICT**

APPUHAMI ARACHCHILAGE CHANDRA KUMARI



FCM1861



Project Report
Library - EUSL

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

2017

ABSTRACT

Ethical leadership, organizational commitment and organizational citizenship behaviour are becoming important concepts to organizations in recent years. The purpose of this study is to empirically investigate whether there is a moderating influence of ethical leadership to the relationship of employee organizational commitment and employee organizational citizenship behaviour at Apparel sector in Nuwara Eliya district. In this study, independent variable is organizational commitment, dependent variable is organizational citizenship behaviour and moderate variable is ethical leadership. According to literature review organizational commitment has three dimensions such as, affective, continuous and normative. Similarly, organizational citizenship behaviour also has five dimensions such as altruism, conscientiousness, sportsmanship courtesy and civic virtue.

The researcher has considered three Garment factories for this study, namely Inter Fashion (Pvt) Ltd, Trendywear Adhikarigama (Pvt) Ltd and VT Manufacturing (Pvt) Ltd. The structured questionnaire was used to collect primary data from machine operators of selected Garment factories. It consists of 290 respondents out of 1050 population. The sample was selected through stratified random sampling method. The collected data was analyzed by using descriptive statistics, correlation and regression analysis.

The major findings of the study revealed that, there are high levels of organizational commitment, organizational citizenship behaviour and ethical leadership. The results also showed that, there is significant positive relationships, among organizational commitment, organizational citizenship behaviour and ethical leadership. In addition, there is a moderating influence of ethical leadership to the relationship of employee organizational commitment and employee organizational citizenship behaviour. Employee perceptions of high ethical leadership influenced willingness to engage in positive organizational commitment and also organizational citizenship behaviour. By implication, leaders with high ethical conduct have the potential to positively stimulate the commitment of employees towards supporting the organizational values and mission.

(Keywords: Organizational Commitment, Organizational Citizenship Behaviour, Ethical Leadership, Apparel sector, Nuwara Eliya district).

TABLE OF CONTENTS

	Page No:
Acknowledgement.....	i
Abstract.....	ii
Table of Contents	iii
List of Tables.....	viii
List of Figures	x
List of Equations	xi
Abbreviations	xii
Chapter One - Introduction	1-7
1.1 Background of the study	1
1.2 Problem Statement of the Study	3
1.3 Research Questions of the Study	4
1.4 Research Objectives.....	5
1.5 Scope of the Study	5
1.6 Significant of the Study.....	6
1.7 Organization of the Chapters.....	6
1.8 Chapter Summary	7
Chapter Two - Literature Review	8-19
2.1 Introduction	8
2.2 Organizational Commitment	8
2.2.1 Affective Commitment.....	9
2.2.2 Continuous Commitment.....	10
2.2.3 Normative Commitment.....	11
2.3 Organizational Citizenship Behaviour	11
2.3.1 Altruism.....	12
2.3.2 Conscientiousness	13

2.3.3 Sportsmanship.....	13
2.3.4 Courtesy.....	14
2.3.5 Civic virtue.....	14
2.4 Ethical Leadership.....	15
2.3.1 Characteristics of Ethical Leadership.....	15
2.5 Relationship between Organizational Commitment and Organizational Citizenship Behaviour.....	16
2.6 Relationship between Organizational Commitment and Ethical Leadership.....	16
2.7 Relationship between Ethical Leadership and Organizational Citizenship Behaviour.....	17
2.7.1 Theories of Relationship between Ethical Leadership and Organizational Citizenship Behaviour.....	17
2.7.1 Social Exchange Theory.....	17
2.7.2 Social Learning Theory.....	18
2.8 Relationships among Organizational Commitment, Ethical Leadership and Organizational Citizenship Behaviour.....	19
2.9 Chapter Summary.....	19
Chapter Three - Conceptualization and Operationalization.....	20-28
3.1 Introduction.....	20
3.2 Conceptualization.....	21
3.3 Variables relevant to the Conceptual Model.....	22
3.3.1 Organizational Commitment.....	22
3.3.3.1 Affective Commitment.....	23
3.3.3.2 Continuous Commitment.....	23
3.3.3.3 Normative Commitment.....	23
3.3.2 Organizational Citizenship Behaviour.....	24
3.3.2.1 Altruism.....	24
3.3.2.2 Continuance.....	24

3.3.2.3 Sportsmanship	24
3.3.2.4 Courtesy	25
3.3.2.5 Civic Virtue	25
3.3.3 Ethical Leadership.....	25
3.4 Operationalization.....	26
3.5 Hypotheses	28
3.6 Chapter Summary	28
Chapter Four - Research Methodology	29 -37
4.1 Introduction	29
4.2 Study Setting, Study Design and Method of Study	29
4.3 Time Horizon	30
4.4 Unit of Analysis.....	30
4.5 Variables of the Study.....	30
4.6 Study Population, Sample Size and Sampling Method	30
4.6.1 Study Population.....	30
4.6.2 Sample Size	30
4.6.3 Sampling Technique.....	31
4.6.4 Sampling Design.....	31
4.7 Method of Data Collection.....	32
4.7.1 Questionnaire.....	32
4.8 Data Presentation and Analysis.....	32
4.9 Method of Data Evaluation	32
4.9.1 Reliability Test.....	33
4.9.2 Univariate Analysis.....	33
4.9.3 Bivariate Analysis	34
4.9.3.1 Correlation Studies	34
4.9.3.2 Simple Regression Analysis	35

4.9.4 Moderated Multiple Regression Analysis	35
4.9.5 Method of Hypotheses Testing	37
4.7 Chapter Summary	37
Chapter Five - Data Presentation and Analysis	38 -44
5.1 Introduction	38
5.2 Analysis of Reliability	38
5.2.1 Reliability of Organizational Commitment	38
5.2.2 Reliability of Organizational Citizenship Behaviour	39
5.2.2 Reliability of Ethical Leadership	39
5.3 Data Presentation	40
5.3.1 Data Presentation for Personal Information	40
5.3.2 Data Presentation for Research Information	43
5.3.2.1 Univariate Analysis	43
5.3.2.2 Bivariate Analysis	45
5.4 Hypotheses Testing	52
5.5 Chapter Summary	54
Chapter Six - Discussion	55-63
6.1 Introduction	55
6.2 Discussion of Personal Information	55
6.3 Discussion of Research Information	56
6.3.1 Objective One	57
6.3.2 Objective Two	58
6.3.3 Objective Three	60
6.3.4 Objective Four	60
6.3.5 Objective five	61
6.4 Discussion of Hypotheses Testing	62
6.5 Chapter Summary	63

Chapter Seven - Conclusion and Recommendation	64 -69
7.1 Introduction	64
7.2 Conclusion.....	64
7.3 Contribution of the Study.....	66
7.4 Recommendation	67
7.5 Limitation of the Study	68
7.6 Directions of Future Research	68
7.7 Chapter Summary	69
Reference List	70-76
Appendix 01-Questionnaires used for the Study	77-87
Appendix 02- Confirmation Letters of Data Collection	88-90