

Ethical leadership and productive work attitudes among micro financial institutions in Ghana

Moderating role of organizational climate

Micro financial institutions in Ghana

1049

Prince Addai

Department of Industrial Psychology, University of Fort Hare, East London, South Africa

John Avor

Department of Teaching Staff, Vine Christian School, Accra, Ghana, and

Isaac Nti Ofori and Daniel Ntiamoah Tweneboah

Department of Human Resource Management, Zenith University College, Accra, Ghana

Received 11 June 2018
Revised 27 August 2018
10 December 2018
14 February 2019
Accepted 15 February 2019

Abstract

Purpose – Ethical leadership wields a significant influence on productive work attitudes of employees. The relationship may partly be because of existing conditions in the organization. However, there is dearth of research on the impact that conditions in the organization affect work attitudes and other employee behaviours. Thus, the purpose of this study is to examine organizational climate as an explanatory mechanism for the relationship between ethical leadership and employees' productive work attitudes (employee commitment, organizational citizenship behaviour).

Design/methodology/approach – The researchers obtained responses from 150 employees working in micro financial institutions in the Greater Accra Region of Ghana. The cross-sectional survey design was used. The hypotheses of the study were analysed using regression analyses.

Findings – Findings indicated a positive and significant relationship between ethical leadership and productive work attitudes (employee commitment, organizational citizenship behaviour). Hierarchical regression analyses revealed that organizational climate moderated the relationships between both ethical leadership – employee commitment and ethical leadership – organizational citizenship behaviours. Explicitly, ethical leadership produced the highest productive work attitudes when organizational climate was favourable for productive work attitudes.

Originality/value – Generally, this study highlights the prominence of organizational climate in understanding the influence of ethical leadership on employees' work attitudes.

Keywords Employee commitment, Organizational climate, Ethical leadership, Work attitudes, Organizational citizenship behaviour, Financial institutions, Strategic management and leadership

Paper type Research paper

1. Introduction

The interest in the study of employee attitudes within organizational settings has brought into focus certain decisive variables that are supportive of the effectiveness of the organization (Adda *et al.*, 2017). These work-related attitudes determine the survival of organizations. Pohlman and Gardiner (2000) articulated that highlighting the decisive work-related attitudes helps in ensuring organizational success. Employee commitment and



organizational citizenship behaviours are among the decisive work attitudes that contribute significantly to the effectiveness of any organization (Yang and Wei, 2018).

Ensuring employee commitment is one of the major prospects of every organization. Because human resources are the backbone of every successful organization, organizations have competitive advantage and can deal with the intricate defies in the world if they place emphasis on committed human resources (Yang and Wei, 2018). Undeniably, understanding the dynamics of employee commitment to the organization has been given a high primacy and has fascinated an adequate amount of research interest from intellectuals (Addai *et al.*, 2017; Yang and Wei, 2018). The reason for the recent high interest in employee commitment is because of its substantial impact on employee efficiency, organizational competitiveness and existence (Yates, 2014).

Organizational citizenship behaviour (OCB) is another unique work attitude required from employees. OCB is conceptualized as an important voluntary employee behaviour that contributes to organizational effectiveness (Quenson, 2013). Since the proliferation of the notion of OCB, a number of researchers have attempted to ascertain the predictors of such desirable work-related behaviour. However, ethical leadership, which is one of the imperative concerns in an organization, has been ignored to some extent by researchers seeking to understand the predictors of OCB especially in Ghana. Owing to the scarcity of empirical research, researchers have accentuated the need to investigate the link between ethical leadership and OCB (Den Hartog and De Hoogh, 2009; Lu, 2014). Given the limited research on the relationship between ethical leadership and OCB, it becomes extremely important to assess the association existing between ethical leadership and OCB. The study is therefore a modest effort to fulfil this fissure in research.

Additionally, the existing empirical studies on ethical leadership have largely focused on main effects approach in exploring the linkage between ethical leadership and work-related attitudes (Lu, 2014; Quenson, 2013; Rubin *et al.*, 2010) and not concentrated on various personal and contextual factors, which can ameliorate the ethical leadership–work attitude relationship. Studies (Choi *et al.*, 2015; Xiaojum, 2014) in the area of ethical leadership and work-related attitudes have progressed beyond the main effect relationship and have started exploring other explanatory mechanisms of the main effect relationship. Extant researches have concentrated on the prospect that the relationships between ethical leadership and work-related attitudes are explained by other personal and contextual factors (Choi *et al.*, 2015; Xiaojum, 2014; Yang and Wei, 2018). These studies have pointed out that there is the need to further explore various prevailing variables that can mitigate the ethical leadership–work attitudes relationship. The present research has taken organizational climate as a moderating variable in an attempt to comprehend the association between ethical leadership and work-related attitudes.

To this end, this study's objectives are twofold. First, it assesses the impact of ethical leadership on productive work attitudes (employee commitment and OCB). Second, it seeks to establish organizational climate as an expounding variable that moderates the association between ethical leadership and work-related attitudes.

2. Literature review

2.1 Ethical leadership

The present research is based on the transformational leadership theory (Avolio *et al.*, 2003) which describes how leaders influence their followers to gain respect, trust admiration and loyalty from the followers. According to this theory, leaders who possess transformational leadership characteristics increase follower's motivation through the expression of vision, intellectual stimulation, providing an appropriate model, charisma, fostering the acceptance

of group goals and high performance expectations (Avolio *et al.*, 2003). These characteristics of the charismatic leaders inspire followers to go beyond their task obligations. As indicated by Avolio *et al.* (2003, p. 12):

Ethical leaders demonstrates the characteristics of the transformational leaders and they serve as an ideal role model for followers based on the respect for ethical beliefs and values and for the dignity and rights of others.

According to Rubin *et al.* (2010, p. 216), ethical leadership refers to “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making”. The core characteristics of ethical leaders are altruism, fairness, decency, selflessness and respect for others. There are four “V” framework for ethical leadership (Northouse, 2013). These are values, vision, voice and virtue. Values are the principles judged as important in life by the leader. Vision is about the leader’s ability to implement his actions to achieve his or her goal. Voice involves having a power of speech to encourage others to act in a way that helps to achieve the leader’s vision (Fluker, 2009). Finally, virtue pertains to the ability to serve as a role model. According to the model, an ethical leader begins by ascertaining and assimilating their “core values, to carry out their vision in service to others and voice that vision in a convincing and realistic manner, all the while demonstrating virtuous behaviour” (Northouse, 2013, p. 2).

2.2 Work-related attitudes

2.2.1 Employee commitment. Mowday *et al.* (1982) definition of employee commitment is the most frequently quoted definition in organizational research. Mowday *et al.* (1982, p. 27) defined commitment as “the relative strength of an individual’s identification with and involvement in a particular organization”. Also, commitment can be seen as:

An attachment to the organization, characterized by an intention to remain in it; an identification with the values and goals of the organization; and a willingness to exert extra effort on its behalf (Porter *et al.*, 1974, p. 604).

Meyer and Allen (1997) indicated three components of employee commitment: affective, continuance and normative commitment. Affective commitment is the emotional attachment to the organization and its goals (Meyer and Allen, 1991). Affective commitment to the organization is out of choice. Continuance commitment is based on the reward (incentives) associated with it (Meyer and Allen, 1991). Continuance commitment occurs when an employee weighs the pros and cons of leaving the organization and notices that the perceived loss is greater than the perceived gains (Addai *et al.*, 2017). Normative commitment also deals with the feeling of obligation that employees have about their workplace (Amabile and Kramer, 2007). Normative commitment is therefore based on an employee’s feeling that they owe it as a duty or obligation to stay committed to the organization (Meyer and Allen, 1991). Normative commitment is evident in the Ghanaian culture where people feel obligated to commit to one another because of social norms and the collective nature of our culture (Addai *et al.*, 2017).

2.2.2 Organizational citizenship behaviour. OCB as coined by Smith *et al.* (1983, p. 4) refers to “the individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the efficient and effective functioning of the organization”. There are five facets of OCB as differentiated by Organ (1988). These five facets are altruism, courtesy, conscientiousness, civic virtue, and sportsmanship. Bell and Menguc (2002) emphasized that only sportsmanship, civic virtue

and conscientiousness can be readily distinguished by managers. Sportsmanship refers to the tendency for employees to endure difficulties in the organization. Civic virtue refers to the active involvement, interest and participation in the life of the organization. Conscientiousness echoes the candid acceptance and observance of the rules and procedures of the organization. Anyone who engages in the activities depicting the various facets is said to engage in OCB. It is worthy of note that, although leadership and ethical ideals play significant roles in defining organizational citizenship behaviour, there is scarcity of existing studies on the correlation between ethical leadership and OCB (Yates, 2014).

2.3 Ethical leadership and work-related attitudes

Extant studies have revealed a significantly positive association between ethical leadership and work related attitudes (Brown and Mitchell, 2010; Yates, 2014). Ethical leaders influence work-related attitudes in two ways. First, ethical leaders serve as role-models by making the ethical ideals obvious and act in alliance with them. Also, they use the explicit ethical ideals to reinforce employees' behaviours by rewarding the employees and punishing those who failed to do so in a fair manner (Brown and Mitchell, 2010).

Employee commitment to the organization is mostly used as an indicator of followers' behaviours which directly impact employees' efficiency and organizational effectiveness (Sadeghi *et al.*, 2016). Ethical leaders possess characteristics such as encouraging participative decision-making, treating employees with consideration and fairness and fostering job involvement which ensures employees' commitment to the organization (Yates, 2014). Researchers who assert that ethical leadership plays a major role in predicting employee commitment, do so on the basis that ethical leaders motivate employees to be committed to the organizational goals by involving them in decision making and listening to employees' concerns (Cullen *et al.*, 2003; Dinc and Nurovic, 2016). A study by Den Hartog and De Hoogh (2009) revealed a significant positive association between ethical leadership and employee commitment.

Previous studies have found OCB to positively correlate to higher levels of employee performance (Sadeghi *et al.*, 2016), making it a notable employee behaviour to assess. Ethical leaders institute and strengthen ethical canons. They monitor the conduct and behaviours of subordinates by making ethics a part of life in the organization. Ethical leaders encourage positive attitudes and support an environment that is conducive to OCB (Pitzer-Brandon, 2013; Yates, 2014). A study by Quenson (2013) revealed a significant positive relationship between ethical leadership and OCB. Similarly, Lu (2014) found a significant positive correlation between ethical leadership and OCB.

Assessing the characteristic of ethical leadership, it is plausible to note that the constancy of behaviour and fair treatment of employees is consistent with increased work attitudes such as organizational citizenship behaviour and employee commitment to the organization. Consequently, it is hypothesized in this study that:

H1. Ethical leadership will positively and significantly influence employee commitment.

H2. Ethical leadership will positively and significantly influence OCB.

2.4 Organizational climate as moderator in ethical leadership–work attitudes relationship

According to Lu (2014, p. 1):

Organizational climate portrays a set of measurable properties of the work environment, perceived directly or indirectly by the people who live and work in this environment and assumed to influence their motivation and behaviour.

Chaudhary *et al.* (2014) indicated that organizational climate perceptions emphasize the procedures, practices, and behaviours, which are rewarded and supported in an organization. Organizational climate affects work attitudes, either positively or negatively (Xiaojum, 2014).

Organizational climate is considered as a significant contributor to the working environment, which augments work-related attitudes (Lu, 2014). Good and optimistic organizational climate offers a sense of inspiration to employees that improve leadership ideals in predicting work attitudes. A research conducted by Choi *et al.* (2015) indicated that organizational climate moderates the relationship between ethical leadership and employees' attitudes. Similarly, Xiaojum (2014) found organizational climate to influence the relationship between ethical leadership and OCB. It is contended that leaders who hold higher levels of ethical ideals help in creating and sustaining a climate that supports and improves the success of the organization (Yang and Wei, 2018). However, existing studies linking organizational climate, ethical leadership and work attitudes are quite inadequate and needs further exploration.

In this research, organizational climate serves as the moderator to elucidate the relationships between ethical leadership and work-related attitudes (employee commitment and OCB). It is contended that organizational climate plays a significant role in how ethical leadership will induce employee commitment and OCB among employees. As depicted by Furnham (2004), a plausible way of assessing organizational climate is to look at it as an explanatory mechanism (moderator) for work-related attitudes which result in positive organizational outcomes. Thus, perceived organizational climate provides the framework for explaining work-related attitudes of employees. In furtherance, the researchers propose that (Figure 1):

- H3. Organizational climate will moderate the relationship between ethical leadership and employee commitment.
- H4. Organizational climate will moderate the relationship between ethical leadership and organizational citizenship behaviour.

3. Methodology

3.1 Research design

The research was based on a quantitative survey, analysing organizational climate as a moderator of the correlation between ethical leadership and work-related attitudes. Specifically, the cross-sectional survey design was used. The cross-sectional survey

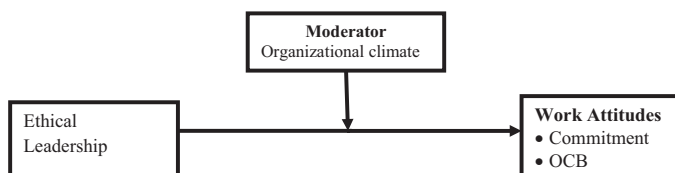


Figure 1.
A hypothesized model of organizational climate as a moderator of ethical leadership–work-related attitudes relationships

involved collecting data from many employees on ethical leadership, OCB, employee commitment and organizational climate within a short time.

3.2 Population/sample size/sampling technique

All employees of the micro finance institutions in the Ga East District of the Greater Accra region of Ghana served as the population for this study. The selection of the Ga East District of the Greater Accra region of Ghana was based on the fact that numerous thriving micro and medium enterprises (MMEs) exist in this district. The preference for the Ga East District was also defensible given the increased media exposure on the duplicitous happenings in some micro financial institutions in the Ga East district.

A two-stage sampling approach was used in this study. The initial stage was the selection of micro finance institutions whose employees were used as respondents for the study. The next stage involved the selection of respondents from the micro finance institutions nominated in the first stage. The total micro finance institutions in the Ga East District were one hundred and fifty (150). The cluster sampling was first used to select 50 of the financial institutions for the study. All the employees in the 50 companies formed the sample frame.

Afterwards, 150 employees were selected using the convenience sampling technique. The selection of 150 respondents was based on [Tabachnick and Fidell's \(1996\)](#) method for sample size calculation which suggests: $N > 50 + 8(p)$ where p represents the number of stated hypotheses. Because there are four hypotheses, the sample size is supposed to be more than 82, hence choosing 150 respondents for the study.

Among the 150 respondents, about 41 per cent were males and 68.7 per cent were married. The age of the respondents ranged from 18 to 46 years with a mean age of 29.2 years. Majority of the respondents (73.3 per cent) were Christians. The demographic distribution of the respondents is presented in [Table I](#).

3.3 Measures

Measures for this study are developed from prior research and published scales. These scales are described in detail below:

Characteristics	Frequency	(%)
<i>Gender</i>		
Male	62	41.3
Female	88	58.7
<i>Marital status</i>		
Single	103	68.7
Married	47	31.3
<i>Religion</i>		
Christianity	110	73.3
Islamic	39	26.0
ATM	1	0.7
<i>Age range</i>		
Below 25 years	50	33.4
26-30 years	45	30.0
31-40 years	32	21.3
Above 40 years	23	15.3

Table I.
Demographic characteristics of the respondents ($n = 150$)

OCB was reported by employees using a 20-item Organizational Citizenship Behaviour Checklist (Fox *et al.*, 2012) with a reliability of 0.97 (Fox *et al.*, 2012). Sample item is “I use my own vehicle for the organization if I had one.” The Organizational Citizenship Behaviour Checklist uses a 4-point Likert ranging from 0 = Never to 3 = Every day. Total scores ranged from 0 to 60 with higher score showing higher level of OCB.

Ethical leadership was reported by respondents using a 10-item Multifactor Ethical Leadership Scale (Brown and Mitchell, 2010) with a Cronbach alpha of 0.84. Sample statements are “My leader conducts his/her personal life in an ethical manner” and “My leader defines success not just by results but also the way that they are obtained.” The ethical leadership scale uses a five-point frequency scale ranging from 0 = strongly disagree to 4 = strongly agree. Total scores ranged from 0 to 50 with higher scores showing higher levels of ethical leadership.

Employee commitment was assessed using a 24-item organizational commitment questionnaire (Allen and Meyer, 1990) with a Cronbach’s alpha of 0.82. The scale measures the three components of commitment as a unitary construct. Sample statement is “I would be very happy to spend the rest of my career with this organisation.” Total scores ranged from 0 to 96 with higher scores specifying higher levels of employee commitment.

Organizational climate was assessed using the perception of work environment scale (Patterson *et al.*, 2004). The perception of work environment scale is a ten-item questionnaire that measures organizational climate with a reliability of 0.88 (Patterson *et al.*, 2004). Sample items include: “Management lets people make their own decisions most of the time” and “It is important to check things first with the boss before taking a decision.” The scale has a response format of 4-point frequency ranging from “strongly agree” to “strongly disagree”. Total scores ranged from 0 – 30 with higher score indicating a friendly work environment.

3.4 Procedure of data collection

Approval was sought from the management of the 50 selected micro finance institutions and a week was used to seek responses from the selected employees. Informed consent of the respondents was sought before they responded to the questionnaire. All ethical guidelines applicable to the use of human subjects in a research were observed. With the help of research assistants, the questionnaires which were enveloped were administered to the respondents in the various selected micro financial institutions. The researchers and the research assistants visited the various micro finance institutions three times within the week to seek the needed responses.

3.5 Data analysis

Hierarchical regression was used in analysing all the hypotheses stated. Three demographic variables (gender, tenure and age) were controlled in the first step of the hierarchical regression. These variables were controlled based on the recommendations of Dinc and Nurovic (2016). As indicated by Dinc and Nurovic (2016), these three demographic variables are the most significant demographic predictors of organisational behaviours and attitudes. They further indicated that irrespective of how negligible these three demographic variables (gender, tenure and age) are in predicting behaviours, they can influence the relationship between various factors in the organisations.

4. Results

4.1 Descriptive statistics and inter-correlation among the variables

The descriptive statistics and inter-correlations among the variables have been shown in Table II. From Table II, ethical leadership can be said to be positive and significantly

correlated to organizational climate ($r = 0.24, p < 0.01$), employee commitment ($r = 0.55, p < 0.01$) and OCB ($r = 0.46, p < 0.01$). Organizational climate was also positive and significantly correlated to employee commitment ($r = 0.37, p < 0.01$) and OCB ($r = 0.36, p < 0.01$). The relationship between employee commitment and OCB was also positive and significant ($r = 0.31, p < 0.01$).

4.2 Hypotheses testing

H1 was analysed using the regression analysis, controlling for demographic characteristics (Table III). From Table III, the β value veritably displayed that ethical leadership positively and significantly predicts employee commitment ($\beta = 0.533, p < 0.01$). Further to this, ethical leadership elucidates 27.6 per cent ($\Delta R^2 = 0.276$) of the significant variance in organizational commitment ($F = 10.720, p < 0.01$). Thus, the first hypothesis is supported.

H2 presaged that “ethical leadership will positively and significantly predicts organizational citizenship behaviour”. This hypothesis was analysed using the regression analysis, controlling for demographic characteristics (Table IV). From Table IV, the β value revealed that ethical leadership positively and significantly anticipated OCB ($\beta = 0.482, p < 0.01$). Ethical leadership expounds 22.5 per cent ($\Delta R^2 = 0.225$) significant variance in OCB ($F = 8.84, p < 0.01$). Thus, the second hypothesis is supported.

H3 and H4 respectively predicted that organizational climate will moderate the ethical leadership – organizational commitment and ethical leadership – organizational citizenship behaviour relationships. These hypotheses were analysed using the hierarchical regression analysis. Adopting Baron and Kenny’s (1986) model for testing moderating effect, control variables (demographic characteristics) were entered into the first step. Ethical leadership

Table II.
Means, standard deviation (SD) and correlation coefficient among variables

Number	Variable	Mean	SD	1	2	3	4	5	6	7
1	Gender	–	–	–						
2	Tenure	5.86	3.11	0.05	–					
3	Age	28.65	7.69	0.09	0.02	–				
4	Ethical leadership	3.13	0.86	–0.11	–0.08	–0.12	–			
5	Org climate	1.78	0.55	0.024	0.02	0.08	0.24**	–		
6	Commitment	4.82	1.05	–0.144	–0.04	–0.13	0.55**	0.37**	–	
7	OCB	3.86	1.28	–0.12	0.12	–0.13	0.46**	0.36**	0.31**	–

Note: ** $p < 0.01$ (one-tailed)
Source: Research data (2018)

Table III.
Hierarchical regression results showing organizational commitment as a function of ethical leadership

Model	β	t	R^2	ΔR^2	F	P
<i>Step 1</i>						
Gender	–0.131	–1.302				0.196
Tenure	–0.028	–0.282				0.778
Age	–0.116	–1.153				0.252
			0.035	0.035	1.159	0.330
<i>Step 2</i>						
Ethical leadership	0.533	6.170	0.311	0.276	10.720	0.000

Source: Research Data (2018)

was entered in the second step whilst organizational climate was entered in the third step to envisage organizational commitment (Table V) and OCB (Table VI) in the second and third steps of H3 and H4, respectively. In the fourth step, the interaction between ethical leadership and organizational climate was entered.

Table V demonstrates that ethical leadership and organizational climate significantly predict employee commitment ($\beta = 0.533, p < 0.01$) ($\beta = 0.262, p < 0.01$), respectively. Interaction of ethical leadership and organizational climate (step 4) had a significant impact on employee commitment, adding 3.7 per cent of the elucidated variance ($\Delta R^2 = 0.037$). Hence, organizational climate does moderate the relationship between ethical leadership and employee commitment. This supports the third hypothesis which assumed that organizational climate will moderate the relationship between ethical leadership and employee commitment.

Table VI shows that ethical leadership and organizational climate are significant predictors of OCB ($\beta = 0.482, p < 0.01$) ($\beta = 0.262, p < 0.01$), respectively. The interaction of ethical leadership and organizational climate (step 4) had a significant effect on OCB, adding 2.2 per cent of the expounded variance ($\Delta R^2 = 0.022$). This supports the fourth hypothesis which proposed that organizational climate will moderate the relationship between ethical leadership and OCB.

Model	β	<i>t</i>	R^2	ΔR^2	<i>F</i>	<i>P</i>
<i>Step 1</i>						
Gender	0.125	1.245				0.216
Tenure	0.109	1.095				0.276
Age	-0.145	-1.452				0.150
			0.046	0.046	1.54	0.330
<i>Step 2</i>						
Ethical leadership	0.482	5.420	0.271	0.225	8.84	0.000

Source: Research Data (2018)

Table IV. Hierarchical regressions results illustrating OCB as a function of ethical leadership

Model	β	<i>t</i>	R^2	ΔR^2	<i>F</i>	<i>P</i>
<i>Step 1</i>						
Gender	-0.131	-1.302				0.196
Tenure	-0.028	-0.282				0.778
Age	-0.116	-1.153				0.252
			0.035	0.035	1.159	0.330
<i>Step 2</i>						
Ethical leadership	0.533	6.170	0.311	0.276	10.720	0.000
<i>Step 3</i>						
Org climate	0.262	3.096	0.375	0.064	11.269	0.003
<i>Step 4</i>						
Ethical leadership × Org climate	0.767	1.603	0.412	0.037	9.976	0.012

Source: Research Data (2018)

Table V. Hierarchical regressions depicting how organizational climate moderates the ethical leadership-organizational commitment relationship

5. Discussion

The study set to accomplish two objectives: to understand the relations existing between ethical leadership and work-related attitudes (organizational commitment and OCB), and to assess organizational climate as a moderator in terms of the association between ethical leadership and work-related attitudes (employee commitment and OCB).

Considering the first objective, the results supported the prediction that ethical leadership correlates with both organizational commitment and OCB. The results showed the significance of ethical leadership in fostering productive work-related attitudes such as employee commitment and OCB. Thus, ethical leadership is an important attribute in fostering productive work-related attitudes among subordinates. The results corroborate the findings of other researches which revealed that ethical leadership positively relates with employee commitment (Den Hartog and De Hoogh, 2009) and OCB (Lu, 2014; Quenson, 2013). One reason for this association can be because the fact that ethical leaders are role models who make ethical ideals unequivocal and also follow the ethical principles. The fair treatment and ethical ideals motivate employees to engage in productive work-related attitudes (Brown and Mitchell, 2010). Ethical leaders also encourage subordinates in decision-making, treating employees fairly and engage in ethical principles which foster work attitudes such as employee commitment and OCB (Dinc and Nurovic, 2016).

With regard to the complement objective, the results ascertained showed that organizational climate moderates the relationship between ethical leadership and employees' work-related attitudes (employee commitment and OCB). These results have established that the perception of context of the organization plays a substantial part in the association between ethical leadership and work attitudes. Thus, the relationship between ethical leadership and work attitudes (in this study, commitment and OCB) to a significant extent depends on the perceived climatic conditions of the organization. The findings of the study are consistent with that of earlier studies that indicated that organizational climate moderates the correlation between ethical leadership and organizational commitment (Choi *et al.*, 2015) and OCB (Xiaojum, 2014). This stands to reason that ethical leaders motivate employees to commit and exhibit OCB when employees perceive safe and friendly work environment. That is to say that, when employees find the climate of the organization

Table VI.
Hierarchical
regressions depicting
how organizational
climate moderates
the ethical
leadership–OCB
relationship

Model	β	t	R^2	ΔR^2	F	P
<i>Step 1</i>						
Gender	0.125	1.245				0.216
Tenure	0.109	1.095				0.276
Age	-0.145	-1.452				0.150
			0.046	0.046	1.543	0.208
<i>Step 2</i>						
Ethical leadership	0.482	5.420	0.271	0.225	8.843	0.000
<i>Step 3</i>						
Org climate	0.262	2.999	0.335	0.064	9.469	0.003
<i>Step 4</i>						
Ethical leadership × Org climate	0.593	1.587	0.357	0.022	7.893	0.046

Source: Research data (2018)

to be favourable, reassuring, accommodating, credulous and the development of abilities and skill is fortified, leaders use their ethical skills to produce high positive work attitudes such as commitment and OCB among these employees.

5.1 Limitations and future research suggestions

Though the present study took all conceivable steps to control the flaws that came with it, there were certain limitations that are worthy of mentioning. One limitation of this study is the research design. First, this empirical study confines itself to purely quantitative design which does not provide the avenue for an in-depth explanation of the association existing between the variables in the study. The researchers recommend to future researchers to consider mixed method design to have enhanced acumens on the issue. The present study also considered only one moderating variable (organizational climate) in the quest to understand the correlation between ethical leadership and work attitudes. Further research will benefit from a more integrative approach, in which multiple personal and contextual factors could be considered to work as explanatory mechanism. The last limitation has to do with the research context. The study was conducted in the micro finance institutions which might differ from other organisations. The recent turmoil going on in the financial institutions in Ghana because of the need to meet new minimum capital requirement makes the research context different from other organisations. Owing to this, there is the need to replicate the study in other organisations.

5.2 Conclusion and managerial implications

Work attitudes of employees to a large extent determine the competitiveness and successes of modern work organization. Productive work attitudes such as commitment and OCB are required in the effectiveness of all organizations. The findings of this study have established that work-related attitudes such as commitment and OCB are predicted by ethical leadership. Moreover, the predictive effect of ethical leadership on productive work attitudes depends on the explanatory mechanism of organizational climate. The results revealed that the relationship between ethical leadership and productive work attitudes became sturdier when an employee perceives friendly working environment (organizational climate).

The findings of the research suggest some indispensable practical and theoretical implications. Based on the results of the study which indicated positive and significant relationship between ethical leadership and work attitudes, the findings imply that work attitudes (commitment and OCB) of employees can be improved by promoting ethical principles in the exercising leadership power. Thus, organizations absorbed in increasing organizational commitment and eliciting OCB among employees might contemplate scrutinizing their leadership ethics.

Moreover, the findings revealed that organizational climate moderates the ethical leadership-productive work attitudes relationship. The findings imply that leaders who want to improve subordinates' work attitudes should go beyond financial exchange and build an atmosphere that value ethical ideals. Management should also consider creating friendly work environment which may in turn influence the work attitudes of the subordinates positively. Theoretically, the study will add to the paucity of research done on the topic and enrich the understanding of work attitudes from ethical leadership perspective.

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Corresponding author

Prince Addai can be contacted at: sirgandy1@gmail.com

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