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Ethical Leadership and Organisational Citizenship Behaviours: The Moderating Role of Organizational Identification

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Abstract

This study examines whether the relationship between ethical leadership and organizational citizenship behaviours (OCBs) is contingent on organisational identification. Drawing on substitutes for leadership theory, the study proposes that the relationship between ethical leadership and OCBs will be attenuated when employees strongly identify with their organization. Using a sample of Egyptian banking sector employees, this proposition was tested with hierarchical linear modelling (HLM). The results revealed that the positive relationship between ethical leadership and OCBs was stronger for those lower in organizational identification than for those higher in identification. Overall, the findings of the study shed new light on the conditions through which ethical leadership enhances OCBs.

Keywords: Ethical leadership; organizational identification; organisational citizenship behaviours; substitutes for leadership theory; Egyptian banking sector

Introduction

Ethical leadership has gained considerable attention from scholars in the past decade or so (Kalshoven, Den Hartog, and De Hoogh, 2013a). Ethical leadership refers to the manifestation of normatively suitable behaviour by means of individual actions and social relationships and the promotion of such behaviour to followers via decision making, communication and reinforcement (Brown, Treviño, and Harrison, 2005). Recent research (e.g. Wang and Sung, 2016; Yang, Ding, and Lo, 2016) has shown that this leadership style is positively related to organizational citizenship behaviours (OCBs), which are extra role activities that extend beyond the core task requirements and result in beneficial outcomes for the organization (Bolino, Turnley, and Bloodgood, 2002). However, less is known about *why* ethical leadership is related to such behaviours (Kalshoven et al., 2013a; Yang et al., 2016). This study seeks to address this issue by examining the moderating role of organizational identification on the ethical leadership-OCBs relationship.

Organizational identification is defined as the perception of oneness with the organization (Ashforth, Harrison, and Corley, 2008). It has been consistently found to be associated with increased levels of OCBs (Christ, van Dick, Wagner, and Stellmacher, 2003; Van Dick, Grojean, Christ, and Wieseke, 2006; Schuh, Zhang, Egold, Graf, Pandey, and van Dick, 2012). Furthermore, research has shown that ethical leadership encourages positive employee behaviours through promoting organizational identification (Walumbwa, Mayer, Wang, Wang, Workman, and Christensen, 2011; Kalshoven, van Dijk, and Boon, 2016). However, an important question here is: What is the relationship between ethical leadership and OCBs when employees already identify with their organization? In particular, will organizational identification strengthen or weaken the influence of ethical leadership on OCBs?

Since organizational identification implies a “psychological merging of self and organization” (Van Knippenberg and Sleebos, 2006, p. 572), employees with high identification are likely to

be intrinsically motivated to contribute to the organization's success and are less likely to need any additional motivation from leaders to undertake OCBs (Van Dick et al., 2006; Van Knippenberg and Sleebos, 2006; Bottomley, Mostafa, Gould-Williams, and Leon-Cazares, 2016). In contrast, employees with low organizational identification are "psychologically disengaged" from the organization and lack the motivation to engage in extra role behaviours (Martin and Epitropaki, 2001, p. 258). For such employees, additional motivation from leaders is likely to stimulate OCBs. Accordingly, drawing on substitutes for leadership theory, this study proposes that the relationship between ethical leadership and OCBs will be attenuated when employees strongly identify with their organization.

Substitutes for leadership theory postulates that certain factors will weaken the effects of leaders' behaviours on followers' performance (Avolio, Walumbwa, and Weber, 2009). In spite of receiving mixed empirical support (Villa, Howell, Dorfman, and Daniel, 2003), this theory is considered to be influential in providing guidance to leaders who want to "create substitutes in their environment to supplement or enhance their effectiveness" (Whittington, Goodwin, and Murray, 2004, p. 594). A main strength of substitutes for leadership theory is that, in contrast to other leadership theories, it recognizes the role of followers in the leadership process (Zacher and Jimmieson, 2013). Overall, by assessing whether followers' organizational identification may substitute the role of ethical leaders in promoting OCBs, this study seeks to extend the literature on substitutes for leadership, highlight the potential role of organizational identification as an important boundary condition of ethical leadership and provide a better understanding of how to enhance employee engagement in OCBs.

This paper proceeds as follows. The next section describes ethical leadership and its relationship with OCBs. Then, based on substitutes for leadership theory, the moderating role of organizational identification on the relationship between ethical leadership and OCBs is discussed. Following a description of the research methodology, the results of hierarchical linear

modelling (HLM) based on a sample of Egyptian banking sector employees are presented. Finally, the implications of the study's findings and limitations are discussed.

Ethical Leadership and OCBs

Ethical leadership is a style in which leaders display normatively appropriate behaviour and communicate the importance of such behaviour to followers (Brown et al. 2005). This leadership style has two key aspects: the moral person aspect and the moral manager aspect (Brown and Trevino, 2006). The moral person aspect is related to the behaviours and personal traits of the leader, such as trustworthiness, justice and concern for others. The moral manager aspect, on the other hand, is related to the efforts and actions of the leader that aim to influence followers' ethical behaviour, such as communicating ethical standards, role modelling ethical behaviour and punishing followers who display unethical behaviour. Thus, ethical leaders exemplify many desirable characteristics and aspire to influence their followers by dynamically managing ethical conduct (Mayer, Kuenzi, and Greenbaum, 2010).

Ethical leadership is related to but also separable from other leadership styles such as transformational and authentic leadership (Stouten, van Dijke, Mayer, De Cremer, and Euwema, 2013; Kalshoven et al., 2013a; Kalshoven, Den Hartog, and De Hoogh, 2013b; Wang and Sung, 2016). In contrast to transformational leadership, which focuses mainly on role modelling, ethical leadership includes a transactional component which involves the use of discipline for ethical misconduct (Brown et al., 2005; Stouten et al., 2013). Ethical leadership also differs from authentic leadership in which leaders mainly focus on relational transparency and self-awareness rather than ethical behaviour only (Walumbwa, Avolio, Gardner, Wernsing, and Peterson, 2008; Stouten et al., 2013). Thus, even though both transformational and authentic leadership have an ethical component, the focus on ethics is secondary and represents only a single aspect of these leadership styles. Conversely, ethical leadership exclusively

focuses on the ethical aspect of leadership (Mayer, Kuenzi, Greenbaum, Bardes, and Salvador, 2009).

Previous research findings suggest that ethical leadership is positively related to desirable employee behaviours such as OCBs (Ng and Feldman, 2015; Bedi, Alpaslan, and Green, 2016; Hoch, Bommer, Dulebohn, and Wu, 2018). OCBs are generally viewed as “spontaneous and voluntary workplace behaviours that enhance organizational functioning” (Ilies, Fulmer, Spitzmuller, and Johnson, 2009, p. 945). Such behaviours are not formally prescribed by the organization, they extend beyond task-specific performance and are not linked with rewards (Ilies et al., 2009; Wang and Sung, 2016). They are behaviours that support the organizational environment rather than contribute directly to the accomplishment of work tasks (Borman and Motowidlo, 1993; Organ, 1997).

OCBs can be categorized into two types: behaviours that benefit the organization (OCBO) and behaviours that benefit individual employees or co-workers (OCBI, also referred to as helping behaviours; Williams and Anderson, 1991). Examples of OCBO include taking action to protect the organization from potential problems or defending the organization when others criticize it. OCBI, on the other hand, may include actions such as assisting others with their duties and giving time to help others who have problems or have been absent from work (Lee and Allen, 2002; Williams and Anderson, 1991).

Besides ethical leadership, other leadership styles such as transformational and authentic leadership have also been shown to be positively related to citizenship behaviours (Bottomley et al., 2016; Wang, Oh, Courtright, and Colbert, 2011; Avolio, Gardner, Walumbwa, Juthans, and May, 2004). However, ethical leadership is believed to be of more relevance to OCBs than other leadership styles because of its focus on the actual management of ethical conduct of followers and its potential to enhance employees caring about both their organization and co-workers (Wang and Sung, 2016).

Two theories have been widely used in the literature to explain the linkage between ethical leadership and OCBs: social learning theory (Bandura, 1986) and social exchange theory (Blau, 1964). Social learning theory is viewed as “an important explanatory framework” for why ethical leaders could influence desired follower behaviours (Kalshoven et al., 2013b, p. 166). The theory proposes that individuals learn desirable behaviours through observing credible role models and emulating them. Ethical leaders are generally viewed as role models who shape followers actions and help them demonstrate beneficial behaviours (Brown et al. 2005; Brown and Trevino, 2006). Such leaders usually set high moral standards and display integrity. They also engage in ethical behaviours, promote them and reward them (Kalshoven et al., 2013b; Bedi et al., 2016). As a result, ethical leaders are likely to guide subordinates to display normatively appropriate behaviours such as OCBs.

Social exchange theory is also believed to provide a “robust explanation” regarding the positive relationship between ethical leader behaviours and desirable employee behaviours (Newman, Kiazad, and Cooper, 2014, p. 114). Social exchange theory is based on the norm of reciprocity which postulates that individuals feel obliged to give back to those who have given to them (Gouldner, 1960). Ethical leadership can be viewed as a “social exchange relationship” in which both the leader and the follower seek to achieve a balance between costs and benefits (Stouten et al., 2013, p. 682). Ethical leaders act with integrity, treat employees fairly, express concern about their wellbeing and reward their ethical behaviour (Mayer et al., 2009; Kalshoven et al., 2013b; Newman et al., 2014; Wang and Sung, 2016). They usually form good quality social exchanges that are based on open communication and trust (Walumbwa et al., 2011). Since leaders represent the organization (Kalshoven and Den Hartog, 2009), employees will be more likely to reciprocate their ethical leaders’ positive behaviours by displaying behaviours that benefit the organization and its individuals such as OCBs (Mayer et al., 2009; Newman et al., 2014; Wang and Sung, 2016).

Findings of meta-analyses and recent studies support the notion that ethical leadership is positively related to both OCBO and OCBI (Ng and Feldman, 2015; Bedi et al., 2016; Wang and Sung, 2016; Yang et al., 2016; Hoch, Bommer, Dulebohn, and Wu, 2018). Accordingly, the following hypothesis is proposed:

Hypothesis 1: Ethical leadership will be positively related to OCBs (OCBO and OCBI).

The strength of the positive relationship between ethical leadership and OCBs has been found to vary substantially among different studies, which suggests the presence of moderators of this relationship (Kalshoven et al., 2013a). Nevertheless, research on the moderators of the ethical leadership-OCBs link is still somewhat “limited” (Den Hartog, 2015, p. 425). The following section discusses how organizational identification could moderate the relationship between ethical leadership and OCBs.

Organizational Identification as a Moderator of the Ethical Leadership-OCBs relationship

Organizational identification is generally viewed as the degree to which organizational members define themselves in relation to organizational membership (Ashforth and Mael, 1989). In other words, it is a “self-defining concept” that reflects the level of perceived overlap between an individual’s self and the values, interests and norms of the organization (Van Dick et al., 2004, p. 353). Thus, the more an individual identifies with the organization, the more his/her fate and identity become interlinked with those of the organization and the more he becomes a “microcosm” of the organization (Ashforth et al., 2008, p. 333).

Organizational identification is regarded as a “powerful concept” in explaining employee behaviours (Van Dick et al., 2004, p. 352). It helps an employee satisfy a number of needs such as the need for safety, belonging and self-enhancement. It also contributes to an employee’s self-definition and evokes a sense of oneness with the organization, which makes the employee

take the organization's goals as his/her own. All of this is more likely to lead to positive employee behaviours towards the organization such as OCBs (Van Dick et al., 2006).

Drawing on substitutes for leadership theory (Kerr and Jermier, 1978), this study proposes that organizational identification will moderate the relationship between ethical leadership and OCBs. Substitutes for leadership theory represents "the most comprehensive attempt to identify the potential factors that may moderate leader effects on followers" (Whittington et al., 2004, p. 594). The theory postulates that specific variables could substitute for the leader's ability to influence followers' behaviours. Thus, the effects of leader behaviours on employees are replaced by relevant substitutes (Bottomley et al., 2016; Kalshoven et al., 2013a).

Substitutes should be strongly related to the leader behaviours they are presumed to substitute for so as to effectively replace these behaviours. Therefore, ethical leadership substitutes are supposed to be variables that could replace the influence of ethical leaders on employees (Kalshoven et al., 2013a). As employees with high levels of organizational identification take their organization's goals as their own and view other organizational members as significant contributors to their definition of self, they are more inclined to engage in behaviours that benefit the organization and its members such as OCBs. Ethical leaders' behaviours, in this case, are likely to be less effective in stimulating OCBs. Thus, organizational identification may act as a substitute for ethical leadership. In other words, while ethical leadership is likely to encourage OCBs because of behavioural modelling and the norm of reciprocity, high identification is likely to stimulate OCBs even in the absence of ethical leadership, because of employees' internalization of the organization's interest. Therefore, it is expected that ethical leaders will be more effective at enhancing employees OCBs when employees have lower levels of organizational identification compared to those with higher levels of identification.

Prior research supports the view that certain individual and work-related factors are likely to reduce the influence of ethical leaders' on followers' behaviours. For example, Avey, Palanski,

and Walumbwa (2011) reported that the positive relationship between ethical leadership and OCBs was weaker when employees' self-esteem was high rather than low. Similarly, Kacmar, Bachrach, Harris, and Zivnuska, (2011) found that the relationship between ethical leadership and female employees OCBs was reduced when the work environment was perceived to be highly political and co-workers were motivated by self-interest rather than the well-being of others. Kalshoven et al. (2013a) also reported that the positive effects of ethical leaders behaviours on followers helping and courtesy were reduced when employees were aware of ethical issues and sensitive to morality at work (high moral awareness). Kalshoven et al. (2013b) also found that low autonomy jobs that are routine and provide sufficient guidance to employees reduced the positive effects of ethical leadership on followers helping and initiative. Accordingly, the following hypothesis is proposed:

Hypothesis 2: Organizational identification will moderate the relationship between ethical leadership and both OCBO and OCBI such that the positive relationship between ethical leadership and OCBs will be attenuated when organizational identification is high.

Method

Procedure and sample

Data were collected from employees and their supervisors working in the branches and headquarters of three banks in Egypt. Specifically, three headquarters and fourteen branches took part in the study. Access to banks was gained through personal contacts. Paper and pen questionnaires were used and were distributed to employees and supervisors during working hours. Employees rated their organizational identification and their supervisors' ethical leadership, while supervisors rated employees OCBs. A cover letter was attached to each questionnaire. This letter informed participants that their involvement in the study was voluntary and assured them that their responses would be kept anonymous and confidential.

The questionnaires were distributed to 400 employees and their 47 supervisors. Matching questionnaires were returned from 239 subordinates (57% response rate) and their 38 supervisors (81% response rate) with an average of 6.3 subordinates per supervisor. Most of the responding subordinates were male (64%); 59% of them were between 20 and 30 in age, 32% were between 31 and 40, and the rest were above 40. With regard to education, most of the subordinates had a bachelor's degree (88%) and the rest had a master's degree. With regard to organizational tenure, 21% had been employed with their bank for less than 1 year, 44.5% had been employed for between 1 and 5 years, and 27% for between 5 and 10 years.

Most of the responding supervisors were also male (70%); 57% of them were between 31 and 40 in age and the rest were above 40. Most of the supervisors were also highly educated (72.5% had a master's degree and the rest had a bachelor's degree). Almost half of them (51%) had been employed with their bank for between 5 and 10 years, 37% had been employed for between 1 and 5 years, and the remainder for more than 10 years.

Measures

Since the questionnaire was administered in Arabic, all the questionnaire items were translated from English into Arabic and then back translated into English, following the recommendations of Brislin (1980). Five native speakers were then asked to pre-test the Arabic version of the questionnaire and found no problems in understanding any of the items used. All items were measured on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

Ethical leadership

Ethical leadership was measured with Brown et al.'s (2005) 10-item scale. A sample item is "My supervisor sets an example of how to do things the right way in terms of ethics". Cronbach's alpha of this scale was 0.858.

Organizational Identification

Organizational identification was assessed with the 6-item scale from Mael and Ashforth (1992). A sample item is “When someone praises this bank, it feels like a personal compliment”. Cronbach’s alpha for this scale was 0.788.

OCBs

OCBs were measured with 8 items from Lee and Allen (2002). Four items measured behaviours that benefit the organization (OCBO) and four items measured behaviours that benefit individuals (OCBI). Sample items are “This employee takes action to protect the bank from potential problems” (OCBO) and “This employee gives up time to help others who have work or non-work problems” (OCBI). Cronbach’s alpha was 0.915 for OCBOs and 0.936 for OCBI.

Controls

Meta-analytic research has shown that gender, level of education, organizational tenure and the personality trait of conscientiousness are important predictors of OCBs (Ilies et al., 2009; Ng and Feldman, 2009, 2010; Mackey, Roth, Van Iddekinge and McFarland, 2017). Therefore, these variables were controlled for in the analysis. Conscientiousness was measured using 3 items from the Mini International Personality Item Pool (Mini-IPIP; Donnellan, Oswald, Baird, and Lucas, 2006). A sample item is “I like order”. Cronbach’s alpha for this scale was 0.70.

Data Analysis

Subordinate ratings were nested under supervisors and supervisors were grouped by banks. Therefore, three-level hierarchical linear modelling (HLM) with Stata was used to test the study hypotheses. HLM decomposes the variable variances into within and between group components and, therefore, helps provide unbiased regression parameter and standard error estimates (Raudenbush and Bryk, 2002).

Following the recommendations of Hofmann and Gavin (1998) and Hofmann, Griffin and Gavin (2000), all variables were grand-mean centred. Separate regression models were

conducted for OCBO and OCBI. In both models, the control variables were first entered, followed by ethical leadership and organizational identification, and finally the interaction term of ethical leadership and identification. The maximum likelihood estimation method with robust standard errors was used (Braun and Nieberle, 2017).

Results

Confirmatory factor analysis

Prior to testing the study hypotheses, a confirmatory factor analysis was conducted using AMOS 24 to assess convergent and discriminant validity. To improve the variable to sample size ratio and create more stable parameter estimates (Bandalos, 2002; Landis, Beal, and Tesulk, 2000), the highest and lowest loading items measuring ethical leadership were averaged sequentially and used as indicators of the latent variable ethical leadership. Model fit was assessed using three indices: the comparative fit index (CFI), the root mean square error of approximation (RMSEA) and the standardized root mean square residual (SRMR). CFI values of 0.90 or more, RMSEA values of 0.08 or less and SRMR values of 0.10 or less indicate good fit (Williams, Vandenberg and Edwards, 2009).

The factor loadings of all the items on their corresponding constructs were greater than 0.50 and were significant at the statistical level of 0.01, supporting convergent validity (Anderson and Gerbing, 1988). To assess discriminant validity, the fit of the hypothesized four-factor measurement model was compared with other plausible alternative models. The four-factor model provided a good fit to the data (χ^2 (df =250) =576.756, $p < 0.01$; CFI = 0.900, RMSEA = 0.076 and SRMR = 0.072). Furthermore, this model fitted the data significantly better than other plausible models with fewer factors such as a three-factor model that included ethical leadership, organizational identification, and combined OCBO and OCBI into one factor ($\Delta\chi^2 = 115.977$, $\Delta df = 7$, $p < 0.01$), a two-factor model that included ethical leadership, and combined organizational identification and OCBs into one factor ($\Delta\chi^2 = 402.116$, $\Delta df = 13$, p

< 0.01), and a one-factor model that combined all the variables ($\Delta\chi^2 = 828.074$, $\Delta df = 18$, $p < 0.01$). Thus, the discriminant validity of the study constructs was attained.

Common method bias

The use of different sources to collect data on both the predictor (i.e. ethical leadership and organizational identification) and criterion variables (i.e. OCBO and OCBI) as well as protecting respondent anonymity help minimize the potential problems of common method bias in this study (Podsakoff, MacKenzie, Lee, and Podsakoff, 2003; Podsakoff, MacKenzie, and Podsakoff, 2012). However, since the same respondents provided data for ethical leadership, organizational identification and conscientiousness, the likelihood of common method bias impacting the study relationships still remained. Therefore, common method bias was tested for using the common method factor approach (Chang, Van Witteloostuijn, and Eden, 2010). The approach involves estimating a measurement model (including ethical leadership, identification and conscientiousness) in which items are allowed to load on their theoretical construct and a common factor. The variance explained by the common factor was 0.25, which is lower than the 0.50 criterion identified by Fornell and Larcker (1981) as suggestive of a substantive construct. Accordingly, common method bias did not appear problematic¹.

Descriptive statistics and correlations

Means, standard deviations, intercorrelations and the composite reliability scores are presented in Table 1. Ethical leadership was positively correlated with organizational identification ($r = 0.46$, $p < 0.01$), OCBO ($r = 0.49$, $p < 0.01$) and OCBI ($r = 0.40$, $p < 0.01$). Organizational identification was positively correlated with OCBO ($r = 0.37$, $p < 0.01$) and OCBI ($r = 0.42$, p

¹ It is important to note that common method bias cannot account for statistical interactions (Siemsen et al., 2010; Podsakoff et al., 2012), which are the main focus of this study. Common method bias can inflate or deflate bivariate relationships. However, it “cannot inflate but does deflate” interaction effects (Podsakoff et al., 2012; 564).

< 0.01). OCBO and OCBI were highly correlated ($r = 0.88, p < 0.01$) as in prior research (Wang and Sung, 2016; Yang et al., 2016). Furthermore, all the composite reliability scores were above 0.70, which suggests that all the constructs had high internal consistency (Bagozzi and Yi, 2012).

-Insert Table 1 Here-

Hypotheses testing results

Table 2 presents the HLM results for testing the hypotheses. As shown in the table, ethical leadership had a significant positive relationship with both OCBO ($\beta = 0.443, p < 0.01$) and OCBI ($\beta = 0.360, p < 0.01$). Thus, ethical leadership enhances citizenship behaviours directed towards both the organization and employees. Therefore, the first hypothesis is supported. Organizational identification also had a significant positive relationship with both OCBO ($\beta = 0.246, p < 0.01$) and OCBI ($\beta = 0.425, p < 0.01$). This suggests that increased levels of identification enhanced citizenship behaviours. More importantly, the interaction between ethical leadership and organizational identification was significant and negative for both OCBO ($\beta = -0.096, p < 0.05$) and OCBI ($\beta = -0.090, p < 0.10$), providing support for the second hypothesis. The negative interaction suggests that, as organizational identification increased, the association between ethical leadership and OCBs decreased. In other words, ethical leadership had less of an impact on citizenship behaviours when employees already had higher, rather than lower, levels of identification with the organization.

-Insert Table 2 Here-

To better understand the interactions, simple slope tests were also conducted using Aiken and West's (1991) procedure which involves computing the slopes when employee scores on the moderator (i.e. organizational identification) were one standard deviation above the mean and one standard deviation below the mean. The strength of the relationship between ethical leadership and OCBO was weaker for employees high in organizational identification ($\beta = 0.367$, $SE = 0.102$, $t = 3.57$, $p < 0.01$) than for employees low in organizational identification ($\beta = 0.520$, $SE = 0.118$, $t = 4.40$, $p < 0.01$). The same was found for the ethical leadership-OCBI relationship, where this relationship was weaker when organizational identification was high ($\beta = 0.288$, $SE = 0.124$, $t = 2.31$, $p < 0.01$) and stronger when identification was low ($\beta = 0.432$, $SE = 0.143$, $t = 3.03$, $p < 0.01$). These results suggest that ethical leadership matters more when employees are low, rather than high, in organizational identification. Figures 1 and 2 show the moderating role of organizational identification on the relationship between ethical leadership and both OCBO and OCBI.

-Insert Figure 1 Here-

-Insert Figure 2 Here-

Discussion

This study examined the contingent role of organizational identification on the relationship between ethical leadership and OCBs. The main contribution of the study is introducing organizational identification as a moderator of the relationship between ethical leadership and OCBs to determine whether it acts as a substitute for ethical leadership in relation to citizenship behaviours directed towards both the organization (OCBO) and individual co-workers (OCBI). Previous research has shown that the relationship between ethical leadership and OCBs varies substantially in strength among different studies, which suggests the existence of moderators of this relationship. In spite of this, moderators of the relationship between ethical leadership

and citizenship behaviours have “hardly been considered in research” (Kalshoven et al., 2013a), which constrains our understanding of how ethical leadership would interact with other variables to determine appropriate employee behaviours.

Consistent with findings of previous research (e.g. Kalshoven et al., 2013a; Kalshoven et al., 2013b; Wang and Sung, 2016; Yang et al., 2016), this study found that ethical leadership is positively related to both OCBO and OCBI. This finding supports social learning theory and confirms that ethical leaders are role models whose behaviours are linked to employee OCBs (Brown et al. 2005; Brown and Trevino, 2006). It also supports social exchange theory and confirms that when leaders act with integrity, treat employees fairly, express concern about their wellbeing and reward their ethical behaviour, employees will be more likely to reciprocate by displaying behaviours that benefit the organization and its individuals (Mayer et al., 2009; Kalshoven et al., 2013b; Newman et al., 2014; Wang and Sung, 2016). Furthermore, in line with previous research, the study findings revealed that employees who highly identify with the organization are motivated to contribute to its success and are likely to undertake OCBs (Van Dick et al., 2006; Van Knippenberg and Sleebos, 2006; Bottomley et al., 2016).

More importantly, in line with substitutes for leadership reasoning, this study found that organizational identification moderated the relationship between ethical leadership and OCBs. More specifically, the positive relationship between ethical leadership and both OCBO and OCBI was stronger for employees lower in organizational identification than for those higher in identification. Thus, when employees identify with the organization, the motivational effects of ethical leaders’ behaviours on OCBs are reduced. Overall, these findings are consistent with prior research which has shown that individual and work-related factors are likely to reduce the influence of leaders’ ethical behaviours on followers (Avey et al., 2011; Kacmar et al., 2011; Kalshoven et al., 2013a; Kalshoven et al., 2013b).

Practical Implications

The study has important practical implications. The findings suggest that ethical leader behaviours are important for enhancing employees' citizenship behaviours. Organizations could therefore invest more on selecting leaders and training them to behave in an ethical manner. For example, organizations could use integrity and work ethics tests when hiring leaders besides including questions related to ethics and ethical dilemmas in the interview process. Organizations could also provide training programs that instruct leaders of the ethical requirements of their jobs, and how to recognize ethical problems and deal with them in the workplace. However, the findings also suggest that the influence of leaders' behaviour is reduced when there is a high overlap between a follower's self and the values and goals of the organization. Therefore, organizations could alternatively enhance OCBs through recruiting and selecting employees who share common goals and values as those of the organization. This could, for example, be achieved through assessing job candidates fit with the organizations' culture during the job interview process and also through realistic job previews. Nevertheless, organizations should not always be expecting to receive "double the benefits" when investing in both leadership selection and training programs, and sophisticated employee recruitment and selection procedures (Bottomley et al., 2016, p. 402).

Limitations and Future Research Directions

This study has a number of limitations. First, because of the cross-sectional design of the study, definite conclusions about causality cannot be made. Future work using experimental or longitudinal designs could help address this issue. Second, the study results are based on Egyptian banking sector employees and cannot be generalized to other contexts. Further work is therefore needed to determine whether the study results can be applied to other contexts. Third, this study examined the moderating role of organizational identification only on the link between a positive leadership style (i.e. ethical leadership) and desirable employee behaviours

(i.e. OCBs). Previous research has shown that leadership could sometimes be unethical and could lead to negative employee behaviours such as organizational deviance (Mitchell and Ambrose, 2007; Den Hartog, 2015). Future work should consider the moderating role of organizational identification in this case. Future research may also wish to consider the moderating role of identification on the relationship between unethical leadership and ethical or corrective behaviours such as whistle blowing. Fourth, the focus in this study was on the moderating role of an individual level variable (i.e. an employee's level of identification with his/her organization) on the relationship between ethical leadership and OCBs. Future research could examine the moderating role of group or organizational level variables such as cohesive work groups or organizational climate (Kalshoven et al., 2013a). Finally, since both transformational and authentic leadership share similar characteristics with ethical leadership such as role modelling and concern for followers, they may also influence the citizenship behaviours of employees via social comparison (Wang and Sung, 2016). Future research could therefore include both leadership styles as controls when examining the role of different moderators on the link between ethical leadership and OCBs.

In spite of these limitations, this study has shown that organizational identification is an important boundary condition of ethical leadership and that ethical leadership may be useful in many situations but not all.

Disclosure statement

No potential conflict of interest was reported by the author.

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Table 1: Descriptive Statistics, Intercorrelations and Composite Reliability Estimates

Construct	1	2	3	4	5	6	7	8
1. Ethical Leadership	(0.88)							
2. Organizational Identification	0.46***	(0.80)						
3. OCBO	0.49***	0.37***	(0.92)					
4. OCBI	0.40***	0.42***	0.88***	(0.94)				
5. Conscientiousness	0.43***	0.43***	0.27***	0.24***	(0.75)			
6. Gender (male = 1, female = 2)	0.02	-0.05	0.07	0.11*	0.09			
7. Education	0.05	-0.02	0.12*	0.13**	-0.06	0.11		
8. Tenure	0.09	0.03	0.06	0.01	-0.03	-0.06	0.13**	
Mean	5.56	5.27	5.34	5.24	5.84	1.36	1.12	2.19
SD	0.80	0.80	1.10	1.23	0.77	0.48	0.33	0.85

Note: $N = 239$. Sub-diagonal entries are the latent construct inter-correlations. The entry on the diagonal (in parentheses) is the composite reliability score.

Education and tenure were measured as a multichotomous variables (for education, PhD/Doctoral Degree = 1, Master's Degree = 2, Bachelor's Degree = 1; whereas for organizational tenure, under 5 years = 1, 5-10 years = 2, 11-15 years = 3, and more than 15 years = 4).

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$

Table 2: Results of Hypotheses Testing

Variables	OCBO			OCBI		
	Estimate	<i>SE</i>	<i>t</i>	Estimate	<i>SE</i>	<i>t</i>
Gender	0.124	0.158	0.78	0.202	0.137	1.47
Education	0.319	0.140	2.28**	0.449	0.195	2.30**
Organizational Tenure	0.014	0.073	0.19	-0.033	0.074	-0.45
Conscientiousness	0.134	0.089	1.5	0.188	0.111	1.69*
Ethical Leadership	0.443	0.103	4.26***	0.360	0.128	2.81***
Organizational Identification	0.246	0.074	3.34***	0.425	0.073	5.85***
Ethical leadership × Organizational Identification	-0.096	0.048	-1.98**	-0.090	0.049	-1.84*

Note: $N = 239$; *SE*, standard error

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$

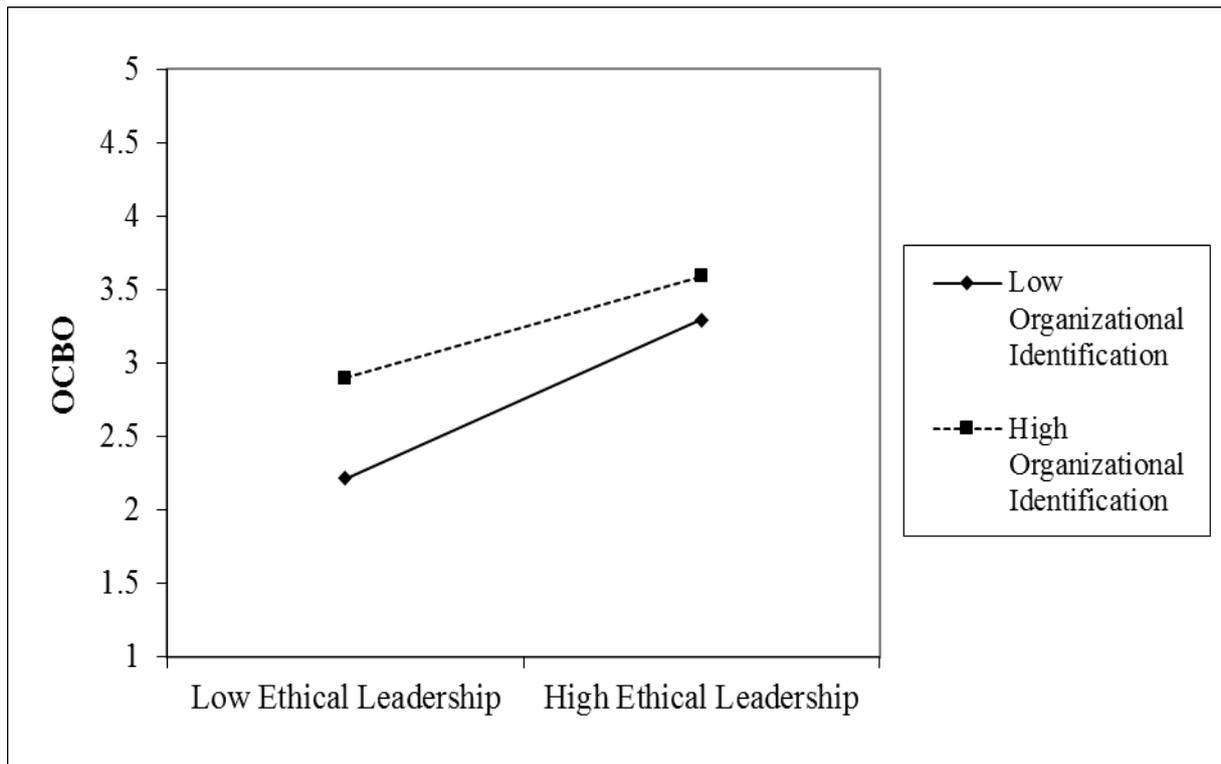


Figure 1: The Moderating Role of Organizational Identification on the Relationship between Ethical Leadership and OCBO

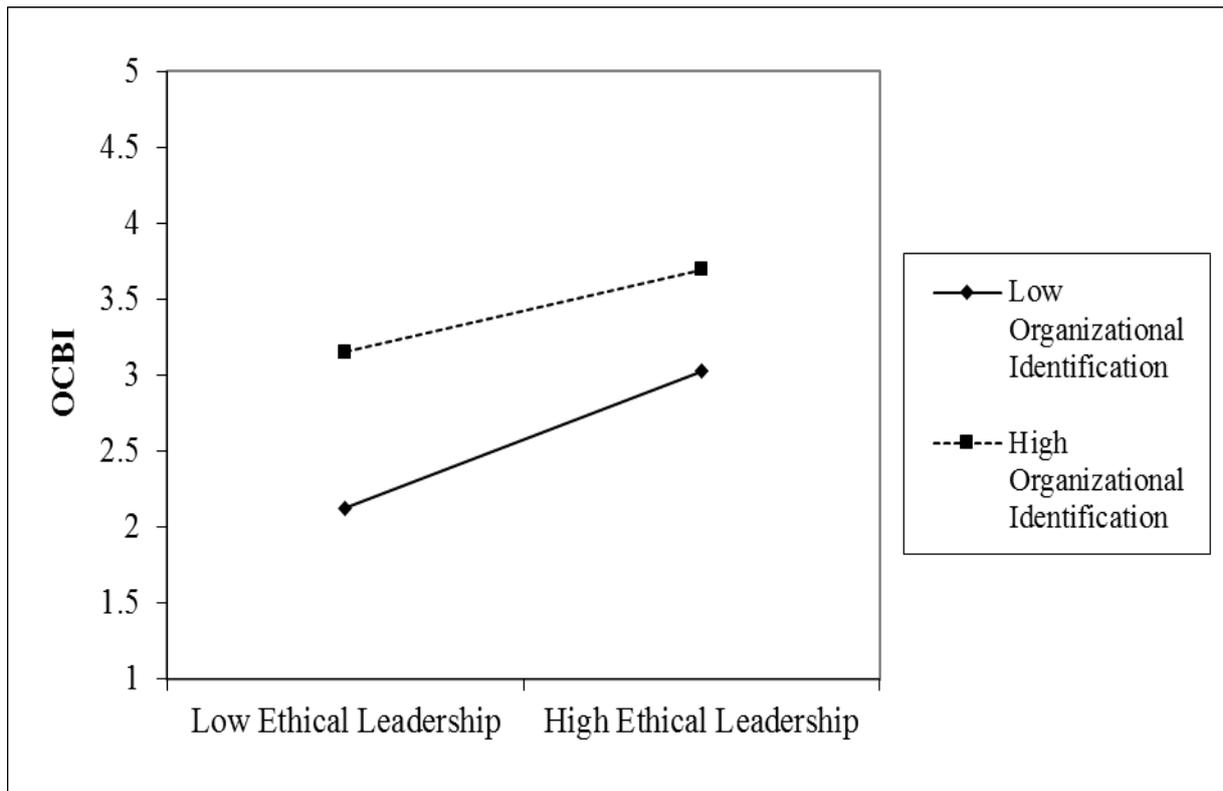


Figure 2: The Moderating Role of Organizational Identification on the Relationship between Ethical Leadership and OCBI