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# The Role of Ethical Leadership & Proactive Personality on Organizational Citizenship Behaviors: Mediating Role of Positive & Negative Emotions

**Alireza Aghighi**

*Dept. of Management, Faculty of Economics & Accounting, Payam-e-Noor University, Tebran, Iran*

## Abstract

**Background:** Regarding the increasing global competition and uncertainty in today's world, employee dynamism is becoming an essential requirement for new organizations. The aim of this study is to evaluate the role of ethical leadership and proactive personality on organizational citizenship behaviors (OCBs) by mediating role of employees' emotions.

**Method:** The research method is descriptive-correlation study. The statistical population of the study includes the staff of Kermanshah Petrochemical Urea and Ammonia Company with 470 people, and in the sampling process using Morgan table, a sample of 212 people were selected. The sampling method in this study is a stratified random sampling. For collecting data, five standard questionnaires of ethical leadership, proactive personality, positive emotions, negative emotions and OCBs were used. Data were analyzed through SPSS and Smart PLS2 software.

**Results:** The results of the research showed that the correlation between ethical leadership with OCBs and positive emotions were meaningful and positive and the correlation between ethical leadership and negative emotions is significantly negative. The relationship between proactive personality with OCBs and positive emotions is not meaningful.

**Conclusion:** Ethical leadership also affects employees' emotions. Through emotions, ethical leadership affects OCBs. Employees' proactive personality does not affect OCBs through positive emotions, while this proactive personality influences OCBs through negative emotions.

**Keywords:** Ethical leadership, Proactive personality, Employee emotions, Organizational citizenship behaviors

## Introduction

One of the most important issues that organizations face is how employees are motivated to perform their roles and tasks properly, to ensure that

the organization maintains its effectiveness. In fact, a particular set of employee behaviors can have a

\* **Corresponding Author:** Email: [aghighi56@gmail.com](mailto:aghighi56@gmail.com)

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significant impact on an organization's success; especially the voluntary and optional behaviors that employees do for the organization (1). These behaviors are called organizational citizenship behaviors (OCBs), which are defined as voluntary work behaviors that are not directly and overtly organized by job descriptions and formal reward systems, but overall improve organizational performance (2). Organizational citizenship behaviors are optional behaviors that contribute to organizational effectiveness while clearly and officially, they do not receive rewards. Helping colleagues and doing volunteer work in excess of work are examples of organizational citizenship behavior. On the other hand, today, organizations are looking for ways to expand pioneering behaviors among their employees due to changes and developments that have occurred, especially in environmental factors, in order to increase the active and constructive activities and behaviors of employees (3). In general, proactive personality is a person's desire to take various actions and influence the environment to improve the situation. Active people, compared to passive people, can progress faster in the organization, find better jobs, and pursue better career paths (4).

Research on leadership has examined the behaviors of followers as a result of the leadership process and has not been able to ignore the active role that followers have in the leadership process (5). Leaders play an important role in shaping employees' perceptions of what is ethical and constructive for the organization and employees (4). Accordingly, a researcher introduced a new concept of ethical leadership: "Demonstrating appropriate and normative behavior in individual actions and interpersonal relationships and promoting such behavior among followers through mutual communication, reinforcement and decision-making" (6). It can be said that the ethical leader is socially responsible for the use of power, and ethical leadership is considered as a process that affects the social responsibility of other people's activities in achieving goals (7). Being active and pioneering is a combined personality trait that is defined as a person's willingness to take action to influence the environment, to challenge, and to change existing circumstances to achieve the desired state (8). People with a proactive personality

are called pioneers (9). Proactive people are known as responsible people. They do not blame the conditions, circumstances or rules. Some organizations use dynamic behaviors as role requirements, emphasize their value to employees, and reward volunteers with dynamic orientation (10). Dynamic people actively create environmental changes, while less dynamic people have a more reactive approach to their jobs. In today's world where change has become the norm, the importance of dynamic behavior is truly recognized (11). The proactive character can also be considered as a substitution to ethical leadership; because the proactive person is described as "a person who is not limited by situational forces, and the one who influences environmental changes" (12). Therefore, proactive subordinates are expected to actively shape and manage the environment, regardless of supervised ethical behaviors. Due to the ethical failures of leaders in organizations, interest in studying ethical leadership and finding answers to important questions about the responsibility of leaders in ensuring ethical behavior has increased. However, ethical leadership research has failed to examine the active role of follower traits in increasing or decreasing the impact of ethical leadership on organizational outcomes (13). According to two experts' definition, emotions are a relatively negative or positively evaluative state that lasts relatively short, has neurological elements, and is not completely under human control (14).

Recently, emotional experiences in the workplace have attracted more attention (15-16). Also, the key role that emotions play in the leadership process has received a great deal of attention (17-18). Although it is widely accepted that leaders are in a unique position to engage employees' feelings at work, there is still little empirical research available to examine direct effect of leadership behaviors on employees' emotional experiences (15). Through their behaviors, leaders can be the main source of various reactions, because their behaviors provoke a wide range of emotional reactions in followers (19). In other words, the behavior of the leader creates emotional consequences for the followers that affect their attitudes and behaviors (20).

In this study we explore the consequences of ethical leadership on organizational outcomes and aim to contribute to the ethical leadership literature by examining an overlooked mechanism, since previous research on ethical leadership has not fully considered the role that employees' emotions may play as a result of ethical leadership. Therefore, we argue that the indirect effect of ethical leadership on OCBs via positive and negative emotions is weaker when followers' proactive personality is high rather than low, leading to the following hypotheses:

1. Ethical leadership affects the organizational citizenship behaviors of employees.
2. Ethical leadership has a positive effect on employees' positive emotions.
3. Ethical leadership has a negative impact on employees' negative emotions.
4. Through positive emotions, ethical leadership affects organizational citizenship behaviors.
5. Through negative emotions, ethical leadership affects organizational citizenship behaviors.
6. The proactive personality of employees affects organizational citizenship behaviors through positive emotions.
7. The proactive personality of employees affects organizational citizenship behaviors through negative emotions.

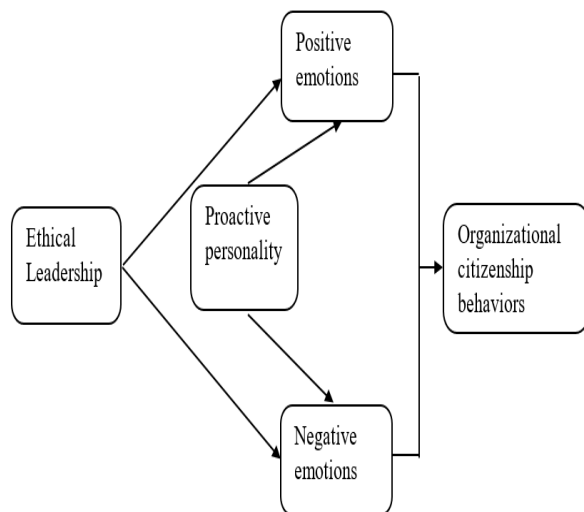


Fig 1: Conceptual research model

## Material and Methods

Research is descriptive and correlational in nature, and practical in terms of purpose. The statistical population of the study includes employees of Kermanshah Petrochemical Urea and Ammonia Company, which is about 470 people. Using Morgan's table, the sample size of 212 was obtained. The sampling method in this study is the stratified random sampling type. A standard 15-item questionnaire designed based on the four components of ethical leadership is used to measure ethical leadership (5). The study also used a standard to measure proactive personality (11). To measure OCBs, a standard 8-item questionnaire with three components was used (22). To measure positive emotions at work, we used the eight positive emotions included on the Job Emotions Scale and to measure negative emotions at work, we used the eight negative emotions included on the Job Emotions Scale (23). The questionnaires are graded based on a five-point Likert scale.

In addition to the credibility and validity of the instrument confirmed by supervisors and consultants, quantitative methods are used to ensure greater credibility and definitive validity. The validity of the instrument structure in this study was investigated using confirmatory factor analysis. The credibility of the structure is evaluated according to the AVE index. The AVE value for latent research variables is higher than 0.4. Therefore, it can be said that convergent validity of measurement models is desirable. Reliability is also assessed through factor load factors, Cronbach's alpha coefficients, and combined reliability. According to the obtained results, the factor load for each reagent is more than 0.4 and as a result they have suitable significant coefficients, so the reliability of the reagents is confirmed. Regarding the latent variables of the present study, all variables in this criterion are above 0.7, which indicates the internal reliability of the measurement models. Also, the compound reliability for measurement models is more than 0.7. Therefore, measurement models have the required compound reliability.

**Table 1: Convergent validity values, Cronbach's alpha and combined reliability**

Dimensions	Convergent validity	Cronbach's alpha	Combined reliability
Ethical Leadership	0.65	0.87	0.90
Proactive personality	0.79	0.71	0.79
Organizational citizenship behaviors	0.64	0.86	0.89
Positive emotions of employees	0.72	0.80	0.88
Negative emotions of employees	0.81	0.92	0.94

At the level of inferential analysis, the least squares of PLS method and Smart PLS software are used to analyze the data, as well as to study the proposed hypotheses.

### Results

In this section, using Smart PLS software, we have analyzed the confirmatory factor of the main components of the research on the case of this study. Then, given the positive results, using the software, we examined the causal relationship between the components or the research propositions (research hypotheses) and considering the existence of causal relationships and significant effects, path analysis and model fitness have also been performed.

Model fitness is checked in three parts:

1. Fitness of measurement models or external models
2. Fitness of structural models or internal models
3. Fitness of the overall model.

Two criteria of convergent reliability and validity are used to evaluate the Fitness of measurement

models. As mentioned, considering the values of factor load, Cronbach's alpha, compound reliability and AVE, it can be said that convergent reliability and validity of measurement models are desirable. After examining the fitness of the measurement models, it is time to fit the structural model of the research. In order to evaluate the structural model, in this study, significant coefficients of Z (t-values), determination coefficient ( $R^2$ ) and redundancy criterion have been used. To confirm a hypothesis or significance, the presence of relationship at the level of 95%, 99%, 99.9%, respectively, is equal to the minimum statistical t of 1.96, 2.52, and 3.32. As shown in Table 2, the significant coefficients of all paths except one are more than 1.96, which can be confirmed at the 95% confidence level of the significance of the relationships. But the sixth hypothesis is rejected because the significance coefficient is less than 1.96.

**Table 2: Significant coefficients of Z for latent endogenous variables**

Path	Significant coefficients of Z	confidence level
ethical leadership → OCBs	2.228	%95
ethical leadership → positive emotions	5.33	%95
ethical leadership → negative emotions	5.46	%95
ethical leadership → positive emotions → OCBs	2.76	%95
ethical leadership → negative emotions → OCBs	3.74	%95
Proactive personality → positive emotions → OCBs	1.13	%95
Proactive personality → negative emotions → OCBs	4.336	%95

The basic criterion for evaluating latent endogenous variables is the determination coefficient ( $R^2$ ).  $R^2$  values which equal to 0.67, 0.33 and 0.19 in PLS path models are described as significant, medium,

and weak, respectively. The value of  $R^2$  for the latent endogenous variable is shown in Table 3. As it can be seen, the coefficient of determination of the

structure is strong, which indicates a strong fitness of the structural model.

**Table 3: The values of the coefficient of determination and the redundancy criterion for the endogenous latent variable**

Dimensions	The coefficient of determination	The amount of redundancy
Organizational citizenship behaviors	0.845	0.237

The redundancy index is a measure of the quality of a structural model for each endogenous block. According to its measurement model, the higher the redundancy value is, the better the structural fit of the model in a study will be.

According to the PLS path modeling structure, it is necessary to optimize each part of the model (including the measurement model, the structural model, and the overall model). For this reason, in the PLS path modeling, in this study, the fitness index (GOF) is presented to fit the model. In PLS path modeling, there is no criterion for measuring the overall model. However, a general standard for fitness (GOF) has been proposed. This indicator considers both measurement and structural models, and is used as a criterion for predicting the overall

performance of the model. This criterion is calculated as the geometric mean of  $R^2$  and the common mean. Therefore, the obtained fit value for the model under consideration was 0.757, which according to the three values of 0.01, 0.25, and 0.36 considered as weak, medium and strong values for GOF, the value obtained for GOF that is 0.64, indicates that the overall fitness of the model is strong for the present study.

The data analysis algorithm in the PLS method shows that after examining the fitness of the measurement models, the structural model and the overall model, the research hypotheses can be examined and tested, and the research findings can be found. To test the hypotheses, the significance of the path coefficients has been used.

Each path coefficient in the PLS structural model can be considered as a standardized beta coefficient in the regressions of the least common squares. Paths whose algebraic sign is contrary to expectation, do not confirm the previously formed assumptions. Path coefficients must be considered in terms of sign, magnitude and significance.

Standard coefficients and significance numbers have been used to confirm or reject the research hypotheses. The results obtained from the conceptual research model are shown in Table 4.

**Table 4: Testing the hypotheses**

path	Path coefficients	T	P	result
ethical leadership → OCBs	0.15	2.228	p < 0.005	confirmed
ethical leadership → positive emotions	0.208	5.33	p < 0.005	confirmed
ethical leadership → negative emotions	-0.218	5.46	p < 0.005	confirmed
ethical leadership → positive emotions → OCBs	0.181	2.86	p < 0.005	confirmed
ethical leadership → negative emotions → OCBs	-0.432	3.74	p < 0.005	confirmed
Proactive personality → positive emotions → OCBs	0.229	1.13	p < 0.005	rejected
Proactive personality → negative emotions → OCBs	-0.329	4.336	p < 0.005	confirmed

As it can be seen in the table above; At 95% confidence level, given that the t-statistic value is greater than 1.96, it can be said that ethical leadership has a positive effect on employees' organizational citizenship behaviors. The standardized coefficient between the two variables shows that 15% of the changes in organizational citizenship behaviors are explained by ethical leadership. Ethical leadership

also has a positive effect on employees' positive emotions, and the standardized coefficient between the two variables shows that 20% of positive emotion changes are explained by ethical leadership. Ethical leadership has a negative effect on employees' negative emotions, and the standardized coefficient between the two variables also shows that

21% of negative changes in employees' emotion are explained by ethical leadership.

It should be noted that Variance Accounted For (VAF) statistics have been used to test the effect of the mediating variable on the fourth to seventh hypotheses. In fact, this ratio measures the indirect effect on the total effect.

$$VAF = \frac{a \times b}{(a \times b) + c}$$

Where in:

a: is the value of the path coefficient between the independent variable and the mediator

b: is the value of the path coefficient between the mediating and dependent variables

c: is the value of the path coefficient between the independent and dependent variables

Sobel's test was also used to test the significance of the mediating effect of a variable on the relationship between the two variables.

$$Z\text{-value} = \frac{a \times b}{\sqrt{(b^2 \times s_a^2) + (a^2 \times s_b^2) + (s_a^2 \times s_b^2)}}$$

Where:

$s_a$ : is the standard error related to the path between the independent variable and the mediator

$s_b$ : is the standard error related to the path between the mediating and dependent variables

Therefore, according to Table 5, through positive emotions, ethical leadership has a direct positive effect of 0.18 on organizational citizenship behaviors. As shown in the table; at the 95% confidence level, given that the t-statistic value is greater than 1.96, it can be said that through positive emotions, ethical leadership influences organizational citizenship behaviors.

It can also be said that through negative emotions, ethical leadership influences organizational citizenship behaviors. And the level of this negative effect on organizational citizenship behaviors is 0.43. The proactive personality of employees does not affect the behaviors of organizational citizenship through positive emotions, but through negative emotions, this personality of employees affects the behaviors of organizational citizenship.

## Discussion

The research results showed that ethical leadership affects organizational citizenship behaviors. Ethical leaders engage in interactive conversations with employees, where they listen to employees' concerns and ideas, and provide constructive, balanced, and fair feedback. It can be said that by showing honesty and respect, in relationships and interactions, as well as involving employees in decisions and trusting them, these leaders create a context for employees to feel valued and effective. Through changing the structure of tasks, workflows, policies, and procedures governing workplace behavior, an ethical leader can directly influence the environment, and facilitates organizational citizenship behavior. Some experts (2) also show that there is a positive relationship between ethical leadership and organizational citizenship behaviors.

Ethical leadership influences organizational citizenship behaviors through positive and negative emotions. Ethical leaders are actively giving and receiving feedback from others, including employees, in order to reduce ethical ambiguities in the workplace. Such interpersonal relationships and their development based on ethics can pave the way for strengthening organizational citizenship behaviors. The proactive personality of employees affects organizational citizenship behaviors through negative emotions. When employees' proactive personality is high, they constantly follow what they think is the best way to do things, and turn away from their ideas, and if they see something that they don't like, they keep changing, (24). Research on people with proactive personality shows that they actively shape and manipulate the environment, and tend to create better coping strategies to deal with situational limitations (25, 26). Therefore, proactive people are more likely to focus on minimizing the negative impact of negative aspects of work life (i.e., low ethical leadership) in order to reinforce the positive impact. Since these people are looking for desirable experiences and results from work, they are actively trying to cope with situational limitations.

Given the impact of proactive personality on employees' organizational citizenship behaviors, it is

suggested that managers and officials take steps to strengthen proactive personality in employees, formulate organizational instructions and laws in line with the expansion of comprehensive knowledge in the organization, and have the necessary flexibility to provide the employees with opportunities for learning job skills and abilities. And avoid passing and enactment of cumbersome and restrictive traditional rules that further limit individual skills acquisition, as well as reducing the motivation and psychological inclination of employees to empower. Instead, managers should always strive to create an organizational culture, full of knowledge and intelligence resulting from receiving and learning the required professional and job skills.

Also, questions 1 and 5 of the proactive personality questionnaire have a lower factor load than other indicators, so considering that these indicators are in the dimensions of challenging the current situation and correcting unfavorable situations, the necessity of encouraging and motivating employees is very important for beneficial change in the organization, and this requires a context in which employees feel free to act, and to be able to express their new views or ideas, or to question current beliefs and practices.

Also, considering the effect of ethical leadership on organizational citizenship behaviors through the active personality of followers, it is suggested that in addition to playing the role of ethical leadership and behavioral model; the managers of the organization, reconsider the quality of their interactions with employees, and avoid paying too much attention to low-quality interactions based on economic interests, administrative hierarchy, and contractual relationships, and instead they had better turn to high-quality interactions based on social mechanisms which emerge in the form of mutual trust and respect. In this way, by giving the field to the proactive personality in the employees, managers will witness the increase of the organizational citizenship behaviors of the employees.

## Conclusion

The focus of the present study was to test the moderating role of employees' proactive personality on the relationship between ethical leadership and emotions (both positive and negative) and its carry-over effect on OCBs. We also examined a moderator of the emotional mechanism that links ethical leadership to employee OCBs. Based on the results, organizations can use personality variables in selecting employees to reduce or overcome the negative impact of low levels of ethical leadership. For example, when hiring people, they can consider proactive personality traits. Organizations can also benefit from training interventions designed to increase the level of active personality of employees. Although individual characteristics are relatively stable, evidences suggest that educational interventions can reinforce preventive behaviors.

## Ethical Consideration

In this research, by citations and introducing the sources used, the ethical principle of scientific trustworthiness and respect for the intellectual rights of the authors of the works is considered respectable. In this study, the ethical principles of informed consent, privacy, anonymity of respondents and confidentiality of information about the subjects of research have been observed.

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