

Ethical Leadership, Leader Member Exchange and Turnover Intention among employees of
Century Bottling Company, Namanve

Margaret Nannyanzi

2018/HD03/756U

A Dissertation Submitted to the School of Psychology in Fulfilment for the Award of a
Master of Organisational Psychology of Makerere University

January, 2023

Declaration

I Margaret Nannyanzi, hereby strongly declare that this is my original work, and has not been presented elsewhere for any academic qualification.

Signature: Nannyanzi Date 17/01/2023

Margaret Nannyanzi

Approval

This dissertation entitled "Ethical Leadership, Leader Member Exchange and Turnover Intentions among employees of Century Bottling Company" was prepared and submitted by Margaret Nannyanzi in partial fulfillment of the requirements for the Masters in Organisational Psychology and has been examined and is recommended for acceptance and approval.

Supervisor

Signature Simon Nantamu Date 17/1/23

Dr. Simon Nantamu

Supervisor

Signature [Signature] Date 17/1/23

Dr. Martin Baluku

Dedication

This study is wholeheartedly dedicated to my family that has been my source of inspiration and strength.

Acknowledgment

I appreciate everyone who contributed towards the successful completion of this work. I am forever indebted to you for all your effort and may the good Lord reward you abundantly.

To my lecturers, Dr. Simon Nantamu and Dr. Martin Baluku, who relentlessly guided me during this study and shared their advice and encouragement to enable me to finish the study.

To my classmates and lecturers who made my stay at the school very comfortable, whilst offering their unwavering support whenever I needed it. May the good Lord continue to bless you.

To my mum and sister who encouraged me in the difficult moments, supported me financially and prayed for me. May your efforts not be in vain.

To my partner Derrick Biraro who encouraged me to pursue this Masters degree and painted a picture full of opportunities in the future in a bid to encourage me in the challenging times. You are truly heaven sent.

Table of Contents

| | |
|--|-----------|
| Declaration..... | i |
| Approval | ii |
| Dedication..... | iii |
| Acknowledgment..... | iv |
| Table of Contents..... | v |
| List of Tables | viii |
| List of Figures..... | ix |
| Abstract..... | x |
| Chapter One:Introduction | 1 |
| Background..... | 1 |
| Problem Statement..... | 4 |
| Purpose..... | 4 |
| Objectives | 4 |
| Scope..... | 5 |
| Significance..... | 6 |
| Conceptual Framework..... | 8 |
| Theoretical Framework..... | 8 |
| Chapter Two:Literature Review | 11 |
| Introduction..... | 11 |
| Ethical Leadership | 11 |
| Leader Member Exchange | 12 |
| Turnover Intention | 14 |

| | |
|--|-----------|
| Ethical Leadership and Leader Member Exchange | 15 |
| Leader -Member Exchange and Turnover Intention..... | 17 |
| Ethical Leadership and Turnover Intention | 19 |
| The mediating role of Leader -Member Exchange on Ethical Leadership and Turnover Intention. | 21 |
| Hypotheses..... | 22 |
| Chapter Three:Methodology | 23 |
| Introduction..... | 23 |
| Research Design..... | 23 |
| Population | 23 |
| Sample size and Sampling Technique | 24 |
| Instrument and Measurement..... | 24 |
| Procedure | 24 |
| Quality Control | 25 |
| Data Management | 27 |
| Data Analysis | 28 |
| Ethical Considerations | 28 |
| Chapter Four:Results | 30 |
| Introduction..... | 30 |
| Sample Characteristics..... | 30 |
| Testing of hypotheses using Pearson Correlational Coefficient | 33 |
| Mediating effect of Leader Member Exchange on the Relationship Between Ethical Leadership and Turnover Intentions | 34 |

| | |
|---|-----------|
| Chapter Five: Discussion, Conclusion and Recommendations | 37 |
| Introduction..... | 37 |
| Ethical Leadership and Leader Member Exchange | 37 |
| Leader Member Exchange and Turnover Intentions | 39 |
| Ethical Leadership and Turnover Intention | 41 |
| Conclusion | 45 |
| Recommendations..... | 46 |
| Limitations of the Study..... | 48 |
| References..... | 49 |
| Appendix 1: Questionnaire | 61 |

List of Tables

| | |
|---|----|
| Table 1: Reliability Coefficient | 27 |
| Table 2: Demographics of respondents..... | 31 |
| Table 3: Pearson Product Moment Correlation of Ethical Leadership, Leader Member Exchange and Turnover Intentions. | 33 |
| Table 4: Regression analysis showing the extent to which leader member exchange mediates the relationship between ethical leadership and turnover intentions. | 35 |

List of Figures

| | |
|---|----|
| Figure 1: Conceptual framework showing the relationship between Ethical Leadership, Leader Member Exchange and Turnover Intentions. | 8 |
| Figure 2: Ethical leadership and Turnover intention mediated by Leader member exchange | 36 |

Abstract

This research examined the effect of ethical leadership on leader member exchange and turnover intentions among employees of Century Bottling Company guided by four key objectives which were; to establish the relationship between ethical leadership and leader member exchange, to find out whether leader member exchange and turnover intentions are related, to establish the relationship between ethical leadership and turnover intentions; and to find out whether leader member exchange mediates the relationship between ethical leadership and turnover intentions. A quantitative approach involving a correlational study design were employed using a sample of 242 respondents from Century Bottling Company, Namanve. Data was analyzed using Pearson correlation and linear regression. The results showed that there is a significant positive relationship between ethical leadership and leader member exchange ($r=.20^{**}$, $p<0.01$) implying that subordinates will have good quality relationships with leaders they recognize as ethical. The results continued to show that there is a significant negative relationship between leader member exchange and turnover intentions ($r= -.63^{**}$, $p<0.01$) implying that subordinates with a good quality leader member exchange with their leaders will have lower desires to quit their jobs. Also, the results showed that there is a significant negative relationship between ethical leadership and turnover intentions ($r= -.30^{**}$, $p<0.01$) implying that when subordinates perceive their leaders as not caring, untrustworthy, dishonest, unfair, their conscious desire to leave the organization increases. It was also found that leader member exchange partially mediated the relationship between ethical leadership and turnover intentions ($B= -.16$, $p=.000$), direct effect ($B= -.10$, $SE= .03$, $t= -3.61$, $p= .000$) and indirect effect ($B= -.06$, $SE= .02$) implying that a good leader member exchange between subordinates and their leaders reduces their desire to quit the organization if the leaders are ethical.

Chapter One

Introduction

Background

Century Bottling Company is a beverage bottling company based in Uganda but a subsidiary of Coca-Cola Beverages Africa (CCBA) which is one of the most admired non-alcoholic beverage brand overall during the Africa's Best Brands 2022 rankings (Business Focus, 2022). Century Bottling Company that was recently changed to Coca-Cola Beverages Uganda as per the Uganda Registration Services Bureau (URSB) in June 2022 has ethical leadership as one of its core values to foster a good leader-subordinate relationship and in the long run check its turnover levels (CBC HR Manual, 2019). CBC on a routine basis has the Country Management Team (CMT) value chats with employees where top leadership reminds groups of employees of the company's core values and how they can best be lived out as they execute and complete tasks. This creates an environment where employees can easily interact with their leaders leading and are inspired to grow within the company. As such, the combination of living the Company core values and a good leader-employee relationship has contributed to low levels of turnover among employees at CBC. This is evident in the monthly People & Culture Key Performance Indicators (KPI), which have shown a Year to Date (YTD) Staff Turnover of only 8.4% (CCBU People & Culture KPIs, 2022).

In recent years, high turnover among employees has been known to be one of the most costly and biggest challenges in many organizations with far lasting impacts (Alubelkassaw, 2018).Gayla (2021) stresses that turnover levels in organizations have steadily increased in the last ten 10 years which poses a big cost to these market players. Whether it is involuntary turnover such as termination due to consistent bad performance or voluntary such as resignations, an estimate by the bureau of Labour Statistics to replace an

employee summed up to \$13,996 per employee (O'Connell & Kung, 2005). The costs incurred by the organisations range from recruitment, selection, induction, training and most importantly loss of knowledge that the employees gained during their stay at the organization (Jha, 2009). In light of these discoveries, employers are now turning their attention to different mitigation strategies to reduce the turnover levels in their organizations (Alubelkassaw, 2018). Some of the strategies that are being adopted by organizations include fostering ethical leadership as a leadership style to reduce the gap between leader and subordinate and in turn lower turnover intentions among subordinates.

The term ethical leadership is described as the involvement in socially acceptable behavior through personal actions and social interactions, and the passing on of such conduct to the others in the organisation through two-way communication, reinforcement and decision making (Brown et al., 2005). Deducing from this definition, the two roles of an ethical leader are the moral person and the moral manager. The moral person represents the leader's ethical values while the latter represents the activities the leader undertakes to cultivate the ethical values into his followers (Shakeel et al., 2019). Some of the personal characteristics of the moral person dimension as reflected from results of interviews include honesty, trustworthiness, fairness, principled decision making and care for others (Trevino et al., 2000). The moral manager on the other hand with intent incorporates transfer of ethics and values to his followers in his/her duties by communicating these desired ethical values and rewarding those exhibiting them in order to create a culture that upholds ethics and accountability (Ahmad et al., 2017). Subordinates under ethical leaders receive fair treatment and trust from them which creates a high-quality social relationship or leader-member exchange (LMX) between them and their leaders (Brown et al., 2005).

The relationship between a leader and a subordinate in an organization plays a crucial role in the achievement of its set goals and targets (Karabey & Aliogullari, 2018). The quality

of this relationship between leader and subordinate/employee can be described in terms of the LMX theory (Dienesch & Liden, 1986). The LMX theory states that a leader will form relationships of varying quality with different subordinates (Liden & Graen, 1980). High quality relationships involve exchange of valued resources like mentorship, developmental opportunities and support from the leader to the employee (Erdogan & Bauer, 2015). On the other hand, low quality relationships lead to the employee feeling unappreciated, demotivated to go an extra mile in his/her duties and left out of decision making which eventually increases his/her desire to look for alternative employment (turnover intention).

Turnover intentions can be defined as an employee's conscious desire to seek for alternative job opportunities in other organisations than the one they're currently working for (Tett & Meyer, 1993). Turnover intention is an important construct as it is a basis for actual turnover behavior (Randhawa, 2004). This is precisely because turnover intentions have been identified to best predict the real turnover of employees (Michaels, 1982). From literature, turnover intention has been linked to several determinants including leadership styles (Ak, 2018).

The quality of the relationships between the leader and the member in the LMX theory has been noted to have implications on the employee (Lunenburg, 2010) and on the organisation as a whole (Babic, 2014). Job attitudes including turnover intentions have been shown to be influenced by LMX quality (Dulebohn et al., 2011). In other words, employees that have low quality relationships with their leaders will have an increased desire to quit the organisation while those experiencing a good quality relationship will have a lower desire to look for alternative employment (Kim et al., 2010). Erdogan and Bauer (2015) state that members with a low quality LMX with their leaders exhibit negative organisational behavior. This can be explained by the fact that members that the leader casts away into the out-group

stand to be left out in active decision making, open communication, confidence and consideration from the leader (Lunenburg, 2010).

Problem Statement

Employee turnover has been registered as a recurring and common problem in many organisations (Lornalinda, 2015). The costs associated with employee turnover could significantly impact an organisation and much more if uncontrolled (Blake, 2006). One of the major contributors to turnover intention among employees is unethical leadership (Elçi et al., 2012). A low-quality leader member exchange resulting from unethical leadership will lead to an increase in the turnover intentions of employees. This is because employees that do not have a good relationship with their leader are not motivated to stay in the organisation since they do not receive extra benefits like support, mentorship, career growth from their leader.

Purpose

The purpose of the study was to examine the relationship between ethical leadership, leader member exchange and turnover intentions among employees of Century Bottling Company, Namanve.

Objectives

This study pursued the following objectives;

1. To examine the relationship between ethical leadership and the leader member exchange.
2. To examine the relationship between leader-member exchange and turnover intentions.
3. To examine the relationship between ethical leadership and turnover intentions.
4. To examine the mediating role of leader member exchange on the relationship between ethical leadership and turnover intentions.

Scope

The sampling scope focused on employees of Century Bottling Company (CBC) located in Namanve because the researcher could easily have access to the study population. According to the CBC HR Manual, Century Bottling Company also has Ethical leadership as one of its values and the researcher wanted to confirm if this was one of the contributing factors to the low turnover levels of the organization as per the CBC People and Culture Key Performance Indicators.

The study was conducted in the year 2020 between June and December. This was a period when COVID 19 was relatively rampant in the country and therefore the Ministry of Health restrictions were adhered to during collection of data.

The study examined Ethical leadership (ID), LMX and turnover intentions. According to Brown et al. (2005) ethical leadership is when a leader demonstrates socially acceptable behavior through personal action and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making. Deducing from the definition, there are two dimensions of the ethical leader namely the moral manager and the moral person. Aspects of the moral person like integrity, openness to input, respect, and concern for others will be examined. Also, aspects of the moral manager like communicating the ethics and values message and using the reward system to reward ethical conduct will be measured.

LMX which is based on the LMX theory can be defined as the relationship between the leader and each subordinate considered independently (Graen & Cashman, 1975). The relationship can be of good quality or poor quality depending on the interpersonal relationship between the leader and the subordinate (Graen & Scandura, 1987). LMX was

examined basing on four aspects affect, loyalty, contribution and professional respect between member and leader.

Turnover intentions refer to the likelihood of an employee to leave the current job he/she is doing (Ngamkroeckjotia, 2012). High turnover intentions will result into a high turnover for an organisation which affects productivity, product and service quality and profitability. The effect of ethical leadership and leader- member exchange on turnover intentions will be examined.

Significance

The study is of significance to the researcher as it is one of the requirements for the successful attainment of the award of a Master of Organizational Psychology at Makerere University. For one to be awarded a master's degree at Makerere University, they should have successfully completed their research.

The study is of great significance to other researchers as it will contribute to the body of literature on Ethical Leadership, Leader Member Exchange and Turnover Intention in Uganda. Therefore, students and other researchers may be able to use this knowledge in subsequent research concerning the above variables. This can be attributed to the fact that the researcher will use a correlational research design aimed at establishing relationships between variables and providing more details about variables.

The study will provide insight to organizations concerning how ethical leadership among the different managers improves leader- member exchange between them and their direct reports and how this can help lower the turnover intentions among the employees. This may in turn lower organisational costs that come with high turnover of employees like recruitment, induction, training, among others.

Organisational leaders including managers and supervisors may use the information from the research findings to enable them to build a high-quality leader member exchange in order to lower turnover intentions in the respective organizations. A high- quality leader member exchange may not only benefit the organisation but also the leaders and their subordinates as well especially in terms of productivity and task accomplishment.

Conceptual Framework

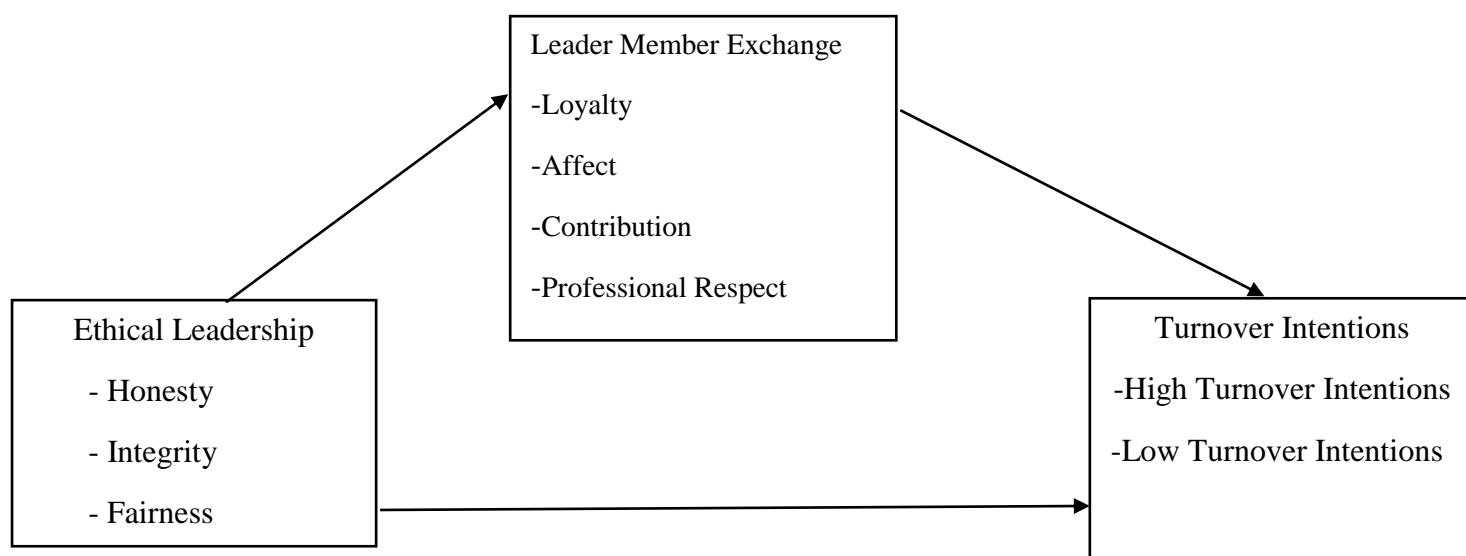


Figure 1: Conceptual framework showing the relationship between Ethical Leadership, Leader Member Exchange and Turnover Intentions.

When members perceive their leader to be ethical (truthful, honest), there will be an increase in the interaction between the members and their leader (LMX), enhanced employee loyalty to the leader and a willingness to do organisational tasks that go beyond the tasks of their formal job (Weiss & Shaw 1979). Given the other benefits that come with members having a good relationship with their leaders, the members' desire to look for alternative employment or leave their current job (turnover intentions) will be greatly reduced (Bauer et al., 2006)

Theoretical Framework

Social Exchange Theory treats social life as a process in which resources are exchanged through a process of reciprocity whereby one party repays the good or sometimes the bad deeds of another party (Gergen, 1969). The quality of these exchanges revolves

around the relationship between the two involved parties (Blau, 1964). Social exchanges are characterized by open-endedness, trust and flexibility (Organ,1988).

The Social Exchange process begins when an organizational actor (manager, leader, supervisor) treats the target individual (subordinate, employee, supervisee) in a negative or positive fashion (Eisenberger et al, 2004). These initial behaviors are referred to as initiating actions. Positive initiating actions may include activities that foster a good relationship between the parties such as providing organizational support (Riggle et al., 2009), justice/fairness (Cropanzano and Rupp, 2008), career guidance, active involvement in decision making, honesty and trustworthiness. Negative initiating actions might involve dishonesty/ untrustworthiness, incivility (Andersson and Pearson,1999), indifference, and exclusion in decision making. A leader practicing ethical leadership will have positive initiating actions like honesty, fairness in judgement, respect, integrity among others which in response will have subordinates reciprocating with positive responses which is a breeding ground for good quality relationships between the subordinate and the leader.

In response to the initiating action, the subordinate or employee may then choose to requite this treatment with good/bad behavior of his/her own (Eisenberger et al., 1987). Collectively the behaviors done in reciprocation are called reciprocating responses. Reciprocating responses can be categorized into relational responses and behavioral responses and one type often leads to the other.

A series of unsuccessful reciprocal exchanges are some of the building blocks of a low-quality social exchange relationship. An unethical leader, who deals with subordinates unfairly, is untrustworthy, and/or lacks integrity will attract bad/negative relational and behavioral responses from them. This means that the negative initiating actions will lead to bad relational responses from the subordinates like unwillingness to do extra work assigned

to them, deliberate poor performance, insubordination, activities which negate any chances of a good quality relationship between leader and subordinate. Consequently, those experiencing low quality social exchange relationships with their leaders will develop stronger desires to quit the organization (Meyer, 1997).

Chapter Two

Literature Review

Introduction

This chapter provides literature related to the study and shows both conceptual and empirical literature on the variables of the study and empirical literature on the relationships between the variables of the study namely the relationship between ethical leadership, leader-member exchange and turnover intentions. The chapter also shows the hypothesis stemming from the literature review.

Ethical Leadership

To be able to comprehend ethical leadership and its relationship with antecedents and outcomes, we must first uncover all its components (Brown & Treviño, 2006). Cuilla (2017) emphasizes that ethics and integrity is the gist of leadership and should be put at the forefront of each business/ organisation if its success and long term survival are to be expected. Ethical leadership being a construct of increasing relevance (Kar, 2014), many conceptualizations have been put forward but the popular definition by Brown et al. (2005, p.120) states that ethical leadership is “the demonstration of normatively appropriate conduct through personal action and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making.” From the definition stated, two main roles of an ethical leader are implied which include the moral person and the moral manager (Shakeel et al., 2019). The moral person refers to the ethical characteristics and values of the leader while moral manager encompasses the activities undertaken by the leader towards inculcating these values in the subordinates. With the supervision of the manager, followers imitate their leader’s actions and therefore will have a significant impact on subordinates’ ethical behaviors and conduct (Mayer et al., 2012).

Cumbo (2009) defines ethical leadership by focusing on the leader and his actions. The leader's decisions are a reflection of his/her inner ethical values and therefore decisions that weigh on the wrong side of the moral scale reflect low possession of ethical values by the leader. When a leader feels empathetic, compassionate, honest then these values will most likely be expressed outwardly towards his subordinates through speech and actions. Darcy (2010) adds to this concept and emphasizes that ethical leadership is not about process but a way of carrying oneself and making the right choice. Therefore, individual characteristics of a leader in line with ethics will grant him a seat on the ethical leaders table perceived by subordinates. King (2008) after observing different managers in industries noted eight ethical values which include; honesty, loyalty, dedication to purpose, benevolence, social justice, strength of character, humility, and patience. Hence ethical leadership is an important construct in organisations and can cause a ripple effect in many organisational outcomes.

Leader Member Exchange

Organisational literature has found that leaders have a substantial effect on the way employees behave, their attitudes, both positive and negative employee outcomes (Agarwal et al., 2012). According to the LMX theory, leaders will deal with the various subordinates with different leadership styles (Lunenburg, 2010). This is because they are limited by power, resources, and time within the organisation (Bauer & Green, 1996). Consequently, varying qualities of relationships are created between the leader and the subordinates (Liden & Maslyn, 1998). A leader will establish a relationship of an in-group or out group nature with a member of the organization in the initial times of the dyadic relationship (Lunenburg, 2010). These relationships develop quickly and remain stable over time (Hofmann et al., 2003).

Subordinates will hence be treated by the leader depending on whether they belong to the in-group (high quality relationship) or the out group (Lunenburg, 2010). Members of the in-group enjoy a non-contractual relationship with their leader and in many aspects enjoy the

benefits of job latitude while those in the out-group are supervised within the boundaries of their formal employment contract (Lunenburg, 2010). In-group relationships have several benefits on the side of the subordinate including, career development mentoring, positive performance and evaluation (Breukelen et al., 2006) open communication and trust (Bauer & Green, 2015). As a result, leaders get subordinates with better performance ratings, higher levels of job satisfaction, organisational commitment and lower levels of employee turnover (Gerstner & Day, 1997). Low quality relationships on the other hand are morphed by fewer interactions, less rewards, poor quality affiliations, less trust (Wilhelm et al., 1993). These kinds of relationships have a high probability of birthing poor performers (Janssen and Yperen, 2004) weak organisational commitment (Kinicki and Vecchio, 1994), and low job satisfaction (Schriesheim et al., 1998).

There are three dimensions of LMX as examined by Dienesch and Liden are loyalty, affect, contribution and professional respect (Maslyn & Uhl-Bien, 2001). The loyalty dimension describes how both the leader and member publicly support each other's actions and character. (Karabey & Aliogullari, 2018).

Affect is interaction between individuals is hardly possible to initiate where there is no mutual attraction (Baş et al., 2010). Dinesch and Liden (1986, p.625) defined affect as "the mutual affection members of the dyad have for each other based primarily on interpersonal attraction rather than work or professional values". This is the concept that makes the other party appear attractive and form the interaction.

Contribution dimension explains the fact that there are mutual benefits that both leader and member obtain in the leader member exchange process (Deluga & Perry, 1994). Members will exhibit extra work and performance while expecting their leaders to provide extra support and access to organisational resources (Liden & Maslyn, 1998).

Liden and Maslyn (1998, p.50) defined professional respect as “the perception of the degree to which each member of the dyad has built a reputation, within and/or outside the organization, of excelling at his or her line of work.” Each party’s respect for the other’s former works within or out of the organisation, the comments about these works, and the reputation is a yardstick in the development of the authenticity and the quality of the relationship between the leader and the member (Bolat, 2011; Liden & Maslyn, 1998).

Turnover Intention

Much as the relationships of the predisposing factors to turnover intentions are focused on only after a turnover has occurred, the best way to deal with turnover is by finding the root causes of exhibited turnover behavior (Oh & Kim, 2019). Johnsrud (2002) argued that studying the turnover behavior poses some difficulty as tracing members that have already left and getting responses from them is hard. In response to this, focusing more on turnover intentions which can predict actual turnover among current employees can help organisations find ways to ways to mitigate the issues raised which in turn will reduce actual turnover (Seo et al., 1995).

Turnover intention can be defined as an individual’s intention to voluntarily resign from his/her job (Seo et al., 1995) and is better examined when it is interpreted through the lens of the nature of the employer’s organisational management (Hann et al., 2010; Zhang & Feng, 2011). Research done by the different scholars has showed that turnover intention is as a result of several push or pull factors sometimes referred to as external or internal factors (Puteh & Arshad, 2015). Internal antecedents could be leadership style and workplace environment while external antecedents could be alternative employment opportunities (Elci et al., 2012). They also added personal antecedents like dissatisfaction of the job. Turnover intentions develop within employees who feel stressed or dissatisfied with their employer. According to Chan et al. (2016), turnover intention is representative of an organisation’s

incompetence because of its inability to create an environment where employees can feel content.

Ethical Leadership and Leader Member Exchange

Ethical leadership is an important aspect which is thought to have an effect on the quality of relationship between the leader and the member (Karabey & Aliogullari, 2018). Leadership that encourages relationship building and considers ethical burdens and responsibilities will not only influence the working lives of the leaders but also of the people around them (Babic, 2014). The quality of the relationship between the leader and subordinate will be determined by the qualitative characteristics of the exchange between the two. This is based on the nature of the working relationship between a leader and their subordinate as opposed to a personal relationship or friendship and therefore the ethical values of the leader are assessed with a professional perspective of an individual subordinate (Anubha & Kanika, 2008). Relationship building will depend on if certain ethical values like trust, honesty and trustworthiness are being exhibited by the leader though the lens of the subordinate who is the assessor in the initial stages of interaction.

Ethical values are considered as the qualitative characteristics that contribute to a high LMX in ethical leadership. A high degree of merging between the leader's value system and the member's (ethical congruence) will lead to a high LMX (Babic, 2014). If the values the subordinate perceives as ethical are the ones being practiced by the leader, then the two are more likely to build a high quality LMX. Babic (2014) pointed out that if members perceived their leader as trustful and honest, they would align their values in line with their leader's. Graen and Scandura (1987) suggested that another explanation for the different quality of relationships created in a leader-member dyad is role development. The leader weighs in on who of his subordinates are competent and motivated through the way the different assignments he gives are accomplished. Those that do well in these assignments are given

incentives by the leader. How the subordinate perceives the assignment will define the quality of interaction between the leader and member. Therefore, leaders are required to have the essential ability of sensitivity to interests and concerns of the followers.

LMX is an indicator of the quality of relationship or exchange between the leader and the member and has been tested as a variable to explain ethical leadership's impact on employees' performance (Walumbwa et al., 2012). Burns (1978) highlighted that ethical leadership requires engagement with employees which process also requires identification of personal values and aligning them with the ever-changing corporate values. When the leader's personal values are in line with the corporate values of the organization, it becomes easier for the leader to pass on these same values to the members and hence creating a high LMX. Consequently, a high-quality leader-member relationship is a much desired outcome of ethical leadership (Babič, 2014), which makes it a requirement for ethical leaders to be on the lookout for the needs of the employees (Black, 1985).

A study was conducted by Karabey and Alioqullari in 2018 on a sample of employees of Teknokent and 2 leading hotels in one the provinces of Turkey. Of the 68 firms employing a total 122 people in the Tecknokent, 59 firms (90 employees in total) agreed to participate. Out of the 155 employees of the 2 hotels, 122 participated in the survey. The study was to establish the impact of ethical leadership on member's creativity and career success through LMX. Among the hypotheses to be tested was whether ethical leadership perception of the member had a positive effect on their LMX perception. The results revealed that as an employee's ethical leadership perception of their leader increased, their LMX increased as well. Among the many conclusions of the study was that working with ethical leaders brings close interaction between employee and the leader and a willingness to do organizational tasks that go beyond the tasks of their formal job.

Leader -Member Exchange and Turnover Intention

Researchers have found that employees who perceive low quality relationships with their leaders in general have higher intentions to quit than those with high quality relationships (Bauer et al., 2006). An employee will see the hopes of their career advancement dwindling because of the poor relationship between them and their manager and therefore will most likely opt out in order to have a fresh start elsewhere. This is because an employee belonging to the out -group will not get much support and other resources from their leader beyond the contractual agreement like unlike those in the in-group (Maslyn & Uhl-Bien, 2001). Being in the out- group relationship is characterized by less trust, less support, negative performance appraisals, less commitment and fewer rewards (Wilhelm et al., 1993). With this kind of environment, the employee's productivity will drop along with their desire to stay in the organisation.

According to Hui et al.(1999), organisations where workers experience high quality LMX relationships have employees that display more positive job attitudes. Ballinger et al. (2010) found that subordinates with a good quality LMX develop strong attachments with their leaders and this eventually diminishes their turnover intentions and leads to skill retention. This implies that the quality of LMX between the leader and the member in some cases has a direct and negative relationship with turnover intentions which is a crucial organisational problem (Özdevecioğlu, 2015). Given the fact that there are many factors in literature that have been named as contributors to LMX quality, leadership style has been found to be the most prominent. The way a leader treats, interacts and instructs his team will in one way or another influence their turnover intentions by either increasing or decreasing them. This brings us to the discouraging fact that many firms take turnover intention as a normal workplace culture and hence do nothing to fix it (Kim et al., 2010).

LMX is usually measured using the LMX -7 instrument developed by Scandura and Graen in 1984. Each item has five anchored response choices with unique anchors suitable for each item (Yukl et al., 2013). Sample items include (a) how well does your boss understand and appreciate your talents and potential, (b) how much confidence does your boss have in your ability to do the work (c) how willing are you to do extra work to help your boss deal with a difficult problem (d) how would you describe the relationship between you and your boss?

Most empirical findings from the different studies support the existence of a negative relationship between LMX quality and turnover intention. For example, meta-analysis done by Griffeth et al. (2000) shows that the relationship between LMX quality and actual turnover is generally negative ($p = -.23$, $SD = .114$). This shows that low quality relationships with leaders increases subordinates' intentions to voluntarily leave organisations. However, other studies sighting sample specific differences have not replicated the negative relationship between LMX and turnover intention (Breukelen et al., 2006). A recent study by Harris et al. (2005) showed that the relationship between LMX quality and turnover intention might be expressed as a U-shaped curvilinear relationship as opposed to strictly linear (Kim et al., 2010). This is explained by the fact that subordinates with a low quality LMX perceive their job negatively and are being pushed out of the organisation while those with a high LMX having good performance appraisals are being pulled away to better opportunities outside the organisation.

Collins (2007) on the other hand emphasized that there was a likelihood for an inverted U-shaped curvilinear relationship between LMX and turnover intentions for restaurant employees. This meant that restaurant employees with low quality LMX were less likely to quit their jobs because they had lower expectations of finding alternative employment (Kim et al., 2010). However, after Harris et al. (2005), Collins (2007) carried out

further regression analysis which produced a coefficient value for the quadratic term that was significant and negative but those for the linear and cubic terms were not. From the results Collins (2007) contended that the relationship between LMX and turnover intentions is equivocal.

Ethical Leadership and Turnover Intention

At the work place, Brown et al. (2005) emphasized that ethical leadership is an influential factor in any organisation as it affects employee attitudes and ultimately the organisation's image. This also means that ethical style of leadership in the organisation has been noted to greatly influence how employees perceive the job and the organization (Ruiz et al., 2011). In the event that the ethical climate of an organisation is poor because of unethical behavior among leaders, employees will perceive their jobs and the organisation negatively prompting them to look elsewhere. In the theory of ethical leadership, Brown et al., (2005) stated that the responsibility of the ethical leaders of encouraging good job attitudes and behaviors of their subordinates should not be underestimated in organisations. Ethical leaders in their role model aspect develop ethical behavior among their subordinates and as such unethical behavior among leaders if not checked damages ethical leadership perception of subordinates (Yurtkoru et al., 2018).

Ethical leadership has been linked to several organisational outcomes including turnover intention (Ghaahroodi et al., 2013). For example, Kima (2011) found ethical leadership to have a significant positive relationship with positive organisational behavior and attitudes like an increased willingness to do extra voluntary work and reduced turnover intentions. The results from the data analysis showed that an increase in ethical leadership perception of members reduced their turnover intentions which amplified the organisation's competitive edge against other organisations. Wong and Laschinger (2015) noted that employees who perceive ethical behavior in the organisation will grow fonder of the

organisation and find ways stay and grow. Leaders high on ethical leadership participate in transparent and open communication while fostering ethical conduct by subordinates through recognition and reward (Brown et al., 2005). This makes the bond between the ethical leader and the subordinate stronger making the work environment more pleasurable hence increasing commitment and reducing turnover intention (Mulki et al., 2007). In addition to this Katz and Khan (1967) revealed that ethical leadership is important during organisation operations because in firms operating within a high-power distance culture, ethical leaders are more likely to develop emotional ties with employees. Consequentially, more positive effects on job's response from employees will be realised (Ruiz et al., 2011).

When employees perceive fair ethical treatment from their leaders, they feel secure and supported (Valentine et al., 2006), fairly treated (Treviño et al., 1998) and feel that their primary requirements have been taken care of (Neubert et al., 2009). Also, psychological bonds may be established between employees and managers which may lead to a stronger shared commitment between them to obtain joint welfare (Barnett & Schubert, 2002). When leaders engage in ethical leadership, subordinates in alignment will show positive job attitudes and behaviors henceforward reducing their likelihood of quitting the job for alternative employment (Shafique et al., 2018).

A study was conducted by Yurtkoru et al. (2018) to examine the extent trust in leader and ethical climate affect turnover intentions among banks located in Istanbul. 571 private bank employees and 535 from public banks participated. Turnover intention was measured with 3 items adopted from Mobley et al. (1979) while ethical leadership was measured using Brown et al.'s (2005) ten item scale. The results showed that there was a significant negative relationship between ethical leadership and turnover intentions among bank employees. However, the work done on this is limited and therefore the study is aimed at adding to the limited body of knowledge available.

The mediating role of Leader -Member Exchange on Ethical Leadership and Turnover Intention.

Although the mediating effect of LMX on Ethical Leadership and Turnover Intention has not been empirically studied, such a linkage can be evidenced by the mechanism of the exchange relationship. In the recent past, there has been an increasing research trend to use LMX quality as a mediator between leadership styles and workplace outcomes (Shusha, 2013). Fisk and Friesan (2012) reported evidence from an empirical study that suggested that the outcomes of particular leadership styles resulted from the dyadic relationship between subordinate and leader. In addition to this, the study on the mediating role of LMX done by Shusha in 2013 showed that LMX partially mediated the effect of specific leadership styles on work outcomes.

The leader is seen by his subordinates as a representative of the organization since he has formal authority over them (Schyns et al., 2005). Therefore, subordinates perceive any of the leader's actions as those of the overall organization. The leadership style the leader applies in leading the team has different consequences to the workforce motivation and provides subordinates with different work related experiences (Wasti, 2008). When subordinates receive these messages, they each generate different perceptions, which they generalize to the entire organization that subsequently determines the subordinates' attitude and behavior such as turnover intentions (Sahin, 2012).

For example, when a leader applies the ethical leadership style, subordinates might perceive him/her as honest, trustworthy, fair which leads to high quality LMX. Subordinates with high quality LMX can efficiently and effectively communicate with their leaders and have their supervisor's support, engagement and consideration. In return, subordinates repay these benefits by displaying desirable behaviors such as decreased turnover (Cohen, 1992).

Consequently, from this perspective, ethical leadership style will first influence subordinates perception of exchange relationships and subsequently further modify their desire to leave the organization. Hence, in the present study, it is proposed that LMX mediates the relationship between Ethical Leadership and Turnover Intentions.

Hypotheses

In this study, the following hypotheses were tested:

1. Ethical leadership will have a significant positive relationship with Leader-Member Exchange.
2. There will be a significant negative relationship between Leader Member Exchange and turnover intentions.
3. Ethical leadership will have a significant negative relationship with turnover intentions.
4. Leader Member Exchange will mediate the relationship between ethical leadership and turnover intentions.

Chapter Three

Methodology

Introduction

This chapter covers the methodology that was followed during the study and includes the study design, sample size and sampling technique, instruments and measures, procedure, data management and data analysis, ethical considerations and anticipated problems or limitations.

Research Design

The study used a correlational research design under the quantitative approach. Quantitative approach was used to enable the researcher quantify relationships between variables among employees of CBC. The correlational research design was used because the researcher sought to describe variables and the relationships that occur naturally between and among them and was therefore the best for this kind of study (Sousa et al., 2007). In addition, this research design enabled the researcher to get more insight on variables and their relationships on top of their descriptions.

Population

The research was conducted among employees at Century Bottling Company, Namanve, estimated at 677 permanent employees (CBC Human Resource Manual) from across all departments. Century Bottling Company has over the years emphasized Ethical leadership as one of its core values and over the years has seen decreasing levels of turnover as they stand at 8.4% year to date as per the People and Culture KPIs of November 2022. The research aims to substantiate any relationship if any between ethical leadership and turnover intentions among employees. Century Bottling Company Namanve has five departments with

varying numbers of employees namely; Warehouse and Distribution-130, Manufacturing-320, Fleet & CDE -50, Sales & Marketing- 240, Administration- 27.

Sample size and Sampling Technique

Using Krejcie and Morgan (1970) table for sample size determination, the sample size was determined. Using this table, the sample size was found to be 242 employees distributed between shop floor and middle level workers from the different departments.

For each department, quota sampling was used because there are different departments with varying numbers in each and to also ensure that even the departments with small numbers were well represented. Quota sampling can be described as a non-probability sampling method where researchers form a sample of individuals who are a good representation of a large diverse population (Simkus, 2022)

Instrument and Measurement

A structured self-administered questionnaire was used to obtain information from the respondent. The instrument had four sections A, B, C and D.

Section A had Bio data, Section B was to measure aspects of ethical leadership, Section C measured leader-member exchange and section D measured turnover intentions. Leadership Questionnaire (ELQ) with 15 items (Yukl, Mahsud, Hassan and Prussia 2013). This instrument's reliability was found to have an alpha of 0.96 and measures ethical leadership in terms of ethical leadership attributes like honesty, integrity, fairness, altruism, consistency of behaviors with espoused values, communication of ethical values and providing ethical guidance (Yukl et al., 2013). Higher scores meant the subordinate's leader was high on ethical leadership. LMX was measured with the LMX-7 instrument developed by Scandura and Graen in 1984 with a reliability alpha of 0.91 (Yukl et al., 2013). Each item had five anchored response choices with unique anchors that are appropriate for the item.

Higher scores meant that the subordinate had a high quality LMX with their leader. Turnover Intention was measured by a questionnaire, which adopted 3 items adopted from Walsh, Ashford, and Hill (1985) and other 3 items adopted from Roodt (2004). The items describe the different activities done as people seek for alternative employment. Higher scores show a lower desire for the employee to quit while lower scores indicate a higher desire for the employee to leave. The reliability of this scale was measured at an alpha of 0.88 (Nantamu, 2016).

Procedure

An introductory letter of the research to Century Bottling Company Namanve was obtained from School of Psychology, Makerere University. The letter was taken to the Human Resource department in the organisation. The researcher explained to the Human Resource Supply Chain Manager about the research and its relevance to the leadership and the turnover levels in the organisation. With approval granted, the researcher then approached the respective employees of the various departments, introducing herself and explaining what the research was about and how it would benefit them. Thereafter, the researcher issued out the questionnaires and guided them on how to fill them giving them a day's space to complete them.

Quality Control

To guarantee quality assurance of the instruments, validity and reliability was taken into consideration. Validity was assured by adopting pre-existing standardized measures in addition to using the expert opinion from my supervisor. The Ethical Leadership Questionnaire by Yukl has been used in some studies like the study of Ethical Leadership Perceptions and its Impact on Teacher's Commitment where the reliability was found to have a Cronbach alpha value of more than 0.7. The LMX-7 instrument developed by Scandura and

Graen has been used in other studies like the study done by Scandura and Graen on the moderating effects of a leadership intervention and Cronbach alpha value was found to be 0.86 the first time and 0.84 the second time.

In this study, reliability was ensured by using reliability analysis to ascertain which items had a reliability coefficient of .70 after data had been collected in this study. A sample of the first 20 filled questionnaires was taken through reliability analysis using SPSSv.23 to ensure all three scales were reliable. Items with a Cronbach alpha of above .70 were retained while those falling short were deleted. In psychometric testing, tests must fall within the range of .70 and above in order for them to be considered reliable (Nunnally, 1978).

The table below shows the results of the reliability test.

Table 1: Reliability Coefficient

| Variables | Number of items | Cronbach's Alpha |
|--------------------|-----------------|------------------|
| Ethical Leadership | 15 | .922 |
| LMX | 7 | .945 |
| Turnover Intention | 6 | .926 |
| | 28 | .931 |

The alpha reliability was considered to be satisfactory as it was above .70 for all variables as Nunnally (1978) suggests.

Data Management

After collecting the data, I filtered, aggregated, and transformed it through editing, coding and tabulating. To allow for easy management, I also used SPSS version 23 to code data and information from the questionnaires.

Section A contained personal data information which included age, sex, highest level of education, time spent as a CBC employee, length of time under current supervisor, gender of immediate supervisor and the extent of satisfaction with current remuneration.

For age, 18-29 years was coded as 1, 30-39 as 2, 40-49 as 3 and 50 and above coded as 4. For Sex: Male =1 and Female =2. Highest level of education was coded as; Certificate=1, Diploma=2, Degree= 3 and Maters=4. Time spent as an employee of CBC was coded as; Less than 5 years =1, 5-10 years=2 and 10 and above =3. Length of time spent working under current supervisor was coded as Less than 5 years =1, 5-10 years=2 and 10 and above =3. Gender of immediate supervisor was coded as Male = 1, Female =2. Extent of satisfaction with current remuneration was coded as Absolutely dissatisfied = 1, Very dissatisfied =2, Dissatisfied =3, Neither satisfied nor dissatisfied =4, Satisfied =5, Very satisfied =6 and Absolutely satisfied =7.

Section B was Leadership and each item was coded as; Strongly Disagree =1, Disagree = 2, Neither Disagree nor Agree =3, Agree = 4 and Strongly Agree =5.

Section C was Leader Member Exchange and items were coded as Rarely/ Not a bit/Not at all/none/ Strongly disagree/ extremely =1, Occasionally/A little/Small/Disagree/Worse Than Average =2, Sometimes/ fair amount/ moderate/ neutral/average =3, Fairly Often/Quite a bit/Mostly/High/Agree/Better than average = 4 and Very Often/A great deal/Fully/Very High/ Strongly Agree/ Extremely Effective = 5.

Section D was Turnover Intention and items were coded as follows; Strongly agree=1, Agree=2, Not sure =3, Disagree=4 and Strongly disagree =5
Only one questionnaire was not returned and this was excluded from the data analysed making them only 241 respondents.

Data Analysis

The data was analyzed using the statistical package for social scientists (SPSS). Descriptive statistics were presented in a summarized frequency logical table, Pearson's Product Moment Correlation Coefficient (PPMCC) was used to analyse hypothesis 1, 2 and 3 while Linear regression analysis (PROCESS macro) was used to analyze the mediating effect of leader member exchange on the relationship between ethical leadership and turnover intentions.

Ethical Considerations

During collection of primary data, a cover letter accompanied the questionnaires giving reason and the intention of the study. The researcher followed the ethical guidelines from the process of distribution of questionnaires to the point of data analysis and warranted that consent was to be sought, confidentiality ensured, and that anonymity was guaranteed. The researcher verified that no offensive questions were part of the questionnaire. Informed

consent, confidentiality, did not subject participants to psychological harm or physical. Information was only used for research purposes. The researcher also followed COVID-19 standard operating procedures set by the Ministry of Health (Uganda) while distributing and collecting questionnaires to ensure safety of both respondents and the researcher.

Chapter Four

Results

Introduction

This chapter shows data presentation, analysis and interpretation of findings obtained from 241 questionnaires filled by respondents who were employees of Century Bottling Company, Namanve summarized in three sections. Section one presents descriptive statistics of the sample, section two presents results from the correlational analysis and section three presents regression analysis findings.

Sample Characteristics

This section includes respondents background information on age, gender, level of education, tenure, time spent under current supervisor, gender of immediate supervisor and level of satisfaction with remuneration as summarized in the table below.

Table 2: Demographics of respondents

| Demographic | | Frequency | Percent |
|---|------------------------------------|-----------|---------|
| Age group in years | 18-29 | 131 | 54.4 |
| | 30-39 | 105 | 43.6 |
| | 40-49 | 4 | 1.7 |
| | 50 & above | 1 | 0.4 |
| | Total | 241 | 100.0 |
| Gender | Male | 168 | 69.7 |
| | Female | 73 | 30.3 |
| | Total | 241 | 100.0 |
| Level of education attained | Certificate | 6 | 2.5 |
| | Diploma | 13 | 5.4 |
| | Degree | 197 | 81.7 |
| | Masters | 25 | 10.4 |
| | Total | 241 | 100.0 |
| Time spent as an employee | Less than 5 years | 121 | 50.2 |
| | 5-10 years | 88 | 36.5 |
| | 10 and above | 32 | 13.3 |
| | Total | 200 | 100.0 |
| Time spent under current supervisor | Less than 5 years | 227 | 94.2 |
| | 5-10 years | 13 | 5.4 |
| | 10 and above | 1 | 0.4 |
| | Total | 241 | 100.0 |
| Gender of immediate supervisor | Male | 192 | 79.7 |
| | Female | 42 | 20.3 |
| | Total | 241 | 100 |
| Level of satisfaction with current remuneration | Absolutely dissatisfied | 4 | 1.7 |
| | Very dissatisfied | 13 | 5.4 |
| | Dissatisfied | 62 | 25.7 |
| | Neither satisfied nor dissatisfied | 58 | 24.1 |
| | Satisfied | 96 | 39.8 |
| | Very satisfied | 8 | 3.3 |
| | Total | 241 | 100 |

From Table 2 above, majority of the respondents were in the 18-29 age group which represented 54% followed by 44% in the 30-39 age group, 1.7% belonged to the (40-49) age bracket and only 0.4% above 50. This implies that as people advance in years, they look for

other opportunities and new working environments and that the CBC work force is majorly made up of the youth.

The results also show that most of the respondents were male representing 70% and the remaining 30% were female. This implies that the male gender dominates the Coca Cola work force in Uganda.

The findings further reveal that the greatest number of respondents had attained a degree as the highest level of education representing 82% of the total respondents, followed by 10% who had masters as their highest level of education, while diploma had 5% and certificate had 2.5%. This implies that majority of the CBC workforce are not motivated in advancing education level hence having majority at the degree level. This could be attributed to a number of factors like pay, low career expectations among others.

Results in the above table also show that 50% of the respondents had worked for less than 5 years at CBC, 37% belonged to the 5-10 years group while only 13% had worked for 10 years or more. In other words, majority of the respondents had worked for less than 5 years at CBC. This implies that majority of the CBC workforce are relatively new employees.

In addition, majority of the respondents representing 94% had worked under their current supervisor for less than 5 years, 5% had spent between 5 to 10 years under their supervisor and only 0.4% had worked under their supervisors for 10 years or more. This implies that majority of the supervisors had just taken up new roles and also as reflected from the previous point that majority of the employees had been in the organization for less than five years.

Analysis from the table also discloses the fact that the greatest number of respondents had male supervisors representing 78% while only 20% had female supervisors. This is a building block to the fact that majority of the CBC workforce is dominated by males as reflected in the gender of the employees sampled.

Finally, the results above show that the highest number of respondents that were satisfied with their remuneration were 96 making up to 40%, 62 were dissatisfied representing 26%, 24% were neither satisfied nor dissatisfied, 5% were very dissatisfied, 3% were very satisfied while the least number of respondents totaling up to 2% were absolutely dissatisfied.

Testing of hypotheses using Pearson Correlational Coefficient

This section presents results from the Pearson correlational coefficient, which was used to test the first three objectives and hypotheses. Analysis was performed using the SPSSV23. Below is a table showing results of the analysis.

Table 3: Pearson Product Moment Correlation of Ethical Leadership, Leader Member Exchange and Turnover Intentions.

| Variables | M | SD | 1 | 2 | 3 |
|---------------------------|-------|-------|--------|--------|---|
| 1. Ethical Leadership | 60.49 | 10.79 | - | | |
| 2. Leader Member Exchange | 25.41 | 6.07 | .20** | - | |
| 3. Turnover intentions | 16.70 | 5.80 | -.30** | -.62** | - |

Correlation is significant at 2-tailed where, **p < .01. ***p < .001. M= mean, SD= Standard Deviation, N= 242.

Results in Table 3 above show a significant positive relationship between Ethical leadership and Leader Member Exchange ($r=.20^{**}$, $p<0.01$). Therefore, hypothesis 1 which stated that there is a significant relationship between Ethical leadership and Leader Member Exchange is retained.

Findings in the Table 3 above also show that there is a significant negative relationship between ethical leadership and turnover intentions ($r= -.30^{**}$, $p<0.01$). Hence the alternative hypothesis that stated that there is a significant relationship between Ethical leadership and Turnover Intention is sustained.

Results in Table 3 above also confirm a significant negative relationship between Leader Member Exchange and Turnover Intentions ($r = -.63^{**}$, $p < 0.01$). The alternative hypothesis which stated that there is a significant relationship between Leader Member Exchange and Turnover Intentions is therefore retained.

Mediating effect of Leader Member Exchange on the Relationship Between Ethical Leadership and Turnover Intentions

Hypothesis four which was to examine whether leader member exchange mediates the relationship between ethical leadership and turnover intentions was tested using linear regression where Process Macro was used.

Findings are in the Table 4 on the following page;

Table 4: Regression analysis showing the extent to which leader member exchange mediates the relationship between ethical leadership and turnover intentions.

| | Leader Member Exchange | | | | | | Turnover Intention | | | | | |
|------------------------|--------------------------------------|------|-------|------|-------|-------|---------------------------------------|------|--------|------|-------|-------|
| | B | SE | t | P | LLCI | ULCI | B | SE | t | P | LLCI | ULCI |
| Constant | 14.87 | 3.76 | 3.96 | .000 | 7.47 | 22.28 | 42.00 | 2.85 | 14.73 | .000 | 36.39 | 47.62 |
| Age | -1.06 | .81 | -1.32 | .189 | -2.65 | .53 | -1.98 | .59 | -3.33 | .001 | -3.15 | -.81 |
| Sex | -.31 | .90 | -.35 | .729 | -2.09 | 1.46 | -.10 | .66 | -.15 | .884 | -1.40 | 1.20 |
| Education | 1.94 | .77 | 2.53 | .012 | .43 | 3.56 | -.92 | .57 | -1.61 | .109 | -2.04 | .21 |
| Tenure | .42 | .65 | .64 | .522 | -.87 | 1.70 | .52 | .48 | 1.09 | .278 | -.42 | 1.47 |
| Ethical Leadership | .10 | .04 | 2.70 | .007 | .03 | .17 | -.10 | .03 | -3.61 | .000 | .15 | -.04 |
| Leader Member Exchange | | | | | | | -.56 | .05 | -11.80 | .000 | -.66 | -.47 |
| Model Summary | R ² =.08, F= 3.85, p=.002 | | | | | | R ² =.46, F= 32.78, p=.000 | | | | | |
| Total Effect | | | | | | | -.16 | .03 | -4.56 | .000 | -.22 | -.09 |
| Direct Effect | | | | | | | -.10 | .03 | -3.61 | .000 | -.15 | -.04 |
| Indirect effect | | | | | | | -.06 | .02 | | | -.10 | -.01 |

The results above revealed that ethical leadership is significantly and positively related to leader member exchange ($B=.10$, $p=.007$) and turnover intention ($B=-.10$, $p=.000$). This means that for every one-unit increase in ethical leadership, there is an increase in leader member exchange by 0.10 and a decrease in turnover intentions by 0.10. Leader member exchange was also found to significantly but negatively relate with turnover intention ($B=-.56$, $p=.000$). This means that for every one-unit increase in leader-member exchange, turnover intentions decrease by 0.56. Leader member exchange also mediated the relationship between ethical leadership and turnover intention where the total effect was ($B=-.16$, $p=.000$), direct effect ($B=-.10$, $SE=.03$, $t=-3.61$, $p=.000$) and indirect effect ($B=-.06$, $SE=.02$). Therefore, the alternative hypothesis is maintained that leader member exchange partially mediates the relationship between ethical leadership and turnover intention among employees of Century Bottling Company, Namanve.

This is illustrated in the diagram below.

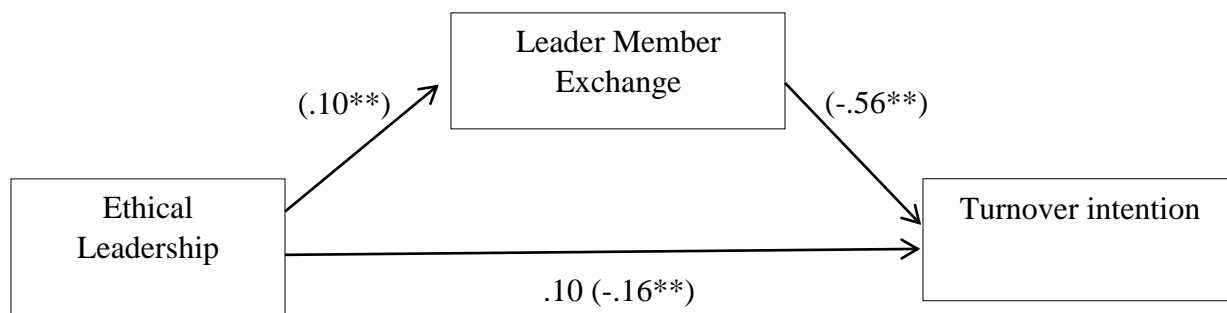


Figure 2: Ethical leadership and Turnover intention mediated by Leader member exchange

The figure above shows that there is a significant positive relationship between ethical leadership and leader member exchange. Leader member exchange is also shown to have a significant negative relationship with employees' intentions to leave. As seen above, leader member exchange significantly mediates the relationship between ethical leadership and turnover intentions.

Chapter Five

Discussion, Conclusion and Recommendations

Introduction

This chapter is concerned with the consequent discussion, conclusion, recommendations, and limitations according to the seven objectives and hypotheses of the study. It therefore will be presented in the following sections: discussion, conclusion, recommendations, and limitations.

Ethical Leadership and Leader Member Exchange

The first objective of the study was to examine the relationship between ethical leadership and leader member exchange among employees of Century Bottling Company, Namanve. The hypothesis stated that the ethical leadership perception of a member will have a significant positive relationship on the quality of the Leader-Member Exchange between a member and the leader among employees of Century Bottling Company, Namanve.

From the study, results indicate that there is a positive and significant relationship between ethical leadership and leader-member exchange. The findings imply that ethical leaders have high levels of leader - member exchange. These findings are congruent with results from a study by Karabey and Alioqullari (2018) which showed that ethical leadership positively affects LMX. They added that this is because working with an ethical leader increases the interaction between employee and the leader, enhances employee loyalty to the leader and a willingness to do organizational tasks that go beyond the tasks of their formal job/ as stipulated in their employment contract.

The results of this research are also in line with the findings of Babic (2014) who pointed out that if members perceived their leader as trustful, they would align their values in

line with their leader's thereby increasing the quality of the leader-member relationship.

Subordinates whose values are in sync with those of their leader will do more tasks than those in their job descriptions, go the extra mile, will have autonomy in their roles and will feel their opinions/decisions and presence valued. The leader in turn reciprocates this with good appraisals, offering opportunities for career advancement, career advice, salary raise, among others. In other words, ethical leadership automatically breeds a good leader member exchange.

These findings were also in line with those of Brown and Trevino (2006) who suggested that ethical leaders are moral persons who care about the greater good of the organization and the employees and therefore will practice what they preach, live out their values and focus on creating high quality relationships with their subordinates. In other words, when employees observe fair treatment and consideration from their leaders, they embark on establishing strong mutual support mechanisms and emotional ties with them thereby creating a transactional process of give and take between leader and subordinate. This is in alignment with the observational findings of Trevino et al. (2003) who argued that ethical leaders use transactional processes to reward ethical conduct or punish unethical conduct through avenues like standard setting, performance appraisals among others.

A significant positive relationship between ethical leadership and LMX also implies that a leader who exhibits ethical attributes and puts in place systems to transfer these to the subordinates will evoke ethics outcomes from the followers like honesty, willingness to report problems, affective trust and cognitive trust. Work related outcomes like leader's effectiveness, satisfaction with the leader and extra effort will also be show cased by subordinates presuming their boss as ethical. These behaviors in turn foster a high quality LMX between the leader and the subordinate as both parties seek avenues to benefit from and work with each other. The end

result of such a work environment within any organization is the creation of a highly productive and positive work environment conducive for employees to exhibit their full potential without holding back.

Leader Member Exchange and Turnover Intentions

The second objective of the study was to examine the relationship between leader-member exchange and turnover intentions among employees of Century Bottling Company, Namanve. The hypothesis stated that there would be a significant negative relationship between Leader Member Exchange and turnover intentions among employees of Century Bottling Company, Namanve.

The findings indicated that there was a negative and significant relationship between leader member exchange and turnover intentions. The study therefore retains the alternative hypothesis which stated that there would be a significant negative relationship between Leader Member Exchange and turnover intentions among employees of Century Bottling Company, Namanve. The findings imply that employees with a high-quality relationship with their immediate supervisor will have lower intentions of leaving the organization and the reverse is also true. This can be attributed to the fact these members enjoy benefits attributed to the high-quality relationship with their leaders for example career development mentoring, positive performance evaluation, open communication, and trust.

The results support the work of Özdevecioğlu (2015) who stated that the quality of LMX between the leader and the member has a direct and negative relationship with turnover intentions which is a crucial organizational problem. This can be explained by the fact that members experiencing low quality relationships with their leaders will have less interactions, no

involvement in decision making, less rewards and trust hence making their desire to leave the organization much stronger.

In the initial stages, the leader delegates and hands over tasks to subordinates as a way to assess their competencies. Those that perform well on these unstructured tasks will gain favor and get inducements from the leader as they work their way into the leader's in-group. One of the practical implications of this is that subordinates in organizations would do well to do the assignments handed to them by their leaders outstandingly as this comes along with high quality LMX. The compensations that come along with this will definitely lower a subordinates' desire to leave the organization.

The findings are also in line with Lee et al.(2010)who found that organizations where workers experience high quality LMX relationships, employees display more positive job attitudes. This is because employees who feel that they belong to the leader's in-group will desire to go the extra mile not only to impress the leader but also with the hopes of career enhancement, good appraisal scores as well as guidance and support from their leader.

However, the results of this study are not in line with those of Harris et al. (2005) who found a curvilinear relationship between LMX and turnover intentions which meant that employees with a high LMX and those with a low LMX would have high intentions to quit. The study suggested that those with a high LMX felt like they were being pulled away from the organization to other organizations because of their desirable attributes while those with a low LMX felt like they were being pushed out of the organization.

The results are also not in sync with those found by Collins (2007) who found a U-shaped curvilinear relationship between the two variables. The study explained that the members experiencing a low-quality relationship with their leader may have lower intentions to quit

because of lower alternative employment. This is because not many organisations would be open to take on an employee who is not progressing in their career because of little or no achievements in their current roles because of belonging to the leader's out-group.

High quality LMX in the different departments of an organization has a number of positive pragmatic outcomes like leadership effectiveness, satisfaction with the leader and employees' extra effort. These outcomes blur the subordinate's desire to quit the organization as they create a promising career environment. A subordinate with clear and clarified goals and receives personal outcomes from attaining them will put extra effort in the execution of his/her tasks in order to maintain the high quality LMX and will be satisfied with the leader which will certainly lower turnover intention.

Ethical Leadership and Turnover Intention

The third objective was to examine the relationship between ethical leadership and turnover intentions among employees of Century Bottling Company, Namanve. The hypothesis stated that ethical leadership had a negative relationship with turnover intentions among employees of Century Bottling Company, Namanve.

From the findings, ethical leadership was found to be significantly negatively related to turnover intentions ($r = -0.302$, $p = 0.001$). The study therefore retains the alternative hypothesis which stated that there would be a negative significant relationship between ethical leadership and turnover intentions among employees of Century Bottling Company, Namanve.

The findings imply that subordinates who perceived their immediate supervisors as ethical leaders had lower intentions to leave the organization and those who perceived their supervisors as unethical had higher intentions to quit. This is because ethical leaders make the

work environment pleasurable for employees since these leaders engage in open communication, transparency while encouraging ethical behavior from subordinates through recognition and reward. With all these in place coupled with the strong bond that develops between an ethical leader and subordinates, there will be a lower likelihood of employees desiring to quit the organization.

The findings are congruent with Mulki et al. (2008) who found that ethical leaders create a strong bond with employees because of ethical attributes displayed which in turn increases the followers' active involvement in the job and reduces their intentions to quit. This can be supported by the Social Exchange Theory which suggests employees will develop high quality relationships with those they frequently interact with and the higher the frequency of the interactions the better the quality of the relationship.

These results were also found to be consistent with the work done by Wong et al. (2015) who noted that employees who perceive ethical behavior in the organization will have less intention to leave. This is because with ethical leadership comes fair treatment, stronger psychological bonds, shared commitment between members and their leaders. When employees are treated in an ethical manner, they feel valued and appreciated a feeling that would make them desire to stay in such an environment.

Furthermore, the findings here between ethical leadership and turnover intentions are consistent with those of Benevene (2018) who found that employees working with ethical leaders experience pride which comes with the desire to continue to be associated with such an organization or working environment. This makes them feel that the work they are doing is more meaningful and for a greater good thereby increasing their desire to continue working with the organization.

Also, DeConinck (2014) explained a significant negative relationship between ethical leadership and turnover intentions in light of the fact that employees working with ethical leaders are inspired to have an increased responsibility towards the goals, mission and vision of the organization. This is due to the fact that they identify with the values of the organization and are more likely to find themselves emulating their ethical leaders, more dedicated to achieving their set goals and a with little or no desire to leave the organization.

Last but not least, the values expressed by an ethical leader like honesty, fairness, trustworthiness, walking the talk among others pull subordinates towards them because they feel a sense of trust towards these leaders. This cultivates strong inter-personal bonds between the two which are watered by subordinates striving to achieve clarified goals from their leaders who in turn reward the exemplary behavior. Employees with a good working relationship with their leaders will therefore be more focused on meeting what is expected of them within the organization than looking for other job opportunities elsewhere.

Discussion on leader member exchange as a mediator between ethical leadership and leader member exchange.

The fourth objective was to examine the extent to which leader member exchange mediates the relationship between ethical leadership and turnover intentions among employees of Century Bottling Company, Namanve. The hypothesis stated that leader member exchange would significantly mediate the relationship between ethical leadership and turnover intentions among employees of Century Bottling Company, Namanve. The findings indicated that leader member exchange significantly mediated the relationship between ethical leadership and leader member exchange.

Given the findings, the study retains the alternative hypothesis which stated that leader member exchange would significantly mediate the relationship between ethical leadership and turnover intentions among employees of Century Bottling Company, Namanve. The results imply that there is not only a significant relationship between leader member exchange and turnover intentions but also a direct relationship between ethical leadership and turnover intentions.

This is in alignment with (Mulki et al., 2008) who stated that by virtue of the fact that leaders display ethical leadership attributes, strong inter-personal relationships between leaders and subordinates are fostered which creates a pleasurable work environment. A favorable work environment characterized by great leader-member relationships in turn increases the subordinates' commitment and reduces their intentions to quit. This means that turnover intentions can be lowered by promoting ethical leadership among leaders and encouraging them to create high quality relationships with their subordinates.

These findings are also supported by the Social Exchange Theory which according to Blau (1986) revolves around the fact that one person will do another a favor while expecting a good future return whose exact nature may not be specified. Contextually put, when leaders exhibit ethical characteristics of both the moral manager and the moral person, subordinates will respond by trusting the leader, going the extra mile in their roles, doing unstructured work for the leader among others. The moral manager rewards ethical conduct of his subordinates and also outstanding performance of both the contractual and non-contractual roles thereby establishing a good relationship between the rewarded and the leader. These subordinates who are now part of the leader's in-group will have no intentions of quitting their jobs in view of a bright and promising future ahead.

Conclusion

According to the results of the research study, ethical leadership was found to be positively and significantly correlated to leader member exchange. Leader member exchange was found to be negatively and significantly related to turnover intentions. Ethical leadership was found to have a significant negative relationship with turnover intentions among employees of Century Bottling Company. It was also found that leader-member exchange significantly mediates the relationship between ethical leadership and turnover intentions among employees of Century Bottling Company.

This implies that Century Bottling Company should continue to foster ethical leadership among its leaders to increase high quality relationships between subordinates and leaders as this has shown from the results of this study to significantly lower turnover intentions among employees. In the end, the costs incurred due to the levels of turnover in the company will be significantly reduced as there won't be many high performing employees leaving the organization for other jobs.

Another major implication from this study is the importance of good quality relationships between the leaders and their subordinates. Leaders at CBC should therefore invest in establishing connections with their subordinates in a bid to foster a good work environment for both parties, encourage career growth and in the end lower turnover intentions. In this light, CBC has introduced one on one session between subordinates and their leaders which gives both parties an opportunity to open up to each other and discuss at all levels ranging from business goals to personal matters. This provides an opportunity for establishing a relationship between leader and subordinate.

Recommendations

This study has contributed to both theory and practice by answering the four objectives and hypotheses proposed in the Chapter 1 and 2 and therefore makes the following recommendations.

Top leadership of CBC should consider adding an ethical leadership training on the Learning and Development Calendar of leaders to train them on ethical leadership skills and behavior as this has been found to have a positive significant relationship with leader-member exchange and a negative significant relationship with turnover intentions among employees. Aspects such as transparent and open communication, honesty, trustworthiness should be instilled in those leading teams to boost the working environment of the employees and curb the turnover rate.

This study also recommends that employees should focus on having high quality relationships with their leaders as this comes with several benefits on the side of the subordinate including but not limited to career development, mentoring, positive performance evaluation (Deluga & Perry, 1994) open communication and trust. Employees should strive to be in the leaders in- group by doing their tasks on time, having pro-organizational attitudes, going the extra mile in execution of their contractual obligations and doing the unstructured tasks delegated by the leaders well and timely

The Human Resource Department of CBC should also consider revising the rewards and remuneration of the employees as a fairly big number from the respondents fell under the dissatisfied category and the neither satisfied nor dissatisfied. This means that although these employees might have a good relationship with their leaders, their desire to quit might also be influenced by their remuneration, as they are open to seeking opportunities with other

organisations that pay the same jobs/grade better. This should not only be limited to financial rewards but also other kinds of rewards that can motivate the employees. In this case, benchmarking with competitor organisations where those that resign usually go would go a long way in saving CBC recruitment costs.

Human Resource policies should take into account the different factors that affect employees' intentions to stay or leave and should be woven around these as they are a number ranging from leadership, remuneration and motivation activities. This study clearly shows that remuneration is not the solid influencing factor as some employees may still have a desire to quit despite a competitive remuneration scale. Therefore, employee engagement surveys should be carried out routinely not only for feedback but also for improvement.

CBC should also have a robust system in place of working on issues raised during exit interviews of employees. When an employee is leaving the organisation, it is thought that this is the time they are most honest and therefore management should pick up on issues consistently appearing in the exit interviews of a number of employees and have these tabled, discussed and action plans raised. This will be a step in the right direction focused on lowering turnover rate within the organization.

The study goes further to recommend that more research be done on the notion of leader member exchange as the literature is still limited and yet there is a wealth of information to gather and analyse in line with this. Research in this field will not only expand on the body of knowledge but will also aid in improving many Human resource policies and practices in the different organisations.

Limitations of the Study

Although this study makes important theoretical and managerial contributions to the literature, there are some limitations as discussed below.

To begin with, the study used self-report questionnaires to generate responses from the employees. There is a chance that the information provided was given based on social desirability and therefore was biased given that respondents might have expected negative consequences for negative responses. Self-report measures have been criticized in research however perceptual measures are valuable in that the ratings come from the very employees who have routine contact with and many opportunities to observe what goes on in the organization

Another possible limitation was the fact that the researcher distributed the questionnaires and being an employee of the same company that had the sample population, the respondents could have answered with the fear of answers being traced back to them.

Areas of Further Research

More work needs to be done on the leader member exchange and its mediating effect on different leadership styles and work attitudes or outcomes as there is limited research that has been done in this area.

Researchers should also consider studies on the effects of different types of remuneration and their combinations in different work settings to determine which ones work better together in a particular environment and their impact on turnover intentions.

References

- Agarwal Upasna, A., Datta, S., Blake- Beard, S., & Bhargava, S. (2012). Linking LMX, innovative work behaviour and turnover intentions: The mediating role of work engagement. *Career Development International*, 17(3), 208-230.
doi:10.1108/13620431211241063
- Ahmad, I., Gao, Y., & Hali, S. M. (2017). A Review of Ethical Leadership and Other Ethics-Related Leadership Theories. *European Scientific Journal, ESJ*, 13(29).
doi:10.19044/esj.2017.v13n29p10
- Ak, B. (2018). Turnover Intention Influencing Factors of Employees: An Empirical Work Review. *Journal of Entrepreneurship & Organization Management*, 07.
doi:10.4172/2169-026X.1000253
- Alubelkassaw, B. (2018). Turnover Intention Influencing Factors of Employees: An Empirical Work Review. *International Journal of Research in Business Studies and Management*, 5(7), 23-31. <https://doi.org/DOI:10.4172/2169-026X.1000253>
- Anderson, L. M., & Pearson, C. M. (1999). Tit for tat? The spiraling effect of incivility in the workplace. *Academy of Management Review*, 452–471.
- BABIČ, Š. (2014). Ethical Leadership And Leader Member Exchange (LMX) Theory. *CRIS Bulletin*.
- Barnett, T., & Schubert, E. (2002). Perceptions of the Ethical Work Climate and Covenantal Relationships. *Journal of Business Ethics*, 36, 279-290. doi:10.1023/A:1014042613106
- Bauer, T., & Green, S. (1996). Development of leader-member exchange: A longitudinal test. *Academy of Management Journal*, 39, 1538-1567. *Academy of Management Journal*, 39, 1538-1567. doi:10.2307/257068

- Benevene, P. B., Coco, M. C., & Falco, A. F. (2018). Ethical Leadership as Antecedent of Job Satisfaction, Affective Organizational Commitment and Intention to Stay Among Volunteers of Non-profit Organizations. *Frontiers in Psychology*, 9(2069), 1–18.
- Black, K. N. (1985). In *A Different Voice; Psychological Theory and Women's Development*. Carol Gilligan. Cambridge, MA. Harvard University Press, 1982, 184 pp. (+ vi). Hardback, \$15, paperback, \$5.95. *Psychology of Women Quarterly*, 9(4), 549-550. doi:10.1111/j.1471-6402.1985.tb00902.x
- Blau, P. M. (1964). . Exchange and power in social life. *This Week's Citation Classic*, 49.
- Breukelen, W. V., Blanc, P. L., & Schyns, B. (2006). Leader-Member Exchange Theory and Research: Accomplishments and Future Challenges. *Leadership*.
- Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. *The Leadership Quarterly*, 17(6), 595-616. doi:10.1016/j.leaqua.2006.10.004
- Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*, 97(2), 117-134. doi:10.1016/j.obhdp.2005.03.002
- Chan, S. H. J., Mai, X., Kuok, O. M. K., & Kong, S. H. (2016). The influence of satisfaction and promotability on the relation between career adaptability and turnover intentions. *Journal of Vocational Behavior*, 92, 167-175. doi:<https://doi.org/10.1016/j.jvb.2015.12.003>
- Charles E. Michaels, P. E. S. (1982). Causes of Employee Turnover: A Test of the Mobley, Griffeth, Hand, and Meglino Model. *Journal of Applied Psychology*, 67(1), 53-59.

- Chittipa Ngamkroeckjotia, P. O. a. T. K. (2012). Determinant Factors of Turnover Intention: A case study of Air Conditioning Company in Bangkok, Thailand *International Conference on Trade, Tourism and Management(ICTTM'2012)*, 121-125.
- Collins, M. D. (2007). *Understanding the relationships between leader-member exchange (LMX), psychological empowerment, job satisfaction, and turnover intent in a limited-service restaurant environment*. The Ohio State University, Retrieved from http://rave.ohiolink.edu/etdc/view?acc_num=osu1180519045
- Cropanzano, R., & Rupp, D. E. (2009). Social exchange theory and organizational justice: Job performance, citizenship behaviors, multiple foci, and a historical integration of two literatures. In S.W. Gilliland, D. P. Skarlicki, & D. D. Steiner (Eds.). *Research in Social Issues in Management: Justice, Morality, and Social Responsibility*., 63–99.
- Cuilla, J. B. (2017). *Leadership Ethics*. SAGE Publications.
- Cumbo, L. J. (2009). “Ethical leadership: the quest for character, civility, and community”,. *Current Reviews for Academic Libraries*, 47(4), 726.
- DeConinck, J. B. (2015). Outcomes of ethical leadership among salespeople. *Journal of Business Research*, 68(5), 1086–1093. <https://doi.org/10.1016/j.jbusres.2014.10.011>
- Deluga, R. J., & Perry, J. T. (1994). The Role of Subordinate Performance and Ingratiation in Leader-Member Exchanges. *Group & Organization Management*, 19(1), 67-86.
doi:10.1177/1059601194191004
- Dienesch, R. M. (1986). Leader-Member Exchange Model of Leadership: A Critique and Further Development. *Academy Of Management*, 11(No. 3).

- Dulebohn, J. H., Bommer, W. H., Liden, R. C., Brouer, R. L., & Ferris, G. R. (2011). A Meta-Analysis of Antecedents and Consequences of Leader-Member Exchange. *Journal of Management*, 38(6), 1715-1759. doi:10.1177/0149206311415280
- Eisenberger, R., Cotterell, N., & Marvel, J. (1987). Reciprocation Ideology. *Journal of Personality and Social Psychology*, 743–750.
- Eisenberger, R., Lynch, P., Aselage, J., & Rodheick, S. (2004). Who takes the most revenge? Individual differences in negative reciprocity norm endorsement. *Personality & Social Psychology Bulletin*, 30, 789–799.
- elçi, M., Şener, İ., Aksoy Kürü, S., & Alpkan, L. (2012). The Impact of Ethical Leadership and Leadership Effectiveness on Employees' Turnover Intention: The Mediating Role of Work Related Stress. *Procedia - Social and Behavioral Sciences*, 58, 289–297. doi:10.1016/j.sbspro.2012.09.1003
- Erdogan, B., & Bauer, T. (2015). Leader–Member Exchange Theory. *International Encyclopedia of the Social & Behavioral Sciences*. doi:10.1016/B978-0-08-097086-8.22010-2
- Etikan, I. (2017). Sampling and Sampling Methods. *Biometrics & Biostatistics International Journal*, 5(6). doi:10.15406/bbij.2017.05.00149
- Fred Dansereau~ Jr, G. G., and William J. Haga. (1975). A Vertical Dyad Linkage Approach to Leadership within Formal Organizations
- A Longitudinal Investigation of the'l~ole Making Proces. *Organizational Behavior and Human Performance*, 13, 46-78.
- Gergen, K. J. (1969). The psychology of behavioral exchange. *Reading, MA: Addison-Wesley*

- Gerstner, C. R., & Day, D. V. (1997). Meta-Analytic review of leader-member exchange theory: Correlates and construct issues. *Journal of Applied Psychology, 82*(6), 827-844.
doi:10.1037//0021-9010.82.6.827
- Graen, G., & Cashman, J. (1975). A Role-Making Model of Leadership in Formal Organizations: A Developmental Approach. *Organization and Administrative Sciences, 6*.
- Graen, G. B., & Scandura, T. A. (1987). Toward a psychology of dyadic organizing. *Research in Organizational Behavior, 9*, 175-208.
- Hann, M., Reeves, D., & Sibbald, B. (2010). Relationships between job satisfaction, intentions to leave family practice and actually leaving among family physicians in England. *European Journal of Public Health, 21*(4), 499-503. doi:10.1093/eurpub/ckq005
- Hofmann, D. A., Morgeson, F. P., & Gerras, S. J. (2003). Climate as a moderator of the relationship between leader-member exchange and content specific citizenship: safety climate as an exemplar. *J Appl Psychol, 88*(1), 170-178. doi:10.1037/0021-9010.88.1.170
- Hui, C., Law, K. S., & Chen, Z. X. (1999). A Structural Equation Model of the Effects of Negative Affectivity, Leader-Member Exchange, and Perceived Job Mobility on In-role and Extra-role Performance: A Chinese Case. *Organizational Behavior and Human Decision Processes, 77*(1), 3-21. doi:<https://doi.org/10.1006/obhd.1998.2812>
- Janssen, O., & Yperen, N. W. V. (2004). Employees' Goal Orientations, The Quality Of Leader-Member Exchange, And The Outcomes Of Job Performance And Job Satisfaction. *Academy Of Management, 47*(No. 3), 368-384.
- Kar, D. S. (2014). Ethical Leadership: Best Practice for Success *IOSR Journal of Business and Management (IOSR-JBM)*, 112-116.

- Karabey, C. N., & Aliogullari, Z. D. (2018). The impact of ethical leadership on member s creativity and career success: the mediating role of leader-member exchange. *Pressacademia*, 5(3), 202-211. doi:10.17261/Pressacademia.2018.944
- Kim, B., Lee, G., & Carlson, K. D. (2010). An examination of the nature of the relationship between Leader-Member-Exchange (LMX) and turnover intent at different organizational levels. *International Journal of Hospitality Management*, 29(4), 591-597. doi:10.1016/j.ijhm.2009.10.025
- Kinicki, A. J., & Vecchio, R. P. (1994). Influences on the quality of supervisor-subordinate relations: The role of timepressure, organizational commitment, and locus of control. *Journal of Organizational Behavior*, (15)1, 75–82.
- Liden, R., & Graen, G. (1980). Generalizability of the Vertical Dyad Linkage Model of Leadership. *Academy of Management Journal*, 23, 451-465. doi:10.2307/255511
- Liden, R. C., & Maslyn, J. M. (1998). Multidimensionafity of Leader-Member Exchange: An Empirical Assessment through Scale Development. *Journal of Management*, 24(1), 43-72. doi:10.1177/014920639802400105
- Linda K. Johnsrud, V. J. R. (2002). Faculty Members' Morale and Their Intention to Leave: A Multilevel Explanation. *The Journal of Higher Education*, 73(4), 518-542. doi:10.1353/jhe.2002.0039
- Lunenburg, F. C. (2010). Leader-Member Exchange Theory: Another Perspective on the Leadership Process. *INTERNATIONAL JOURNAL OF MANAGEMENT, BUSINESS, AND ADMINISTRATION*, 13(1).

- Maslyn, J., & Uhl-Bien, M. (2001). Leader-member exchange and its dimensions: Effects of self-effort and other's effort on relationship quality. *Journal of Applied Psychology*, 86(4), 697-704. <https://doi.org/DOI:10.1037/0021-9010.86.4.697>
- Mayer, D. M., Aquino, K., Greenbaum, R. L., & Kuenzi, M. (2012). Who Displays Ethical Leadership, and Why Does It Matter? An Examination of Antecedents and Consequences of Ethical Leadership. *Academy of Management Journal*, 55(1), 151-171.
[doi:10.5465/amj.2008.0276](https://doi.org/10.5465/amj.2008.0276)
- Mobley, W. H., Griffeth, R. W., Hand, H. H., & Meglino, B. M. (1979). Review and conceptual analysis of the employee turnover process. *Psychological Bulletin*, 86(3), 493–522.
<https://doi.org/10.1037/0033-2909.86.3.493>
- Mulki, J. P., Jaramillo, J. F., & Locander, W. B. (2008). Effect of Ethical Climate on Turnover Intention: Linking Attitudinal- and Stress Theory. *Journal of Business Ethics*, 78(4), 559-574. Retrieved from www.jstor.org/stable/25075632
- Neubert, M., Carlson, D., Kacmar, K., Roberts, J., & Chonko, L. (2009). The Virtuous Influence of Ethical Leadership Behavior: Evidence from the Field. *Journal of Business Ethics*, 90(2), 157-170. Retrieved from <https://EconPapers.repec.org/RePEc:kap:jbuset:v:90:y:2009:i:2:p:157-170>
- Nunnally, J. C. (1978). *Psychometric Theory* (2nd ed.). McGraw-Hill College.
- O'Connell, M., Ph.D, & Kung, M. C. (2005). “Employee Turnover & Retention: Understanding the True Costs and Reducing them through Improved Selection Processes”. *Industrial Management article*.

- Oh, S., & Kim, H. (2019). Turnover Intention and Its Related Factors of Employed Doctors in Korea. *International journal of environmental research and public health*, 16(14). doi:10.3390/ijerph16142509. (Accession No. 31337098)
- Per-Ola Karlsson, D. A., and Kristin Rivera. (2017). Are CEOs Less Ethical Than in the Past? *strategy+business*(87).
- Puteh, F., & Arshad, H. (2015). Determinants of Turnover Intention among Employees. 12.
- Randhawa, G. (2004). Self-Efficacy and Work Performance: An Empirical Study. *Indian journal of industrial relations*, 39, 336-346.
- Riggle, R. J., Edmondson, D. R., & Hansen, J. D. (2009). A metaanalysis of the relationship between perceived organizational support and job outcomes. *Journal of Business Research*, 62, 1027–1030.
- Ruiz, P., Ruiz, C., & Martínez, R. (2011). Improving the “Leader–Follower” Relationship: Top Manager or Supervisor? The Ethical Leadership Trickle-Down Effect on Follower Job Response. *Journal of Business Ethics*, 99(4), 587-608. doi:10.1007/s10551-010-0670-3
- Saeed, I., Waseem, M., Sikander, S., & Rizwan, M. (2014). The relationship of Turnover intention with job satisfaction, job performance, Leader member exchange, Emotional intelligence and organizational commitment. *International Journal of Learning and Development*, 4(2). doi:10.5296/ijld.v4i2.6100
- Sahin, F. (2012). The Mediating Effect of the Leader–Member Exchange on the Relationship between Theory X and Y Management Styles and Affective Commitment: A Multilevel Analysis. *Journal of Management and Organisation*, 159-174. <https://doi.org/DOI:10.5172/jmo.2012.18.2.159>

- Scandura, T. A., & Graen, G. B. (1984). Moderating effects of initial leader–member exchange status on the effects of a leadership intervention. *Journal of Applied Psychology, 69*(3), 428-436. doi:10.1037/0021-9010.69.3.428
- Schriesheim, C. A., Neider, L. L., & Scandura, T. A. (1998). Delegation and Leader-Member Exchange: Main Effects, Moderators, and Measurement Issues. *The Academy of Management Journal, 41*(3), 298-318. doi:10.2307/256909
- Serra Yurtkoru, E., & ErdilekKarabay, M. (2018). To what extent trust in leader and ethical climate affect turnover intention? A research on private and public bank employees. *International Journal of Organizational Leadership, 7*(1), 12–26.
<https://doi.org/10.33844/ijol.2018.60416>
- Shafique, I., Kalyar, M., & Ahmad, B. (2018). The Nexus of Ethical Leadership, Job Performance, and Turnover Intention: The Mediating Role of Job Satisfaction. *Interdisciplinary Description of Complex Systems, 16*, 71-87. doi:10.7906/indecs.16.1.5
- Shakeel, F., Kruyen, P. M., & Van Thiel, S. (2019). Ethical Leadership as Process: A Conceptual Proposition. *Public Integrity, 21*(6), 613-624. doi:10.1080/10999922.2019.1606544
- Shusha, A. (2013). The mediating role of leader-member exchange in the relationship between transformational leadership and job performance. *European Journal of Business and Mangement, 5*(8), 157-164.
https://www.researchgate.net/publication/320456990_The_mediating_role_of_leader-member_exchange_in_the_relationship_between_transformational_leadership_and_job_performance

Sims, H. P. (1989). Organizational Citizenship Behavior. Organizational Citizenship Behavior.

By Organ Dennis W. MA: Lexington Books, 1988. 160 pages. \$21.95. *Academy of Management Perspectives*, 3(1), 73–74. <https://doi.org/10.5465/ame.1989.4277166>

Stamper, C., Masterson, S., & Knapp, J. (2009). A Typology of Organizational Membership:

Understanding Different Membership Relationships Through the Lens of Social Exchange. *Management and Organization Review*, 5. doi:10.1111/j.1740-8784.2009.00147.x

Özdevecioğlu, M. (2015). THE EFFECT OF LEADER-MEMBER EXCHANGE ON

TURNOVER INTENTION AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR:

THE MEDIATING ROLE OF MEANINGFUL WORK. *Management and Innovation for Competitive Advantage*.

[https://www.researchgate.net/publication/292152900_THE_EFFECT_OF_LEADER-](https://www.researchgate.net/publication/292152900_THE_EFFECT_OF_LEADER-MEMBER_EXCHANGE_ON_TURNOVER_INTENTION_AND_ORGANIZATIONAL_CITIZENSHIP_BEHAVIOR_THE_MEDIATING_ROLE_OF_MEANINGFUL_WORK)

[MEMBER_EXCHANGE_ON_TURNOVER_INTENTION_AND_ORGANIZATIONAL](https://www.researchgate.net/publication/292152900_THE_EFFECT_OF_LEADER-MEMBER_EXCHANGE_ON_TURNOVER_INTENTION_AND_ORGANIZATIONAL_CITIZENSHIP_BEHAVIOR_THE_MEDIATING_ROLE_OF_MEANINGFUL_WORK)

[L_CITIZENSHIP_BEHAVIOR_THE_MEDIATING_ROLE_OF_MEANINGFUL_WO](https://www.researchgate.net/publication/292152900_THE_EFFECT_OF_LEADER-MEMBER_EXCHANGE_ON_TURNOVER_INTENTION_AND_ORGANIZATIONAL_CITIZENSHIP_BEHAVIOR_THE_MEDIATING_ROLE_OF_MEANINGFUL_WORK)

[RK](https://www.researchgate.net/publication/292152900_THE_EFFECT_OF_LEADER-MEMBER_EXCHANGE_ON_TURNOVER_INTENTION_AND_ORGANIZATIONAL_CITIZENSHIP_BEHAVIOR_THE_MEDIATING_ROLE_OF_MEANINGFUL_WORK)

Toor, S.-u.-R., & Ofori, G. (2009). Ethical Leadership: Examining the Relationships with Full

Range Leadership Model, Employee Outcomes, and Organizational Culture. *Journal of*

Business Ethics, 90, 533-547. doi:10.1007/s10551-009-0059-3

Treviño, L. K., Butterfield, K. D., & McCabe, D. L. (1998). The Ethical Context in

Organizations: Influences on Employee Attitudes and Behaviors. *Business Ethics*

Quarterly, 8(3), 447-476. doi:10.2307/3857431

Trevino, L. K., Hartman, L. P., & Brown, M. (2000). Moral Person and Moral Manager.

CALIFORNIA MANAGEMENT REVIEW, 42, 128-142.

- Valentine, S., Greller, M. M., & Richtermeyer, S. B. (2006). Employee job response as a function of ethical context and perceived organization support. *Journal of Business Research*, 59(5), 582-588. doi:<https://doi.org/10.1016/j.jbusres.2005.06.004>
- Walumbwa, F. O., Morrison, E. W., & Christensen, A. L. (2012). Ethical leadership and group in-role performance: The mediating roles of group conscientiousness and group voice. *The Leadership Quarterly*, 23(5), 953-964. doi:<https://doi.org/10.1016/j.leaqua.2012.06.004>
- Wayne, S., Shore, L., Bommer, W., & Tetrick, L. (2002). The Role of Fair Treatment and Rewards in Perceptions of Organizational Support and Leader-Member Exchange. *The Journal of applied psychology*, 87, 590-598. doi:10.1037//0021-9010.87.3.590
- Wayne, S. J., Liden, R. C., & Sparrowe, R. T. (1994). Developing Leader-Member Exchanges: The Influence of Gender and Ingratiation. *American Behavioral Scientist*, 37(5), 697-714. doi:10.1177/0002764294037005009
- Weiss, H. M., & Shaw, J. B. (1979). Social influences on judgments about tasks. *Organizational Behavior and Human Performance*, 24(1), 126-140. doi:[https://doi.org/10.1016/0030-5073\(79\)90020-5](https://doi.org/10.1016/0030-5073(79)90020-5)
- Wilhelm, C. C., Herd, A. M., & Steiner, D. D. (1993). Attributional Conflict between Managers and Subordinates: An Investigation of Leader-Member Exchange Effects. *Journal of Organizational Behavior*, 14(6), 531-544. Retrieved from www.jstor.org/stable/2488104
- Wong, C. A., & Spence Laschinger, H. K. (2015). The influence of frontline manager job strain on burnout, commitment and turnover intention: A cross-sectional study. *International Journal of Nursing Studies*, 52(12), 1824-1833. doi:<https://doi.org/10.1016/j.ijnurstu.2015.09.006>

- Woo Gon Kima, Robert A. Brymer (2011). The effects of ethical leadership on manager job satisfaction, commitment, behavioral outcomes, and firm performance. *International Journal of Hospitality Management*, 30, 1020-1026. doi:10.1016/j.ijhm.2011.03.008
- Yousaf, M. (2012). Review of Social research methods: Quantitative and qualitative approaches. 27, 197-201.
- Yukl, G. Y., Hassan, S. H., Mahsud, R. M., & Prussia, G. P. (2013). An Improved Measure of Ethical Leadership. *Journal of Leadership & Organizational Studies*, 1(20), 38–48.
- Yukl, G. A. (2002). *Leadership in organizations*. Upper Saddle River, NJ: Prentice Hall.
- Zhang, Y., & Feng, X. (2011). The relationship between job satisfaction, burnout, and turnover intention among physicians from urban state-owned medical institutions in Hubei, China: a cross-sectional study. *BMC health services research*, 11, 235-235. doi:10.1186/1472-6963-11-235

Appendices

Appendix 1: Questionnaire

LEADERSHIP, LEADER-MEMBER EXCHANGE, AND TURNOVER INTENTIONS QUESTIONNAIRE

Dear respondent, this questionnaire seeks to obtain data on Leadership, Leader -Member Exchange (LMX) and Turnover Intentions among employees of Century Bottling Company, Namanve. This study is purely for research purposes and your responses will be treated with confidentiality. I kindly request you to spare sometime and respond to all the questions as honestly as possible.

SECTION A: PERSONAL DATA

1. Age group in years

a). 18-29 years b). 30- 39 years c). 40 - 49 d) 50 and above

2. Sex of respondent

a). Male b). Female

3. Highest Level of Education

a). Certificate b). Diploma c). Degree d) Masters

4. Time spent as an employee of Century Bottling Company.

a). Less than 5 years b). 5-10 years c). 10 and above

5. How long have you worked under your current supervisor?.....

6. Gender of your immediate supervisor: Male: (2) Female:

7. To what extent are you satisfied with your current remuneration?

(1) – Absolutely dissatisfied:.....

(2) – Very dissatisfied:

(3) – Dissatisfied:

(4) – Neither satisfied nor dissatisfied:.....

(5) – Satisfied:

(6) – Very satisfied:

(7) – Absolutely satisfied:

SECTION B: LEADERSHIP

Instructions: Using the scale given below, please circle the number by each statement that best represents the extent to which you agree with the given statements concerning your immediate supervisor. Before you start, quickly read through the entire list to get a feel for how to rate each statement. Remember there are no right or wrong answers, and your honest opinion is critical to the success of this study.

*1 — Strongly Disagree, 2 — Disagree, 3 — Neither Disagree nor Agree, 4 — Agree
5 — Strongly Agree*

| | | | | | | |
|----|---|---|---|---|---|---|
| 1. | My supervisor shows a strong concern for ethical and moral values. | 1 | 2 | 3 | 4 | 5 |
| 2. | My Supervisor communicates clear ethical standards for members. | 1 | 2 | 3 | 4 | 5 |
| 3. | My supervisor sets an example of ethical behavior in his/her decisions and actions. | 1 | 2 | 3 | 4 | 5 |
| 4. | My supervisor is honest and can be trusted to tell the truth. | 1 | 2 | 3 | 4 | 5 |
| 5. | My supervisor keeps his/her actions consistent with his/her stated values (“walks the talk”). | 1 | 2 | 3 | 4 | 5 |
| 6. | My supervisor is fair and unbiased when assigning tasks to members. | 1 | 2 | 3 | 4 | 5 |
| 7. | My supervisor can be trusted to carry out promises and commitments. | 1 | 2 | 3 | 4 | 5 |
| 8. | My supervisor insists on doing what is fair and ethical even when it | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|-----|--|---|---|---|---|---|
| | is not easy. | | | | | |
| 9. | My supervisor acknowledges mistakes and takes responsibility for his/her mistakes. | 1 | 2 | 3 | 4 | 5 |
| 10. | My supervisor regards honesty and integrity as important personal and professional values. | 1 | 2 | 3 | 4 | 5 |
| 11. | My supervisor sets an example of dedication and self-sacrifice to the company. | 1 | 2 | 3 | 4 | 5 |
| 12. | My supervisor opposes the use of unethical practices to enhance performance. | 1 | 2 | 3 | 4 | 5 |
| 13. | My supervisor is fair and objective when evaluating subordinate performance and providing rewards. | 1 | 2 | 3 | 4 | 5 |
| 14. | My supervisor places the needs of others above his/her own self-interest. | 1 | 2 | 3 | 4 | 5 |
| 15. | My supervisor holds members accountable for using ethical practices in their work. | 1 | 2 | 3 | 4 | 5 |

| |
|--|
| SECTION C: LEADER MEMBER EXCHANGE |
|--|

Instructions: This questionnaire contains items that ask you to describe your relationship with your immediate supervisor. For each of the items, indicate the degree to which you think the item is true by circling one of the responses that appear below the item.

1. Do you know where you stand with your immediate supervisor? Do you usually know how satisfied your supervisor is with what you do?
(a) Rarely (b) Occasionally (c) Sometimes (d) Fairly Often (e) Very Often
2. How well does your immediate supervisor understand your job problems and needs?
(a) Not a Bit (b) A Little (c) A Fair Amount (d) Quite a Bit (e) A Great Deal
3. How well does your immediate supervisor recognise your potential?
(a) Not at All (b) A Little (c) Moderately (d) Mostly (e) Fully
4. Regardless of how much formal authority he/she has built into his/her position, what are the chances that your immediate supervisor would use his/her power to help you solve problems in your work?
(a) None (b) Small (c) Moderate (d) High (e) Very High
5. Again, regardless of the amount of formal authority your immediate supervisor has, what are the chances that he/she would “bail you out,” at his/her expense?
(a) None (b) Small (c) Moderate (d) High (e) Very High
6. You have enough confidence in your immediate supervisor that you would defend and justify his/her decision if he/she were not present to do so?
(a) Strongly Disagree (b) Disagree (c) Neutral (d) Agree (e) Strongly Agree
7. How would you characterize your working relationship with your immediate supervisor?
(a) Extremely Ineffective (b) Worse Than Average (c) Average
(d) Better Than Average (e) Extremely Effective

| |
|------------------------------|
| D: TURNOVER INTENTION |
|------------------------------|

Instructions: Indicate how often you would do the following using the scale below by circling the appropriate numbers in boxes.

| | | | | |
|----------------|-------|----------|----------|-------------------|
| Strongly agree | Agree | Not sure | Disagree | Strongly disagree |
| 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|---|--|---|---|---|---|---|
| 1 | As soon as I find as better job, I will leave this job. | 1 | 2 | 3 | 4 | 5 |
| 2 | I am actively looking for a job elsewhere | 1 | 2 | 3 | 4 | 5 |
| 3 | I am seriously thinking of quitting my job | 1 | 2 | 3 | 4 | 5 |
| 4 | I scan newspapers in search of alternative job opportunities. | 1 | 2 | 3 | 4 | 5 |
| 5 | I scan the internet in search of alternative job opportunities. | 1 | 2 | 3 | 4 | 5 |
| 6 | I dream about getting another job that will better suit my personal needs. | 1 | 2 | 3 | 4 | 5 |

END

Thank You