

**IMPACT OF EMPLOYEE EMPOWERMENT ON COMPETITIVE
ADVANTAGE: MEDIATING ROLE OF ETHICAL LEADERSHIP**



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REG. NO: EU/IS/2017/MS/026

INDEX NO: MS – 1986



Project Report
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A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Business Administration Honours.

DEPARTMENT OF MANAGEMENT

FACULTY OF COMMERCE AND MANAGEMENT

EASTERN UNIVERSITY, SRI LANKA

2023

ABSTRACT

The current study aimed at examining the impact of employee empowerment on reaching better level of competitive advantage through the mediating influence of ethical leadership. In this research study, there are independent variable (Employee Empowerment), depend variable (Competitive Advantage) and mediating variable (Ethical Leadership). Dimensions of competitive advantage were employed including quality, responsiveness, innovation and efficiency. Quantitative approach was adopted in order to realize main aim of study. Convenience sample method used to make the sampling frame of the study and the collected data was analyzed by using descriptive statistics, correlation, regression analyses. A questionnaire was employed as to gather data from (120) individuals within Sri Lankan selected apparel companies. The findings indicate that there is good reliability and a high level of employee empowerment, competitive advantage and ethical leadership.

Results of study indicated that the main aim was realized and ethical leadership mediates the relationship between employee empowerment and competitive advantage. Also, study was able to highlight that ethical leadership influence empowerment in a way that leads to better efficiency and service quality, launching from leaderships' role in increasing awareness of service quality importance in addition to leading employees towards being more creative and innovative. Study recommended encouraging workers to submit proposals that have an impact on developing their skills and helping to expand their field of empowerment compared to the previous stage, and giving workers who have proven ability and skill the opportunity to participate in decision-making, which enhances their skills, and paves the way for them to develop further in the field of their empowerment at a later time.

The result indicated that partially mediation influence of ethical leadership in the relationship between employee empowerment and competitive advantage. As a result of this study, managers of apparel companies must give their attention for combination of employee empowerment and ethical leadership to increase competitive advantage. As a result of this study, this understanding may be helpful for all the interesting parties take necessary action in order to increase the firm's performance.

Keywords: *Employee Empowerment, Competitive Advantage, Ethical Leadership, Garment Industry*

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