

# THE IMPACT OF SPIRITUAL INTELLIGENCE ON ETHICAL BEHAVIOR OF EMPLOYEE



BY

HERATH MUDIYANSELAGE SAKULI SANOJA CHANDRAMALI HERATH

REG NO: EU/IS/2017/MS/091

INDEX NO: MS 2051

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 & MANAGEMENT

EASTERN UNIVERSITY, SRI LANKA

2023

## Abstract

Ethical behavior of employee may exist among employees who have inner feelings of having better work experiences by using their spiritual experiences, and also to nurture these by creating meaningful ethical work environments. These phenomena have not been sufficiently studied especially in the context of recent corporate scandals and ethical violations. For this reason, this study seeks to enrich the understanding of impact of spiritual intelligence and its sub constructs on ethical behavior of employee among the employees who are working in two apparel firms on Nuwara Eliya district.

Hence, this research examines the level of spiritual intelligence (critical existential thinking, personal meaning production, transcendental awareness and consciousness state expansion) and ethical behavior of employee, the relationship between them as well as the impact of spiritual intelligence on ethical behavior of employee in selected two apparel firms.

In this research study, primary data was collected. A structured questionnaire was used as the method of data collection. The stratified random sampling method was used to create the sampling framework for the study. The quantitative research approach was used. The data were analyzed using descriptive statistics, correlation, and regression analyses.

This research study relies on a data set derived from its survey of 258 employees who are currently employed in two apparel firms and the findings indicate that there is good reliability and a high level of spiritual intelligence, critical existential thinking, personal meaning production, transcendental awareness and consciousness state expansion and ethical behavior of employee. Also showed that there is a positive relationship between spiritual intelligence and ethical behavior of employee, personal meaning production and ethical behavior of employee, transcendental awareness and ethical behavior of employee and consciousness state expansion and ethical behavior of employee. Furthermore, the study discovered that spiritual intelligence (critical existential thinking, personal meaning production, transcendental awareness and consciousness state expansion) have a significant positive impact on organizational ethical behavior of employee.

**Key Words:** *Spiritual Intelligence, Critical Existential Thinking, Personal Meaning Production, Transcendental Awareness and Consciousness State Expansion*

## Table of Contents

<b>Acknowledgment</b> .....	i
<b>Abstract</b> .....	ii
<b>Table of Contents</b> .....	iii
<b>List of Tables</b> .....	x
<b>List of Figures</b> .....	xii
<b>List of Equation</b> .....	xiii
<b>Abbreviations</b> .....	xiv
<b>Chapter - 1</b> .....	1
<b>Introduction</b> .....	1
1.1 Background of the Study .....	1
1.2 Research Problem/Research Gap .....	3
1.3 Research Questions .....	4
1.4 Research Objectives .....	4
1.5 Significance of the Study .....	4
1.6 Scope of the Study.....	5
1.7 Chapter Organization .....	5
1.8 Chapter Summary.....	6
<b>Chapter-2</b> .....	7
<b>Literature Review</b> .....	7
2.1 Introduction .....	7
2.2 Spiritual Intelligence .....	7
2.2.1 Critical Existential Thinking (CET).....	8
2.2.2 Personal Meaning Production (PMP) .....	10
2.2.3 Transcendental Awareness (TA).....	10
2.2.4 Conscious state expansion (CSE) .....	11
2.3 Ethical Behavior of employee .....	13

2.4 Relationship between the spiritual intelligence and the ethical behavior of employee.....	14
2.4.1 Relationship between critical existential thinking and ethical behavior of employee.....	15
2.4.2 Relationship between personal meaning production and ethical behavior of employee.....	16
2.4.3 Relationship between transcendental awareness and ethical behavior of employee.....	16
2.4.4 Relationship between and conscious state expansion and ethical behavior of employee.....	17
2.5 Derive the Conceptual Model-based on Literature Review.....	17
2.6 Chapter Summary.....	18
<b>Chapter-3.....</b>	<b>19</b>
<b>Conceptualization and Operationalization.....</b>	<b>19</b>
3.1 Introduction.....	19
3.2 Conceptualization.....	19
3.3 Variables Relevant to the Conceptual Model.....	20
3.3.1 Critical Existential Thinking.....	20
3.3.2 Personal Meaning Production.....	20
3.3.3 Transcendental Awareness.....	20
3.3.4 Consciousness State Expansion.....	21
3.3.5 Ethical Behavior of employee.....	21
3.4 Operationalization.....	21
3.5 Hypothesis.....	24
3.6 Chapter Summary.....	24
<b>Chapter – 4.....</b>	<b>25</b>
<b>Research Methodology.....</b>	<b>25</b>
4.1 Introduction.....	25

4.2 Research Philosophy .....	25
4.3 Research Approach.....	26
4.4 Research Strategy .....	26
4.5 Methodological Choice .....	27
4.6 Time Horizon .....	27
4.7 Area Selection .....	28
4.8 Population of the Study .....	28
4.9 Sampling Method .....	28
4.9.1 Sampling Technique .....	29
4.10 Sampling Framework and Sample Size.....	29
4.11 Method of Data Collection and Sources.....	30
4.12 Research Instrument.....	30
4.13 Sources of Measurement .....	32
4.13.1 Method of Measurement on Personal Information .....	32
4.13.2 Method of Measurement on Research Information .....	33
4.14 The Pilot Study .....	33
4.15 Reliability of Instrument .....	34
4.16 Unit of Data Analysis .....	35
4.17 Method of Data Analysis.....	35
4.17.1 Methods of Data Analysis for First Objective .....	35
4.17.2 Methods of Data Analysis for Second Objective.....	36
4.17.3 Methods of Data Analysis for Third Objective.....	36
4.18 Method of Data Evaluation .....	37
4.18.1 Univariate Analysis.....	37
4.18.2 Correlation Analysis .....	38
4.18.3 Regression Analysis.....	38
4.18.3.1 Multiple Regression Analysis .....	39

4.18.3.2 Decision Criteria for the Results of Regression.....	39
4.18.3 Testing Hypothesis.....	39
4.19 Data Presentation.....	40
4.19.1 Data Presentation for Personal Information.....	40
4.19.2 Data Presentation for Research Information.....	41
4.20 Ethical Consideration .....	41
4.21 Chapter Summary.....	42
<b>Chapter – 5 .....</b>	<b>43</b>
<b>Data Presentation and Analysis.....</b>	<b>43</b>
5.1 Introduction .....	43
5.2 Test of Reliability.....	43
5.2.1 Reliability of Spiritual Intelligence.....	43
5.2.2 Reliability of Ethical Behavior of Employee.....	44
5.3 Data Presentation.....	44
5.3.1 Data Presentation for Personal Information.....	45
5.3.1.1 Name of the Organization.....	45
5.3.1.2 Job Position.....	45
5.3.1.3 Level of Education.....	46
5.3.1.4 Gender.....	47
5.3.1.5 Age.....	47
5.3.1.6 Total Number of Years of Working Experience.....	47
5.3.2 Data Presentation of Research Information .....	48
5.3.2.1 Univariate Analysis.....	48
5.3.2.1.1 Level of Critical existential thinking .....	48
5.3.2.1.2 Level of Personal Meaning Production.....	50
5.3.2.1.3 Level of Transcendental Awareness .....	51
5.3.2.1.4 Level of Conscious State Expansion.....	52

5.3.2.1.5 Level of Spiritual Intelligence .....	53
5.3.2.1.6 Level of Ethical behavior of employee .....	54
5.3.2.2 Bivariate Analysis.....	56
5.3.2.2.1 Pearson’s Correlation Analysis.....	56
5.3.2.2.1.1 Relationship between the Critical Existential Thinking and Ethical Behavior of Employee.....	57
5.3.2.2.1.2 Relationship between the Personal Meaning Production and Ethical Behavior of Employee.....	57
5.3.2.2.1.3 Relationship between the Transcendental Awareness and Ethical Behavior of Employee.....	58
5.3.2.2.1.4 Relationship between the Conscious State Expansion and Ethical Behavior of Employee.....	58
5.3.2.2.1.5 Relationship between the Spiritual Intelligence and Ethical Behavior of Employee.....	59
5.3.2.3 Regression Analysis.....	60
5.3.2.3.1 Multiple Regression Analysis .....	60
5.3.2.3.1.1 Multiple Regression Analysis for spiritual intelligence on ethical behavior of employee .....	60
5.3.3 Testing Hypothesis .....	62
5.3.3.1 Testing Hypothesis 1.....	62
5.3.3.2 Testing Hypothesis 2.....	63
5.3.3.3 Testing Hypothesis 3.....	63
5.3.3.4 Testing Hypothesis 4.....	63
5.3.3.5 Testing Hypothesis 5.....	64
5.4 Chapter Summary.....	64
<b>Chapter – 6 .....</b>	<b>65</b>
<b>Findings and Discussion .....</b>	<b>65</b>
6.1 Introduction .....	65

6.2 Discussion of Personal Information .....	65
6.2.1 Name of the Organization .....	65
6.2.2 Job Position.....	66
6.2.3 Level of Education.....	66
6.2.4 Gender.....	66
6.2.5 Age.....	66
6.2.6 Total Number of Years of Working Experience.....	66
6.3 Discussion of Research Information .....	67
6.3.1 Discussion on First Objective - To examine the level of spiritual intelligence and ethical behavior of employee. ....	67
6.3.1.1 Level of Critical Existential Thinking .....	67
6.3.1.2 Level of Personal Meaning Production.....	67
6.3.1.3 Level of Transcendental Awareness .....	68
6.3.1.4 Level of Consciousness State Expansion.....	68
6.3.1.5 Level of Spiritual intelligence.....	69
6.3.1.6 Level of Ethical Behavior of Employee.....	69
6.3.2 Discussion on Second Objective - To examine the relationship between spiritual intelligence and the ethical behavior of employee.....	70
6.3.2.1 Relationship between Critical Existential Thinking and Ethical Behavior of Employee.....	70
6.3.2.2 Relationship between Personal Meaning Production and Ethical Behavior of Employee.....	71
6.3.2.3 Relationship between Transcendental Awareness and Ethical Behavior of Employee .....	71
6.3.2.4 Relationship between Consciousness State Expansion and Ethical Behavior of Employee.....	72
6.3.2.5 Relationship between Spiritual Intelligence and Ethical Behavior of Employee.....	72

6.3.3 Discussion on Third Objective - To examine the impact of spiritual intelligence on ethical behavior of employee .....	73
6.3.3.1 The impact of spiritual intelligence on ethical behavior of employee..	73
6.4. Discussion of Hypothesis Testing .....	74
6.5 Chapter Summary .....	76
<b>Chapter – 7 .....</b>	<b>77</b>
<b>Conclusions and Recommendations .....</b>	<b>77</b>
7.1 Introduction .....	77
7.2 Conclusions .....	77
7.2.1 First Objective of the Study .....	77
7.2.2 Second Objective of the Study .....	78
7.2.3 Third Objective of the Study.....	79
7.3 Contribution of the Study .....	79
7.4 Recommendations .....	80
7.5 Limitations of the Study .....	81
7.6 Future Research Direction.....	81
7.7 Chapter Summary .....	82
<b>List of References .....</b>	<b>83</b>
<b>Appendix 01: Research Questionnaire .....</b>	<b>92</b>
<b>Appendix 02: The Output of the Data Analysis .....</b>	<b>99</b>