

**IMPACT OF ORGANIZATIONAL ETHICAL CLIMATE ON
EMPLOYEE PERFORMANCE WITH THE MEDIATING ROLE
OF ORGANIZATIONAL CITIZENSHIP BEHAVIOUR**

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ABSTRACT

In the rapidly evolving landscape of the banking sector, organizational ethical climate has emerged as a critical determinant of employee performance and workplace integrity. This study investigates the impact of organizational ethical climate on employee performance, with a specific focus on the mediating role of organizational citizenship behaviour in selected banks of Batticaloa Region.

In addition to this, the researcher identified the level of these variables, their impact, and the relationship between them. While there has been a lack of research conducted in this area. Utilizing a sample of 250 banking employees, data were collected through structured questionnaires and analyzed using SPSS 26.0 Version.

The findings of the study reveal that, the organizational ethical climate, organizational citizenship behaviour, and employee performance have very high level of contribution. The findings reveal a significant and strong positive relationship between organizational ethical climate and employee performance. Moreover, the study finds that organizational citizenship behaviour partially mediates this relationship, highlighting employees' voluntary and altruistic behaviours as a key mechanism through which ethical climate influences performance. The results from the regression analysis, employing PROCESS 4.0 version, demonstrate that OCB partially mediates the relationship between organizational ethical climate and employee performance, explaining 37% of the effect.

These findings underscore the importance of cultivating an ethical organizational climate that encourages citizenship behaviours, thereby enhancing employee performance. The study provides valuable insights for banking sector

This research contributes to the understanding of how ethical climate and citizenship behaviour collectively influence employee performance within the banking sector. It underscores the strategic significance of integrating ethical leadership practices that encourage OCB, thereby promoting a better employee performance

Keywords: *Organizational Ethical Climate, Organizational Citizenship Behaviour, Employee Performance.*

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