

## Exploring the Mediating Role of Organizational Culture in the Relationship Between Ethical Leadership and Organizational Commitment

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### Abstract:

The study explored the impact of ethical leadership, along with its key dimensions—ethical behavior, ethical practices, and the promotion of ethical conduct—on organizational commitment, with organizational culture acting as a mediating factor. A descriptive approach was adopted to address the research problem, presenting a theoretical framework for the study variables. In the field study, a questionnaire was administered to a sample of 112 employees from economic institutions in Algeria. Using the partial least squares (PLS) method for modeling relationships among the variables, SmartPls 4 software was employed. The results revealed a statistically significant mediating role of organizational culture between ethical leadership and organizational commitment.

**Keywords:** Ethical leadership, provision of ethical behavior, practice of ethical behavior, promotion of ethical behavior, organizational culture, organizational commitment.

### 1- INTRODUCTION:

In light of the transformations and changes organizations are facing globally, adapting to these developments has become increasingly essential. Leadership plays a pivotal role in enabling organizations to respond effectively to various external variables and shifts. The success of any organization largely

depends on the competence of its leaders (Mubaraki & Khan, 2024). Leaders hold a critical role in influencing and guiding employees toward the achievement of organizational goals (Salami and Qaouda, 2020).

Ethical leadership, as a prominent leadership style, significantly impacts employee behavior and is grounded in various criteria, including personality traits and interpersonal skills (Al-Khalidi, 2024). This leadership approach is marked by fair and honest treatment of employees, integrity, efficiency in fulfilling duties, and a profound awareness of the leader's role within the organization, coupled with their ability to communicate inspiring messages (Al-Harthi, 2019).

Organizational culture is defined as a system of values and beliefs that guide and regulate individual behavior in alignment with the prevailing norms within the organization. Cultural attitudes have a significant influence on employees' beliefs and actions (Azizollah, 2015). When ethical directives, behaviors, and virtuous values contribute to shaping an organizational culture that distinguishes the organization from others (Al-Marqatan, 2020), ethical leadership becomes essential in cultivating this shared culture. Ethical leaders influence the attitudes and behaviors of their followers through their ethical practices (Gul et al., 2021).

Employee turnover presents a considerable challenge for organizations, as employees are among the most valuable assets a company holds. Therefore, many institutions strive to retain their workforce to maintain competitiveness in the marketplace (Çelik et al., 2015). Strengthening employee commitment to the organization hinges on effective ethical leadership, which nurtures a work environment governed by ethical principles. When employees perceive integrity and fairness within the organization, they are more likely to feel motivated to stay, engage with the organization, and align with its goals.

This study aims to deepen our understanding of how ethical leadership influences organizational commitment through the mediating role of organizational culture. Ethical leadership plays a pivotal role in promoting virtuous values and behaviors among employees, which contribute to shaping the organizational culture. This, in turn, influences employees' motivation and desire to remain with the organization. Specifically, the current research will explore the impact of ethical leadership, focusing on its key dimensions—namely, the presence, practice, and promotion of ethical behavior—on organizational commitment, with organizational culture serving as a mediating factor.

## **2. Research hypotheses:**

Ethical leadership serves as a crucial foundation for fostering organizational culture. Leaders who adhere to ethical principles become role models for their employees, influencing organizational values and positively shaping the overall culture (Saleem et al., 2020). A study by Al-Khalidi (2024)

on school leaders in Saudi Arabia revealed a strong presence of ethical leadership practices and a robust organizational culture, underscoring the significant role that ethical leadership plays in shaping the cultural framework within organizations. Similarly, Muktamar B (2023) stresses that leaders are instrumental in promoting ethical behavior and establishing an ethical climate within organizations, further demonstrating the connection between a leader's ethics and organizational culture.

In a study conducted by Al-Marqatan (2020) on government school teachers in Jordan, a positive correlation between ethical leadership and organizational culture was found, indicating a high level of implementation of both. The research also highlighted differences in perceptions of ethical leadership based on years of service and academic qualifications. Furthermore, Ouma (2017) emphasizes the importance of ethical leadership in understanding and guiding organizational culture toward desired objectives.

Based on these insights, the current study proposes the following hypothesis:

H1: Ethical leadership positively influences organizational culture. The study further outlines sub-hypotheses that examine how various dimensions of ethical leadership affect organizational culture.

H1a: The presence of ethical behavior has a beneficial effect on organizational culture..

H1b: Engaging in ethical behavior positively shapes organizational culture.

H1c: Encouraging ethical behavior has a favorable impact on organizational culture.

The research conducted by Çelik et al. (2015) on employees in four- and five-star hotels in Turkey revealed a positive influence of ethical leadership on organizational commitment. Similarly, Abuzaid (2018) found a positive correlation between ethical leadership and organizational commitment among employees in commercial banks in Jordan. Additionally, Gul et al. (2021) highlighted the significant effect of ethical leadership on organizational commitment within higher education institutions in Pakistan. A study by Eid Labib (2023) focused on employees at the Holding Company for Pharmaceuticals and Chemicals in Egypt, confirming a statistically significant relationship between the dimensions of ethical leadership and organizational commitment, while also noting variations in employees' perceptions of these concepts. Building on these prior findings, the current study proposes the following hypothesis:

H2: Ethical leadership is positively correlated with organizational commitment. Consistent with the findings of Eid Labib (2023), this study also puts forward the following sub-hypotheses concerning the effects of various dimensions of ethical leadership on organizational commitment:

H2a: The presence of ethical behavior has a positive impact on organizational commitment.

H2b: Engaging in ethical behavior positively affects organizational commitment.

H2c: Promoting ethical behavior positively influences organizational commitment.

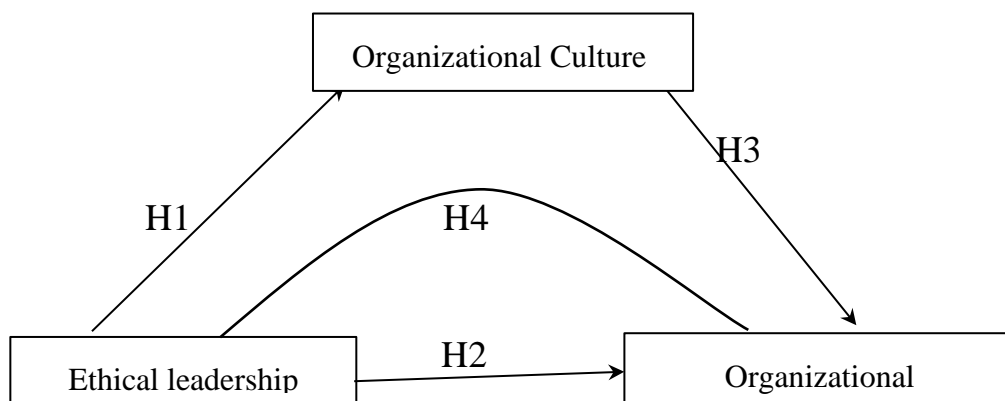
The study by Ben Salim and Baqadir (2021) conducted in Algeria, involving employees at the National Social Insurance Fund for Salaried Workers, identified a positive relationship between organizational culture and organizational commitment. Similarly, Qarni (2018) examined employees at the National Post Office in Egypt and found a strong connection between organizational culture and commitment. Azizollah (2015) also reported a positive impact of organizational culture on commitment among hotel employees. Furthermore, Aranki et al. (2019) supported these findings by demonstrating a positive link between organizational culture and commitment, a trend also confirmed by Kayani (2023) in his study of the Information Technology Foundation in Jordan.

Given that most studies have concentrated on the relationship between organizational culture and organizational commitment, this research aims to not only investigate that relationship but also explore the influence of ethical leadership on organizational commitment. The study will consider both organizational culture and organizational commitment as single-block variables within the framework of the previously discussed dimensions. Therefore, the following hypothesis is proposed:

H3: Organizational culture positively influences organizational commitment.

Moreover, although numerous studies have explored the direct or indirect effects of ethical leadership on organizational commitment—some incorporating mediating variables—there is a lack of research specifically examining the role of organizational culture as a mediating factor. Consequently, this study proposes the following hypothesis and model:

H4: Ethical leadership has a statistically significant effect on organizational commitment when organizational culture acts as a mediating variable.



In line with hypothesis H4, the study proposes the following sub-hypotheses concerning the impact of ethical leadership on organizational commitment, with organizational culture considered as a mediating variable:

H1: The availability of ethical behavior significantly affects organizational commitment when organizational culture acts as a mediating variable.

H2: Practicing ethical behavior significantly influences organizational commitment in the presence of organizational culture as a mediating variable.

H3: Enhancing ethical behavior has a statistically significant effect on organizational commitment when organizational culture serves as a mediating variable.

### **3. Research methodology:**

#### **3-1- Research approach:**

To address the study problem, a descriptive approach was utilized, outlining the theoretical framework for the key variables: ethical leadership, organizational culture, and organizational commitment. This approach aimed to examine the various facets of these variables and review existing theories to pinpoint the research gap, which the current study seeks to fill.

The theoretical insights were subsequently applied in a practical context by distributing a questionnaire to a sample of employees from three economic institutions in Algeria. The collected data were analyzed, and the study hypotheses were tested using SPSS and SmartPLS 4 software.

#### **Study Tool:**

To achieve the study's objective of assessing the impact of ethical leadership on organizational commitment with organizational culture as a mediating variable, a questionnaire was developed consisting of four sections:

**Ethical Leadership:** This section measured dimensions identified by Eid Labib (2023), including the availability of ethical behavior, ethical practices, and the promotion of ethical behavior. It includes 14 statements.

**Organizational Culture:** This section focused on the organizational culture variable, comprising 8 statements. The study treated this variable as a single-block construct.

**Organizational Commitment:** This section examined the organizational commitment variable, also consisting of 8 statements, and similarly treated it as a single-block construct.

#### **3-2- Research sample:**

The sample in this study represents a segment of the population and is crucial for evaluating the characteristics that the researcher aims to examine. To achieve the objectives of the field study, a purposive sampling method was employed, focusing on employees from three economic institutions in Algeria engaged in the production and distribution of petroleum and its derivatives.

The sample comprised 112 employees selected from a total population of 170 employees. The appropriate sample size was determined using Stephen Thompson’s equation, which aids in calculating the ideal sample size for research purposes.

**3-3- Statistical methods used:** Statistical methods are essential for analyzing relationships between variables in economic sciences, especially in the field of administrative sciences. In this study, the relationships among the variables were modeled using the Partial Least Squares (PLS) method, which is considered the most appropriate approach for analyzing and testing the hypotheses. This method is implemented using SmartPLS 4 software and consists of two main phases: the evaluation of the measurement model and the assessment of the structural model.

4. Data Analysis: In this section, we will present and analyze the data from the field study

**4-1 Cronbach's t coefficient:**

**Table (01) Results of the Cronbach's test**

	Number of statements	stability value	note
Provide ethical behavior	04	0.881	<b>High stability</b>
Practice ethical behavior	05	0.735	
Promote ethical behavior	05	0.903	
The first axis: ethical leadership	14	0.937	
Axis II: Organizational Culture	08	0.774	
Axis III: Organizational Commitment	08	0.824	

**Source: Created by researchers based on SPSS outputs.**

Table No. 01 clearly shows that the Cronbach's alpha coefficient values for the study axes range from 0.735 to 0.937, exceeding the 70% threshold. This indicates that the study instrument demonstrates high reliability and effectively measures the intended outcomes, meaning consistent results would be obtained if the questionnaire were redistributed.

**4-2- Standard model:**

The criteria for assessing internal consistency (convergent validity) include the composite reliability (CR), and the average variance extracted (AVE) as a criterion for convergent validity. After processing the data using SmartPLS 4 software, the following results were obtained:

Table (02): Convergent validity test results

		CV	AVE
<b>Ethical leadership</b>	Provide ethical behavior	<b>0.918</b>	<b>0.738</b>
	Practice ethical behavior	<b>0.828</b>	<b>0.516</b>
	Promote ethical behavior	<b>0.928</b>	<b>0.721</b>
Organizational Culture		<b>0.843</b>	<b>0.519</b>
Organizational Commitment		<b>0.874</b>	<b>0.542</b>

Source: Created by researchers based on SmartPLS4 outputs

the composite reliability values ranged from 0.843 to 0.928, surpassing the 70% threshold. This indicates that the study instrument shows high reliability; if the questionnaire were redistributed to the same sample, consistent results would be expected. The composite reliability index is similar to the Cronbach's alpha coefficient.

Additionally, the average variance extracted (AVE) values exceeded 50%, ranging from 0.516 to 0.738, indicating that each dimension explains more than half of its variance.

**4-3- Indicators of discriminant validity:**

After processing, the following tables present the results of the cross-loading index and the variable correlation index:

**4.4.1. Variable correlation index:**

Table (04) correlation index

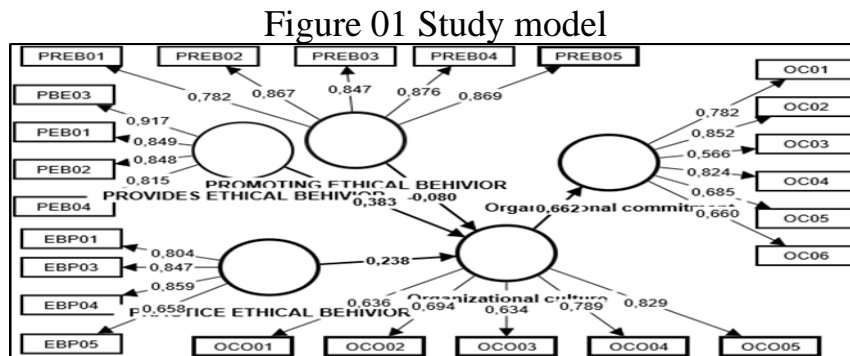
	<b>Organizational culture</b>	<b>Organizational commitment</b>	<b>Organizational behavior</b>	<b>Promote ethical practices</b>	<b>Provide ethical practices</b>	<b>Ethical behavior</b>
<b>Organizational culture</b>	<b>0.721</b>					
<b>Organizational</b>	<b>0.66</b>	<b>0.73</b>				

<b>commitment</b>	<b>1</b>	<b>6</b>			
<b>Promote ethical behavior</b>	<b>0.47</b> 7	<b>0.55</b> 8	<b>0.71</b> 9		
<b>Provide ethical practices</b>	<b>0.40</b> 6	<b>0.49</b> 5	<b>0.81</b> 4	<b>0.849</b>	
<b>Ethical behavior practices</b>	<b>0.50</b> 1	<b>0.50</b> 7	<b>0.82</b> 0	<b>0.784</b>	<b>0.859</b>

Source: Designed by researchers based on SmartPLS4 outputs

The standard model variable correlation index measures the extent to which the variables are distinct from one another. From the previous table, it is evident that all variables and dimensions (ethical behavior availability, ethical behavior practice, ethical behavior promotion, organizational culture, and organizational commitment) exhibit higher values of the variable correlation index (vc) compared to the other axes. Consequently, these factors can be considered independent of one another.

Study Model After Implementing Convergent and Discriminant Validity Tools:



Source: Created by researchers based on SmartPLS 4 outputs

Table (06) Hypothesis Testing Table

	coefficient	Standard deviation	T - test value	probability value	decision
<b>Ethical Leadership &gt; Organizational Culture</b>	<b>0.51</b> 1	<b>0.08</b> 0	<b>6,19</b> 9	<b>0,000</b>	<b>Accepted</b>
<b>Provide ethical behavior &lt; organizational culture</b>	<b>0.17</b> 4	<b>0.02</b> 9	<b>5,93</b> 3	<b>0,000</b>	<b>Accepted</b>

<b>Ethical behavior practices &lt; Organizational culture</b>	<b>0.167</b>	<b>0.030</b>	<b>5,103</b>	<b>0,000</b>	<b>Accepted</b>
<b>Promoting Ethical Behavior &gt; Organizational Culture</b>	<b>0.205</b>	<b>0.032</b>	<b>6,445</b>	<b>0,000</b>	<b>Accepted</b>
<b>Ethical Leadership &gt; Organizational Commitment</b>	<b>0.675</b>	<b>0.052</b>	<b>12,841</b>	<b>0,000</b>	<b>Accepted</b>
<b>Provide ethical behavior &lt; organizational commitment</b>	<b>0.229</b>	<b>0.114</b>	<b>2,124</b>	<b>0.034</b>	<b>Accepted</b>
<b>Ethical behavior practices &lt; Organizational commitment</b>	<b>0.215</b>	<b>0.139</b>	<b>1,253</b>	<b>0,210</b>	<b>Rejected</b>
<b>Promoting Ethical Behavior &gt; Organizational Commitment</b>	<b>-0.059</b>	<b>0.106</b>	<b>0.531</b>	<b>0.596</b>	<b>Rejected</b>
<b>Organizational Culture &gt; Organizational Commitment</b>	<b>0.674</b>	<b>0.052</b>	<b>12,731</b>	<b>0,000</b>	<b>Accepted</b>

Source: Created by researchers based on SmartPLS 4 outputs

**Conformity quality indicators:**

These indicators include the correlation coefficient ( $R^2$ ), the predictive ability index ( $Q^2$ ), the impact strength index ( $F^2$ ), and the quality of conformity index (GOF). The following table presents the most significant results:

Coefficient of determination index:

The coefficient of determination ( $R^2$ ) is a widely utilized metric that indicates the strength of the relationship between the study variables.

**Table (07): Coefficient of determination and correlation index**

	<b><math>R^2</math></b>
<b>Organizational culture</b>	<b>0.284</b>
<b>Organizational commitment</b>	<b>0.438</b>

**Source: designed by researchers based on SmartPLS 4 outputs**

From Table No. 7, it is observed that there is a weak correlation between ethical leadership and organizational culture, while a medium correlation exists between organizational culture and organizational commitment.

**Effect size index F<sup>2</sup> :**

This indicator specifically measures the effect of independent variables on the dependent variable individually, assessing the impact of each dimension on the dependent variable. This contrasts with the coefficient of determination, which evaluates the collective effect of the dimensions on the dependent variable. According to Cohen (1988), the values are categorized as follows:

Less than 0.02: rejected

Between 0.02 and 0.15: weak

Between 0.15 and 0.35: moderate

Greater than 0.35: strong (Yakupl, 2019).

**Table (08): Coefficient of determination and correlation index**

Organizational commitment as a dependent variable			Organizational culture as a dependent variable		
The axis	F <sup>2</sup>	note	The axis	F <sup>2</sup>	note
Organizational culture	0.261	Average	Ethical leadership	0.329	Average
Ethical leadership	0.130	weak	Provide ethical behavior	0.024	weak
Provide ethical behavior	0.008	weak	Practice ethical behavior	0.003	weak
Practice ethical behavior	0.053	weak	Promote ethical behavior	0.052	weak
Promote ethical behavior	0.004	weak			

**Source: designed by researchers based on SmartPLS 4 outputs**

**Quality of conformity index (GOF) :**

This indicator measures the extent of reliance on the study model. It is calculated by combining the structural model through the average variance extracted (AVE) and the structural model using the average R<sup>2</sup>. The classification of its value is as follows:

Less than 0.1: unacceptable

Between 0.1 and 0.25: weak

Between 0.25 and 0.36: moderate

Greater than 0.36: strong (Hair & Alamer, 2022).

It can be summarized in the following relationship:  $GOF = \sqrt{(R^2 * AVE)}$

**Table (10) Quality of conformity index GOF**

The axis	AVE	R <sup>2</sup>	GOF
Organizational commitment	0.607	0.361	0.467

**Source:** Created by researchers based on SmartPLS4 outputs

From the table above, it is evident that the value of the GOF index is greater than 0.36, indicating that the model demonstrates a high ability to predict and measure the relationship between the independent variable and the dependent variable.

**The role of organizational culture as a mediator:**

**Table (11) Hypothesis Testing Table**

	Regression coefficients	Standard deviation	T- test value	probability value	decision
Ethical Leadership > Organizational Culture > Organizational Commitment	0.346	0.069	4,742	0,000	Accepted
Ethical behavior <Organizational culture> Organizational commitment	0.174	0.029	5,933	0,000	Accepted
Ethical Behavior Practices < Organizational Culture > Organizational Commitment	0.113	0.025	4,109	0,000	Accepted
Promoting Ethical Behavior > Organizational Culture > Organizational Commitment	0.139	0.027	4,968	0,000	Accepted

**Source:** designed by researchers based on SmartPLS4 outputs

**5- Study results and discussion:**

- The first main hypothesis: From Table 06, it is evident that the regression coefficient for the impact of ethical leadership on organizational culture is 0.675, indicating a significant effect, as the P-value is less than 0.05 (specifically 0.000) and the T-value is 6.199, which exceeds the critical value of 1.96. Therefore, we can conclude that ethical leadership, encompassing all its dimensions (availability of ethical behavior, practice of ethical behavior, and promotion of ethical behavior), has a statistically significant effect on organizational culture in economic institutions at a 0.05 significance level.

The correlation coefficient of 28.4% suggests a weak but positive correlation between ethical leadership and organizational culture in Algerian economic institutions. This implies that as the level of ethical behavior among leaders increases, the level of organizational culture also rises. Additionally, the  $F^2$  impact coefficient indicates a medium effect of ethical leadership on organizational culture in these institutions.

These findings are consistent with previous studies, such as those by Saleem et al. (2020), Al-Khalidi (2024), and Mukhtar B (2023). The current study supports the notion that ethical leadership is crucial in fostering a positive organizational culture and differentiating the organization from its competitors. What sets this study apart is its focused exploration of the impact and relationship between the specific dimensions of ethical leadership (availability of ethical behavior, practice of ethical behavior, and promotion of ethical behavior) and organizational culture.

The findings for each sub-hypothesis are as follows:

First sub-hypothesis:

The P-values were below 0.05, and the T-value reached 5.933, exceeding the critical value of 1.96. This indicates a statistically significant effect of the first dimension of ethical leadership, specifically the availability of ethical behavior, on organizational culture in economic institutions at the 0.05 significance level. However, the  $F^2$  impact coefficient suggests that the effect of the availability of ethical behavior on organizational culture in Algerian economic institutions is weak.

Second sub-hypothesis: With P-values below 0.05 and a T-value of 5.103, surpassing the critical value of 1.96, it can be concluded that the second dimension of ethical leadership—practicing ethical behavior—has a statistically significant effect on organizational culture in economic institutions at the 0.05 significance level. However, the  $F^2$  impact coefficient indicates a weak effect of practicing ethical behavior on organizational culture in these institutions.

Third sub-hypothesis: The P-values for the third sub-hypothesis were below 0.05, and the T-value reached 6.445, exceeding the critical value of 1.96. This indicates a statistically significant effect of the third dimension of ethical leadership—promoting ethical behavior—on organizational culture in economic institutions at the 0.05 significance level. However, the  $F^2$  impact coefficient

also suggests a weak effect of promoting ethical behavior on organizational culture in Algeria's economic institutions.

In summary, while all three dimensions of ethical leadership demonstrate a statistically significant effect on organizational culture, their overall impact is generally weak across all dimensions.

**Second Main Hypothesis:**

As shown in Table 06, the regression coefficient for the impact of ethical leadership on organizational commitment was 0.675, indicating a significant effect, as the P-value was less than 0.05 (specifically 0.000), and the T-value was 12.841, which exceeds the critical value of 1.96. This confirms a statistically significant effect of ethical leadership in all its dimensions—availability of ethical behavior, practicing ethical behavior, and promoting ethical behavior—on organizational commitment in economic institutions at the 0.05 significance level.

The correlation coefficient of 48.4% indicates a positive correlation between ethical leadership and organizational commitment, suggesting that as the level of ethical leadership increases, so does the level of organizational commitment among employees in Algerian economic institutions. Additionally, the  $F^2$  impact coefficient reveals a medium effect of ethical leadership on organizational commitment in these institutions.

These findings are consistent with the results of previous studies by ÇELİK et al. (2015), Abuzaid (2018), and Gul et al. (2021). The current study aligns with earlier research, demonstrating that supporting and encouraging ethical behavior enhances employees' willingness and motivation to remain with and contribute to the organization. Ethical leadership fosters a sense of appreciation and mutual respect, thereby strengthening organizational commitment.

First Sub-Hypothesis: The results indicate that the P-value is 0.034, which is less than 0.05, and the T-value is 2.124, exceeding the critical value of 1.96. This finding confirms a statistically significant effect of the first dimension of ethical leadership—availability of ethical behavior—on organizational commitment in economic institutions at the 0.05 significance level.

However, the  $F^2$  impact coefficient suggests that the strength of this effect is weak but nonetheless present within Algerian economic institutions. This implies that while the availability of ethical behavior does contribute to organizational commitment, its impact may not be as pronounced as other factors, highlighting the need for further exploration of how to enhance this dimension for greater organizational commitment.

Second Sub-Hypothesis: The results indicate that the P-value is 0.210, which is greater than 0.05, and the T-value is 1.253, which is below the critical value of 1.96. These findings suggest that there is no statistically significant effect of the second dimension of ethical leadership—practicing ethical behavior—on

organizational commitment in economic institutions at the 0.05 significance level.

This lack of significance implies that simply practicing ethical behavior, without additional factors or support, may not be enough to influence employees' commitment to the organization. It highlights the need for a more comprehensive approach to ethical leadership that encompasses various dimensions to foster stronger organizational commitment.

**Third Sub-Hypothesis:** For the third dimension of ethical leadership—enhancing ethical behavior—the results indicate that the P-value is 0.596, which exceeds 0.05, and the T-value is 0.531, also falling below the critical value of 1.96. This suggests that there is no statistically significant effect of enhancing ethical behavior on organizational commitment in economic institutions at the 0.05 significance level.

This study's findings partially align with Eid Labib's (2023) research, which examined the relationship between the dimensions of ethical leadership (availability, practice, and enhancement of ethical behavior) and organizational commitment. However, there is a divergence in results: while Eid Labib found that all dimensions significantly impacted organizational commitment, this study identified only the availability of ethical behavior as having a meaningful effect, with no significant influence from practicing or enhancing ethical behavior.

The results suggest that leaders' commitment to ethical behavior serves as a vital source of inspiration for employees, encouraging them to adopt and internalize ethical practices within the organization. This creates a positive internal environment that fosters stronger organizational commitment and a willingness among employees to contribute more deeply to the organization. However, the findings imply that while the availability of ethical behavior is crucial, merely practicing or enhancing ethical behavior does not consistently lead to increased commitment.

### **Third Main Hypothesis:**

According to Table 06, the regression coefficient for the effect of ethical leadership on organizational commitment is 0.674, indicating a significant impact, as the P-value is 0.000 (less than 0.05), and the T-value is 12.731, which exceeds the critical value of 1.96. This confirms a statistically significant effect of organizational culture on organizational commitment in economic institutions at the 0.05 significance level.

The F<sup>2</sup> impact coefficient indicates a medium effect of ethical leadership on organizational commitment, underscoring that an organization's values and beliefs enhance employees' feelings of belonging, thereby increasing their commitment to the organization. This highlights the importance of ethical leadership and a supportive organizational culture in fostering commitment among employees in economic institutions.

**Organizational Culture as a Mediating Variable:**

The fourth main hypothesis investigates the role of organizational culture as a mediator in the relationship between ethical leadership and organizational commitment.

As indicated in Table No. 11, the regression coefficient for the effect of ethical leadership on organizational commitment, mediated by organizational culture, is 0.346. This effect is statistically significant, with a P-value of 0.000 (which is less than the 0.05 threshold) and a T-value of 4.742, exceeding the critical value of 1.96.

These findings confirm that there is a statistically significant effect of ethical leadership—across all its dimensions—on organizational commitment when organizational culture serves as a mediating variable within economic institutions, at a significance level of 0.05. This suggests that the positive influence of ethical leadership on organizational commitment is enhanced by the presence of a strong organizational culture, highlighting the importance of fostering both ethical leadership and a supportive cultural environment to strengthen employees' commitment to their organizations.

First Sub-Hypothesis: As presented in Table No. 11, the regression coefficient for the effect of the first dimension of ethical leadership—availability of ethical behavior—on organizational commitment, mediated by organizational culture, is 0.174. This effect is statistically significant, with a P-value of 0.000 (less than the 0.05 threshold) and a T-value of 5.933, which exceeds the critical value of 1.96. Therefore, it can be concluded that there is a statistically significant effect of the availability of ethical behavior on organizational commitment, mediated by organizational culture, in economic institutions at a significance level of 0.05.

Second Sub-Hypothesis: For the second dimension of ethical leadership—practicing ethical behavior—the regression coefficient is 0.113, indicating a significant effect on organizational commitment when mediated by organizational culture. The P-value is 0.000 (less than 0.05), and the T-value is 4.109, which is greater than the tabular value of 1.96. This confirms that there is a statistically significant effect between practicing ethical behavior and organizational commitment in the presence of organizational culture as a mediator, at a significance level of 0.05.

Third Sub-Hypothesis: Regarding the third dimension of ethical leadership—enhancing ethical behavior—the regression coefficient stands at 0.139, with a P-value of 0.000 (below 0.05) and a T-value of 4.968, exceeding the critical value of 1.96. This indicates a statistically significant effect between enhancing ethical behavior and organizational commitment, mediated by organizational culture, within economic institutions at a 0.05 significance level.

The findings of this study indicate that organizational culture plays a critical role as a mediator in strengthening the impact of ethical leadership on organizational commitment in Algerian economic institutions. All three dimensions of ethical leadership—availability, practice, and enhancement of ethical behavior—

demonstrate significant effects on organizational commitment when organizational culture is considered as an intermediary factor. This underscores the importance of fostering a supportive organizational culture to enhance the positive outcomes of ethical leadership

### **Conclusion**

This study explored the intricate relationship and impact among ethical leadership, organizational culture, and organizational commitment. It emphasizes that ethical leadership serves as a vital framework for promoting ethical behavior within organizations. Leaders committed to honesty, integrity, and fairness set a positive example, which encourages similar behaviors among their staff.

When leaders not only demonstrate ethical behavior but actively promote it, they foster a trust-based relationship with their employees. Employees internalize ethical values by observing their leaders' actions, highlighting the principle that actions often speak louder than words. By reinforcing ethical behaviors, leaders embed these values, customs, and practices into the organizational fabric, resulting in norms and beliefs that shape workplace culture.

Ethical leadership is crucial in cultivating a fair organizational culture, which significantly enhances employees' ability to perform their duties effectively. An employee's sense of belonging and commitment to the organization's goals is closely linked to a just and transparent culture that embodies ethical principles such as integrity, fairness, and accountability.

In summary, this study underscores the importance of ethical leadership as a catalyst for fostering a robust organizational culture, thereby enhancing employee commitment and overall organizational performance. As organizations strive for success, cultivating ethical leadership is essential to nurture an environment where employees feel valued, motivated, and committed to contributing to the organization's objectives.

**Recommendations:** Based on the findings of this study, the following recommendations are suggested:

- **Prioritize the human element:** Economic institutions in Algeria should focus on maintaining and valuing the human workforce, as it is a key factor in the organization's success.
- **Foster a culture of justice and respect:** Managers should create an environment that emphasizes fairness and mutual respect, which will in turn strengthen employees' commitment to the organization.
- **Emphasize ethical leadership:** Economic institutions need to place greater importance on the standards and principles of ethical leadership to guide their practices and decision-making.
- **Update organizational culture:** There is a need to enhance the existing organizational culture by integrating new frameworks and systems that align with modern developments and innovations.

- Expand research on ethical leadership and commitment: Further studies should explore the relationship between ethical leadership and organizational commitment to deepen understanding and contribute to the literature on this topic.

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