

The Role of Ethical Leadership in Enhancing Organizational Commitment and Employee Retention in the Accounting Profession

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Abstract

This study investigated the role of ethical leadership in enhancing organizational commitment and employee retention in the accounting profession. Guided by Ethical Leadership Theory and Social Exchange Theory, the research examined how honesty, fairness, integrity, and responsibility influence affective, normative, and continuance commitment as well as employees' intention to stay. A descriptive–correlational design was employed, involving 100 Certified Public Accountants (CPAs) from various industries in the Philippines. Data were collected through validated survey instruments and analyzed using descriptive statistics and Pearson's correlation. Results revealed that respondents perceived a very high level of ethical leadership across all four dimensions, with responsibility rated the highest. Organizational commitment was found to be high, while intention to stay was rated very high. Correlation analysis confirmed that all ethical leadership dimensions were significantly and positively related to both organizational commitment ($r = .32-.37, p < .01$) and intention to stay ($r = .44-.47, p < .01$). These findings affirm that ethical leadership fosters stronger employee loyalty, moral obligation, and long-term retention. The study highlights the importance of embedding ethical leadership in organizational practices and leadership development programs to ensure workforce stability and strengthen the credibility of the accounting profession.

Keywords: Ethical leadership, organizational commitment, intention to stay, employee retention, accounting profession