Trust Glues the Relationship between Ethical Leadership of Heads and University Teachers' Moral Competence

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A B S T R A C T

Ethical leadership is a pragmatic concept that needs to be explored extensively in today's work place. Ethical leaders show moral behavior and try to build an ethical and trusted environment in the organizations. This study was planned to determine the relationship between the ethical leadership of heads as perceived by the teachers in universities of the Punjab, trust, and moral competency of the teachers. Specifically, trust as a mediator was examined to know its effect on the association of perceived ethical leadership of heads with employees' moral competence. The sample of this study was five public sector universities of Punjab. Data were collected from 230 teachers through a questionnaire from different departments of social sciences and sciences faculties. Pearson correlation was applied to find out the relationship among variables, and Process MACRO was used to measure the mediating effect of trust in the relationship between the variables. Results revealed that leaders' ethical behavior was positively related to teachers' trust but not to their moral competence. Ethical leadership of heads was significantly associated with employees' moral competence when mediated by their trust in heads. It was suggested that leaders should articulate a clear vision, explain how to reach it and express trust and confidence in their followers, emphasizing values, especially fairness and justice, to make themselves trustworthy.

Introduction

Researchers have always studied how leaders behave and what makes them more effective in formal organizations (Peng & Kim, 2020). Observing moral values in the workplace is important to retain workers' commitment and to survive in a highly competitive environment (Bahadori et al., 2021). Ethical behavior is a benchmark for making just and fair decisions and effectively applying the rules and regulations in any organization (Almandeel & Dawood, 2019). Ethics refers to individual behaviors or decisions compatible with the social order (Ferrell & Fraedrich, 2015). Ethical behavior is often expected from the management because they work as role models for the workers (Kuenzi et al., 2020). Ethics also inspire employees to act positively and ethically in organizations (Mo & Shi, 2017). As team structure and collective task accomplishments have become imperative in learning organizations, the ethical dimension of leadership has gained greater importance. Ehrich et al. (2015) documented that leaders consider ethics and leadership inseparable and are guided by those values while making decisions. When leaders observe values and work ethically, they are in the sphere of ethical leadership (EL).

Over the last decade, ethical leadership has gained much attention from researchers and scholars, and it has been studied widely (Babar et al., 2022; Banks et al., 2021; Zhu et al., 2019) as a contemporary area of research. EL attained this special attention because of its positive effects on workers' performance and moral behavior (Almandeel & Dawood, 2019). Studies have highlighted that leaders' role significantly impacts the

ethical conduct of workers. Ethical leadership, as a social practice (Angus, 2006), guides heads to behave justly and decently in their professional settings. Ethical leaders are considered upright, decent, and moral people who make just decisions and teach their followers the value of ethical conduct and morality (Brown et al., 2005) by encouraging teamwork and social justice while working with others.

Northouse (2013) asserts that ethical leaders act positively to build a positive environment and make everyday decisions ethically. Leaders develop relationships with their followers based on trust and mutual respect (Buengeler et al., 2021). EL shows dignity, honesty, consideration, and trust toward workers' commitment and efforts to improve the organizations (Almandeel & Dawood, 2019). When leaders behave ethically, there is an emotional bond and a mutual relationship of trust (Byun et al., 2017). These emotional ties work as glue and bind individuals by developing a positive sense of concern and relationship. Trust and justice are the main factors leading to low turnover intentions (Burke et al., 2007). When leaders trust their followers, a virtuous cycle of trust-building can be generated when employees reciprocate through their acts of trust (Mishra & Mishra, 2013). Browning (2014) reasoned that good leadership needs building trust, which can be earned, not demanded. He further states that leaders should intentionally employ practices that sustain trust rather than waiting that they will be more trusted over time, as leadership trust leads to higher team effectiveness and organizational performance.

Ethical leaders treat employees as equals without any favoritism and ethically perform their duties and responsibilities (Brown & Treviño, 2006). Ethical leadership changes the whole fabric of organizations as employees learn ethical and moral conduct by observing their heads behaving morally. Employees can trust each other and respect everyone. Ethical leaders work as mentors and role models. This characteristic increases the charisma of their personalities. Management supports their employees with ethical values and practices ethical leadership by making fair and just decisions (Piccolo et al., 2010). Ethical leadership style effects differently in different organizations, i.e., it increases teachers' commitment (Cansoy et al., 2020), improves cooperation among the staff (Almandeel & Dawood, 2019), and creates long-term visions for their schools (Eisenschmidt et al., 2019).

Morals refer to internal principles and standards of behavior that help individuals distinguish and differentiate right and wrong (Ferrell et al., 2015). Moral competence (MC) is the ability to live in a way consistent with the moral code and the capacity of an individual to distinguish between good and bad in particular situations (Jormsri, 2005). It can be explained as an individual's ability to use universal moral principles to resolve problems and conflicts (Lind, 2019) and problem-solving and decision-making capacity while facing ethical issues. Morally competent employees apply ethical values to their work and actions. The concept of moral competence covers; kindness, compassion, responsibility, honesty, respect for human values, integrity, accountability and sympathy (Jormsri, 2005; Lennick & Kiel, 2005; Zaman et al., 2022). Theoretically, moral competence is rooted in Kohlberg's moral development theory, which explains a person's reasoning while making moral judgments (Loviscky et al., 2007).

Workers with a good match of values and principles with their leaders may be more motivated by high moral competence and can become superior performers (Lennick & Kiel, 2005). Therefore, it is important to study the association between these variables to understand better the dynamics and interplay between the ethical dimension of heads in a trusted environment and the moral competence of teachers. Trust in heads influences employees' moral competence because when workers perceive their leaders as ethically and morally strong, they will trust and follow them willingly. Employees' trust in their leaders is dependent on the leaders' care and concern for them. Leadership trust leads to higher team effectiveness and organizational performance (Burke et al., 2007).

This research focused on the perception of teachers about their heads' ethical practices, to what extent they consider their heads trustworthy, and how ethical leadership may help them improve their moral competence. Most research on trust and ethical leadership has been done on the employees of advanced nations (Le & Tran, 2020), so knowing how such leaders behave in a South Asian context with varied cultural and work norms would be better.

Objectives

This research measured the correlation between the perceived ethical leadership of heads, employees' moral competence, and trust. Moreover, this study intends to determine the mediation effect of trust in the correlation between the perceived ethical leadership of heads and teachers' moral competence.

Methods

This correlation study used a survey method to collect data, providing a chance to measure the mediation effect. The population of the study consisted on all teachers from the universities of Punjab. A sample of 260 university teachers was selected from five public sector universities of Punjab, i.e., University of Sargodha, Government College University Faisalabad, University of Education, Islamia University
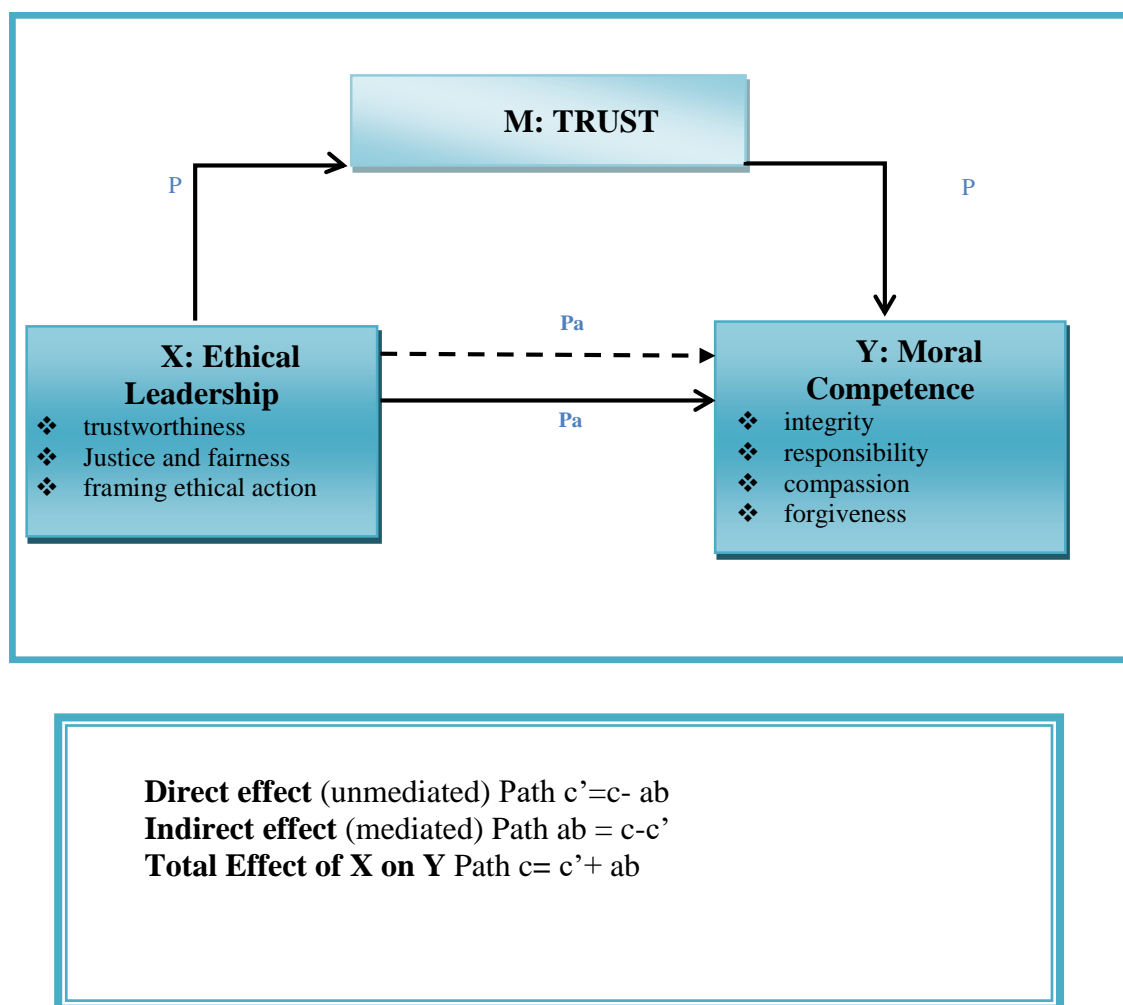
Bahawalpur, and the University of Gujarat. A convenient sampling technique was used for selecting the faculty members/teachers for data collection from each university's faculty of science and faculty of social sciences.

Instruments

Two research instruments, i.e., the Ethical Leadership scale (Brown et al., 2005) and Moral Competence inventory (Lennick & Kiel, 2005), were adopted and used for data collection in this study. Moreover, a scale to measure the trust of teachers in their heads was developed after reviewing related literature (Browning, 2014; Burke et al., 2007; Cowart et al., 2014; Mishra & Mishra, 2013; Yang & Mossholder, 2010). The piloting of the tool was done by using a sample of 35 teachers (male and female) from selected departments of the University of Sargodha to measure the Cronbach alpha reliability for internal consistency. The validity was ensured through the experts' opinions in the content and language to make the items understandable. The Reliability coefficient values of the ethical leadership and moral competence scale were 0.861 and 0.803, respectively, while the Reliability coefficient of the Trust scale was 0.783.

Figure 1

Conceptual Framework of Hypothesized Mediation Model

Direct effect (unmediated) Path c'=c- ab
Indirect effect (mediated) Path ab = c-c'
Total Effect of X on Y Path c= c'+ ab

Note: This figure demonstrates the conceptual framework of the effect of ethical leadership on moral competence and the mediating effect of ethical leadership on moral competence through trust.

Results

Pearson r was measured to find the relationship among all variables and Process MACRO for the mediation effect of trust in the relationship between EL and moral competence, using SPSS version 22.

Table 1

Correlation of Ethical Leadership of Heads, Teachers' Moral Competence and Trust

Variables	Trust	Moral Competence
Ethical leadership	.395**	.114
Moral Competence	321**	

Table 1 shows a significant correlation of ethical leadership of heads with trust (r = 0.395) and trust with employees' moral competence (r = 0.321) but an insignificant correlation between ethical leadership and employees' moral competence (r=0.114).

Table 2

Direct, Indirect and Total effects of all variables of the study

| Paths	B	t	P	LLCI	ULCI
Direct Paths					
Ethical Leadership⟶ Moral Competence	-.016	-.248	.805	.108	-.016
Ethical Leadership ⟶Trust	.326	6.97	.000	.234	.418
Trust⟶ Moral Competence	.392	5.13	.000	.242	.542
Indirect Path					
Ethical Leadership ⟶ Trust ⟶ Moral Competence	.127		Sig	.069	.203
Total Effect					
EthLead ⟶ Trust + EthLead ⟶ Trust ⟶ Moral Competence	0.112	1.85	.065	-.007	.231

The direct effect of Ethical Leadership on Moral Competence is non-significant (B=- .016, *t* =-.248, *p*=.805). The direct effect of Ethical Leadership on trust is significant (B= .326, *t* =6.97, *p* =.000). The direct effect of trust on moral competence is also significant (B= .392, *t* =5.13, *p*= .000).

The indirect effect of ethical leadership on moral competence through the mediation of trust is significant, B=0.127 (LLCI=0.069, ULCI=0.203); 5000 bootstrap samples were selected to test the mediation. This indirect effect is significant as the confidence interval's lower and upper bounds differ from zero. The direct effect of ethical leadership and moral competence is insignificant, whereas the indirect effect of ethical leadership on moral competence through trust is significant. Therefore, the mediation type suggested by the model is complete mediation.

The standardized total effect of ethical leadership on moral competence is non-significant B= .112, *t* =1.85, *p*= .065. All values show a good model fit, as in Table 1. After analyzing all the statistical results of the structural model, it can be concluded that trust mediates the relationship between both variables.

Figure 2

Direct and Indirect Paths of the variables.
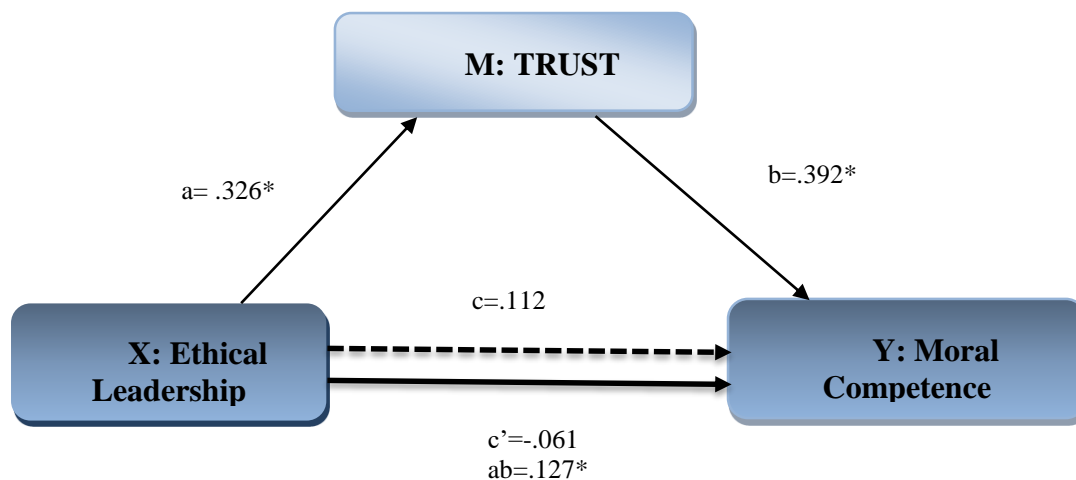
Note: This figure demonstrates the values for the direct effect of ethical leadership on moral competence and the indirect effect of ethical leadership on moral competence through trust as a mediator. Moreover, the total effect of ethical leadership on moral competence has also been exhibited.

Discussion

This research aimed to measure the relationship between the perceived ethical leadership of department chairpersons and university teachers' trust in their heads and their moral competence. Trust is a psychological state where workers intend to develop positive feelings towards their team leaders and heads (Yang & Mossholder, 2010). The results revealed a significant correlation between the ethical leadership of heads as perceived by the university teaching faculty and trust in their heads. Ethical leaders show honesty and consideration toward employees' efforts (Almandeel & Dawood, 2019), ultimately increasing employees' trust. Developing a relationship of mutual trust with heads who behave ethically towards them is quite natural. Some earlier studies (Bedi et al., 2016; Malik et al., 2022) also reflected that the employees' perception of the practices of EL of their heads contributed significantly towards increasing their trust. Cowart et al. (2014) consider building trust important as the leaders who create trust-based interactions and relationships are perceived as more ethical than the managers who do not.

According to the results, trust was also significantly related to employees' moral competence, as employees' perception of trust in their leaders may inspire them to behave morally and more ethically (Solinger et al., 2020). Surprisingly there was an insignificant correlation between ethical leadership and employees' moral competence, which may be because of heads not being able to transmit their ethics into behavior that can influence their subordinates morally and increase their moral competence, though consistent with the findings of Naureen and Awan (2023). Opposite to this finding, Heres and Lasthuizen's (2014) assertion on this linkage is that ethical leadership innately requires a visible and deliberate effort to guide and help others develop their ethical and moral competence. The results of another study (Halbusi et al., 2021) also revealed a significant relationship between ethical leadership and the ethical behavior of employees. Malik et al. (2022) explain that heads generally ignore ethical values, and workers can develop a relationship of mutual trust with employees only when they act and behave ethically. Brown and his colleagues (2005) assert that ethical leaders provide moral support to the employees working around them through their fair and equitable decisions. The explanation of this result is more evident in the mediation analysis in the following paragraph, which declares that trust in leaders functions as a positive catalyst to enhance the moral competence of teachers if the leaders are ethically strong.

The results revealed that the direct effect of ethical leadership on moral competence was non-significant. In contrast, the direct effect of ethical leadership on trust and trust on moral competence was significant. The indirect effect of ethical leadership on moral competence through the mediation of trust was significant, so trust mediates the relationship between ethical leadership on moral competence. This result is consistent with Naureen and Awan (2023), who reported that the indirect effect of leadership on moral competence through the mediation of psychological empowerment was significant. Almandeel and Dawood (2019) also revealed

the full mediation effect between ethical leadership and the continuance of organizational commitment transmitted through teachers' loyalty. Brown et al. (2005) also revealed that employees were more comfortable with and attracted to ethically behaving heads who were trustworthy. This finding corresponds to this study as the heads were able to influence the moral competence of the teachers only when they had a trustworthy relationship with their heads without trust, which was insignificant.

Previous research has documented that those heads who consider ethics and leadership as inseparable observe values while making decisions, act positively, behave morally, and work from a values-based standpoint to build a positive environment (Ehrich et al., 2015; Northouse, 2013; Raza et al., 2021). Similar research by Afsar and Shahjehan (2018) proclaimed an interaction between ethical leadership and trust in the heads that affected subordinates' moral voice. They further explored that EL was positively related to moral voice when the trust was higher. Moreover, moral efficacy mediated the relationship of ethical leadership, trust, and moral voice (Afsar & Shahjehan, 2018). Another study also found that ethical climate and organizational justice significantly mediate between ethical leadership and employees' ethical behavior (Halbusi et al., 2021).

Conclusion

Ethical leadership of heads was significantly related to employees' moral competence as mediated by their trust. Therefore, it was concluded that the ethical leadership of department chairpersons could impact university teachers' moral competence only if heads are trustworthy. It has been highlighted in the research findings that heads can foster relationships with the teachers as subordinates, only with a sense of being fair and just characterized by trust. Therefore, heads may focus on the ethical dimension of their leadership so that teachers may trust them with a positive perception while having an emotional bond and a positive sense of the relationship with them. Heads' trust in subordinates also needs to be investigated, as leaders' trust in their members instills members' trust in their leaders reciprocally and can significantly influence their mutual relationships (Byun et al., 2017).

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