 THE IMPACT OF ENVISIONETHICAL LEADERSHIP AND TRUST IN LEADER ON JOB SATISFACTION

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ABSTRACT

The aim of this study is to examine the impact of envision ethical leadership and trust in leader on job satisfaction. For this aim, in the theoretical part, ethical leadership, trust, trust in leader, and job satisfaction are explained. In the application part, a questionnaire including the measures of the ethical leadership, trust in leader and job satisfaction is distributed to middle level managers working in the member of Corporate Governance Association of Turkey companies applying corporate governance principles. It is found that perceived ethical leadership and trust in leader have a positive impact on job satisfaction, and trust in leader has a Mediating role between the relations perceived ethical leadership and job satisfaction.

Keywords: Ethical Leadership; Job Satisfaction; Trust; Trust in Leader

INTRODUCTION

Leadership within the boundaries of organizational studies has been emphasized by many researches. To reach the objective of affective governance in organizational circumstances, the leaders’ visions, missions and methods are very crucial in the theory of leadership. The process, through which leadership is exercised, increases or reduces the probability of wealth creation, not only for established organizations but also for the employees. For this reason, the exercised leadership behavior is crucial in forming and maintaining competitive advantage, sustainable profitability, and satisfactory employee performance. It should be noted here that leadership is an attribution which relies on the perception of the followers. For this reason leaders become leaders not because they are assigned by the organizations to certain departments to lead, but because they are accepted and perceived by their followers as a leader. Thus a leader should

Provide the followers vision, motivation, inspiration, integrity, transparency, optimism, trust, ethical standards and most important than all intellectual stimulation through charisma to

Accomplish these goals. Considering these aspects, existing literature provides us “trust,” as one of the main elements yielding to effective leadership in organizations. Studies draw attention to the importance of trust which fosters and enhances follower workout comes in relation to exercised leadership behaviors [1]-[4]. The implications of trust on both individual and organizational effectiveness have been mental programming of the people from differentiating

Environments show differentiating attributes, taking into account the cultural context within which leadership is exercised is crucial when attempting to understand mediating relationships with performance outcomes. Correspondingly, attributes that are consistent with one culture may not be consistent within the boundaries of another culture when thinking, the kind of leadership behavior that is accepted, enacted and effective. This culture-specific view, not only
Calls for the necessity for differences in management practices as well as expectations from the leaders, but also a deeper understanding on exploring the mediating role of trust in leader in collectivist cultures like Turkey. This study proposes that ethical leadership has an important effect on job satisfaction and trust in leader. Through exploring the mediating role of trust in leader, this study aims to provide a new perspective in contemporary leadership styles and the Formation of trust.

**LITERATURE REVIEW**

**Definition of Leadership**

The concept of leadership has long been of interest of many schools from philosophy to history, science to management. With more than 350 definitions attempting to define and emphasize the contextualized nature of leadership, the definition and conceptualization of leadership as a separate discipline has been difficult to distinguish. Leadership is different from management. Adopting a much broader perspective; “leadership is a process of interaction between leaders and followers where the leader attempts to influence followers to achieve a common goal” [6]-[7]. This interaction is multidimensional where both the leader and the follower affect each other. This influence drew attention to, can be assumed to be trust that a leader governs to influence subordinates, and subordinates influence the leader with their work outcomes (i.e.; job satisfaction) [8].

**Job Satisfaction**

Among the definitions of job satisfaction in literature, the widely used definition of job satisfaction has been defined by Locke (1976) as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience”[18]. Taking guidance from the theory, job satisfaction is a multidimensional psychological process, arising from the internal state of an individual’s feeling of satisfaction or dissatisfaction from the job. This internal state and as a result the attributed feeling, has affective (emotional) and behavioral and cognitive (evaluative) elements. Considering the factors related to individuals, individual’s loyalty to the Organization, experience, age and gender and education can be stated.

**Trust In Leader**

Consistent with Luhmann’s et al (1979) conceptualization, trust represents the level of confidence that one individual has in another to act in fair, ethical and predictable manner [29]. Showing similarities with interpersonal trust (defined by Nyhan and Marlowe et al. (1997 [29]) as the level of confidence that open individual has in another’s competence and his or her willingness to act in fair, ethical and predictable manner), trust in leader draw attention to the importance of The social exchange between parties, which differentiated for trust in leader as being the follower and the leader. In understanding trust in leader, the antecedents for trust in leader should be well defined. Considering differentiating theoretical perspectives in attempting to define the Antecedents of trust in leader, Dirks and Ferrin et al. (2002) [4], Zhu, Newman, Miao and Hooke et al. (2012) [30] noted that Organ, Podsakoff & McKenzie et al. (2006) [31], Burke et al. (2007) [28]suggested frameworks that can not only define the antecedents of trust in leader but also develop interventions to provide trust between leader and the follower and in turn positively affect organizational work outcomes. In relation with the leadership styles being exercised, trust in leadership has been found to be a mediator between leadership styles and follower’s work outcomes.

**Ethical Leadership**

The decision making mechanism of ethical leaders relies on ethics and moral considerations. In other words, these leaders demonstrate and promote ethically legitimate conducts above all. The theory of ethical leadership suggests that these leaders demonstrate and promote the appropriateness of ethical behaviors through reward systems (reward and discipline). Taking a more transactional stand, ethical leaders demonstrate and promote ethics as a message through a proactive approach. Governing characteristics from various leadership frameworks like transactional, transformational and authentic
leadership styles, ethical leadership differentiates from these leadership frameworks by the priority it gives to ethics.

**Trust**

There has been a considerable research done in emphasizing the definition of trust throughout history. Gabarro & Anthony et al. (1978) defined trust as “the extent to which one person can expect predictability in the other’s behavior in terms of what is normally expected of a person Acting in good faith” [23]. While Griffin et al. (1967) defined trust as “having belief in someone or something without questioning, to achieve a desired goal in a risky situation”.

Drawing attention to the relationship between trust and risk (willingness to take risk), Griffin’s et al. (1967) definition of trust brought the extent to which a trustee is open to the actions of the other party [24]. Based on this dimension of trust, Mc Allister et al. (1995) defined trust as “the degree of which a person is confident in, and is willing to act on the basis of, the words, actions and decisions of another” [25]. Drawing attention to the attempts to understand trust and the Manner in which trust can be promoted, scholars conceptualized trust differently due to the differentiating forms that it may take on (e.g. process, state, and traits) and due to differentiating levels it may exist in organizations (Team level, leadership level, and organizational level and Inter organizational level). Regarding this understanding, formation of trust may differentiate, depending on the level it may exist in organizations. For this reason, trust formation has been studied as an attribution process by some researchers like Ferrin and Dirks et al. (2003) [26].

**RESEARCH DESIGN AND METHODOLOGY**

The aim of this research is to examine the impact of perceived ethical leadership and trust in leader on job satisfaction, additionally, to analyze whether trust in leader has a mediating role between the perceived ethical leadership and job satisfaction relationship.

**DATA COLLECTION PROCEDURE**

The data collection procedure is done by a professional research company. The data is collected through assigned inquirers to visit the companies, applying corporate governance principles. In order to fulfill this task, the research company contacted the Corporate Governance Association of Turkey in order to reach the members of the organizations. Also through internet, the list of companies and the contact people are obtained.
CONCLUSION

Emphasizing the importance of leadership within the boundaries of organizational studies, exercised leadership behavior is crucial in forming and maintaining competitive advantage, sustainable profitability, and satisfactory employee performance. Providing trust, ethical and moral standards, motivation to pursue tasks and complying with employee job satisfaction and through advocating ideological values and visions, leadership enhances an organization. This study put forward that ethical leadership, by promoting and demonstrating ethical and moral conduct resulted in enhanced job satisfaction and trust in leader. Furthermore, this research put forward that trust in leader mediated the relationship between ethical leadership and job satisfaction partially. Regarding these findings, this research put forward that, within the context of differentiating cultures, especially collectivist, eastern cultures like Turkey, where ethical and moral aspects are given high importance, ethical leadership styles by means of articulating a vision, providing individualized support and intellectual stimulation, and demonstration and promotion of ethical/moral conduct, build trust in leaders and foster follower work outcomes.

In summary, according to our sample, a leader seems to develop high degree of trust among his/her followers in order to elevate the effectiveness and efficiency of the organization that he / she work for. This effectiveness and efficiency can be fulfilled by high level of follower work outcomes; such as job satisfaction, job performance and lower rate of turnover. For this reason, developing a high level of trust in followers is a very important task to be fulfilled by the leader. On the other hand, a leader’s exercised leadership behavior is more important than the trust he/she tries to build in his/her followers. In other words, a leader’s strategy of exhibiting a leadership style is the key in elevating an organization’s effectiveness and efficiency. In this respect, this research might guide the leaders to define their strategies by exhibiting the specific leadership style that they should govern, causing high level of followers’ work outcomes. In this respect, this research proposes that ethical leadership could be recommended to be exercised, in order to reach the objectives of trust and enhanced follower work outcomes.

REFERENCES

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