The Impact of Perceived Ethical Leadership and Trust in Leader on Job Satisfaction

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Abstract—The aim of this study is to examine the impact of perceived 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 relation perceived ethical leadership and job satisfaction.

Index Terms—Ethical leadership, job satisfaction, trust, trust in leader.

I. 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 emphasized to understand the situational influences in leadership paradigm. Due to the corporate scandals where leaders focused on enhancing their needs through unethical corporate practices, ethical leaders who demonstrate and promote high moral standards became important. This increased interest in ethics yielded to the demands for leaders who not only demonstrated ethics but also provide followers open communication, reliability and fair, balanced decision making. In support of this claim, Dirks and Ferrin (2002) [4] proposed that, ethical leaders’ fair and caring treatment, consistent behavior and clear, open communication, likely result in trustful relationships. In this respect, ethical leadership behavior (fairness, role clarification and power sharing) is highly related to trust. Similarly, this study proposes that ethical leadership and trust in leader will be found to have a positive relationship.

Being an eastern collectivist culture, Turkish society’s perspective to the leadership styles and their relation to trust in leader and job satisfaction, needs special consideration to understand these relations. Guided by moral and ethical values, Ertuna’s words from his book “Wealth, Welfare and Global Free Market” worth mentioning. “In Islam, one should not make any other suffer. In interpersonal relations, “hak” (right, justice, truth and privilege) is very important. No one should confiscate the “hak” of any other. For these reasons, Islam does not approve of confiscating of “hak” of any other; instead it induces “hakkaniyet” (being rightful, moral, and ethical) [5]. These lines by Ertuna are very crucial to understand the important role of the moral side of a leader. Within the context of Turkish society, “hakkaniyet” is a very important element which creates trust and identification. A leader who is “hakkaniyeti” will result in a leader who is trusted and identified with. This behavioral side of our culture, therefore, provides a new perspective in contemporary leadership theory by pinpointing the moral side of a leader. Regarding this claim, it can be proposed that within the context of differentiating cultures, especially collectivist, eastern cultures like Turkey, ethical leadership by means of idealized influence, intellectual stimulation, individualized support, inspirational motivation and demonstration and promotion of ethical conduct can build trust in leaders and foster follower work outcomes. This study proposes that, ethical leadership may have an important effect on trust in leader within the context of Turkish culture due to their shared ethical/moral dimension. This process reciprocally reinforce follower work outcomes and in broader terms, organizational effectiveness.

The scope of this study is very crucial in the sense that, most of the leadership and trust studies published so far drew sample from western cultures. Bearing in mind the fact that
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.

II. LITERATURE REVIEW

A. 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 that a leader governs to influence subordinates, and subordinates influence the leader with their work outcomes (i.e.; job satisfaction) [8].

From the theory of “Great Man” (which assumed that leaders are born with innate qualities, and therefore they cannot be made), to behavioral paradigms (which assumed that people could be trained as leaders), and situational theories, assuming that “the best course of action or leadership behavior is required in accordance with the situational variables,” the definition and conceptualization of leadership do showed a progressive pattern [9]. “Early leadership theories, which are called trait theories, focus on the leader him/herself. They could be characterized as a search for the “great man”. They suggested that leaders were born with some psychological and physical characteristics that differentiated them from other people. However, this view started to be criticized after a short while [10]. “Later the leadership theories were more inclined towards behavioral styles that leaders exhibited in the past. Behavioral paradigms were stimulated to know the behavioral aspects of the leaders, so that, people could be trained as leaders” [11]. The next school of thought drew attention to the situational factors where a leader should act according to the differentiating situations. Griffin (1999) [9] highlighted that the best practices of leadership can only operate with accordance to the situational variable. Hicks and Gullette et al (1987) [12] and Griffin (1999) [9] noted that, “Subsequently and almost similar theories were proposed as contingency theory which was primarily concerned with specific environmental variables that determine the best leadership style suited with the situation. No uniform leadership style is the best rather various variables like the leadership style, qualities of the followers and aspects of the situation play significant role in overall success [13]. “Broadly speaking, leadership is an influence relationship among leaders and followers to perform in such a way to reach a defined goal or goals [14]”. Drawing attention to the exchange between the leader and the follower dimension, the focus of the contemporary literature on leadership turned to a broader perspective. “While early leadership theories concentrated on the characteristics of successful leaders, their traits, behaviors, power, influence and situational approaches, recent ones have focused on the role of followers and the correlated nature of leadership” [8].

Contemporary literature on leadership, in this respect focused on new styles and explanations of leadership models and styles such as relations-oriented and task-oriented leadership models and transformational and transactional leadership, charismatic, ethical, servant, visionary and authentic leadership styles.

Sheikh Edebali (1206-1326) in one of his most widely quoted declarations, drew attention to how an effective leader should be to Osman Gazi; the founder of Ottoman Empire. Edebali told Osman Gazi; “O my Son! Now you are a king! From now on, wrath is for us; for you, calm! For us to be offended; for you, to please! For us to accuse; for you, to forgive! O my son! From now on, it’s for us to divide; for you, to unite! Since collectivist cultures like Turkey organize around the understanding of reciprocity where commitment and trust to a leader is built, the advices from Bhagavad Gita and Sheikh Edebali should be integrated to the conception of an effective leader within the context of Turkey.

B. 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.

Brown and Trevino et al. (2006) drew a distinct line between these similar leadership construct and ethical leadership construct by highlighting the dominance of normative ethical principles like fairness, trustworthiness and honesty. Brown and Trevino et al. (2006) note that “these leaders make fair and balanced decisions, and actively
consider the appropriateness of those decisions in terms of their ethical consequences [15]. Brown, Trevino and Harrison et al. (2005) indicates that “survey research frequently links perceived leadership effectiveness with leader honest (i.e. truth-telling), integrity (i.e. principled behavior), or trustworthiness (i.e. can be trusted) [16]. Brown, Trevino and Harrison et al. (2005) further indicates that “traits such as honesty and trustworthiness contributed to only one aspect-what they termed the moral person aspect-of ethical leadership. This moral person aspect of ethical leadership Brown and Trevino et al. (2006) “represents observers’ perceptions of the leader’s personal traits, character and altruistic motivation” [15].

In explaining the antecedents and outcomes of ethical leadership, emphasizing these antecedents and outcomes by taking guidance from social learning theory is crucial [17]. The guidance that social learning theory provides insights to understand a follower’s perception of a leader to be an ethical leader by highlighting both individual characteristics of the leader and the situational influences that plays a role. According to social learning theory, Brown and Trevino et al (2006) notes that “for leaders to be seen as ethical leaders by their followers, they must be attractive and credible role models. In addition, social learning theory helps to explain why and how ethical leaders influence their followers [15]. Social learning theory is based on the idea that individuals learn by paying attention to and emulating the attitudes, values and behaviors of attractive and credible models [17]. Most individuals look outside themselves to other individuals for ethical guidance. Ethical leaders are likely source of guidance because their attractiveness and credibility as role models draw attention to their modeled behavior. Power and status are two characteristics of models that enhance their attractiveness, thus making it more likely that followers will pay attention to ethical leaders’ modeled behavior.”

C. 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.

Kalleberg et al. (1977) proposed that job satisfaction consists of two components [19]. These are intrinsic (referring to the work itself) and extrinsic (representing facets of the job external to the task itself) job satisfaction. Voon et al. (2011) [20] draw attention to a differentiation between intrinsic and extrinsic job satisfaction by stating that, intrinsic job satisfaction refers how people feel about the nature of the job tasks themselves whereas Shim, Lusch and O’Brien et al. (2002) noted that extrinsic job satisfaction refers how people feel about aspects of the work situation that are external to the job task or work itself [20].

Since job satisfaction is a response to the assessment of a job or specific aspect of a job as Locke (1976) [18] noted it is influenced by many factors. The factors that influence job satisfaction can be categorized under the factors related to the job and factors related to the individual. Regarding factors related to the job, pay, work itself, supervision, promotion possibilities, peers and working conditions can be stated. According to Quick et al. (1998), each person has a different set of goals and can be motivated if he/she believe that: there is a positive correlation between efforts and performance; effective performance will result in a pleasing reward; the reward will satisfy an important need; and the desire to satisfy the need is strong enough to make the effort meaningful [21].

Vroom (1964) suggested that the motivation to work depends on the relationship between expectancy, instrumentality and valence [22]. Expectancy is a person’s belief that working hard will result in a satisfying level of job performance. Instrumentality is an employee’s belief that successful performance will be followed by rewards. And valence is the value a person holds with respect to outcomes (rewards). Within the scope of this study, concepts like satisfaction and reward should be understood clearly regarding Turkish values in job satisfaction.

D. 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].

To understand trust and its formation, researchers focused on the antecedents of trust. Mayer et al. (1995) was the first scholar to introduce influential model in understanding trust in organizational level [27]. This model was influential in that it was one of the first to begin to truly define trust as separate from its antecedents. Burke, Sims, Lazarro, Salas, et al (2007) note that; The model proposed by Mayer et al. (1995) examined the antecedents of trust focusing on ability, benevolence, and integrity [28]. Perceived risk and the
thrustee’s propensity to trust moderated the relationship of trust. While the model had several strengths, a weakness was a lack of specification of the outcomes of trust. Following this work, Williams et al. (2001) introduced a model of trust where trust antecedents alienated into belief and affect based categories. Categorized under the belief component are Mayer’s original three antecedents (i.e., benevolence, integrity, and ability.) However, extending the original model is the addition of: a) emotional states as an affect-based antecedent, b) moderating role of motivation to trust and c) specification of a distal outcome of trust (i.e. cooperation” [28]. Burke, Sims, Lazzaro, Salas et al. (2007) emphasized Whitmer, Brodt, Korsgaard and Werner et al. (1998) suggestions on managerial trustworthy behavior as the first step that should be taken to build trust. Directly affecting the trustworthiness of the leader, the scholars addressed behavioral integrity, behavioral consistency, sharing and delegation of control, communication (e.g. explanation, openness and accuracy) and demonstration of concern as the five categories that are considered by the followers as trustworthy behavior. Linking employee’s perception of trust to the leader behavior, “the strength of this model lay in the recognition of cross-level phenomena that impact managerial behavior, a view of trust from the manager and employee perspectives, and the recognition that task interdependence will moderate the relationship between leader behavior and development of trust with his/her subordinates” [28].

E. 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 differentiate 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.

III. PROPOSED MODEL AND HYPOTHESIS

The proposed model of the study is given in Fig. 1.

Hypotheses:

H1: Perceived ethical leadership has a positive effect on job satisfaction.

H2: Perceived ethical leadership has a positive effect on employees’ trust in leader.

H3: Trust in leader has a positive effect on job satisfaction.

H4: Trust in leader has a mediating role between the perceived ethical leadership and job satisfaction relationship.

IV. 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.

A. Sample Design

In this research, the sample is chosen by adopting a non-probabilistic method; which is purposive and convenience sampling. Since in purposive sampling, the sample is chosen according to the appropriateness of the members of the population who can provide the information that is needed for the research. Bearing in mind these research objectives, to choose organizations which could best portray these relations is crucial. Organizations applying corporate governance principles serve this objective of the research by bringing benefits for all the stakeholders of the organization through calling for leaders who behave unconventionally and ethically. Therefore, sample from organizations, applying corporate governance principles has been chosen.

B. 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. The association provided the list of companies, which are 396. Among the organizations who apply corporate governance principles, the questionnaires are sent to 295 companies. 57 companies responded. For each 57 companies, 4 to 8 questionnaires are answered. In total, 292 respondents completed the survey.

The research consists of one set of questionnaire. This set is directed to the attention of the employees. The respondents answered the surveys in hard copy, meaning that the respondents filled the surveys during the presence of an inquirer. Each face to face interview lasted for 50 to 55 minutes.

C. Measurement Scales

1) Brown’s ethical leadership scale (ELS)

This research uses Brown’s Ethical Leadership Scale (2005) to assess perceived ethical leadership behavior of the
leader [16]. As Kalshoven et al. (2010) reports, this scale is a new and a useful measurement tool to assess and understand the antecedents and consequences of ethical leadership [32]. In support of this claim, Brown and Trevino reported that, “There is a lack of consensus about how to define and measure ethical leadership. Following well-established construct development procedures, this improved scale use multi-sample, construct-phase approach.” Considering the objectives of this research, which is a multi-dimensional approach to understand explicit ethical leadership behavior, yielding to trust in leader and job satisfaction, Brown’s Ethical Leadership Scale, with its multi-phase approach is adopted. The questionnaire consists of 10 items. This scale has not been used in Turkey. For this reason, this scale has been translated into Turkish from original by taking advice from academicians who are specialized in the field, then back translated. The scale took its final form without removing any questions.

2) Nyhan and merlowe’s organizational trust inventory (OTI)

Organizational Trust Inventory (OTI) is developed by Nyhan & Merlowe (1997) in order to test trust level, based on the understanding that the level of trust should be divided into two dimensions. The scholars viewed trust to the system and trust to the supervisor as two differentiating dimensions and defined the scale accordingly. 8 questions measures trust in supervisor and 4 questions measure trust in organization. Since the scope of this research is to assess trust in leader from the dimension of leadership styles, the supervisor dimension with 8 items out of 12 itemed scales is used. In this respect, Çeri Booms (2009) used this modified version in her PhD thesis to assess the trust in leader from supervisor’s dimension [10].

3) Minesota job satisfaction questionnaire

Minnesota Job Satisfaction Questionnaire (MSQ), which is designed by Weiss, Davis, England and Lofquist (1967), is used to assess job satisfaction in this research. Shortest version of MSQ with 20 items is taken into consideration while assessing job satisfaction. Considering the dimensions of job satisfaction, the original dimensions defined by Weiss (1967) are taken into consideration. These dimensions are intrinsic, extrinsic and general factors related to job satisfaction. The questionnaire which is translated to Turkish was used as an assessment for job satisfaction in multiple researches [33].

In this research, the sample is chosen by adopting a non-probabilistic method; which is purposive and convenience sampling. Since in purposive sampling, the sample is chosen according to the appropriateness of the member.

V. RESEARCH FINDINGS

A. Respondents’ Profile

Considering our data, out of 292 respondents, age of the employees ranged from 19 to 58 (mean: 31.72, std.dev: 5.57). The gender of the employees is mostly male with a number of 178 (61%) male employees and 114 (39%) female employees out of 292 respondents. 55% of the employees are married, most of them are graduated from high school (45.9 %) and university (38%). The tenure of respondents is 7.19 (std.dev: 5.37), and working time with their manager is 3.75 (std.dev: 2.92).

In order to determine the validity of the scales the exploratory factor analysis was made, reliability was determined by using Cronbach’s alpha values. The factor analysis placed trust in leader under one factor while it placed perception of ethical leadership and job satisfaction under two separate factors: demonstration - promotion of ethical leadership and intrinsic – extrinsic job satisfaction (Table I). All of the scales of the factor analysis of obtained by the factor distribution of the original scales were acceptable.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Factors</th>
<th>Factor Loads</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Leadership</td>
<td>Demonstration of EL</td>
<td>.650 - .914</td>
<td>.917</td>
</tr>
<tr>
<td>(EL)</td>
<td>Promotion of EL</td>
<td>.623 - .922</td>
<td>.846</td>
</tr>
<tr>
<td>Trust in Leader (TiL)</td>
<td>TiL</td>
<td>.665 - .724</td>
<td>.954</td>
</tr>
<tr>
<td>Job Satisfaction (JS)</td>
<td>Intrinsic JS</td>
<td>.672 - .833</td>
<td>.917</td>
</tr>
<tr>
<td></td>
<td>Extrinsic JS</td>
<td>.603 - .895</td>
<td>.845</td>
</tr>
</tbody>
</table>

B. Findings and Hypothesis Tests

As seen in Table II, the findings from regression analyses conducted to test the first three hypotheses.

<table>
<thead>
<tr>
<th>Ind. Var.</th>
<th>Dep. Var.</th>
<th>Std. β</th>
<th>t</th>
<th>Adj. R²</th>
<th>F</th>
<th>p</th>
<th>Hyp. Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL</td>
<td>JS</td>
<td>.519</td>
<td>10.33</td>
<td>.266</td>
<td>106.7</td>
<td>.000</td>
<td>H₁ √</td>
</tr>
<tr>
<td>EL</td>
<td>TiL</td>
<td>.424**</td>
<td>7.96</td>
<td>.177</td>
<td>63.44</td>
<td>.000</td>
<td>H₂ √</td>
</tr>
<tr>
<td>TiL</td>
<td>JS</td>
<td>.394*</td>
<td>7.30</td>
<td>.153</td>
<td>53.40</td>
<td>.000</td>
<td>H₃ √</td>
</tr>
</tbody>
</table>

A three-step regression analysis suggested by Baron and Kenny (1986) [34] was used to test the mediating effect TiL between EL and JS relationship. According to this method, to be able mention an intermediary effect, the following conditions are expected to be seen:

1) Independent variable (EL) must have an effect on dependent variable (JS),
2) Independent variable (EL) must have an effect on intermediary variable (TiL),
3) Intermediary variable (TiL) must have an effect on dependent variable (JS),
4) When intermediary variable (TiL) is involved in a regression analysis with independent variable (EL), intermediary variable (TiL) must have an effect on dependent variable (JS) as the regression coefficient of independent variable (EL) upon dependent variable (JS) drops.

The independent variable coefficient of decline was part of the mediation, this relationship completely, the disappearance of an expression with a statistically significant avoid the situation is exactly the mediating relationship is expressed.

<table>
<thead>
<tr>
<th>Ind. Var.</th>
<th>Dep. Var.</th>
<th>Std. β</th>
<th>t</th>
<th>Adj. R²</th>
<th>F</th>
<th>p</th>
<th>Hyp. Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL</td>
<td>JS</td>
<td>.428**</td>
<td>7.92</td>
<td>.301</td>
<td>67.74</td>
<td>.000</td>
<td>H₁ √</td>
</tr>
<tr>
<td>TiL</td>
<td>JS</td>
<td>.213*</td>
<td>3.93</td>
<td>.000</td>
<td>6.74</td>
<td>.000</td>
<td>H₃ √</td>
</tr>
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</table>

*p<0.01
The mediating effect of regarding the Baron and Kenny (1986) by the requirements set out in the first three $H_1$, $H_2$ and $H_3$ hypothesis with the adoption has occurred in the last row of the regression model $TiL$, be included along with the EL regression coefficient of the decline shown by the $TiL$ and, together with the in the model, the effect of significant observed. This conclusion is based on the mediation for the effect of the sought-after in the last circumstance is also occurred, the partially mediating effect of $TiL$ was seen between EL and JS. And $H_4$ hypothesis has been accepted.

C. Limitations

The main limitation of this research was in the data collection. In total, 292 respondents from 57 companies completed the survey. Bearing in mind this response rate, it could be stated that, the data obtained in this research could not represent 396 members of Corporate Governance Association of Turkey companies applying corporate governance principles.

And the sample is chosen by adopting a non-probabilistic method; which is purposive and convenience sampling is another limitation of the research.

VI. 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 works 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.

Considering these aspects, this study is crucial. Bearing in mind the fact that 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 leadership styles, trust in leader and follower work outcomes in collectivist cultures like Turkey. For building trust in leader, ethical leadership behaviors seem to become significant in attaining this goal. According to our sample, a leader is recommended to demonstrate and promote ethical conduct to reach this goal. This country-specific view addresses the fact of globally thinking and locally acting when exercising a leadership style.

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