



Ethical leadership, trust and individual work performance in the South African context

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REMARKS

The reader is reminded of the following:

- The editorial style in the first and last chapters of this mini-dissertation follows the format prescribed by the Programme in Industrial Psychology of the North-West University (Vaal Triangle Campus).
- The referencing and the writing style used in this mini-dissertation ensures compliance with prescriptions by the American Psychological Association (APA). This practice is in line with the policy of the Programme in Industrial Psychology of the North-West University (Vaal Triangle Campus) to use APA in all scientific documents and publications.
- This mini-dissertation is submitted in the form of a research article. The editorial style specified by the *South African Journal of Industrial Psychology* is used in the second chapter.

DECLARATION

I, Budlelwane Dalasile, hereby declare that *Ethical leadership, trust and individual work performance in the South African context* is my own, original work, including the views and opinions expressed, unless explicitly stated otherwise, in which instance the original authors are referenced both in text and in the reference lists.

Furthermore, I declare that this work will not be submitted to any other academic institution for qualification purposes.

B. Dalasile

Budlelwane Dalasile

November 2019

DECLARATION OF LANGUAGE EDITING

I hereby declare that I was responsible for the language editing of the mini-dissertation *Ethical leadership, trust and individual work performance in the South African context*, submitted by Budlelwane Dalasile.

A handwritten signature in black ink. The first part of the signature is a stylized 'E' and 'D' enclosed in a circle, followed by the name 'iedericks' in a cursive script.

DR ELSABE DIEDERICKS

BA, Hons, HED, Hons, MA, PhD

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SUMMARY

Title: Ethical leadership, trust and individual work performance in the South African context

Keywords: Ethical leadership, leadership, trust, trust in leader, individual work performance, South African organisations

The pressure to compete in the market and increase market share and profits has led to business leaders around the world adopting the mentality of winning at all costs. This has resulted in a record number of ethical scandals being reported on a daily basis in the media, involving some of the biggest corporates in the world. A variety of ethical misdemeanours, including fraud, bribery, corruption, harassment, discrimination, to name but a few, have been reported with regularity. South Africa has been no exception in this regard, with a number of organisations losing market value at rapid speeds due to their implication and involvement in ethical scandals. The central theme in most of these scandals has been the failure of leadership to uphold and adhere to ethical principles and guidelines. As a result, interest in ethical leadership research has been escalating recently as organisations attempt to increase awareness around the importance of ethical leadership.

Ethical leaders are honest, fair, compassionate, transparent and accountable for the decisions they take. Such leaders tend to illicit positive responses from the people they lead, such as increased trust. Employees are more likely to trust leaders who display the aforementioned behaviours as they deem this behaviour normatively appropriate. Increased trust in leader can generate positive outcomes, including increased effort and individual work performance. The main objective of the current study was to investigate the relationship between ethical leadership, trust in leader and individual work performance. Furthermore, another objective was to establish if trust in leader had an indirect effect on the relationship between ethical leadership and individual work performance. A cross-section research design was followed; including convenience and snowball sampling. The total sample obtained was 202 ($N = 202$). The measuring instruments utilised in the current study comprised the Leadership of Ethics Scale, Leader Trust Scale and Individual Work Performance questionnaire. To analyse the data, the research made use of descriptive and inferential statistics, structural equation modelling and Mplus. The models were used to test the research hypotheses and answer research questions.

The results of the study showed a positive relationship amongst all the variables. Ethical leadership was found to be positively significant to trust in leader with a large effect, and to

individual work performance with a medium effect. Trust in leader showed a positive correlation with individual work performance; furthermore, trust in leader showed an indirect effect on the relationship between ethical leadership and individual work performance. Resulting from these findings, a number of recommendations were made for future research.

CHAPTER 1

INTRODUCTION

This mini-dissertation was focused on investigating the relationships between ethical leadership, trust in leader and individual work performance in the South African context. This chapter encompasses the problem statement, and the general and specific research objectives are discussed. Furthermore, the research method is described, and an overview of the chapters is given.

1.1 PROBLEM STATEMENT

The values, principles and beliefs of what is right and wrong form the foundation of organisational behaviour; thus, establishing the base upon which leadership influences the attainment of organisational goals (Al-sharafi & Rajiani, 2013). Numerous high-profile ethical transgressions in recent times have placed an emphasis on ethics and values within the public domain, bringing heightened attention to organisational decisions and actions from business owners, shareholders, investors and customers (Institute of Leadership & Management, 2013). A research study in the US established that one of the fundamental issues facing modern organisations is the poor ethical conduct and lack of ethical leadership (Plinio, Young & Lavery, 2010).

In a study conducted by the Institute of Leadership and Management (ILM), a distinguished management development firm in the UK, encompassing 1174 practising managers and business leaders, reported that 63% of the managers that participated in the research have been asked to act in a manner that is contrary to their own ethical code at some point in their careers (ILM, 2013). In addition to this, 43% say that they were instructed to perform acts that are in direct violation with the organisation's values, while 9% reported that they had been told to break the law (ILM, 2013). Another survey conducted on European companies in 2010 revealed that the most common and noteworthy ethical breaches in corporate organisations include corruption, dishonesty, bribery payments, discrimination, harassment or bullying (Wesley, Basran, Hayward, & Harris, 2011).

Apart from the reported cases of unethical practices in the developed western countries, there have also been similar cases of such practices within the African context (Bello, 2012), more specifically the South African context. One of the biggest ethical scandals to hit SA in 2017 was the KPMG corruption scandal, an auditing firm accused of, amongst other charges,

facilitating tax evasion for one of the most influential families in the country, the Guptas (Van Loggerenberg, 2017). From a media perspective, SA experienced another ethical scandal in 2017 with Bell Pottinger, a public relations company, which ran a concealed operation to stimulate racial tension as requested by their billionaire clients (Cave, 2017). Certainly, in recent times SA has witnessed unethical practices in big corporates such as SAP, Steinhoff, and McKinsey - to name but a few - and this has been a result of a lack of leadership stepping up from an ethical perspective (Van Zyl, 2017). Leaders cannot abandon their responsibility to set an ethical example for their subordinates, because organisational ethical procedures and training have minimal chances of succeeding in the organisation unless the behaviour of the leaders themselves is consistent with what they preach (Bello, 2012).

Good ethical conduct generates positive outcomes for the business, such as trust and employee commitment, which can translate to long-lasting organisational performance (Hosmer, 1994; Berrone, Surroca, & Tribo, 2007). Ethical leaders practice what they preach and are perceived to be truthful and honest (Brown & Mitchell, 2010). As a result, these behaviours from the leaders produce obligations for the followers to respond, which they do by displaying increased trust in their leader (Dirks & Ferrin, 2002). Ethical leadership has also been associated with increased levels of individual performance (Toor & Ofori, 2009). Research carried out on ethical leadership and performance established a positive relationship between ethical leadership and task significance, which resulted in greater task performance (Piccolo, Greenbaum, Den Hartog, & Folger, 2010). Other research has demonstrated that the positive effects of ethical leadership cascade to employees in the lower levels of the organisation (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009), positively affecting several employee outcomes (Brown, Trevino, & Harrison, 2005). With the challenges and encounters that South African organisations are facing in terms of ethics, they require leaders who are able to act with honesty, fairness and accountability in their decision making in order to instil trust and drive positive organisational outcomes.

Ethics is derived from a philosophical Greek term “ethos” which means character or custom and it is mainly used to describe moral behaviours and practices which suggest that there are ways of behaving that are acceptable and ones which are not (Minkes, Small, & Chatterjee, 1999). Several authors have suggested that we need to understand ethical leadership as someone who enables people to do the right thing, as opposed to preventing them from doing the wrong thing (Freeman & Stewart, 2006). The widely used definition of ethical leadership defines it as “the demonstration of normatively appropriate conduct through personal actions

and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision making” (Brown, Trevino, & Harrison, 2005, p. 120). More recently, Bubble (2012) described ethical leadership as the ability to influence individuals through a set of values, beliefs and principles based on accepted norms in the organisational setting. Picollo et al. (2010) emphasise that ethical leaders assist in giving meaning to employees’ work and are able to ensure that sound moral values form the basis of organisational decisions. Ethical leaders are consistent in their behaviour, increasing the likelihood that they will be trusted by their followers (Zhu, May, & Avolio, 2004). Ethical behaviour of leaders has been found to be a key enabler of follower trust in the leader (Stouten, Van Dijke, & Cremer, 2012).

Mayer, Davis, and Schoorman (1995) defined trust as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (p. 347). Another definition of trust is referred to as “a psychological state comprising the positive expectation that another party will perform particular actions that are important to oneself, coupled with a willingness to accept vulnerability which may arise from the actions of that other party” (Van den Akker, Heres, Lasthuizen, & Six, 2009, p. 105).

Trust in the leader is described as the “employee’s willingness to accept vulnerability on the basis of positive expectations of the intentions of the leader” (Schoorman, Mayer, & Davis, 2007, p. 345). Employees are likely to trust a leader who presents qualities such as kindness, compassion, acceptance and fairness (Zeffane, 2010). Literature suggests that a positive relationship exists between trust in leader and individual work performance. To substantiate this, Brown, Gray, McHardy, and Taylor (2015) established a positive relationship between employees’ trust of managers and three measures of performance in the workplace, which included financial performance, product or service quality, and labour productivity. In another study conducted on military personnel, follower trust mediated the relationship between voluntary performance and transformational leadership (Chen, Hwang, & Liu, 2012).

Individual work performance is a term that has been frequently misunderstood and operationalised by measuring it with events that an employee has limited control over, such as productivity and efficiency; therefore, confusing the relationship between the predictor variables and criteria (Campbell, McCloy, Oppler, & Sager, 1993). For example, output has often been used to measure individual performance even though it may be heavily dependent

on factors (e.g., work environment, availability of resources, management support etc.) that are outside an individual's control (Poropat, 2002). To eliminate this, Campbell et al. (1993) defined individual performance as a behaviour which can be weighed and calculated in terms of ability, instead of the outcomes the organisation derives from that performance. Therefore, individual performance comprises job behaviours that are pertinent to the organisation's goals, that are within the individual's span of control and that are observable and measurable (Viswesvaran & Ones, 2000). To provide a more comprehensive description of individual work performance, literature highlights three dimensions which should be considered, namely task performance, contextual performance and counterproductive work behaviour (Mayer et al, 1995).

Task performance refers to the technical aspects of the job or organisation; these are the actions that are directly or indirectly concerned with turning resources into goods and products for monetary/economic exchange (Borman & Motowidlo, 1993). Therefore, task performance relates to the level where employees demonstrate their expertise and ability in formally recognised activities, contributing to the technical core of the organisation (Arvey & Murphy, 1998).

Contextual performance relates to individual behaviours that are aimed at contributing to the organisational, social and psychological environment where the technical core operates (Borman & Motowidlo, 1993). These are behaviours that go above and beyond the formally arranged work goals, which include taking on additional work, being proactive and orientating new comers (Koopmans et al., 2011).

Counterproductive work behaviour mainly relates to those behaviours that are destructive to the general well-being of the organisations and includes behaviours such as absenteeism, presenteeism, lack of punctuality, stealing organisational resources, disengaging in tasks and substance abuse (Rotundo & Sackett, 2002).

Literature has explored the relationship between trust in leader and ethical leadership within the SA context and established a positive relationship between the two constructs (Engelbrecht, Heine, & Mahembe, 2014, 2015). In addition, numerous studies have shown that trust in leader can have an indirect effect on the relationship between various types of leadership and job performance (Chen, Hwang, & Liu, 2012; Huang, Iun, Liu, & Gong, 2010). Neves and Caetano (2009) proposed that trust in leader fully mediated the correlation between commitment to change and work outcomes including perceived performance.

Flowing from the above literature, the purpose of this study was to investigate the relationship between ethical leadership and individual work performance, with the possible indirect effect of trust in leader.

This relationship is illustrated in Figure 1 below.

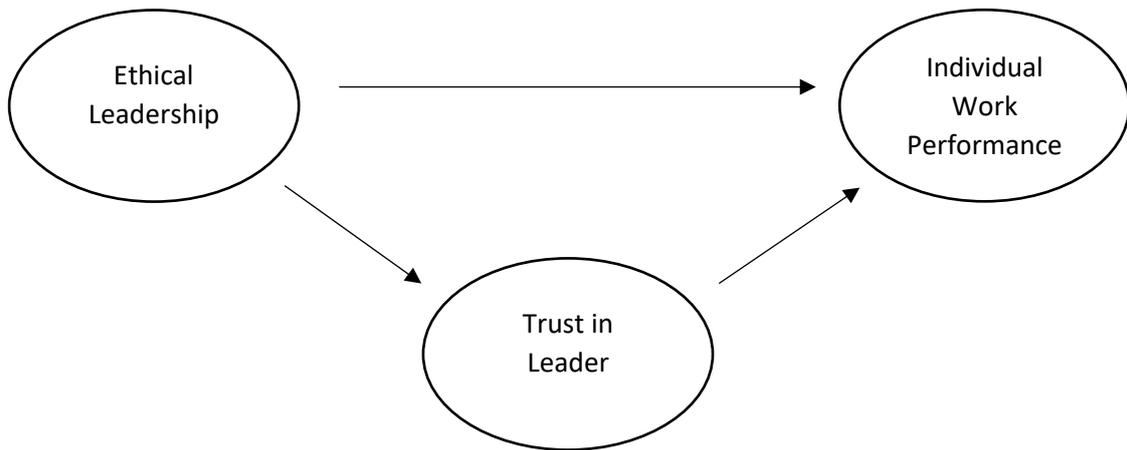


Figure 1: A proposed model of ethical leadership, individual work performance and the indirect effects of trust in the leader

1.2 Research Questions

Based on the above literature, the research attempted to answer the following questions:

- How does literature conceptualise the relationship between ethical leadership, trust in the leader and individual work performance?
- What is the relationship between ethical leadership and trust in the leader of individuals in SA organisations?
- What is the relationship between ethical leadership and individual work performance of individuals in SA organisations?
- What is the relationship between trust in the leader and individual work performance in SA organisations?
- Does trust in the leader have an indirect effect on the relationship between ethical leadership and individual work performance of individuals in SA organisations?

In response to the research questions, the study employed the following research objectives:

1.3 RESEARCH OBJECTIVES

The research objectives were separated into general and specific objectives.

1.3.1 General Objective

The general objective of this study was to investigate the relationship between ethical leadership and individual work performance of individuals employed in South African organisations, and the possible indirect effect of trust in leader on this relationship.

1.3.2 Specific Objectives

The specific objectives were to:

- Conceptualise ethical leadership, trust in the leader and individual work performance from a theoretical perspective;
- Establish the relationship between ethical leadership and trust in the leader of individuals working in SA organisations;
- Determine the relationship between ethical leadership and individual work performance of individuals working in SA organisations;
- Determine the relationship between trust in the leader and individual work performance of individuals working in SA organisations; and
- Investigate the indirect effect of trust in the leader on the relationship between ethical leadership and individual work performance of individuals working in SA organisations.

1.4 RESEARCH METHOD

The research method comprised of two phases, namely a literature review and an empirical study. The results of the study were presented in a research article format.

1.4.1 Research Approach and Design

The study employed a quantitative research approach, which is a form of research that encompasses large representative samples and data collection methods that are comparatively structured (Struwig & Stead, 2011). Moreover, the author set out to attain the research objectives and answer the research questions by employing a cross-sectional survey design.

Cross-sectional studies are often used to the level or frequency of a particular attribute in a defined population, at a particular point in time (Struwig & Stead, 2011), and they are deemed suitable for exploratory research (Salkind, 2012).

1.4.2 Literature Review

The systematic literature review of this study focused on research that had been done in relation to ethical leadership, trust in leader and individual work performance, and the relationships between these constructs.

Relevant published articles were identified by using various article databases such as EBSCOHOST, Emerald, Google Scholar, Google, SagePublications, SABInet Online, WEBfet and Science Direct. The following terms were used as search terms individually and in different combinations: leadership, ethical leadership, ethical scandals, trust, trust in supervisor, trust in the leader, performance, individual work performance, task performance, contextual performance, counterproductive work behaviour, South African organisations.

The following journals were used in the literature review as a result of their relevance: South African Journal of Industrial Psychology, South African Journal of Human Resource Management, Journal of Social Sciences, Journal of Global Strategic Management, Journal of Leadership & Organizational Studies, International Journal of Business and Social Sciences, International Journal of Business and Management, Journal of Management, International Journal of Management & Information Systems, Academy of Management Journal, and Journal of Organizational Behaviour.

1.4.3 Research Participants

For the purpose of the study, the researcher obtained a convenience sample of 202 ($N = 202$) participants, consisting of employees working in various organisations based in South Africa. Using a convenience sampling method, participants were selected based on their availability and willingness to participate in the research. Once the initial participants had been recruited, snowball sampling was utilised in order to reach out to other members of the population (Struwig & Stead, 2011). The initial participants were asked to identify other participants who were eligible (as per the inclusion and exclusion criteria of the study) and inform them of the research. Questionnaires were sent out electronically to individuals via e-mail; in addition, the link containing the questionnaires was posted on various professional networks and social media platforms for those interested in partaking in the study. Upon completion of online

questionnaires, participants received a confirmation message of completion, also thanking them for their participation.

1.4.4 Measuring Instruments

Biographical questionnaire. All the participants were asked to fill in a biographical questionnaire which allowed for additional information to be collected relating to their personal characteristics. These characteristics included gender, race, home language, educational qualifications, employment status, job tenure, geographic location and health.

Leadership of Ethics Scale (LES). This measure was developed and validated by Engelbrecht and Heine (Heine, 2013). The items in the LES were modified and revised from other measures of ethical leadership (Brown et al., 2005; Spangenberg & Theron, 2005; Yukl et al., 2011). The various leader behaviours encompassed in the LES include a leader's ability to act fair, reward ethical behaviour, have ethical vision and ethical practices. All responses were recorded on a six-point scale ranging from 1 (*disagree strongly*) to 6 (*agree strongly*). Sample items included the following: "My manager communicates an ethical vision and inspires subordinate commitment to the vision" and "My manager recognises and rewards ethical contributions and behaviour". Statistical analysis conducted on the LES established that the measure produced good results with a Cronbach alpha of 0.97 for the entire scale (Heine, 2013).

Leader Trust Scale (LTS) was also developed and validated by Engelbrecht and Heine (Heine, 2013). The LTS assesses the level of trust that exists between an employee and his or her direct manager (Bews, 2000). The majority of the items of the LTS were modified from various measures (Bews, 2000; Ferres, Connell, & Travaglione, 2004). All participant responses were recorded on a six-point scale ranging from 1 (*disagree strongly*) to 6 (*agree strongly*). The items on the LTS include the following examples; "I feel that my supervisor/manager keeps personal discussions confidential" and "I proceed on the basis that my supervisor/manager will act in good faith" (Heine, 2013). A statistical analysis was conducted on the measure and established a Cronbach alpha of 0.97 for the entire scale (Heine, 2013).

Individual Work Performance Questionnaire (IWPQ) was developed and validated by Koopmans (2014). The questionnaire consists of 18 items and respondents are required to record their responses in a 6-point rating scale ranging from 1 (*seldom*) to 5 (*always*) for the first 13 items, and 1 (*never*) to 5 (*often*) for the last 5 items. The 18 items are divided into the three components of individual work performance, namely task performance, contextual performance, and counterproductive work behaviour. After a statistical analysis had been

conducted, the measure reported the following Cronbach alphas: task performance = 0.79, contextual performance = 0.83, and counterproductive work behaviour = 0.89 (Koopmans, 2014).

1.4.5 Statistical Analysis

The current study utilised both the IBM SPSS 25 (IBM Corporation 2017) and Mplus version 8.2 (Muthén & Muthén, 1998-2018) statistical software programmes. Descriptive statistics, including frequency analysis, were reported. Structural equation modelling (SEM) was then employed to determine the relationships among variables (Muthén & Muthén, 1998-2018). First, a measurement model was specified, followed by a structural model. These techniques were used to determine the strength and direction of possible relationships, before potential indirect effects were measured (Muthén & Muthén, 1998-2018). The fit indices used included the following: chi-square (χ^2); degrees of freedom (*df*); the standardised root mean square residual (SRMR); the root mean square error of approximation (RMSEA); and approximate fit indexes, including Tucker-Lewis index (TLI) and comparative fit index (CFI) (Kline, 2016).

1.4.6 Ethical Considerations

The researcher submitted an ethics application to the North-West University Ethics Committee (BaSSREC) for approval prior to the data collection; the application was duly approved (NWU-HS-2018-052). The researcher aimed to conduct the research within the prescribed ethical standards and guidelines. As a result, issues of informed consent, voluntary participation, protection from harm, confidentiality and data integrity were all prioritised. All the relevant information was made available to the participants.

1.5 EXPECTED CONTRIBUTION OF THE STUDY

1.5.1 Contributions for the Individual

The study explored the possible relationships between ethical leadership, trust in leader and individual work performance. First, the study will afford individuals working in South African organisations an in-depth understanding of the study variables, creating an awareness of how these constructs play out in their work spaces. Second, the possible relationships between the constructs will bring awareness regarding the type of behaviour needed to facilitate increased levels of individual performance.

1.5.2 Contributions to the Organisation

Within the context of the challenges facing SA organisations, the conceptualisation and awareness of ethical leadership are critical for the survival and success of these organisations. Behaviours such as fairness, honesty, integrity, transparency and accountability in decision making are imperative amongst leaders and awareness of these will allow organisations to put programmes in place that encourage and enforce these behaviours. Furthermore, the study conceptualises performance as a multi-faceted construct, namely task, contextual and counterproductive work behaviours. This understanding will enable organisations to focus on the different elements of performance and not only productivity, as has been the case in the past with many organisations. Lastly, relationships determined between the study variables can provide future direction as to how organisations ought to operate in order to facilitate increased levels of individual and, ultimately, organisational performance.

1.5.3 Contributions to field of Industrial/Organisational Psychology

There is currently limited literature on the three variables studied in this research, specifically in relation to one another in a South African context. Therefore, the investigation of these relationships within a multicultural context such as South Africa will enhance the existing body of literature and provide future directions for other empirical studies.

1.6 CHAPTER DIVISION

The chapters of the study will be presented as follows:

Chapter 1: Introduction, problem statement, research objectives and contributions of the study

Chapter 2: Research Article

Chapter 3: Conclusion, limitations and recommendations

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CHAPTER 2

RESEARCH ARTICLE

Ethical leadership, trust and individual work performance in the South African context

Abstract

Orientation: The interest in ethical leadership has escalated recently amongst researchers and academics. In this study, ethical leadership is addressed in relation to trust in leader and individual work performance within South African organisations.

Research purpose: The study purposed to investigate the relationships and possible indirect effects between ethical leadership, trust in leader and individual work performance in the South African context.

Motivation for the study: The erosion of ethics in South African organisations in recent times has cast serious questions over leaders and their credibility. Central to these scandals has been the absence of ethical leadership, which has spiralled to the conduct of the followers and a lack of trust in leadership. Ethical leadership facilitates higher levels of trust in leadership, which is likely to lead to positive outcomes for individuals and organisations alike.

Research design, approach and method: This research followed a cross-sectional survey design with a convenience-based sample of 202 employees who work in different organisations in South Africa. The Leadership of Ethics Scale, Leader Trust Scale and Individual Work Performance Questionnaire were administered to the research participants.

Main findings: There was a positive relationship amongst all the study variables. Furthermore, trust in leader was found to have an indirect effect on the relationship between ethical leadership and individual work performance.

Practical/managerial findings: Through the findings of the study, managers and leaders ought to understand the positive impact of acting in an ethical manner and the ramifications of acting otherwise. If leaders are fair and transparent in their decision making, are honest and display care and compassion to the people that they lead, they increase the likeliness of being trusted by their followers/subordinates. A facilitation of this trust relationship between the leader and follower is critical for positive outcomes such as increased individual work performance on the part of the follower.

Contribution/value added: This study contributes to the existing body of literature on ethical leadership in the SA context. Furthermore, there is limited literature on the relationship between the three variables; therefore, findings of the study can be a guide to future research.

Keywords: Ethical leadership, ethics, leadership, trust, trust in leader, individual work performance, South African organisations

INTRODUCTION

In addition to finances and commercial concerns, corporates and business leaders globally have placed an emphasis and have become keen observers of ethical behaviours and practices occurring in their organisations (Kuvaas & Buch, 2018). More specifically, ethical leadership and corporate governance have become instant areas of focus for many organisations due to a series of corporate scandals and organisational collapses that have resulted from leadership failures, attracting the attention of international media and investors alike (Riggins, 2019). In recent times, it is very seldom that a year goes by without a major corporate scandal coming to light and the past 12 months have proven to be no exception (Wolff-Mann, 2018).

Arguably one of the biggest scandals to hit 2018 was the tech giant Facebook's data breach in which a data company (Cambridge Analytica), associated with Donald Trump's presidential campaign, unlawfully leveraged data from millions of Facebook users, resulting in congressional hearings for CEO Mark Zuckerberg and having to answer questions in parliament (Warner, 2018). Another one was Carlos Ghosn, a leader in the automotive industry, who was tasked with facilitating a partnership between two automotive giants, Nissan and Renault. However, it was reported that he underreported his income and used company assets for personal gain (Reid, 2018). This resulted in him being arrested and subsequently removed from his position (Wolf-Mann, 2018). In addition to these, other global companies such as Volkswagen, Uber, Apple, Enron, Google, Deutsche Bank, Kobe Steel (to name only a few) have all been embroiled in a major ethical scandal in the recent past, resulting in the sanctioning or removal of the leaders at the helm (Wolff-Mann, 2018).

These cases of unethical conduct have not been limited to global organisations only; in the South African context, this has become a norm in recent times (Van Wyk & Badenhorst-Weiss, 2017). The evidence of eroding ethics in SA organisations has been a subject that has attracted much attention (Lamprecht, 2016; Quintal, 2012; Ripon, Royal, & Asmal, 2015). Recently, we have witnessed sugar producing firm, Tongaat Hulett, embroiled in an accounting scandal in which it was reported that their 2018 financial results could not be trusted as they were possibly inflated by up to R4.5 billion (de Villiers, 2019). This comes from the back of what was arguably the biggest case of corporate fraud in SA business history, where retail giant Steinhoff overstated profits over a numbers of years, totalling up to 7.5 billion dollars after being investigated by audit firm PwC (Motsoeneng & Rumney, 2019).

In addition to the ethical scandals in the private sector, the SA public sector has experienced similar challenges in relation to poor governance and lack of ethical leadership. The biggest state-owned enterprise, Eskom, has debt amounting to R400 billion resulting from poor management, corruption and patronage networks (state capture), leading to poor maintenance and overstaffing (Crompton, 2019). In another ethical scandal, South African Airways was investigated for awarding tenders worth millions of rands without following due process (Van Zyl, 2018). The central theme amongst most of these scandals, has been a lack of ethical leadership. As stated by Bello (2012), formalised ethical codes and procedures will not prevail in organisations unless the actions and behaviours of the leaders are consistent with those very codes.

Through enacting behaviours such as fairness, honesty, and compassion, ethical leaders are likely to gain trust from their followers (Dirks & Ferrin, 2002). This is critical, as a leader's ability to exert meaningful influence over followers is heavily dependent on the level of trust between the two parties (Piccolo, Greenbaum, Den Hartog, & Folger, 2010). A healthy trust relationship between a supervisor and employees encourages positive job attitudes amongst the employees, reducing the occurrence of counterproductive work behaviour (Dirks & Ferrin, 2002). Trust in leader can thus be utilised as an effective mechanism in the achievement of individual and organisational goals (Parastoo & Karimi, 2015). Therefore, it is imperative that leaders conduct themselves ethically, as this facilitates trust between a leader and follower, possibly resulting in positive outcomes such as increased individual work performance.

LITERATURE REVIEW

Ethical Leadership

Ethics, as a concept, has often been defined as an element in many leadership theories (Sagnak, 2017). It has been integrated as a component of various leadership theories, including authentic, spiritual, servant and transformational leadership (Eisenbeiss, 2012). In recent times, scholars have started exploring ethical leadership as a separate and unique style of leadership (Kalshoven, Hartog, & De Hoogh, 2011). Brown, Trevino, and Harrison (2005) were the first researchers to examine and define ethical leadership as an exclusive leadership style, basing it on the approach to social learning theory developed by Bandura. The social learning theory asserts that individuals learn vicariously, modelling their behaviour through the observation and imitation of a role model's appropriate behaviour (Bandura, 1986). This means that when

leaders exhibit a model of ethical behaviour, followers are likely to identify with and practice ethical behaviour (Brown & Mitchell, 2010).

After a thorough literature review carried out by Brown and colleagues, ethical leadership was defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision making” (Brown et al., 2005, p. 120). There are four components that are important to note in this definition, namely 1) ethical leaders are perceived as role models for followers and their behaviour is considered appropriate; 2) these leaders are able to effectively communicate and rationalise their actions to their followers (Brown & Mitchell, 2010); 3) ethical leaders are consistent in setting ethical standards for their followers, rewarding ethical behaviour and punishing unethical conduct (Minkes, Small, & Chatterjee, 1999); and 4) ethical leaders have the ability to consider and incorporate ethical elements in their decision-making processes to allow for fairness (Mihelic, Lipicnik, & Tekavcic, 2010). From an altruistic perspective, ethical leadership can also be described as the intent to benefit others (Mendoca & Kanungo, 2007).

Research on ethical leadership suggests that it is linked to two dimensions, namely a leader as a moral person and as a moral manager (Trevino, Hartman, & Brown 2000). Moral persons are fair, principled, honest and trustworthy; they pride themselves in taking care of others and model ethical behaviour in all aspects of their lives (Brown & Trevino, 2006). Moral managers are proactive in their effort to inspire followers’ ethical behaviours; they emphasise ethical values and use rewards and punishment to maintain these values (Brown & Mitchel, 2010). In addition, moral managers create robust ethical messages and attract the attention of followers, align their thoughts and behaviour, resulting in their finding ethical principles and values that guide organisational activities and actions (Brown & Trevino, 2006).

Literature tends to suggest that certain behaviours and characteristics are related to ethical leadership. These behaviours include fairness, acting with integrity and consistency, encouraging ethical conduct, allowing followers to speak, being concerned for people, and dispersing power (Brown & Mitchell, 2010; Trevino et al., 2000). There are three dimensions of ethical leadership proposed in literature, namely acting fairly, sharing of power and clarification of roles (De Hoogh and Den Hartog, 2008). Other dimensions were later added, namely people-centredness, integrity, compassion and providing ethical direction. Amongst all these dimensions, fairness is regarded as the most significant (Kalshoven et al., 2011).

Ethical leaders behave in ways that make it easy for followers to grasp the behaviours that are acceptable and those that are not, whilst inspiring followers to push their ethical standards to a point of moral actualisation (Zhu, May, & Avolio, 2004). These leaders hold themselves to high moral standards, expecting their followers to maintain and adhere to these standards, reinforcing these with the distribution of rewards and punishment (Brown & Mitchell, 2010). Ethical leaders create an environment of mutual respect, whilst promoting the thoughts and ideas of others, allowing employees to feel safe when expressing their views (Walumbwa & Schaubroeck, 2009). As a result, followers will be inclined to identify with these leaders as role models, whilst imitating their behaviour which is deemed to be appropriate according to social norms (Du Toit, 2015; Van den Akker et al., 2009). Ethical leadership conduct is informed and motivated by the values that underlie their belief systems (Zhu et al., 2004).

The display of ethical leadership is fundamental to a leader's integrity and ability to exercise substantial influence over his or her followers (Den Hartog & Belschak, 2012). As a result of this integrity, ethical leaders are perceived to be trustworthy, increasing the likelihood of being trusted by their followers (Engelbrecht, Heine, & Mahembe, 2014).

Trust in leader

The importance of trust in leadership is a topic that has been researched by scholars over the years, with early investigation in books and empirical articles (Dirks & Ferrin, 2002). As a result, 'trust' is a term that has been described and conceptualised in several ways by different researchers (Chughtai, Byrne, & Flood, 2014). One of the commonly used definitions in literature by Rousseau, Sitkin, Burt, and Camerer (1998), defined trust as a "psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" (p. 395). This description of trust emphasised two critical aspects that seem to be dominant in most definitions of trust, namely positive expectations and willingness to accept vulnerability (Chughtai et al., 2014). To substantiate this, Van der Akker, Heres, Lasthuizen, and Six (2009) defined trust as "a psychological state comprising the positive expectation that another party will perform particular actions that are important to oneself, coupled with a willingness to accept vulnerability which may arise from the actions of that other party" (p. 105). Whilst, Mayer, Davis, and Schoorman (1995) referred to trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (p. 347).

To fully understand trust and how it is formed, scholars focused on the antecedents of trust (Yozgat & Mesekiran, 2016). Mayer et al. (1995) were the first researchers to introduce an influential model that truly separated trust from its antecedents. The model proposed that trust should be examined by focusing on three antecedents, namely ability, benevolence and integrity (Mayer et al., 1995).

1. *Ability (competence)* – relates to a set of skills, competencies and features that allow an individual to gain influence and have impact within a specific area. Individuals that show capability in certain competencies required for certain tasks or jobs, are likely to be trusted.

2. *Benevolence* – refers to the disposition and intention of the leader to do good to the follower. Followers who perceive a leader's willingness to do well, will have an indication that the leader is trustworthy.

3. *Integrity* – relates to followers' perception that the leader adheres to set principles, morals, values and standards that are considered to be acceptable. This is imperative for the development of trust between a leader and a follower (Moorman & Grover, 2009).

Studies on trust literature suggests that we should view trust from two perspectives, namely relationship-based and character-based perspectives. Through these perspectives, trust is viewed as a critical enabler and method of influencing people's behaviour intentions, attitudes and performance (Dirks & Ferrin, 2002). The relationship-based perspective pays attention to the leader-follower relationship and how this relationship is perceived and understood by the follower. This perspective places an emphasis on relational issues between a leader and a follower (Dirks & Ferrin, 2002). The relationship-based perspective focuses on interpreting the leader-follower relationship as part of a social exchange process, encompassing the element of care and compassion that forms the basis of the relationship (Dirks & Ferrin, 2002). The willingness of the follower to respond and reciprocate to the perceived care and compassion is also demonstrated in this perspective (Dirks & Skarlicki, 2004). This perspective allows for an in-depth understanding of followers' prosocial responses to their leader (Dirks & Ferrin, 2002).

The second perspective is referred to as the character-based perspective. The focus in this perspective is on the hierarchical relationships and the degree of vulnerability that the follower feels in these relationships (Mayer et al., 1995). The character-based perspective is regarded significant as leaders in organisational settings are in positions that allow them to decide on behalf of followers (Dirks & Ferrin, 2002). In this perspective, the follower observes and makes internal judgements regarding the leader's character (e.g., fairness, accountability, integrity,

dependability, and ability), and these judgements affect the follower's work attitudes and behaviour (Dirks & Skarlicki, 2004).

Employees who display trust in their leaders have the conviction and confidence that their leaders will exercise fairness in the decisions. (Engelbrecht, Heine, & Mahembe, 2014). Schoorman et al. (2007) defined trust in leader as the "employee's willingness to accept vulnerability on the basis of positive expectations of the intentions of the leader" (p. 345). Ferres (2003) defined trust in leader as the degree of care and assurance that a subordinate obtains from his or her immediate supervisor. Heyns and Rothmann (2015) suggested that leaders who demonstrate characteristics associated with trust, such as honesty, care and compassion, are able prove that they are deserving of a subordinate's trust. Followers who trust their leaders have more propensity to participate in extra-role behaviours and do more than what is expected of them (Mayer & Gavin, 2005), which can lead to enhanced individual work performance (Brown et al., 2015).

Individual Work Performance

Individual work performance (IWP) is a crucial aspect for organisations and individuals alike (Widyastuti & Hidayat, 2018). It is essential for organisations to have individuals who perform at a high level to enable the attainment of goals and enhanced organisational competitiveness (Sonntag & Frese, 2002). Employees are recruited and selected based on their skills, knowledge, abilities, and other attributes believed to be important for successful work performance (Sackett, Lievens, Iddekinge, & Kuncel, 2017). According to Kim and Ployhart (2014), individual performance forms the basic building blocks of any economy as it contributes to team, departmental, organisational, economic performance, and eventually GDP. Looking across all fields, evidence of the importance of IWP is clear (Carpini, Parker, & Griffin, 2017). Despite its importance, the number of studies done on IWP are not proportionate, in scope and size, to the studies done on understanding its antecedents and implications (Campbell & Wiernik, 2015).

In the past decades, various scholars in management, industrial-organisational psychology and occupational health have devoted their efforts to studying the antecedents and results of IWP (Koopman et al., 2012). According to Carpini et al. (2017), IWP has been a central topic in the field of psychology for a century, with over 290 meta-analyses that have included IWP as a focal variable. Customarily, the primary focus of the IWP construct was limited to *task performance*, which refers to the "proficiency with which an individual performs the core

substantive or technical tasks central to his or her job” (Campbell, 1990, p. 708). Another description of task performance refers to it as actions that are important for the completion of work assignments; characterised by determination and work quality (Kuvaas & Dysvik, 2009). Task or technical activities vary substantially across different jobs and encompass two specific behaviours, namely 1) conversion of raw materials into goods and services produced and rendered by the organisation, e.g., teaching, selling, milling, drilling, over-the-counter service etc.; and 2) activities that enable the technical core to operate, e.g., stocking, planning and organisation, maintenance, and development (Borman & Motowidlo, 1993). Behaviours that are normally associated with task performance often include quality and quantity of the work, skills and knowledge (Campbell, 1990).

Despite IWP being long recognised as a multidimensional concept, the importance and contribution of employee behaviours received recognition much later on (Austin & Villanova, 1992; Borman and Motowidlo, 1993; Rotundo & Sackett, 2002; Dalal, 2005). Due to IWP being a multi-dimensional construct, Koopmans and colleagues did a systematic literature review of 58 studies to establish and conceptualise a concise definition of IWP (Koopmans et al., 2011). Based on the systematic review and field-testing of the IWP questionnaire (Koopmans et al., 2012), it was found that IWP, in addition to task performance, consists of other dimensions, including contextual performance and counterproductive work behaviour (CWB).

Contextual performance can be defined as “behaviours that support the organisational, social, and psychological environment in which the technical core must function” (Borman & Motowidlo, 1993, p.73). Literature contains several concepts that describe contextual performance, including non-job specific task proficiency (Wisecarver, Carpenter, & Kilcullen, 2007), extra-role performance (Bakker, Demerouti, & Verbeke, 2004), organisational citizenship behaviour (Viswesvaran & Ones, 2000), and interpersonal relations (Murphy, 1989). Contextual performance includes activities that fall outside the formalised job description (Sonnetag et al., 2008). These behaviours include taking on extra tasks, showing increased effort, proactivity, creativity, effective communication and helping others (Koopmans et al., 2011). These behaviours are found in most jobs and are reliant on variables upon which individual motivation has been derived (Poporath, 2002).

Counterproductive work behaviour (CWB) is defined as “behaviour that harms the well-being of the organization” (Rotundo & Sackett, 2002, p. 69). These include tardiness, absenteeism,

gossiping, complaining, substance abuse, theft and misusing privileges (Koopmans et al., 2011). The behavioural definition of CWB is “scalable actions and behaviours that employees engage in that detract from organizational goals or well-being” (Ones & Dilchert, 2013, p. 645). There are two primary subfactors that have emerged: deviance directed at the organisation (e.g., theft, absenteeism) and deviance directed at others (e.g., bullying, gossiping). Literature on CWB suggests that it is not simply the negative end of positive contextual behaviours (Ones & Dilchert, 2013), but rather entails distinct elements that are linked to different antecedents (Spector, Bauer, & Fox, 2010).

Relationship between Ethical Leadership, Trust and Individual Work Performance

Based on empirical findings and theoretical arguments, the current research hypothesises that ethical leadership positively affects trust in the leader and individual work performance. The relationship between these variables will be discussed in the following segment.

Ethical leadership and trust in leader

Hernandez, Long, and Sitkin (2014) proposed that a leadership style is a critical determinant of trust in leader relationship. Trust is a distinct value that is found to be essential to ethical leadership (Heine, 2013). Ethical leaders are able to inspire trust from their followers through their practices and behaviours that stimulate trust from followers (Du Toit, 2015). Other research has established ethics as the primary determinant of trust in leadership, as it accounted for 65% of the variance in trust (Stouten, Van Dijke, & Cremer, 2012). Ethical leaders display normatively acceptable behaviours such as honesty, fairness, and compassion (Brown et al., 2005) and further strive to secure these behaviours and characteristics that are required for a trust formation (Heine, 2013). When leaders exhibit the aforementioned behaviours, followers will be more inclined to trust them (Hernandez et al., 2014). The social exchange theory further elucidates that ethical leaders have the ability to create superior social-exchange relationships with their followers, augmenting the trust amongst followers (Kalshoven et al., 2011). The basis of these relationships is the expectation that acts of kindness will eventually be reciprocated (Roch & Shanock, 2006).

Due to the positions of power that they hold, leaders can make decisions that impact followers negatively; therefore, leaders making choices that are beneficial to their followers are likely to gain trust (Dirks & Ferrin, 2002). Zhu, May, and Avolio (2004) further state that the behavioural consistency of ethical leaders allows followers to make judgements regarding their trustworthiness, eventually leading to trust in leader. Kalshoven et al. (2011) established a

positive relationship between ethical leadership and trust in leader. In another study, a positive correlation was found between ethical role modelling and trust; furthermore, trust related positively to a leader's consistency in rewarding ethical and punishing unethical conduct (Van der Akker et al., 2009) Drawing from the social exchange theory, Lee (2016) established that trust in leader had an indirect effect on ethical leadership and followers taking charge.

Ethical leadership and individual work performance

Yukl (2006) stated that leaders are able to affect followers' perceptions, attitudes, behaviours and responses to the work environment. Ogbonna and Harris (2000) also claim that in any organisation, leadership is thought to be a key factor in influencing employee behaviour and performance. The social learning perspective on ethical leadership contends that ethical leaders serve as role models who are legitimate and attractive in the workplace (Bandura, 1986). In support of this perspective, Brown et al. (2005) further stated that followers of ethical leaders are inclined to see themselves as part of a social relationship with their leaders and, consequently, are expected to reciprocate by increasing their performance. Also, Yidong and Xinxin (2013) argue that when followers notice that the leader cares about their best interest, they are likely to exert more effort and innovation in their work.

Employees are the most critical assets in any organisation; without them, none of the goals and objectives set out by the organisation can be achieved. To this effect, numerous studies have explored the role of ethical leadership in increasing employee performance (Bello, 2012). In a study comprising 72 supervisors and 201 direct reports, Walumbwa et al. (2011) discovered that ethical leadership positively correlated with employee performance. In a field study conducted, Piccolo et al. (2010) found that employees' extra effort fully mediated the relationship between ethical leadership and a subordinate's job performance. In more recent studies, Kang (2019) suggested, through the findings, an indirect relationship between ethical leadership and employees' work performance. This relationship was mediated by employees' perceived visibility of the ethics code in the organisation. In another study conducted on tourist organisations, it was found that ethical leadership behaviours increase the likelihood of employees' job satisfaction and performance (Shafique, Kalyar, & Ahmad, 2018).

Trust in leader and individual work performance

The concept of trust has become a critical area of focus for management, because of the perceived influence it has on individual and organisational performance (Onyeizugbe, Orogbu, Mande, & Michael, 2018). Researchers claim that management based on trust is the new

expression of old thoughts and using its mechanisms can be effective in achieving individual and organisational goals (Parastoo & Karimi, 2015). According to Lamsa and Pucetaite (2006), the presence of trust in the workplace is essential for enhancing organisational performance in an increasingly global economy.

Trust is perceived to be the focal point in the relationship between a supervisor and subordinate due to the voluntary nature of social exchange relationships and uncertainty of reciprocation (Mushonga, Thiagarajan, & Torrance, 2014). According to Dirks and Ferrin (2002), employee trust in supervisor encourages a positive attitude towards the job amongst individual employees and reduces incidents of counterproductive work behaviour. Numerous studies have inspected the relationship between trust in supervisor and individual work performance. Brown, Gray, McHardy, and Taylor (2015) found that trust in supervisor was positively correlated in the supervisor and three workplace outcomes, including financial performance, labour productivity and service quality. In their research to understand voluntary performance of military personnel, Chen et al. (2012) found that trust directly and positively influenced voluntary employee performance. Another study by Huang et al. (2009) found that trust in supervisor influenced task performance and OCB.

Based on the theoretical arguments presented above, the following hypotheses were formulated:

Hypothesis 1: A positive relationship exists between ethical leadership, trust in the leader and individual work performance

Hypothesis 2: Ethical leadership has a positive relationship with trust in the leader

Hypothesis 3: Ethical leadership has a positive influence on individual work performance

Hypothesis 4: Trust in the leader has an indirect influence on individual work performance

Conceptual Model

Following a detailed literature review, a conceptual model was developed. Figure 1 illustrates the theoretical model depicting the hypothesised relationships:

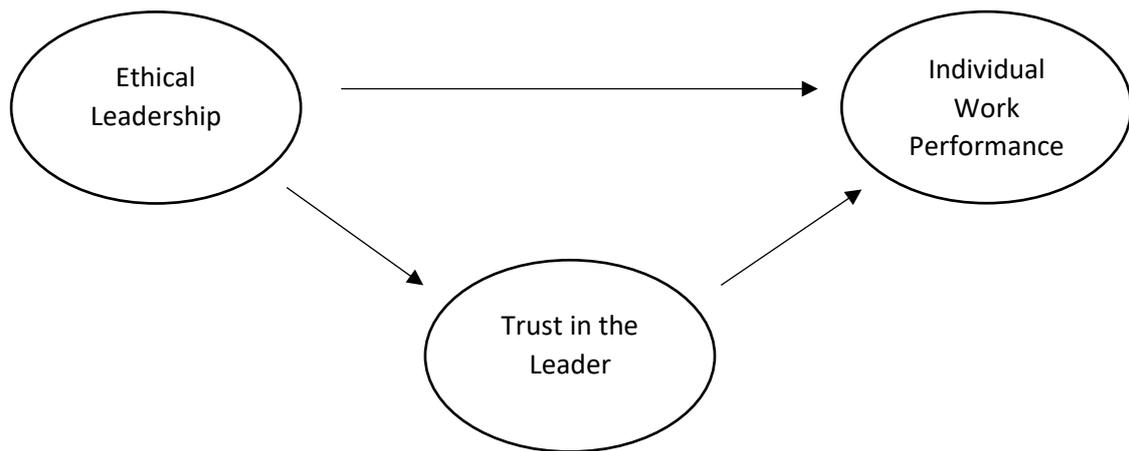


Figure 1: A proposed model of ethical leadership, individual work performance and the indirect effects of trust in the leader

RESEARCH METHOD

Research Participants

For the current study, a quantitative research approach and a cross-sectional survey design were conducted amongst individuals employed in different organisations based in South Africa. A convenience sampling method was employed for the study, which selects participants based on their availability and willingness to participate in the study. Questionnaires were sent out electronically to individuals via e-mail; in addition, the link containing the questionnaires was posted on various professional networks and social media platforms. A total number of 202 individuals completed the questionnaires.

The demographics of the sample are provided in Table 1 below.

Table 1

Characteristics of the Participants (n=202)

Item	Category	Frequency	Percentage
Gender	Male	82	40.6
	Female	120	59.4
Race	African	159	78.7
	Coloured	10	5.0
	Indian	14	6.9
	White	19	9.4
Home language	isiXhosa	59	29.2
	isiZulu	29	14.4
	English	38	18.8

	Afrikaans	11	5.4
	Sesotho	26	12.9
	Sepedi	9	4.5
	Setswana	18	8.9
	Swati	4	2.0
	Tsonga	4	2.0
	Venda	2	1.0
	Shona	1	0.5
	Swahili	1	0.5
Highest qualification	Up to Gr 9/equivalent (NQF1)	3	1.5
	Gr 12 (matric) / equivalent (NQF4)	15	7.4
	National certificate (NQF5)	2	1.0
	Higher certificate (NQF6)	3	1.5
	Diploma / First degrees (NQF7)	94	46.5
	Honours degree (NQF8)	62	30.7
	Master's degree (NQF9)	16	7.9
	Doctorate degree (NQF10)	5	2.5
	Post-graduate	2	1.0
	Employment status	Full time	189
Part time		13	6.4
Job tenure	3-12 months	43	21.3
	1-3 years	93	46.0
	4-5 years	29	14.4
	6-10 years	26	12.9
	11+ years	11	5.4
Province	Gauteng	149	73.8
	Outside Gauteng	53	26.2
General health	Poor	2	1.0
	Below average	9	4.5
	Average	50	24.8
	Above average	56	27.7
	Excellent	85	42.1

As displayed in Table 1, more than half of the research participants were female (59.4%), whilst the majority of the participants were African (78.7%), followed by White (9.4%), Indian (6.9%) and Coloured (5%). Most of the participants recorded isiXhosa as their home language (29.2%), followed by English (18.8%). Regarding educational qualifications, most of the

participants recorded a Diploma/First Degree (NQF7) as their highest completed qualification (46.5%), followed by Honours degree (NQF8) at 30.7%. Regarding professional characteristics of the participants, the vast majority were full-time employees (93.6%), and from a job tenure perspective the majority had spent 1-3 years in their current jobs (46%). Geographically, the majority of the participants were based in Gauteng (73.8). Lastly, the majority rated their general health as excellent over the past 12 months (42.1%).

Measuring Instruments

The study employed a biographical questionnaire and three measuring instruments, namely *Leadership of Ethics Scale* (LES; Heine, 2013), the *Leader Trust Scale* (LTS; Heine, 2013), and the *Individual Work Performance Questionnaire* (IPWQ; Koopmans, 2014).

Leadership of Ethics Scale (LES). This measure was developed and validated by Engelbrecht and Heine (Heine, 2013). The items on the LES were modified and revised from other measures of ethical leadership (Brown et al., 2005; Spangenberg & Theron, 2005; Yukl et al., 2011). The various leader behaviours encompassed in the LES include a leader's ability to act fair, reward ethical behaviour, have ethical vision and ethical practices. All responses were recorded on a six-point scale ranging from 1 (*disagree strongly*) to 6 (*agree strongly*). Sample items included the following: "My manager communicates an ethical vision and inspires subordinate commitment to the vision" and "My manager recognises and rewards ethical contributions and behaviour". A statistical analysis conducted on the LES established that the measure produced good results with a Cronbach alpha of 0.97 for the entire scale (Heine, 2013).

Leader Trust Scale (LTS) was also developed by Engelbrecht and Heine (Heine, 2013). The LTS assesses the level of trust that exists between an employee and the direct manager (Bews, 2000). The majority of the items of the LTS were modified from various measures (Bews, 2000; Ferres, Connell, & Travaglione, 2004). All participant responses were recorded on a six-point scale ranging from 1 (*disagree strongly*) to 6 (*agree strongly*). The items on the LTS include the following examples: "I feel that my supervisor/manager keeps personal discussions confidential" and "I proceed on the basis that my supervisor/manager will act in good faith" (Heine, 2013). A statistical analysis was conducted on the measure and established a Cronbach alpha of 0.97 for the entire scale (Heine, 2013).

Individual Work Performance Questionnaire (IWPQ) was developed and validated by Koopmans (2014). The questionnaire consists of 18 items and respondents are required to record their responses in a 6-point rating scale ranging from 1 (*seldom*) to 5 (*always*) for the

first 13 items, and 1 (*never*) to 5 (*often*) for the last 5 items. The 18 items are divided into the three components of individual work performance, namely task performance, contextual performance, and counterproductive work behaviour. After a statistical analysis had been conducted, the measure reported the following Cronbach alphas: task performance = 0.79, contextual performance = 0.83, and counterproductive work behaviour = 0.89 (Koopmans, 2014).

Procedure and Ethical Consideration

The study requested ethical clearance from the Basic and Social Sciences Research Ethics Committee (BaSSREC) of the Vaal Triangle Campus of the North-West University, and ethical clearance was granted (NWU-HS-2018-0052). An additional approval was granted by the ethics committee for the researcher to utilise social media and professional networks in order to attract more participants. The questionnaires were constructed online via Google Forms, which is a cloud tool that allows information to be collected from users via personalised surveys. The information gathered is automatically connected to a spreadsheet which is populated with the questions and the individual responses. Access to the information was limited to only the researcher as the tool required personalised log in details. A link containing the informed consent form and questionnaires was sent to individuals via e-mail and an invitation to participate in the study was posted on social media and professional networking sites. The invitation outlined the purpose and background of the study, including the length of the questionnaires and the estimated time it would take to complete them. The researcher emphasised that participation in the research was voluntary and confidentiality was guaranteed. Individuals who completed the questionnaires received a confirmation message and the researcher received an e-mail notification for every response. The complete raw data from the questionnaires was coded and converted to an SPSS dataset in SPSS 25 (IBM Corporation, 2017), also to be used in Mplus 8.3 (Muthén & Muthén, 1998-2018).

Statistical Analysis

For the purpose of the study, quantitative statistical techniques were utilised to analyse the results. Both the SPSS 25 (IBM Corporation 2017) and Mplus version 8.3 ((Muthén & Muthén, 1998-2018) statistical software programmes were utilised. A maximum likelihood robust (MLR) estimator was employed in order to compensate for skewness and kurtosis. Structural equation modelling (SEM), defined as a sophisticated technique used by a researcher to assess

various models concerning the interrelationships among a set of variables (Pallant, 2010), was employed in the study through Mplus 8.3.

Confirmatory factor analysis (CFA) was also employed in order to measure the hypotheses of the structure underlying the study variables (Pallant, 2010). The following fit indices were utilised: chi-square (χ^2); degrees of freedom (*df*); the root mean square error of approximation (RMSEA); the standardised root mean square residual (SRMR); and approximate fit indexes, including comparative fit index (CFI) and Tucker-Lewis index (TLI) (Hair, Black, Babin, & Andersen, 2010; Kline, 2016; Wang & Wang, 2012). CFI and TLI values higher than 0.95, were considered acceptable. RMSEA and SRMR values lower than 0.08 and 0.05 respectively indicated acceptable fit between the model and the data (Hair et al., 2010).

Furthermore, both the Akaike information criterion (AIC) and the Bayes information criterion (BIC) were used to compare the different measurement models. It is specified that the lower the value, the better the model fit (Kline, 2016). Due to the use of the MLR-estimator, competing models cannot be compared directly by using chi-square values; consequently, the Satorra- Bentler chi-square difference test was performed in order to calculate the significance in the chi-square changes between competing models (Satorra & Bentler, 2010).

RESULTS

The results from the statistical analyses will be reported in the following sequence: First, the competing measurement models modelling the relationships between ethical leadership, trust in the leader and individual work performance; second, the results of the alternative structural models are reported, followed by the results of testing for indirect effects.

Testing the Measurement Model

This section presents the results of the research study based on the statistical analyses of the data collected from the research respondents. The statistical programme used for the analyses and presentation of the data in this research is Mplus 8.2, which allowed for use of latent variable modelling in order to test the research hypotheses. This analysis resulted in three competing measurement models, each model consisting of the same items/observed variables, although varying in factor structure.

Model 1 consisted of 2 first-order latent variables, namely ethical leadership (measured by 17 items), trust in leader (measured by 13 items), as well as one second-order latent variable, namely individual work performance consisting of task performance (measured by 5 items),

contextual performance (measured by 8 items) and counterproductive work behaviour (measured by 5 items).

Model 2 consisted of 2 first-order latent variables, namely ethical leadership (measured by 17 items), trust in leader (measured by 13 items), as well as 3 second-order latent variables, namely task performance (measured by 5 items), contextual performance (measured by 8 items) and counterproductive work behaviour (measured by 5 items).

Model 3 consisted of three first-order latent variables, namely ethical leadership (measured by 17 items), trust in leader (measured by 13 items) and individual work performance (measured by 18 items). All latent variables were allowed to correlate.

Table 2 presents the fit statistics for the three competing measurement models described above.

Table 2

Fit Statistics of Competing Measurement Models

Model	AIC	BIC	ABIC	χ^2	df	RMSEA	CFI	TLI	SRMR
Model 1	24346,95	24843,19	24367,96	1381,23	1074	0,05	0,92	0,92	0,06
Model 2	24350,91	24860,39	24372,48	1677,03	1070	0,05	0,92	0,92	0,05
Model 3	24938,73	25425,04	24959,32	2178,80	1077	0,07	0,86	0,85	0,08

χ^2 = chi-square; df = degrees of freedom; AIC = Akaike Information Criterion; BIC = Bayesian Information Criterion; ABIC = Sample-size Adjusted BIC; TLI = Tucker-Lewis Index; CFI = Comparative Fit Index; RMSEA = Root Mean Square Error of Approximation; SRMR = Standardized Root Mean Square Residual

As seen in Table 2, Model 1 indicated the following fit statistics: AIC = 24346.95; BIC = 24843,19; ABIC = 24367,96; χ^2 = 1381,23; df = 1074; RMSEA = 0.05; CFI = 0.92; SRMR = 0.06. Model 1 consisted of ethical leadership as a one-factor model, trust in leader as a one-factor and individual work performance as a three-factor model. Model 2 specified the following fit statistics: AIC = 24350,91; BIC = 24860,39; ABIC = 24372,48; χ^2 = 1677,03; df = 1070; RMSEA = 0.05; CFI = 0.92; SRMR = 0.05. Similarly, Model 2 encompassed ethical leadership and trust in leader as one-factor models which were tested directly to task performance, contextual performance and counterproductive work behaviour. Model 3 showed the following fit statistics: AIC = 24938,73; BIC = 25425,04; ABIC = 24959,32; χ^2 = 2178,80;

$df = 1077$; RMSEA = 0.07; CFI = 0.86; SRMR = 0.08. Model 3 consisted of all three variables, ethical leadership, trust in leader and individual work performance, as one-factor models.

Based on AIC, BIC, and ABIC values, Model 1 indicated a slightly better fit as opposed to the other two models. As previously stated, a direct comparison with the chi-square cannot be used as an indicator of a better fit, due to the use of the MLR-estimator. To confirm the superior fit of Model 1, the Satorra-Bentler difference test was employed.

Table 3 illustrates the results of the change in χ^2 for the competing measurement models, as compared to Model 2. It was found that Model 3 fitted the data significantly worse ($p = 0.01^{**}$), while Model 1 did not ($p = 0.42$), verifying its better fit.

Table 3

Difference Testing for Changes in Chi-square in Competing Measurement Models

Model	$\Delta\chi^2$	Δdf	p -value
Model 1 vs 2	3,88	4	0,42
Model 2 vs 3	405,67	7	0.01**

** $p < 0.01$

The descriptive statistics, reliabilities and correlations of ethical leadership, trust in leader and individual work performance are reported in Table 4. It is imperative to note the difference in the scales when interpreting the means and standard deviations for the different variables as seen in Table 4. These scales ranged from 1 (*disagree strongly*) to 6 (*agree strongly*) for ethical leadership and trust in leader, and 1 (*seldom*) to 5 (*always*) for individual work performance. According to Roux (2014), internal consistency and composite reliability value greater than .70 is considered to be satisfactory. All the measures used in this study were indicated to be reliable as per Table 4, ranging from $\rho = .85$ to $\rho = .98$, which demonstrates significant reliability (Wang & Wang, 2012).

According to Gravetter and Wallnau (2013), correlation is regarded as practically significant with a medium effect ($r \geq .30$) and a large effect ($r \geq .50$), and statistically significant at confidence intervals of $p < 0.05^*$ or $p < 0.01^{**}$. As seen in Table 4, ethical leadership is found to be significantly correlated to trust in leader with a large effect. There was a statistically significant relationship with a medium effect between ethical leadership and individual work performance ($r = .39$); similarly trust in leader had a statistically significant correlation with

individual work performance ($r = .36$) with a medium effect. Results in Table 4 confirmed the following research hypotheses:

Hypothesis 1: *A positive relationship exists between ethical leadership, trust in the leader and individual work performance*

Hypothesis 2: *Ethical leadership has a positive relationship with trust in the leader*

Hypothesis 3: *Ethical leadership has a positive relationship with individual work performance*

Table 4

Descriptive Statistics, Reliability Coefficients, and Correlations

Variable	M	SD	ρ	1	2
Leadership of ethics scale (1-6)					
1. Ethical leadership	4,55	1,29	0,98	-	
Leader trust scale (1-6):					
2. Trust in leader	4,66	1,36	0,98	0.94†**	-
3. Individual work performance questionnaire (1-5):	3,49	0,50		0.39†**	0.36†**
Task performance	3,99	0,74	0,85		
Contextual performance	3,85	0,77	0,87		
Counterproductive work behaviour	2,40	0,90	0,87		

* $p < 0.05$
 ** $p < 0.01$
 † $r > 0.30$
 ‡ $r > 0.50$

Testing the Structural Model

According to the competing measurement models discussed previously, Model 1 indicated the best fit and was therefore used as basis for the structural model in order to investigate the hypothesised relationships. As such, three structural models were created: Model 1 (included all direct and indirect pathways between variables); Model 2 (included only direct pathways); and Model 3 (included only indirect pathways).

As displayed in Table 5, Model 1 included pathways between all three constructs: Ethical leadership was found to precede trust in the leader ($r = 0.94^{**}$), but not individual work performance; neither was trust in leader found to precede individual work performance.

Model 2 included pathways only directly impacting on individual work performance; the pathway from ethical leadership to trust in leader was constrained to zero. In this model, ethical leadership was shown to precede individual work performance, but trust in leader did not.

Model 3 included only indirect pathways to individual work performance; the pathway between ethical leadership and individual work performance was now constrained to zero. Ethical leadership was found to precede trust in leader, which in turn preceded individual work performance.

Table 5

Initial Framework Fit Indices and Standardised Path Coefficients

Measures		Direct and indirect pathways (Model 1)	Direct pathways (Model 2)	Indirect pathways (Model 3)
Fit indices	AIC	24346,95	24722.96	24347.48
	BIC	24843,19	25215.90	24840.41
	ABIC	24367,96	24743.83	24368.35
	χ^2	1681,23	1997.93	1683.93
	Df	1074	1075	1075
	RMSEA	0,05	0,07	0.05
	CFI	0,92	0,88	0,92
	TLI	0,92	0,87	0,92
	SRMR	0,06	0,31	0,06
	Direct pathways to individual work performance	Ethical leadership	0,43	0.38*
Trust in leader		-0.05	0,01	0.37**
Direct pathways to trust in leader	Ethical leadership	0.94**	-	0.94**

* p < 0.05

** p < 0.01

The AIC, BIC, and ABIC values of structural Model 2 were evidently larger than those of Models 1 and 3, removing it as a possible model with good fit. The small differences between those same values for structural Models 1 and 3 made it difficult to clearly determine the best fit: $AIC_1 - AIC_2 = -.53$; $BIC_1 - BIC_2 = 2.78$; and $ABIC_1 - ABIC_2 = -.39$. In order to make an informed decision, the change in chi-square was determined through use of the Satorra-Bentler chi-square difference test (Satorra & Bentler, 2010). Table 6 illustrates the results of the difference test for the competing structural models, as compared to Model 1. It was found that Model 2 showed a significant change, indicating a poorer fit to the data, while Model 3 did not

indicate a poorer fit to the data. As a result of its apparent lower BIC and better χ^2 , Model 3 was used for further statistical analysis.

Table 6
Difference Testing for Changes in Chi-square in Competing Structural Models

Model	$\Delta\chi^2$	Δdf	p-value
Model 1 vs 2	218.75	1	0.00**
Model 1 vs 3	3.34	1	0.07

** p < 0.01

Figure 2 below depicts the standardised path coefficients for the best fitting model used to test the indirect effects. Only statistically significant paths are shown in the figure.

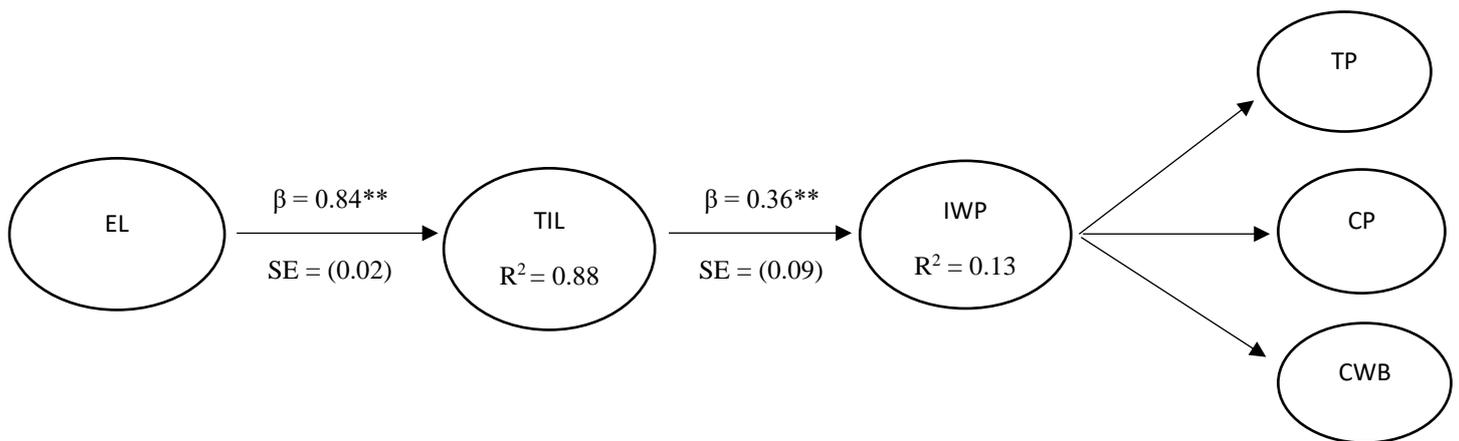


Figure 2. The structural model of ethical leadership, trust in leader and individual work performance.

From Figure 2, the structural model indicated that 88% of the variance in trust in leader could be explained by ethical leadership and 13% variance of individual work performance could be explained by trust in leader.

Indirect Effects of Ethical Leadership

To investigate the indirect effect proposed in Hypothesis 4, the study tested trust in leader in parallel with the other variables. As illustrated in Table 7, ethical leadership through trust in

the leader resulted in an estimate of 0.34**, meaning that a trusted leader improves the relationship between ethical leadership and individual work performance (or if a leader is not trusted, it is likely to worsen the relationship between ethical leadership and individual work performance). As a result, the following hypothesis was confirmed:

Hypothesis 4: *Trust in the leader has an indirect influence on individual work performance*

Table 7

Indirect Effects of Ethical Leadership

Variable	Trust in leader		
	Est.	SE	95% CI
Individual work performance	0.34**	0.08	[0.17, 0.50]

* p < 0.05

** p < 0.01

DISCUSSION

The main objective of this study was to examine the effect of ethical leadership on individual work performance in the South African context through the indirect pathway of trust in the leader. The research intended to create a clear understanding of ethical leadership and its ability to foster an environment of trust between leaders and subordinates; in turn, resulting in improved individual work performance for employees working in South African organisations. This is critical within the SA context, given the number of ethical breaches and scandals committed by leaders in private and public sectors, compromising the trust relationship between leaders and the general public (Corruption Watch, 2018). Therefore, it is imperative for leaders within the SA context to understand the severe impact of unethical behaviour and, on the other end, the benefits of conducting themselves in an ethical manner, i.e. increased trust in the leader and individual work performance.

Based on the results of this study, it was found that positive relationships exist among all the study variables, namely ethical leadership, trust in leader and individual work performance; thereby confirming Hypothesis 1. This means that if any of the study variables increase, it is likely that the other variables will also increase (i.e. higher levels of ethical leadership are associated with higher levels of trust in leader and higher levels of individual work performance); the opposite also applies.

In terms of the relationship between ethical leadership and trust in leader, the results of the study indicated a positive relationship, accepting Hypothesis 2. When leaders behave in an ethical manner, that is being honest, fair when making decisions, compassionate and caring, they will enhance the probability of their followers trusting them (Heine, 2013). An ethical leadership style is predicted to stimulate increased levels of trust from followers (du Toit, 2015); thus ethical leadership can be a path through which trust is activated and restored (Bellingham, 2003). Within the SA context, literature suggests that ethical leadership and trust in leader are positively related (Du Toit; 2015; Engelbrecht et al., 2014, 2015).

In context of these findings and the current study, it would make sense to imply that if leaders in South African organisations are perceived by their subordinates as ethical (honest, fair and caring), it will in turn enhance the levels of trust in the leader, that is more willingness to accept vulnerability on behalf of the leader's actions, based on positive expectations.

Regarding the relationship between ethical leadership and individual work performance, the results indicated that they are positively and significantly related, thereby confirming Hypothesis 3. This means that when employees experience their leaders as truthful, trustworthy, accountable for their actions and willing to delegate control (Du Toit, 2015), they are likely to exert themselves more in job tasks and go the extra mile, resulting in increased individual work performance. Brown et al. (2005) stated that followers of ethical leaders are inclined to see themselves as being in a social relationship with their leader and, as a result, are likely to respond by increasing their task performance.

In the current study, individual work performance is defined and measured in terms of task performance, contextual performance and counterproductive work behaviour. In this context, ethical leaders are likely to increase employees' task performance, which relates to formally recognised activities that display the level to which employees demonstrate their expertise and ability (Avey & Murphy, 1998). Piccolo et al. (2010) found that leaders who demonstrate ethically normative conduct and who carry strong ethical commitments, can positively affect an employee's motivation, which can lead to improved task performance.

Second, it is sensible to imply that ethical leaders will increase employees' contextual behaviour; individual behaviours that go above and beyond the formally arranged work duties, including taking on extra work, being innovative, learning new tasks and technologies, cooperating with and helping others (Koopmans et al., 2011). In literature, it is predicted that ethical leadership will play a pivotal role in improving employee attitudes and behaviours

(Walumbwa et al., 2011). Yidong and Xinxin (2013) found that when followers notice that the leader cares about their best interest, they will be more inclined to exert extra effort and innovation in their work.

Last, ethical leaders are likely to instigate ethical conduct and, in doing so, discourage counterproductive work behaviour (CWB). CWB refers to behaviour that is harmful to the general well-being of the organisation and includes behaviours such as absenteeism, complaining, gossiping about co-workers, misusing privileges, theft and aggression (Koopmans et al., 2011). Ethical leaders pride themselves in holding people accountable for their actions, placing emphasis on rewarding ethical behaviour and punishing unethical behaviour (Kalshoven et al., 2011). Research shows a negative correlation between ethical leadership and CWB (Avey et al., 2010; De Wolde, Groenendaal, Helsloot, & Schmidt, 2014; Du Toit, 2015; Mayer et al., 2009).

With regard to the indirect effect of ethical leadership on individual work performance through trust in leader, the results of the current study specified that trust in leader improves the relationship between ethical leadership and individual work performance, accepting Hypothesis 4. This means that when a leader displays behaviours such as honesty, fairness and integrity, the employees' level of trust in that leader is likely to increase and, as a consequence, the employee is likely to exert more effort in their work tasks, do more than is expected of them, and abstain from behaviours that are harmful to the organisation and other employees.

In literature, trust in leader mediated the relationship between ethical leadership and leader effectiveness (Kalshoven & Den Hartog, 2009); ethical leadership and followers taking charge (Lee, 2016); commitment to change and performance (Neves & Caetano, 2009). In relation to the three variables in the current study, there is limited literature on the combination of all three variables being studied together. However, as hypothesised, the results of the current study reveal that trust in leader has an indirect effect on the relationship between ethical leadership and individual work performance.

Limitations and Future Directions

The research comprised several limitations that should be considered when interpreting the results. First, it should be noted that the study was cross-sectional in nature, meaning data was collected at one point and not over a period of time. Data collected at a single point in time increases the likeliness of same-source or common method bias (Arnolds & Boshoff, 2004).

Future research can consider a longitudinal research approach, which may allow for more in-depth examination of causal inferences.

Second, the sample of the study was too small in relation to the population and therefore findings cannot be generalised to the entire population, which is the South African workforce. The researcher intended to attain a vast sample size which would have allowed for more comprehensive testing of empirical models and hypothesised relationships; thus making the results more irrefutable. As demonstrated in the descriptive data, the majority of the participants (73.8%) were based in the Gauteng province, resulting in a disproportionate sample. It would be recommended for future research that a larger, more representative and diverse sample be attained for purposes of generalisation.

Third, the measuring instruments used in the study were based on self-reporting survey questionnaires. The potential limitation of these types of surveys is that they only consider the perception of the participant in relation to how he or she views each construct, which might not be measuring the actual construct content; therefore, raising concerns regarding “common method variance”. A mixed data collection method (e.g., interviews and surveys) would be recommended for future research.

Conclusion

The aim of the current study was to conceptualise ethical leadership and investigate its potential impact and benefits for both individual and organisational outcomes within the South African context. In addition, as previously stated, there is a limited amount of research conducted on the three study variables within the SA context; consequently, the findings from the current study will be valuable for future use, adding to the existing body of knowledge in leadership and psychology. The study also conceptualised the multi-faceted concept of individual work performance, with the aim to educate individuals and organisations as the concept is often misunderstood and mistaken for productivity.

South African organisations have continued facing major challenges in relation to the ethical conduct of their leaders, leading to the collapse of several organisations and public institutions. It is imperative for the survival of organisations to understand the importance of ethical practices from its appointed leaders, as well as the implications that these practices have on individual performance and, subsequently, organisational performance. Leaders cannot abandon their responsibility in terms of setting a moral example for their followers, as their conduct ought to be consistent with what they teach.

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CHAPTER 3

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

This chapter serves to discuss the empirical findings in relation to the set general and specific objectives. The discussion will include the limitations of the research study, and recommendations for future practice and research.

3.1 CONCLUSIONS FROM LITERATURE AND EMPIRICAL FINDINGS

In reaction to corporate scandals and ethical violations, organisations have increased their efforts to stimulate ethical behaviours amongst leaders (Kalshoven & Den Hartog, 2009). The pressure to perform, achieve and “win at all costs” has led to top executives of corporate organisations committing a variety of unethical practices, including fraud, bribery, corruption, facilitation payments, harassment and intimidation (Wesley et al., 2011). From a global perspective, organisations such as Facebook, Volkswagen, Uber, Nissan, Deutsche Bank, Apple, to name but a few, have been involved in major ethical scandals which have led to the removal of leaders at the helm (Wolff-Mann, 2018). From a local perspective, South African organisations have endured endless exposure in the media over the past few years on account of unethical leadership practices. From the corruption scandal which hit auditing giant KPMG a few years ago (Van Loggerenberg, 2017), to arguably the biggest case of corporate fraud in South Africa that occurred at global retailer, Steinhoff, resulting in plummeting share prices and removal of leaders (Motsoeneng & Rumney, 2019). The consistent and recurring theme amongst these scandals has been the shortcomings of leaders from an ethical perspective. In view of this, it is then critical for leaders to set ethical examples through their actions as followers tend to imitate the behaviour of their leaders, whether good or bad (Du Toit, 2015).

The first objective was to conceptualise ethical leadership, trust in leader and individual work performance according to literature.

Due to the ever-changing environment, the concept of leadership is one that is hard to define (Yukl, 2008); yet, remaining one of the most studied concepts (Antonakis, 2012). It is a term that has been extensively discussed in several academic disciplines such as psychology, education, politics, sociology and public administration (Yukl, 2008). Recently, researchers have focused on more positive styles of leadership (Engelbrecht, Heine, & Mahembe, 2014).

The commonly used definition for ethical leadership formed by Brown and colleagues define it as “the demonstration of normatively appropriate conduct through personal actions and

interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision making” (Brown et al., 2005, p. 120). The initial part of this definition proposes that leaders who are perceived to be ethical, demonstrate actions that are consistent with what is deemed acceptable and appropriate (e.g., honesty, fairness, compassion); thus, making these leaders good role models (Brown et al., 2005). The consistent modelling of these behaviours by ethical leaders allows for enhanced moral awareness amongst followers (Zhu, May, & Avolio, 2004). The latter part of the definition proposes that these leaders emphasise the ethical repercussions of their decisions in their interpersonal engagements with followers, enabling this behaviour to be observed and re-enacted (Brown et al., 2005). Trevino, Hartman, and Brown (2000) stated that ethical leaders possess a solid array of ethical principles and values that inform their decision making.

There are two pillars upon which the character of an ethical leader is determined, namely the leader as a moral person and the leader as a moral manager (Trevino et al., 2000). From the perception of a moral person, the focus is on the leader’s traits, behaviours and inclusive decision making (Van den Akker et al., 2009). The assumptions held about these leaders are those of integrity, honesty, trustworthiness and justice (Du Toit, 2015). Toor and Ofori (2009) stated that the following values as pillars of ethical leadership, namely ethical values, integrity and impartial treatment of people. Furthermore, Mayer et al. (2012) identified three leadership actions that form the foundation of ethical leadership, namely fair treatment of people, managing morality and setting strong ethical precedents.

The moral manager component refers to the leader’s proactive efforts to provide guidance and clarity regarding ethical and unethical conduct (Brown & Treviño, 2006). The moral manager notion is established on three foundational principles of ethical leadership, namely role modelling through visible actions, communication of ethics and values, and allocating rewards and punishment (Van den Akker et al., 2009). These foundational principles enable moral managers to establish sustainable moral standards. According to Yukl et al. (2013), moral managers display transparency in their beliefs and values, meaning what they say and also being open to correction.

Leaders, modelling behaviours such as honesty, compassion, fairness and care, increase the likeliness of their followers trusting them (Heine, 2013). Eisenbeiss and Giessber (2012) posited that ethical leaders are credible persons who are inclined to positively influence the trust relationship between themselves and their followers. Trust is defined as “a psychological

state comprising the positive expectation that another party will perform particular actions that are important to oneself, coupled with a willingness to accept vulnerability which may arise from the actions of that other party” (Van den Akker, 2009). The two important aspects to be highlighted from the definition are positive expectations from another party and willingness to accept vulnerability (Chughtai, Byrne, & Flood, 2014). Mayer et al. (1995) posited that trust consists of three antecedents, namely integrity, competence and benevolence.

Leaders are central in shaping organisational success and effectiveness, and a crucial factor that determines a leader’s effectiveness is the level of trust between the leader and follower (Du Toit, 2015). Schoorman, Mayer, and Davis (2007) defined trust in the leader as the “employee’s willingness to accept vulnerability on the basis of positive expectations of the intentions of the leader” (p. 347). Ferris (2003) defined trust in leader as the amount of support and confidence that an employee receives from his or her immediate supervisor. Leaders who demonstrate trust-related characteristics are able to convince their followers that they are deserving of their trust (Heyns & Rothmann, 2015). Burke et al. (2007) stated that followers who place trust in their leaders will be more inclined towards adopting positive attitudes and behaviours, which could lead to superior performance (Neves & Caetano 2009).

In an increasingly competitive global market, most organisations have directed their efforts in understanding how they can support improving individual performance (Tanskanen, Makela, & Viitala, 2019). Individuals with high work performance are critical, as they contribute to the accomplishment of organisational goals, productivity and competitiveness (Sonnentag & Freese, 2002). From an individual perspective, enhanced performance results in mastery and satisfaction (Sonnentag, Volmer, & Spsychala, 2008). One of the most commonly used definitions of individual work performance (IWP) by Campbell (1990), refers to it as “behaviours or actions that are relevant to the goals of the organization” (p. 704). This definition is accompanied by three notions, namely 1) job performance ought to be defined in relation to behaviour rather than results; 2) only those behaviours that are relevant to the organisation’s goals should be included in the definition; and 3) job performance is a multidimensional concept (Koopmans et al., 2011). Thus, IWP is focused on the individual’s actions and is not the result of such actions (Koopmans et al., 2012). Furthermore, the behaviours should be under the individual’s control and not imposed by the environment (Rotundo & Sackett, 2002).

Campbell and Wiernik (2015) stated that IWP should be defined as “things that people actually do, actions they take, that are relevant to the organisation’s goals” (p. 48). Additionally, there should be someone assigned to identify the actions that are relevant to the organisation and those that are not, irrespective of whether or not they are documented in the job description. Based on Koopmans et al. (2011), IWP is conceptualised in relation to three dimensions, namely task performance, contextual performance, and counterproductive work behaviour. Task performance refers to the amount of competence and efficiency with which individuals perform the core substantive tasks primary to their jobs (Campbell, 1990). Contextual performance points to those positive behaviours that contribute to the organisational, social and psychological environment in which the technical core functions (Borman & Motowildo, 1993). Counterproductive work behaviour speaks to those actions that are harmful to the well-being of the organisation (Rotundo & Sackett, 2002). For the purpose of the current study, this conceptualisation of IWP was utilised.

The second objective was to establish the relationship between ethical leadership and trust in the leader of individuals working in SA organisations

Leadership styles and practices have been found to be the primary determinants of followers’ trust in leaders (Dirks & Ferrin, 2002). The manner in which a leader executes his or her leadership is vital in determining the degree to which the follower will trust the leader (Engelbrecht, Heine, & Mahembe, 2015). Employees will be more inclined to trust a leader that displays characteristics of trustworthiness such as honesty, generosity and acceptance (Zeffane, 2010). When one considers the characteristics of an ethical leader, namely fairness, honesty, care, and compassion (Brown & Trevino, 2006), and compares them to the characteristics of trustworthiness; one would assume that trust in leader is positively linked to an ethical style of leadership. Van den Akker et al. (2009) proposed that ethical leadership is highly influential in determining the amount of trust that a follower will be willing to place in a leader.

Aligned to the above discussion, the findings of the current study showed that ethical leadership is positively and significantly related, with a large effect 0.94** ($r > 0.50$), to trust in the leader. Thus, when followers perceive their leader as being ethical - caring, compassionate, fair and honest - they will be more inclined to reciprocate added trust in the leader.

The third objective was to determine the relationship between ethical leadership and individual work performance of individuals working in SA organisations

For every organisation, its people are the most valued asset, without which, the goals of the organisation may not be achieved (Bello, 2012). As stated in the social exchange theory (Blau, 1964) and social learning theory (Bandura, 1986), leaders are able to influence the behaviour and actions of their followers. Due to their caring and dependable nature, ethical leaders manage to foster strong social relationships with their followers (Brown et al., 2005). When subordinates notice this, they reciprocate by exerting more effort and innovation in their work (Yidong & Xinxin, 2013). When followers perceive that their leaders care about them and have their best interest at heart, they will be more inclined to reciprocate through task performance (Walumbwa et al., 2011). Piccolo et al. (2010) found that employees' extra effort fully mediated the relationship between ethical leadership and a subordinate's job performance.

In line with the above literature, the findings of the current study revealed that ethical leadership is significantly related, with a medium effect 0.39** ($r > 0.30$), to individual work performance. This means that if employees perceive their leaders as caring, fair and honest, their work performance is likely to increase. Kang (2019) also found a positive relationship between ethical leadership and employees' work performance.

The fourth objective was to determine the relationship between trust in leader and individual work performance of individuals working in SA organisations

Mutual trust, which is characterised by perceptions of fairness, integrity and consistency, is the foundation underpinning organisational success (Cloete, 1999). Therefore, a positive trust relationship between a leader and his or her followers is fundamental towards ensuring a healthy and sustainable work environment (Wong & Cummings, 2009). In a wide range of organisational studies, including those focusing on performance, trust has emerged as a central construct (Colquitt, Scott & LePine, 2007; Kramer, 1999; Lewicki, Wiethoff, & Tomlinson, 2005; Mayer, Davis, & Schoorman, 1995). Using experimental methods, Wong, Wong, and Ngo (2002) established that trust has a positive influence on individual work performance. Brown et al (2015) also found a positive relationship between leader trust and work performance.

The results of the current study are coherent with the above findings as they revealed that trust in leader is positively related to individual work performance 0.36** ($r > 0.30$). Tan and Tan

(2000) found that trust - affected by perceptions of ability, benevolence and integrity of the supervisor - leads to innovative work behaviour.

The fifth objective was to investigate the indirect effect of trust in the leader on the relationship between ethical leadership and individual work performance of individuals working in SA organisations

Aligned to the social exchange theory (SET), relationships are based on trust, a sense of commitment and governed by norms of reciprocity (Blau, 1964). A relationship between an ethical leader and his or her followers operates within these very norms, resulting in increased trust in the relationship (Brown & Trevino, 2006). As a consequence, followers feel the obligation to extend themselves beyond the call of duty for their leaders through putting more effort and dedication into their work (Kalshoven et al., 2011). Results from research have shown that when employees place trust in their managers, their organisational commitment increases, which further results in the employees exerting themselves in their tasks by means of time and energy (Aryee et al., 2002; Brown & Leigh, 1996).

The results of the current study showed that trust in leader has an indirect effect on the relationship between ethical leadership and individual work performance.

3.2 LIMITATIONS

The research contained several limitations which should be considered when construing the results.

First, it should be noted that the study was cross-sectional in design; data was collected at one point and not over a period of time. This design may worsen same-source or common method bias.

Second, the sample of the study was small in relation to the population and therefore findings cannot be generalised to the entire population, which is the South African workforce. The researcher intended to attain a larger sample size which would have allowed for a more comprehensive testing of the empirical model and the hypothesised relationships.

Third, the measuring instruments utilised in the study were self-reporting questionnaires. The potential limitation of these types of surveys is that they only consider the perception of the participant in relation to how he or she views each construct, which might not be measuring the actual construct content; therefore, raising concerns regarding “common method variance”.

3.3 RECOMMENDATIONS

Below are the recommendations made for future research and practice derived from the findings of the study.

3.3.1 Recommendations for Practice

With the multitude of challenges that are facing South African organisations, the emergence of strong leaders at the top is essential for organisational subsistence. In the wake of ethical scandals that have caused far-reaching reputational damage to organisations and leaders alike, organisations need to be conscious of the type of leadership style needed to navigate through these challenges and steer the organisation to required success. One of the objectives of this study was to conceptualise the three constructs, namely ethical leadership, trust in leader and individual work performance, understanding how they relate to one another. From the findings of the study, the following recommendations were made.

Ethical behaviour is critical to a leader's credibility and also his or her ability to exert meaningful influence over the subordinates (Piccolo et al., 2010). Therefore, it is imperative for leaders in SA organisations to set ethical standards and lead by example through the display of behaviours such as honesty, fairness and transparency in decision making, care, compassion and respect. As stated by Kouzes and Posner (2007), employees take pride in being associated with credible, honest, fair and accountable leaders. Ethical leaders act in the best interest of their subordinates, whilst carefully monitoring morality; thus, making the leader an attractive role model to followers (Engelbrecht et al., 2014). It would be recommended that programmes focusing on ethics are implemented in SA organisations, with the focus on leadership and top management.

One of the benefits of being an ethical leader is that you are likely to gain trust from followers, as per the findings of the current study. Trust is a precious value and is key in determining individual and organisational effectiveness (Searle, Weibel, & Den Hartog, 2011). It is therefore essential for leaders in SA organisations to understand the importance of forming relationships based on trust with their subordinates, as this is likely to result in positive outcomes for the organisation.

To this effect, it is recommended that open communication platforms are made available in order for leaders to communicate and justify their actions. One of these positive outcomes include increased individual performance, as is evidence from the findings of the current study.

The thriving of an organisation is underpinned by individual employee performance. It is thus critical for leaders in South African organisations to fully comprehend the mechanisms through which individual work performance (IWP) can be achieved. IWP was conceptualised as a multi-faceted construct in the current study, comprising task performance, contextual performance and counterproductive work behaviour. It is important for leaders to fully comprehend the multi-faceted nature of IWP, as it has often been misunderstood and reduced to mere productivity.

3.3.2 Recommendations for Future Research

The current study utilised a cross-section research design. It is recommended that future research consider a longitudinal research approach, as it may allow for a comprehensive examination of causal inferences and an improved understanding of the relationships between the study variables over a period of time. Secondly, it is recommended that a larger, more representative and diverse sample is attained in future studies for purposes of generalisation. Lastly, future research can consider utilising a mixed data collection method in an attempt to avoid common method variance.

3.4 CHAPTER SUMMARY

This chapter provided conclusions that were reached regarding the theoretical and empirical objectives of the study. Furthermore, the limitations of the study were discussed and recommendations for practice and future research were made.

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