

WORK ENGAGEMENT AS AN OUTCOME OF
ETHICAL LEADERSHIP AND TEAM TRUST

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Abstract

Employee engagement is a current focus among organizations (Kappel, 2018). I examined the relationships between ethical leadership, team trust, and work engagement, using conservation of resources theory and social exchange theory as a basis. I proposed that ethical leadership has a positive relationship with work engagement, as ethical leaders provide followers with resources in the form of favorable treatment and clear ethical guidelines. I suggest that this relationship is partially mediated by team trust, which is a result of the social exchange relationship between ethical leader and follower. Team trust provides resources for workers due to the psychological benefit of perceived security in one's team, which is then invested in the form of work engagement. Additionally, I argued that conscientiousness is a moderator, and that those high in conscientiousness will have a stronger relationship between the study variables, due to their likely higher valuation of ethics and trust in their team.

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Introduction

Anecdotal evidence suggests that work engagement remains in vogue among corporate human resources directors. A recent article on forbes.com describes the link between engaged employees and a successful organization, which has led to employers emphasizing engagement in the workplace (Kappel, 2018). Work engagement refers to an approach toward work that involves placing energy into one's tasks, overcoming challenges, and identifying with the work (Schaufeli, Salanova, González-Romá, & Bakker, 2002). Its popularity can be attributed in part to the concept's description of a healthy relationship with effort toward job performance rather than high performance at the expense of well-being. Indeed, the research indicates engaged employees work diligently and overcome challenges, but do not work in a manner that fosters burnout, nor have an unhealthy relationship with work, such as workaholism (Schaufeli, Taris, & Van Rhenen, 2008; Crawford, LePine, & Rich, 2010). On the contrary, engaged workers have a better life outside of work, as their work leaves them energized and fulfilled (Schaufeli et al., 2008; Kanste, 2011). Additionally, such workers have positive safety outcomes on the job (Nahrgang, Morgeson, & Hofmann, 2011). From the organization's perspective, having a workforce that is highly engaged with their work could provide a competitive advantage; the workers may have greater longevity due to both the positive health and psychological outcomes (Schaufeli et al., 2008). Additionally, work engagement is related to job performance, suggesting that a company that fosters engagement may see gains in employee performance (Rich, Lepine, & Crawford, 2010). These considerations combine to make a compelling case for understanding how to foster work engagement.

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Given the corporate focus on work engagement, as well as its theoretical importance, scholars have focused on its antecedents. Much of the work has indicated that personal and job resources are important factors (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Hakanen, Schaufeli, & Ahola, 2008; Schaufeli & Salanova, 2007). As described by conservation of resources (COR) theory, a resource is anything that is valued in its own right or in its ability to facilitate the acquisition of future resources (Hobfoll, 2001). Workers are motivated to attain these resources and minimize resource loss. Because workers are more engaged when they have more resources in the workplace, organizations seek to provide these resources where possible. These are referred to as job resources and can range from the abstract, such as supportive leadership or a positive atmosphere, to the more concrete, such as benefits and incentives (Schaufeli & Salanova, 2007; Dollard & Bakker, 2010). Workers themselves bring resources into the workplace; these are referred to as personal resources. Examples include personality traits and skills that can facilitate success, such as social skills (Harvey, Harris, Harris, & Wheeler, 2007). With present study, I examined the effects of two situational job resources – ethical leadership and team trust – on engagement as well as their interaction with employee conscientiousness, a personal resource.

Team trust is the extent to which workers are willing to place themselves in a position of risk for their team (Mayer, Davis, & Schoorman, 1995). For the purposes of this study, I operationalized team trust at the individual level (e.g. an individual's level of trust in their team), rather than the amount of collective trust within a team. If workers feel that their team will not take advantage of them, they are more likely to risk their resources, such as time and energy, for their team. This extra effort is likely to manifest itself in a higher amount of work

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engagement. For example, if workers feel that other team members might take advantage of their efforts, they may reduce energy placed into their job tasks, as that may be wasted exertion due to a lack of reciprocation from their team members (Hobfoll, 2001). They may also have less mental bandwidth to focus on tasks, because they are concerned with their relationship with their team members. Other forms of trust have been widely researched, but team trust remains relatively underdeveloped, particularly as job resource (Fulmer & Gelfand, 2012).

In addition to team trust, ethical leadership is a potential job resource that might increase engagement among followers. Ethical leadership is a management style that involves both ethical behavior by the leader, as well as a system of rewards and punishments for ethical and unethical behavior, respectively, by subordinates (Brown, Treviño, & Harrison, 2005). Ethical leadership increases worker engagement, because having clear guidelines regarding behavior would help workers have more confidence in making ethical decisions without repercussions.

In addition to ethical leadership providing resources for subordinates, it may also increase follower trust in the team. This relationship is explained by social exchange theory, which describes how different parties can develop a relationship of favorable treatment towards one another based on the norm of reciprocity (Blau, 1964). Such relationships result in mutual trust (Molm, Takahashi, & Peterson, 2000). Indeed, workers with an ethical leader tend to have more trust in their leader (Ng & Feldman, 2015). It is likely that workers will also perceive their team to be more trustworthy if they have a leader who treats them fairly and emphasizes ethical behaviors, as ethics will likely be more valued and upheld by their

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team members if their leader is ethical (Mayer, Aquino, Greenbaum, & Kuenzi, 2012; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009).

I also focused on personal resources in the form of conscientiousness, a personality trait that is characterized by diligence, attention to detail, and a preference for order. Conscientious workers also tend to place an importance on ethical behavior. As such, it is likely that having an ethical leader would be a greater resource for highly conscientious employees due their higher valuation of moral behavior, resulting in a higher level of engagement for such workers.

With this study, I tested a psychological process, explained by conservation of resources theory and social exchange theory, in which ethical leaders provide employees with resources that enhance work engagement directly and indirectly through team trust. I also examined the role of individual differences in conscientiousness as a moderator of the relationships in each path in the model. I present the conceptual model in Figure 1.

Work Engagement

Work engagement describes an individual's tendency to approach job tasks with focus and energy as well as a predisposition to persist at overcoming work challenges. Whereas job performance reflects the quality of the work itself, engagement refers to the psychological interaction with the job tasks, or one's state of mind while working (Schaufeli, Salanova, González-Romá, & Bakker, 2002). However, a large part of the focus on engagement may be due to the implication that, at least conceptually, it increases performance. Work engagement predicts both performance and health outcomes (Demerouti et al., 2001; Rich, Lepine, & Crawford, 2010; Salanova, Agut, & Peiró, 2005). Rich et al.

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(2010) found that work engagement not only predicts task performance but also organizational citizenship behavior. These are two key aspects of job performance. Schaufeli and Bakker (2004) found that engaged workers suffered less from headaches, stomach aches, and cardiovascular problems. Indeed, much of the corporate emphasis on work engagement is based on the notion that a workplace that fosters engagement has healthy, happy, and productive workers.

Work engagement developed out of Kahn's (1992) concept of psychological presence within an organization. From this perspective, engagement refers to being accessible to one's work in various ways and is associated with engaging behaviors that involve placing energy into work physically, cognitively, and emotionally.

Work engagement also comes by way of positive psychology, which focuses on optimal psychological functioning rather than solely focusing on maladaptive functioning, in this case as it relates to workplace behavior (Seligman & Csikszentmihalyi, 2000; Schaufeli, Salanova, González-Romá, & Bakker, 2002). Indeed, much of the impetus behind understanding and increasing engagement is the positive outcomes it fosters in employees and their work, rather than the negative outcomes it avoids. Originally thought to be the opposite of burnout, a consensus among scholars suggested that work engagement is a separate construct that is negatively related to burnout (Schaufeli et al., 2002). Engagement and burnout are differentiated by their relations to other variables, such as social functioning and health outcomes. Engagement is positively related to these, and burnout is negatively related, albeit to differing degrees (Schaufeli, Taris, & Van Rhenen, 2008). As such, use of a

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scale designed for the specific construct of interest allows for greater specificity, despite the two being opposites conceptually.

Scholars have identified three facets of work engagement –vigor, dedication, and absorption (Schaufeli & Bakker, 2004; Schaufeli, Salanova, González-Romá, & Bakker, 2002). *Vigor* is the energy that an employee feels and puts into their work and the resulting capability to overcome challenges. An engaged employee does not quit when difficulties arise and feels energized when working. *Absorption* is the concentration that the employee has while working, making time move quickly. An employee who is constantly being distracted by unrelated concerns would have a low level of absorption. *Dedication* is the enthusiasm, pride, and significance that individuals feel toward their work. Engaged employees identify with their work, and their work is a positive part of their identity. In this study, I focused on all three facets together in terms of omnibus work engagement.

Scholars conceptualize and measure work engagement as a trait-level variable. It fluctuates in daily work life, that is, it is also useful as a state-level variable that can change due to events at work. (Sonnentag, 2003). With the present study, I conceptualized and measured engagement at the trait level. I see it as a potential outcome to broad job resources and relationships rather than specific instances in the workplace. I apply social learning, social exchange, and stress-based theories to explain how personal and job resources contribute to individual differences in work engagement.

Conservation of Resources Theory

Conservation of resources (COR) theory provides a theoretical foundation for understanding the process underlying the link between ethical leadership and work

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engagement. Resources are “objects, personal characteristics, conditions, or energies that are valued in their own right or that are valued because they act as conduits to the achievements or protection of valued resources” (Hobfoll, 2001, p. 339). Individuals are motivated to obtain, protect, and invest resources. The loss of resources leads to negative outcomes, such as strain (Demerouti et al., 2001). Both job resources (e.g., organizational support and job characteristics) and personal resources (e.g., self-efficacy and optimism) influence work engagement (Rich et al., 2010; Schaufeli & Bakker, 2004). Job resources do so through stimulating personal growth and providing functional support to achieve goals (Bakker, Schaufeli, Leiter, & Taris, 2008). Additionally, such resources can act as a buffer from the negative effects of job demands (Bakker et al., 2008). Job resources are particularly helpful when job demands are high (Bakker, Hakanen, Demerouti, & Xanthopoulou, 2007; Hakanen, Bakker, & Demerouti, 2005). I suggest that ethical leadership and organizational trust are job resources. Personal resources influence engagement through self-efficacy (Bakker et al., 2008). Workers who see themselves as having useful characteristics will have a greater belief that they can overcome challenges. I suggest that conscientiousness is a personal resource.

Social Exchange Theory

Social exchange theory (SET) describes a relationship where two parties return favorable treatment towards one another with further favorable treatment for the duration of the relationship (Blau, 1964). The theory is based on the norm of reciprocity, which is the idea that when a person does something that benefits another person, the beneficiary typically responds with beneficial treatment or services (Gouldner, 1960). In a social exchange relationship, one party's service towards the other creates an expectation or obligation of a

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future reciprocation in an unspecified form and at an unspecified time. The contributions need not be the same. For example, a worker may help another with moving their office furniture, and the other reciprocates later in the week by proofreading a document for the first worker. This type of relationship implies interdependence of some variety. If only one party benefits, then there is no reciprocal exchange.

Trust is a foundation of social exchange relationships (Blau, 1964; Cropanzano & Mitchell, 2005). If one party does not trust the other, then he/she may not expect reciprocation for doing a favor. In fact, he/she may not do any favor for the other, unless there are outside constraints making the favor-giving a prudent decision. An example might be withholding a favor may reduce social capital at work. Trust also is a result of social exchange (Molm, Takahashi, & Peterson, 2000). As each party establishes a consistent history of favorable treatment, there is a higher level of trust that favorable treatment will continue, even when it may be possible to reciprocate it momentarily.

Social exchange theory can be applied to worker-supervisor relationships, as seen in leader-member exchange theory, which describes how supervisors can have different exchange relationships among their subordinates based on the quality of resources exchanged (Sparrowe & Liden, 1997). Ethical leadership fosters exchange relationships between supervisor and subordinate. When a follower does a favor for an ethical leader, the leader's sense of morality will increase the likelihood they return the favor at a later time. Additionally, the aforementioned sense of morality will likely cause ethical leaders to treat their followers fairly, which could be perceived as an obligation to be repaid. I propose a model in which a social exchange relationship one has with their leader influences outcomes

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of both trust, due to consistent favorable treatment, as well as increased engagement, due to a desire to repay one's leader with increased energy and dedication to one's tasks.

Ethical Leadership

Ethical leadership reflects “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, Treviño, & Harrison, 2005, pp. 595-596). An ethical leader influences followers by not only behaving ethically but also promoting and holding followers accountable for ethical behavior. This consists of two aspects – the moral person and the moral manager (Brown & Treviño, 2006). Moral person refers to an ethical leader's sense of morality and subsequent moral actions. The ethical leader sets an example for how one should act in the workplace. Followers observe this behavior and place trust in their leader, knowing that their leader will treat them fairly. Moral manager refers to the ethical leader having a transactional relationship with their followers regarding ethics. Followers understand that ethical behavior is expected of them, and they are rewarded and penalized for moral and immoral behavior, respectively. The moral manager aspect of ethical leadership is a large part of what makes the leadership style unique, as other leadership theories may involve integrity and ethics. Only ethical leaders hold subordinates accountable for unethical behavior (Brown & Treviño, 2006).

One of the primary concerns of research on ethical leadership is how well such leaders influence the ethical behavior of others (Mayer et al., 2012; Mayer et al., 2009). The effects of ethical leadership behavior on follower behavior can be at least partly explained by

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tenets of social learning theory, also known as social cognitive theory. One aspect of the theory broadly explains how an individual can learn behaviors by observing others perform these behaviors and the consequences that follow (Bandura, 1977; Bandura, 1986).

Additionally, the observer can learn rules for behavior from other role-models (Wood & Bandura, 1989). Brown et al. (2005) argued that ethical leaders function as role models for subordinates due to their attractiveness and credibility. The attractiveness stems from the leadership position itself, whereas credibility comes from the congruence between the leader's ethical behavior and the promotion of such behavior (Brown et al., 2005). Followers emulate the ethical leader's behavior based on observing these two facets. In addition to followers' ethical behavior, ethical leadership is correlated with satisfaction with leader, perception of leader effectiveness, and dedication to work (Brown et al., 2005).

Ethical leadership has similarities to other leadership styles, as well as its own unique contributions (Brown et al., 2005). It is similar to transformational leadership in that both involve having a strong moral compass and treating followers fairly, as well as in its generally positive subordinate outcomes. However, it is unique in its use of accountability. This is more akin to transactional leadership, in that subordinates know what is expected of them, and what will happen if they do not meet expectations. Transactional leadership involves focusing on rewards to motivate followers to achieve goals, rather than on inspiring followers (Bass, 1990). Unlike transactional leadership, these transactions are focused on ethics rather than completion of tasks and related matters. Ethical leaders clearly convey what is expected of their subordinates. Knowing how to behave in terms of what is considered "right" in the organization reduces the drain on resources stemming from

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ambiguity, freeing up resources to dedicate to job tasks. Thus, ethical leadership functions as a job resource (Kalshoven & Boon, 2012). Subordinates of an ethical leader have confidence that they will not be punished for doing the right thing in a situation, allowing them to work more effectively by not having to second-guess their decisions.

Transformational leadership influences work engagement through building trust in the leader through fair treatment, which influences workers to invest more resources into their work (Macey & Schneider, 2008). Transformational leaders are charismatic and positive, which increases positive affect among subordinates, thereby influencing their work engagement (Christian, Garza, & Slaughter, 2011). Ethical leadership is likely to have a similar influence on engagement through trust, although not through charisma, as that is not an aspect of the leadership style. However, the clear expectations regarding ethics associated with ethical leadership likely contribute to engagement. It reduces ambiguity regarding dilemmas, freeing up follower resources and increasing engagement (Macey & Schneider, 2008).

Social exchange theory also provides an explanation for the effects of ethical leadership (Brown & Treviño, 2006; Mayer et al., 2009; Kacmar, Bachrach, Harris, & Zivnuska, 2011). Social exchange theory describes exchange in terms of a relationship where there is mutual felt obligation from both sides due to favorable treatment from the other (Blau, 1964; Cropanzano & Mitchell, 2005). These relationships can form between a variety of parties.

In the case of ethical leadership, followers perceive to be treated fairly by their leader. They respond by behaving ethically and working for the benefit of the leader, team, and/or

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organization (Mayer et al., 2009). Trust is also one of the outcomes of a social exchange relationship; ethical leadership influences trust in the leader (Blau, 1964; Ng & Feldman, 2015). Consequently, followers are likely to want to “pay back” their team by “engaging.” Clear expectations set by ethical leaders may also increase engagement among subordinates, as they will not lose resources due to moral dilemmas that may arise. Instead, they will have certainty that they will not be punished for pursuing ethical decisions.

Accordingly, I propose (Path *c* in Figure 1):

Hypothesis 1. Ethical leadership is positively related to work engagement.

Team Trust

Trust is an aspect of relationships in which at least one party allows him/herself to be vulnerable with the expectation that the other party will not exploit that vulnerability (Mayer, Davis, & Schoorman, 1995). For there to be trust, there must be some level of risk; otherwise trust is not necessary to the relationship (Mayer et al., 1995). Mayer et al. (1995) described trust as being preceded by the trusting party perceiving the trusted as benevolent, having ability, and having integrity, with the trustor’s propensity to trust moderating the relationship. Trust can occur in many types of relationships, such as with coworkers or supervisors, and more abstractly, with one’s team, *per se*.

Whereas there is considerable research on constructs involving levels of trust within a team, trust in the team at the individual level remains relatively unexplored (e.g., Fulmer & Gelfand, 2012). At the team level, team trust predicts team satisfaction, perceived task performance, and commitment (Costa, 2003). Team trust is also related to team cohesion and team performance (Mach, Dolan, & Tzafrir, 2010). At the individual level, research indicates

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that team integrity predicts trust in the team, particularly when there is a high degree of unpredictability or danger in task contexts (Colquitt, LePine, Zapata, & Wild, 2011). In other words, perceiving one's coworkers and supervisor to have integrity increases one's tendency to trust them, especially in high risk situations.

According to social exchange theory, trust is an outcome of exchange relationships, which applies to the link between ethical leadership and trust. Because the ethical leader treats their followers fairly there is a higher level of trust fostered in followers. Due to the importance of integrity in team trust, it is likely that individuals with ethical leaders will be more likely to have trust in their team. Ethical leaders have a high level of integrity and promote such integrity among followers. This means that as a unit there should be a higher level of ethics and integrity in such teams, leading to higher amounts of team trust among individual team members. Additionally, even if there is a member of the team who is less trustworthy, the ethical leader will likely influence them to be at a higher level morally, due to the moral manager aspect of ethical leadership. This means that such a member will likely have less of a negative impact on other team members' team trust due to the leader's ethical influence. Hence, I propose (Path *a* in Figure 1):

Hypothesis 2. Ethical leadership is positively related to team trust.

Trust in the team reflects a belief that one can place themselves at risk for their unit. This reduces uncertainty, increases psychological safety, and may provide a sense of belonging. Thus, I suggest that by providing these resources, high levels of trust lead to high levels of work engagement. Confident that their efforts will not be taken advantage of, workers place more energy, persistence, and focus into their work when they trust their team.

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In other words, team members invest more resources into their work. If one's team is not perceived to be trustworthy, this drains the worker's resources, reducing the amount they are engaged with their work. A lack of trust in one's team reflects a belief that resources invested towards the team and team tasks may be lost, rather than repaid. This perception likely leads to workers conserving their resources to avoid loss, reducing the amount of energy and dedication they place into their work, thus inhibiting engagement. Accordingly, I propose (Path *b* in Figure 1):

Hypothesis 3. Team trust is positively related to work engagement.

I argue that the effect of ethical leadership on work engagement is: (a) direct via social learning and social exchange processes and (b) indirect through trust in the team through stress processes (i.e., as explained by COR theory).

Hypothesis 4. The effect of ethical leadership on work engagement is both direct and indirect through team trust.

Conscientiousness

Conscientiousness is a personality trait that describes individuals who are organized, detail-oriented, and driven. One dimension of the Big 5 taxonomy of personality traits, conscientiousness is a strong predictor of job performance and other workplace outcomes (Barrick & Mount, 1991). Conscientious individuals are focused on achievement, while also being orderly and exhibiting self-control (Roberts, Chernyshenko, Stark, & Goldberg, 2005). These tendencies lead to a high level of career success (Judge, Higgins, Thoresen, & Barrick, 1999).

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High-conscientiousness individuals are inclined toward ethical behavior and following norms (Costa Jr & McCrae, 1992; John & Srivastava, 1999; Moon, 2001). Additionally, they get along better with others who are highly conscientious and likely have a similar valuation of ethics (Liao, Joshi, & Chuang, 2004). Ethical leadership itself is correlated with conscientiousness (Walumbwa & Schaubroeck, 2009). Because of these considerations, I suggest that having an ethical leader likely leads to better outcomes among high-conscientiousness subordinates than among low-conscientiousness subordinates.

Ethical leaders make explicit what is expected of their subordinates regarding ethical behavior, and they promote such behavior. This lack of ambiguity likely has a greater impact among highly conscientious workers, as they place greater importance on following rules and guidelines. Having explicit guidelines is a resource for them because they will know how to act across situations, specifically in regard to ethical conduct. Additionally, knowing that they will be able to behave ethically and follow guidelines without facing punishment is likely a greater resource for them than others, as that is likely a value for such workers. Lastly, conscientious workers may be more likely to weigh their supervisor's ethical behavior highly when considering their exchange relationship, as subsequent exchange in the form of engagement. Accordingly, I hypothesize:

Hypothesis 5. The direct effect of ethical leadership on work engagement is moderated by conscientiousness; the relationship is stronger among individuals approaching the higher (vs. lower) end of conscientiousness.

As previously mentioned, when considering their exchange relationship with the team, a conscientious worker may be more likely to weigh the level of ethicality in their

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supervisor more highly. They emphasize orderliness and rule-following. Additionally, a conscientious worker may be more likely to make note of such behavior in the supervisor. This increased awareness and valuation of the leader's behavior likely lead to greater trust in their team than among a less conscientious employee.

Hypothesis 6. Conscientiousness moderates the relationship between ethical leadership and team trust; the relationship is stronger among individuals approaching the higher (vs. lower) end of conscientiousness.

Highly conscientious people are more achievement-oriented. Thus, they are more likely to care if they can trust their team. If their team is not trustworthy, then it is likely that the worker will be concerned with their relationships with their team members. For example the worker might believe their team members might work against their interests, such as taking credit for the worker's output, which could harm opportunities for promotion and recognition. This would likely cause the worker to invest fewer of their resources into the work, as it likely will not matter if they perform well. Additionally, a lack of trust would likely be a greater drain on the resources among conscientious workers, as they are more likely to be concerned about whether they are treated fairly. This means there is less attention and energy to place into their work. Indeed, a portion of their attention is likely to be devoted to their dissatisfaction with the team. Hence, I propose:

Hypothesis 7. Conscientiousness moderates the relationship between team trust and work engagement; the relationship is stronger among individuals approaching the higher (vs. lower) end of conscientiousness.

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Control Variables

I employed sex, age, rank, and minority status as control variables, as these can predict constructs within the conceptual rubric of well-being (Zheng et al., 2015; Iversen et al., 2008; MacDonald, Chamberlain, & Long, 1997; Penk et al., 1989).

Method

The data come from 455 uniformed, active duty military personnel stationed in the United States. The sample consisted of 10.5% women, 36.5% minorities, 6.8% officers, and 93.2% enlisted personnel. The survey was administered at one time point.

Measures

For each of the scales, the response options range from 1 = “Strongly disagree” to 5 = “Strongly agree.” High scores reflect high levels of the constructs.

Ethical Leadership. I employed the 5-item (e.g., “My immediate supervisor discusses military ethics or values with unit personnel”) Zheng et al. (2015) ethical leadership scale, which is based on the Brown et al. (2005) 10-item scale but uses military language to reflect the situation of those participating in the study.

Team Trust. I assessed trust with three items (e.g., “The organization is loyal to its members”) following work by Cook and Wall (1980) and McAllister (1995). The survey began with a prompt informing respondents that the term “organization” refers to one’s unit.

Job Engagement. I applied items from Rich et al.’s (2010) 18-item job engagement scale, adapted for military usage (e.g., Over past 6 months I have put a lot of energy into relationships with my unit members”). The scale includes items that encompass social, cognitive, and emotional engagement.

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Conscientiousness. I employed three items (e.g., “I am almost always prepared”) from the Big Five factor markers in the International Personality Item Pool (Goldberg, 1999) to measure conscientiousness.

Results

Table 1 presents the descriptive statistics, reliability indices, and intercorrelation matrix. As shown there and consistent with Hypotheses 1 and 2, ethical leadership was positively related to work engagement ($r = .59, p < .001$) and team trust ($r = .45, p < .001$). Consistent with Hypothesis 3, organizational trust was positively related to work engagement ($r = .41, p < .001$).

I employed the PROCESS macro designed by Hayes (2013) to test the hypotheses. Table 2 presents the results of bootstrapping, including the direct and indirect effects. As shown there and consistent with Hypothesis 1, ethical leadership was positively related to work engagement ($b = .28, p < .001$). Consistent with Hypothesis 2, ethical leadership was positively related to team trust ($b = .57, p < .001$). Consistent with Hypothesis 3, team trust was positively related to work engagement ($b = .16, p < .001$). Consistent with Hypothesis 4, ethical leadership was also related to work engagement ($b = .28, p < .001$), indicating partial mediation. That is, ethical leadership had both a direct effect and an indirect effect on job engagement through team trust, as also reflected by the 95% confidence intervals that did not include 0 (.04, .13).

We employed the PROCESS macro to test the moderating effects of conscientiousness at paths a , b , and c . Conscientiousness moderated the relationships between ethical leadership and team trust (Hypothesis 6; $b = .25, p < .001$) but neither the

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relationships between: (a) ethical leadership and job engagement (Hypothesis 5; $b = .00$, *ns*) nor team trust and job engagement (Hypothesis 7; $b = .06$, *ns*).

Discussion

I proposed and tested a conditional, indirect process model in which ethical leadership affects work engagement directly and indirectly through team trust. I argued that ethical leadership yields work engagement directly through social exchange and social learning processes. That is, perceptions of the supervisor's ethical leadership not only yield a desire to reciprocate with focused attention but also create expectations for coworkers to behave ethically and thus be trustworthy. My findings of a direct effect indicate that these processes may link ethical leadership with work engagement.

I also suggested that the effect of ethical leadership on work engagement is indirect through team trust. The results suggest that ethical leadership behaviors yield team trust, which then provides resources that lead to increased work engagement. That is, the ethical leadership increases trust, which functions as a job resource increasing the energy available to “engage” on the job.

Hence, I argue that ethical leadership influences work engagement directly through social exchange and social learning processes and indirectly through a stress-based process. Importantly, the data also indicate that individual differences in conscientiousness affect the nature of the relationship between ethical leadership and team trust. High- (low-) conscientiousness individuals not only are more (less) engaged in general but also are more (less) sensitive to ethical leadership behaviors.

Implications

My findings have several implications. First, team trust may be a mediating process between ethical leadership and work engagement. As mentioned, individual trust in team has scarcely been researched (Fulmer & Gelfand, 2012). This study shows team trust to be a relevant construct, particularly as an antecedent to engagement and a mediator between ethical leadership and engagement. This suggests that the trust a worker has in their team is a job resource, one that can be cultivated by an ethical leader. This may occur due to the leader's status as a role model for team members, causing them to be more ethical, and therefore, trustworthy (Bandura, 1977). This could also be due to higher willingness to be at risk for one's team when said team is overseen by an ethical leader who enforces consequences for unethical actions. Team trust should be a salient resource, as workers likely interact with their team members regularly and are placed in situations where they must decide to rely on their team or not.

A second implication is that work engagement is sensitive to ethical concerns and trust. Engagement involves investing resources such as energy and dedication into work (Salanova et al., 2005). Having a supervisor that prioritizes moral behavior lends confidence that investing these resources is a wise decision, as they will not be taken advantage of. Additionally, my findings imply that this effect extends to the team level, meaning that a worker can invest energy on tasks for their team without worrying that other team members might take credit for the work, or fail to reciprocate favors. Having trust should also free up cognitive and emotional resources, as it implies that one does not need to consider how they might be treated by their leader and team in the present or future. A worker can then use the

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cognitive space to focus on their tasks, rather than worrying about their relationship with their team.

A third implication regards the moderating effect of conscientiousness. While conscientious is often thought of in terms of its association with hard-working and orderly behavior, there is some evidence and theorizing that it is also related to ethicality as well (Costa Jr & McCrae, 1992; John & Srivastava, 1999; Moon, 2001). The findings suggest that ethics may be of greater concern to highly conscientious individuals. Namely, that the relationship between ethical leadership and team trust was moderated by conscientiousness. Having an ethical leader was more important to highly conscientious individuals when it came to how much trust to place in their team. This does not necessarily mean that such individuals are more ethical. Rather, it suggests that the level of ethical behavior in those around them might have a greater effect on how much trust they place in others. In other words, the highly conscientious potentially have more concern for the ethics of those around them than those low in conscientiousness. This may also extend to other interpersonal attitudes and could be explored in future research.

The fourth implication is that ethical leadership might have an impact on much more than the ethical behavior of subordinates. The relationship between ethical leadership and team trust adds to the growing research that ethical leaders influence their followers' ethical behavior, as this finding implies that followers of such leaders are more likely to trust their team members, possibly due to increased adherence to rules and ethics on their part. However, the model also shows that ethical leadership itself might be a job resource, due to its positive relationship with follower job engagement. Ethical leaders facilitate decision-

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making by clarifying expectations and using rewards and punishments to encourage and discourage, respectively, behaviors that have ethical ramifications. Due to the popularity of engagement as a topic for organizational focus, as well as the increased scrutiny on the ethical behavior of organizations, particularly at the leadership level, ethical leadership appears to be a viable area that address both concerns. Prior research has indicated ethical leaders' potential for providing job resources, and these findings provide additional support (Kalshoven & Boon, 2012).

Limitations

Due to the cross-sectional study design, causal direction cannot be determined. This means each pathway in the model might possibly be reversed. For example, it could be argued that when a worker is engaged in their work they have a higher general evaluation of their work situation, leading them to rate their supervisor higher on ethical leadership and to place more trust in their team. Additionally, these relationships could possibly be explained by one or more common causes, such as higher positive affect leading to higher ratings on each construct. Social exchange theory and COR theory suggest that the causal direction is as hypothesized. However, future research should explore this model in a longitudinal study to determine if there is evidence to support causal relationships.

Another limitation is the inability to conclude the underlying processes in the model. As mentioned, I used SET and COR theory as a foundation. However, no variables were measured to provide conclusive support for these theories. Even if causal direction were established, the exact psychological processes that follow from ethical leadership to work engagement, for example, could not be established. It is possible that an alternative

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explanation would be the more accurate one. I call for future scholars to examine these issues so that we can better understand the processing underlying the effects of ethical leadership on work engagement and related constructs.

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Table 1.

Reliabilities, Descriptive Statistics, and Inter-Item Correlations Matrix

Variable	Mean	SD	1	2	3	4	5	6	7	8
1. Age	1.93	.78	-							
2. Minority	1.36	.48	-.00	-						
3. Sex	1.11	.31	-.06	.11*	-					
4. Rank	1.94	1.14	.63**	-.09	-.04	-				
5. TT	3.39	1.03	.09	.14**	-.00	.08	(.82)			
6. EL	3.57	.76	.15**	-.01	.00	.12*	.44**	(.79)		
7. CON	3.91	.67	.19**	-.04	.07	.18**	.18**	.50**	(.69)	
8. Engagement	3.44	.75	.16**	-.02	.03	.19**	.41**	.59**	.59**	(.87)

Note. $n = 455$. Reliabilities in the diagonal.

TT = Trust in Team; ET = Ethical Leadership. CON = Conscientiousness.

Age: 1 = 18 - 21 years, 2 = 22 - 30 years, 3 = 31 - 40 years, 4 = 41 - 50 years, 5 = Over 50.

Sex: 1 = Male, 2 = Female. Minority Status: 1 = Non-minority, 2 = Minority.

Rank: 1 = Junior Enlisted, 2 = Mid-level Enlisted, 3 = Senior Enlisted, 4 = Command-level Enlisted, 5 = Junior Officer, 6 = Senior Officer, 7 = Flag-rank Officer.

* $p < .05$. ** $p < .01$.

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Table 2.

Mediator and Dependent Variable Regressed on Predictors

Predictor	Step 1			Step 2		
	Dependent Variable: Team Trust			Dependent Variable: Work Engagement		
	<i>b</i>	SE	t	<i>b</i>	SE	t
Ethical Leadership	.57**	.07	8.65	.28**	.04	12.30
Conscientiousness	-.03	.08	-.38	.44**	.05	9.81
Ethical Leadership*Conscientiousness	.25**	.07	3.68	.00	.04	.01
Trust				.16**	.03	5.55
Trust*Conscientiousness				.06	.04	1.52
<i>R</i> ²	.24**			.50**		

Note. *n* = 455. * *p* < .05. ** *p* < .01.

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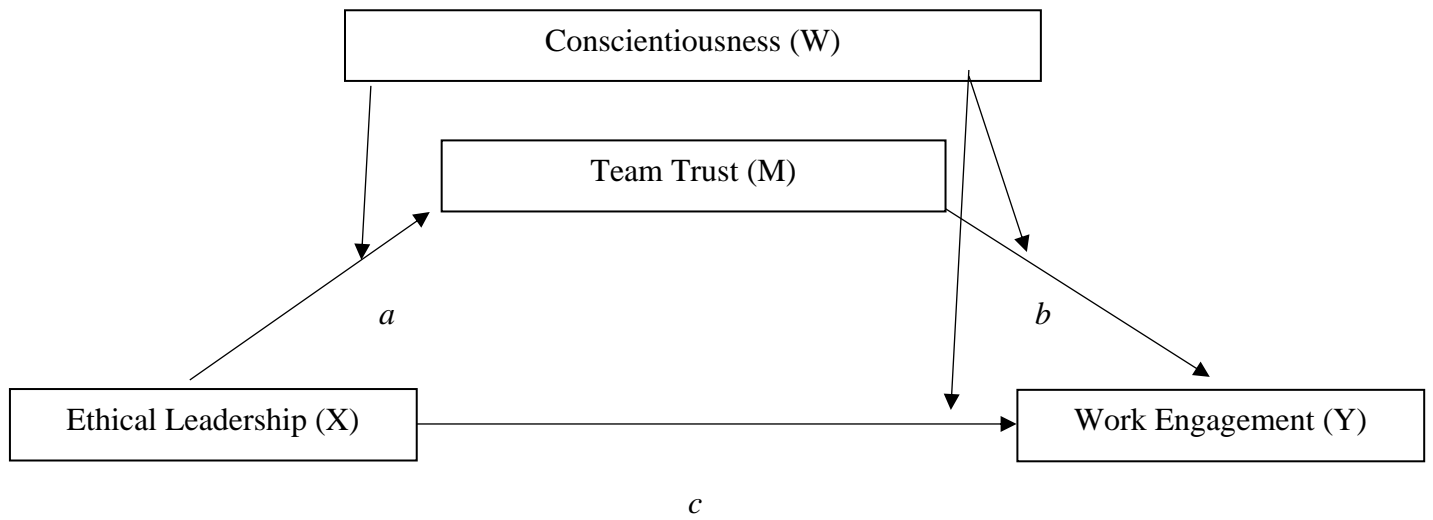


Figure 1. Proposed Conceptual Model.

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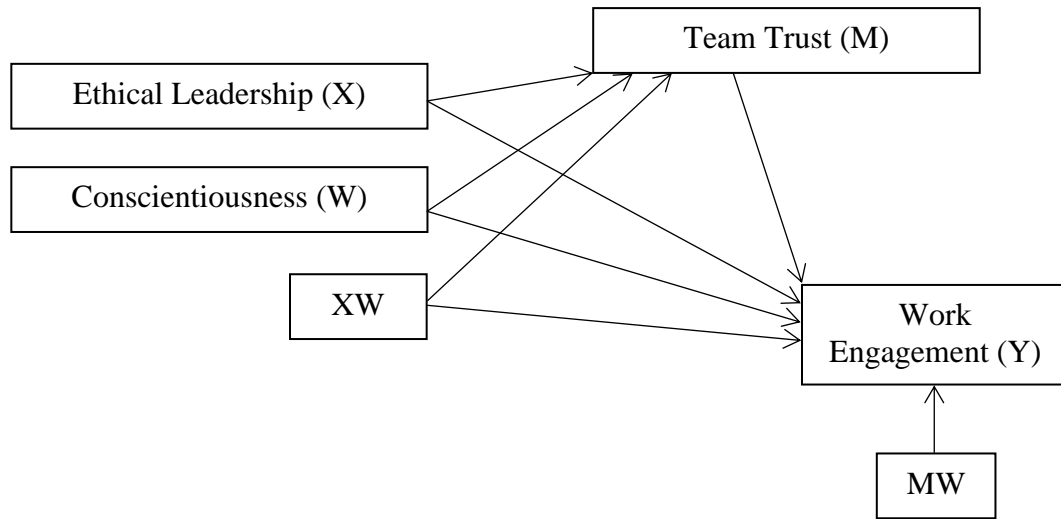


Figure 2. Structural Model.

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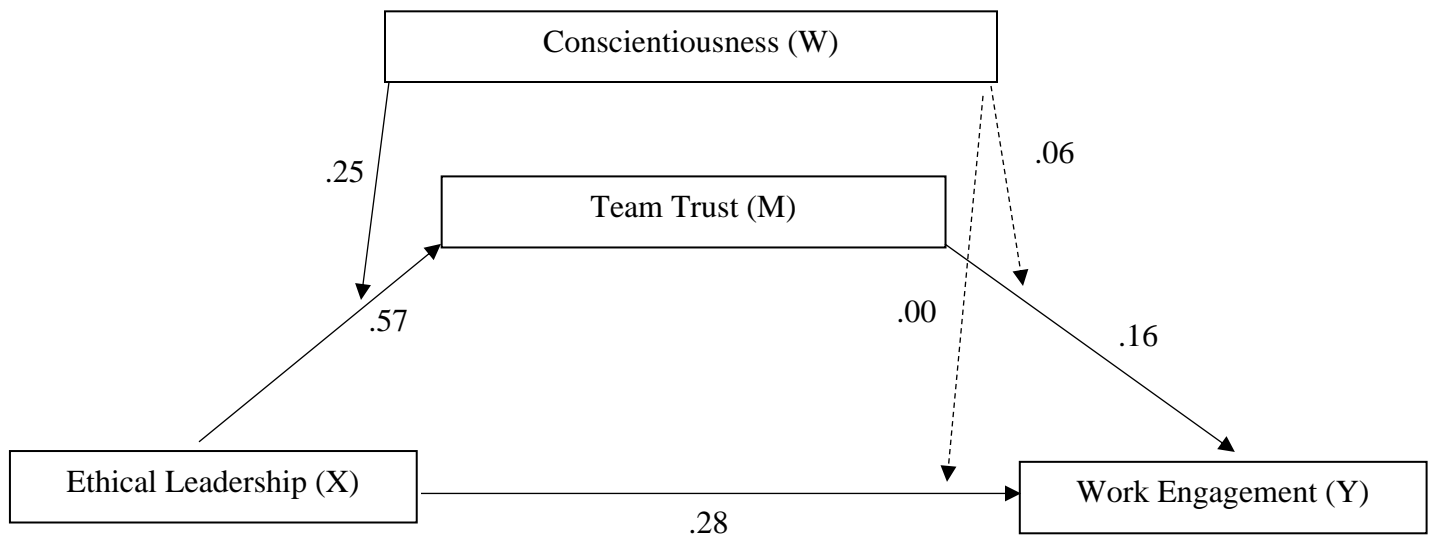


Figure 3. Results of the Model.

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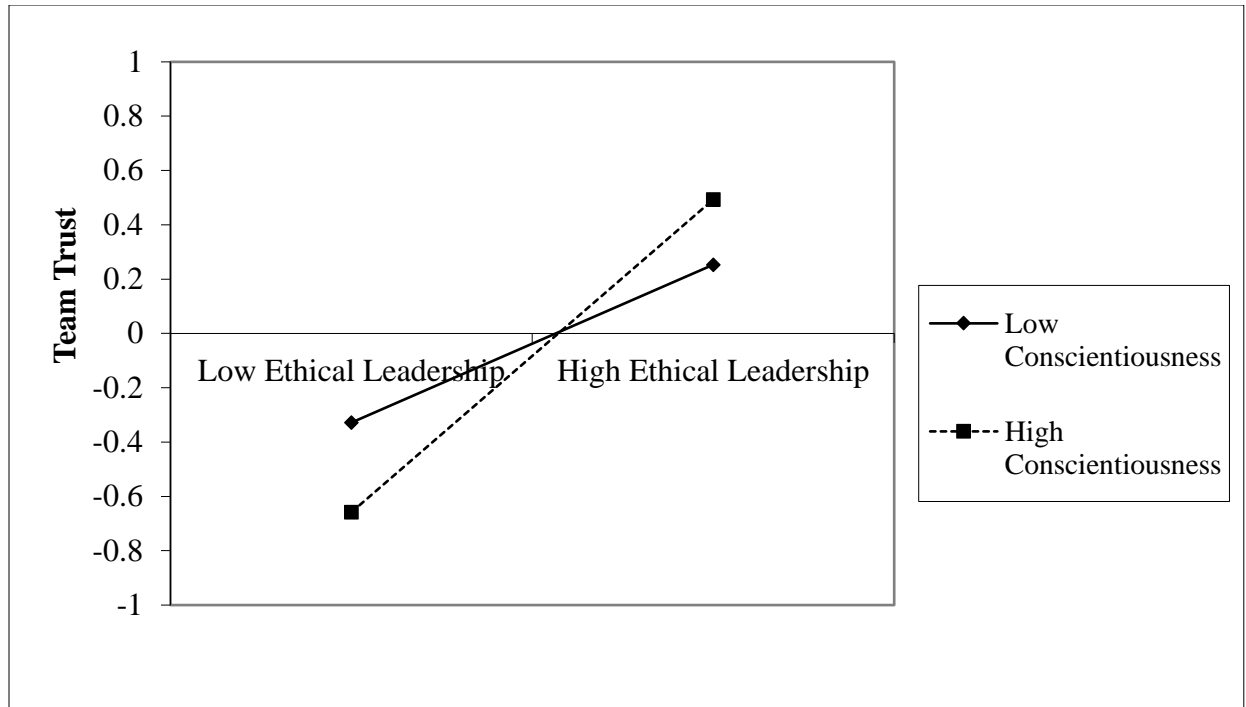


Figure 4. Interaction of Ethical Leadership and Conscientiousness in Predicting Team Trust (path a).