ETHICAL LEADERSHIP AND TRUST: IT'S ALL ABOUT MEETING EXPECTATIONS

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In this study, we examine the effects of different ethical leadership behaviors, as perceived by followers, on the trust that those followers have in their leader. In line with the ethical leadership theory of Brown, Treviño, and Harrison (2005) we explore the following ethical leadership behaviors: role modeling, demonstrating morality, securing ethical behavior, contextualizing success, transmitting organizational values, and encouraging transparency. Using a web-based survey with nearly 500 respondents from European business corporations, we find that most ethical behaviors are positively related to trust. We also find that the more a leader acts in a way that followers feel is the appropriate ethical leader behavior, the more a leader will be trusted. Thus, the relationship between ethical leader behavior and trust is (partly) moderated by the consistency between desired and observed behavior of a leader, as perceived by their followers.

In everyday life, trust and ethics are commonly conceived as closely related, intertwined concepts—one does not go without the other. Surprisingly enough though, the two fields of trust research and ethics and ethical leadership research have not exchanged insights to the degree that may be warranted given that each often refers to the other's key concepts. By investigating the relationship between ethical leadership and trust, we aim to contribute to the bridging of these two fields.

In research literature, not much explicit attention is given to the ethical or moral dimension of trust apart from the widely accepted notion that integrity is a key dimension of (perceived) trustworthiness (Mayer, Davis, & Schoorman, 1995; Brower, Schoorman, & Tan, 2000; Dietz & Den Hartog, 2006; Lewicki, Tomlinson, & Gillespie, 2006). Integrity, according to Mayer et al. (1995, p. 719), is the trustee's adherence to a set of principles that the trustor finds acceptable. This conceptualization resonates with the often used definition of integrity in

the sense of acting in accordance with the generally accepted moral values and norms (Six, 2007; Lasthuizen, 2008). While there is much research on trust in leaders (Den Hartog, 2003; Lewicki, 2006; De Hoogh & Den Hartog, 2008; Dirks, 2002; Lapidot, 2007), few have paid attention to the question of how the moral and ethical dimensions of leadership impact trust (see, however, Caldwell, Hayes, Bernal, & Karri, 2008). In ethics and integrity literature, trust is often considered the outcome of integrity or ethical behavior even though the relationship has not been empirically verified and assumes a utilitarian perspective on the importance of ethics (Verhezen, 2008).

In this article, we empirically investigate the effects of ethical leadership behaviors as perceived by followers on followers' trust in that leader, and we introduce the level of consistency between observed and desired ethical leader behavior as a moderating variable in the relationship between ethical leadership behaviors and trust. After giving a brief overview of what ethical leadership and trust entail, we present empirical findings on how these concepts are interrelated. Using data from almost 500 respondents from businesses across Europe, we analyze how ethical leadership behaviors such as role modeling behavior, transmitting organizational values, and encouraging transparency affect the level of trust employees have in their leader. We also analyze how the ethical leader behaviors as observed by followers differ from the behaviors that followers desire and expect from their leaders. We conclude with a discussion of the results and their implications for theory and practice. Throughout the article, the terms leadership, leaders, management, and managers will be used interchangeably.

Ethical Leadership

Ethical leadership can be 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, Treviño, & Harrison, 2005, p. 120). Ethical leadership is a relational concept in the sense that it is constructed in and through social interactions with followers. Furthermore, being an ethical leader is about being both a moral person as well as a moral manager (Treviño, Hartman, & Brown, 2000). The 'moral person' part of ethical leadership can be viewed as the personal traits and characteristics of a leader—such as honesty, trustworthiness and integrity— and the moral nature of that leader's conduct (Treviño & Brown, 2005; Treviño et al., 2000).

When followers perceive leaders to be neither ethical nor unethical, they will most likely view them as "ethically neutral." This perception limits leaders' potential to exert a positive influence on followers' moral behavior, and it may even have counterproductive effects as "employees will believe that the bottom line is the only value that should guide their decisions" (Treviño et al., 2000, p. 129-130). Thus, while being a moral person in itself is insufficient to constitute ethical leadership, it is an important prerequisite for being a moral manager.

As leadership always entails a relationship between leaders and followers, it is important to focus on the leader as a 'moral manager.' Leadership is an essential feature of the ethical culture of an organization (Treviño, Weaver, Gibson, & Toffler, 1999), and it is the leader who is able to place ethics on the organizational agenda (Treviño, Brown, & Hartman, 2003; Treviño et al., 2000). Moral managers consciously attempt to foster their followers' moral behavior by setting clear moral standards and expectations and creating ground rules for moral conduct (Brown & Treviño, 2006; Enderle, 1987; Treviño et al., 2003). The notion of moral manager is founded on three concepts: role modeling through visible action, the use of

rewards and discipline, and communicating about ethics and values (Treviño et al., 2000, p. 131).

Ethical Role Modeling.

Moral managers actively demonstrate ethical behavior and set the good example on both a professional and a private level (Brown & Treviño, 2006; Weaver, Treviño, & Agle, 2005). People look at others for ethical guidance (Kohlberg, 1969; 1986; Brown & Treviño, 2006; Brown et al., 2005), and within organizations, leaders are the key people followers look to for that guidance. Leaders function as important ethical role models and guides for their followers (Bass & Steidlmeier, 1999; Ciulla, 1999; Treviño & Brown, 2004; Weaver et al., 2005). It is therefore important that leaders themselves are indeed moral persons and explicitly demonstrate ethical behavior to their followers. Followers learn what to do and what not to do by observing their leaders' behavior and are likely to imitate their leaders, whether the example set by the leader is good or bad (Kaptein, 2002; Kaptein & Wempe, 2002; Lasthuizen, 2008; Soutar, McNeil & Molster, 1994). Thus, ethical leaders are credible and consistent in what they say and follow up on that by what they do (Brown & Treviño, 2006); or as Paine (1994) pointed out, managers should walk the talk and talk the walk.

Reward and punishment.

Moral managers both consistently reward morally appropriate conduct and punish deviations to ensure that followers meet the moral standards and know what is considered (im)moral conduct (Brown et al., 2005; Lasthuizen, 2008; Treviño et al., 2000; Treviño et al., 2003). Followers carefully look at rewards and punishment within an organization (Arvey & Jones, 1985; Kanfer, 1990; Treviño, 1992), so good moral behavior should be rewarded publicly to send the message that conformity to ethical standards and values is desired. Conversely, when unethical behavior is punished, it may prevent such behavior in the future and function as an example to others that deviation from ethical values, principles, and standards will not be tolerated. Furthermore, punishment and reward of specific behavior will elucidate the way in which success is and will be contextualised. An ethical leader will not reward immoral behavior, even though it may lead to success, in order to send out the message that success is not solely defined by its final outcome but also by how that outcome is achieved.

Communicating about ethics and values.

A third way in which ethical leaders positively influence follower moral behavior is by facilitating communication about ethics and values. This includes frequently communicating about the ethical standards and values that should guide organizational decisions and actions (Treviño et al., 2000) and explicitly discussing the ethical component in decision-making processes (Brown et al., 2005; Enderle, 1987; Treviño et al., 2003). Additionally, employees should feel secure enough to be able to communicate about ethical dilemmas and problems they experience (Lasthuizen, 2008; Weaver et al., 2005). Being open to all sorts of problems and opinions as a leader is a prerequisite to making employees feel comfortable to deliver bad news. Employees' willingness to report problems or dilemmas to their leader is an essential part of ethical leadership (Brown et al., 2005). This means employees are not afraid to take the risk of

upsetting their leader (Weaver et al., 2005) and the manager is approachable and listens to employees, even when they are critical of the manager. Ethical leaders "encourage openness and treat bad news as a problem to be addressed rather than punished" (Treviño et al., 2000, p. 132).

Trust

Trust is a key component of successful working relationships between leaders and followers (and individuals more generally) that enables cooperation, helps to manage differences, encourages information sharing, and increases openness and mutual acceptance (Argyris, 1970; Den Hartog, 2003; Deutsch, 1973; Dirks & Ferrin, 2002; Lane, 1998; Mayer et al., 1995; Shapiro, 1987; Tsai & Ghoshal, 1998; Whitener, Brodt, Korsgaard, & Werner, 1998; Zand, 1972, 1997; Zucker, 1986). Reflecting the growing consensus among trust researchers (e.g., Lane, 1998; Mayer et al., 1995; Rousseau, Sitkin, Burt, & Camerer, 1998), we define 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.

There is little explicit attention to the ethical and moral dimensions of trust in the organizational literature apart from the widely accepted notion that the integrity of an individual (e.g., a leader) is an important dimension of that individual's trustworthiness (Mayer et al., 1995; Brower et al., 2000; Dietz & Den Hartog, 2006; Lewicki, et al., 2006). Integrity is defined as the trustee's adherence to a set of relevant values, norms and principles that is acceptable to the trustor (Mayer et al.). The other two dimensions of the trustee's trustworthiness, as perceived by the trustor, are ability and benevolence (Mayer et al.). Ability is defined as the competence of the trustee to achieve what is expected of him or her, and benevolence concerns the degree to which "the trustee is perceived to want to do good to the trustor, aside from an egocentric profit motive" (Mayer et al. p. 718). Hosmer (1995) proposed a different definition of trust, where "trust is the expectation by one person, group, or firm of ethically justifiable behavior – that is morally correct decision and action based upon ethical principles of analysis – on the part of the other person, group, or firm in a joint endeavor or economic exchange" (p. 399). This definition refers directly to ethically justifiable behavior, but it is not widely used.

There is much research on trust in leaders (Den Hartog, 2003; Lewicki, 2006; De Hoogh & Den Hartog, 2008; Dirks & Ferrin, 2002; Lapidot, 2007). With regard to followers' trust in their leader, the results to date suggest that integrity (together with ability) is especially important in cases of trust erosion compared to cases of trust building, where benevolence is the most important dimension of trustworthiness (Lapidot, 2007). Dirks and Ferrin (2002) found that the most important antecedents for trust in leaders are leadership style and practices, in particular transformational leadership, perceived organizational support, and interactional justice. They also suggested that role-modeling behavior may be responsible for the effects of transformational leadership. Craig and Gustafson (1998) showed that ethical integrity is an important aspect of leadership more generally.

There is not much research on how the moral and ethical dimensions of leadership impact trust. Podsakoff, MacKenzie, Moorman, and Fetter (1990), however, found that transformational leadership—a leadership style that is often said to be closely related to ethical leadership (Bass & Steidlmeier, 1999; Brown & Treviño, 2006; Lasthuizen, 2008)—has a direct

effect on followers' trust in their leader, which suggests an implicit relationship between ethical leadership and trust. Furthermore, in her research regarding the relationships between leadership and trust, Den Hartog (2003) found a strong correlation between perceived leader integrity and trust in leader. Caldwell et al. (2008) also conceptually related ethical stewardship to increased levels of trust, but without any empirical exploration or testing. Finally, the trustworthiness of the leader is often seen as a prerequisite for setting a good example as an ethical leader (Treviño et al., 2000; Treviño & Weaver, 2003).

In this study, we explicitly investigate the relationship between ethical leadership behaviors and trust. In line with Mayer et al.'s (1995) dominant trust model, in which integrity is an antecedent to trust, we hypothesize ethical leadership to positively influence trust. Therefore the question becomes, which leadership behaviors demonstrate integrity to followers? In the preceding paragraphs, we have argued that Treviño et al.'s (2000) pillars of ethical leadership are the relevant behaviors that leaders can employ to demonstrate their integrity and that these behaviors are thus important antecedents to trust. More specifically, we expect that the behavioral expressions of the three pillars of ethical leadership (role-modeling through visible action, the use of rewards and discipline, and communicating about ethics and values), as observed by followers, increase the level of trust that those followers have in their leader.

H_1: Ethical leader behaviors have a positive effect on employees' level of trust in that leader

An important characteristic of trust is that the trustor has expectations of the trustee's behavior. If those expectations are met, trust is seen as having been warranted. If not, either trust may be lowered or distrust may guide future actions. In our research, we therefore ask respondents to not only indicate their leaders' observed behavior, but also what they feel *should* be the leaders' ethical behavior, or in other words, their expectations of ethical leader behavior. The extent to which the observed behavior is consistent with the desired behavior may be an important moderator of the relationship between ethical leadership behaviors and trust.

H_2: The degree to which followers' ethical expectations are met (i.e. the level of consistency between observed and desired ethical leader behaviors) moderates the relationship between observed ethical behavior and the trust that followers have in their leader.

Method

This study involves an analysis of web-based survey data of expected and observed management behavior in European businesses, collected by Monterey Performance Group for Krauthammer International—a consultancy-based training and coaching company—in Winter 2006.

Sample

A total of 469 respondents (response rate 11.73%) employed in 16 different countries participated in the survey. The relatively low response rate is most likely attributable to the

length of the survey. The survey contained a total of 79 questions about several dimensions of managerial behavior. For the purpose of this study, we only used twelve questions concerning ethical behavior and one question concerning trust. Due to the low response rate, this particular study may serve merely as a preliminary empirical test of the relationship between ethical leadership and trust.

The subset of questions relevant to our research question contains enough valid cases (267) to conduct the analyses. Of the respondents, 75.5% were male; most respondents worked in the Netherlands (37.2%) or France (33.3%), but some also worked in countries such as Belgium (7.3%), Switzerland (6.5%), and Germany (4.6%). Generally, organization size was between 101-500 employees (30.3%), but both smaller companies (21.1% < 100) and very large companies (24.1% between 1,001-10,000 and 13.4% > 10,000) were represented in the sample as well. The employing companies were operational in a wide range of sectors, including the primary industries (10.5%), non-durables manufacturing (9.4%), the medical industry (9.0%), distribution (9.0%), education and training (7.0%), and the financial industry (6.6%).

Measures

Respondents were asked to rate the level of trust they have in their manager on a scale from 1 (very low) to 5 (very high). To measure the dimensions of the moral manager (Treviño et al., 2000)—ethical role modeling, reward and punishment, communicating about ethics and values—six statements with three answer categories each regarding ethical leadership behaviors were formulated, using the same format as used throughout the whole questionnaire (this was decided by the consulting firm commissioning the questionnaire). For each ethical behavior, respondents were asked to indicate both the ethical behavior they *desired* in a manager as well as their manager's *observed* ethical behavior.

For *ethical role modeling,* two statements were included in the questionnaire. The first statement referred to ethical consistency between managers' actions and words (does (s)he talk the walk, walk the talk, or both?), and the second statement referred to managers' demonstration of moral values (on a private level, on a professional level, or both).

For *rewards and punishment,* two statements were included; the first statement referred to the way managers secure the ethical behavior of employees (by emphasizing punishment of deviation from organizational values, principles, and standards, reward of conformity, or both), and the second statement referred to the way success is defined by managers (by results only, or also by the way results are achieved).

For *communicating about ethics and values,* two statements were included. The first statement asked if managers transmit organizational values, principles, and standards in a spirit of compliance, commitment, or self governance referring to the compliance-based approach or the values-based approach (see Paine, 1994). The second statement asked if managers are approachable and listen to employees, even when they are critical; : "My manager *should/would* consider me most exemplary if I was willing to…" (1) "Close my eyes and shut my ears to unethical behavior I am experiencing in my work environment," (2) "Report unethical behavior to him or her when I experience it in my work environment," (3) "Stand up against him or her when I sense he or she is displaying or allowing unethical behavior." For the desired and observed behavior of their managers, questions were thus presented in a similar manner, asking how the manager *should* or *does* behave, respectively. Respondents were shown a screen with the desired behavior questions on the left hand side and the observed behavior questions on the

right hand side, thus seeing both versions at the same time. To avoid guiding the respondent to socially desirable answers, the order in which the answer categories were presented was random and varied for each of the six statements.

The statements on ethical leadership behaviors were not formulated in an ordinal manner, i.e. ranging from 'less' to 'more' ethical leadership behavior, but rather were developed as nominal (categorical) variables. This procedure allowed us to explore which type of behavior would constitute ethical leadership behavior according to the employees themselves, as well as how each type of behavior relates to trust in the manager *without* having to prescribe which behavior would represent more ethical leadership. In other words, the researchers did not need to impose their understanding of what is to be considered ethical leader behavior on the respondents by treating the different behaviors as more or less appropriate. Indeed, as we will see, employees' views on ethical leadership do appear to differ in some respects from descriptions of ethical leadership behavior as they are found in the literature.

Given the nominal nature of the ethical leader behavior variables, however, they could not be directly analyzed as multiple items of a scale and subsequently included in a multiple regression procedure. To assess the relationship between the various ethical leadership behaviors and trust, the categorical ethical leader behavior variables were therefore dummy coded (cf. Allison, 1999; Field, 2005; Hardy, 1993). Thus, each of the answer categories (that is, each of the possible ethical leader behaviors) of a statement was treated as a separate—dichotomous—variable, which was then related to the level of trust in the manager in a multiple regression analysis (using one of the answer categories as a baseline category to which the other two categories could be compared).

Finally, to allow for the testing of hypothesis 2, we constructed an additional variable to measure the mean overall level of consistency between all desired and observed ethical leadership behaviors combined. For each of the six statements, we calculated whether or not the respondent's answer on the observed manager behavior was consistent with the answer on the desired manager behavior. When there was consistency between the observed and desired behavior answers, a score of 1 was attributed. If the observed behavior deviated from the desired behavior, a score of 0 was attributed. Next, a new variable 'level of consistency' was created, representing the mean of the scores on the six statements (ranging between 0 to 1). This new variable was subsequently used in the multiple regression analysis to determine whether the level of consistency moderates the relationship between ethical leader behaviors and trust.

Results

We first present a description of the results on the trust question and each of the six ethical leadership questions, comparing both the observed and the desired ethical leadership behaviors of the respondents' managers and noting the discrepancies. Next, to test our first hypothesis, we use multiple regression analysis to relate the various ethical leadership behaviors to the level of trust followers have in their leader. Finally, to test the second hypothesis, we investigate the moderating effect of the consistency between observed and desired ethical behavior on trust.

Descriptives

Trust. Almost half of the respondents (44.2%) answered that their trust in their own manager was high, with 17.9% even indicating that their trust was very high. Only 9.9% indicated that they had low or very low trust in their managers. The results are presented in Figure 1.
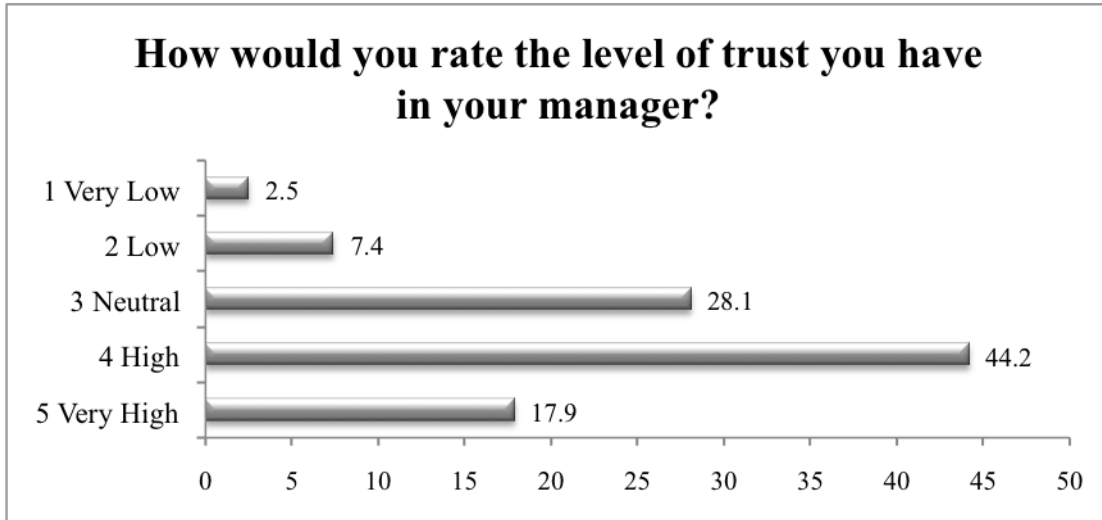

Figure 1. The level of trust

Ethical role modeling. Figure 2 shows that over one third of the respondents (38.8%) observed that their manager shows ethical consistency only by walking the talk. More than half of the respondents (58.5%), however, believe that their manager *should* not only walk the talk, but also talk the walk. Ethical leadership, according to most respondents, thus requires the utmost level of consistency between the managers' actions and words. Yet, only 33.6% of the managers met the expectations of their followers in this regard.
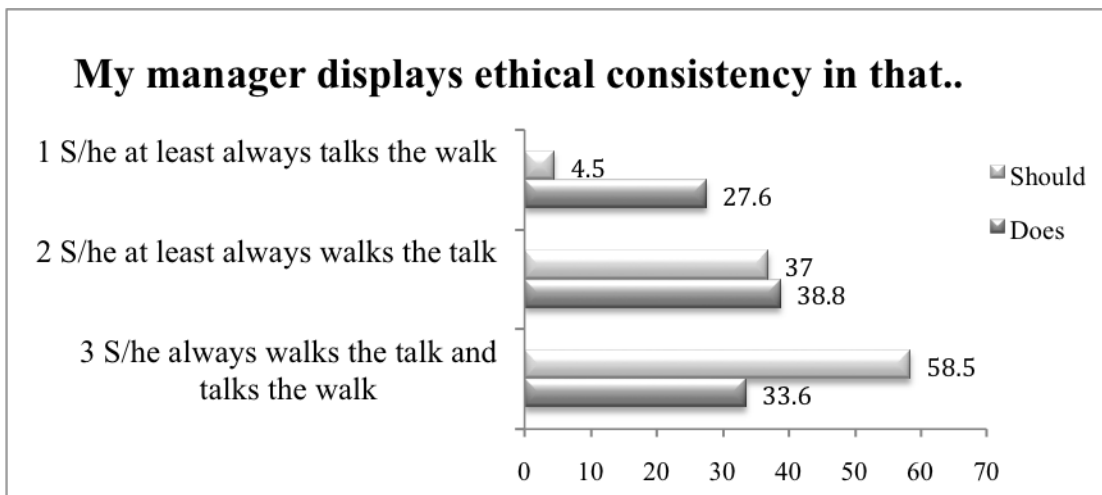

Figure 2. Displaying ethical consistency

The second question regarding managers' role modeling behavior asked whether the manager routinely demonstrates moral values on a private level, a professional level, or on both a private and a professional level (see Figure 3). Less than 5% of the respondents answered that their manager demonstrates morality on a private level only, whereas a substantial number of respondents (38.8%) stated that their manager demonstrates such values on both a professional *and* a private level. Most respondents, however, (57.3%) indicated that their manager demonstrates morality on a professional level only, which is in accordance with what most people believe a manager *should* do (62.5%).
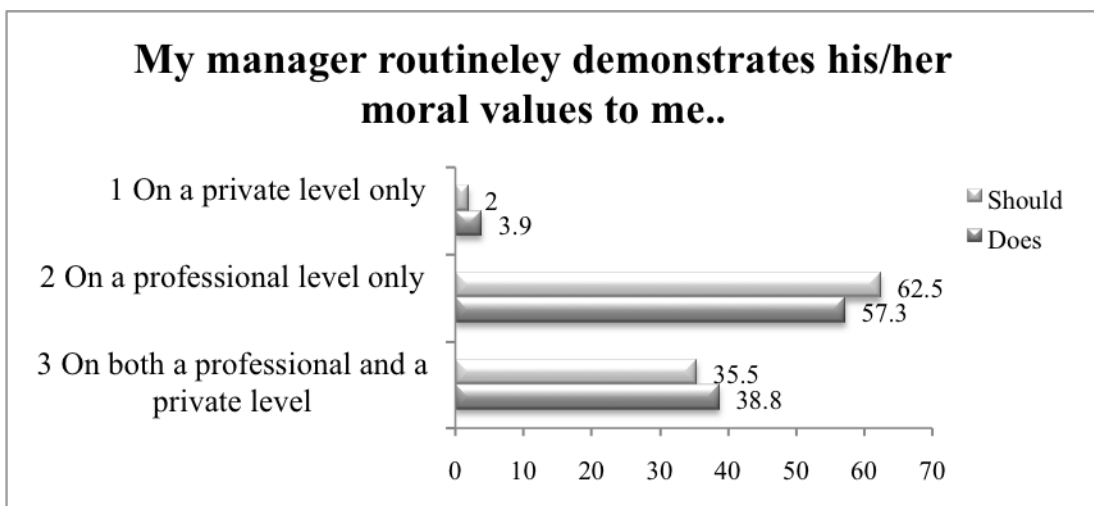

My manager routineley demonstrates his/her moral values to me..

	Should	Does
1 On a private level only	2	3.9
2 On a professional level only	62.5	57.3
3 On both a professional and a private level	35.5	38.8

Figure 3. Demonstrating morality

Reward and punishment. Another dimension of ethical leadership is the use of rewards and punishment to secure followers' ethical behavior. To measure this, respondents were first asked in which way their manager attempts to secure ethical behavior, as well as how they *should* attempt to secure ethical behavior in the workplace (see Figure 4). Generally, managers were said to secure employee ethical behavior primarily by punishing deviations (41.6%). While a punishment-only approach is most commonly used, it is the least preferred method of what a manager *should* do (8.1%). Consistent with conceptualizations of ethical leadership in the literature, more than half (65.3%) of the respondents stated that a manager should secure ethical behavior within the organization by employing a combination of both punishing deviations from and rewarding conformity to organizational values, principles, and standards. Nevertheless, the latter approach is maintained by only 33.8% of the managers.

My manager secures the ethical behavior of employees by emphasizing..

- Should
- Does

1 Punishment of deviation from organisational values, principles and standards
- Should: 8.1
- Does: 41.6

2 Reward of conformity to organisational values, principles and standards
- Should: 26.6
- Does: 24.6

3 Reward of conformity to organisational values, principles and standards, and punishment of deviation
- Should: 65.3
- Does: 33.8

(axis: 0 10 20 30 40 50 60 70)

Figure 4. Securing ethical behavior

     Reward and punishment behaviors were also measured by asking respondents to indicate how the manager defined success: only in terms of results, regardless of how these are achieved; in terms of results though not allowing unethical or illegal conduct; or not just in terms of results but also by the way the results are achieved. Figure 5 shows that whereas most respondents (41.7%) reported that their manager defines success not just by results, but by the way in which they are achieved, there is still a substantial number of managers (34.9%) that are said to define success by results only, regardless of how these are achieved. This stands in sharp contrast to employee expectations of management behavior, with two-thirds of the respondents (67.5%) stating that a manager should indeed define success by the way in which it is achieved.
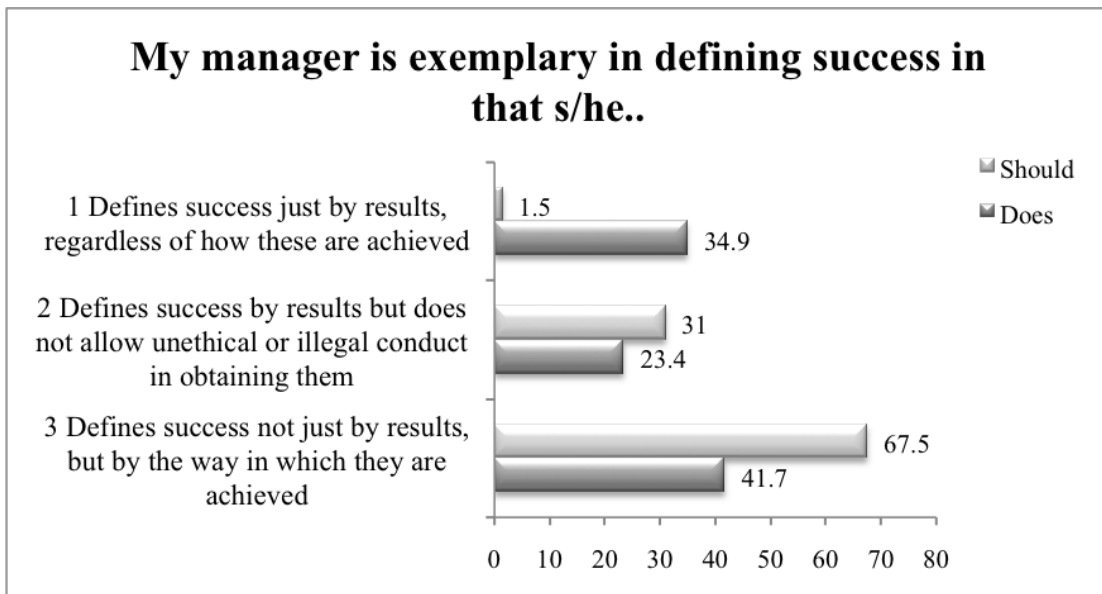
My manager is exemplary in defining success in that s/he..

- Should
- Does

1 Defines success just by results, regardless of how these are achieved
- Should: 1.5
- Does: 34.9

2 Defines success by results but does not allow unethical or illegal conduct in obtaining them
- Should: 31
- Does: 23.4

3 Defines success not just by results, but by the way in which they are achieved
- Should: 67.5
- Does: 41.7

(axis: 0 10 20 30 40 50 60 70 80)

Figure 5. Contextualizing success

Communicating about ethics and values. The final dimension of ethical leadership concerns communication about ethical standards, values, and principles. To learn how managers communicate about ethics, respondents were asked whether their managers transmitted organizational values, standards, and principles in a spirit of compliance (i.e., by telling the employee what to do and what not to do), in a spirit of commitment (i.e., through coaching), or in a spirit of self-governance (i.e., by having intense dialogue about ethics and values; see Paine, 1994), as well as how they feel their managers should transmit such values, standards, and principles (see Figure 6). While more than half of the respondents (65.3%) responded that a manager should transmit organizational values through active coaching and in a spirit of commitment, little more than one third (35.7%) of the managers actually maintain such an approach in the eyes of their followers. Remarkably, one third (33.5%) reported that their manager uses a compliance-based approach despite the fact that this method was preferred by less than 10% of respondents. Employees clearly expect a certain level of guidance and training in dealing with ethical issues.

My manager transmits organisational values, principles and standards to me..

- 1 In a spirit of compliance, telling the way it should be done — Should: 9.8, Does: 33.5
- 2 in a spirit of commitment, through coaching — Should: 65.3, Does: 35.7
- 3 in a spirit of self governance, through intense dialogue — Should: 24.8, Does: 30.7

Figure 6. Transmitting organisational values, principles and standards

The final question with regard to ethical leadership asked what types of behavior would and should be considered as most exemplary by the manager. More than half of the respondents believed their manager would consider them most exemplary if they reported unethical behavior to him or her (54.6%), whereas a third of the respondents (33%) believed that exemplary behavior is constituted by also standing up against the manager when (s)he allows or displays unethical behavior. Concerning desired manager behavior, more than half (54.2%) of the respondents reported that standing up against the manager is indeed what *should* be considered most exemplary.
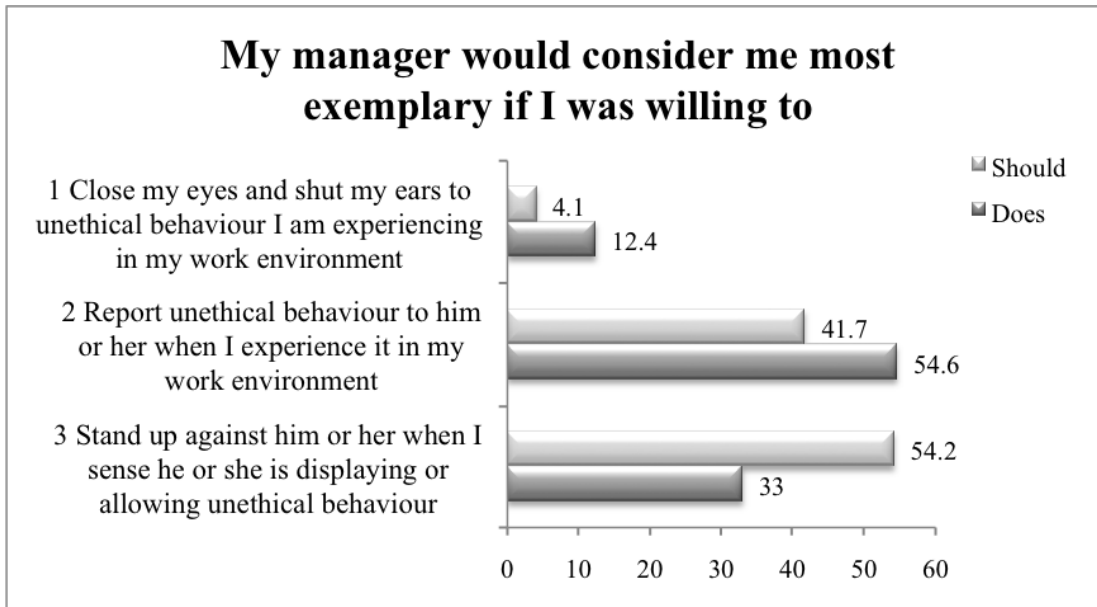
My manager would consider me most exemplary if I was willing to

1 Close my eyes and shut my ears to unethical behaviour I am experiencing in my work environment — Should: 4.1 / Does: 12.4

2 Report unethical behaviour to him or her when I experience it in my work environment — Should: 41.7 / Does: 54.6

3 Stand up against him or her when I sense he or she is displaying or allowing unethical behaviour — Should: 54.2 / Does: 33

Figure 7. Encouraging transparency

In summary, only for the ethical leader behavior of 'demonstrating morality' do followers perceive a strong consistency between observed and desired behaviors. For the other behaviors, there is a clear discrepancy between observed and desired behavior. This discrepancy is also reflected in the variable 'level of consistency' that we used in our second regression model to test hypothesis 2.

Ethical Leadership and Trust in Management

This article specifically focuses on the relationship between trust and ethical leadership behavior. Hypothesis 1 states ethical leader behaviors have a positive effect on an employee's level of trust in that leader. To test this hypothesis, we conducted multiple regression analyses to investigate which particular types of ethical leader behavior are associated with the highest levels of trust in the leader. The results show that each of the three pillars of ethical leadership, as measured by the six questions described above, is significantly related to the level of trust the follower has in the leader (see Table 1, model 1).

Role modeling behavior and trust. With respect to the consistency between words and deeds, walking the talk *and* talking the walk results in a higher level of trust in the manager than merely talking the walk (see Table 1). While walking the talk (without talking the walk) also leads to higher levels of trust, its effect is less than when a manager does both.

As for the best way to demonstrate moral values, the regression analysis (Table 1) suggests that ethical leaders who do so on a professional level only are able to gain the most trust from followers. Again, this is consistent with the behavior expected and desired by the respondents and would suggest that the moral person aspect of ethical leadership is valid only insofar as it is related to the leader's position and the context of the organization. However, the difference in the levels of trust associated with demonstrating moral values on a professional level only or on both a professional and a private level is insignificant. Thus, both behaviors are similarly related to trust in the leader and appear to be suitable ethical leadership behaviors. In contrast,

demonstrating values on a private level only leads to a lower level of trust in the leader as compared to when such values are demonstrated only on a professional level or on both the professional and private level.

Reward and punishment and trust. When relating reward and punishment behaviors to trust, it becomes clear that a combination of both rewarding conformity to organizational values, principles, and standards and punishing deviations is the best method for securing high levels of trust from followers. As shown in Table 1, a combined reward and punishment method is associated with significantly higher levels of trust in the manager than when the manager only rewards conformity, and even more so when compared to situations where the manager only punishes deviations.

As we saw earlier, a large group of managers are perceived to define success in terms of results only, disregarding the means by which these results were obtained. However, the regression analysis reveals that there is a large difference in the levels of trust in the manager generated by defining success merely in terms of results, as well as the trust related to defining success also in terms of the way the results are achieved. Indeed, the highest level of trust in the manager is observed when managers are concerned with both means and ends. As expected, defining success by results while not allowing unethical behavior also leads to higher levels of trust in the manager than when a manager looks at results only, but the effects of such an approach appear to be lower than the effects of a more means-based approach to defining success.

Communicating about ethics and values, and trust. In line with what employees believe to be the best approach to transmitting organizational values, principles, and standards, a commitment-based approach, in which the employees are actively coached, leads to more trust in the manager than a compliance-based approach, in which managers merely tell the employee how things should be done. In terms of its relation to trust in the manager, the self-governance approach comes second and leads to somewhat higher levels of trust than the compliance-based approach.

Being open to communications from followers with respect to ethical dilemmas and problems also appears to be important to the level of trust those followers have in the manager. Regarding exemplary behavior, trust in managers is most positively related to managers encouraging followers to stand up against him or her when they perceive that manager to be displaying or allowing unethical behavior.

Given the above results, we conclude that we found strong support for hypothesis 1, suggesting that ethical leader behaviors indeed have a positive effect on employees' trust in that leader.

Table 1: Results of the multiple regression analysis of ethical leaders behaviors and consistency of observed versus desired behavior with trust

	Model 1	Model 2
Role Modeling Behavior		
Displaying Ethical Consistency		
(Always talks the walk)		
Always walks the talk	.206**	.116
Always walks the talk and talks the walk	.335***	.179**
Consistency observed vs. desired behavior		.405***
Demonstrating Morality		
(Demonstrates values professionally & privately)		
Demonstrates values professionally	-.045	-.045
Demonstrates values privately	-.159*	.117*
Consistency observed vs. desired behavior		.460***
Punishment & Reward		
Securing ethical behavior		
(Punishing deviance)		
Rewarding conformity	.140*	.026
Rewarding conformity & punishing deviance	.178**	.038
Consistency observed vs. desired behavior		.456***
Contextualizing success		
(Defines success just by results, regardless of how these are achieved)		
Defines success just by results, does not allow unethical behavior	.146**	.029
Defines success not just by results, but also by how achieved	.309***	.129*
Consistency observed vs. desired behavior		.420***
Communication		
Transmission of organizational values		
(In spirit of compliance)		
In spirit of commitment	.328***	.155*
In spirit of self-governance	.138*	.088
Consistency observed vs. desired behavior		.412***
Encouraging Transparency		
(Most exemplary when standing up against him/her)		
Most exemplary when reporting unethical behavior	-.124*	-.090
Most exemplary when I shut my eyes and ears	-.201**	-.089
Consistency observed vs. desired behavior		.447***

Notes: The dependent variable is trust.
Model 1: Multiple regression of ethical leader behaviors with trust.
Model 2: Multiple regression of ethical leader behaviors and consistency observed vs. desired behavior with trust.
The coefficient should be interpreted as the result of a comparison to the reference category, which is given in brackets.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

The Importance of Meeting Expectations

Hypothesis 2 suggests that the level of consistency between observed and desired ethical leader behaviors has a moderating effect on the relationship between observed ethical behavior and the trust that followers have in their leader. To test this hypothesis, we added the variable 'level of consistency' to the regression model (see Table 1, model 2). The regression analysis shows that in general, the extent to which the observed behavior of a leader meets the expectations and needs of the follower (i.e. the consistency between desired and observed behavior) has a strong significant effect on the level of trust in the manager ($r = .47$, $p < .01$). Moreover, the regression analysis in Table 1 supports our hypothesis that meeting follower expectations with regard to ethical leader behaviors (in part) moderates the effects of many of the ethical leader behaviors on the level of trust employees have in their manager. The effects of displaying ethical consistency, demonstrating moral values, transmitting organizational values, principles and standards and defining success all clearly become smaller when the consistency measure is added to the model. In the cases of securing ethical behavior and the type of behavior that a manager considers to be most exemplary, the effects on trust in the leader actually disappear completely. This suggests, in support of hypothesis 2, that the influence of ethical leadership on trust is (partly) moderated by leaders matching followers' expectations of what ethical leaders should be and how they should conduct themselves.

Discussion

In this article, we investigate the relationship between ethical leader behaviors and trust in that leader. We measured ethical leader behavior both in terms of how followers perceive the actual leader behavior, as well as what they believe ethical leader behavior should look like. We formulated two hypotheses, both of which were supported by the empirical findings. Multiple regression analyses showed that ethical leader behaviors from each of the three pillars of ethical leadership (role-modeling through visible action, the use of rewards and discipline, and communicating about ethics and values) as measured with the six statements used in this study were significantly related to employees´ trust in their manager. Furthermore, the level of consistency between desired and observed behavior was shown to have a significant effect on trust and to (partly) moderate the effects of ethical leader behaviors on the level of trust employees have in their managers. The results from this analysis suggest that followers' perceptions of what ethical leadership entails has an important role in establishing a more trusted relationship between leaders and followers. According to our findings, the more leaders act in ways followers feel is the appropriate ethical leader behavior, the more that leader will be trusted. Thus, the relationship between ethical leader behaviors and trust is influenced by the congruence of desired and observed leader behavior.

The analysis of observed and desired behaviors, as perceived by their followers, is a new perspective on the current state of knowledge in the ethical leadership literature. In that literature, normative statements can be found about what the 'most' ethical behavior is. If correct, followers would score these behaviors as most desired in their leaders. For four of the six ethical leader behaviors studied, this perspective is maintained ('displaying ethical

consistency,' 'securing ethical behavior,' 'contextualizing success,' and 'encouraging transparency). However, for two of the ethical leader behaviors, respondents' views of what was the most desired behavior diverged from common views in the literature. According to the literature, ethical leaders show through their behavior what is and what is not considered acceptable and moral conduct (Brown & Treviño, 2006; Weaver et al., 2005) and should do this on both a private level ('moral person') and a professional level ('moral manager') (Treviño et al., 2000). The respondents, however, only expect their leaders to demonstrate their moral values to them on a professional level (62.5% of respondents). These results suggest that the moral person aspect of ethical leadership does not involve all private conduct of the leader, but rather should be restricted to the leader being a moral person insofar as it is related to the leader's position and the context of the organization.

The second aspect of appropriate ethical leader behavior where respondents' expectations deviate from what the literature suggests as most appropriate ethical leader behavior is how leaders transmit organizational values. In line with general leadership styles of increased empowerment and dialogue, the most ethical leader behavior, according to the literature (Paine, 1994), is to transmit organizational values, principles, and standards to followers in a spirit of self-governance through intense dialogue. Yet, only a quarter of respondents agreed that is the desired behavior. Two thirds, however, considered transmission in a spirit of commitment through coaching to be the most desired ethical leader behavior. These results suggest that respondents prefer more specific guidance through coaching rather than intense dialogue about ethics with colleagues.

Another notable result concerns the importance of balancing reward and punishment behaviors. The results for 'securing ethical behavior' show that a large majority of respondents (75.4%) observed their leaders to punish deviation from organizational values. However, the regression analysis shows that only when leaders balance that punishment with rewarding conformity does that strengthen trust. In the trust literature, there is much debate about the relationship between trust and control, with some authors arguing that control crowds out trust (e.g., Ring & Van De Ven, 1994; Zand, 1997) and others showing that they can support each other under certain conditions (Weibel, 2007). The results of this study suggest evidence for the latter argument, that trust and control support each other.

The findings further suggest that the level of consistency between observed and desired ethical leadership behavior may be important. These results are consistent with Implicit Leadership Theories, which suggest that people match up a person against a cognitive prototype that contains characteristic leader attributes, which subsequently influence the forming of leadership perceptions (Lord, Foti, & De Vader, 1984; Philips & Lord, 1981; for a review, see Lord & Maher, 1991). Leadership prototypes have been shown to affect the evaluation and meanings of the observed leader characteristics and behaviors, and they may therefore also influence the effectiveness of leadership (Den Hartog et al., 1999; Engle & Lord, 1997). Similarly, in the general definition of trust, meeting expectations is a key concept (Lane, 1998; Mayer, 1995). Dirks & Ferrin (2002) also noted 'unmet expectations' as an antecedent to followers' trust in their leader, although they illustrated this concept with more specific incidents, such as not fulfilling promises made (i.e., a promise to promote the employee). The more congruence between the person involved and the characterized prototype, the more likely that person is to be associated with trust, motivation, and high performance (Lord & Mahler, 1991). When applied to ethical leadership and trust, this suggests that if a leader matches up to

the cognitive prototype of what people perceive as ethical leader behavior, that leader will be recognized as more trustworthy.

The implications for further research are manifold; we highlight what we believe to be most relevant. First, this study focused only on the relationship between ethical leadership and trust, while other factors are known to also affect trust in the leader. Future research should include not only the ethical dimensions of leadership as studied here, but also the other trustworthiness dimensions of ability and benevolence, and possibly other relevant antecedents to trust (e.g., the trustor´s general propensity to trust). Second, as the number and structure of the questions was restricted to the particular format chosen by the consultancy firm that commissioned the survey, we were unable to make use of existing ethical leadership and trust scales and more common Likert-scale questions. The available data therefore only allowed for preliminary tests of our hypotheses. However, the results clearly warrant further testing of the relationship between ethical leadership and trust using a wide range of both quantitative and qualitative research methods. For example, it might be interesting to explore the mechanisms underlying the relationship between ethical leadership and trust in a more constrained environment, such as a lab experiment or field experiment. An in-depth study of leader-follower relationships, using qualitative data collection techniques such as critical incidents or process analysis, could delve deeper into the process dimensions of the relationship between ethical leadership behaviors and trust. How does ethical leader behavior impact trust building over time, what is the impact of perceived breaches of ethical values and norms, or what actually constitutes good role-modeling behavior? Finally, the specific organizational and socio-cultural context should be taken into account more explicitly in analyses of the relationship between ethical leadership and trust. Lasthuizen (2008) showed that ethical leadership is strongly correlated to many but not all dimensions of ethical culture. What is the moderating or mediating influence of ethical culture on the focal relationship?

For organizational practice, it seems important that leaders know what their followers expect from them. If leaders want to be trusted by their followers, then they should know what their followers expect in terms of ethical leader behavior. The focus should be on the differences between the expectations of the followers and the organization. If there is a significant gap, then it should be addressed. This could potentially be done through training or discussions at unit-level, in which followers and leaders can come to a common understanding of what ethical leadership (and 'ethical followership' for that matter) entails and thus what each may expect of the other. Lest leaders think they can do this mechanically, leaders must continually stay in touch with their followers' expectations and values through continuous dialogue. Only then may ethical leadership truly be expected to deliver on its promise and cultivate a more trusting relationship between leaders and followers.

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