

# Ethical Leaders Promote Quality of Life Through Fair and Trust-based Relationships

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## Abstract

Ethical leadership has become an important field of research. This article examines the impact of ethical leadership within the context of healthcare organizations. Based on social learning theory, we examine the relationship between ethical leadership and quality of life, mediated by peer justice and moderated by trust in the leader. Participants in this study consisted of 388 professionals from 59 centers affiliated with “Plena Inclusión”, an NGO whose mission is to improve the quality of life of individuals with intellectual disabilities in Spain. Results showed a significant relationship between ethical leadership and quality of life, through a partial mediation of overall peer justice. Furthermore, the moderated indirect links between ethical leadership and quality of life through peer justice confirmed high levels of trust in the leader. Theoretical and practical implications and limitations of this research are discussed.

**Keywords:** ethical leadership, peer justice, quality of life, trust in the leader.

## Líderes Éticos Promovem Qualidade de Vida Por Meio de Relacionamentos Justos e Baseados em Confiança

### Resumo

A liderança ética tornou-se um importante campo de pesquisa. Este artigo examina o impacto da liderança ética no contexto das organizações de saúde. Com base na teoria da aprendizagem social, examinamos a relação entre liderança ética e qualidade de vida, mediada pela justiça entre pares e moderada pela confiança no líder. Os participantes deste estudo foram 388 profissionais de 59 centros afiliados à “Plena Inclusión”, uma ONG que tem como missão melhorar a qualidade de vida das pessoas com deficiência intelectual na Espanha. Os resultados indicam uma relação significativa entre liderança ética e qualidade de vida mediada parcialmente pela justiça entre os pares. Além disso, as ligações indiretas moderadas entre a liderança ética e a qualidade de vida por meio da justiça entre pares confirmaram altos níveis de confiança no líder. São discutidas as implicações e limitações teóricas e práticas desta pesquisa.

**Palavras-chave:** liderança ética, justiça entre pares, qualidade de vida, confiança no líder.

## Los Líderes Éticos Promueven la Calidad de Vida A Través de Relaciones Justas Basadas en la Confianza

### Resumen

El liderazgo ético se ha convertido en un importante campo de investigación. Este artículo examina el impacto del liderazgo ético en el contexto de las organizaciones sanitarias. Con base en la teoría del aprendizaje social, examinamos la relación entre el liderazgo ético y la calidad de vida, mediada por la justicia entre iguales y moderada por la confianza en el líder. En este estudio participaron 388 profesionales de 59 centros afiliados a “Plena Inclusión”, ONG cuya misión es mejorar la calidad de vida de las personas con discapacidad intelectual en España. Los resultados muestran una relación significativa entre liderazgo ético y calidad de vida a través de la mediación parcial de la justicia entre iguales. Además, los vínculos indirectos moderados entre el liderazgo ético y la calidad de vida a través de la justicia entre iguales confirmaron altos niveles de confianza en el líder. Se discuten las implicaciones y limitaciones teóricas y prácticas de esta investigación.

**Palabras clave:** liderazgo ético, justicia entre pares, calidad de vida, confianza en el líder.

Behavioral ethics has been a special challenge. Unethical behaviors receive attention because ethical problems break down customers' trust in organizations and damage their respectability (De Cremer & Moore, 2020) and social approval. Society, in addition to the services received, values the ethics with which these services are provided. However, ethical standards are often transgressed, and unethical behaviors are tolerated inside many organizations, although not always consciously (De Cremer & Moore, 2020). A shift toward ethical relationships and the social approach to ethical leadership is required because normative codes of ethics do not seem to reduce organizational misconduct (Schminke, Caldwell, Ambrose, & McMahon, 2014). Accordingly, Treviño and colleagues (2003) argue that it is necessary for leaders, through their ethical decisions and actions, to become an example of integrity for their followers in the organizations to which they belong.

Until recently, ethics had received relatively little attention in leadership research (Amos, Gardielle, & Bright, 2017). Treviño, Brown and Hartman (2003), even though leadership is a relevant factor when analyzing ethics (Brown & Treviño, 2006). Ethical leadership is thought to be important because of the outcomes it is assumed to influence, such as followers' performance. Based on social learning theory, being an ethical leader involves playing a focal role in their followers' work life, being a model for the right thing to do (e.g., De Hoogh & Den Hartog, 2008; Mo & Shi, 2017; Treviño et al., 2003), and significantly influencing their followers' attitudes and behavior to reach organizational goals. Accordingly, Brown and Treviño (2006) stressed the importance of investigating the influence of ethical leaders on follower behaviors.

Ethical leaders are characterized by behaving fairly toward their followers (e.g., De Hoogh & Den Hartog, 2008; Treviño, Brown, & Hartman, 2003). Based on the trickle-down model (Ambrose, Schminke, & Mayer, 2013), followers who are treated fairly by their supervisors are more likely to treat others fairly. Specifically, within organizations, employees also have relationships with peers. Thus, we propose that when employees perceive ethical leadership that treats them fairly, they develop perceptions of higher peer justice (perceptions of the way group members treat each other). Finally, meta-analytic findings also confirm, based on social exchange theory, that employees try to reciprocate in their relationship with their leader, so that trust in the leader is a result of the social exchange process between the leader and the followers (Ferrin & Dirks, 2002).

The context is also relevant. We expect the importance of ethical leadership to depend, in part, on the social norms or expectations (Walumbwa, Hartnell, & Misati, 2017) linked to the job context. In situations where employees' standards of performance are not well defined, the guidance provided by

ethical leaders is more salient. Furthermore, in contexts where the work involves ethical problems (Jones, 1991), leaders will have more opportunities to demonstrate ethical leadership to their followers. The present research is contextualized in non-profit organizations that provide services to people with intellectual disabilities (hereinafter, also referred to as PID). The nature of this service is characterized by relationships extended in time and with meaningful emotional (Price, Arnould, & Tierney, 1995) and ethical content. Furthermore, the most significant goal of this type of organization is to enhance the quality of life (QoL) of PID (Moliner, Gracia, Lorente, & Martínez-Tur, 2013) in an ethical way. Thus, in this specific context, QoL becomes one of the main performance indicators (Pătraș, Martínez-Tur, Estreder, Gracia, Moliner, & Peiró, 2018) because employees are responsible for promoting better life conditions through their relationships with vulnerable people.

In this paper, we provide new insights into the relationship between ethical leadership and followers' performance, focusing on the QoL of individuals with intellectual disability. Our framework brings together ideas from previous research on leadership, trust, peer justice, and quality of life. In this way, our paper makes a number of contributions to the theoretical and empirical research on ethical leadership. First, this study attempts to shed light on the behavioral ethics area by focusing on an ethical behavior, that is, ethical leadership, in a real setting, instead of in an experiment in a behavioral laboratory, which is the most common strategy (De Cremer & Moore, 2020). Second, we focus on the relationship between ethical leadership and quality of life, which is relevant to organizational performance in the specific context of organizations with a high moral and ethical component, such as those providing services to PID. Third, we contribute to the justice literature by considering peer justice as the intervening variable that links ethical leadership to QoL. Fourth, we propose that trust in the leader will be a moderator variable in the relationship between ethical leadership and peer justice. In sum, our research model proposes that ethical leadership and peer justice work together to promote the QoL of individuals with intellectual disability, considering the moderator effect of trust in the leader. Figure 1 summarizes the conceptual model examined in the present research.

### Theoretical-Conceptual Foundation

Ethics has to do with describing moral requirements to define acceptable ethical behavior (De Cremer & Vandekerckhove, 2017). Ethics is the essence of leadership because it reflects what is right and wrong in terms of human behavior (Trianosky, 1990). Attention to ethical aspects is reflected in transformational,

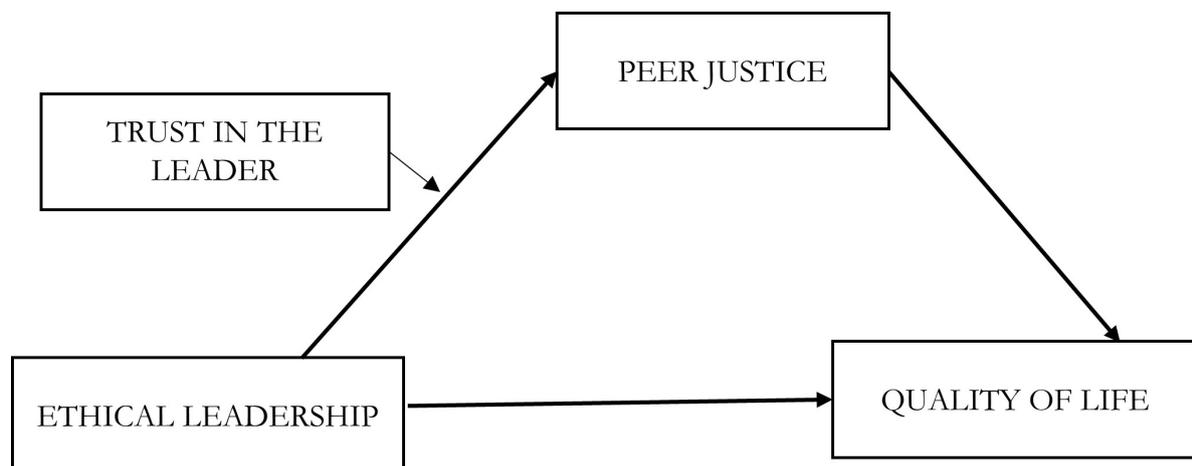


Figure 1. Conceptual model

charismatic (Bass & Avolio, 2000), authentic, and servant leadership because these leadership styles include ethical components (Avolio, Walumbwa, & Weber, 2009; Brown, Treviño, & Harrison, 2005). However, none of these leadership styles considers all the components of ethical leadership (Brown et al., 2005). According to Brown and Treviño (2006, p. 600), “ethical leadership is clearly related to, but distinct from, these other leadership theories”. Furthermore, empirical research has found that ethical leadership explains additional variance in outcomes beyond other leadership styles (Kalshoven et al. 2011).

Ethical leadership has been defined “as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (Brown et al., 2005, p. 120), which can be connected to the need to respond to social norms that can guide behavior in a certain context (Pampinella, 2019). Brown and colleagues (2006) posited that some of the characteristics of ethical leaders are demonstrating integrity and high ethical standards, fair treatment of followers, openness, and consideration.

Ethical leadership has generally been understood through the prism of the social learning perspective (Bandura & Walters, 1977; Treviño, Weaver, & Reynolds, 2006). Social learning theory proposes that individuals can learn from observing legitimate others’ behaviors and consequences (Manz & Sims, 1981). According to Weaver, Treviño, and Agle (2005), employees tend to learn ethical conduct by observing the behavior of people in authority and through role modeling. Leaders are an important source of this vicarious learning process due to their formal status and their legitimate authority role in the organization. Employees observe the behaviors and consequences of their leaders and use this information to infer what desirable behavior consists of within the organization (Posner & Schmidt, 1984). Consistent with these approaches, followers observe and imitate the ethical leader’s behavior as social learning models (Brown et al. 2005).

### Ethical Leadership and Quality of Life

Previous research has established that individuals are more likely to behave ethically if they have an ethical leader (Brown & Mitchell, 2010). Ethical leadership promotes and improves followers’ ethical performance through a process of role modeling, according to social learning theory (Brown, Treviño, & Harrison, 2005; Treviño, Brown, & Hartman, 2003; Walumbwa et al., 2011). From the role modeling perspective (Bass, 1985), ethical leaders show interest in the followers, making this an attractive model for followers. Furthermore, Brown and colleagues (2005) propose that followers of an ethical leader will put extra effort into their work, especially in situations that may have a great impact on consumer/patient outcomes, safety, and quality. Thus, ethical leadership seems to promote a number of worthwhile outcomes. De Hoogh and Den Hartog (2008) define ethical leadership as the process of influencing the activities of an organized group toward goal achievement. This ethical behavior differs depending on the context where it is developed. In this study, we focus on one relevant organizational performance variable, that is, the quality of life of people with intellectual disabilities (Pătraș et al., 2018), which means that employees are responsible for producing better life conditions through their interactions with the service users.

Quality of Life is characterized by the World Health Organization as “individuals’ perceptions of their position in life in the context of the culture and value systems in which they live, and in relation to their goals, expectations, standards and concerns” (WHOQOL, 1997, p. 1). Goode (1990) highlighted that QoL for

people with disabilities involves the same relationships that have been shown to be meaningful for people without disabilities. However, the context of vulnerability of people with intellectual disabilities makes the ethical behavior of the professional who has contact with them especially relevant. As role models, ethical leaders provide examples of how to do things right (Brown et al., 2005). In our study, the ethical leader behavior employed by the followers towards the users of the services has consequences in the form of higher quality of life. However, as far as we know, the influence of ethical leadership on quality of life has not specifically been examined before. Accordingly, we examine the relationship between ethical leadership and quality of life through a process of social learning modeling in the context of organizations that provide services to people with intellectual disabilities.

**Hypothesis 1.** Ethical leadership is directly related to the quality of life of people with intellectual disabilities.

### The Mediating Role of Peer Justice in the link between Ethical Leadership and QoL

Increasing attention is being paid to the role of fairness in the leadership research, but integration of the organizational justice and behavioral ethics literatures has hardly begun (De Cremer & Moore, 2020). Ethical leaders’ behaviors include paying attention to what employees have to say and treating them fairly (Babalola et al., 2018; Mayer et al., 2012). Furthermore, ethical leaders are perceived as key fair decision-makers because they have the potential to design a just work environment by making fair decisions, leading followers to treat others more ethically and fairly.

Employees are usually in constant interaction with each other within the organization. Apart from authorities, coworkers are a relevant source of justice. Peer justice refers to the perceptions of the way group members treat each other (Li et al., 2013). Furthermore, ethical conduct is also learned through participation in community life (e.g., Annas, 2011).

According to social learning theory, leaders’ ethical behavior encourages ethical conduct among followers (Treviño et al., 2006). By learning from the leader, individual workers come to treat others more fairly. Social exchange theory also posits that the followers will feel obligated to reciprocate and act according to the leader’s ethical explanations (Brown & Treviño, 2006; Brown et al., 2005). Hence, leaders will set a moral standard by demonstrating fairness towards followers, which will then be transferred to colleagues (Zoghbi-Manrique-de-Lara & Suárez-Acosta, 2014). Furthermore, according to the tickle-down model, treating people fairly impacts the justice with which they treat others (Ambrose, Schminke, & Mayer, 2013). Employees are more inclined to behave in a manner that is beneficial to the organization when they are treated ethically and fairly by their supervisor and coworkers (Mo & Shi, 2017). Employees working under the same ethical leader are more willing to allow coworkers to express their opinions, and they demonstrate respect and consideration for coworkers’ needs. Thus, ethical leaders are expected to facilitate peer justice.

This explanation is also consistent with a social learning approach to ethical behavior (Weaver et al., 2005). Research on organizational justice shows that fair treatment is also associated with more desirable attitudes and behavior (Cohen-Charash & Spector, 2002; Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Mo & Shi, 2017). People respond more positively if they feel they are treated fairly (e.g., Greenberg, 1990). In fact, employees believe that they are in a better position to influence their outcomes when they are treated fairly (Van den Bos & Lind, 2002). Accordingly, Ng and Feldman (2015) mentioned that employees often tend

to reciprocate ethically fair leadership by showing greater work performance. In this study, we propose peer justice as a contextual mechanism through which ethical leadership improves QoL as an outcome and indicator of high performance.

Based on social learning theory, the tickle-down model, and the aforementioned findings, we argue that ethical leadership causes coworkers to treat one another more fairly (Cropanzano & Walumbwa, 2010). Ethical leaders are expected to promote positive peer justice perceptions, which in turn influence the quality of life of PID. In other words, peer justice has a positive mediator role in the relationship between ethical leadership and quality of life. Despite several theoretical arguments and some empirical evidence supporting the mediating role of peer justice, to our knowledge, this relationship has not previously been tested. Thus, the following hypothesis was formulated:

**Hypothesis 2.** Peer Justice mediates the relationship between ethical leadership and quality of life.

### The Moderator Role of Trust in the Leader

Trust has been conceptualized as “an attitude that describes a trustor’s summary evaluation of the degree to which the other party in a social relation (trustee) is trustworthy or untrustworthy, facilitating the trustor’s willingness to be vulnerable in the relationship with the trustee” (Martínez-Tur & Peiró, 2009, p. 146). Several arguments support the moderator role of trust in the leader (Silla, Gracia, & Peiró, 2020) in the relationship between ethical leadership and peer justice.

Trust is a key social process in social exchanges (Lord, Day, Zaccaro, Avolio, & Eagly, 2017). The followers of ethical leaders perceive themselves as being involved in social exchange relationships with their leaders because of the trust they feel in them (Brown & Trevino, 2006). When employees are treated fairly by a leader they trust, they think about their relationship with the leader in terms of social exchange (Blau, 1964). As a result, the followers are motivated to go above and beyond the leader’s work requests. The ethical leader, through a social learning process, will have an effect on the way employees treat each other (peer justice) that will be stronger if the employee trusts the leader as a result of a social exchange relationship. However, it is possible to imagine that if for some reason the employee does not trust the leader, it would be difficult for the role modeling process to occur. These processes are especially relevant in the work environment of the present study. Within a work environment such as service organizations for people with intellectual disability, where social exchange is crucial, social exchange relationships that prompt employees to reciprocate are essential.

Based on these arguments, our research model proposes that positive effects of ethical leadership will be stronger when we find high levels of trust in the leader. By contrast, low trust in the leader might lead followers to believe that their supervisor will not treat them fairly. Thus, Hypothesis 3 reads as follows:

**Hypothesis 3.** Trust in the leader will moderate the positive indirect effect of Ethical Leadership on Quality of Life through Peer Justice. Specifically, in employees who report high trust in the leader, the indirect effect of ethical leadership on quality of life via peer justice is stronger.

## Method

### Participants

Participants in this study consisted of 388 professionals (non-volunteers) from 59 centers affiliated with “Plena Inclusión”, an

NGO whose mission is to improve the quality of life of individuals with intellectual disabilities in Spain. The centers emphasize the self-determination of individuals with intellectual disability (they are active agents in their life) as the main facet of their quality of life. After deleting missing data, 388 professionals were considered for statistical analyses. About 75.5% of the professionals were women (average age = 38.77;  $SD = 9.29$ ).

### Instruments

**Quality of life.** This is a contextualized organizational performance measure that considers the degree to which the services provided by the organization help to stimulate the QoL of people with intellectual disability. Although QoL has different facets, in this study we focus on the self-determination dimension of the Quality of life of people with intellectual disability scale developed by Moliner, Gracia, Lorente, and Martínez-Tur (2013). In recent years, the research has tried to focus more on the actual meaning of quality of life for PID by focusing on their sense of self-determination in their general life setting. This scale focus on improvements in the self-determination facet of the quality of life of PID due to the actions of the centers, measured using professionals’ evaluations. An example of an item on the 5-item self-determination scale is “This center encourages the person with intellectual disabilities I am responsible for to participate in making decisions about him/herself”. All the items followed a Likert scale design with scores ranging from 1 (“strongly disagree”) to 7 (“strongly agree”). The internal consistency alpha was .88.

**Ethical Leadership.** We measured ethical leadership behavior using ten items from the Ethical Leadership Scale (ELS) developed and validated by Brown, Treviño, and Harrison (2005). Sample items include: My supervisor “discusses business ethics or values with employees” and “sets an example for how to do things the right way in terms of ethics”. Items were rated on a five-point scale ranging from (1) “strongly disagree” to (5) “strongly agree”. The internal consistency alpha was .93.

**Overall peer justice.** The overall peer justice scale consisted of three items (Ambrose & Schimke, 2009) that were adapted to make them consistent with the definition of peer justice (Cropanzano, Li, & Benson, 2011). These three items assessed group members’ justice experiences within the group. A sample item is “In general, as coworkers, we treat each other fairly”. All the items were scored on a seven-point scale ranging from (1) “strongly disagree” to (7) “strongly agree”. The internal consistency alpha was .79.

**Trust in the leader.** Professionals reported on the degree to which they trust in their leaders. Our measure was based on the General Trust Scale developed by Butler (1991). Four items referred to general trust. A sample item is “I trust the coordinator of this center”. All the items were scored on a 5-point rating scale with anchors of 1 (“strongly disagree”) and 5 (“strongly agree”). Higher scores were indicative of greater trust. The internal consistency alpha was .95.

### Data Collection Procedure and Ethical Considerations

This study received the approval of the Ethical Committee of the University of the corresponding author and was conducted in accordance with the Declaration of Helsinki. The research team trained one professional per center to randomly select the participants, organize the process, and collect the data. This professional did not participate in the study. Participation of professionals from each center was based on their direct contact with PID, and it was confidential and voluntary.

**Data Analysis Procedures**

A PROCESS macro for SPSS (Model 7) with 1,000 bootstrapped samples was conducted to examine the mediating role of overall peer justice and the moderating role of trust in the leader (Hayes, 2013) in the relationship between ethical leadership and quality of life of PID, controlling for age and gender.

**Results**

**Descriptive Statistics**

Table 1 presents the means, standard deviations, correlations among the study variables, and reliability. There were significant and positive relationships among the variables. Results reported in Table 1 revealed that ethical leadership was positively correlated with trust in the leader ( $r = .82, p < 0.01$ ), peer justice ( $r = .40, p < 0.01$ ), and quality of life ( $r = .49, p < 0.01$ ). In addition, peer justice was positively associated with trust in the leader ( $r = .42, p < 0.01$ ) and quality of life ( $r = .31, p < 0.01$ ).

**Hypothesis Testing**

Table 1  
Descriptive statistics and correlations among the study variables

Variables	Range	Mean	SD	1	2	3	4
1. Ethical leadership	1-5	3.80	.78	(.93)			
2. Overall peer justice	1-7	5.73	1.05	.40**	(.79)		
3. Trust in leadership	1-5	3.99	.99	.82**	.42**	(.95)	
4. Quality of life	1-7	5.50	.92	.49**	.31**	.42**	(.88)

Note. Pearson's correlation coefficient was computed. Reliability coefficients appear on the diagonal. \*\* Correlations are significant at the .01 level.

The findings in Table 2 revealed a significant direct relationship between ethical leadership and overall peer justice ( $\beta = .2845, p < 0.01$ ; Table 2, section c), between overall peer justice and quality of life ( $\beta = .1044, p < 0.05$ ; Table 2, section a), and between ethical leadership and quality of life ( $\beta = .5299, p < 0.01$ ; Table 2, section a). The direct effect of ethical leadership on quality of life was significant after analyzing the mediation of overall peer justice ( $\beta = .5299, p < 0.01$ ; Table 2, section b), indicating a partial mediation of overall peer justice. Furthermore, the moderated indirect links from ethical leadership to quality of life through overall peer justice were examined at three levels of trust in the leader: low (one standard deviation below the mean), mean (medium, at the mean), and high (one standard deviation above the mean). The bootstrap 95% confidence interval (Table 2, section d) limits overlapped with zero at a low level of trust in the leader (LLCI =  $-.0096$ , ULCI =  $.0479$ ), whereas at mean (LLCI =  $.0039$ , ULCI =  $.0771$ ) and high levels of trust in the leader (LLCI =  $.0074$ , ULCI =  $.1135$ ), bootstrap 95% confidence interval limits did not overlap with zero, which confirmed that the partial mediation effect was moderated by medium and high levels of trust in the leader.

As Table 2 shows, the results reveal that trust in the leader moderates the relationship between ethical leadership and overall peer justice ( $\beta = .1829, p < 0.01$ ; Table 2, section c). Figure 2 shows the results of the moderated effect, computing two simple slopes for high and low values of trust in the leader (i.e., plus/minus one SD from the mean, respectively). The results showed that only the slope for high levels of trust in the leader was significant ( $\beta = .4626, t = 3.6683, p > 0.01$ ; [CI =  $.2146, .7105$ ]).

Table 2  
Moderated mediation model

Section a. Mediation model (Outcome: Quality of life)						
	B	SE	T	p	LLCI	ULCI
Constant	5.109	.3299	15.4889	.0000	4.4605	5.7577
Overall peer justice	.1044	.0427	2.4479	.0148	.0205	.1883
Ethical leadership	.5299	.0577	9.1818	.0000	.4164	.6434
Sex	-.0484	.0985	-.4912	.6236	-.2422	.1454
Age	-.0039	.0045	-.8773	.3809	-.0128	.0049
Section b. Direct effect of Ethical leadership on Quality of life						
	Effect	SE	T	p	LLCI	ULCI
Direct effect	.5299	.0577	9.1818	.0000	.4164	.6434
Section c. Moderation model (Outcome: Overall peer justice)						
	B	SE	T	p	LLCI	ULCI
Constant	6.063	.2393	25.3401	.0000	5.592	6.533
Ethical leadership	.2845	.1085	2.6235	.0091	.0713	.4978
Trust in leader	.3580	.0877	4.0795	.0001	.1854	.5305
Ethical leadership * Trust in leader	.1829	.0518	3.5321	.0005	.0811	.2847
Sex	.0083	.1166	.0711	.9434	-.2211	.2376
Age	-.0111	.0053	-2.1064	.0358	-.0216	-.0007
Section d. Conditional indirect effects(1) of Ethical leadership on Quality of life						
	Moderator	Effect	Boot SE	Boot LLCI	Boot ULCI	
Overall peer justice	-.9736	.0111	.0145	-.0096	.0479	
Overall peer justice	.0000	.0297	.0183	.0039	.0771	
Overall peer justice	.9736	.0483	.0272	.0074	.1135	
Section e. Index of moderated mediation						
	Index	SE (Boot)	Boot LLCI	Boot ULCI		
Overall peer justice	.0191	.0122	.019	.0505		

Note. (1)Values for trust in the leader are the mean and plus/minus one SD from the mean.

**Discussion**

In this study, we argued that ethical leadership is related to quality of life of PID through enhanced peer justice, with the moderating effect of trust in the leader. First, we explored the direct relationship between ethical leadership and quality of life of people with intellectual disabilities (PID). Then, we examined the mediating role of peer justice in this relationship. Finally, we considered the moderator role of trust in the leader in the relationship between ethical leadership and peer justice. This study was conducted in centers whose mission is to improve the quality of life of individuals with intellectual disabilities. The results supported our research model. As hypothesized, we found that peer justice mediated the relationship between ethical leadership and QoL, and that trust in the leader moderated the link between ethical leadership and peer justice.

Building on previous investigations on ethical leadership (e.g., Brown et al., 2005; Brown & Mitchell, 2010; Mayer et al., 2012; Walumbwa et al., 2011), we based our research model on social learning theory (Bandura & Walters, 1977; Manz & Sims, 1981). We also extended this approach in a number of ways. Based on social learning theory, ethical leaders are role modeling ethical behavior for followers whose main performance is to improve the quality of life of PID. This effort has a high ethical component

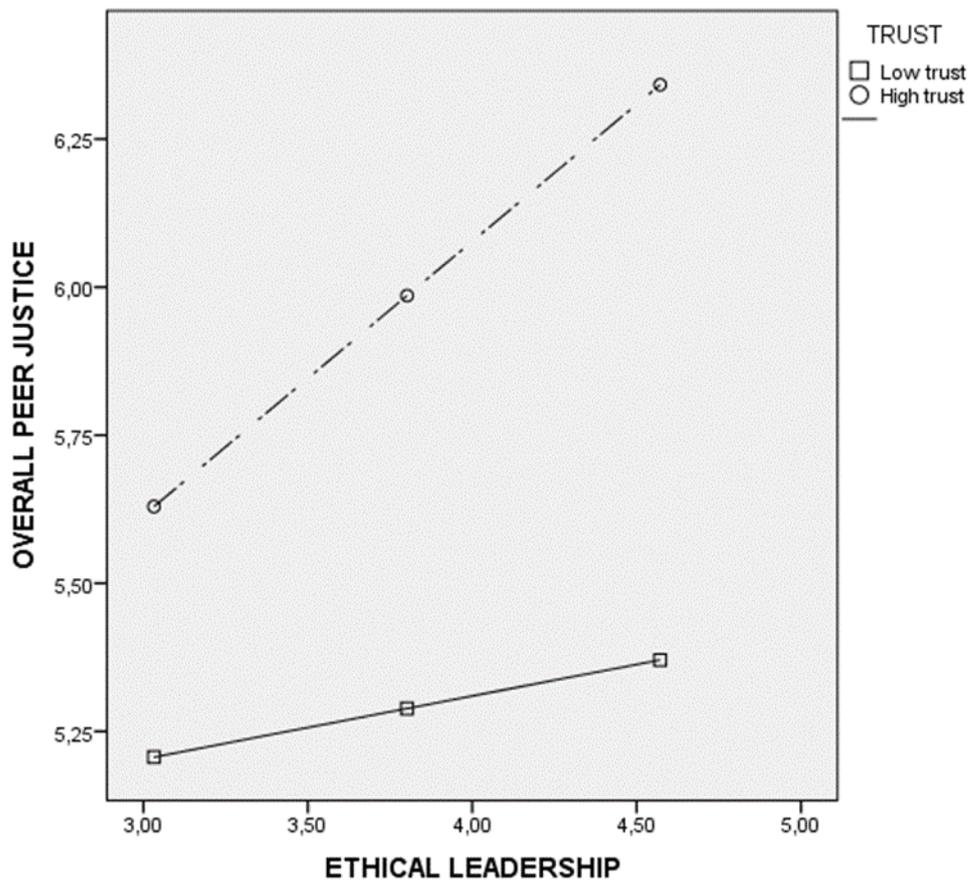


Figure 2. Moderation effect.

due to PID's vulnerable conditions. We also considered the tickle-down model to define the mediator role of peer justice. Based on this model, we posit that ethical leaders motivate followers to behave fairly toward each other. Consequently, ethical leaders are effective in building peer justice. We also suggest that, due to social learning behavior, peer justice would have a positive relationship with quality of life. Finally, the social exchange approach was considered the basis for the moderator effect of trust in the relationship between ethical relationship and peer justice. The feeling of reciprocity to the leader, in terms of trust in the leader, modulates the relationship between ethical leadership and peer justice. However, in future studies, the role of social norms related to expected ethical behavior in a specific context and social identity theory (Turner & Reynolds, 2010) could be tested in a more explicit way, in order to identify additional variables that can support the link between ethical leadership and performance.

The present study also extends the existing nomological network of ethical leadership and provides fresh insights into the concept by linking ethical leadership to quality of life while considering the underlying mechanism through which this influence takes place. Accordingly, in the present study, we confirmed the mediating role of peer justice and the moderator role of trust in the leader, advancing the understanding of ethical leadership's relationship with relevant employee performance, in this case QoL.

The findings of this research have several practical implications. Our results demonstrate that encouraging ethical leadership can improve organizational performance, specifically the quality of life of PID. Understanding what drives people to act ethically is essential to the behavioral ethics approach. This research helps to identify processes such as peer justice perceptions and trust in the leader that an organization can take advantage of to ensure that employees and managers develop ethical behaviors. Therefore, a practical recommendation would

be to foster specific programs to train managers to develop trust-based relationships with their followers, thus promoting fairer behaviors toward them. In addition, designing selection processes that identify ethical leadership as a demanding competence is a strategy organizations can use to enhance ethical behaviors. However, there are contradictory results in the literature. Research by Stouten, van Dijke, Mayer, De Cremer, and Euwema (2013) showed that followers do not always show a preference for leaders who work ethically. It seems that followers cooperate less with leaders who always act ethically because they are perceived as having objectives that cannot be achieved, compared to leaders who act moderately ethically. Therefore, more research is needed to clarify the processes that contribute to followers' perceptions of ethical leaders as positive and accepted by followers.

The present research has demonstrated that followers whose leader is focused on ethical behaviors are more willing to offer good performance, however we have not considered unethical behaviors. Future research should analyze how unethical behavior (such as employee theft) is managed within an organization, and how it influences employees' performance (Den Hartog, 2015). This type of research should try to provide insights into the best ways to reduce unethical behaviors in organizations and how to increase our knowledge about the psychological processes that underlie unethical behaviors.

Our study concentrates on the role of the leader as an ethical/unethical actor from the perspective of the follower. Future actions can work in at least two directions. Future analysis could include reports from other agents about the same leader to provide more support. Moreover, future research could focus on the way employees in lower positions can influence those in high positions to have more ethical behaviors toward them.

Finally, research in the area could benefit from cross-cultural studies on ethical leadership. Given the global context of organizations, additional efforts should be made to develop global

organizational ethics standards, which would help to understand similarities in ethical leadership perceptions across cultures. Special attention could be devoted to the difference between collectivistic (focused on the relevance of the community) and individualistic (focused on the concerns of each person) cultures (Suh & Le, 2020).

## Conclusions

Despite its limitations, this research study contributes to knowledge and practice about ethical leadership and performance. Our results suggest that, by building fair and trust-based relationships with their followers, ethical leaders can enhance employees' performance in organizations. Thus, it is vital for organizations to adopt strategies to develop ethical leaders.

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