IMPACT OF ETHICAL LEADERSHIP ON EMPLOYEE CREATIVITY: 
MEDIATING ROLE OF TRUST AND MODERATING ROLE OF CREATIVE 
SELF EFFICACY 

SIJAL MEHMOOD 
Capital University of Science and Technology, Islamabad, Pakistan 

ABSTRACT 
The current study evaluated the impact of ethical leadership on employee creativity, 
with the mediating role of trust in leadership, while taking creative self efficacy as 
the moderator between trust and creativity. The data were collected from the 126 
employees working in private sector organizations from Rawalpindi Islamabad region. 
The findings of the study indicated that ethical leadership is positively and significantly 
associated with the employee creativity as well as trust; whereas, trust in leadership 
partially mediates the relationship between the two. Similarly, the results confirmed that 
creative self-efficacy positively moderates the relationship between trust in leadership 
and employee creativity. Study implications and recommendations are also discussed. 

INTRODUCTION 
Creativity and Innovation in the workplace have become increasingly important determinants of 
organizational performance, success and longer-term survival. As organizations seek to harness the ideas 
and suggestions of their employees, it is axiomatic that the process of idea generation and implementation 
have become a source of distinct competitive advantage (Anderson, De Dreu, & Nijstad, 2004; West, 2002a; 
Zhou & Shalley, 2003). Creativity and innovation are complex, multi-level, and emergent phenomena that 
pan out over time and that require skillful leadership in order to maximize the benefits of new and improved 
ways of employees working (Anderson, Potočnik, & Zhou, 2014). Ethical leadership is a process through 
which ethical leader behavior is transferred to followers' behavior through the common methods of social learning, 
Ethical leadership is extremely important where team member communications need trust, fairness 
and empowering behavior (Den Hartog & De Hoogh, 2009). When team members develop trust in their 
leaders, they are more enthusiastic to follow ethical procedures and face threats (Hoyt, Price & Poatsy, 
2013). Alternatively, if followers think their leaders to be unethical, they are more likely to be under pressure 
and depression and feel anxiety in the workplace, and to exhibit counterproductive behavior such as deceitful 
means during problem-solving tasks, which results in reduced performance and outcomes (Ariely, 2012; 
Detert, Treviño, Burris & Andiappan, 2007; Gino & Ariely, 2012; Hoyt et al., 2013). 
Few studies have paid attention to the impact of ethical leadership on employees' creativity, despite 
the fact that leadership is one of the most influential predictors of employee creativity (Atwater & Carmeli, 
2009; Volmer, Spurk & Niessen, 2012). A recent study also showed the positive relationship between ethical 
leadership and employee’s creativity (Chen, & Hou, 2016). Many scholars consider trust a core basis of 
effective leadership (e.g., Fairholm, 1994; Zand, 1997). One of the current trends in leadership research is the 
emphasis on the inspirational aspects of leaders, and those leadership theories such as transformational 
leadership and charismatic leadership treat trust as an important attribute for effective leadership (Kirkpatrick 
& Locke, 1996; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). In line with this, the need to explore the 
mediating mechanism of trust between ethical leadership and employee leadership seems imperative. 
The extent of an individuals’ ability to provide creative results for an organization is known as creative 
self efficacy (Tierney & Farmer, 2002). When a person has an internal belief that he/she can confidently 
perform with superior creativity, it reflects a high rank of creative self efficacy (Tierney & Farmer, 2011). 
Some researchers have also stated that when employees are occupied by creative activities, a high rank of self- 
efficacy can help them find solutions to a problem (Gist & Mitchell, 1992). In a study of undergraduate students,
Choi (2004) revealed that transformational leadership establishes a direct connection between creative self-efficacy, creative performance and employee creativity. Transformational leaders take proactive steps towards coming up with creative thoughts and they expect the same from their employees. As a result, leaders who implement a transformational leadership style could encourage their employees’ creativity through creative self-efficacy (CSE) (Dvir et al., 2002; Bass and Avolio, 1990).

Bandura (1997) also considered self-efficacy as an essential situation for creative productivity and the creation of “new knowledge.” As self-efficacy views effect the inspiration and ability to engage in specific behavior (Bandura, 1977), as well as the quest of specific tasks (Bandura, 1986). The concept of self-efficacy assures much for understanding creative action in organizational settings. In fact, Ford (1996) placed self-efficacy values as a key motivational component in his model of individual creative action. Despite the potential link of self-efficacy to creativity, little attention has been directed toward the concept in a creativity context (Tierney & Farmer, 2002). Ethical leadership is a kind of transformational leadership; hence it can be proposed that CSE has a moderating role between trust in leadership and employees’ creativity.

The present research is intended to contribute to the existing literature in several ways. First, the study seeks to fill the knowledge gap concerning the link between ethical leadership and creativity. Previous research has demonstrated that leadership is one of the most influential factors affecting employee creativity. Second, determining how trust in leadership helps employees perform more effectively and creatively. The present study uses social learning theory as the core theoretical focus and takes a step further to identify the mediating effect of trust in regard to the leadership-creativity link. The paper aims to study the link between ethical leadership and creativity through trust in leadership, while the link between trust in leadership and creativity is moderated by creative self-efficacy. Existing literature considerably lacks sufficient research in this regard, hence, the aim is provide some considerable input.

**REVIEW OF LITERATURE**

**Ethical Leadership**

Ethics and integrity have been receiving an increasing amount of attention in the leadership field for the last few years (Kalshoven, Den Hartog & De Hoogh, 2011). The ethical leadership aspects in corporate supervisors are as follow: care, trustworthiness, honesty and fairness. That is, behavior that clearly demonstrates ethical conduct, as well as fair and principled decisions, thereby communicating the importance of ethics to followers, rewarding positive ethical behavior and disciplining those who exhibit unethical behavior (Jordan, Brown, Treviño & Finkelstein, 2013). It is primarily through their actions that ethical leaders are able to influence the behavior of their followers. Indeed, according to the definition of ethical leadership proposed by Brown et al. (2005), the behavior of ethical leaders stimulates the ethical behavior of subordinates through communication and support. It is defined as “the exhibition of normatively suitable 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). Ethical leaders try to convert the behavior of their subordinates by communicating ethical standards, establishing ethical behavioral models and controlling the ethical behavior of subordinates (Brown & Treviño, 2006; Treviño et al., 2003).

**Ethical Leadership and Trust in Leadership**

In an organization, an environment that enables cooperation, helps to manage differences, encourages information sharing, and increases honesty and common acceptance uses trust as a key component of successful working relationships between leaders and followers (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). Trust is defined as an emotional state including the positive expectation that another party will carry out particular actions that are important to one, coupled with a keenness to accept susceptibility which may arise from the actions of that other party (e.g., Lane, 1998; Mayer et al., 1995; Rousseau, Sitkin, Burt, & Camerer, 1998).

There is little unambiguous attention to the ethical and moral dimensions of trust in the organizational literature, separately from the widely accepted idea 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 devotion to a set of relevant values, norms and principles that is suitable to the trustor (Mayer et al., 1995). The other two dimensions of the trustee’s trustworthiness, as perceived by the trustee, are ability and benevolence (Mayer et al., 1995). Ability is defined as the capability 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 income reason (Mayer et al. p. 718). Hosmer (1995) proposed a different definition of trust, where trust is the hope 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 trade (p. 399). This definition refers directly to ethically reasonable 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 propose 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) posited 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 concerning 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 examination 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, it is aimed to explicitly investigate the relationship between ethical leadership behaviors and trust. In line with the view of Mayer et al. (1995), dominant trust model, in which integrity is a precursor to trust, it is hypothesized that ethical leadership 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.

Hypothesis 1. Ethical leadership is positively related to employees’ trust in leadership.

Ethical Leadership, Trust in Leadership and Creativity

Ethical leadership is defined by Brown et al. (2005) “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” (p. 120). Ethical leaders are described by traits such as integrity, honesty, caring, altruism, openness, collective motivation, trustworthiness, justice and by their behavior as principled individuals who make fair decisions (Brown et al., 2005; Brown & Treviño, 2006).

Tu and Lu (2012) found that ethical leadership is positively related to employee creativity through two mechanisms: cognition and motivation. A characteristic of the cognitive mechanism is that followers are more likely to pay attention to work significance and form new ideas or ways to gain organizational goals, when leaders who are ethical underline how important the work of these employees is to other employees, to their group members, and to the organization (Brown & Treviño, 2006; Tu & Lu, 2012). When ethical leaders show organizational commitment (De Hoogh & Den Hartog, 2008), employees are more likely to feel psychologically safe enough to speak out with new ideas (Tu & Lu, 2012). Furthermore, ethical leaders listen to employees and encourage them to express their opinions and concerns through two-way open communication, thereby engendering greater trust (Brown et al., 2005). This open communication will, in turn, persuade the followers to use their imagination to generate novel ideas in order to improve on going work procedures and processes (Tu & Lu, 2012).

The motivational mechanism is related to the respect that ethical leaders have for the dignity, human nature, and developmental needs of their followers, which enables the followers to acquire work-related knowledge and to learn new skills (Zhu, May, & Avolio, 2004). As a result of this respect shown by the leader, followers will have greater self-efficacy, which is evidence of their heightened intrinsic motivation (Amabile, Conti, Coon,
Lazenby, & Herron, 1996). Consequently, they are more likely to behave creatively. Employees’ intrinsic motivation is also heightened when they have a high level of autonomy in their work situation, which provides them with enhanced independence, freedom, and discretion to schedule work (Brown et al., 2005; Piccolo, Greenbaum, den Hartog, & Folger, 2010). Intrinsically motivated individuals are more likely to expend a high level of effort on their work, with less constraint, leading to greater creativity (Tu & Lu, 2012).

**Hypothesis 2. Ethical leadership is positively related to employee creativity.**

The research intends to study and establish that ethical leadership would facilitate trust in leadership, which, in turn, would nurture employee creativity. Leaders in an organization can develop a process to help overcome resistance to knowledge sharing, and build up a context of cooperation (Carmeli et al., 2013). Ethical leaders help to build, maintain, and facilitate a context in which the followers interact and create new meanings, and in which leaders and followers will form a trusting and cooperative relationship (Avolio, Gardner, Walumbwa, Luthans, & May, 2004). In this environment followers concentrate more on cooperation and communication, and become more motivated. This is vital for both the creation of knowledge and knowledge sharing (Avey et al., 2012; Carmeli et al., 2013; Wang & Noe, 2010), a process that, in turn, cultivates employee creativity. Therefore, the following hypotheses are thus developed:

**Hypothesis 3. Trust in leadership is positively related to individual’s creativity.**

**Hypothesis 4. The positive relationship between ethical leadership and employee creativity is mediated by trust in leadership.**

### The Moderating Role of Creative Self Efficacy

A creativity-focused sense of efficacy should be conducive to creativity because it can offset obstacles inherent to creative engagement. First, creativity requires trial-and-error experimentation and the willingness to learn from such efforts. Previous researches (Stevens & Gist, 1997) suggested that self-efficacy can assist acceptance of a mastery goal orientation (Elliott & Dweck, 1988; Beghetto, 2006, 2007), contributing to the use of meta-cognitive or self-regulatory learning strategies linked to creative activity (Nickerson, 1999). Furthermore, domain-specific efficacy beliefs can lead to later experiences of work-related flow (Csikszentmihalyi, 1996), an affective state that is closely tied to creative idea generation (Csikszentmihalyi & LeFevre, 1989). In addition, because novel tasks elicit active appraisals of task requirements (Bandura, 1997), individuals following creative outcomes should be cognizant of, and attempt to account for, likely challenges encountered and should not be discouraged when they feel efficacious (Bandura, 1986).

Literature (Barron & Harrington, 1981; Petkus, 1996) also proposes a high level of confidence; what Bandura (1997) referred to as “invincible self-efficacy” (p. 73) is an attribute of highly successful creators. Additionally, previous studies have found creative self-efficacy to be linked to both creative performance (Choi, 2004; Gong et al., 2009; Jaussi et al., 2007; Shin & Zhou, 2007; Tierney & Farmer, 2002, 2004) and creativity work involvement (Carmeli & Schaubroeck, 2007) in employees. Thus, both theoretical and experiential support suggests that as creative efficacy beliefs develop, so should events of creative performance.

From a causality viewpoint, the substantive area of experimental and longitudinal research gives convincing evidence that self-efficacy compels behavioral functioning and performance (Bandura & Locke, 2003). Bandura (1997) noted, however, that in examining relations between self-efficacy and performance outcomes in actual task settings, it is vital to study them as they operate concurrently or in close temporal proximity to one another.

He emphasized that current efficacy views have their most salient and strong effects on current activity and that close timing between efficacy and performance measurement will result in a more accurate assessment of the true effects of an individual’s self-efficacy beliefs. Empirical studies have tended to support the idea that immediately preceding self-efficacy has greater impacts on performance than does earlier self-efficacy (Shea & Howell, 2000). Therefore, hypothesis 5 is developed as:

**Hypothesis 5. Creative self efficacy positively moderates the relationship between trust in leadership and employee creativity.**

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**THEORETICAL FRAMEWORK**

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  Ethical Leadership → Trust in leadership → Employee Creativity
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Creative Self-efficacy
RESEARCH METHODOLOGY

The present study is a cross-sectional study. The data were collected from production departments of different private organizations, in Rawalpindi/Islamabad. Convenient sampling techniques were used in order to draw the sample, due to the budget and time constraints. Data was collected using questionnaire method. Self-administered questionnaires were distributed among 170 employees, out of whom 138 were returned and 126 were usable. The response rate was 74%. Demographic variables, i.e. age, gender, education and organizational experience were controlled, while running regression tests.

The sample includes, 47.6% (n = 60) males and 52.4% (n = 66) females. Sample was a blend of different age groups as 52.4% (n = 66) were 18-25 years old, 41.3% (n = 52), were between the age of 26-33 years, 4.8% (n = 6), were between the age of 34-41 years and 1.6% (n = 02) were between the age of 42-49 years. The sample included participants with qualifications; Bachelor 4.8% (n = 6), Masters 19% (n = 24) and MS/PhD 76.2% (n = 96). Furthermore the sample includes the respondents having experience, 1-5 years 81% (n = 102), 6-10 years 12.7% (n = 16), 11-15 years 3.2% (n=4) and16-20 years 3.2% (n=4).

INSTRUMENTS

Ethical Leadership

EL was reported by the employees, using 10-items (ELS) scale developed by (Brown et al., 2005). Item examples include “My leader listens to what employees have to say.”, “My leader can be trusted.” and “My leader discusses business ethics or values with employee.” The scale used for measurement was ‘Likert’ scale which was ranging from 1 (strongly disagree) to 5 (strongly agree). The estimated reliability was .89.

Trust in Leadership

Trust in leadership was reported by the employees, using 6-items scale developed by (Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Item examples include “I feel quite confident that my leader will always try to treat me fairly.”, “I feel a strong loyalty to my leader.” and “I have a strong sense of loyalty toward my leader.” The scale used for measurement was ‘Likert’ scale which was ranging from 1 (strongly disagree) to 5 (strongly agree). The estimated reliability was .79.

Creative Self Efficacy

Creative self efficacy was reported by the employees, using 3-items scale developed by (Tierney, & Farmer, 2002). Item examples include “I have confidence in my ability to solve problems creatively.”, “I feel that I am good at generating novel ideas.” and “I have a knack for further developing the ideas of others.” The scale used for measurement was ‘Likert’ scale which was ranging from 1 (strongly disagree) to 5 (strongly agree). The estimated reliability was .79.

Employees Creativity

Employees creativity was reported by the employees, using 13-items scale developed by (Zhou, & George, 2001)). Item examples include “Suggests new ways to achieve goals or objectives.”, “Promotes and champions ideas to others.” and “Exhibits creativity on the job when given the opportunity to.” The scale used for measurement was ‘Likert’ scale which was ranging from 1 (strongly disagree) to 5 (strongly agree). The estimated reliability was .88.

RESULTS

The descriptive statistics and correlations among the variables are reported in Table 1.

Ethical leadership has been entered as independent variable, to test the first hypothesis that ethical leadership is positively related to Employee Creativity. Table (1) indicates that ethical leadership is significantly and positively correlated to employee creativity. Similarly, ethical leadership is positively and significantly related to trust in leadership; I found that managerial ethical leadership is positively and significantly correlated to trust in leadership. Trust in leadership is positively and significantly related to employee creativity;

| TABLE 1 |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| Mean | SD | 1 | 2 | 3 |
| Ethical leadership | 3.5429 | .80949 | 1 |  |  |
| Trust in leadership | 3.4788 | .70773 | .623** | 1 |  |
| Creative self efficacy | 3.6931 | .87494 | .522** | .422** | 1 |
| Employee creativity | 3.7521 | .59829 | .505** | .605** | .522** | 1 |
I found that trust in leadership is positively and significantly related to employee creativity. Table (2) shows results of regression analysis for outcomes. In order to run mediation using Baron and Kenny method, three conditions need to be met. The regression analysis table indicates the three conditions being met, i.e. the direct relationship between ethical leadership and trust is significant at $\beta = 0.54^{***}$ as well as between trust and creativity with $\beta = 0.46^{***}$. Similarly, table indicates a significant direct relationship between ethical leadership and creativity at $\beta = 0.35^{***}$. Therefore, mediation regression tests could be run, using Baron and Kenny method.

The mediation analysis shows that although the relationship between ethical leadership and employee creativity is significant when trust is incorporated as a mediator, the direct relation between the two shows stronger significance, indicating that trust partially mediates the relationship between ethical leadership and creativity, leading to the acceptance of hypothesis 4.

Table (4) shows the moderated regression analysis tests. The results found indicate that creative self efficacy does not moderate the relationship between trust and creativity, as the $\beta$ value is not significant at 0.02.

**DISCUSSION AND CONCLUSION**

This study was meant to investigate the positive relationship between ethical leadership and employee creativity with the mediating mechanism of trust in leadership through which ethical leadership influences the employee creativity. The combined effect of creative self efficacy and trust in leadership on employee creativity was also proposed. It was found through empirical evidence that ethical leadership has positive effect on employee creativity which is aligned with previous study (Chen, & Hou, 2016). When subordinates perceived exceptional ethical behavior among their leaders, their creativity was enhanced through social learning (Chen, & Hou, 2016). The trust in leadership mediates the relationship between ethical leadership and employee creativity. According to Brown et al. (2005), ethical leadership is positively related to affective trust in the leader.

Contrary to our prediction, creative self efficacy does not moderate the relationship between trust in leadership and employee creativity. This might be due to high power distance in Pakistan (Hofstede, 1984). In high power distance culture, individuals believe that their creative ideas will not be accepted, which ultimately leads to low intrinsic motivation. Creative self-efficacy reflects knowledge and skills as well as intrinsic motivation to be creative (Gong et al., 2009), which is low in Pakistan. Employee intrinsic motivation is also focused on motivation based on interest and enjoyment (Shin & Zhou, 2003). Moreover, individual

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### TABLE 2
Regressions Analysis

<table>
<thead>
<tr>
<th>Predicator</th>
<th>Trust in leadership</th>
<th></th>
<th></th>
<th>Employee Creativity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$R^2$</td>
<td>$\Delta R^2$</td>
<td>$\beta$</td>
<td>$R^2$</td>
<td>$\Delta R^2$</td>
</tr>
<tr>
<td>Step 1</td>
<td></td>
<td></td>
<td></td>
<td>Step 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control Variables</td>
<td></td>
<td>0.05</td>
<td></td>
<td>Ethical leadership</td>
<td>0.46***</td>
<td>0.42</td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
<td>Trust in leadership</td>
<td>0.54***</td>
<td>0.46</td>
</tr>
</tbody>
</table>

* $**P<.05$, ***$P<.001$*

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### TABLE 3
Mediated Regression Analysis

<table>
<thead>
<tr>
<th>Predicator</th>
<th>Employee Creativity</th>
<th>$\beta$</th>
<th>$R^2$</th>
<th>$\Delta R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Control Variables</td>
<td>0.018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td>Ethical leadership (without controlling mediator)</td>
<td>0.35***</td>
<td>0.46</td>
<td>0.43</td>
</tr>
<tr>
<td>Step 3</td>
<td>Ethical leadership (with controlling mediator)</td>
<td>0.17**</td>
<td>0.55</td>
<td>0.52</td>
</tr>
</tbody>
</table>

* $**P<.05$, ***$P<.001$*

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### TABLE 4
Moderated Regression Analysis

<table>
<thead>
<tr>
<th>Predicator</th>
<th>Employee Creativity</th>
<th>$\beta$</th>
<th>$R^2$</th>
<th>$\Delta R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Control Variables</td>
<td>0.24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td>Creative Self efficacy</td>
<td>0.20***</td>
<td>0.57</td>
<td>0.55</td>
</tr>
<tr>
<td>Step 3</td>
<td>Trust in leadership x Creative Self efficacy</td>
<td>0.02</td>
<td>0.58</td>
<td>0.55</td>
</tr>
</tbody>
</table>

* $**P<.05$, ***$P<.001$*
from a tight culture might also experience low creative self-efficacy — the confidence that one has the skill to generate creative outcomes (Tierney & Farmer, 2002). The other reason is the collectivistic culture prevailing in Pakistan. In collectivistic cultures the evaluation by in-group members must be the most essential origin of efficacy information (Oettingen, 1995). Due to above mentioned reasons creative self efficacy neither strengthen nor weaken the relationship between trust in leadership and employee creativity.

This study empirically establishes that ethical leadership increases the employee creativity through mediating mechanism of trust in leadership. This study identified an important mediating mechanism which was previously not examined. The current examination answers that how ethical leadership causes trust in leadership which leads to enhanced employee creativity. It also examined that creative self efficacy does not moderate the relationship between trust in leadership and employee creativity.

**Implications**

The study has certain implications, theoretically as well as practically. It not only enriches the existing literature of leadership by providing empirical proves, the research can be useful practically, within organizations in understanding the role the leadership play in employee creativity, through focusing on building the trust in leadership, in order to enhance the employee performance, and ultimately organizational performance.

**Recommendations**

The current study has identified very important mediating mechanism i.e. trust in leadership between the association of ethical leadership and employee creativity. Yet further empirical research is required to identify more mediating variables between ethical leadership and employee creativity. The focus of the study was three Pakistani organizations that is a collectivist society with greater power distance. The scope of the investigation should be extended to other manufacturing industries for generalization of the findings. Moreover cross cultural analysis to the individualist societies would also increase the generalization of the results.

**Limitations**

The current study offered some useful theoretical as well as practical implications but isn’t without some limitations also which can be addressed in future empirical research. Small sample size can be one of the biggest hurdles in the way of the generalization of the empirical proven findings of the current study. Data were not collected in time lags, due to time constraints. Collecting data in time lags, may help get clearer picture. Similarly, results are based on data collected from the Rawalpindi Islamabad region, which again hampers the generalization of the study results.

**REFERENCES**


