Ethical Leadership, Cooperative Conflict: Trust Development

Wiwin Fenendi [a], Adi Rahmat [a,*], Helwen Heri [a],

[a] Magister of Management, Postgraduate Program, Universitas Lancang Kuning, Indonesia.

ABSTRACT

This study aims to determine how much influence ethical leadership, cooperative conflict, and the development of trust as mediation. This study uses a quantitative descriptive approach to measure the influence of ethical leadership, cooperative conflict, and the development of trust as mediation in the Meranti Islands Regency DPRD Secretariat. Data analysis that researchers use is a quantitative descriptive method. Meanwhile, to determine the effect of the ethical leadership, cooperative conflict, and the development of trust as mediation using the SEMPLS 6.0 application. From the results of testing the hypothesis, it can be concluded that the ethical leadership has a significant positive effect on cooperative conflict, the ethical leadership has a significant positive effect on development of trust, cooperative conflict has a significant positive effect on development of trust, and development of trust is proven to be a mediating variable between ethical leadership and i cooperative conflict. This is evidenced by a significant value (p-value) of less than 5%.

Introduction

The success or success of an organization's performance is determined by its human resources, leaders and subordinates so that understanding and ability to operate performance management is a necessity. More intensive and optimal performance is needed from each part of the organization for the sake of optimizing the tasks it carries out and the level of achievement of the results will be seen so that it will be known how far the tasks that have been borne through the tasks and authority given can be carried out in a real and maximal way (Fariz Handika Son, 2018).

According to Yukl in Jajuk Herawati and Prayekti (2015) Leadership is individual behavior that directs group activities to achieve common goals. Leadership is also the provision of additional influence that exceeds and is above the mechanical needs in directing the organization on a regular basis. An effective organization cannot be separated from the role of the leader, so the organization needs to formulate a leadership style that is able to overcome every dynamic of the organization. According to Bass and Reggio, leaders who are able to stimulate and inspire followers to achieve extraordinary results and are able to develop leadership capacity are transformational leadership styles.

One of the leaderships that is often applied is ethical leadership. Leaders play an important role in influencing the attitudes and behavior of employees to ensure organizational goals can be

* **CORRESPONDING AUTHOR.** Email: adirahmat@unilak.ac.id

achieved (Mendonca, 2001). Ethics is very important for all human relations including the relationship between leaders and subordinates (Ciulla, 2014; Yadi et al., 2022; Rizal et al., 2022)). Ethical behavior of leaders is necessary to build an ethical organization and is seen as a necessary characteristic of an effective leader (Aronson, 2001; Rahmat, 2022). Ethical behavior by leaders can increase effectiveness. The role of ethical leaders is very important only in certain contexts, as pointed out by Brown and Trevino (2006).

Barbara D. Kibbe et al. said, an organization is said to be effective if the organization is able to achieve its goals in a measurable manner through a combination of management, strong governance, and rededication. Chris Argyris and Donald A. Schon said that organizational effectiveness can be measured by achieving the goals and norms adopted by the organization. While Daft looks at organizational effectiveness from the ability of the organization to realize the effectiveness of organizational goals, evaluating the extent to which official or operational goals have been achieved. Experts in setting effectiveness criteria are very diverse, Robbins said there are four approaches in setting effectiveness criteria, namely; the goal-attainment approach, the system approach (approach system), the strategic constituency approach, and the competing value approach.

Thus, the author aims to examine the effect of ethical leadership on cooperative conflict and the development of trust as mediation in the Secretariat of the DPRD Meranti Islands Regency. The expected benefits of this research are being able to provide additional information, references and enrich scientific knowledge for academics, government officials, employees, and further researchers who are interested in deepening and developing this research for the better.

Leaders and employees need to recognize multiple pressures and reconcile potentially contradictory demands before they can make good ethical decisions (Kohlberg, 1981). They had to settle practical considerations as well. Sometimes employees have to invent new ways of acting that suit their situation and can generate moral behavior for the people involved in this situation (Trevino, 1986). Moral action is not just following the rules and decisions of ethical leaders. Employees and team members must find ways to act ethically that are effective and appropriate for themselves and their leaders and teams.

Work conflicts within an organization also often occur. Conflicts usually occur if related work is not done properly. The number of unfavourable relationships between co-workers can also make workers feel disturbed and pressured. Misunderstandings between superiors and subordinates that make subordinates always feel oppressed and in an uncomfortable zone when doing work. According to Husien (2010: 39) states that: "Conflict is a dispute or struggle between two parties which is characterized by openly showing hostility and/or deliberately interfering with the achievement of the goals of the opposing party."

There are many theories that explain conflict management. Conflict can be defined as a "struggle expressed between at least two interdependent parties, who perceive goals that are not commensurate, rewards are scarce, and interference from other parties in achieving their

goals". (Wayne Face and Don F Faules, 2013: 369) In organizational life, opinions about conflict can be seen from 3 points of view, namely: first, the traditional view argues that conflict is something that is undesirable and dangerous for organizational life. Second, the behavioral view argues that conflict is an event or event that usually occurs in organizational life, which can be beneficial (functional conflict) and can also be detrimental to the organization (dysfunctional conflict). Third, the interaction view argues that conflict is an event that cannot be avoided and is indispensable for organizational leaders (Anwar King, 2017:155).

The leader and followers must then manage their conflict cooperatively. They can discuss their ideas and resolutions openly. They offer their ideas, challenge each other's positions and work to find integrative resolutions that take the best ideas from both followers and leaders. They test their ideas and try to find a resolution that is ethical but also practical and appropriate to the situation. They avoid competitive conflicts where they seek to dominate their position and want to win conflicts by accepting their ideas and having their interests promoted at the expense of others. Typically, competitive conflict results in unilateral decisions being forced on the less powerful (Tjosvold et al., 2014a). By expanding the relationship between ethical leaders and conflict management, we gain a better understanding of how ethical leaders can develop employees' trust in and their commitment to work.

Conflict can undermine a belief and also develop it (De Dreu, 2008; Tjosvold, 2008). Conflict exposes interpersonal and task difficulties and can develop motivation and become a means by which these difficulties are encountered and resolved (De Dreu and Van de Vliert, 1997). Evidence shows that managing conflict even about relational issues can also strengthen relationship bonds (Tjosvold, 2002). Studies also show that open discussion of conflict in such a way as to voice minority views and diverse perspectives, enhances team decision making (Peterson and Nemeth, 1996). Skillful conflict discussion can stimulate creative and motivated work that accomplishes common tasks and strengthens interpersonal relationships and teamwork (Tjosvold, 1998). This study proposes that the way group members manage their conflict critically influences the degree to which teams develop trust and commitment to work together.

According to Dirks and Ferrin (2002), trust in leaders is significantly associated with various attitudes, behaviors, and performance outcomes. For work behavior and results, trust is related to all forms of organizational citizenship behavior (OCB), such as altruism, civic virtue, awareness, politeness, and sportsmanship (Bligh, 2017). Belief in leadership behavior also significantly influences employee job satisfaction and organizational commitment and is positively related to employee motivation in organizations (Yukl, 2013; Northouse, 2016; Rahmat et al., 2017).

In this study, we want to reveal the importance of the variable trust as a basis for cognitive and affective processes involving the relationship between ethical leadership and work conflict. This is because trust is a relationship concept that always arises between people, in

organizations, both leaders and subordinates play an important role in creating, maintaining, destroying and rebuilding relationships based on trust.

Theoretical support

Exchange Theory

The exchange theory developed by George C. Homans is a reaction to the social fact paradigm that was mainly put forward by Durkheim. Homans said that the process of social interaction can bring up a new phenomenon as a result of this interaction. Even though he recognizes the process of interaction, he also questions how to explain the phenomena that arise from the process of interaction.

George Homans' exchange theory was also influenced by economic views such as Adam Smith and Ricardo which can be traced to the philosophical thoughts of John Stuart Mill. Adam Smith, for example, once put forward the idea of giving and receiving between nations in his work, An Inquiry into the Nature and Cause of the Wealth of Nations. In the mid-18th century, social thinkers were seriously trying to find out how to account for the social order around them. Based on their ideas, the assumptions underlying social behavior were developed:

1. Humans basically do not seek maximum profit, but they always want to benefit from the interactions they have with other humans.
2. Humans do not act fully rationally, but in every relationship with other humans they always think profit and loss.
3. Humans do not have all-encompassing information as a basis for developing alternatives, but they do have at least limited information that can develop alternatives to calculate the pros and cons.
4. Humans are always in limitations, but they still compete to gain profits in transactions with other humans.
5. Although humans always try to benefit from the results of interactions with other humans, they are limited by the available resources.
6. Humans try to obtain results in material form, but they will also involve and produce something non-material in nature, such as emotions, likes, and sentiments (Muhammad Basrowi and Soenyono in Wardani 2016)

Ethical Leadership

Most of the definitions of leadership reflect the assumption that leadership is related to the intentional process of a person to emphasize his strong influence on others to guide, structure, facilitate activities and relationships within groups or organizations (Yukl, 2001: 3). Leadership is the ability to influence a group towards achieving a vision or a set goal (Robbin and Judge, 2008:249). Then Wilson Bangun (2012: 339) states that leadership is the process of influencing other people in an organization so that they can carry out their duties properly in achieving their goals. House et. Al in Yukl (2001) leadership is the ability of individuals to influence,

motivate, and enable others to contribute to the effectiveness and success of the organization. Rauch & Behling in Yukl (2001).

Leadership has a major and strategic impact on the survival of the organization, as well as the activities of the subordinates it leads. Because it has such a large and strategic impact, thoughts about the ethical aspects of leadership are born. The ethical aspect of leadership is not concerned with "whether the leader will use his power", but focuses on "whether the leader will use his power wisely and ethically" (Yukl. 2005). According to Kouzes and Posner (1993 in Yukl, 2005) the concept or thought of ethical leadership arises due to the decreased trust of employees in leaders both in business organizations and political organizations.

Cooperative Conflict

Work conflicts within the organization also often occur. Conflicts usually occur if related work is not done properly. Many bad relationships between co-workers can also make workers feel pressured. Misunderstandings between superiors and subordinates that make subordinates always feel oppressed and in an uncomfortable zone. According to Husien (2010: 39) states that: Conflict is as a dispute or struggle between two parties which is characterized by openly showing hostility and/or deliberately interfering with the achievement of the goals of the opposing party.

Conflict is a process that begins when one party has the perception that another party has negatively affected, or will negatively affect, something that is of concern and interest to the first party (Robbin & Judge, 2008:173). Then H. Melayu S.P Hasibuan in Eko Yuliawan (2011) states that conflict is unhealthy competition based on ambition and emotional attitude in gaining victory. In addition, Rivai in Eko Yuliawan (2011) states that conflict is a discrepancy between two or more members or because a group within an organization divides limited resources or work activities and or because of the fact that they have different statuses, goals, values, or perception. Cooperative and competitive conflict management Ethical leaders recognize the importance of employee voice and participation (Lam et al., 2016); they involve employees in decision making and conflict resolution (Brown et al., 2005).

Trust Development

Rousseau et al. in Dyah Ayu Puri (2011) revealed that trust is a psychological state consisting of the intention to receive awards based on positive expectations of other intentions or behaviors. Trust is also closely related to one's motivation towards leaders and perceptions of the quality of the relationship between leaders and followers (De Cremer and van Knippenberg, in Djibran 2019).

Leaders need to be trusted by their followers because trust is the mortar that binds subordinates to their leaders. Trust in leaders has a positive correlation with various outcomes such as organizational membership behavior, performance and satisfaction. It is revealed that trust is an important determinant of satisfaction with leaders because it comes from affective states (eg admiration for leaders) and cognitive states (eg leaders have self-confidence). high because of their abilities or attributes) does not come from behavior observed by leaders (Conger et al in Untung Sriwidodo, 2007).

Trust can be interpreted as a desire to depend on other parties and the hope that other parties will reciprocate if the party cooperates. Viewed competence or competence is important for trust in the relationship between leaders and subordinates in organizations because subordinates are unlikely to build trust in their leaders unless they believe that leaders are capable of fulfilling their leadership roles.
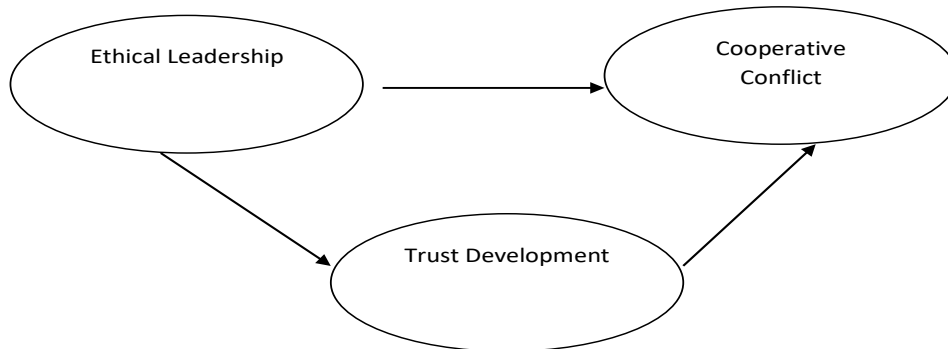
Research Framework

Figure 1. Research Framework.

Research Method

Quantitative Method

This research approach uses quantitative methods. In this quantitative research, the researcher formulates a new problem by identifying it through a hypothesis, namely a temporary answer to the research problem formulation. According to Sugiyono (2014) quantitative research methods are research methods used to examine certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/statistical in nature with the aim of testing hypotheses that have been set.
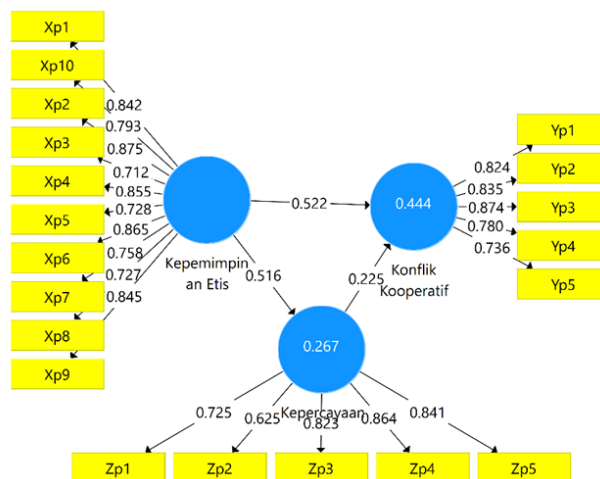
Results

Analisis SEM-PLS

Figure 2. Path Chart.

Significance Test Results

Table 1. Significance Test Results

Hypothesis	T Statistics (|O/STDEV|)	P Values	Note:
Ethical Leadership > Trust Development	7,519	0,000	Received
Ethical Leadership > Cooperative conflict	6,898	0,000	Received
Trust Development > Cooperative conflict	2,815	0,005	Received

Notes. Data Olahan, 2023

The table shows that the first hypothesis (H1) predicts that ethical leadership has a positive effect on cooperative conflict. The results in table 4.19 show that this hypothesis is supported statistically (Tstatistic 6.898, and Pvalue 0.000 > 5%).

The second hypothesis (H2) predicts that ethical leadership has a positive effect on the development of trust. The results in table 4.19 show that this hypothesis is supported statistically (Tstatistic 7.519, and Pvalue 0.000 > 5%. The table shows that the variable ethical leadership positively causes the development of trust.

The third hypothesis (H3) predicts that cooperative conflict has a positive effect on the development of trust. The results in table 4.19 show that this hypothesis is supported statistically (Tstatistic 2.815, and Pvalue 0.005 > 5%). The table shows that the cooperative conflict variable positively influences the trust development variable.

Discussions

Effect of ethical leadership on cooperative conflict

Based on the results of this study, it shows that ethical leadership has a positive and significant effect on cooperative conflict in the Secretariat of the DPRD Meranti Islands Regency. statistically (Tstatistic 6.898, and Pvalue 0.000 > 5%). This value indicates that ethical leadership has a positive and significant effect on cooperative conflict.

In line with research by Osni Mustika Weni and Rina Oktaviana (2019) found that ethical leadership has a positive and significant effect on cooperative conflict. The better the ethical leadership, the better the cooperative conflict will be. The more ethical the leadership style of a leader, the better it will be in solving problems. Because, with an ethical leadership style, leaders will care about their employees, such as discussing problems, providing problem solving, giving advice if there are problems, establishing communication with employees, participating in discussing problems. Conversely, the worse the leadership style of a leader, the worse the problem solving will be. For example, leaders are indifferent to problem solving, don't participate in discussions, don't provide solutions to their subordinates if needed, let their employees solve their own problems.

Research by Mayowa T. Babalola et al (2016) also found ethical leadership has a positive and significant effect on cooperative conflict. Ethical leadership is related to increasing employees' feelings of success in dealing with conflict situations. Employees are encouraged to value and

respect the opinions of others, actively listen to the ideas of others, and act in a considerate and appropriate manner. Because ethical leaders actively stimulate employees to engage in valued behavior, employees are reinforced and rewarded for doing so; thus, they maintain the efficacy of employee resolutions.

The Influence of Ethical Leadership on Trust Development

The test results listed in the table above can be seen that the T statistic value of the Based on the results of this study, it shows that ethical leadership has a positive and significant effect on the development of trust in the Secretariat of the DPRD Meranti Islands Regency. statistically (Tstatistic 7.519, and Pvalue 0.000 > 5%). This value indicates that ethical leadership has a positive and significant effect on the development of trust.

In line with the research of Errol E. Joseph and Bruce E. Winston (2005) found that ethical leadership has a positive and significant effect on the development of trust. The better the ethical leadership, the better the development of trust in an organization. Therefore, ethical leadership plays an important role in developing trust in leaders.

In line with that stated by Northouse (2001) Ethical leadership builds trust in organizations by making their positions clearly known, supporting them, and by articulating and consistently implementing certain directions. Because ethical leadership has strong ties to integrity, it's worth looking at the relationship between servant leadership and trust.

The research results of Gem Gucel et al (2012) found that ethical leadership has a positive and significant effect on the development of trust. The development of this belief can be in the form of cognitive trust or emotional trust.

Effect of cooperative conflict on the development of trust

Based on the results of this study, it shows that cooperative conflict has a positive and significant effect on the development of trust in the Secretariat of the DPRD Meranti Islands Regency. statistically (Tstatistic 2.815, and Pvalue 0.005 > 5%). This value indicates that cooperative conflict has a positive and significant effect on the development of trust.

The results of research by Alfred Wong et al (2020) found that cooperative conflict positively and significantly affects the development of trust. The greater the conflict between ethical leaders and employees, the stronger the relationship of mutual trust will be. Conflict uncovers interpersonal and task difficulties and can develop motivation and become a means of confronting and solving difficulties.

In line with what was stated by Tjosvold et al (2014) in managing conflict cooperatively, people communicate that they believe that their goals go together so that when one person moves towards achieving goals, other people move towards achieving their goals. They understand that achieving other people's goals helps them; they can be successful together. They communicate that they want to manage the conflict to resolve it in a mutually beneficial way that promotes each person's goals. They argue that conflict is a shared problem that must be resolved strengthens their understanding of being in this conflict together.

Amanuel et al (2009) said how to resolve the conflict can form a level of team cohesiveness. In the stage model, once teams are formed, they pass through a counter-dependency and fighting stage in which team members seek to clarify their roles and assert their independence from the team leader. In the process, they form coalitions with other members who share the same values and ideas; This coalition, in turn, may disagree about the direction of the group. In later development stages this conflict resolution results in higher levels of cohesion, team member satisfaction, and internal team trust. From there, the team can move on to the performin stage, where they can function as an effective problem-solving entity.

Conclusion

From the results of the discussion that has been described in previous chapters with the support of existing data, the researcher can draw several conclusions as follows:

1. Ethical leadership influences cooperative conflict. These results interpret that the better or higher the empowering leadership, the better the cooperative conflict.
2. Ethical leadership influences trust. These results interpret that the better or higher the ethical leadership, the higher the trust.
3. Cooperative conflict affects trust. These results interpret that the better the cooperative conflict given, the higher the trust.
4. Trust mediates between ethical leadership and cooperative conflict. These results interpret that the better or higher the ethical leadership, the more cooperative conflict and trust will increase.

Disclosure statement

No potential conflict of interest was reported by the authors.

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