Ethical Leadership and Innovative Work Behavior: The Mediating Role of Individual Attributes

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Abstract: Based on the social exchange theory, the aim of this study is to investigate the direct and indirect influence of ethical leadership on employee innovative work behavior, examining the intervening role of individual variables such as thriving at work and attitudes towards performing well in this relationship. The data was collected using self-reporting survey questionnaires by using a multi-source and cross-sectional study design with service sector employees from two different samples: the U.K. and Pakistan. The findings supported the hypothesized model, where direct and dual mediation were tested. The results extend our understanding as to how positive attitude and psychological states together create positive feelings in employees and enhance their capacity for creative thinking and implementations of new ideas.

Keywords: ethical leadership; thriving at work; attitude towards performing well; employees individual attributes; innovative work behavior

1. Introduction

At the present time, ethical leaders have gained special interest in both academic and business communities configuring an independent and relatively new leadership style [1,2] that promotes support to employees improving their productivity [3]. In contrast, unethical leaders cause their companies incur huge costs not only from a financial perspective but also a social and human perspective [4]. In a highly changing economy based on knowledge, leaders need to be innovative so that their companies acquire sustainable competitive advantages. This leadership should encourage creative and innovative work behavior (IWB) in employees, which has been related to ethical leadership [4–6]. Ethical leadership (EL) is a “demonstration of normatively appropriate conduct through personal actions and interpersonal relationships and the promotion of such conduct to subordinates through two ways of communication, reinforcement and decision making” [7]. Ethical leaders maintain very honest relationships with their employees. As a result, the subordinates idealize their leaders who make ethical decisions and they strive to perform more innovatively for the success of the organization. There is evidence that ethical leadership encourages the job performance of employees and decreases their turnover intention while increasing their job satisfaction and employee work engagement [1,8].

The ever-changing technology puts high demands on firms to adapt, improve, and innovate and therefore to remain competitive [9]. Thus, the ability to innovate and change are important factors for an organization to survive and grow, enhancing a firm’s competitiveness [10]. In this way, innovation encourages new approaches to business and contributes to an organization’s success [11]. Therefore,
innovation is crucial to adapt to changes in the environment. An organization’s innovation usually depends on the IWB of the employees.

Organizations need and aspire to sustain a competitive advantage. For optimal results, firms need to find the most suitable employees for the right job. But to find the suitable person and to unleash his potential to the fullest is a big challenge for organizations. This issue has been solved to some extent by this research. The authors have identified certain personality traits, psychological states, and individual attitudes that have been shown to be associated with thriving of employees in an organization [12] and their IWB [9]. Spreitzer and her colleagues [13] defined thriving at work as an individual’s experience characterized by a psychological state of learning and vitality. According to this author, vitality is a sense of positive energy and the feeling of being alive, and learning refers to a sense that skills and knowledge are being acquired. Thriving individuals enable an organization to compete effectively in the market [14], to achieve a competitive advantage, and to maintain a sustainable performance [15]. The service sector in particular, faces more challenges than the manufacturing sector and due to this, it needs more a thriving work force than other sectors [16,17]. Thriving individuals on their own are sources of competitive advantage by virtue of their inherent capacity to manage stress and depression [18]. A thriving workforce also leads to positive organizational outcomes such as job satisfaction and organizational commitment [19]. Since thriving employees are more energetic and psychologically alert, they are more able to deal with stress at work, keeping themselves healthier and having better performance [20].

Based on the above, we assume that ethical leadership influences IWB. Furthermore, the thriving and attitudes towards performing well may mediate the proposed relationship. Attitudes towards performing well are the employees’ evaluations regarding always meeting all job requirements [21]. Attitudes represent a set of beliefs, evaluated feelings, and behavioral intentions towards an object, in this case towards work [22]. The purpose of this study is to observe whether there is a direct effect of ethical leadership on IWB, and/or if this association is mediated by thriving and the attitude towards performing well.

2. Literature Review and Hypotheses

2.1. Ethical Leadership

An ethical leader behaves as a role model by exhibiting moral and ethical practices, therefore inspiring followers towards positive attitudes and behaviors [23]. This in turn influences the discretionary behaviors which benefit both workers and organizations [24,25]. In order to be a credible role model, ethical leaders build legitimacy [23] and tend to be emulated by their followers. The followers are conscious that they are not judged only by results but also by how they do their work [7]. Ethical leaders encourage employees to own their decisions and think independently [26]. Ethical leaders give meaning to the followers’ role within their organization and help them in making their work more meaningful [27]; they also motivate their followers to be adaptable to changes and to be more innovative at the workplace [28], therefore helping them to perform better [29]. Ethical leadership is thought to enhance employees’ outcomes [30].

Open innovation is the creation of new values [31]. It is stated that external knowledge is very important to optimize in house open innovation [32]. External knowledge is known to be disseminated over several actors and it is often expended from individual actors in organizations [33]. Research on innovation reveals that employees with a range of experience, communication, and relationship skills are engaged to make the innovation process effective [34]. Employees involved in open innovation have to deal with the above-mentioned challenges through creating trust and setting common goals with other stakeholders. On the other hand, the open innovation process starts with a mindset known as the open innovation culture. This type of culture is motivated through openness because people with diverse backgrounds enhance the ability of responding rapidly to changing markets [35]. Regarding innovation in an organization, it is best achieved by leaders when adopting an appropriate style that
allows innovative behaviors [36,37]. Ethical leadership encourages employees to channel their energy and skills into their performance and consequently to be innovative [38]. For the benefit of groups and organizations, ethical leadership puts an emphasis on matters which inspires employees to be innovative in order to achieve collective aims [39]. As employees believe that their leaders are oriented people, they indulge in more creativity [40]. Today’s environment requires heightened performance from employees [41]. Leaders have to keep pace with the demands of change, including creativity and innovation. Innovation is regarded as a core competence [42]. Researchers have found that an ethical leader’s behavior positively impacts the creativity of employees, which leads to IWB [6,43,44].

According to the above, the following hypotheses arise:

**Hypothesis 1 (H1).** Ethical leadership is positively related to innovative work behavior.

**Hypothesis 2 (H2).** Ethical leadership is positively related to thriving at work.

**Hypothesis 3 (H3).** Ethical leadership is positively related to attitude towards performing well.

### 2.2. Thriving at Work as Mediator

According to Spreitzer and her colleagues [13], thriving at work is a psychological state characterized by a sense of learning and vitality simultaneously. Learning refers to gaining knowledge and skills for effectively doing work. Ryan and Frederick [45] state that vitality is an affective experience. It involves enthusiasm and doing things with vigor [46]. Ryan and Deci [47] define it as energy available for oneself to meet basic psychological needs and it is related to creativity [48]. The feeling of vitality is associated with autonomous behaviors and related to improved performance [49]. Thriving involves a deliberate engagement in the process of personal growth. The growing individuals know their potential and consider themselves as better and more beneficial to their organization [50].

Conceptually, thriving is reflected as a feeling of progress and momentum experienced by an individual while at work [48]. Thriving individuals are concerned about their progress [51] and this varies from individual to individual [52]. Scholars identified some facilitators of thriving like offering more decision-making discretion, providing knowledge related to strategies of an organization, decreasing uncivil behavior at work, encouraging diversity, and offering performance feedback [53].

Thriving relates to a variety of organizational issues such as work performance, employees’ IWB, and self-development [54]. When individuals feel that they are thriving, they want to continue with their organization [55,56]. Some studies found that shifting physical and financial resources in favor of intellectual and psychological development for employees encourages thriving at work [57] because employees try to seek opportunities for development and growth in their companies [58]. This trend can be seen from the increasing pervasiveness of the positive psychology framework [59] and the development of positive behavioral sciences [60], whose core term is well-being linked with quality of life in all aspects and where the organizational context is highly relevant [61].

Thriving at work is found to enhance IWB [48,62]. Innovation is the generation of new ideas, practices, processes, and procedures for individuals, groups, and organizations [63]. Thriving facilitates employees to adjust to their jobs and enhance self-growth [54]. Growing and learning individuals at work are able to recognize problems, try new solutions, and create new ideas. The experience of vitality stimulates energy and motivation to indulge in innovative behavior at work. This energy joined to positive emotions motivates employees to go beyond their roles, thinking and performing more creatively [64,65]. Kark and Carmeli [66] found that vitality promotes creativity in the employees. Vitality implies a positive activation, mental energy that increases the cognitive capacity needed to achieve effective and creative outcomes [67].

When individuals are experiencing the state of thriving at work, they usually exhibit more IWB than those who do not feel that they are thriving. There are three reasons that may be put forward to justify the role of thriving in IWB. First, employees are inclined to identify problems and generate ideas to solve them [68]. Second, thriving individuals become more energetic and therefore more inclined
to innovate [48]. Third, thriving individuals generate innovative solutions which can be applied to similar situations [69]. Hence, thriving motivates employees to indulge in IWB.

**Hypothesis 4 (H4).** Thriving at work is positively related to IWB.

**Hypothesis 5 (H5).** Thriving at work mediates positively between EL and IWB.

### 2.3. Attitude towards Performing Well as Mediator

Attitudes are a set of parameters dictating an individual’s behavior pattern [70]. Attitudes are commonly thought of as a brief evaluation of objects along a continuum ranging between negative to positive [71]. Behavioral and social psychologists consider attitudes as a good predictor of behavior [72]. The important parameters in professional life need to be identified to understand an appropriate attitude towards work [73]. Thus, job attitudes are important in achieving organizational outcomes. Social factors and perceived behavioral control are also related to attitudes. Social factors mean the extent to which employees believe that others expect them to behave in a certain way. According to Fishbein and Ajzen [21], attitudes towards performing well are the “employees evaluation regarding always meeting all job requirements”. According to scholars, it is a form of job satisfaction and akin to the construct “work motivation”. Past studies related to work motivation have found that highly motivated employees are better performers [74]. This attitude of performing well is important in shaping and forming behaviors towards others. Attitudes towards performing well are influenced positively by EL and this in turn enhance positive work behaviors in the form of implementing new and creative ideas.

**Hypothesis 6 (H6).** Attitudes towards performing well are positively related to IWB.

**Hypothesis 7 (H7).** Attitudes towards performing well mediate the relationship between EL and IWB.

The proposed model is outlined in Figure 1.

![Figure 1. Theoretical Model.](image)

### 3. Materials and Methods

#### 3.1. Procedure and Sample

To test the studied hypotheses, a cross-sectional survey was conducted through a non-random (convenience) sampling technique. Two different samples were included, one from the United Kingdom (U.K.) and the other from Pakistan, both of them of including employees from service sectors. Since this study is cross-sectional, the data were collected from respondents at one point of time through
The collection of data was done by using two different survey questionnaires. The first questionnaire measured the perceptions about ethical leadership from employees, along with their experience of thriving at work and attitudes towards performing well. The second questionnaire was used to measure the IWB of employees from managers. The questionnaires were distributed personally to individuals who came to their working place within the allowed time. The respondents were asked to complete the questionnaires and place them in a box before leaving. After the completion of the designated time of two weeks, the boxes were sealed and retrieved. During this data collection process, the following procedures were guaranteed: (a) voluntary participation by respondents; (b) data was collected by researchers without involving the top management; and (c) the identity of the respondents remained confidential [75]. Furthermore, the questionnaires were administered in English, given that this language is the main means of communication across different organizations. Furthermore, employees with at least 12 years of education were approached for this study so that they could easily understand the survey questionnaire [55].

In order to generalize our study outcomes, the sample size was selected by following Kline [76], who suggested that approximately 10 respondents against each item in the questionnaire (i.e., the number of items in the questionnaire × 10 respondents from the targeted population) from the target population is an essential condition to infer best possible results about the target population. Our survey instrument consisted of 34 items, so the sample size of 340 participants was quite sufficient to analyze our model as well as to generalize our findings. By keeping in mind the possibilities of missing data and non-respondents, we circulated survey instruments among 400 employees (200 questionnaires in both targeted countries). In response, we received 349 complete and valid questionnaires. So, our overall response rate was 349/400 = 87%.

In this study, the total valid response from the U.K. sample was 161 respondents. Of these responses, 51.6% were male. Most of the respondents (62.1%) were between 20 and 39 years old. The majority of the participants had an education below graduation (72%) whereas 11.8% of the respondents had a master’s degree. Regarding the sample from Pakistan, the total valid response was 188 respondents, most of them male (59.6%) with ages that ranged from 20 to 29 (36.7%) while the age of 33% of the respondents ranged from 30 to 39. The majority of respondents (70.2%) had at least 14 years of education.

### 3.2. Measures

Ethical leadership was assessed using a 15-item scale developed by Yukl et al. [77]. The alpha reliability coefficient was 0.93. This scale was adopted for its established validity and reliability in a number of previous empirical studies, with alpha reliability reaching 0.80 [25]. To assess thriving at work, a 10-item scale developed by Porath et al. [51] was used. The alpha reliability coefficient was 0.83. This scale was adopted for its established validity and reliability in a number of previous empirical studies, with alpha reliability reaching 0.85 [55] and 0.88 [75], respectively. Attitudes towards performing well were assessed using a 3-item scale developed by Groen et al. [74]. The alpha reliability coefficient was 0.75. This scale was adopted for its established psychometric properties. For IWB, a 6-item scale developed by Scott and Bruce [78] was utilized. The alpha reliability coefficient was 0.81. This scale was adopted for its established validity and reliability in a number of previous empirical studies, with alpha reliability reaching 0.74 [62]. All study variables were measured on a five-point Likert type scale ranging from never (1) to always (5).

### 4. Results

#### 4.1. Convergent and Discriminant Validity

To establish construct validity, we carried out a confirmatory factor analysis (CFA) in order to determine instrument validity by using Fornell and Larcker’s [79] validity assessment criterion. We evaluated model fit indices for our measurement model and other alternate models. Firstly,
we examined a full four factor measurement model in which the items were permitted to associate substantially onto their respective factors. Then, we followed up by examining other combinations of our items related to our four study variables in AMOS 24. The results of our hypothesized full measurement model (ethical leadership, attitude towards performing well, thriving, and IWB) represented a reasonably good fit, which can be seen in Table 1 as Chi-square = 853.446, TLI = 0.91, IFI = 0.91, CFI = 0.91, RMSEA = 0.05, SRMR = 0.02. All of these indices fall into the acceptable limits [80].

<table>
<thead>
<tr>
<th>Models</th>
<th>χ²</th>
<th>Df</th>
<th>χ²/df</th>
<th>TLI</th>
<th>IFI</th>
<th>CFI</th>
<th>SRMR</th>
<th>RMSEA</th>
<th>AIC</th>
</tr>
</thead>
<tbody>
<tr>
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<td>853.446</td>
<td>455</td>
<td>1.8</td>
<td>0.91</td>
<td>0.91</td>
<td>0.91</td>
<td>0.02</td>
<td>0.05</td>
<td>999.4</td>
</tr>
<tr>
<td>Model a</td>
<td>2484.2</td>
<td>464</td>
<td>5.3</td>
<td>0.55</td>
<td>0.58</td>
<td>0.58</td>
<td>0.07</td>
<td>0.11</td>
<td>2612.2</td>
</tr>
<tr>
<td>Model b</td>
<td>1928.2</td>
<td>463</td>
<td>4.1</td>
<td>0.67</td>
<td>0.69</td>
<td>0.69</td>
<td>0.06</td>
<td>0.09</td>
<td>2058.2</td>
</tr>
<tr>
<td>Model c</td>
<td>1109.1</td>
<td>461</td>
<td>2.4</td>
<td>0.85</td>
<td>0.86</td>
<td>0.86</td>
<td>0.03</td>
<td>0.06</td>
<td>1243.1</td>
</tr>
</tbody>
</table>

Note: n = 349, All models are compared with the full measurement model.

(a) Model a; All constructs combined into one factor.
(b) Model b; EL and attitudes towards performing well combined into one factor, and thriving and IWB combined into one factor.
(c) Model c; EL one factor, attitude towards performing well and thriving combined into one factor, and IWB as one factor.

χ² = chi-square; df = degrees of freedom; TLI = Tucker-Lewis Index; IFI = Incremental Fit Index; CFI = Comparative Fit Index; RMSEA = Root Mean Square Error of Approximation; SRMR = Standardized Root Mean Square Residual.

The convergent and discriminant validities were estimated to check the validity of the constructs (Table 2). Fornell and Larcker [79] suggest that the calculation of composite reliability (CR) and construct factor loadings needs to be carried out. The convergent validity criterion for acceptance requires that the factor loading values of all the variables must be greater than 0.60 and greater than 0.70 for the CR. The results presented in Table 2 show that the CR of all the variables is greater than 0.70.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Convergent Validity</th>
<th>Discriminant Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CR/Alpha</td>
<td>1</td>
</tr>
<tr>
<td>Innovative Work Behavior</td>
<td>0.85/0.81</td>
<td>0.71</td>
</tr>
<tr>
<td>Ethical Leadership</td>
<td>0.93/0.93</td>
<td>0.17 ***</td>
</tr>
<tr>
<td>Thriving at Work</td>
<td>0.83/0.83</td>
<td>0.24 ***</td>
</tr>
<tr>
<td>Attitude Towards Performing Well</td>
<td>0.74/0.75</td>
<td>0.22 ***</td>
</tr>
</tbody>
</table>

The discriminant validity is obtained by taking the square root of AVE of all the constructs, which must be greater than the correlations of the remaining constructs [79]. The calculated results are provided as the square root of AVE of IWB (0.71), ethical leadership (0.68), thriving (0.63), and attitudes towards performing well (0.70) which indicates discriminant validity.

4.2. Descriptive Statistics and Correlation Analysis

Table 3 shows the correlation coefficients for all the controls and study variables pertaining to both samples. The coefficients are in the expected direction and offer support for all our direct paths of the model, except for the path of ethical leadership and IWB in the U.K. sample. In the U.K. sample, results reveal that ethical leadership is positively and significantly related to thriving at work (r = 0.38, p < 0.01) and attitudes towards performing well (r = 0.44, p < 0.01). Results show that IWB is positively related to thriving at work (r = 0.18, p < 0.05) and attitudes towards performing well (r = 0.17, p < 0.05).
<table>
<thead>
<tr>
<th>Variables</th>
<th>Sample from the U.K.</th>
<th>Sample from Pakistan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td>1. Gender</td>
<td>1.48</td>
<td>0.50</td>
</tr>
<tr>
<td>2. Marital Status</td>
<td>1.83</td>
<td>0.80</td>
</tr>
<tr>
<td>3. Education</td>
<td>14</td>
<td>2.13</td>
</tr>
<tr>
<td>4. Age</td>
<td>34</td>
<td>10.68</td>
</tr>
<tr>
<td>5. Ethical Leadership</td>
<td>4.29</td>
<td>0.49</td>
</tr>
<tr>
<td>6. Attitudes Towards Performing Well</td>
<td>4.46</td>
<td>0.46</td>
</tr>
<tr>
<td>7. Thriving at Work</td>
<td>4.25</td>
<td>0.50</td>
</tr>
<tr>
<td>8. Innovative Work Behavior</td>
<td>3.46</td>
<td>0.73</td>
</tr>
</tbody>
</table>

Note: U.K. Sample: n = 161; Pakistan Sample: n = 188; Cronbach’s alpha values are on the diagonal in parentheses. **, * Significant at the 0.01 and 0.05 levels (2-tailed), respectively.
The correlation coefficients from the Pakistan sample reveal that ethical leadership is significantly related to thriving at work \((r = 0.49, p < 0.01)\), attitudes towards performing well \((r = 0.35, p < 0.01)\), and IWB \((r = 0.26, p < 0.01)\). Results show that attitudes towards performing well are positively related to thriving \((r = 0.25, p < 0.01)\) and IWB \((r = 0.26, p < 0.01)\). Thriving at work is positively related to IWB \((r = 0.25, p < 0.01)\).

4.3. Mediation Analysis

For mediation analysis and hypothesis testing, we utilized a simple mediation test (i.e., Model # 4) prescribed by Hayes in PROCESS macro [81]. This is widely accepted tool to assess the direct effect of a predictor (X) on the criterion variable (Y) through the mediation of intervening variable (M). According to this technique, there are two possible paths in which predictor may affect the criterion variable. In the first path, the predictor is directly linked to the criterion variable \((X \rightarrow Y)\). In the second path, the predictor is indirectly linked to the criterion through a mediator \((X \rightarrow M \rightarrow Y)\). In the current study, we proceeded to estimate the effect size (how much of the effect of X was accounted for by the M on Y) of two mediators (i.e., thriving at work and attitudes towards performing well) and of the complete model (total, direct, and indirect effects).

We analyzed whether the influence of ethical leadership on IWB could be predicted with the thriving at work. The outcomes of Process analysis (Table 4) results for the U.K. sample illustrated that the direct effect of ethical leadership on IWB was insignificant \((\beta = 0.07, t = 0.56, p > 0.1)\), hence leading us to reject H1. The impact of ethical leadership on thriving at work was significant and positive \((\beta = 0.39, t = 5.14, p < 0.01)\), hence supporting H2. In support for H4, thriving showed a significant and positive impact on IWB \((\beta = 0.23, t = 1.87, p < 0.10)\). Furthermore, the output of the mediation supports the indirect impact of ethical leadership on IWB. Moreover, the Sobel [82] test was used to confirm whether a mediating effect is significant or not. The two-tailed significance test confirmed that the indirect effect \((0.09)\) was significant and positive, as Sobel \(z = 1.73, p < 0.10\). The bootstrapping (90% bootstrap confidence interval) also confirmed the Sobel results with a mediating effect value \(0.09\), as it did not contain zero \((0.03, 0.18)\), hence supporting H5.

Moreover, the outcomes from the Pakistan sample illustrated that the direct effect of ethical leadership on innovative work behavior is significant \((\beta = 0.20, t = 2.28, p < 0.5)\), hence supporting H1. The impact of ethical leadership on thriving at work was significant and positive \((\beta = 0.39, t = 7.57, p < 0.01)\), hence supporting H2. As support for H4, thriving showed a significant and positive impact on IWB \((\beta = 0.22, t = 1.98, p < 0.05)\). Furthermore, the outcomes of the mediation support the indirect impact of ethical leadership on IWB. Moreover, the two-tailed significance test confirmed that the indirect effect \((0.08)\) was significant and positive too as Sobel \(z = 1.73, p < 0.10\). The bootstrapping (90% bootstrap confidence interval) also confirmed the Sobel results with a mediating effect value of \(0.08\); since this value did not contain zero \((0.01, 0.16)\), it hence supports H5.

We analyzed whether the effect of ethical leadership on IWB could be explained through an attitude towards performing well. The outcomes of the Process analysis (Table 5) for the U.K. sample demonstrated that the direct effect of ethical leadership on attitude towards performing well was significant and positive \((\beta = 0.42, t = 6.10, p < 0.01)\), hence supporting H3. In support for H4, attitude towards performing well showed a significant and positive impact on IWB \((\beta = 0.23, t = 1.67, p < 0.10)\). Furthermore, the result of the mediation analysis supports the indirect impact of ethical leadership on IWB. Moreover, the Sobel [82] test was used to confirm whether a mediating effect is significant or not. The two-tailed significance test confirmed that the mediating effect \((0.10)\) was significant and positive, as Sobel \(z = 1.60, p < 0.10\). The bootstrapping (90% bootstrap confidence interval) also validates the Sobel results with a mediating effect value of \(0.09\), as it did not contain zero \((0.01, 0.22)\), hence supporting H7.
Table 4. Regression Results for Simple Mediation: Thriving at Work.

<table>
<thead>
<tr>
<th>Paths</th>
<th>U.K. Sample</th>
<th>Pakistan Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE</td>
</tr>
<tr>
<td>Direct and Total Effects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovative work behavior regressed on ethical leadership (total effect)</td>
<td>0.16</td>
<td>0.12</td>
</tr>
<tr>
<td>Thriving at work regressed on ethical leadership</td>
<td>0.39</td>
<td>0.08</td>
</tr>
<tr>
<td>Innovative work behavior regressed on thriving at work, controlling for ethical leadership</td>
<td>0.23</td>
<td>0.12</td>
</tr>
<tr>
<td>Innovative work behavior regressed on ethical leadership, controlling for thriving at work</td>
<td>0.07</td>
<td>0.13</td>
</tr>
<tr>
<td>Indirect Effect and Significance using the Normal Distribution</td>
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<tr>
<td>Sobel</td>
<td>Value</td>
<td>SE</td>
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<tr>
<td></td>
<td>0.09</td>
<td>0.05</td>
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<tr>
<td>Bootstrap Results for Indirect Effect</td>
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<td></td>
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<tr>
<td>Effect</td>
<td>M</td>
<td>SE</td>
</tr>
<tr>
<td></td>
<td>0.09</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Note: U.K. Sample: n = 161; Pakistan Sample: n = 188; Bootstrap Sample Size = 1000; β = Unstandardized Regression Coefficient; LL = Lower Limit; CI = Confidence Interval; UL = Upper Limit; SE = Standard Error.

Table 5. Regression Results for Simple Mediation: Attitudes Towards Performing Well.

<table>
<thead>
<tr>
<th>Paths</th>
<th>UK Sample</th>
<th>Pakistan Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
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<tr>
<td>Direct and Total Effects</td>
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<tr>
<td>Innovative work behavior regressed on ethical leadership (total effect)</td>
<td>0.16</td>
<td>0.12</td>
</tr>
<tr>
<td>Attitudes towards performing well regressed on ethical leadership</td>
<td>0.42</td>
<td>0.07</td>
</tr>
<tr>
<td>Innovative work behavior regressed on attitudes towards performing well, controlling for ethical leadership</td>
<td>0.23</td>
<td>0.14</td>
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<td>Innovative work behavior regressed on ethical leadership, controlling for attitudes towards performing well</td>
<td>0.07</td>
<td>0.13</td>
</tr>
<tr>
<td>Indirect Effect and Significance using the Normal Distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sobel</td>
<td>Value</td>
<td>SE</td>
</tr>
<tr>
<td></td>
<td>0.10</td>
<td>0.06</td>
</tr>
<tr>
<td>Bootstrap Results for Indirect Effect</td>
<td></td>
<td></td>
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<tr>
<td>Effect</td>
<td>M</td>
<td>SE</td>
</tr>
<tr>
<td></td>
<td>0.10</td>
<td>0.06</td>
</tr>
</tbody>
</table>

Note: U.K. Sample: n = 161; Pakistan Sample: n = 188; Bootstrap Sample Size = 1000; β = Unstandardized Regression Coefficient; LL = Lower Limit; CI = Confidence Interval; UL = Upper Limit; SE = Standard Error.
Moreover, the outcomes from the Pakistan Sample also demonstrated that the direct effect of ethical leadership on attitudes towards performing well was significant and positive ($\beta = 0.36$, $t = 5.10$, $p < 0.000$), hence supporting H3. In support for H6, attitudes towards performing well showed a significant and positive effect on IWB ($\beta = 0.21$, $t = 2.61$, $p < 0.10$). Furthermore, the results of the mediation support the mediating effect of ethical leadership on IWB. Furthermore, the two-tailed significance test confirmed that the mediating effect (0.07) was significant and positive as Sobel $z = 1.60$, $p < 0.10$. The bootstrapping (90% bootstrap confidence interval) also validated the Sobel results with a mediating effect value of 0.07, as it did not contain zero (0.03, 0.13), hence, supporting H7.

5. Discussion

This study was conducted to ascertain the influence of EL on thriving and attitudes towards performing well. Past studies have found that EL influences IWB. Zhu et al. [38] said that EL encourages followers to channel their energies and skills, which consequently lead to IWB. The ethical behavior of leaders positively impacts the creativity of employees [43,44] which leads to IWB. The result from the sample of Pakistan is consistent with the past studies that state that ethical leaders play a significant role in transforming the behavior of subordinates by exhibiting the innovative behavior at the workplace, whereas the U.K. sample shows a comparatively insignificant result in terms of the association between EL and IWB. This may be due to the multi-ethnicity in the U.K. The work environment may also be an important factor. The employees from different European and Asian countries with different cultural backgrounds and different approaches to social and ethical behavior assessed ethical leaders from their own perspectives.

Our study shows that ethical leadership is positively linked to thriving at work. The finding is consistent with the study of Porath et al. [51], which shows that the effectiveness of leaders plays a crucial role in transforming the psychological state of employees, i.e., thriving at work. The ethical behavior of leaders creates a positive environment at work that leads individuals to experience the sense of learning and vitality.

Thriving is positively linked to IWB. The finding is consistent with past studies on thriving at work [14,48,54,62]. When individuals are continuously learning at the workplace, they implement new and creative ideas for innovative purposes. Furthermore, when employees feel energetic, they indulge themselves more in trying new things when doing work [66].

The study results are also consistent with the past empirical studies related to the mediating mechanism of thriving [62]. Thriving is a self-regulatory process which leads to improved attitudes and the behavior of employees. Thriving individuals feel a sense of forward momentum for finding new ways to problems and for doing things at the workplace which result in IWB.

Our results are aligned with the argument that EL positively influences attitudes and behaviors [83]. The traits of ethical leadership such as fairness, integrity, and ethical guidance create a positive feeling among employees and they reciprocate through positive behavioral outcomes [84].

The results of the study are also consistent with past studies [21] that attitude towards performing well positively influence employee’s behavior at work in the form of better performer [74,85]. Attitudes are a set of parameters dictating an individual’s behavior patterns [70]. Employees with a strong positive attitude towards their work are better performers because it is form of job satisfaction [21], hence they display more IWB at work.

5.1. Theoretical Contributions

This study strengthens our understanding that EL not only influences attitudes and behaviors positively, but also the psychological state (i.e., thriving) of employees. This study is perhaps the first effort searching for direct or indirect effects of EL on thriving at work and attitudes towards performing well and their link to IWB both in Pakistan and U.K. work environments. Past research highlighted the influence of employees’ motivation and their attitudes on IWB [86,87]. It was stated that the theories proposed and tested in western culture need to be retested in another different cultural
setting, and also for cross-comparison among different cultures to occur to have a better insight of the phenomena. Therefore, we tested our theorized model involving respondents from diverse service sectors both in Pakistan and the U.K. in a cross-cultural setting. This has given us the advantage of a diverse demography, which enriches our findings and analysis.

5.2. Practical Implications

An ethical leader should be seen as an “attractive, credible and legitimate role model who engages in normatively appropriate behavior and who can convey an ethical message”. For this, organizations need to take concrete steps to promote EL and encourage ethical behavior among employees through an ethical climate. A leader should give a very clear moral vision to employees so that their inspiration behaves in a moral and ethical manner. The ethical values of managers and behaviors impact on an organizational climate. This perception of ethical leadership and ethical culture is highly important for organizations, as unethical practices may harm an organization via negative attitudes and behaviors. The ethical approach adopted by ethical leaders would positively influence behavioral outcomes, but managers need to be cautious in pushing too much ethical conviction to employees so that it does not threaten their personal ethical standards, which may create resistance at the workplace. This study can also be a useful guide for leadership development programs, workshops, and interventions. The role modeling by EL and pairing of junior leaders with seniors could be beneficial in developing ethical leaders.

5.3. Strengths, Limitations and Future Directions

This study has strengths that support the confidence of our findings. Firstly, the significant strength of our study is the gathering of data from two different cultures, Pakistan and the U.K., from their respective service sectors. This has enriched our data and helped us to compare the findings at the cross-cultural level. Secondly, as reported by Podsakoff et al. [88], the relationship may be affected by a common method bias (same source bias or self-report measure). To reduce the potential effects of common method bias, our study is based on data from multi-source with a gap of one month. We collected data related to ethical leadership, thriving at work, and attitudes towards performing well from the employees. The responses regarding the IWB of employees were collected from the leaders. Thirdly, we applied the Hayes’ PROCESS macro based on 1000 bootstrap samples to test mediation of attitudes towards performing well and thriving at work, and we found strong support for our hypothesized model.

We have highlighted several positive aspects of our study. However, our study has certain limitations. Firstly, this study has used the cross-sectional method to collect data, which limits the chances among study variables. Future studies may adopt a longitudinal study design to examine the causation among study variables. The data was collected from different cultural settings through convenience sampling techniques. The findings are not generalizable to other groups of employees in other cultures. Further research must be cognizant of this limitation when applying the results of this study. We examined the relationship of EL with IWB through the mediating roles of thriving at work and attitudes towards performing well. However, there must be other mediating and moderating variables that should play an important role in explaining the relationship. Secondly, thriving and attitudes may frequently fluctuate with time and resources; consequently, their impact on IWB would also change. Therefore, a continuous feedback is necessary to monitor the effectiveness of EL, thriving and attitudes on IWB. Our study is entirely based on individuals. It is suggested that collective thriving and attitudes should be researched through “schema collectivization”. Therefore, future studies must focus on groups and departments [13] and see how the thriving of individual employees leads to the thriving of the whole department or group. The supervisor’s rating for IWB employees may be biased for some employees [89]. Future studies must be cross-verified by other methods such as peer ratings or objective indexes. Future studies may use alternative data sourcing or other objective measures to reduce method bias [90].
6. Conclusions

This study is an attempt to examine how EL influences thriving at work and attitudes towards performing well and the impact of thriving and attitudes towards performing well on IWB. It also attempted to ascertain the effects of the mediating roles of thriving and attitudes towards performing well between EL and IWB. This study was conducted in a cross-cultural setting, i.e., including both Pakistan and the U.K. We found strong support from our hypotheses that EL significantly influences thriving at work and attitudes towards performing well. The results of our study also support the positive mediating roles of thriving and attitudes towards performing well between EL and IWB. However, the association between EL and IWB from the U.K. sample was found to be comparatively insignificant compared to that of Pakistan. The data results from both countries demonstrate very little differences in the relationship among variables in a cross-cultural setting.


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