

“The Influence of Ethical Leadership On Employee’s Work Performance With The Mediating Role Of Psychological Empowerment, A Study Of Telecom Sector Of Pakistan”



By:

Aliya Pervaiz

01-322222-004

MBA 2 YEARS WEEKEND PROGRAM

Supervisor:

TALAT REHMAN

Department of Business Studies

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Majors: HRM

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Names of Student(s):

- Aliya Pervaiz

Enroll #

01-322222-004

Class: MBA 2 Years (Weekend Program)

Approved by:

TALAT REHMAN

Supervisor

Examiner-I

Examiner-II

Dr. Syed Haider Ali Shah

Research Coordinator

Dr. Khalil Ullah Muhammad

Head of Department (Business Studies)

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Abstract

The main purpose of this research is to examine the influence of ethical leadership on employee work performance, with a particular focus on the mediating role of psychological empowerment within the telecom sector of Pakistan. The study aims to discover and analyze the relationships or interactions between these factors, exploring how ethical leadership can enhance employee performance by considering the potential mediating effect of psychological empowerment. The research is concentrated on the Pakistani telecommunications industry, providing insights and conclusions tailored to this specific sector in this unique context.

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Chapter 1

Introduction

1.1 Background of the Study

According to Brown et al. (2005), ethical leadership is defined by demonstrating **exemplary** behavior in both personal interactions and professional actions. By providing clear guidance, providing positive reinforcement, and making moral decisions, ethical leaders actively encourage moral behaviour (p. 120). They embody strong moral character and act as ethical stewards within their organizations. This includes making fair choices, setting ethical expectations, and demonstrating genuine care for their employees. Ethical leaders are not only honest and trustworthy but also committed to ethical principles in all aspects of their lives. This concept stands out from other leadership styles and helps explain variations in employee behavior and attitudes (Ng and Feldman, 2015).

Ethical leadership prioritizes **inclusivity** and respect for all members of the organization. Ethical leaders cultivate an environment where everyone feels valued and motivated to contribute. They actively seek and acknowledge the perspectives of their subordinates. This inclusive approach leverages the unique skills and abilities of each team member, fostering diversity and leading to increased innovation and performance. Scholars consider ethical leadership one of the most effective styles, yielding significant benefits for organizations. By promoting inclusivity and ethical conduct, leaders create a culture of trust, cooperation, and fairness, allowing teams to reach their full potential while adhering to strong moral principles.

Employee empowerment, a concept that has gained significant traction in recent decades, focuses on recognizing and enabling employees rather than simply assigning tasks (Spreitzer, 1996; Chen and Chen, 2008). Psychological empowerment is a multi-faceted experience encompassing a sense of meaning, autonomy, competence, and influence within the workplace. Research suggests that psychological empowerment and worker performance are positively correlated.

Based on the ideas of psychological capital (Luthans et al., 2007) and psychological empowerment (Spreitzer, 1995), this study suggests that when employees feel empowered and have higher psychological capital, they will perform better at work and perceive themselves as successful. Additionally, when employees' values align with those of the organization, they experience a stronger sense of connection and purpose, serving as a powerful workplace motivator (Cha et al., 2020; Enwereuzor et al., 2020).

In today's complex and competitive work environment, characterized by constant change and the need for innovation, individuals must be psychologically prepared and motivated to tackle challenges

effectively (Chen et al., 2018; Parent-Rochelleau et al., 2020; Messabia et al., 2022). This psychological readiness, or **empowerment**, allows them to find satisfaction in their roles and feel a sense of belonging within the organization.

1.2 Problem Statement

Although a great deal of study has been done on the impact of moral leadership on employee outcomes, the precise mechanisms underlying this effect are still unknown, particularly with regard to Pakistan's telecom industry. Previous research has investigated the relationship between ethical leadership and elements such as commitment and job satisfaction, but little is known about the function of psychological empowerment in bridging these ideas. Investigating how psychological empowerment mediates this relationship can shed light on how ethical leadership practices translate into improved employee performance.

Moreover, despite theoretical frameworks suggesting a positive connection between psychological empowerment, ethical leadership, and employee performance, there is a lack of empirical data specifically related to Pakistan's telecom industry. Given the unique cultural and organizational landscape of Pakistan's telecom sector, it's essential to examine whether these established connections hold true in this context.

Thus, the purpose of this research is to close this information gap by examining the role that psychological empowerment plays in mediating the link between moral leadership and worker productivity in Pakistan's telecom sector.

1.3 Research Objectives

The proposed relationship between ethical leadership, work performance and psychological empowerment is shown in the research model of the study. Following are objectives of the study:

1. To find the impact of Integrity on work performance.
2. To find the impact of Accountability on work performance.
3. To find the impact of fair decision making on work performance.
4. To find the mediating role of psychological empowerment in between ethical leadership and work performance.

1.4 Research questions

- 1 What is the impact of Integrity on work performance?
- 2 What is the impact of Accountability on work performance?
- 3 What is the impact of fair decision making work performance?
- 4 What is the mediating role of psychological empowerment in between ethical leadership and work performance?

1.5 Research Significance

This study examines the state of ethical leadership in Pakistan's telecom sector and offers conclusions with significant ramifications for decision-makers, industry executives, and regulators. This report aims to guide strategic initiatives and foster an ethical management culture within the industry by focusing on critical research priorities, funding allocation strategies, the establishment of research partnerships at local and global levels, and supporting leadership and management engagement in additional research endeavours.

The study emphasises how important moral leadership is for worker productivity, especially in the telecom industry. It illustrates how psychological empowerment among staff members is one way that moral leadership techniques improve job happiness. In this field, management fosters a competitive atmosphere that supports innovation and conformity to industry norms. Employee participation policies not only encourage innovation but also protect the industry's good name and reputation. This study aims to shed light on the achievements of Pakistan's telecom industry. By exploring the inner workings of ethical leadership and management practices within the sector, it seeks to pave the way for future improvements.

It highlights how crucial it is to direct policymakers and decision-makers in setting priorities for research projects, encouraging teamwork, and offering rewards for leadership participation in additional research endeavours.

Furthermore, the study intends to show how moral leadership behaviours foster an inventive, competitive, and respectable business environment in addition to improving job happiness. Filling in research voids in the telecom sector can result in higher industry standards, happier workers, and more favourable working conditions.

In the end, it is crucial to conduct a thorough investigation into the connection between moral leadership, worker happiness, and work dynamics in Pakistan's telecom industry. The study's conclusions may lead to beneficial adjustments, encouraging more morally and effectively motivated organisational cultures and practices within the field and maybe spurring comparable developments in other fields and businesses throughout the nation.

1.6 Research Gap

An analysis of the relationship between ethical leadership and employee work performance in Pakistan's telecom industry and the mediating effect of psychological empowerment reveals important research gaps specific to this sector.

First off, a thorough investigation into the cognitive mechanisms and self-efficacy elements that underpin job happiness in the telecom industry is lacking. Comprehending the sophisticated cognitive processes that impact job happiness is crucial in order to formulate focused approaches that improve worker welfare and productivity in this industry.

Furthermore, even though it's often known that moral leadership contributes to increased job satisfaction, it's still unknown just how much of an influence it has in Pakistan's telecom sector. To clarify the nature of this link and its consequences for employee performance and organisational dynamics, empirical research is required.

Furthermore, further research is needed to determine how ethical leadership affects employee engagement, specifically in Pakistan's telecom industry. Productivity and organisational performance depend heavily on employee involvement, but little is known about how ethical leadership practices promote engagement in this particular business.

Moreover, not enough attention has been paid to the role that moral leadership plays in fostering innovation in Pakistan's telecom industry. Organisational leaders who want to stay competitive and keep up with technology breakthroughs can benefit greatly from an understanding of how ethical leadership behaviours contribute to the creation of an innovative environment.

We may make great progress in our understanding of ethical leadership dynamics and how they affect employee work performance in Pakistan's telecom industry through psychological empowerment when we fill up these research gaps with empirical investigations and theoretical investigation. These kinds of studies can provide insights for organisational policies and leadership practices that are meant to maximise worker productivity and promote a moral leadership culture in this sector.

1.7 Scope of the study

In Pakistan's telecom sector, this study investigates the function of psychological empowerment as a mediator in the relationship between moral leadership and worker productivity. It aims to address critical gaps in existing research by providing empirical evidence on how ethical leadership functions in the unique organizational and cultural context of Pakistan's telecom sector. Through the integration of theoretical frameworks from psychological capital, psychological empowerment, and ethical leadership, the study aims to clarify the motivational and cognitive mechanisms that ethical leadership uses to improve job satisfaction, employee engagement, and performance. The study will concentrate on ascertaining the direct influence of moral leadership characteristics, such as responsibility, honesty, and empowerment, on job performance. Additionally, it will investigate the crucial role that psychological empowerment plays as a mediator in this relationship. This method aims to create a more moral, empowered, and effective work environment in the telecom industry by addressing not only the academic foundations of ethical leadership but also practical applications and strategies.

1.8 limitation of the study

This study's breadth and research context are its limitations. The study delves into the relationship between ethical leadership, psychological empowerment, and employee work performance in Pakistan's telecom sector. However, because of the industry's distinct features and cultural milieu, the results may not be broadly applicable. The study only looks at the telecom industry, thus it might miss subtle differences and nuances that apply to other businesses or cultural contexts.

Furthermore, even though the study uses a well-developed theoretical framework, there's a possibility that other factors or variables not considered here might also influence the relationship between ethical leadership, psychological empowerment, and employee work performance. Changes in workforce demographics, leadership philosophies, or organisational structures may bring confounding variables that this study did not completely examine.

Moreover, the research may incorporate biases or restrictions inherent in the sources due to its dependence on pre-existing literature and theoretical frameworks. The choice and interpretation of the literature may have an impact on the study's findings and suggestions, even in the face of efforts to take into account a variety of viewpoints and theories.

Despite the fact that this study offers insightful information about the dynamics of moral leadership, psychological empowerment, and productivity in Pakistan's telecom industry, it is critical to acknowledge the aforementioned limitations. Future research initiatives should employ a range of methodologies, expand their scope to encompass diverse industries or cultural contexts, and incorporate experimental or longitudinal designs to more conclusively demonstrate causal relationships in order to overcome these limitations.

Chapter 2

Literature review

2.1 Ethical leadership

Leaders who exhibit appropriate behaviour in their activities and interactions with others on a regular basis are considered to be practicing ethical leadership. They actively promote ethical conduct among their followers through clear communication, reinforcement, and ethical decision-making (Brown et al., 2005). This leadership style emphasizes creating a positive work environment that fosters desired attitudes and behaviors in employees.

Ethical leadership can be understood as having two key aspects (Brown et al., 2005). The first involves the leader being a person of strong moral character, exemplified by traits like honesty, integrity, trustworthiness, fairness, and a sense of justice. The second characteristic is being a moral leader, an ethical figurehead whose actions influence followers' attitudes (Michael and Trevino, 2006).

Ethical leadership emphasizes awareness of and responsiveness to the needs of followers (Spears, 2018). Unlike authoritarian leaders who guide followers according to their own wishes, ethical leaders are motivated to serve their followers. Ethical leaders selflessly promote the growth and well-being of employees (Barbuto & Wheeler, 2016). They encourage employees to assist others and share their skills, thereby enhancing organizational success. Ethical leaders also foster individual and organizational improvement through capability, enthusiasm, and education. As role models, they provide guidance and resources such as advice, feedback, and suggestions (Liden et al., 2018). This support helps employees feel accountable and progressively improves their work performance.

In Pakistan, the impact of ethical leadership on employee performance is increasingly acknowledged as a vital component of effective organizational operations. Ethical leaders in Pakistan are seen as vital drivers for enhancing employee performance through frameworks based on trust, motivation, and ethical norms. These leaders adhere to principles of social exchange and transformational leadership (Hassan et al., 2020). They actively cultivate a culture of justice and moral behavior, leading to an environment where employees are more engaged, committed, and productive (Malik et al., 2019). Additionally, research by Jamal et al. (2018) indicates that ethical leadership improves job satisfaction and reduces workplace stress, both of which are significant factors in employee performance in Pakistan. In the country's evolving market, the dual role of ethical leadership is essential for maximizing employee potential and achieving superior organizational performance and competitive advantage.

2.1.1 The impact of integrity

Integrity, the cornerstone of honesty, sincerity, and strong moral character (Trevino and Weaver, 1992), is paramount for leaders. To build trust with followers, leaders must ensure their actions consistently reflect their values (Brown et al., 2005). This consistency fosters trust, a vital ingredient for encouraging positive employee behavior (Eisenbeiss et al., 2017).

Leaders are often seen as the champions of ethical conduct within organizations (Yukl, 2022). How well a leader's actions align with their professed values significantly impacts both individual and organizational behavior. This alignment can lead to increased efforts beyond core job duties, greater self-confidence, and improved job success (Wang et al., 2015; Ng et al., 2010). When leaders act with integrity, they promote trust and ethical behavior within their teams (Avolio et al., 1999; Mayer et al., 1995). Additionally, employees who share the organization's values often feel a stronger connection and motivation, which can be a significant source of inspiration (Shamir, 2005; Judge et al., 2004).

Ethical leaders are seen as honest, trustworthy, fair, and principled individuals who care about their colleagues and the community (George, 2003). They not only advocate for ethical standards but also embody them in their actions (De Cremer et al., 2003; Wang et al., 2015). Their integrity can influence the ethical behavior of their followers and significantly impact the organization's financial performance and overall success (Hinkin et al., 1999; Zhu et al., 2005).

Ethical leadership thrives on open communication and trust, which reduces barriers and encourages knowledge sharing among employees. This dynamic contributes to higher job satisfaction (Gilmore et al., 2018; Schaubroeck et al., 2014). Leaders with integrity recognize the potential and strengths of their followers, strengthening the bond between them. This positive relationship motivates employees, leading to a supportive work environment. As a result, employees are more likely to embrace challenges and develop innovative solutions, ultimately enhancing overall work performance.

2.1.2 The impact of accountability

Accountability refers to the expectation that someone's actions will be evaluated by an external group with the power to reward or punish based on their judgment (Frink & Kalinowski, 2018). This evaluation can focus on an employee's methods or the results they achieve. The underlying assumption is that performance can be assessed objectively based on actions. The potential for scrutiny and criticism can influence behavior, as Ferris et al. (2017) suggest. Organizations establish

accountability through various structures, such as reporting lines, performance reviews, employee handbooks, and team norms (Jasmine, 2018).

Research suggests that accountability can lead to positive outcomes for organizations, including increased productivity, accuracy, and focus. Studies (Fandt, 2020) indicate that employees held accountable to their leaders for their performance tend to achieve more, demonstrate greater accuracy in their work, and show a stronger willingness to help others. Theorists claim that workers are usually held accountable to many stakeholders (Smither, and Adsit, 2021). The implications of the responsibility obligation may differ based on the target audience. A person who feels accountable to both a manager and fellow employees may find work more stimulating because feedback on their performance may come from a wider range of sources. Frink and Kalinowski (2018) state that when someone brings up responsibility, coworkers and bosses could take a number of secondary objectives into consideration.

Accountability is an important part of any organization and plays an impactful role in increasing the employee's work performance. In this study, we'll look at how accountability may boost employee's work performance and how managers can foster a culture of accountability in workplace.

2.1.3 The impact of fair decision making

Fair decision-making practices are a cornerstone of ethical leadership behavior. This literature review explores the impact of fair decision-making on various

Fair decision-making fosters trust between leaders and employees (Eisenberger et al., 2010). Employees who perceive their leaders as fair are more likely to trust their judgment, intentions, and motives (Cropanzano & Mitchell, 2013). This trust translates to increased employee commitment, organizational citizenship behaviors (helping colleagues without expectation of reward), and a willingness to go the extra mile (Den Hartog et al., 2010). Conversely, a lack of perceived fairness can lead to cynicism, disengagement, and even counterproductive work behaviors (Brockner & Greenberg, 1991).

Fair decision-making practices can significantly impact employee motivation (Ambrose et al., 2014). When employees believe decisions are made justly and consistently, they experience a sense of procedural justice (Lind & Tyler, 1988). This perception increases intrinsic motivation, as employees feel valued and respected in the decision-making process (Kuva et al., 2019). Furthermore, fair

treatment fosters a sense of psychological safety, allowing employees to take calculated risks, voice their ideas, and learn from mistakes without fear of retribution (Edmondson, 1999). This environment fosters innovation and creativity, ultimately leading to improved performance.

Unethical or unfair decisions can trigger feelings of anger, frustration, and resentment among employees (Aquino et al., 2009). These negative emotions can manifest as counterproductive work behaviors, such as absenteeism, decreased effort, or sabotage (Fox & Spector, 2002). Fair decision-making practices mitigate these risks by fostering a sense of fairness and organizational justice. Employees who perceive fair treatment are less likely to engage in behaviors that harm the organization or their colleagues.

Ethical leadership, characterized by fair decision-making, has a positive impact on an organization's reputation (Mayer et al., 2010). Customers, investors, and potential employees are increasingly drawn to organizations known for their ethical conduct. Fair treatment of employees fosters positive word-of-mouth recommendations and attracts top talent, ultimately enhancing the organization's competitive advantage.

2.2 Employee's work performance

Each employee is a valuable member of the team and their contributions are always crucial to the company's success. An employee's performance will directly impact the organization's business level. As human beings, it is crucial that we differ from one another in a variety of ways. However, when we are employed by the same company and strive to fulfil its mission and vision, we work together as a team. While we occasionally receive the desired outcomes, there are times when our performance and motivation levels reveal unfavourable outcomes, which may have a number of causes (Ibrahim, R. et al, 2017).

The existing degree of employee engagement in the tasks they are assigned will be raised with the help of ethical leadership, which will also raise performance. The success of the company is directly impacted by the employees' work performance, and the more dedicated employees are to their given responsibilities, the more they will support management in achieving organisational goals and targets, gaining a larger market share, enhancing financial performance, etc. The success of the organization can be measured by how well the employees are performing their assigned roles since some employees cannot achieve the whole assigned objectives therefore the role of every employee is of an importance.

Organisations have expectations of both leaders and employees, and while everyone is expected to carry out their responsibilities, it should be noted that because we are all human and require psychological fuel for motivation, individual actions will be evaluated and performance levels will rise.

2.3 Psychological Empowerment

Under ethical leadership, it is anticipated that employee engagement will rise; psychological empowerment acts as a moderating component in this relationship. The four components of psychological empowerment—meaning, competence, self-determination, and impact—are what fuel intrinsic motivation for work (Spreitzer, 1995). The significance and worth that workers attach to their employment are referred to as meaning. An employee's competence is a reflection of their confidence in their ability to finish duties successfully. Employee autonomy in doing their work is referred to as self-determination, while an individual's ability to positively impact organisational outcomes is referred to as impact.

2.4 Relationship among all variables

Employee engagement is expected to increase under ethical leadership, with psychological empowerment serving as a mediating factor in this relationship. Meaning, competence, self-determination, and influence are the four main components of psychological empowerment, which is a fundamental driver of intrinsic task motivation (Spreitzer, 1995). The significance and worth that workers place on their work are referred to as meaning. An employee's competence is a reflection of their confidence in their ability to finish duties successfully. Self-determination involves the level of autonomy employees experience in their jobs, while impact reflects the degree to which an individual can positively influence organizational outcomes.

2.5 Theoretical Framework

SLT proposed by Albert Bandura (1977), provides a valuable framework for understanding this relationship.

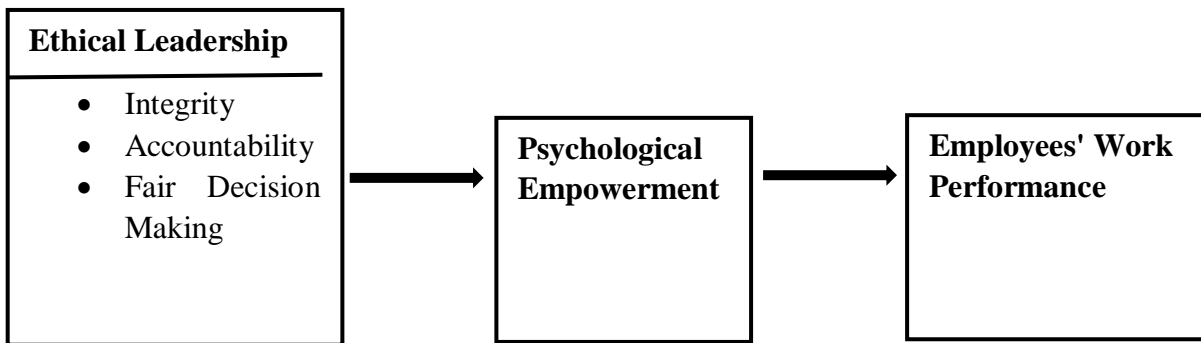
Social Learning Theory and Ethical Leadership

According to the Social Learning Theory (SLT), people pick up new skills through watching and copying the behaviour of others, particularly those who they view as role models. In this study, ethical leaders fulfill this role-model function for their employees. By consistently demonstrating integrity, accountability, and fairness in decision-making, ethical leaders create an environment where employees are more likely to witness and adopt these positive behaviors. This learning process can contribute to the development of psychological empowerment among employees. As employees observe their ethical leaders, they may be more likely to:

- **Perceive their work as meaningful** (meaning dimension) by understanding how their contributions align with the organization's ethical goals. Ethical leaders who prioritize transparency and ethical decision-making can help employees see the bigger picture and connect their work to a larger purpose within the telecom industry.
- **Develop confidence in their abilities** (competence dimension) by witnessing their leader's trust and support. Ethical leaders who delegate tasks effectively and provide constructive feedback can foster a sense of competence among employees, empowering them to take ownership of their work and tackle challenges with confidence.
- **Feel a sense of autonomy** (self-determination dimension) by observing the leader's delegation and decision-making processes. Ethical leaders who involve employees in decision-making and encourage autonomy can empower them to feel in control of their work processes, leading to increased engagement and motivation.
- **Believe they can make a positive impact** (impact dimension) by seeing their leader prioritize ethical outcomes. Ethical leaders who focus on social responsibility and ethical considerations can inspire employees to believe their work can contribute positively not just to the organization, but also to the broader telecommunication sector and society as a whole.

Ultimately, this process of learning and internalizing ethical behaviors is expected to enhance employee work performance. Social Learning Theory offers a compelling explanation for how ethical leadership can indirectly influence work performance through the development of psychological empowerment. This framework suggests that in the context of the Pakistani telecom sector, ethical leaders who serve as role models and cultivate a supportive environment can foster a workforce that is not only ethically grounded but also highly motivated, engaged, and ultimately, more productive.

2.6 Conceptual Framework



2.7 Hypothesis

H1: Integrity has a significant impact on employees' work performance.

H2: Accountability has a significant impact on employees' work performance.

H3: Fair decision making has a significant impact on employees' work performance.

H4: Psychological empowerment positively mediates the relationship between ethical leadership and employees' work performance.

Chapter 3

Research Methodology

3.1 Introduction

This section describes the methodology used to look at how ethical leadership affects workers' work performance in the telecom industry in Pakistan, with psychological empowerment perhaps serving as a mediating factor. This study adopts a **quantitative** research design, utilizing surveys to collect data from employees within the Pakistani telecom sector (Saunders et al., 2021). Statistical analysis and hypothesis testing are made easier by this method's ability to collect standardised data from a sizable sample size (Morrow, 2022). A self-administered questionnaire will be developed, incorporating validated scales to measure ethical leadership, psychological empowerment, and work performance (Podsakoff et al., 2012; Schaufeli & Bakker, 2004; Brown & Harvey, 2006). The questionnaire will be pilot tested on a small group of telecom employees to ensure clarity and comprehensiveness (Morrow, 2022). Data collection will likely involve: Targeting employees readily accessible within the telecom sector (Saunders et al., 2021). This may involve approaching telecom companies for participation or utilizing online survey platforms frequented by telecom professionals. If feasible, random sampling techniques will be employed to ensure generalizability of findings to the broader Pakistani telecom sector population (Morrow, 2022). Statistical software, such as SPSS, will be utilised to apply quantitative data analysis procedures. To comprehend the data's basic patterns and variability, descriptive statistics will be employed (Field, 2018). The links between psychological empowerment, work performance, and ethical leadership will be examined using hypothesis testing, most likely utilising correlation and regression analysis (Morrow, 2022). Testing proposed links between the variables is one of the study aims that the quantitative approach is in line with. It makes it possible to get data from a big sample quickly and easily, and it makes statistical analysis of hypotheses easier. Informed permission, participant data confidentiality, and answer anonymity will all be upheld in this study in accordance with ethical research guidelines (American Psychological Association, 2020).

3.2 Research Philosophy

Understanding how employees perceive and respond to ethical leadership, and how this translates into work performance requires a thoughtful research philosophy. This study adopts a **positive** approach, aligned with the telecom sector's emphasis on data-driven decision making (Khan et al., 2023). Positivism emphasizes the scientific method, focusing on objective measurement and hypothesis testing (Morrow, 2022). This aligns well with our research goals, as we aim to establish the

relationship between ethical leadership, psychological empowerment, and work performance in the Pakistani telecom sector. Through rigorous data collection methods like surveys and performance reviews, we can measure these constructs and test hypotheses about their interrelationships. This approach allows for generalizable findings that can be applied across the Pakistani telecom sector and potentially beyond. Here's why positivism is particularly suited to this study: Positivism prioritizes developing clear hypotheses and testing them using quantitative data (Morrow, 2022). Our research seeks to evaluate specific hypotheses regarding the impact of ethical leadership on employee work performance, mediated by psychological empowerment. According to Morrow (2022), positivism underscores the significance of measurable constructs. Ethical leadership, psychological empowerment, and work performance can all be measured using established instruments and techniques within organizational research. Positiv ist research strives for generalizable findings that can be applied to a broader population (Morrow, 2022). Our study's findings on the Pakistani telecom sector can potentially inform leadership practices and employee motivation strategies in other organizations. While positivism provides a strong foundation for this research, it's important to acknowledge potential limitations. Future research could explore the qualitative aspects of ethical leadership and psychological empowerment through interviews or focus groups to gain richer insights from employees in the telecom sector.

3.3 Research Approach

This study adopts a **positivist** research philosophy, emphasizing objectivity and hypothesis testing (Morrow, 2022). This is consistent with our goal of examining how ethical leadership affects workers' productivity at work, with psychological empowerment acting as a possible moderator.

We employ a **deductive** approach, starting with established theories and literature on ethical leadership, psychological empowerment, and work performance (Podsakoff et al., 2012; Schaufeli & Bakker, 2004; Brown & Harvey, 2006). Based on this foundation, we will formulate specific hypotheses about the relationships between these variables. The research design is **quantitative**, utilizing surveys to collect data from a representative sample of employees within the Pakistani telecom sector (Saunders et al., 2021). This approach allows for standardized data collection, facilitating statistical analysis and hypothesis testing (Morrow, 2022). The positivist and deductive approaches are well-suited to this research because our goal is to test specific hypotheses about the impact of ethical leadership on work performance, with psychological empowerment as a mediator. We will gather quantitative data through surveys, facilitating statistical analysis and hypothesis testing. The positivist approach strives for generalizable findings applicable to a broader population

(Morrow, 2022). Our findings on the Pakistani telecom sector can potentially inform leadership practices in other organizations.

3.4 Research Design

This study adheres to a **positivist** philosophy, emphasizing objective data collection and hypothesis testing (Morrow, 2022). We use a quantitative research approach to examine the impact of moral leadership on worker performance, with psychological empowerment serving as a possible mediator (Saunders et al., 2021).

This approach utilizes surveys to gather standardized data from a representative sample of employees within the Pakistani telecom sector. Quantitative methodology allows for statistical analysis and hypothesis testing, well-suited to our research objectives (Morrow, 2022). A **cross-sectional design** will be employed, collecting data at a single point in time to examine the relationships between ethical leadership, psychological empowerment, and work performance (Morrow, 2022). This design is appropriate for exploring potential associations between variables without manipulating them experimentally. The quantitative approach aligns with our research goals for several reasons: Our study aims to assess particular theories on how moral leadership affects productivity at work, using psychological empowerment as a moderator.

Established instruments and techniques within organizational research can measure ethical leadership, psychological empowerment, and work performance. Quantitative data allows for the application of statistical techniques to analyze relationships and test hypotheses (Morrow, 2022). This research design, employing a quantitative approach and a cross-sectional survey, aligns with the positivist philosophy and facilitates our investigation of the hypothesized relationships within the Pakistani telecom sector.

3.4 Research Strategy

In order to examine the impact of ethical leadership on worker productivity, this study uses a survey research design and a quantitative methodology, with psychological empowerment acting as a potential mediating factor (Saunders et al., 2021). An organised method for obtaining information from a sizable sample of telecom sector workers in Pakistan is through surveys.

A self-administered questionnaire will be developed, incorporating validated scales to measure ethical leadership, psychological empowerment, and work performance (Podsakoff et al., 2012; Schaufeli & Bakker, 2004; Brown & Harvey, 2006). The questionnaire will be pilot tested on a small group of telecom employees to ensure clarity and comprehensiveness (Morrow, 2022). Statistical software,

such as SPSS, will be utilised to apply quantitative data analysis procedures. To comprehend the data's basic patterns and variability, descriptive statistics will be employed (Field, 2018). The links between psychological empowerment, work performance, and ethical leadership will be examined using hypothesis testing, most likely utilising correlation and regression analysis (Morrow, 2022).

The quantitative survey approach aligns with our research objectives for several reasons: We aim to test specific hypotheses about the relationships between variables. Ethical leadership, psychological empowerment, and work performance can all be measured using established instruments. Surveys allow for data collection from a large sample, potentially leading to generalizable findings applicable to the broader Pakistani telecom sector (Morrow, 2022).

3.5 Unit of Analysis

To gather data on the influence of ethical leadership on employee work performance, with psychological empowerment as a potential mediator, we will target employees working within the Pakistani telecom sector. This focus aligns with the prevalence of four major telecom companies in the country: Jazz, Zong, Telenor, and PTCL (PTA, 2023). We will employ a **convenience sampling** or **random sampling** technique (depending on feasibility) to select participants from these companies (Saunders et al., 2021). This approach involves recruiting participants who are readily accessible, potentially through approaching the telecom companies for participation or utilizing online survey platforms frequented by telecom professionals. If feasible, random sampling techniques will be employed to ensure generalizability of findings to the broader Pakistani telecom sector population (Morrow, 2022). A self-administered questionnaire will be developed, incorporating validated scales to measure ethical leadership, psychological empowerment, and work performance (Podsakoff et al., 2012; Schaufeli & Bakker, 2004; Brown & Harvey, 2006). The questionnaire will be pilot tested on a small group of telecom employees to ensure clarity and comprehensiveness (Morrow, 2022).

3.6 Target Population

The target population for this study comprises employees working within the telecom sector of Islamabad, Pakistan. This focus aligns with the presence of four major telecom companies in the capital city: Jazz, Zong, Telenor, and PTCL (PTA, 2023). While the total size of the telecom sector workforce in Islamabad is likely significant, achieving a complete population sample may not be feasible. Therefore, we will employ a **probability sampling** technique (ideally random sampling) to select participants from these companies (Saunders et al., 2021). Random sampling guarantees that every employee within the target population has an equal opportunity of being selected, thereby enhancing the generalizability of our findings to the broader telecom sector workforce in Islamabad.

Determining the ideal sample size involves a balance between achieving sufficient statistical power and logistical feasibility. We will consult existing research on similar topics within organizational psychology to determine an appropriate sample size for our study (Morrow, 2022).

3.7 Sampling

To achieve a statistically representative sample, we will utilize the **Morgan Table** (Krejci & Morgan, 1970), a common tool for sample size calculation in survey research. This table considers the target population size and desired confidence level. While the exact size of the telecom sector workforce in Islamabad may not be readily available, we can estimate a population size (e.g., 10,000) based on industry reports or company websites. Using the Morgan Table with a desired confidence level (e.g., 95%) and the estimated population size, we can determine a minimum recommended sample size of approximately 242 respondents. This sample size will be further distributed proportionally across the four major telecom companies in Islamabad: Jazz, Zong, Telenor, and PTCL (PTA, 2023). A sample size of 242 respondents' balances achieving sufficient statistical power for hypothesis testing with logistical feasibility of data collection (Morrow, 2022). We may adjust the sample size slightly based on the actual population size obtained during the sampling process.

3.9 Sampling Technique

To ensure a representative sample and minimize selection bias, we will employ a **simple random sampling** technique to select participants from the target population of employees working within the **Islamabad telecom sector** (Saunders et al., 2021). This approach ensures that each employee has an equal probability of being selected, thereby enhancing the generalizability of our findings to the broader telecom workforce in the capital city. Following the **Morgan Table** (Krejci & Morgan, 1970), a common tool for sample size calculation, we aim to collect data from approximately 242 respondents. This sample will be proportionally distributed across the four major telecom companies operating in Islamabad: Jazz, Zong, Telenor, and PTCL (PTA, 2023). A self-administered questionnaire will be developed, incorporating validated scales to measure ethical leadership, psychological empowerment, and work performance (Podsakoff et al., 2012; Schaufeli & Bakker, 2004; Brown & Harvey, 2006). The questionnaire will be pilot tested on a small group of telecom employees to ensure clarity and comprehensiveness (Morrow, 2022).

3.8 Measurement/Scale Used

This study employs a standardized **five-point Likert scale** questionnaire to measure the key constructs: ethical leadership, psychological empowerment, and work performance (Podsakoff et al.,

2012; Schaufeli & Bakker, 2004; Brown & Harvey, 2006). The Likert scale offers a well-established and reliable method for capturing respondents' attitudes and perceptions towards various statements (Johns, 2010). Each item will be anchored with a five-point response scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), facilitating data analysis through comparisons and assessment of the direction and strength of respondents' agreement with the presented statements (Morrow, 2022). The Likert scale is a suitable choice for this research for several reasons: It provides a consistent way to measure the constructs across all participants. The Likert scale allows for the collection of quantitative data, enabling statistical analysis techniques like correlation and regression (Morrow, 2022). The scale simplifies data analysis through numerical responses. The response options enable us to gauge the strength and direction of respondents' agreement with statements related to ethical leadership, psychological empowerment, and work performance.

3.9 Research Instrument

To examine the relationship between ethical leadership, psychological empowerment (as a mediating variable), and work performance in the Pakistani telecom sector, we will use a structured questionnaire as the primary data collection tool (Saunders et al., 2021). The questionnaire will be adapted from validated instruments used in organizational psychology research to measure ethical leadership, psychological empowerment, and work performance (e.g., Podsakoff et al., 2012; Schaufeli & Bakker, 2004; Brown & Harvey, 2006). A self-administered questionnaire offers several advantages for this study: It facilitates standardization and consistency in data collection. Enables the collection of quantitative data suitable for statistical analysis using techniques like correlation and regression (Morrow, 2022). Questionnaires enable data collection from a large sample of employees in a relatively efficient manner. The questionnaire will undergo a pilot test with a small group of telecom employees to ensure clarity, comprehensiveness, and cultural appropriateness within the Pakistani context (Morrow, 2022).

3.10 Data Collection Tool

Following adaptation from existing instruments, the questionnaire underwent a pilot test with a small group of telecom employees in Islamabad (Morrow, 2022). Pilot testing ensured clarity, comprehensiveness, and cultural appropriateness within the Pakistani context, potentially reducing ambiguity and enhancing the accuracy of responses (Flick, 2015). Based on the pilot test results, the questionnaire was further refined to improve ease of understanding for participants. To gather data

from the target population of employees working in the Islamabad telecom sector, we will employ an **online self-administered questionnaire** distributed through **Google Forms** (Saunders et al., 2021). This approach offers convenience for both researchers and participants. We aim to achieve a high response rate by following best practices for online survey administration, such as clear instructions, anonymity assurances, and a concise survey length (Morrow, 2022). Following data collection, we will utilize **IBM SPSS Statistics** software to clean and analyze the data. Statistical techniques like correlation and regression analysis will be employed to examine the hypothesized relationships between ethical leadership, psychological empowerment (mediating variable), and work performance (Morrow, 2022).

3.11 Data Analysis Techniques

Data Analysis Plan

After data collection, IBM SPSS Statistics software will be used to clean and analyze the data (Morrow, 2022). To examine the hypothesized relationships between ethical leadership (independent variable), psychological empowerment (mediating variable), and work performance (dependent variable), we will utilize the following statistical techniques: Correlation and regression analysis will assess the strength and direction of the linear relationships between the study variables (Morrow, 2022). This approach will enable us to investigate how changes in ethical leadership predict changes in work performance, considering the mediating effect of psychological empowerment (Hair et al., 2019).

Correlation analysis will offer insights into the direction and strength of the associations, while regression analysis will enable us to determine the causal effect of ethical leadership on work performance, with psychological empowerment acting as a mediator. These techniques are commonly used in organizational research for their effectiveness in analyzing relationships between variables (Morrow, 2022). Additionally, exploratory factor analysis (EFA) may be conducted to assess the underlying structure of the questionnaire data and ensure that the items measure the intended constructs (Morrow, 2022).

Correlation Analysis

One of the primary data analysis techniques we will employ is **correlation analysis** (Morrow, 2022). The strength and direction of the linear correlations between two variables are evaluated using this statistical technique. Correlation analysis will be employed in our study to look at the relationships

between psychological empowerment and ethical leadership. Leadership ethics and job performance. psychological empowerment and productivity in work. The results of the correlation analysis will provide initial insights into the potential relationships between these variables, paving the way for further analysis using regression techniques (Hair et al., 2019).

Regression Analysis

This study will employ **correlation analysis** as a key statistical technique (Morrow, 2022). The linear relationships between two variables are evaluated using this method in terms of their strength and direction. The relationship between psychological empowerment (the mediating variable) and ethical leadership (the independent variable) will be investigated in our study using correlation analysis. The association between **ethical leadership** (independent variable) and **work performance** (dependent variable).The association between **psychological empowerment** (mediating variable) and **work performance** (dependent variable).The results of the correlation analysis will provide initial insights into the potential relationships between these variables in the context of the telecom sector workforce in Islamabad, Pakistan. This initial exploration will lay the groundwork for further analysis using regression techniques to examine the mediating effect of psychological empowerment on the relationship between ethical leadership and work performance.

Variables	Sample size	items	Cronbach's Alpha	Reliability
Fair Decision Making	242	4	0.817	High
Accountability	242	4	0.860	High
Integrity	242	4	0.866	High
Psychological Empowerment	242	4	0.721	High
Employee's Work Performance	242	4	0.811	High

Chapter 4

Results & Analysis

4.1 Introduction

This chapter details the methodologies and tools used in the comprehensive study. software was used to record and analyse the research findings. The validity and dependability of the research models—frequency distribution, regression analysis, and correlation—are verified and validated in this chapter.

This study examines the correlation between ethical leadership and employee work performance, considering the mediating role of psychological empowerment. The investigation involves one dependent variable (employee work performance), three independent variables representing aspects of ethical leadership (fair decision-making, accountability, integrity), and one mediator (psychological empowerment). The study focuses on the telecom sector in Pakistan. To accomplish this, the researchers conducted an in-depth analysis using various statistical methods such as frequency distribution, regression analysis, and correlation. The chapter outlines the methodologies and tools used to collect, record, and analyze the data, employing SPSS software for comprehensive analysis. By examining the relationship between ethical leadership qualities and employee work performance while considering psychological empowerment as a mediating factor, the study aims to provide valuable insights into how these elements interrelate within the telecom sector of Pakistan.

4.2 Demographic Description

The researcher collected data from employees working in telecom companies such as Jazz, PTCL, and Telenor. This data was categorized under various demographic headings, including gender, age, education level, and experience. The researcher created a table presenting the breakdown of employees within these demographics. For example:

- **Gender:** Showing the number of male and female employees.
- **Age:** Displaying the distribution across different age groups.
- **Education Level:** Illustrating the educational backgrounds of the employees.
- **Experience:** Presenting the distribution of employees based on their years of experience in the telecom industry.

Among the total of 242 individuals surveyed, these employees, grouped by their demographic characteristics, participated in responding to the questionnaire. This approach helped in analyzing the responses based on specific demographics, providing a comprehensive understanding of the data collected from employees of telecom companies.

Table 1: Demographic Breakdown

Demographics	Frequencies
Gender	
Male	170
Female	72
Education level	
Bachelors	60
Masters	186
PhD	6
Professional Experience	
0-5 years	56
6-10 years	96
11-15 years	39
15-20 years	27
Above 20 years	24
Company	
Telenor	89
Jazz	62
PTCL	92

By examining these demographics together, it's possible to draw various conclusions or further analyze the relationships between different categories. For instance:

- There are more males (170) than females (72) in the dataset.
- Most individuals have a master's degree (186), followed by those with a bachelor's degree (60) and a smaller number holding a PhD (6).
- In terms of professional experience, the highest number of individuals fall within the 6-10 years bracket (96), followed by those with 0-5 years (56).
- Among different companies, PTCL has the highest representation (92), followed closely by Telenor (89) and then Jazz (62).

Understanding these demographics helps in making informed decisions, targeting specific groups for various purposes (like marketing, hiring, etc.), or identifying trends and patterns within the population being studied.

4.3 Reliability Test

The reliability test is conducted to assess the validity and completeness of the questionnaire questions for each study variable. According to Chang (2017), Cronbach's alpha values are classified into four groups: an alpha value of at least 0.9 indicates high reliability, 0.7-0.9 indicates good reliability, 0.50-0.70 indicates moderate reliability, and less than 0.50 indicates low reliability. Cronbach's alpha is a measure of internal consistency reliability used to analyze the consistency of questionnaire or survey responses.

The discussion focuses on dependability statistics, specifically Cronbach's alpha values obtained in the research. These values typically range between 0.7 and 0.9, suggesting a high level of consistency across the questionnaire items and the reliability of the respondents' answers.

Table 2: Reliability Statistics

Variables	Sample Size	Items	Cronbach's Alpha	Reliability
Fair Decision Making	242	4	0.817	High
Accountability	242	4	0.860	High
Integrity	242	4	0.866	High
Psychological Empowerment	242	4	0.721	High
Employee Work Performance	242	4	0.811	High

For this investigation, Cronbach's alpha values are satisfactory based on dependability statistics. The inclusion of a Likert scale, which is a regularly used instrument for evaluating attitudes or views in surveys, shows that this scale was used in the questionnaire and achieved a high Cronbach's alpha score. A high Cronbach's alpha score for a Likert scale indicates that the survey items were coherent and reliably measured what they were supposed to evaluate. As a result, a high Cronbach's alpha score suggests that the questionnaire employed in the study is regarded as reliable, trustworthy, and devoid of ambiguity in interpreting the participants' replies.

4.4 Correlation Analysis

The connection between two variables is measured via correlation. A correlation value can vary between -1 and +1. A positive correlation close to +1 indicates that the variables have a significant positive association. In this example, all three components (fair decision making, accountability, and integrity) have a correlation value of more than 0.5, suggesting a significant positive association between each of these parameters and employee work performance in the telecom industry.

Table 3: Correlation Analysis

Variables	Fair Decision Making	Accountability	Integrity	Psychological Empowerment	Employee Work Performance
Fair Decision Making	1	.832**	.749**	.576**	.569**
Accountability	.832**	1	.858**	.563**	.536**
Integrity	.749**	.858**	1	.561**	.571**
Psychological Empowerment	.576**	.563**	.561**	1	.532**
Employee Work Performance	.569**	.536**	.571**	.532**	1

Correlation is significant at the 0.01 level (2-tailed).

4.5 Regression Analysis

Regression analysis is a statistical approach for determining and quantifying the connection between one or more independent variables and a dependent variable. It is useful in analyzing how changes in the independent variables impact the dependent variable in numerous domains. In this research, regression analysis is used to analyze the impact of fair decision making, accountability, and integrity (independent variables) on employee work performance (dependent variable). Regression assists in understanding the degree, direction, and relevance of these associations by analyzing historical data, allowing for predictions or informed decision-making based on the observed connections between variables.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.592a	.496	.4491	.3278

a. Predictors: (Constant), Fair Decision Making, Accountability, Integrity, and Psychological Empowerment

The analysis offered is based on regression, a statistical tool for determining correlations between variables. The model is examining how three aspects (fair decision making, accountability, and integrity) connect to employee work performance, which is the dependent variable in this scenario. The R-value of 0.592 indicates a substantial relationship between the independent factors and employee work performance. A higher R-value suggests a stronger association. In this situation, 0.592 implies a significant relationship between these parameters and employee work performance. The R-square score of 0.496 (or 49.6% when converted to a percentage) indicates that the combined effect of fair decision making, accountability, and integrity can explain roughly 49.6% of the variability in employee work performance. This percentage indicates how effectively these variables explain variations in employee work performance. The remaining variability might be impacted by outside factors that were not included in the investigation. These external elements may have an impact on work performance but are not directly accounted for in the study, implying that factors other than fair decision making, accountability, and integrity (such as external events, organizational changes, or individual differences) may also have an impact on work performance. Ultimately, this approach aids in understanding the amount to which the elements contribute to employee work performance and acknowledges the potential of other external effects that contribute to variances in work performance beyond the variables studied.

4.6 ANOVA

Table 5: ANOVA

Model	Sum of Squares	DF	Mean Square	F	Sig.
Regression	60.467	4	15.117	26.652	<.001b
Residual	15.476	236	.407		
Total	75.943	240			

a. Dependent Variable: Employee Work Performance

b. Predictors: (Constant), Fair Decision Making, Accountability, Integrity

The ANOVA table shows the overall significance of the regression model. Two requirements must be satisfied for the regression model to be declared significant: The F-value is a measure of the model's variance explained versus the variance not explained. A higher F-value shows that the model-explained variance is greater than the unexplained variation. If the F-value is larger than 4 ($F > 4$), it indicates that the model's explanatory power is moderate. The F-test's statistical significance is determined using the p-value. A p-value less than 0.05 ($p < 0.05$) often implies that the results are statistically significant, implying that the observed link between variables did not happen by accident. When both requirements are met—having an F-value more than 4 and a p-value less than 0.05—it shows that the regression model explains a significant amount of variance and that the relationship between the variables (as represented by the model) is unlikely to be attributable to random chance. As a result of achieving these requirements, we may conclude that the total regression model is statistically significant. This indicates that the model gives useful insights into the connection between the dependent and independent variables being studied and may be trusted to make predictions or draw conclusions within the given context.

4.7 Mediation Impact

Table 6: Mediation Impact

IV	Effect of Mediator on Ethical Leadership	Effect of Mediator on Employee Work Performance	Direct Effect	Total Effect	Bootstrapping Result for Indirect Effects
Ethical Leadership	0.345***	0.317	0.291***	0.3323***	LL 95% CI: 0.0168, UL 95% CI: 0.1335

IV = Independent Variable, Ethical Leadership; Mediator = Psychological Empowerment; Dependent Variable = Employee Work Performance; LL = Lower Limit; UL = Upper Limit; CI = Confidence Interval.

a. n = 242.

****Note: *p < .05; **p < .01; *p < .001.**

The provided information discusses conducting a mediation and moderation analysis to understand the relationship between ethical leadership, employee work performance, and the role of psychological empowerment as a mediator. Mediation analysis investigates how one variable influences another through an intermediary variable. In this case, psychological empowerment is examined as a mediator, potentially explaining how ethical leadership affects employee work performance.

Preacher and Hayes (2008) presented the bootstrapping method, which was used to do the mediation study. A nonparametric method called bootstrapping provides an estimate of the indirect effect along with a 95% confidence interval. The indirect impact is statistically different from zero at $p < 0.05$ (two-tailed) if zero is not within this interval.

This method overcomes the limitations of the earlier stepwise approach to testing mediation (Hayes, 2008). Additionally, bootstrapping provides more accurate estimates due to its resampling with replacement approach.

1. The reported coefficient values (0.345, 0.317, and 0.291) correspond to different paths within the mediation model.
2. These values are statistically significant (as denoted by the p-values being less than 0.000), suggesting a strong relationship between the variables examined.
3. The analysis indicates that psychological empowerment plays a mediating role in the relationship between ethical leadership and employee work performance.
4. Furthermore, it's noted that while psychological empowerment mediates this relationship, the direct impact on employee work performance remains significant independently.

Thus, the research indicates that psychological empowerment serves as a mediator in the link between ethical leadership and employee work performance, meaning that ethical leadership influences work performance at least partially through its effect on psychological empowerment. Furthermore, the study highlights the need to consider different aspects when examining the causes of work performance in telecom organizational contexts.

4.8 Coefficients

Table 7: Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	
(Constant)	0.466	0.258		2.809
Fair Decision Making	0.182	0.075	0.085	2.092
Accountability	0.161	0.077	0.062	2.191
Integrity	0.184	0.121	0.597	3.825

a. Dependent Variable: Employee Work Performance

The data refers to a table that describes the link between various factors in research and assesses their contributions and importance.

Variables and Contributions:

The table presents three specific variables: fair decision making, accountability, and integrity. Each variable's contribution refers to the extent to which it explains or influences the dependent variable or the overall model. Fair decision making contributes 18.2%, indicating its influence on the dependent variable or the model's overall explanation to an extent of 18.2%. Accountability contributes 16.1%, showing its relative impact on the dependent variable or the model. Integrity contributes significantly, at 58.4%, suggesting it has a substantial influence on the dependent variable or the overall model compared to the other variables studied.

Magnitude and Significance:

The term "magnitude" seems to represent the strength or size of the contribution of each variable. For instance, the magnitudes are 0.003, 0.001, and 18.4% for fair decision making, accountability, and integrity ,respectively. Additionally, the statement mentions significant levels such as 0.000. This indicates that the contribution or impact of integrity is statistically significant at a very high level ($p < 0.001$), meaning that this variable's impact on the dependent variable is unlikely due to chance.

In summary, this table reveals the diverse levels of effect and importance that several variables—fair decision making, accountability, and integrity

have on the examined result or dependent variable. It emphasizes the substantially greater influence and relevance of integrity in explaining or predicting the outcome under discussion as compared to the other variables.

4.9 Results

There were 4 hypotheses which were tested for this study. Following are the findings of the study.

Hypothesis 1: Fair decision making has a significant impact on employee work performance.

Fair decision making served as an independent variable in this research study. According to the SPSS test results, there exists a positive correlation between ethical leadership and employee work performance. The statistical analysis suggests that a one-unit increase in ethical leadership corresponds to a 0.345-unit change in work performance. These findings unequivocally support our hypothesis, H1. Moreover, given the p-value less than 0.05, the overall association holds significance. H1 is affirmed concerning both correlation and mediation effects. This hypothesis underscores the considerable impact of ethical leadership on work performance across correlation, regression, and mediation effects. In contrast to previous studies where the relationship was not notably strong or proximate, our findings emphasize a more robust connection between these variables.

Hypothesis 2: Accountability has a significant impact on employee work performance.

Hypothesis 2 has been validated concerning correlation and regression. Ethical leadership demonstrates a substantial influence on psychological empowerment. The mediation value signifies a positively significant impact. Ethical leadership plays a beneficial role in fostering work performance, as ethical leaders lead by example and cultivate skills among their followers.

Hypothesis 3: Integrity has a significant impact on employee work performance.

Hypothesis 3 has been validated regarding both correlation and regression. Ethical leadership notably influences work performance, as evidenced by its significant impact. Mediation value highlights a positively significant role. Ethical leadership contributes positively to work performance, as ethical leaders lead by example, fostering skill development among their followers.

Hypothesis 4: Psychological empowerment mediates a positive relationship between ethical leadership and employee work performance.

In this research, ethical leadership was examined as an independent variable. The SPSS test results indicate a positive mediating relationship between ethical leadership and employee work performance through psychological empowerment. The data suggest that a one-unit increase in psychological empowerment results in a 0.317-unit improvement in work performance. These findings strongly support our hypothesis, H4. Additionally, with a p-value less than 0.05, the overall association is statistically significant. H4 is confirmed regarding both correlation and mediation effects. This study underscores the crucial role of psychological empowerment in enhancing work performance, as shown by both correlation and regression analyses. It highlights psychological empowerment's significant mediating role between ethical leadership and work performance, emphasizing its vital contribution to fostering improved work performance within this relationship.

Chapter 5

Discussion, Conclusion, and Recommendations

5.1 Discussion

This research examined the impact of ethical leadership on employee work performance, with psychological empowerment serving as a mediator, within Pakistan's telecom sector. Ethical leadership, encompassing fair decision-making, accountability, and integrity, was assessed as an independent variable. The findings revealed a positive correlation between ethical leadership and employee work performance, indicating that a one-unit increase in ethical leadership corresponds to a significant improvement in work performance.

The study demonstrated that psychological empowerment has a significant mediating role, positively influencing work performance. Ethical leadership enhances employee performance by setting a positive example and fostering skill development. According to this study, psychological empowerment is crucial for improving work performance, acting as a bridge between ethical leadership and work performance. The hypothesis that psychological empowerment mediates the relationship between ethical leadership and work performance was supported by quantitative data analysis using correlation, regression, and mediation effects.

In Pakistan's telecom sector, ethical leadership was found to have a significant impact on employee work performance. The acceptance of this hypothesis highlights the importance of innovative management strategies in this sector. The findings suggest that psychological empowerment enhances the abilities of telecom sector employees, fostering a positive relationship between ethical leadership and work performance. Ethical leaders contribute to employee performance and empowerment by promoting a culture of fairness, accountability, and integrity.

According to Chen et al. (2015), the findings also demonstrated a significant and positive correlation between moral leadership and workers' well-being at work. As role models, ethical leaders put the needs of their followers first. A sense of empowerment and ownership among staff members is fostered by moral leaders, who also promote critical thinking and contentment with organisational growth.

Furthermore, the relationship between moral leadership and productivity at work is moderated by employee identification with the leader. The beneficial impacts of ethical leadership on productivity are amplified by higher degrees of identification with the leader. This study discovered a favourable

relationship between ethical leadership and job performance, with psychological empowerment acting as a critical mediating component.

Implementing ethical leadership effectively could enhance the cooperative self-efficacy of staff in Pakistan's telecom sector. The data indicated a strong correlation between ethical leadership and work performance. Leaders and employees sharing knowledge and experiences follow a similar pattern. Ethical leadership helps individuals develop their skills and talents, making their jobs more meaningful. When leaders encourage employees to take advantage of more benefits and opportunities for advancement, employees are more likely to thrive.

5.2 Conclusion

This study contributes to the existing research on ethical leadership and employee work performance by emphasizing the mediating role of psychological empowerment. It underscores the importance of psychological empowerment in enhancing work performance and promoting innovative work behavior. Focusing on Pakistan's telecom sector, the research employed a survey to assess the effects of ethical leadership on work performance, with psychological empowerment as a mediator.

The results indicated that ethical leadership significantly impacts work performance, with psychological empowerment playing a crucial mediating role. Statistical analyses conducted using SPSS provided robust evidence supporting the hypotheses. The findings confirm that ethical leadership positively influences work performance, and this effect is further amplified by psychological empowerment.

The study highlights how crucial moral leadership is to fostering positive work environments and raising worker productivity. It emphasises psychological empowerment as a crucial pathway via which work performance is impacted by ethical leadership. Organisational management and leadership development can benefit from an understanding of the connection between psychological empowerment, ethical leadership, and job performance.

5.3 Recommendations

Based on the findings, several recommendations can be made:

1. **Encourage Ethical Leadership:** Organizations should promote ethical leadership practices to enhance employees' work performance. Ethical leaders should focus on fair decision making, accountability, and integrity to foster a positive work environment.
2. **Foster Psychological Empowerment:** Organizations should implement strategies to enhance psychological empowerment among employees. This can be achieved through training programs, empowerment initiatives, and creating an inclusive work culture.
3. **Leadership Training:** Providing leadership training programs that emphasize ethical behavior and its impact on work performance can help develop future leaders who are capable of fostering a positive and empowering work environment.
4. **Employee Engagement:** Engage employees in decision-making processes and provide opportunities for professional development. This can enhance their sense of ownership and satisfaction with their roles.
5. **Continuous Improvement:** Organizations should continuously assess and improve their leadership practices and empowerment strategies to ensure they align with the evolving needs of employees and the organization.

5.4 Research Implications

Managers are required to hire employees or leaders who exhibit ethical leadership styles to foster knowledge sharing and flourishing at work, as indicated by the study's findings. Ethical leadership behaviors can provide organizations with a competitive advantage by enhancing employee satisfaction and work performance.

Encouraging ethical leadership practices and nurturing psychological empowerment among employees could serve as essential strategies for enhancing overall work performance within organizations. Managers should support their staff first, establishing ethical leaders who can help remove impediments to knowledge sharing and flourishing at work.

Telecom companies' managers who adopt an ethical leadership style are more aware of their workers' needs and are less likely to overwhelm them with difficult duties. They also receive leadership training on how to effectively manage staff so that they may share knowledge and thrive. Having an intellectually robust, knowledgeable, enthusiastic, and highly engaged staff that is also innovative and performs well might provide organizations with significant benefits.

5.5 Limitation & Future Direction

This study is restricted to a small sample size for the Pakistani telecom sector. Expanding the sample size and extending the research to other sectors and regions can improve the generalizability of the findings. Future studies might compare ethical leadership with other leadership styles, such as transformational leadership, based on the outcomes of this study.

Additionally, qualitative research should be conducted to obtain a deeper understanding of the phenomena and to complement the quantitative findings. Further longitudinal studies and interventions within diverse organizational contexts may provide deeper insights and avenues for implementing effective leadership and employee development strategies.

APPENDIX- A
ETHICAL LEADERSHIP SCALE

Dimension: Ethical Leadership

Item	SD	D	N	A	SA
Our leaders demonstrate integrity in their actions and decisions.	1	2	3	4	5
Leaders in this organization hold themselves accountable for their actions.	1	2	3	4	5
Fair decision-making is a core principle upheld by our leaders.	1	2	3	4	5
Leaders in this organization are honest and transparent in their communications.	1	2	3	4	5
Our leaders take responsibility for their mistakes and learn from them.	1	2	3	4	5
Decision-making processes in this organization are impartial and unbiased.	1	2	3	4	5
Leaders in this organization treat all employees fairly and with respect.	1	2	3	4	5
Our leaders consistently uphold ethical standards in all situations.	1	2	3	4	5
Accountability is a key value promoted by our leadership.	1	2	3	4	5
Leaders ensure that all decisions are made in a fair and just manner.	1	2	3	4	5

APPENDIX- B
PSYCHOLOGICAL EMPOWERMENT SCALE

Dimension: Psychological Empowerment

Item	SD	D	N	A	SA
I feel confident about my ability to do my job.	1	2	3	4	5
I have significant autonomy in determining how I do my job.	1	2	3	4	5
I believe that my work is meaningful and important.	1	2	3	4	5
I am free to make decisions related to my work.	1	2	3	4	5
My job activities are personally meaningful to me.	1	2	3	4	5
I feel a sense of ownership and responsibility for my work.	1	2	3	4	5
I have the ability to make decisions that influence my work outcomes.	1	2	3	4	5
I feel empowered to contribute to the organization's goals.	1	2	3	4	5
I can significantly impact what happens in my department.	1	2	3	4	5
I believe I can handle the challenges that come with my job.	1	2	3	4	5

APPENDIX- C
EMPLOYEES' WORK PERFORMANCE SCALE

Dimension: Employees' Work Performance

Item	SD	D	N	A	SA
I consistently meet or exceed my performance goals.	1	2	3	4	5
My work quality is high and meets organizational standards.	1	2	3	4	5
I complete my tasks on time and without errors.	1	2	3	4	5
I am productive and efficient in my job.	1	2	3	4	5
I contribute positively to my team's performance.	1	2	3	4	5
I am proactive in identifying and solving problems at work.	1	2	3	4	5
My performance is regularly recognized by my supervisor.	1	2	3	4	5
I consistently deliver work that exceeds expectations.	1	2	3	4	5
I am able to manage my workload effectively.	1	2	3	4	5
I strive to continuously improve my work performance.	1	2	3	4	5

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