The Effects of Ethical Leadership on Psychological Wellbeing of Higher Education Teachers in Pakistan: The Mediating Role of Employee Engagement

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Abstract

The increased stress rate among employees has always been a dilemma for organizations. This has an impact not only on the working standards of organizations but also on the well-being of the talented workforce. Highly skilled, qualified, and talented educationists are vital for the success of any higher education institution. If the educationists are not engaged, satisfied, and motivated at their workplace, the working standards of an institution will drop, and due goals will not be achieved. Ethical leadership is perceived as an integral part in flourishing the well-being of employees. This study aims to investigate the effect of ethical leadership on the psychological wellbeing of teachers working in higher education institutions of Pakistan with the mediating role of employee engagement. To test the model, correlation and a simple linear regression test were employed. Data was gathered from 316 employees working in public and private sector universities of Pakistan. The findings showed that there is a significant positive relationship with the psychological well-being of employees. The results of regression indicated that employee engagement act as a full mediator between ethical leadership and psychological wellbeing. These results also contributed towards the leadership and wellbeing literature suggesting employees should behave ethically for the nurturing of teacher's well-being. Theoretical, Practical implications and future recommendations, and limitations are also discussed in this article.

Keywords: Ethical leadership, psychological wellbeing, Employee engagement, Public and private higher education institutions.

Introduction

Since the last 20th century, top higher educational institutes across the developed countries have increasingly paid attention to the teaching profession, as a vital source for the success of the organizations (Matteucci et al., 2017). For the survival and the long-term success of an organization, the issue of employee's health and wellbeing must be fulfilled through laws or ethics. Therefore, for the ethical guidelines, moral values, and ethics should be taken as vital sources for effective leaders and personal in the organization. In addition, altruism, trustworthiness, fairness, and equality such common issues have been received great momentum from the researchers, because of current dilemmas, due to which ethical leadership concept has been emerged in the early twentieth century (Kaffashpoor & Sadeghian, 2020).

Previous studies have highlighted the importance of ethical leadership in increasing employee commitment and engagement among employees (Qing, Asif, Hussain, & Jameel, 2020). Ethics refers to moral values and codes that deal with the group or person's behaviors and attitudes. Ethical values determine what is true or what is wrong in behaviors and decisions makings (Daft, 2000). Gini (1998) stated that ethical leaders are those leaders who utilize their social power in their decisions, in their own actions and behaviors, and they act as the best role model for their followers and do no harm and threaten anyone and respect all the parties' rights (Kanungo, 2001). Ethical leadership is "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown et al., 2005, p. 120). Leaders who act ethically and role models have some influencing power of cultivating positive attitudes, emotions and reducing turnover rates in the organization (Demirtas & Akdogan, 2014). When leaders demonstrate a positive and ethical attitude while interacting with subordinates, like dealing with honesty and respect is the symbol of ethical leaders that makes leaders effective role models for followers (Walumbwa et al., 2017). When leaders in institutes display ethical behavior, it is most likely that Institutions turn out to be more successful and significant (Wong & Page, 2003).

Employees in the education sector of Pakistan organizations are facing issues of unfamiliar state of withdrawal intentions and wellbeing because of poor ethical culture (Kumar et al., 2012) employee engagement (Javed et al., 2014), and synchronization of organizations' values (Nasir & Bashir, 2012). Psychological wellbeing is a complicated and multifaceted variable. Psychological wellbeing, in its simplest form can be defined as "a generalized feeling of happiness" (Schmutte and Ryff, 1997, p. 551). In the education sector, it is very crucial for the employees to find out the significance in their work roles

and align with the organizational values in an effort to sustain employee wellbeing, increase engagement, satisfaction and reduce turnover intentions rate (Iqbal et al., 2012). Numerous studies have been conducted on the linkage between ethical leadership with various constructs e.g. turnover intentions, affective commitment Demirtas and Akdogan (2014), and employee performance Walumbwa et al. (2011), but this present study fills the gap by introducing employee engagement as a mediating variable between ethical leadership and PWB and have the major significant contribution comprises the new insights established in the academic literature on the linkage of ethical leadership with psychological wellbeing and employee work engagement. Thus, this study aims to investigate the significance of ethical leadership in flourishing the wellbeing of employees in higher education institutions of Pakistan with employee engagement, as a mediating role.

Literature Review

Ethical Leadership

Ethical leadership is an emerging approach of leadership that refers to the illustration of right and ethical practices by the virtue of socialization and individual actions, and the presentation of these right practices by open communication, reinforcing, and basic leadership feelings among followers (Brown et al., 2005). The two dimensions of ethical leadership are named as person's moral and manager's moral. The former dimension of ethical leadership indicates the personality attributes and characteristics of the leader. A leader with ethical leadership transforms their subordinates by demonstrating ethical behavior, make ethical decisions, and communicate ethically with their followers (Chughtai et al., 2015). Ethical leaders work with their followers with trustworthiness, honesty, reliability with their high standard of ethical and moral values (Johnson, 2017).

Ethics and moral code must begin from the top management of the organization and leaders should set good examples and be role models for their followers. Ethical leaders decide based on believing in what is wrong and what is right. Leaders are usually in the social power position and ethical leaders use this power in decision making and actions they take to influence their followers to achieve the organizational goals (Tutar et al., 2011). Special attachment to institutional ethical norms and values, paying concern to every need of employees, and fulfilling's them, in the same manner, make ethical leaders trustworthy role models.

Psychological Well-Being

In recent decades, the concept of well-being has received great attention in different fields of study. In the psychology field, most scholars stated that well-being refers to the finest level of psychological working, and practicing full employee engagement with the realistic challenges and hurdles of life (Lee, 2019). The 2 dimensions of wellbeing are named: Hedonic well-being (HWB) and Eudemonic well-being (EWB). HWB refers to experiencing happiness and pleasure, with a hedonic mindset, people believe that one can be live happily by avoiding and ignoring negative experiences (Lee, 2019). Eudemonic WB focuses on meaningfulness in life and self-actualization (Diener, Lucas, Oishi, Hall, & Amp, 2018; Donnellan, 2018). The six dimensions of PWB, named as autonomy, environmental mastery, personal growth, positive relation with others, self-acceptance, and purpose in life (Kállay & Rus, 2014).

Employee Engagement

Kahn (1990), who first coined the idea of personal engagement "During performing role duties, workers employ and demonstrate themselves, physically, cognitively or emotionally" (p. 964), that became the basis for defining the construct EE. The concept EE (Employee engagement) overlaps with the concepts, PE (personal engagement), WE (work engagement), RE (role engagement), JE (job engagement) (Carasco-Saul, Kim, & Kim, 2015). EE is the employees' viewpoints and state of mind, that comes through determination, passion, and capacity to absorb work and skills (Bakker & Leiter, 2010).

Employees are said to be engaged at their a workplace that has the feeling of enthusiasm, energy, and effective connection with their job responsibilities. In addition, it has been found in the employee engagement literature that employees with a higher level of engagement yielding several positive outcomes e.g. increased return on assets, low turnover intentions, higher satisfaction, and performance (Xu & Thomas, 2011). In engagement, employee expresses higher energy and personal connection with one's work which is opposite to burnout involves both a lower level of energy and connection with one's work (W. Schaufeli & Salanova, 2007). Engaged employees are physically associated with their job responsibilities, cognitively and psychologically alert, and passionately linked with others to express their individuality e.g. feelings, emotions, and thought's (Saks & Gruman, 2011). Scholars have studied that organizational performance, satisfaction, and wellbeing is perceived as the predecessor of employee engagement (Truss, Shantz, Soane, Alfes, & Delbridge, 2013).

Relationships among the constructs

Since Leadership is perceived as a fundamental role in flourishing and enhancing the well-being of employees. One study utilizing a sample of 495 from nurses of six hospitals in China examined that when leaders work with followers ethically, this reduces the stress and stimulate a conducive work environment, results in increased positive emotions and well-being of employees at the workplace (Huang, Qiu, Yang, & Deng, 2021). It has been found that employee wellbeing and job performance are favorable outcomes of ethical leadership and the relationship between EL and employee PWB is a social exchange oriented and of premium quality (M. A. Ahmad, 2019). Moreover, Sarwar, Ishaq, Amin & Ahmed (2020) analyzed that ethical culture and norms increased the employee's psychological wellbeing and employee's affective experience. Furthermore, Gonos and Gallo (2013), claimed that high quality of ethical leadership is linked with the increased employee psychological wellbeing level. It is suggested that leaders who practice effective ethical leadership, enable their followers to perform both their working and personal lives. Similarly, Ethical leaders are famous for doing the right things and combatting unethical behavior, and act ethically at any time and situation. Their followers are likely to have a firm belief that such ethical leaders are loyal and trustworthy (Gardner et al. 2005), this results in the heightening of employee wellbeing at the workplace.

When leaders work ethically by practicing fairness and honesty with their followers, they are likely to perceive this dyadic relationship in terms of social exchange theory. In addition, the followers are more likely to give extra efforts and miles into their work through dedication and employees become more engaged at their workplace (Engelbrecht, Heine, & Mahembe, 2017). The study by Engelbrecht, Heine, & Mahembe, (2014) claimed a positive association between EL and job dedication, which is the main component of EE. Previous studies examined that when ethical leaders provide autonomy, freedom to make ethical decisions and give opportunities for development through support, while the main drivers of employee engagement are autonomy and development opportunities (I. Ahmad & Gao, 2018). Hence, a positive relationship has been found between ethical leadership and employee engagement. Previous past researches have also validated that with the basis of ethical leadership, employees at their workplaces would expect to perform and dedicate themselves more emotionally and cognitively in their work roles (Saks & Gruman, 2014). The linkage between ethical leadership and EE was recognized as the contributing factor which guarantees effective organizational success (Chughtai et al., 2015). Leadership at all levels was identified as a major factor in contributing to employee engagement and workplace relations (Demirtas et al., 2017).

Previous findings suggest that a high level of employee engagement and employee psychological wellbeing both play a crucial role in delivering the best outcomes that are linked with the success of the organization (Robertson & Cooper, 2010). According to Lewis, Donaldson-Feilder, & Tharani, (2014) engaged employees with a high level of well-being are the more productive and valuable assets of the organization, while those with a low level of well-being and engagement are least contributed towards the achievement of organizational goals. Employee psychological wellbeing plays a fundamental role in retaining employee engagement by intensifying the productivity and employee engagement relationship. A study on 200 medical employees from India analyzed that there is a positive correlation between general wellbeing and employee engagement, also found that a high level of engaged employees demonstrates full dedication and enthusiasm for their work confronts with new challenges, and are more committed to their work roles, which leads to decrease stress levels among employees, enhancing wellbeing. Hence, Employee wellbeing, a predictor of employee engagement (Sharma & Kumra, 2020). In the light of the above findings of connections among constructs, various hypotheses were generated

Hypotheses

H₁: EL has a positive relationship with PWB of teachers working in higher education of Pakistan.

H₂: EL has a positive relationship with EE working in higher education in Pakistan.

H₃: EE is positively related to the PWB of teachers working in the higher education of Pakistan.

H₄: EE mediates between the relationship of EL and PWB.

Theoretical Framework

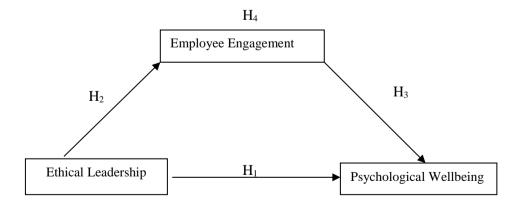


Figure 1. Theoretical Framework

As in the figure 1 social learning theory SLT was used to support this underpinning of this study. Social learning theory is extensively used for promoting behavioral change (Muro & Jeffrey, 2008). This theory states that followers learn from leaders when they interact with each other in social settings. This theory is progressively used for improvement and development and this leadership process includes impacting, convincing, and retaining employees (Yukl, Mahsud, Hassan & Prussia, 2013). SLT (Bandura, 1977) demonstrates that leadership is an important source of social learning because they act as a role model for their followers. Followers try to imitate leader's behaviors, especially those behaviors that represent positive organizational values. This theory also suggests that ethical leadership aims to motivate their supporters to attain positive psychological states (Avolio, Walumbwa, & Weber, 2009) and engage in their work roles that in return leads to organizational success (Bedi, Alpaslan, & Green, 2016; Ng & Feldman, 2015; Treviño et al., 2014).

Methods

Participants and data collection

For this quantitative study, data has been collecting from teachers of Pakistan. As the population was unknown to the researcher, the Item response theory has been implied to select the sample size for this study. Item response theory is the estimation of characterizing test items and evaluating the ability of humans from their performance on such tests (Lalor, Wu, & Yu, 2016). According to the IRT, the sample size is 440 obtained by multiplying the number of items in the questionnaire by 10. 440 questionnaires were distributed among the teachers of three universities of Pakistan that includes the University of Punjab, University of Gujarat, and UMT by using the convenience sampling approach because the teachers of these universities were easy to approach. Convenience sampling is the type of non-random sampling in which the researcher target population members based on certain practical criteria e.g. willingness of participant, geographical proximity, and easy accessibility (Etikan, Musa, & Alkassim, 2016). In this study, both the private as well as public sector universities were targeted. 316 filled responses were received from the participants that make the 71.8% response rate. The time horizon for the study was cross-sectional and the unit of analysis was individuals. The majority of the respondents were males that include 70.3% were males and 29.7% were females with the average age 31-40 years i.e., 24.7% with the age 31-35 and 25.3% with the age 36-40. With the average age 31-40 years i.e., 24.7% with the age 31-35 and 25.3% with the age 36-40.

Measures

To collect the data structured questionnaire of this study was consisted of 44 items. Already established measures were taken from the previous studies. All the responses were evaluated on the "Likert scale of 5 points ranging from 1= strongly disagree to 5= strongly agree".

Table 1
Research Instruments

| Construct | No of items | Measurement Scales | | |
|-------------------------|-------------|---|--|--|
| Ethical Leadership | 10 | (Zappalà & Toscano, 2020) | | |
| Psychological wellbeing | 17 | (M. A. Ahmad, 2019) | | |
| Employee Engagement | 17 | (W. B. Schaufeli, Bakker, & Salanova, 2006) | | |

Reliability

Reliability portrays the internal consistency of all the items of the scale. To check the reliability the Cronbach's alpha value has been evaluated. According to (Tavakol & Dennick, 2011) high values of Cronbach's alpha will depict the high reliability of the scales and strong inter-correlation among the items. From table 2 it is shown that the reliability of ethical leadership, psychological wellbeing, and employee engagement is 0.893, 0.735, and 0.773 respectively.

Table 2
Reliability Statistics

| Variables | Cronbach's Alpha (α) | N |
|-----------|----------------------|----|
| 1.EL | 0.893 | 10 |
| 2.PWB | 0.735 | 17 |
| 3. EE | 0.773 | 17 |

Table 3

Demographic Statistics

| | Frequency | Percent (%) |
|--------------|-----------|-------------|
| Gender | | |
| Male | 222 | 70.3 % |
| Female | 94 | 29.7% |
| Status | | |
| Single | 65 | 20.6% |
| Married | 241 | 79.4 % |
| Age | | |
| 21-25 | 15 | 4.7% |
| 26-30 | 48 | 15.2% |
| 31-35 | 78 | 24.7% |
| 36-40 | 80 | 25.3% |
| 41-45 | 63 | 19.9% |
| 46 and above | 32 | 10.1% |

Table 3 depicts that 70.3% of the respondents were males with the average age 31-40 years i.e. 24.7% with the age 31-35 and 25.3% with the age 36-40.

Results

Descriptive Statistics and Correlation Analysis

From Table 4 it is demonstrated that the mean value of ethical leadership is 3.88, PWB is 3.15 and EE is 3.01. Lower or less than 1 value of standard deviation in the table depicts that the reliability of the mean is ensured and high. Standard deviation values of ethical leadership, psychological wellbeing, and employee engagement are 0.68, 0.50, and 0.53 respectively.

Table 4
Variables Mean and Standard Deviations

| Constructs | N | Mean | Std. Deviation |
|------------|-----|------|----------------|
| EL | 316 | 3.88 | 0.68 |
| PWB | 316 | 3.15 | 0.50 |
| EE | 316 | 3.01 | 0.53 |

The relationship between two variables can be portrayed through the correlational analysis that further tells about the direction and degree of association between the two variables. To analyze the relationships among the variables of this study Pearson correlation coefficient has been used. In Table 5 the values of correlation analysis are shown.

Table 5
Correlations Analysis Results

| | EL | PWB | EE |
|-----|---------|--------|----|
| EL | 1 | | |
| PWB | 0.470** | 1 | |
| EE | .573** | 0.71** | 1 |

Note: EL= Ethical leadership; EE=Employee engagement; PWB=Psychological wellbeing

To evaluate and demonstrates the relationship between the independent variable (ethical leadership), mediating variable (employee engagement) and dependent variable (psychological wellbeing) Pearson correlation value has been calculated. And the values in the table 5 depicts there exist a positive association between EL and PWB (r = 0.470, p = 0.000, n = 316). Between the variables EE and EL the values (r = 0.573, p = 0.000, n = 316) shows the positive and significant association. The variables EE and PWB are also positively and significantly associated with each other as the values of (r = 0.721, p = 0.000, n = 316).

Linear Regression

To test the hypotheses of this research linear regression has been implied. From table 6 R square estimation of the first relationship is 0.22 which shows that 22 % change will occur in the psychological well-being of the employees due to

the independent variable, ethical leadership whereas, the beta value of 0.35 depicts that 1 unit increase in the ethical leadership will cause an increase of 35% in the psychological wellbeing of the employees. The values (R2= 0.22, β =0.35, p< 0.05) show that hypothesis 1 of this study has been accepted.

From the second relation, the R square is 0.33 that depicts the change of 33% occurs in employee engagement due to the independent variable ethical leadership furthermore, the beta value of 0.45 demonstrates that the 1 unit increase in the variable ethical leadership will enhance the employee engagement by 45%. Hence the values (R2= 0.33, β =0.45, p< 0.05) show that hypothesis 2 of this study has been accepted.

Table 6
Regression Analysis

| Hypotheses | Variables | R2 | В | P | Results |
|------------|-----------|------|------|-------|----------|
| H1 | EL-PWB | 0.22 | 0.35 | 0.000 | Accepted |
| H2 | EL-EE | 0.33 | 0.45 | 0.000 | Accepted |
| НЗ | EE-PWB | 0.52 | 0.67 | 0.000 | Accepted |

Note: EL= Ethical leadership; EE=Employee engagement; PWB=Psychological wellbeing

Mediation Analysis

In mediation analysis, the independent variable affects the mediating variable, which is a result that affects the dependent variable (Abu-Bader & Jones, 2021). Employee engagement in this study is a mediator variable between ethical leadership and psychological wellbeing. Process Hayes model 4 is used to check the mediation of employee engagement. Process Macro Hayes Model is written by Andrew Hayes. It is the extension of both SPSS and SAS software (Hayes 2013) and is a bootstrapping statistical computer tool that is used to evaluate the mediation role between the independent and dependent variables (Abu-Bader & Jones, 2021).

Table 7

Mediation Analysis

| Outcome Va | ariable: EE | | | | | | |
|------------|-------------|----------------|-------|------|------|--------|-------|
| Model Sum | mary | | | | | | |
| | R | \mathbb{R}^2 | MSE | F | df1 | df2 | P |
| | .573 | .328 | .194 | 53.8 | 1.00 | 314.00 | .000 |
| Model | | | | | | | |
| | Coeff | SE | t | p | | LLCI | ULCI |
| constant | 1.261 | .143 | 8.78 | .000 | | .979 | 1.544 |
| EL | .452 | .036 | 12.40 | .000 | | .380 | .523 |

Note: EE= Employee engagement

Employee engagement is the outcome variable of this section. The path (direct) from Ethical leadership to EE is positive and statistically significant (b=.452, se=.036, p<0.05)

Table 8
Coefficient

| | Outcome Variable: PWB | | | | | | |
|-----------|-----------------------|----------|------|-------|-------|--------|-----|
| Model Sun | Model Summary | | | | | | |
| | R | R-square | MSE | F | df1 | df2 | |
| | .724 | .524 | .119 | 172.8 | 2.000 | 313.00 | 000 |
| Model | | | | | | | |
| | coeff | Se | T | р | LLCI | ULCI | |
| constant | 1.02 | .125 | 8.15 | .000 | .778 | 1.273 | |
| EL | 061 | .034 | 1.75 | .080 | 007 | .130 | |
| EE | .626 | .044 | 14.1 | .000 | .539 | .713 | |

Note: PWB= Psychological wellbeing

The direct effect of Ethical leadership on psychological well-being is positive and statistically significant (b=.061, se=.034, p<0.05), indicating that leaders with a high level of ethical values are more likely to positively influence psychological well-being of teachers. And also the path (direct) Employee engagement to Psychological wellbeing is statistically significant (b=.626, se=.044, p<0.05), represents that employees who are more engaged at their workplace are more likely to have strong positive psychological wellbeing.

Table 9

The direct effect of X on Y

| | - 33 3 | | | | | |
|--------|--------|------|------|------|-------|--|
| Effect | Se | T | p | LLCI | ULCI | |
| .061 | .034 | 1.75 | .080 | 0074 | .1300 | |

Table 10
The indirect effect of X on Y

| EE | Effect | BootE | BootLLCI | BootULCI |
|----|--------|-------|----------|----------|
| EE | .283 | .0313 | .225 | .345 |

In the indirect table of 10, if 0 falls between the upper and lower level of 95% confidence interval then this represents the indirect effect of the population is zero. In this case, the IE =.283 and statistically significant: 95% CI = (.225, .345), indicating the full mediation of employee engagement between ethical leadership and psychological wellbeing. Thus, Mediation analysis results reveal that ethical leadership is indirectly linked with psychological wellbeing through its relationship with Employee engagement. By adding the employee engagement variable, the relationship between ethical leadership and psychological wellbeing becomes insignificant this shows employee engagement displays full mediation between ethical leadership and the psychological wellbeing of employees. Hence, hypothesis 4 of this study is accepted.

Discussion

Since the increased stress rate and poor well-being among employees of higher education institutes of Pakistan remain an important dilemma of inquiry, this present study aimed to investigate the nature of the relationship between EL and PWB of employees with the mediating role of EE in higher education institutions. The correlation analysis revealed that EL is positively related to the psychological wellbeing of employees (r =0.47) and employee engagement (r=0.57) whereas, employee engagement has a positive correlation with employee psychological wellbeing (r=0.72). Numerous studies have been confirmed that ethical leadership helps lessen the stress level among employees and stimulate an ethical environment to work. Therefore, it is considered that ethical leadership is the favorable outcome of employee's psychological well-being in the organizations (Ahmad, 2019). It was also found from previous literature that ethical leadership is an important determinant of different outcomes like employee psychological wellbeing and job performance (Brown & Treviño, 2006; Bedi et al., 2016; Walumbwa et al., 2011). Hence, this led to the confirmation of hypothesis 1. Piccolo et al. (2010) claimed that leaders with ethical leadership styles support their followers to find their work roles more meaningful and interesting, which in return translate into more efforts productive behavior. Therefore, it can be said that ethical leadership helps in stimulating employee engagement. Many authors have also observed that there is a positive association between ethical leadership and follower's engagement (Cheng et al. 2014; Demirtas 2015; Den Hartog and Belschak 2012). These findings support hypothesis 2 and also highlight the importance of employee engagement through leader ethical behavior. For hypothesis 3, many authors have observed, that in predicting effective outcomes, employee engagement and psychological wellbeing work together (Fairhurst & O'Connor, 2010), those employees who were highly engaged in their work rules and had high levels of wellbeing at their workplace were the most productive, innovative and happy; and those who were disengaged with lower levels of wellbeing were more likely to least productive and contributed to the organization.

The findings of this present study can be defended in the institution's context which has a low engagement level of employees, decreased job commitment and satisfaction, incompetent leadership, and occupation fulfillment that leads to poor psychological wellbeing among employees. At the point when leaders demonstrate ethical and moral behavior, a positive conductive culture thrives which turns into increased wellbeing and engagement of employees. These findings are also consistent with the previous findings that state increased levels of employee psychological wellbeing and employee engagement are caused by ethical leadership (Sharma & Kumra, 2020). Hence, the above results

uncover that employee engagement and ethical leadership activities prompt higher psychological well-being among teachers working education sector of Pakistan. This research significantly adds to the literature being a pioneer in measuring the relationship between EL and psychological wellbeing modeling employee engagement as a mediator.

Implications

The purpose of the current research is to study the impact of EL on PWB with the mediating role of EE. The results of this study depict that ethical leaders play a crucial role in engaging the employees towards the organization and institution. First, a significant impact of the EL has been observed over employee engagement and the psychological wellbeing of the employees through this research. The existing findings have been confirmed with the previous studies. According to Barton and Barton (2011) while making the decisions the ethical leaders always take into account the opinions of their subordinates that gives them confidence and a positive impact on the psychological wellbeing of the employees. Ethical leaders are the role models that provide a self-directed environment to the employee but also try to psychologically empower the employees.

Practical implications of this research include that this study depicts the importance of ethical leadership in the management of organizations and institutions. The management system of all the originations needs to train the leaders to make them able to work as role models for the employees. Furthermore, the research also suggests the environment of the organization must be healthier to seek a high-level employee engagement with the organization and the psychological wellbeing of the employees.

Limitations and Future Recommendations

The majority of the respondents of this study were males that may cause gender-biased results. The problem of causality can also occur in the results because data were collected at one point in time in for future the researchers can do the longitudinal research for better results. Future researchers can add and work on more variables as a mediator in the model like social capital and employee trust. Quantitate research approach has been used but in the future researchers can use the qualitative method to explore more insights into this model. There is low generalizability of results as the data has been collected only from the three universities. For the future researcher are recommended to collect data from more universities of different cities. This model can also be studied in nonprofit organizations to observe the role of ethical leaders in these organizations.

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