

An Empirical Study to Evaluate the Impact of Ethical Leadership on Organizational Citizenship and Innovative Behavior: Mediated by Psychological Empowerment at the Workplace

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ARTICLE DETAILS	ABSTRACT
<p>History <i>Received: February 2022</i> <i>Available online: June 2022</i></p> <hr style="width: 25%; margin-left: 0;"/> <p>Keywords <i>Ethical Leadership</i> <i>Organizational Citizenship Behavior</i> <i>Innovative Behaviour</i> <i>Psychological empowerment</i></p>	<p>Purpose: This study aims to identify the impact of ethical leadership on organizational citizenship behavior and innovative behavior</p> <p>Methodology: The self-explanatory questionnaires were distributed to the real-time employees of the services sector (more specifically university employees) in Pakistan. 350 questionnaires were distributed using the convenience sampling technique and 280 returned fully answered. The response rate was 80 percent</p> <p>Findings: The findings of the study suggest the strong influence of ethical leadership on organizational citizenship behavior, innovative behavior, and psychological empowerment. Whereas psychological empowerment was studied to have a strong impact on organizational citizenship behavior but a mild impact on innovative behavior. Partial mediation was identified between both the mediation paths of the model. i.e., ethical leadership - organizational citizenship (EL → PE → OCB) and ethical leadership – innovative behavior (EL → PE → IB).</p> <p>Conclusion: It is concluded that organizations must develop ethical leadership approach to maximize the organizational citizenship behavior as well as innovative behavior at the workplace. Moreover, it is also suggested that employers must also consider PE as an essential predictor for developing a culture packed with better citizenship and innovative behavior.</p> <p>Practical Implications: The role of leaders in the services sector is significant to enable members to come up with innovative behaviour and behave more organized and well suited to the organizational culture to make sure they have adopted the hot spots of the organizational citizenship behavior standards at the workplace.</p>
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1. Introduction

The leadership of an organization is very much important to shaping the growth and development of a firm. To fill the gaps and possible threats of any blundering activities aroused by the top-level management, researchers have worked effectively to investigate the area of ethical leadership and supervision in the workplace (Hassan, et al., 2021). Although many empirical studies were conducted in this regard, still there is little evidence available about the relationship between ethical leadership and employee behavior in the workplace (Zhang & Bartol, 2010; Sattar, et al., 2020; Hassan, et al., 2021). Hence, it is desirable to research this matter further by conducting an empirical study with appropriate methodology and standardization to determine the causal relationship between ethical leadership and employee behavior along with testing the mediation link in psychological contracts in the model at the workplace. Thus, it is suggested that such research can help in determining how effective are managers in practice and managerial behaviors for increasing employee creativity and performance in the workplace (Sattar, et al., 2020).

Ethical leadership is defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct among followers through two-way communication, reinforcement, and decision making” (Trevino, et al., 2000). Recent research also shows that organizations, where leaders adopt an ethical approach, show better organizational performance than those where leaders do not have an ethical approach (Sattar, et al., 2020). As indicated by Yidong & Xinxin (2013), a person who has developed a moral identity as a result of being committed to values will possess higher cognitive awareness, maturity, emotional stability, personal growth, and self-acceptance (Trevino, et al., 2000; Yidong & Xinxin, 2013; Sattar, et al., 2020).

Moreover, according to researchers, the ethical leadership approach will also lead an individual toward a list of integrated outcomes that will always benefit at the personal as well as the collective level (Harvey, et al., 2011; Mukhtar, et al., 2022). The list of these outcomes includes personal maturity growth of employees, their integrity, morality, wisdom, spirituality, trustworthiness, positive mood, good health, happiness, optimism, enthusiasm, purpose, and sense of accomplishment (Walumbwa, et al., 2011; Kim & Beehr, 2018; Lindblom, et al., 2015). All these factors combine to give a sense of psychological contract and a sense of commitment toward work and organization (Sattar, et al., 2020). Whereas, factors like high achievement, a sense of being satisfied, altruism, justice, commitment, harmony, and emotional strength will develop the creative and innovative approach of an employee along with organizational citizenship behavior in the workplace (Liu, et al., 2012; Aggarwal & Woolley, 2018; Wiyono & Ibrahim, 2020).

According to researchers, innovative behavior in the workplace, as well as a sense of citizenship behavior at work, will produce growth and success for an organization along with providing a competitive edge (Liu, et al., 2017; Korzilius, et al., 2017). Innovation means using ideas, new methods, or systems to develop products or services that would create new features or make existing products or services better. In other words, innovation involves making improvements in any kind of activity & all organizations use innovation to create their plans and fulfill their objectives (Hassan, et al., 2021). The majority of innovation projects include creative thought processes which may require changes in strategy, change in technology, the shift in demographics, a shift in technology, introduction of new products and services, or implementation of old ones in a new way (Liu, et al., 2017; Hassan, et al., 2021).

Researchers believe that organizational citizenship behavior demands employers to provide work independence and freedom to make sure employees own their roles in the workplace (Zellars, et al., 2012; Avey, et al., 2015; Xie, et al., 2017). Organ (1988), explained in his book the term organizational citizenship behavior as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (p. 21). Therefore, there is an unspoken obligation for organizations to give their employees opportunities to work independently and learn how to develop skills for this kind of independent work (Zhao, et al., 2013). Thus, these are just some of the skills required for career development and leadership roles in organizations. To sum up, learning requires deliberate action on our part. One can only obtain knowledge when one takes initiative and attempts to acquire knowledge by actively studying things around us (Chen, et al., 2019; Maqbool, et al., 2019). This suggests that it is crucial for individuals to constantly grow their skill set by becoming engaged and adapting organizational citizenship behavior at the workplace (Xie, et al., 2017).

The purpose of this study is to investigate the impact of ethical leadership on organizational citizenship and innovative behavior. Psychological empowerment is hypothesized to mediate this relationship. The study is important as it will help to better understand the impact of ethical leadership on organizational behavior, and ultimately, help to create more ethical workplaces in particular in the services sector of Pakistan. The mediation of the psychological contracts is something that is yet to be evaluated in the model of this study in the area of the services sector. Whereas, the relationship between ethical leadership (EL) and innovative work behavior along with EL and organizational citizenship behavior has been explored in previous studies (Hassan, et al., 2021; Sattar, et al., 2020). So, this paper is designed to evaluate the direct as well as the indirect influence of ethical leadership on two important factors of organizational productivity, innovation, and citizenship behavior at the workplace. Moreover, we would like to see if there is a difference in the learning process between ethical leadership with different kinds of IWB (elaborative vs non-elaborative). Finally, this study provides insight into how psychological contracts mediate the relationship between EL and IWB, and OCB in innovative work environments in the services sector of Pakistan.

Previously, Sattar, et al., (2020) conducted a study in which the outcomes of ethical leadership were explored. This study is an extension of the work done by Sattar, et al., (2020) recommended in the future studies section by adding organizational citizenship behavior and employees' innovative behavior as possible outcomes and it is carried out in the services sector of Pakistan. Which makes it a value-added work in the existing literature in the field of ethical leadership and its possible outcomes which plays a significant role in the success of an organization.

This study contributes to the literature on ethical leadership by investigating how ethical leadership is associated with organizational citizenship and innovative behavior. The study utilizes the SEM model to test the hypothesis and identify the links between the variables of the model of this study. After this introduction section, the literature will be explored while developing the hypotheses of the study. The next section will explain the research methodology that will lead to the results and discussion section. In the end, the conclusion, recommendations, and limitations section will be presented in this study.

2. Literature Review

The arguments of the influence of ethical leadership and its possible outcomes have been well supported by the Social Exchange Theory (SET) (Cropanzano & Mitchell, 2005). The theory explains how an individual comes across the learning process in and off the workplace (Huang, et al., 2016). Firstly, social exchange theory is grounded in both developmental and interactional approaches. The authors explain this through reference to an individual as well as leadership perspectives, which suggest that the theory reflects how humans learn from each other through socialization in different cultural settings (Cropanzano & Mitchell, 2005; Huang, et al., 2016).

This involves forming mental schemas based on previous experience of a situation and adopting norms for similar situations in the future. SET emphasizes that it is more useful to examine social interaction within organizations than it is to view individual actors as having direct control over organizational action (Huang, et al., 2016; Sattar, et al., 2020).

The authors of a book, social learning theory, Bandura & Walters (1977), identified that two factors such as the right flow of information and work motivation influences significantly to pursue employees towards ethical conduct in the workplace (Bandura & Walters, 1977). As suggested by Lindblom, et al., (2015), empirical evidence suggests that people acquire values from parents, friends, media, books, television, etc. Thus, any organization cannot develop moral or ethical codes without careful consideration of its audiences and target groups. Therefore, organizations are likely to create good relationships with their clients if they know them well and show concern for their development. Also, leaders can gain approval from followers if they share their goals with them and persuade them that they are achievable (Sierra, et al., 2017; Sattar, et al., 2020).

Ethical leadership is much more important to be adapted by the managerial workforce in organizations around the globe. It is also a distinct type of leadership as ethical leaders have to carry some unique characteristics in their personality and approach (Mowafy & Osman, 2018; Khan & Malik, 2020; Liu, 2021). Ethical leaders are supposed to adopt some distinct personality traits including social responsibility, morality, and moral identity (Salgado, 2013; Gibson, et al., 2015; Abro, et al., 2021). According to Kerrissey & Edmondson (2020), good ethical leadership will increase employees' willingness to adhere to an organization's code of conduct and regulations and assist them in adapting to changes in their roles. However, unethical leadership would lead to fewer fluctuations and drawbacks related to employment workflow, turnover rate, and talent acquisition (Kerrissey & Edmondson, 2020; Gordon & Walker, 2021).

2.1. Ethical Leadership (EL) & Organizational Citizenship (OC)

Ethical leadership has some identical personality traits attached including high morality, respecting others, and valuing the code of conduct (Liu, 2021). According to researchers, these personality traits, linked with ethical leadership, lead to better organizational citizenship behavior in the workplace (Avey, et al., 2015; Xie, et al., 2017). The behavior of a supervisor, manager, or a leader in the workplace in a virtuous manner and nondiscriminatory would lead to better performance, high work commitment, and organizational citizenship behavior (Zellars, et al., 2012; Zhao, et al., 2013; Xie, et al., 2017). Leader-Member Exchange Theory (LMX) also supports the argument and suggests that the leader-member relationship is vice versa. The better the leader would deal with subordinates the better the sub-ordinate would react in terms of performance, commitment, and behavior at the workplace (Scandura & Pellegrini, 2006; Casimir, et al.,

2014; Oliveira & da Silva, 2015). Ethical leaders help employees to involve themselves in extra-role behaviors, most importantly the organizational citizenship behavior to enhance organizational performance in the workplace (Zhao, et al., 2013; Xie, et al., 2017). Thus, the findings of the previous research studies indicate that there is a positive impact of the ethical leadership on organizational citizenship which allows us to hypothesize that:

H₁: Ethical leadership has a positive impact on organizational citizenship behavior (EL → OCB)

2.2. Ethical Leadership & Innovative Behaviour

It is more often than a leader admires and highlighting any work done by an employee would help to increase the tendency and urge of an employee to come up with greater work next time. Gibson, et al. (2015) argue that a little appreciation forms a distinct personality trait in leaders and the approach becomes an adaptation of ethical leadership. Sattar, et al. (2020) supports the argument that ethical leadership will enhance the ability of employees to think out of the box. Whereas, thinking out of the box is another form of innovative work behavior. As both terms bring something new to their end-users (Lindblom, et al., 2015). Sattar, et al. (2020) argued that when leaders highlight the work of others, the behavior would help members to think differently in pursuing the common objectives. That reflects enhancing the innovative work behavior of the team member which is greatly linked to the ethical leadership of team leaders in the workplace (Sattar, et al., 2020; Khan, et al., 2021; Liu, 2021).

H₂: Ethical leadership has a positive impact on innovative behavior in the workplace (EL → IB).

2.3. EL & Psychological Empowerment (PE)

Ethical leaders enable members of their organizations to flourish psychologically by providing a sense of trust, autonomy, and competence. Leaders who empower their employees feel that they have the ability to make decisions and achieve goals on their behalf. Leaders who provide this empowerment encourage employees to take pride in their work and feel like they are making a contribution (Zhang & Bartol, 2010; Liu, et al., 2017). This creates a positive feedback loop in which employees feel more confident and motivated to achieve results. Overall, it is clear that ethical leadership and psychological empowerment are linked in a positive way. Leaders who provide psychological empowerment enable their employees to feel engaged in their work and contribute their best possible efforts. This creates a productive environment in which both the organization and its employees can flourish (Liu, et al., 2017; Sattar, et al., 2020).

H₃: Ethical leadership has a positive impact on psychological empowerment (EL → PE).

2.4. PE & Organizational Citizenship

Psychological empowerment means having a sense of control over one's own life and destiny (Liu, et al., 2017). It is about feeling capable, in control, and motivated to achieve goals (Zhao, et al., 2013). Psychological empowerment enhances workers improved organizational citizenship behavior by helping them to own the work and flourish their skills consistently (Zhang & Bartol, 2010). Organizational citizenship behavior refers to the actions and behaviors that employees take when they are working in a workplace (Foote & Tang, 2008). It is a way of behaving that shows respect for the organization, its workers, and the environment in which it operates (Zellers, et al., 2012). Organizational

citizenship behavior can be broken down into four core elements: communication, cooperation, environmentalism, and safety (Foote & Tang, 2008; Zellars, et al., 2012). Psychological empowerment can help workers to improve their communication skills, as it encourages them to express their opinions and concerns openly. It also helps them to work together cooperatively in order to resolve conflicts and achieve common goals. Environmentalism is another core element of organizational citizenship behavior (Sattar, et al., 2020). Workers who are psychologically empowered are more likely to be environmentally conscious, as they understand the importance of taking care of the environment in which they work (Zellars, et al., 2012; Sattar, et al., 2020).

H₄: Psychological empowerment has a positive impact on organizational citizenship behavior at the workplace (PE → OCB)

2.5. PE & Innovative Behaviour

According to researchers and practitioners, the interaction of a team leader with the rest of the members beyond direct supervision is too favorable for innovative behavior in the workplace (Chen, et al., 2019; Maqbool, et al., 2019; Hassan, et al., 2021). So, Psychological empowerment can be seen as one of the essential ingredients in fostering innovative work behavior (Hassan, et al., 2021). There are a few studies that suggest that there is a positive relationship between psychological empowerment and innovative work behaviors. One study by Liu (2021), found that individuals who feel psychologically empowered at work are more likely to display innovative work behaviors. Moreover, another study by Sattar, et al. (2020), found that employees who feel psychologically empowered are more likely to identify opportunities for innovation in their workplace and take advantage of them, which ultimately leads to increased productivity and organizational effectiveness (Chen, et al., 2019; Sattar, et al., 2020).

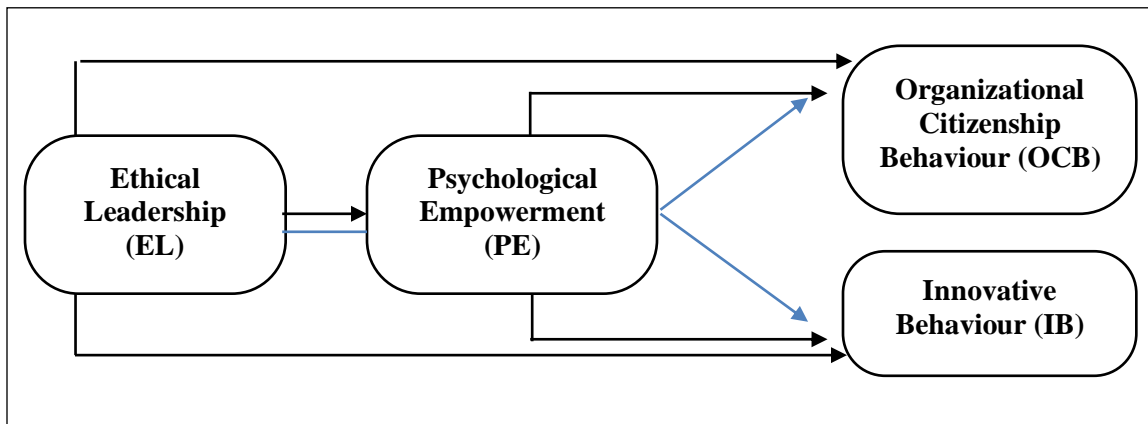
H₅: Psychological empowerment has a positive impact on innovative behavior (PE → IB).

2.6. Mediating role of psychological empowerment

It has been noted that a mediating variable is a productive instrument that is used to identify the intervening role of any variable, if so ever, between variables used in the research model (Baron & Kenny, 1986). According to Sattar, et al. (2020), ethical leadership plays an important role in motivating employees to engage in innovative work behaviors. Similarly, ethical leaders also influence team members in respect to providing them with psychological empowerment that can lead toward organizational commitment as well as organizational citizenship behavior (Maqbool, et al., 2019). The findings of previous studies suggest that psychological empowerment mediates the relationship between ethical leadership and innovative behavior and organizational citizenship behavior in the workplace (Maqbool, et al., 2019; Hassan, et al., 2021). However, there is a lack of empirical evidence that links ethical leadership and innovative work behavior and as well as organizational citizenship behavior in the presence of psychological empowerment at the workplace (Sattar, et al., 2020). This study aims to explore the mediating role of psychological empowerment on the relationship between ethical leadership and innovative work behavior and as well as ethical leadership and organizational citizenship behavior in the workplace.

H₆: Psychological empowerment mediates the relationship between ethical leadership and organizational citizenship behavior.

H₇: Psychological empowerment mediates the relationship between ethical

leadership and innovative behaviour.**Figure.1. Research Model**

Source: Author's own elaboration

3. Research Methods

The purpose of this study is hypothesis testing. Whereas, the approach that has been used is quantitative. The type of investigation is descriptive statistics and research interference is minimal. The cross-sectional research design was used to collect real-time employee data from the services sector in Pakistan. The target population for this study was middle-level employees working in different private and public sector universities in Pakistan. 350 self-explanatory questionnaires were distributed using the convenience sampling technique. Among them, 280 returned with fully answered and were considered for data analysis. The response rate of the study is 80 percent.

The item-responder ratio suggested by Bentler & Chou (1987) is 1:5 and it is suggested by Jackson & Schuler (1985) as 1:10 as general criteria of acceptance. In this case, the item-responder rate is 28:280 that is (1:10). The item-responder ratio of this study exceeds the general criteria (Bentler & Chou, 1987; Jackson & Schuler, 1985).

The existing validated scales were used to collect responses for all four scales used in the research model of this study. A Likert 5-point scale was taken and the values from 1 to 5 were taken representing 1 = strongly disagree to 5 representing strongly agree. 6 items were adopted from an existing study for measuring ethical leadership. The scale was developed and validated by (Brown, et al., 2005). A sample item on the scale was, "My team leader often compliments others on their strengths". The mediating variable of the model is used as psychological empowerment. 5 items have been adopted from a previous study to measure the variable (Spreitzer, 1995). 5 items were used in the scale of organizational citizenship behavior and it was validated and designed by (Williams & Anderson, 1991). Finally, the innovative behavior scale has got 5 items, this scale was also adopted from the previous studies and it is validated and designed by (De Jong & Den Hartog, 2010).

4. Findings

The data was analyzed using SPSS (25th) version. The demographics i.e., Age, gender, and employment status were considered constant variables. It is because previously it has been studied that these variables may have an impact on the outcome at an individual level (Foote & Tang, 2008; Sattar, et al., 2020). The frequencies of the demographics have been discussed as follows.

Table.1. Demographic Analysis

Variable		Frequency	Percent
Age	18-24 Years	43	15.4
	25-34 Years	91	32.5
	35-44 Years	88	31.4
	45-54 Years	33	11.8
	55+ years	25	8.9
Gender	Male	174	62.1
	Female	103	36.8
	Prefer Not to say	3	1.1
Employment Status	Faculty Member	118	42.1
	Administration Staff	67	23.9
	Technical Staff	18	6.4
	Support Staff	58	20.7
	Intern	10	3.6
	Other	9	3.2
Total		280	100.0

Source: Author's own elaboration

The demographics show that majority of the participation of respondents is from the age groups of 25 to 34 and 35 to 44 years of age are 32.5% and 32.4% respectively. 174 out of 280 participants were male and 103 were female. Whereas, 42.1% that is 118 out of 280 participants of this study were faculty members at different universities in Pakistan. Overall, demographics show that the participant level is educated, well aware of the situation and their employment level, and mature enough to make their own decisions. None of the participants of this study was below 18 years of age.

The descriptive stats, Cronbach's Alpha, and bivariate correlation matrix, all are important tests to be applied to the data to see that the scale is reliable and the findings are significant and correlated. The findings of mean, standard deviation, Cronbach's Alpha, and correlation matrix have been given in Table 2 as follows.

Table.2. Reliability Test & Correlation Matrix

Variable	Cronbach's Alpha	N of Items	Mean	SD	EL	PE	OCB	IB
EL	.854	6	25.4536	3.28535	1			
PE	.860	5	21.4464	3.13793	.811**	1		
OCB	.866	5	21.1250	2.52488	.469**	.480**	1	
IB	.869	5	21.0857	2.17508	.201**	.172**	.256**	1

Note: EL = Ethical Leadership, PE = Psychological Empowerment, OCB = Organizational Citizenship Behaviour, IB = Innovative Behaviour, SD = Standard Deviation

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

Source: Author's own elaboration

Table 2 shows that Cronbach's Alpha is greater than the general acceptance number that is .70 suggested by (Niglas, 2010; Sekaran & Bougie, 2010) in all cases of the four

instruments used in the model. So, the values are at their optimal level and in the accepted region. Thus, the scale used in the study is reliable as well as validated by previous researchers. Mean and standard deviation has been taken after computing the items into their appropriate scales. Whereas the mean values are ranging from 21.0857 to 25.4536 and the standard deviation values are ranging from 2.17508 to 3.28535. Looking at the correlation matrix, the highest correlation that has been identified between ethical leadership and psychological empowerment is .811 (81.1%) and the lowest case is the correlation between psychological empowerment and innovative behavior is .172 (17.2%). In all cases, the correlation is significant at the 0.01 level. Therefore, the correlation matrix shows that there is a positive and significant association among the variables used in the study.

Table.3.Hypotheses Analysis

H. No	Hypotheses path	Adjusted R Square	Path Coefficient	T Test	Sig	Hypotheses
H1	EL → OCB	.217	.469	8.861	.000	Supported
H2	EL → IB	.037	.201	3.416	.001	Supported
H3	EL → PE	.656	.811	23.103	.000	Supported
H4	PE → OCB	.227	.480	9.116	.000	Supported
H5	PE → IB	.026	.172	2.918	.004	Supported

Note: EL = Ethical Leadership, PE = Psychological Empowerment, OCB = Organizational Citizenship Behavior, IB = Innovative Behavior

Source: Author's own elaboration

The hypotheses were tested with the help of a linear regression analysis test using SPSS 25th version. Table 3 shows that hypotheses 1 to 5 are being supported by the findings of this study. The model fitness (adjusted R square) values are good in the case of H1, H3, and H4. The values are very small in the case of H2 and H5 i.e., .037 and .026, that is because innovative behaviour at workplace has a big gap that can be filled with the help of some other variables in support of ethical leadership and psychological empowerment in both cases respectively. The path coefficient or Beta value is also good and support the path hypotheses. The values of the T-test also fall in the critical region which is beyond -2 to +2. Whereas, the alpha or significance value is also less than 0.05 in all given 5 paths or hypotheses of the study.

Table.4.Mediation Analysis

Hypotheses Path	Unmediated (Direct Impact)	Mediated (Direct Effect)	Indirect Effect	Findings
EL → PE → OCB	.233**	.1802**	.2104**	Partial mediation
EL → PE → IB	.139**	.1177**	.1512**	Partial mediation

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

Source: Author's own elaboration

Hypothesis path (EL → PE → OCB) is the sixth hypothesis of this study which claims the existence of mediation of psychological empowerment between ethical leadership and organizational citizenship behavior. The findings suggest that the value of direct effect with mediated is diluted from the value of the indirect mediated effect. Which indicates the existence of the mediation in the path? Whereas the value is diluted at a very limited in numbers that are from .2104 to .1802 thus, it suggests that there is partial mediation in

the tested path. In second path (EL → PE → IB) which is also the seventh and last hypothesis of this study has similar findings. In this path, mediation is found to partially influence the relationship between ethical leadership and innovative behaviour at workplace.

4.1. Discussion & Research Implications

The purpose of this study is to evaluate the impact of ethical leadership on organizational citizenship behavior as well as innovative behavior. The direct, as well as indirect impacts of the relationship between variables, have been explored. The indirect impact in presence of the psychological empowerment was tested as the mediation path between the relationship between ethical leadership and organizational citizenship behavior and innovative behavior. It was previously studied by researchers that the behavior of a supervisor, manager, or a leader in a workplace with a virtuous manner and nondiscriminatory would lead to better performance, high work commitment, and organizational citizenship behavior (Zellars, et al., 2012; Zhao, et al., 2013; Xie, et al., 2017). The findings of this study are in line with the previous studies in the case of the relationship between ethical leadership and organizational citizenship behavior and innovative behavior. Both of these paths are hypotheses 1 and hypothesis 2 respectively and both are accepted and supported by the theoretical as well as empirical evidence.

Similarly, it is also studied that ethical leaders enable members of their organizations to flourish psychologically by providing a sense of trust, autonomy, and competence. Leaders who empower their employees feel that they have the ability to make decisions and achieve goals on their own behalf. Leaders who provide this empowerment encourage employees to take pride in their work and feel like they are making a contribution (Zhang & Bartol, 2010; Liu, et al., 2017). The findings of this study also suggest that the path coefficient value is .811 between ethical leadership and psychological empowerment in the workplace. This suggests that ethical leaders strongly influence (81.1%) psychological empowerment in the mindset of members or employees in the services sector of Pakistan.

Whereas, psychological empowerment has also been studied as one of the powerful tools to make a decent room in the core preferences of employees to love choosing an organization by heart for a longer period (Zellars, et al., 2012). Psychological empowerment can help workers to improve their communication skills, as it encourages them to express their opinions and concerns openly. It also helps them to work together cooperatively in order to resolve conflicts and achieve common goals. Environmentalism is another core element of organizational citizenship behavior (Sattar, et al., 2020). Workers who are psychologically empowered are more likely to be environmentally conscious, as they understand the importance of taking care of the environment in which they work (Zellars, et al., 2012; Sattar, et al., 2020). The findings suggest a positive and strong impact of psychological empowerment on organizational citizenship behavior with a path coefficient of .480 and Alpha is 0.000. Whereas, the impact of psychological empowerment on innovative behavior has been studied comparatively lesser than how it influences OCB. As path coefficient is .172 in the case of the fifth hypothesis of the study which measures the impact of psychological empowerment on innovative behavior.

The mediation model suggests that the value of direct effect with mediated is diluted from the value of the indirect mediated effect. Which indicates the existence of the mediation in the path? It is understood that the value is diluted at a very limited in numbers that are from .2104 to .1802 thus, there is partial mediation in the tested path. In

second path (EL → PE → IB) which is also the seventh and last hypothesis of this study has similar findings. In this path, mediation is found to partially influence the relationship between ethical leadership and innovative behavior in the workplace. These findings are in line with the results of Sattar, et al. (2020), which identified that ethical leadership plays an important role in motivating employees to engage in innovative work behaviors. Similarly, ethical leaders also influence team members with respect to providing them with psychological empowerment that can lead toward organizational commitment as well as organizational citizenship behavior.

5. Conclusion & Limitations

It is understood that ethical leaders can enhance innovative behavior and organizational citizenship behavior at the workplace. That makes it very important for the decision-makers and organizational practitioners to understand the power of ethical leaders in the workplace. Psychological empowerment is also something that is studied in this study to have a significant and strong relationship with OCB and IB. Moreover, it also works as a bridge to connect ethical leadership with organizational citizenship behavior and as well as innovative behavior at the workplace. So, the role of leaders in the services sector is very much important to enabling members to come up with innovative behavior and behave more organized and well suited to the organizational culture to make sure they have adopted the hot spots of the organizational citizenship behavior standards at the workplace.

There are certain limitations of this study. This was a cross-sectional study and the data was collected in a single timeframe. Future researchers can test the model in multiple time frames to make it a longitudinal study to understand the phenomena more statistically convincing. Second, the study was conducted in the services sector and data was collected from universities in Pakistan. So, the findings cannot be generalized and future researchers are recommended to conduct the study studying the same model at different working setups and demographics to generalize the findings in all possible setups and working environments.

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