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**The Effect of Ethical Leadership on Manager's Employee Silence: The Mediating Role of
Organizational Trust and Moderating Role of Psychological Safety**



By:
Muhammad Uzair khan
01-322241-019

Supervised by:
Dr Muhammad Akram

**HR and Management Department
Bahria Business school
Bahria University Islamabad**

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Names of Student: *Muhammad Uzair khan*

Enrol # **01-322241-019**

Class: MBA-2 year (Weekend)

Approved by:

Dr Muhammad Akram
Supervisor

Qurat Ul Ain Waqar
Research Coordinator

Dr. Aftab Haider
Head of Department

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ABSTRACT

The present study examines the impact of ethical leadership on employee silence of the mid-level management in the banking sector of Pakistan. When employees forgo expressing ideas, concerns, or significant information to others, this is called employee silence and can have detrimental impacts on organizational performance and decision making. Understanding how to break the silence is crucial in Pakistan's banking industry, where a hierarchical structure and employee voice are sometimes limited. Theories of social exchange, social learning, social identity and psychological safety are used to explore the possibility of ethical leaders reducing employee silence by creating organizational trust. The data were gathered from 265 banking managers and analyzed by the mediation and moderation techniques. The findings revealed that ethical leadership had a significant negative effect on employees' silence, as well as a significant positive effect on the level of organizational trust. One reason for the reduction of silence as a result of ethical leadership is organizational trust. The results also indicated that this is more pronounced when workers feel they are psychologically safe to voice their opinions and concerns. The study recommends banks to promote ethical leadership and psychologically safe working place to foster open communication. The results of these findings offer valuable implications for the managers, HR professionals and policy makers and in this context, also add to the understanding of ethical leadership in the banking industry of Pakistan.

Key Words: Ethical, Leadership, Employee, Silence, Banking, Management

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