Direct And Indirect Effect Of Ethical Leadership OnWorkplace Conflict In Foreign Direct Investment (Telecom Sector Of Khyber Pakhtunkhwa)

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Abstract

This paper discusses the role of ethical leadership in circumstances of conflict in Foreign Direct Investment sector of Telecoms. Ethical leadership can particularly enhance employee mediation and employee capacity to resolve conflict situations in the workplace (i.e., relationship, task, and process conflict). This research was conducted on foreign direct investment in telecom sector employees, as telecom sector is very volatile and all telecom prefer to use most effective strategies in better dealing, satisfying and committing employees. This report would allow upper management to better understand the effectiveness of its retention methods. Data were collected using previously used questionnaires by other researchers. The likert scale was used in the framework of this analysis. This research used workplace place conflicts as dependent variable and the ethical leadership as independent variable. Reliability analysis conducted for the purpose of the reliability of the data. This results in both the hypothesis that the effectiveness of employee mediation is positively linked to disputes at work.
This research paradigm promotes research from multi-source developed markets such as Pakistan. These findings complement and combine emerging theory of confrontation and ethical management.

Keywords: ethical leadership; resolution efficacy; relationship conflict; task conflict; process Conflict

Introduction

Ethical leaders value respect and confidence and express proper behavior in interactions with employees. E thorough and respectful conduct at work is particularly important to employee ability and capacity to cooperate and avoid tension worsening (Gelfand, Leslie, Keller and Dreu, 2012). Due to actual and perceived variation in thinking and values, a collaborative social process which emerges from disputes between two or more individuals is a form of behavior that preserves institutional respect and cooperation. (Wall and Callister, 1995; Jehn, 1997, To workplace types of conflict). Conflict also causes discontent because of divergent beliefs and desires and prevents the incapacity of staff to collaborate (Wit, Greer, and Jehn, 2012). Ethical leaders advise their staff morally by creating a value code that respects each other's opinions or

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beliefs and collaborates successfully with each other by providing templates for the ethical function of the work environment (Brown and Treviño, 2006).

By previous empiric research, ethical management was viewed as different to other like leadership buildings, since it focuses particularly on the positive behavior of the leader and on communication and encouragement of moral behavior. Authentic and revolutionary management (Kalshoven, Hartog, and Hoogh, 2011). The ethical leaders encourage good behavior in the SLT's work climate (Social Learning Theory, Bandura, 1977, 1986).

Brown and Treviño (2006) used SLT to describe the desirable and reliable role models they are looking for, taken from their rational and expected behavior and then communicated with staff in their own work. Staff are secure not just in their abilities to behave, but also in their social relationships with others, by modelling or subordinate learning.

The study shows that leaders serve as templates for managing problems through the use of ethical leadership and increase the effectiveness of staff in dispute resolution, i.e. productivity. The effective settlement refers to the belief that dispute issues should be resolved (Jehn et al., 2008).

SLT further clarifies criteria for behavioral modelling. This ensures that employees would give their bosses a trustworthy, attractive and appropriate role model (that is the case for a moral leader; Brown et al. 2006). Via open communication between ethical leaders and emphasis on moral conduct (for example, promoting the development of quality social relations by looking after people and building a trustworthy work environment), they promote the effective resolution of employees, and so that leaders not only listen, value and take into account other people's opinions, but are also seen as genuinely important to them.

Statement of the Problem:

This research article aims to examine the connection between ethical leadership and tensions at work in foreign directed investment sector. The study focuses on telecoms and is based in the district of Peshawar. No study on the current issue was undertaken in Pakistan before the data were obtained. This analysis helps to provide further know-how for potential research on the same subject in the service base.

Significance of the study

Ethical management of employees with issues in the workplace around the business is crucial. The report would be helpful if enterprises wishing to practice ethical management of their HR policies and are facing difficulties in managing employee conflicts. Study is also important for the whole organization in terms of theory and application. The effectiveness of the employee conflict is considered a mediator of this report, and Pakistan is considered to be one of the main industries in the field of ethical management and telecommunications litigations, with a major presence in Pakistan (Schaubroeck et al., 2012). Therefore, it provided many people with work, and the aim was to explore the idea of ethical leadership in this sector. The study is also helpful in the telecom industry.

Literature review:

Employees are thus urged to imitate ethical leaders and therefore to approach conflicting interests more constructively. That is to say, workers are told to value and respect others' thoughts, listen actively to others' thoughts and act cautiously. Since ethical leaders actively promote valuable behavior, they are strengthened and rewarded by workers and thus foster the efficiency of employee resolution. Indeed, research has shown that abilities like listening and taking into account each other's ideas are the basis for increasing efficiency in resolution (Tjosvold, Wongand Chen, 2014).

The effectiveness of the resolution is based on Bandura's self-efficacy – that is, a person's confidence in his ability to achieve desired results. Brown et al., (2005) draw on the SLT of Bandura (1977, 1986and 1997) to emphasize how such effectiveness credentials will in part be formed by modelling or assistant experience andenactive performance.

In this research, In particular, the investigator hopes that ethical leadership will link the efficacy of employee resolution by direct modelling of conducts (vicarious experience) that promote conflict resolution. Ethical leaders are pro-actively communicating the importance of showing care and support for others and working together to ensure the wellbeing of employees and organizations (Cremer and Knippenberg, 2003). Because such leaders in interpersonal relationships are regarded by others to be authentic and confident (Treviño, Brown, and Hartman, 2003) Attribute that allows them to express their opinions and possible differences of opinion (Walumbwa and Schaubroeck, 2009) It builds standards for co-operation, promotes the modelling of comparable conduct by its workers. SLT proposes that ethical leaders' behavior may trick people down (Mayer et al., 2009; Schaubroeck et al., 2012).

Brown et al. (2006) characterized ethics as "the showing of proper behavior through personal acts and interpersonal relationships, as well as promoting such behavior by two-way communication, enhancing and decision-making among followers" Ethical leaders set a clear example for the workers by their personal and professional lifestyles and morally guide them to prevent interpersonal harmful behavior, instead encouraging them to show desired and acceptable behaviors, thus using their social power to promote the best interests of others and their group (Brown and Treviño, 2006).

Telecom industry plays out the capacity of soul in a financial framework. These days saving money division is the most valuable hotspot for reinforce the economy. It assumes a vital part in the financial improvement. Therefore its nonstop achievement is vital for the long haul survival of various areas of the economy and it goes about as impetus in financial improvement of the nation by giving assets to various formative undertakings of various parts of the economy. The managing an account industry is tossed open to the formal of all parts of the economy. Such budgetary organizations have an essential part in arrangement and fortifying of capital base and furthermore assume an impetus part in encouraging the development of mechanical division, lightening of neediness, and human advancement. Taint solid managing an account segment and solid world economies go together& to guarantee solid keeping money part, it critically rely on upon the very performance of sound solid faculty. Association trust is a developing idea. It has colossal pertinence to an administration part like keeping money industry (Nisar et al.,2021). Many of the experiences that come with those jobs which are individually done these two among many others are regarded as factors on which actions and their reactions are based at a workplace first is how the performance is done and how justice is perceived by the employee (Masterson et al. 2000; Podsakoff et al 2000). Traditionally, evaluation of an performed task in terms of skill with which any individual carried out the tasks that were prescribed in his or her role descriptions (Griffin et al 2007). Impartiality is often perceived by the workers to the extent of justice a system has. Many a time's employees judge the extent of justice in a system by virtue of their outcomes with that of others (Clan, 2000, Tyler, 1994).

Ethical leadership, Organizational Justice and work place conflict

Podsakoff, (1997) led a review that exploring the connection between authoritative justice and hierarchical citizenship conduct the review was directed dissecting the representatives of the telecom division. The consequence of the review recorded that association justice. Coleman and Borman (2000) said that authoritative justice and hierarchical citizenship conduct have Two essential focuses ought to be underlined about citizenship practices. To begin with, as you have presumably acknowledged, citizenship practices are applicable in practically any employment, paying little heed to the specific way of its errands, (Motowidlo, 2000) and there are clear advantages of these practices as far as the adequacy of work units and associations (Podsakoff and others, 2000). As cases, research led in a paper process found that the amount and nature of team yield was higher in groups that included all the more great subjects (Podsakoff, and others, 1997). Research of 30 eateries likewise demonstrated that more elevated amounts of citizenship conduct advanced higher income, better working productivity, higher consumer loyalty, higher execution quality,

less nourishment wastage, and less client dissensions (Walz and Neihoff, 1996). Along these lines, it appears to be

evident that citizenship practices impact the main issue of the authoritative justice and hierarchical citizenship conduct.

Foreign direct investment

Financial capital insertion is a key driver of foreign direct investment. It refers to direct investment by a nation or individual in another country by buying a company in a particular country or by consolidating business activities in an area. International direct investment is characterized by a foreign direct investor in a business living in that country as long-term investment in an economy other than a foreign direct investor. International direct investment typically acknowledges the economic advantages of supplying the countries receiving capital, currency exchange, infrastructure, competitiveness and greater customer access. (Crespo and Fontura, 2007). There are various terms for investment. It is a buying of an asset to reap from it in the future. The production of modern machinery and goods can also be represented. Investment is a tool acquired for the production and shelling of materials. True investment and foreign investment are the two main ways of investment (Bin Hidthiir et al., 2019). Real investment involves expanding industrial capacity efficiently in terms of additional plant and equipment stocks, whereas financial investment is an investment of investors that does not boost economic productivity, e.g. by purchasing bonds and inventories of existing companies. One of the main investment categories is private overseas investment, which is private investment in foreign countries. There are two types of private foreign investment: direct foreign investment and investment in foreign portfolios. Investments in the international portfolio are the acquisition of dormant shares, stocks and other financing tools that do not include in the intensive management of these securities, provided by investors. It is money that comes from abroad. Direct foreign investment may be an external FDI or an internal FDI investment. Outward FDI Direct foreign investment and internal FDI direct foreign investment.

The most critical news for any developed nation is foreign direct investment. As FDI provides domestic investment capital, it helps in the transition of management expertise and offers numerous opportunities for jobs in the domestic country. According to these evidence and incentives, the trade ban has been reduced to a limit in all developed countries worldwide. Breeten Wood Agreement actually facilitates the cross-border flow of foreign direct investment through countries. Developing countries such as Pakistan depend mainly on FDI, which funds their economies in large part as part of a rapidly rising world. Due to resource shortages in underdeveloped nations, the public and private sectors require some capital inflows for growth processes. Policies and policies can also be well-equipped in developed countries to draw foreign direct investment for greater economic development in the long term (Udomkerdmongkol, Morrissey and Gorg, 2009).
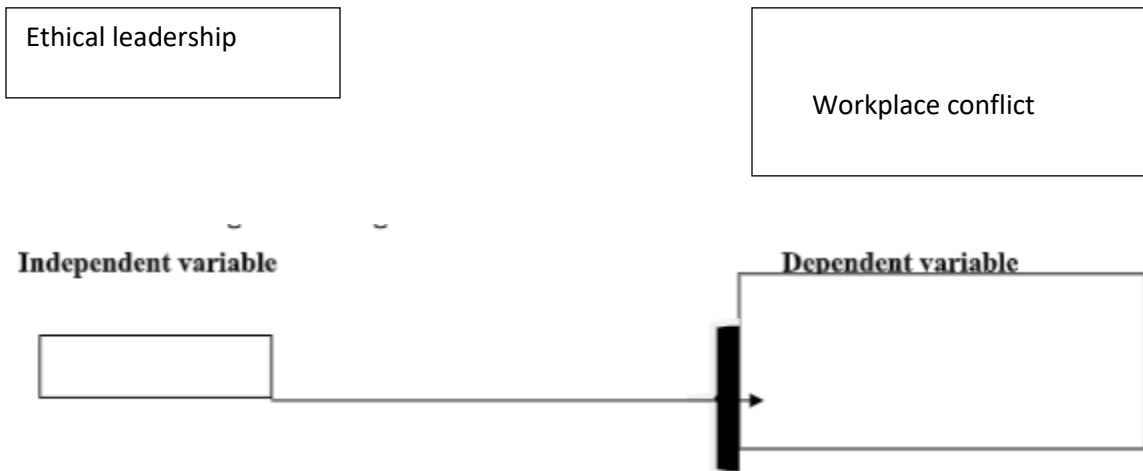
Ethical Leader ship and Employee performance

Marlowe &Nyhan, (1997); Mayer, Davies, & Schoorman, (1995); Nooteboom& Six, (2003) asserted that the organizational behavior show the loyalty and trust as faith to the leaders of an organization. Faith is a vital calculates the transformational initiative process. A transformational leader essentially needs to activate adherents' dedication toward the leader's vision. In this way, the leader should merit the trust of the devotees for him to prevail with regards to assembling them. This is on the grounds that a leader who is not trusted by the adherents won't have the capacity to get similar supporters to submit their selves for the leader's vision, not matter what the vision is. Adherents of transformational leaders are generally anticipated that would bolster the leader in the leader's endeavors to change the present state of affairs and be prepared to go out on a limb. Confide in, along these lines, is said to be a critical predecessor of hazard conducting conduct (Mayer et al.; Hartog, 2003). In organizational conduct writing, trust is been divided in three different types: (a) reliability, that is reasonable trust and involves appraisal of the dependability of the additional group in light of direct confirmation or notoriety with an attribution of that gathering's ability and his or her intensions to adjust to understandings; (b) confidence in the leader, which identifies with the mental wellsprings belief in the leader; (c) faithfulness toward leader, that identifies with recognizable proof, effect, and schedules created in particular relations (Hartog; Marlowe &Nyhan; Nooteboom& Six).

Ethical Leadership, Trust and work place conflict

Manz and Neck (2002), explained that if there will be corporation and unity among the members of an organization, then it will lead to a high and best performance of the team. Trust is the main mediator. An organization should build the trust level of the employees' which will positively affect the performance of the employees', which will be beneficial for an organization. (Mickan& Rodger,2000) in order to judge and evaluate the performance of a team, some factors like, the satisfaction of customers, bringing the best productivity, decreasing and removing of mistakes and bring best quality outputs, should be used among the team members to built strong relationship between them. If there is high level of trust among those members as according to (Edmondson, 1999). Trust is a base of any team, if trust exist in any team all

members would be able to openly share their problems and express their feelings, and would except the criticism and mistakes as a result it will bring better changes

| Ethical leadership | | Workplace conflict |

Independent variable   **Dependent variable**

Hypotheses:

H1: Employee resolution efficacy has significant relation with Workplace conflicts in FDI Telecomunication.

H0: Employee resolution efficacy has insignificant relation with Workplace conflicts in FDI Telecomunication.
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Methodology Research Approach

This section of the study has been addressing the various techniques available to the investigator, including the definition of the framework for carrying out the study. For this research paper, the techniques are deductive based on the quantitative component. Moreover, deductive approach is provided for in the research paper.The present study is descriptive and correlation-based and the quantitative quality of the research would deduct from the methodology.

Population Size and sample size

The population available for this research study is employees who work in telecommunications institutions operating in Peshawar District. The population is about 2000, with subsequent divisions
Mobilink: 600
Ufone: 500

Zong: 300
Warid: 300
Telenor: 300
Total: 2000

Because the population is less diverse and population size is around 2000 heterogeneous. (http://www.finance.gov.pk/survey/chapter_10/16_population.pdf).

Sample is to be used by the researcher of 333 with 5% accuracy plus / minus, 95% confidence, using the Cochron (1963) formula and Yumai table (1967). (Cited in Singh and Masuku, 2014). The sample size of the given population with an accuracy of plus/minus 5% and a confidence level of 95% is the following according to the table:

Population:	precision +/- 5%
50	222
600	240
700	255
800	267
900	277
1000	286
2000	333
3000	811

Source: Singh and Masuku (2014)

The study consists of 2000 people and the sample composition would be 333, according to the above tables.

Sampling Technique

Therefore this research is designed to adopt the purposeful sampling approach for the collection of data so the precise employee number in each company is not known. Total number of 333questioniers have been distributed in proposed sample out of which 299 questionier were recived and analysed in the analysis portion of the study.

Statistical test

The study is correlational and the data were analysed using the main data regression and correlation test. In addition, the descriptive test and regression test have been used.

Discriminant Validity Analysis

To evaluate the validity of discriminant, conflicts i.e, (Relationship Conflict, Task Conflict, and Process Conflict), a confirmatory factor analysis has been conducted. The test result indicate that the model is good fit and acceptable (fit—χ^2 = 167.91, df = 298, The value of p <0.001, and comparative fit index (CFI) =0.95, the RMSEA (root mean square error of approximation) = .07. Accourding to Hu &Bentler (1999) standared for RMSEA values is less then0 .08 so the study suggests an acceptable fi. The one-factor model is x^2 = 778.23, whie the degree of freedom is df = 298, and the p value is p <0.001, similarly the CFI =0.65, and RMSEA =
0.18) while the result of an alternative two-factor model did not match the data well as RC and PC set to load on one factor is (x^2 = 655.27, df = 298, while p value is p< 0.001, CFI = 0.71, and RMSEA = 0.17), that's why the validity of RC, TC and PC steps provids additional evidence. The process bias is one other issue normally found in data so for this purpose to minimize the probability of process bias, the data have been gathered from multiple sources like employees and their direct superiors "(Podsakoff et al., 2003).

Means, Standard Deviations, Scale Reliabilities, and Inter correlation

1. Ethical leadership   (0.81)

2. Relationship conflict   −0.14

3. Task   conflict   −0.29*

4. Process conflict   −0.26*

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The above findings show that the model is fit and factor accounted method for total variance is 6.56%, less than the ethod variance used in previous studies (Podsakoff et al.). So the tests support traditional process in which the bias is less and likely to play a role in the interpretation of our findings.

Regression Results

	Relationship conflict	Task conflict	Process conflict
Ethical Leadership	4.61**	0.09	-1.27
conflict Resolution efficacy	0.11**	0.20	-2.72

Note: $N = 333$:Reliabilities are presented on the diagonal.
*$p < .05$.
**$p < .01$.

Conclusion:

There are various important contributions to ethical leadership and conflict analysis. It demonstrates that ethical advice is key in helping staff to disagree with multiple conflict/dispute settlements and that the settlement of effectiveness is a vital mechanism underlying the influence of ethical leadership on employees' RC, TC and PCs. We also further affirm that ethical leadership is organisational and widespread in other areas, such as disputes at work. The findings are significant because they highlight and offer grounds for practical intervention the role of ethical management in dispute resolution at work. There is, obviously, enough scope to further research ethical leadership and conflict and hope that conclusions will bring further attention to the exploration and the contexts in which connections between ethical leadership and conflicts at work can be applied to key workers and organisations.

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