

## Ethical Leadership and Employee Performance in the Service Sector of Pakistan: Mediating Role of Hope and Psychological Well-Being

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**Abstract :** Pakistan's service sector undeniably assumed a significant economic position that contributed to 58% to the GDP for several years. Yet, recent statistics record a meager growth of 0.86%. Certainly, the sector relies heavily on its workforce as a share dependency and their performance plays a crucial role for sector success. Using the Social Exchange theory (SET), the present study investigated the influence of ethical leadership (EL) on employee performance (EP), employee creativity (EC), and depression among administrative employees working in different fields within the service industry. The study also examined the mediating role of PWB and hope to predict the outcomes. Based on the quantitative, cross-sectional research design, the data was collected using a self-administered questionnaire from administrative staff (n=202) within the service sector of Pakistan. The findings suggested PWB mediates the relationship between EL, EP, and EC whereas depression was found an exception. In addition, hope only mediates EC mediates EC but does not find it mediating EP and depression. This study details important insights and implications for managers and leaders to improve their interactions with employees and create a healthier work environment for long-term sustainability.

**Keywords :** ethical leadership, employee creativity, Depression, social exchange theory

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