

RESEARCH ARTICLE

# Leader–member exchange as a mediator of the relationship between authentic leadership and employee creativity

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(Received 22 June 2020; revised 26 March 2021; accepted 29 May 2021; first published online 21 June 2021)

## Abstract

The purpose of this study was to acquire meaningful insights on the determinants of creativity with a meticulous examination, and by dint of that, expand the concerned literature. To accomplish the same, a conceptual model that includes authentic leadership, employee creativity, and leader–member exchange (LMX) was methodically developed and evaluated. This research is a quantitative study incorporating a self-report survey. The data were amassed from hotel employees in Northern Cyprus. Data from 314 applicable surveys were analyzed using Statistical Package for the Social Sciences (SPSS)-22 and analysis of a moment structures (AMOS)-18 programs. Based on the findings, it can be deduced that authentic leadership has a considerable impact on employee creativity, while LMX plays an intermediary role in this relationship. The results of this study are useful and relevant for both researchers and policymakers.

**Key words:** Authentic leadership; employee creativity; hospitality sector; leader–member exchange

## Introduction

The hospitality sector is one of the most dynamic industries where change and uncertainty are intense. More particularly, globalization and its concomitant changes have notably increased the competition within the hospitality industry. In such a competitive environment, surviving and obtaining a sustainable competitive advantage are contingent upon the continuum of organizations' service innovation (Engen & Magnusson, 2015; Geng, Li, Bi, Zheng, & Yang, 2018). The continuum of service innovation in the hospitality sector is attained by the creativity of employees who are in close contact with the customers (Zhou & Hoever, 2014). The extant literature asserts that employee creativity plays a pivotal role in the hospitality industry, as it facilitates service innovations and offers a competitive advantage (Engen & Magnusson, 2015; Hon, 2013; Hon, Chan, & Lu, 2013; Sigala & Kyriakidou, 2015).

In the contemporary world, by virtue of technological developments, transportation has become easier, and the customer portfolio in the hospitality sector has transformed into a multi-cultural structure (Maslakçı & Sesen, 2019). In such a structure, the demands and expectations of each customer have different features (Taşdemir, Çekmecelioğlu, & Yıkılmaz, 2019). The satisfaction of customers with such diversified expectations is achieved by providing innovative services that can change with time and circumstances that encompass different needs and problems, rather than the conventional services (Geng, Liu, Liu, & Feng, 2014; Rodrigues, Coelho, & Sousa, 2015; Surucu & Sesen, 2019). Therefore, the hospitality sector requires employee creativity, which can provide services in accordance with customer's needs (Hon, 2013; Wang, Tsai, & Tsai,

2014). For this reason, the studies being conducted in the hospitality industry on employee creativity offer a particular value. Furthermore, previous studies on employee creativity focused on the production sector, whereas there is a dearth of research on the hospitality sector (Tsai, Horng, Liu, & Hu, 2015).

The creative service provision of employees is mandatory for organizations; however, it is challenging and risky for employees. In this process, the leader assumes a critical role to encourage and nurture creativity in employees. In addition, the organizational climate created by the leader has a decisive influence when confronted with the fear of change and criticism, which potentially hinders employee creativity (Yang, 2020). For this reason, the importance of leadership has been extensively accentuated in the literature on hospitality industry (Dhar, 2016; Şeşen, Sürücü, & Maslakçı, 2019). Accumulated empirical literature documents that leadership is closely related to employee creativity, and that employee creativity is influenced by leadership style (Gupta, Singh, Kumar, & Bhattacharya, 2012; Yoshida, Sendjaya, Hirst, & Cooper, 2014).

Although it is one of the most prominent leadership theories in recent organizational behavior research, authentic leadership is still conceptually in the incipient stage (Hsiung, 2012; Xu, Zhao, Li, & Lin, 2017). In the literature, authentic leadership has been reckoned as a leadership style that includes other positive leadership styles (Nelson et al., 2014) that can respond to both the present and the future (Kong, Xu, Zhou, & Yuan, 2019). An authentic leader is presumed to have a positive influence on the creativity of employees compared to other leadership styles owing to their transparency, information sharing, and supportive behavior in their relations with their employees (Zubair, 2015). This is because through their particular attributes, authentic leaders facilitate the organizational climate essential for employee creativity and manifest supportive behavior for their employees. Although theoretical research in the literature has demonstrated that authentic leadership can promote employee creativity, the empirical research on this subject is notably inadequate (Xu et al., 2017). In the limited number of studies conducted, it has been conjectured that an authentic leader maintains the same relationship with all of his/her employees. However, the leader–member exchange (LMX) theory, which focuses on bilateral relations, asserts that a leader can establish relationships with employees in two different ways, namely in-group and out-of-group, as a result of factors such as individual characteristics, limited resources, and time pressure (Zhang, Chen, & Zhao, 2016). According to the theory, in-group members (high-quality) have more contact with the leader, while out-group members (low-quality) have a relatively formal relationship with their leader (Thirlwall, 2015; Yang, 2020; Zhang et al., 2016). In this context, LMX characterizes a dual process that reflects the leaders' varying levels of relationship with their employees. This process is predicated on the belief that the leader has different types of interactions with employees. Based on this approach, the effect of an authentic leader on employee creativity may not be equal for all employees. In fact, Kong et al. (2019) argued that the mutual relationship (LMX) between the leader and her/his followers should be taken into account in research focusing on the effect of the leader. Focusing on the leader–employee relationship in this respect, LMX has been affirmed as the most optimal way to understand the impact of authentic leadership on employee creativity. As per the existing literature, LMX can play a crucial role in mediating the relationship between authentic leadership and employee creativity. Therefore, in this research, while building a model that connects authentic leadership to employee creativity, we developed and evaluated a conceptual model in which LMX is the mediator.

The chief purpose of the research was to deepen the understanding of the determinants of employee creativity and to expand the literature on this subject. This research primarily contributes to the literature in three ways. First, this research on the service sector attempts to improve the quality of service in the hospitality sector by facilitating the understanding of the premises of employee creativity. Second, research on employee creativity is generally focused on the production sector, whereas research on the hospitality sector has been limited. Furthermore, empirical research is needed for authentic leadership (Xu et al., 2017). In this context, this research

broadens the literature on creativity. Finally, the findings are anticipated to garner the attention of human resource (HR) managers in the hospitality sector by increasing the awareness about the factors influencing creativity.

## Literature review

### *Barriers to employee creativity in the hospitality industry*

The ability of organizations to effectually sustain their performance in the hospitality industry is only possible with the creative behavior of their employees. For this reason, successful organizations cultivate and encourage creativity in their employees (Surucu & Sesen, 2019). Nonetheless, there are several impediments to employee creativity. The literature deems the lack of the requisite information in the development of creative products or services and the fear of being deprived of necessary support in the creative process as the two principal obstacles to creativity (Hon, 2013; Hon et al., 2013). In addition, because of the unique structure of the hospitality industry, work stress due to workload, role ambiguity, and long working hours are also among the crucial factors that prevent employees from being creative (Hon & Lui, 2016).

Given the barriers to employee creativity, it is clear that the leader is an important actor in creating a positive organizational climate and overcoming obstacles (Hon et al., 2013). The supportive attitudes and behaviors exhibited by the leaders play a critical role in solving the problems experienced by the employees during the creative process and in creating the climate required for creativity (Yang, 2020). Supporting the literature, Crossan and Apaydin (2010) examined the studies on creativity and innovation conducted in the last 27 years and emphasized the importance of leadership as one of the three main determinants of creativity (business processes, managerial levers, and leadership). Studies and the current literature show that the leader plays a key role in developing employee creativity.

### *Authentic leadership and employee creativity*

Authentic leadership is an effective leadership style that differs from other leadership styles because of its unique features (Baron, 2016; Walumbwa, Wang, Wang, Shaubroeck, & Avolio, 2010). Authentic leaders are leaders who are supportive and transparent to their employees and therefore creates an environment of trust (Lux, Grover, & Teo, 2019). With these aspects, authentic leaders can positively affect the attitudes and behaviors of their employees at work (Walumbwa et al., 2010).

The positive attitude of the authentic leader toward different opinions and suggestions among the employees, and the tendency to create a more constructive atmosphere instead of applying punishment in case of mistakes create a positive organizational climate for employee creativity (Toor & Ofori, 2008). In such a positive organizational climate, employees do not hesitate to display creative behavior by manifesting their creative personalities (Yang, 2020). Research has indicated that a supportive organizational climate is indispensable for employees to display creative behaviors (Akgunduz, Alkan, & Gök, 2018).

In terms of providing the organizational information flow, supporting the employees (Kalay, Brender-Ilan, & Kantor, 2018), and leading the change (Tsai et al., 2015), authentic leadership is reckoned as a vital determinant of employee creativity (Volmer, Spurk, & Niessen, 2012). Previous studies affirm that an authentic leader acts constructively toward his/her employees and nurtures employee creativity through the organizational climate he/she creates (Banks, McCauley, Gardner, & Guler, 2016; Li, Yu, Yang, Qi, & Fu, 2014; Zhou, Ma, Cheng, & Xia, 2014; Zubair, 2015). The following hypothesis has been developed to be investigated in congruence with existing literature.

Hypothesis 1: An authentic leader affects employee creativity significantly and positively.

### ***LMX and employee creativity***

LMX theory is a leadership theory that focuses on the interaction between the leader and employees. The theory states that once a high-quality LMX is provided between the employee and the leader, mutual trust and respect will eventuate, and thereby, the employee will receive more support from the leader (Kim & Barak, 2015; Yang, 2020; Zhang et al., 2016). The support that LMX provides to employees is contemplated as an essential resource for increasing creativity. The principal reason for the same is that creativity is an intricate and uncertain process that cannot be developed by the individual efforts of the employee (Jimenez-Jimenez & Sanz-Valle, 2008). Presuming the nature of creativity to be uncertain and risky, the support provided by LMX will alleviate the fear of risk for the employees and make them feel more confident to engage in creative behavior (Prieto & Pérez-Santana, 2014).

Gumusluoglu and Ilsev (2009) remarked that employee creativity is shaped in accordance with the employee's relationship with the leader. Employees who maintain a good-quality communication with their leader, trust their leader, which in turn fosters an environment wherein they feel comfortable sharing their creative ideas and behavior with their leader without any fear of rejection. Confidence and respect toward the leader enable employees to go beyond the roles specified in their job descriptions and to show extra-role behaviors, such as spontaneous creativity (Thirlwall, 2015). This perspective states that an employee who establishes strong trust relationships (high LMX) with their leaders will produce more creative ideas and behave more actively (Park & Jo, 2018). However, in a high-quality LMX relationship, the employee will have more autonomy and decision-making capabilities, which are positively correlated with creativity and innovation (Lee et al., 2020). Social exchange theory, which supports the literature, states that employees will work hard and exhibit high creativity in return for support, trust, and other resources (e.g., autonomy) from the leader (Meng, Tan, & Li, 2017). In this context, LMX theory asserts that as the employee creativity increases in accordance with the increase in the quality of the relationship between leader and employee.

Research concerning the hospitality industry indicates that employees with high-quality LMX exhibit behaviors that improve quality service and customer satisfaction by taking risks, developing creative ideas, and behaviors when confronted with challenging situations (Kim, Poulston, & Sankaran, 2016; Li et al., 2014; Surucu & Sesen, 2019). However, the accumulated empirical literature documents that LMX has a significant and positive effect on employee creativity (Liao, Chen, & Hu, 2018; Liu, Liao, & Loi, 2012). In consonance with the existing literature, the following hypothesis has been developed in this research.

Hypothesis 2: LMX affects employee creativity significantly and positively.

### ***The mediating role of LMX***

Scott and Bruce (1994) cogently remarked that even personal characteristics that increase creativity are not sufficient for creativity and must be supported. Accordingly, even employees with high creativity tendencies are likely to be disappointed and may plausibly drop their creative ideas if not supported or upon being rejected by the leader (Park & Jo, 2018). From this perspective, it is clear that leaders' approach to their employees and the organizational climate that they create not only facilitates employee creativity, but also plays a key role in supporting the creativity process (Denti & Hemlin, 2016). Furthermore, several researchers have underscored the importance of the leaders' attitudes and behaviors toward their employees as well as the interaction between the employees and the leader (LMX) in creating organizational support that fosters employee creativity (Geng et al., 2018; Niu, Yuan, Qian, & Liu, 2018). Therefore, it is evident that the leaders' effect on employee creativity is also related to the quality of the leader and the LMX.

An authentic leader attempts to create a positive organizational climate that supports employee creativity by providing information flow within the organization, acting supportively in the case

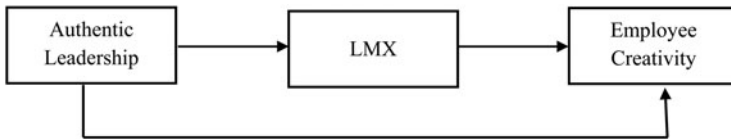


Figure 1. Research model.

of failure, and establishing fair and transparent interaction. Moreover, authentic leaders can establish long-term interaction with their employees that includes trust and loyalty. Thus, this trust, loyalty, and sincerity-based communication that authentic leaders establish with their employees positively affect their LMX with their employees (Niu et al., 2018). This high-quality LMX created by the interaction between the leader and the employee enables the employee to obtain the information and autonomy required for the creative process (Liao et al., 2018). In addition, high-quality LMX will reduce employees' fear of risk and create an environment in which they feel safer in engaging in creative behavior (Prieto & Pérez-Santana, 2014). In line with the existing literature, it is conjectured that authentic leadership creates a high-quality LMX with the employee that can positively affect employee creativity. Substantiating this idea, Xu et al. (2017) found in their research concerning eight different organizations in Taiwan that LMX plays a mediating role in the relationship between authentic leadership and individual creativity. Other studies about the subject of leadership showed that LMX plays an intermediary role in the effect of moral leadership (Gu, Tang, & Jiang, 2015) and benevolent leadership (Lin, Ma, Zhang, Li, & Jiang, 2018) on employee creativity. In concordance with the available literature, the following hypothesis has been developed for testing.

Hypothesis 3: LMX plays a mediating role in the effect of authentic leadership on employee creativity.

## Methodology

In this research, a conceptual model was developed in which LMX mediates the relationship between authentic leadership and employee creativity. The research model is depicted in Figure 1.

### Sample and data collection

Li and Hsu (2016) noted that five-star hotels have ample resources for creativity and a professional management approach that encourages employee creativity. In this context, five-star hotels in Northern Cyprus were preferred as the most suitable universe for the research. First, the researchers met face-to-face with the hotel managers, and the purpose of the research was explained. To reduce anxiety among the hotel managers, they were informed that research data would not be shared with third parties and hotel names would not be indicated in the research. Surveys were administered to the employees of the hotels who granted permission to the researchers to conduct the research outside the working hours. The employees were informed about the questionnaire application in order to reduce anxiety and prevent bias and were also reminded that they should not write their names on the questionnaire. The questionnaires, which were previously prepared with closed-ended questions, were delivered in closed envelopes and subsequently collected in closed envelopes. It was ensured that the employees completed the questionnaires in environments where the researchers, other colleagues, and leaders were not present. This is because the goal was to decrease social desirability in the employees. Resultantly, the questionnaire was administered to 334 employees selected with the convenience sampling method. When the data obtained as a result of the survey application were examined in detail by the researchers, it was determined that all of the items in the scale in 11 of the questionnaires were marked as either '1' or '5'. Those questionnaires were excluded from the study because it was realized that the data were filled cursorily and without reading. Furthermore, in accordance with

**Table 1.** Descriptive statistic, correlation, and measurement model evaluation

Variable	Mean	SD	1	2	3	AVE	CR	$\alpha$
1. Authentic leader	3.53	.82	(.72)			.519	.811	.732
2. Employee creativity	3.58	.76	.400**	(.74)		.541	.875	.827
3. Leader-member exchange	3.57	.70	.588**	.548**	(.71)	.504	.859	.889

\*\* $p < 0.05$ , the square roots of AVE estimate on the diagonal.

Byrne's (2016) suggestions, surveys of nine of the participants who did not respond to more than 50% of the items in the latent variables were not included in the study. Thus, the analysis was performed on the data from 314 applicable surveys.

With regard to the gender, 128 of the participants were male and 186 were female. Out of the total participants, 177 were single and 137 were married. With respect to age groups, there were 140 participants under the age of 30 years, 75 participants between the ages of 31 and 40 years, and 99 participants over the age of 40 years. The average age of the participants was 26.85 years. Amongst all, 140 participants had a high school education or below, 103 had associate degrees, 63 had bachelor's degrees, and eight had a postgraduate education. In total, 109 participants had 1 year or less work experience, 120 participants had 2–5 years of work experience, 48 participants had 6–10 years of work experience, and 37 participants had 11 years of work experience. The average work experience of the participants was 3.49 years. Data on work experience depict the experience of the participants in their current workplace. The participants' average working time with their leaders was 2.24 years.

### Measures

Except for the statements regarding the demographic variables, the participants answered the questionnaire based on a 5-point Likert scale ranging from '(1) *absolutely disagree* to (5) *strongly agree* (5)'. The questionnaire comprised four parts. In the first part, there were five items aimed at determining the demographic characteristics of the participants. In the second, the authentic leadership style was measured using the authentic leadership scale developed by Avolio, Gardner, and Walumbwa (2007). Sample items of the scale are as follows: 'Managers say exactly what they mean,' 'Managers are willing to admit mistakes when they are made,' and 'Managers demonstrate beliefs that are consistent with actions.' In the third part, the employee creativity scale developed by George and Zhou (2001) was used. Sample items of the scale are as follows: 'I suggest new ways to achieve goals,' 'I am not afraid to take risks,' and 'I promote and champion ideas to others.' In the last part, the LMX scale developed by Liden and Maslyn (1998) was used. Sample items of the scale are as follows: 'My manager (supervisor) is pleased to work with me,' 'My manager appreciates my professional skills,' and 'My manager is happy to work with me.' The Cronbach's  $\alpha$  reliability coefficients of the scales in the questionnaire form have suitable values for research (Table 1).

### Control variables

Age, education, and work experience were taken under control to account for alternative factors that could explain the change in employee creativity.

### Confirmatory factor analysis (CFA)

A CFA was performed using the AMOS-18 program to assess the construct validity of the variables included in the research. In the CFA, when we tested the different structures of the model, the hypothesized three-factor model (authentic leader, employee creativity, and LMX) exhibited a



better and more acceptable fit than all other alternative measurement models (RMSEA = .069; SRMR = .071; GFI = .941; NFI = .952; CFI = .974). The findings showed that our three-factor model was well constructed and clearly distinguished by all participants in the current study.

### Data analysis method

Research data were analyzed using Statistical Package for the Social Sciences (SPSS)-22 and analysis of a moment structures (AMOS)-18 software. In the research, descriptive statistics analyses were carried out to determine the demographic characteristics of the participants. The relationship of variables was determined by Pearson correlation coefficient. The method of causal steps recommended by Baron and Kenny (1986) was used to test the intermediary hypotheses. However, the accumulated empirical literature shows that this approach does not yield sufficiently strong statistical values and has many potential shortcomings (Hayes, 2017; MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002). For this reason, PROCESS macro software, which is a contemporary approach and developed as an add-on to SPSS by Hayes (2017), was used to test the research hypotheses. In the PROCESS macro method, 5,000 resampling options were chosen with the bootstrap technique.

## Results

### Descriptive and reliability analyses

Table 1 shows the descriptive values of the variables, showing the correlations and reliability values.

The data in Table 1 show that there is a positive significant correlation between authentic leadership and employee creativity ( $r = .400, p < .05$ ) and LMX ( $r = .588, p < .05$ ). Moreover, there is a significant positive correlation between employee creativity and LMX ( $r = .548, p < .05$ ). Although a statistically significant correlation between the variables has been observed, Hair, Sarstedt, Ringle, and Gudergan (2017) stated that multicollinearity bias should be checked. They further stated that if the VIF values in the sample are above 5, a multicollinearity bias problem will occur. The analysis results revealed that the VIF values varied between 2.31 and 3.16. It was, thus, concluded that there was no problem of multicollinearity bias in the study. When the measurement model was evaluated, it was found that all variables included in the scope of the research have composite reliability with the Cronbach's  $\alpha$  scores above .7. These values indicate that the measurement tools (scales) have sufficient internal consistency coefficient scores. In addition, the fact that the constructs' average variance extracted (AVE) values were above .5 indicates that it provides convergent validity (Hair et al., 2017). Discriminant validity is tested in terms of the square root value of AVE being greater than all correlations between variables. In this context, when Table 1 is examined, it is evident that the square root value of AVE is more than the total correlation between the variables and all variables provide discriminant validity.

### Testing of the hypotheses

Regression analysis was performed with the bootstrap method in order to test whether the LMX has an intermediary role in the effect of authentic leadership on employee creativity. The process macro developed by Hayes (2017) was used in the analysis. Table 2 shows the regression and mediation analysis results for the proposed model.

According to the results, authentic leadership has a significant and positive effect on the leader-member interaction ( $\beta = .476, 95\% \text{ CI} = [.3927, .5599], t = 7.289, p < .05$ ) and employee creativity ( $\beta = .127, 95\% \text{ CI} = [.0178, .2357], t = 2.290, p < .05$ ). Also, LMX affects creativity significantly and positively ( $\beta = .510, 95\% \text{ CI} = [.3822, .6372], t = 7.870, p < .05$ ). In accordance with these findings, Hypothesis 1 and Hypothesis 2 are accepted.

**Table 2.** Path coefficients in the baseline model

	Standardized			<i>t</i>	LLCI	ULCI
	$\beta$	SE	<i>p</i>			
AL→LMX	.476	.043	.000	7.289	.3927	.5599
AL→EC	.127	.055	.022	2.290	.0178	.2357
LMX→EC	.510	.065	.000	7.870	.3822	.6372

AL, authentic leader; LMX, leader–member exchange; EC, employee creativity.

**Table 3.** Mediation analysis

Bootstrapping	Coeff.	SE	LLCI	ULLC
Indirect effect (AL→LMX→EC)	.243	.427	.1615	.3306

5,000-bootstrap samples; BC means bias-corrected; CI confidence interval.  
Note. \* $p < .10$ , \*\* $p < .05$ , ( $N = 281$ ).

Whether the indirect effect of authentic leadership on employee creativity is significant was determined on the basis of the confidence intervals obtained by the bootstrap technique, and the findings are presented in Table 3.

Regarding the determination of the mediating role of the LMX, the *Indirect effect* ( $\beta = .243$ ,  $SE = .427$ , 95% BCA CI = [.1615, .3306]) is significant because the confidence interval does not include zero. In light of this finding, Hypothesis 3 is accepted. VAF (variance accounted for) was calculated as .657 for the estimation of the indirect effect value of the mediator's size. Hair et al. (2017) asserted that if the VAF value is between .2 and .8, it is partially mediated. In this context, LMX has a partially mediating role in the effect of authentic leadership on employee creativity.

## Discussion and conclusion

The hospitality industry inevitably requires creative ideas and behaviors of its employees in order to ensure service innovation and increase the effectiveness of the organizations. Furthermore, employee creativity notably contributes to ensuring customer satisfaction through the quality of the service provided in the hospitality industry. In this context, employee creativity is deemed as a vital source of competitive advantage in the hospitality industry. This research aims to further understand the factors that impact creativity in the hospitality industry and to expand the extant literature on this subject; it was suggested and tested that (a) authentic leadership has a positive impact on employee creativity. Our research findings reveal that the authentic leadership style increases the perception of organizational support in the employees, and the positive behaviors directed by the authentic leader improve creativity in the employees. This finding is congruent with the results of previous studies (Banks et al., 2016; Li et al., 2014; Zhou et al., 2014; Zubair, 2015). Our research extends beyond these studies, because they assumed that an authentic leader maintains the same relationship with all of her/his employees. However, LMX theory states that a leader can have two different types of relationships with his/her employees (in-group and out-of-group) (Zhang et al., 2016). According to the theory, in-group members (high-quality) receive more support by communicating more with their leader, while out-group members (low-quality) have relatively less formal relationships with their leader (Yang, 2020). In line with this approach, LMX can be a crucial variable in the effect of authentic leadership on employee creativity. Furthermore, it is recommended that the mutual relationship (LMX) between leaders



and their followers should be taken into account in studies investigating the influence of leaders on employees (Kong et al., 2019). In this regard, Kim, O'Neill, and Cho (2010) affirmed that leadership effectiveness cannot be fully understood without examining the interactions between leaders and employees. Therefore, our research (b) proposed and tested the hypothesis that LMX plays an intermediary role in the effect of authentic leadership on employee creativity. Thus, our research extends previous authentic leadership research, which helps to explain the effect of the authentic leader on employee creativity. Our findings reveal that LMX plays an intermediary role in the relationship between authentic leadership and employee creativity. The principal findings are as follows:

In this research, it has been determined that authentic leadership affects employee creativity in a significant and positive way. Although this finding is expected, it is a noteworthy result for practitioners as it provides a competitive advantage by affecting the creativity of employees and the sustainable quality of the service provided in the intensely competitive hospitality sector. Authentic leadership affects employee creativity positively, as it gives importance to the development of employees, ensures the flow of information within the organization, and establishes an organizational climate that enables change. Jaiswal and Dhar (2015) stated that employees always expect support, help, and attention from their leaders to achieve creativity. In this context, the authentic leader acts in a supportive way in his/her communication with employees and establishes a relationship based on sincerity and trust. This situation fosters creativity by reducing the hesitation and fears that employees may experience during the creative process. These findings of the current research show that hotel managers who want to encourage creativity in their employees must exhibit an authentic leadership style. In this context, hotel managers should become aware of the fact that they can be effective in increasing the creativity of employees by using an authentic leadership approach. Many researchers assert that leadership qualities can be improved through training (Surucu & Sesen, 2019). In this context, it may be appropriate for HR managers to arrange training for managers at all levels with authentic leadership qualities. In fact, considering that employee creativity increases the performance of companies in the hospitality sector, the role of HR managers should not only be to hire managers who benefit the organization, but also to present managers with training and development opportunities that will benefit the organization. Through training, managers can develop an attitude toward authentic leadership behaviors fostering creativity in employees to meet the varying needs of customers. In addition to training existing leaders, it is recommended that HR managers recruit leaders who can demonstrate authentic leadership qualities as one of the selection criteria in recruitment. Through such policies, companies in the hospitality industry can create an organizational culture that encourages creativity by spreading authentic leadership behavior throughout their hotels. In this way, a working environment that supports and encourages employees to express their opinions can be readily created.

This research documents that LMX affects employee creativity in a significant and positive way. The interaction and communication between the leader and the employee are cardinal in providing the creative solutions and service innovation needed in the hospitality industry. When the interaction between leader and employee is strengthened, namely when high-quality LMX is provided, mutual respect and trust are created between leader and employee. In this trust-based environment, the employee can share his/her creative ideas and behavior with his/her leader without the fear of rejection. Studies showed that employee creativity is an uncertain and risky process (Jimenez-Jimenez & Sanz-Valle, 2008). In this context, high-quality LMX formed between the employee and the leader is a crucial factor that reduces the employee's fear of risk. In addition, consistent with the theory of social change, the employee with a high-quality LMX will receive more support from their leaders and, in return, will trust their leaders based on the principle of reciprocity (Liden, Wayne, & Sparrowe, 2000). Therefore, those who work with LMX will feel more confident in their creative behavior. Kim et al. (2016) stated that employees with high LMX in the hospitality industry tend to take more risks in offering

creative solutions and are more willing to participate in creative ideas and solutions. Moreover, employees in the hospitality industry need to be extremely passionate about creative behavior to provide high-quality services and meet the ever-changing demands of customers (Hornig, Tsai, Yang, & Liu, 2016). In this regard, hotel managers can create a vision for creative performance by strengthening their relationship with their employees. Based on this vision, the leaders should endeavor to strengthen their relationship with each employee with an individualized approach, while also providing appropriate resources and support because if the employees perceive that they are working in a supportive environment, they will feel motivated to be creative. For this reason, companies in the hospitality industry should value and encourage relationship exchanges between leaders and employees. HR managers can administer surveys to their employees to develop leader–employee relationships and determine the current relationship level. In this way, leaders can garner new insights that will strengthen bilateral relations with their employees. Furthermore, these surveys can contribute to the detection of practices that sabotage bilateral relationships and eliminate such problems. Additionally, participation events such as creativity games or competitions can be organized to provide opportunities for the leader to interact with his/her employees. Employees who exhibit creative ideas at these events can be rewarded. This can prospectively ensure that innovative ideas are fostered for employee creativity and that leader–employee relations are developed. All these activities can reduce the tension caused by potential conflicts between the leader and the employee and encourage employees to be creative. Despite all these efforts, some of these activities can be challenging; however, those who can overcome these challenges will be successful in promoting employee creativity, which will give the organization a competitive advantage.

Our research findings reveal that LMX plays an intermediary role in the effect of authentic leadership on employee creativity. The authentic leader positively approaches his/her employees in the face of different opinions and suggestions and shows constructive behavior in case of mistakes. In this respect, the authentic leader creates a positive organizational support environment for employee creativity. However, many studies emphasize that the perceived organizational support necessary for employee creativity depends on the attitude and behavior of the leader toward his/her employees as well as the interaction of the employees with the leader (LMX) (Geng et al., 2018; Niu et al., 2018). These studies point to the mediating role of LMX in the effect of the leader on employee creativity. Our research documents the mediating role of LMX in the impact of authentic leadership on employee creativity. The authors have already assumed that authentic leaders influence employee creativity (Hypothesis 1). This finding of our study shows that an authentic leader also influences employee creativity through a third mechanism, namely LMX. One of the implications of the same is that hotel managers need to engage with their employees more and develop better relationships (high LMX) with them through constant communication. With the development of relationships, an atmosphere of trust will be created and employees' motivation for creativity will increase. In other words, the synergy created by authentic leadership characteristics and positive relationships between leaders and employees will motivate the employees to be creative. In addition to managing employees via authentic leaders, HR managers should plan activities to increase employee–leader relationships. In this sense, it is considered that planning social events where all employees (leader/employee) come together to create shared areas to enable the leader and employees to meet in more social environments is expected to be beneficial for the creation of high LMX.

### Managerial implications

The hospitality industry needs employees who expeditiously offer creative on-site solutions to attain customer satisfaction. In this sense, employee creativity plays a key role in ensuring customer satisfaction, one of the dominant themes of the hospitality industry. Customer satisfaction is a good marketing strategy. It also allows countries to be marketed and promoted. In countries

such as Northern Cyprus, where tourism revenues represent an important proportion of the economy, ensuring customer satisfaction may potentially increase the number of tourists visiting the countries. Thus, the sectors supporting tourism will be developed, and a strong economic contribution will be provided to the state. From this perspective, the findings of this research should be interpreted meticulously by policymakers and HR managers in the hospitality industry. The findings of the study revealed that the authentic leadership style and LMX have a positive effect on employee creativity. In line with this finding, it is recommended that policymakers and governments work together in partnership with businesses in the hospitality industry. In this study, it is evaluated that it will be appropriate to acquire authentic leadership features and to plan courses and training programs for employee–leader relations.

### Limitations and directions for future research

This research has some limitations. First, it was conducted in Northern Cyprus, an island country, where summer tourism is intense. Hughes, Lee, Tian, Newman, and Legood (2018) argued that creativity might vary between organizational sectors and roles owing to its fundamental nature. Therefore, the findings of this research are insufficient and cannot be generalized. Second, as the study has a cross-sectional design, it is difficult to make precise causal claims about the relationship between the variables examined. Moreover, all perceptual data are self-reported by employees. Leaders' characteristics and experience in the sector could be effective in this reporting of the employees. This study is insufficient in terms of providing information about the variables that may cause changes in employees' perceptions. Considering the limitations of the study, it is reckoned that studies conducted with different cultures and samples may be more suitable for generalization. Also, using longitudinal designs in future studies can prospectively be useful for explaining the causal relationship between the examined variables. Finally, for future studies, it is recommended that the leaders' characteristics and experience in the sector are included in the analyses.

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