ETHICAL LEADERSHIP AND EMPLOYEE CREATIVE BEHAVIOUR: A CASE STUDY OF A STATE-OWNED ENTERPRISE IN SOUTH AFRICA

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ABSTRACT

Purpose: The aim of this explanatory study was to critically understand how ethical leadership impacts employee creative behaviour as well as the creative behaviour dimensions, in a South African transport and logistics State Owned Enterprise.

Theoretical framework: Leaders set the tone which has a major effect on the organizational climate and the organizational approach and the moral facet of leadership is significant because of the leader's impact on employees and organizational conduct. Thus, this study is underpinned by the style of leadership which is ethical, since the autocratic style is often seen as lacking ethical conduct.

Method: The quantitative method was chosen since a deductive approach was needed to interpret the data. The target population comprised middle and executive managers representing the leaders and low-level managers representing followers and referred to as the employees. Although a sample of 348 employees (followers) was generated using the Raosoft (2004) sample size calculator. The data from 160 respondents comprising managers and employees was collected using predeveloped questionnaires. and analysed through structural equation modelling and multiple regression techniques conducted with the Smart PLS statistical software. The reliability of the research instrument was measured using Cronbach tests, and composite reliability. Validity was also confirmed using lower-order and higher-order construct validity tests.

Results and conclusion: It was confirmed that ethical leadership has a significant positive influence on employee creative behaviour, as well as with each of the creative behaviour dimensions namely: idea exploration, idea generation, and idea championing.

Originality/value: The influence of ethical leadership on employee creative behaviour in South African SOEs is also not fully understood and large private corporates and government entities have been rocked by corporate governance scandals, resulting in the call for ethical leadership to save companies from collapse and astounding costs from a financial, social and human perspective. No research was conducted on the topic in South African state-owned enterprises and thus the new knowledge generated would contribute to improving leadership and making the enterprises more innovative and thus improve performance.

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LIDERANÇA ÉTICA E COMPORTAMENTO CRIATIVO DOS FUNCIONÁRIOS: UM ESTUDO DE CASO DE UMA EMPRESA ESTATAL NA ÁFRICA DO SUL

RESUMO

Objetivo: O objetivo deste estudo explicativo foi entender criticamente como a liderança ética afeta o comportamento criativo dos funcionários, bem como as dimensões do comportamento criativo, em uma empresa estatal de transporte e logística da África do Sul.

Estrutura teórica: Os líderes dão o tom que tem um efeito importante no clima organizacional e na abordagem organizacional, e a faceta moral da liderança é significativa devido ao impacto do líder sobre os funcionários e a conduta organizacional. Assim, este estudo é sustentado pelo estilo de liderança que é ético, uma vez que o estilo autocrático é frequentemente visto como carente de conduta ética.

Método: O método quantitativo foi escolhido porque foi necessária uma abordagem dedutiva para interpretar os dados. A população-alvo incluía gerentes de nível médio e executivo, que representavam os líderes, e gerentes de nível inferior, que representavam os seguidores e eram chamados de funcionários. Uma amostra de 348 funcionários (seguidores) foi gerada usando a calculadora de tamanho de amostra da Raosoft (2004). Os dados de 160 respondentes, incluindo gerentes e funcionários, foram coletados por meio de questionários pré-desenvolvidos e analisados por meio de modelagem de equações estruturais e técnicas de regressão múltipla conduzidas com o software estatístico Smart PLS. A confiabilidade do instrumento de pesquisa foi medida por meio de testes de Cronbach e confiabilidade composta. A validade também foi confirmada por meio de testes de validade de construção de ordem inferior e superior.

Resultados e conclusões: Confirmou-se que a liderança ética tem uma influência positiva significativa no comportamento criativo dos funcionários, bem como em cada uma das dimensões do comportamento criativo, a saber: exploração de ideias, geração de ideias e defesa de ideias.

Originalidade/valor: A influência da liderança ética sobre o comportamento criativo dos funcionários nas empresas estatais sul-africanas também não é totalmente compreendida, e grandes corporações privadas e entidades governamentais foram abaladas por escândalos de governança corporativa, o que resultou no apelo à liderança ética para salvar as empresas do colapso e dos custos surpreendentes do ponto de vista financeiro, social e humano. Nenhuma pesquisa foi realizada sobre o tema nas empresas estatais sul-africanas e, portanto, o novo conhecimento gerado contribuiria para aprimorar a liderança e tornar as empresas mais inovadoras, melhorando assim o desempenho.

Palavras-chave: Líderes Éticos, Comportamento Criativo dos Funcionários, Empresas Estatais.

LIDERAZGO ÉTICO Y COMPORTAMIENTO CREATIVO DE LOS EMPLEADOS: ESTUDIO DE CASO DE UNA EMPRESA ESTATAL SUDAFRICANA

RESUMEN

Objetivo: El objetivo de este estudio explicativo era comprender críticamente cómo afecta el liderazgo ético al comportamiento creativo de los empleados, así como las dimensiones del comportamiento creativo, en una empresa estatal de transporte y logística de Sudáfrica.

Marco teórico: Los líderes marcan la pauta que tiene un efecto importante en el clima organizativo y el enfoque organizativo, y la faceta moral del liderazgo es significativa debido al impacto del líder en los empleados y en la conducta organizativa. Así pues, este estudio se apoya en un estilo de liderazgo que sea ético, ya que el estilo autocrático suele considerarse carente de conducta ética.

Método: Se eligió el método cuantitativo porque se requería un enfoque deductivo para interpretar los datos. La población objetivo incluía directivos de nivel medio y ejecutivo, que representaban a los líderes, y directivos de nivel inferior, que representaban a los seguidores y se denominaban empleados. Se generó una muestra de 348 empleados (seguidores) utilizando la calculadora de tamaño de muestra de Raosoft (2004). Los datos de 160 encuestados, incluidos directivos y empleados, se recogieron mediante cuestionarios previamente elaborados y se analizaron mediante técnicas de modelización de ecuaciones estructurales y regresión múltiple realizadas con el software estadístico Smart PLS. La fiabilidad del instrumento de investigación se midió mediante las pruebas de Cronbach y de fiabilidad compuesta. También se confirmó la validez mediante pruebas de validez de constructo de orden inferior y superior.

Resultados y conclusiones: Se confirmó que el liderazgo ético tiene una influencia positiva significativa en el comportamiento creativo de los empleados, así como en cada una de las dimensiones del comportamiento creativo, a saber, la exploración de ideas, la generación de ideas y la defensa de ideas.

Originalidad/valor: La influencia del liderazgo ético en el comportamiento creativo de los empleados de las empresas estatales sudafricanas tampoco se conoce del todo, y las grandes corporaciones privadas y las entidades gubernamentales se han visto sacudidas por escándalos de gobernanza corporativa, lo que ha dado lugar a un

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llamamiento al liderazgo ético para salvar a las empresas del colapso y de unos costes asombrosos desde el punto de vista financiero, social y humano. No se ha realizado ninguna investigación sobre el tema en las empresas estatales sudafricanas, por lo que los nuevos conocimientos generados contribuirían a mejorar el liderazgo y hacer que las empresas sean más innovadoras, mejorando así su rendimiento.

Palabras clave: Líderes Éticos, Comportamiento Creativo de los Empleados, Empresas Estatales.

INTRODUCTION

Organisations that experience a growth trajectory generally offer new services or products (Hassan & Hatmaker, 2015), since this provides leverage during change and assists to maintain organisational sustainability. Businesses must adapt to the external environment through continuous innovation and innovative behaviour is critical to the survival of businesses and the maintenance of sustainable, competitive advantage (Ren & Zhang, 2015). Organisations can encourage and stimulate employee creative behaviour through their leadership (Koziol-Nadolna, 2020) and leaders must constantly focus on fostering, developing and sustaining a culture of creativity (Asif et al., 2020).

Several researchers have identified a significant link between creativity and ethical behaviour (Amundsen & Martinsen, 2015; Gupta & Singh, 2015) and it has been shown that leaders with high moral values help to build a strong community and maintain effective communication with their followers and establish an environment that motivates employees to think creatively (Brown et al., 2005).

Although ethical leaders take the centre stage in leadership guidance, little is known of how they influence employee constructive behaviours. Some researchers like Wang and Zhu (2011) argue that although creativity is at the heart of today's business, most ethical leaders do not position innovation and creativity at the top of their agendas.

While the focus in the past has been on creative behaviour within the fields of neuroscience and anthropology rather than on management, recently, leaders have realised that winning ideas arise from a shift towards innovation-driven economic activities in a competitive environment (Amundsen & Martinsen, 2015). For organisations to achieve constant innovation, leaders must establish an environment conducive to renewal and build an organizational culture that encourages creativity and innovation (Fillis & Rentschler, 2010). The rapidly changing 21st-century environment means that strategies used in the past when environments were stable, are no longer adequate. Brown et al. (2005) argue that organisational work processes are now changing more rapidly, resulting in quicker challenges of turbulence, unpredictability, uncertainty, globalisation and technology. Past brand, market or technology monopolies that

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would help organisations to counter creativity, can no longer match the current volatile environments in most sectors (Koziol-Nadolna, 2020).

The field of ethical leadership began after the many corporate scandals, which were widely reported by the global media, with one of the most renowned examples being the Enron scandal (Treviño et al., 2003). South African state-owned entities (SOEs) have also been marred by corporate scandals. The national electricity supplier, Eskom for example, has been the focal point of discussion about corruption and scandals (Business Insider, 2020).

Leaders set the tone which has a major effect on the organizational climate and the organizational approach and the moral facet of leadership is significant because of the leader's impact on employees and organizational conduct. Mansaray (2019) states that leadership style needs to change as the project and processes move forward. Democratic and participative style of leadership are ethical, while the autocratic style of leading is often seen as lacking ethical conduct.

It is against the above background, that this study aims to analyse the effect of ethical leadership on employee creative and innovative behaviour in a transport and logistics SOE in South Africa.

LITERATURE REVIEW

As a moral manager, a leader is expected to influence subordinates' attitudes and behaviours through ethical leadership, such as emphasizing integrity, respecting subordinates, supporting their development, improving the importance and autonomy of their work, and making fair and reasonable decisions (Yidong & Xinxin, 2012). Mesu et al. (2015) regard the ethical leadership dimension as a nexus of visionary, stimulating and inspiring leadership that defines transformational, transactional and charismatic leaders.

Ethical leaders serve as role models of ethical behaviour, attempting to instil such behaviour in their follower's by using communication and reinforcement systems to communicate ethical standards and reward (discipline) ethical (unethical) behaviour, respectively (Metwally et al., 2019). Metwally et al., (2019, p.2) define ethical leadership as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making.

From the above definition it is apparent that ethical leaders are perceived by followers as individuals with normatively appropriate conduct such as care, fairness, trustworthiness,

honesty and creativity, amongst others. The definition is clear on the existence of a two-way communication process with followers, showing that ethical leaders are not only about morals but also pay salient attention to followers in the social environment whilst providing them with voice, interpersonally or procedurally (Iqal et al., 2020). According to Nassif et al. (2021), the source of the positive influence of ethical leadership is transparency of reward and punishment, as well as communication of ethical standards and expectations.

Ethical leaders give meaning to the followers' role within their organization and help them in making their work more meaningful; they also motivate their followers to be adaptable to changes and to be more innovative in the workplace, thereby helping them to perform better (Yidong & Xinxin, 2012).

Employee creative behaviour is exhibited when employees act in a manner that causes them to produce ideas seen as new, unique and useful to the firm (Elidemir et al., 2020). According to De Jong and Den Hartog (2010), employee creative behaviour consists of idea exploration, idea generation, idea championing and idea implementation. Within the organisational behaviour spectrum, employee creative behaviour is part of the micro-organisational behaviour that is focused on individual and group dynamics in an organisation (Inamizu, 2018).

To a large extent, a climate that encourages creativity and innovation is credited to individual leadership styles (Hughes et al., 2018). Leaders within organisations have social power and can influence and motivate followers toward certain actions (Koziol-Nadolna, 2020). The behaviour that ethical leaders exhibit have been shown to have positive relationships with follower trust and perceived organizational effectiveness (Engelbrecht et al., 2013).

A slowly expanding body of literature over the past 30 years has documented the importance of perceived leader support for subordinate creativity (Asif et al., 2020). Some studies have demonstrated that the team members' collective view of support from their leader is associated with the team's success in creative endeavours (Gadirajurrett et al., 2018). At the level of individuals, there is some evidence of a connection between subordinates' general perceptions of their leader and the individual creativity of those subordinates (Hammond et al., 2011). Some studies on individual creativity have investigated areas of leader support, such as the team leader's tendency to provide both clear strategic direction and procedural autonomy in carrying out the work (Koziol-Nadolna, 2020) or supportive, non-controlling supervision (Williams, 2001). Taken together, these studies suggest that subordinates will be more creative when they perceive their immediate supervisors as being supportive of them and their work.

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The theoretical perspective is that creativity is not innovation until the ideas generated are implemented (Amabile et al., 2004). While employees may generate ideas, not all ideas generated are translated into innovations that are implemented. Idea generation by employees in the organization is not a prerequisite for innovation; the new ideas and practices may also be generated by employees outside of the organization (Zhou & Shalley, 2003). Hence, if an employee intentionally introduces and applies a new idea, method, or practice, they are said to engage in innovation (Anderson et al., 2014).

Not all creativity or innovation, regardless of quantity, is good or better for the organisation. The problem is that not all employees have creative behaviour that transforms into innovation that is beneficial to an organisation's long-term performance. Hence, there is a need to understand how ethical leadership can influence employee behaviour towards being creative and innovative. Ideas are generated as part of creative behaviour and when they are implemented, they become innovative behaviour.

The influence of ethical leadership on employee creative behaviour in South African SOEs is not fully understood and large private corporates and government entities have been rocked by corporate governance scandals, resulting in the call for ethical leadership to save companies from collapse and astounding costs from a financial, social and human perspective (Khokhar & Zia-ur-Rehman, 2017). Leadership bankruptcy is evident in prominent SOEs, such as South African Airways (SAA), Passenger Rail Agency of South Africa (PRASA), Electricity Supply Commission (ESKOM), South African Post Office (SAPO), South African Broadcasting Corporation (SABC), South African Road Agency Limited (SANRAL) and Petro-SA. (Sithomola, 2019).

According to the 2020 South African Economic Reconstruction and Recovery Plan, innovation in state enterprises is key to achieving Vision 2030 as set out in the National Development Plan (NDP) (National Planning Commission [NPC], 2020). The SA Presidency's (2020) Annual Performance Plan 2020/21 report advocates for innovation and creativity within SOEs and contends that the extent of poor performance, low efficiency and mismanagement in SOEs is best demonstrated at SAA, which was placed in business rescue late in 2019 (Business Insider, 2020).

The current leadership at most of the SOEs in SA does not seem to guide the organizations to operate effectively and efficiently. According to the position paper titled "The Contribution of SOEs to Vision 2030: Case studies of Eskom, Transnet and PRASA", released by the NPC, Eskom, South Africa's main electricity generation company, is reported to be

struggling to fulfil a core economic mandate, which is to supply electricity reliably and efficiently (NPC, 2020). PRASA, a SOE within the public transport sector, was reported to be underperforming across indicators relating to its core operational objective, financial stability, investment related to maintenance and expansion of current operations, corporate governance and public interest objectives (NPC, 2020).

The research organization, being one of the largest SOEs in South Africa with its main business in the transportation and infrastructure industry, is amongst the several SOEs with a poor performance record (Sithomola, 2019). Although this SOE recorded a profit increase of 24.7% in the 2018/19 financial year, its product and service innovation drive was reported to have underperformed as the group continues failing to harness and leverage blockchain technology for transport and logistics, virtual/augmented reality for operations and failure to deal with disruptive innovations, amongst others (Transnet, 2019). The NPC (2020) also reports on Transnet's failure to meet its core mandate in relation to cost-effectiveness and consistency in general freight and effective intermodal linkages to support an integrated logistics network.

It is against the above background that this research study attempts to analyse the effect of ethical leadership on employee creative and innovative behaviour in a transport and logistics SOE in South Africa. By using a social learning theory approach, this study seeks to systematically understand how ethical leaders influence the creative behaviours of employees. The objectives are to critically assess the impact of a leader's role modelling attributes, integrity, support, ethical guidance, power, fairness and leadership on the creative behaviour of employees.

In order to address the objectives, the following relationships were hypothesized among the variables alluded to above:

H_1: Ethical leadership has a significant positive relationship with employee creative behaviour.

H_2: Ethical leadership has a significant positive relationship with idea exploration.

H_3: Ethical leadership has a significant positive relationship with idea generation.

H4: Ethical leadership has a significant positive relationship with idea championing.

H5: Ethical leadership has a significant positive relationship with idea implementation.

RESEARCH METHODOLOGY

The quantitative method was chosen since a deductive approach was needed to interpret the data.

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The target population comprised middle and executive managers representing the leaders and low-level managers representing followers and referred to as the employees. The SOE is one the largest in South Africa with a staff complement of 55,946 employed in the ports, rail and pipeline business. Although it has five SBUs, one which is responsible for running the rail freight business with a staff complement of 3,700 employees, was selected for the study.

Random stratified sampling was used to categorise the SOE's employees into sub-groups with the same characteristics and allow for examining leader-follower relationships. Although a sample of 348 employees (followers) was generated using the Raosoft (2004) sample size calculator. However, 51 middle managers/supervisors who were also surveyed resulting in total sample of 399.

Data Collection

A questionnaire comprising Likert scale questions containing a set of predefined values to choose from a fixed scale was administered using a closed survey method, since the study is cross-sectional. A database of email addresses of all the low, middle and senior employees were requested from the SOE's Human resources (HR) department. The respondents were emailed requests to participate in the survey and provided a link to complete the online survey. Weekly reminders were sent to encourage voluntary participation and to avoid low response rates.

A 38-item scale with six main dimensions was used to measure ethical leadership and adapted from Kalshoven et al. (2011). A 5-point Likert scale was used where participants were asked to rate their leadership behaviour, ranging from 1 = strongly disagree to 5 = strongly agree.

A 10-item scale, adopted from de Jong and Den Hartog (2010), was used to measure employee creative behaviour. Participants were asked to rate their followers' behaviours on a 5-point Likert scale which ranges from 1 (never) to 5 (always).

Data Analysis

Structural equation modelling and multiple regression techniques were conducted with the Smart PLS statistical software. The reliability of the research instrument was measured using Cronbach tests, and composite reliability. Validity was also confirmed using lower order and higher order construct validity tests. The model is designed on Amabile's (1997) componential theory, which proposes that work environments impact creativity by affecting components that contribute to creative behaviours and leaders are part of the managerial

practices that affect employee creativity behaviours (Amabile & Conti, 1999).

Research Findings

Out of the 348 questionnaires administered among the supervisors and followers at the selected SOE a total of 160 responses were received implying a 46% response rate, which is a good response rate (Saunders et al., 2016). Some researchers (Mellahi & Harris, 2016), also state that a good response rate ranges from 5%-30% and excellent response rate ranges from 50% and higher. The demographic information of the 160 respondents is presented in Table 1 below.

Table 1: Demographic data

Attribute	Description	Supervisors (%) N=160
Age	Below 20 years	6.25%
	20-30 years	11.88%
	31-40 years	45.00%
	Above 40 years	36.88%
Gender	Male	54.37%
	Female	45.63%
Working Experience	Below 5 years	22.50%
	5-10 years	21.25%
	11-15 years	23.13%
	Above 15 years	33.13%
Education Level	High school	25.00%
	Diploma	23.75%
	First degree	15.63%
	Post-graduate	24.38%
	Other	11.25%
Managerial Level	Junior Management	27.50%
	Middle Management	15.63%
	Senior Management	13.75%
	Other	43.13%

It is evident from Table 1 that the majority (45%) of the supervisor and follower respondents were aged between 31-40 years. Most of the supervisor and follower respondents (56%) had over 11 years of working experience, which implies that most respondents were mature and well experienced. The majority of the supervisors and followers (51%) had at least a first degree. This implies that the respondents were literate enough to understand the research study. Although gender was not regarded as a factor that impacts the result, it was evident that 54% of the supervisor and follower respondents were male.

Reliability

The two most-used methods for establishing reliability, namely, Cronbach Alpha and CR are reflected in Table 2. The Cronbach's Alpha ranged from -0.025 to 0.934 whereas CR statistics ranged from 0.661 to 0.952, implying that both indicators have reliability statistics over the required threshold of .70 (Hair et al., 2011).

Table 2. Construct Reliability

	Cronbach's Alpha	Composite Reliability
EG	0.897	0.920
EI	-0.025	0.661
FAR	0.934	0.950
IC	0.817	0.909
IG	0.829	0.897
IMP	0.900	0.952
INT	0.877	0.915
PS	0.763	0.835
RM	0.909	0.932
SPO	0.867	0.895

Note: EG= Ethical Guidance; FAR = Fairness; INT= Integrity; PS= Power Sharing; RM= Role Modelling; SPO= Support and People Orientation; IE = Idea exploration; IC = Idea championing; IG = Idea generation; IMP= Idea implementation.

Validity

The convergent validity results based on the average variance extracted (AVE) statistics in the current study show that all the constructs except DC to TI, have slightly lower AVE. However, the CR of all the constructs was greater than .70, which implies that convergent validity is not an issue. Table 3 shows the AVE value for each of the constructs.

Table 3. Convergent Validity (AVE)

	Average Variance Extracted (AVE)
EG	0.622
EI	0.494
FAR	0.792
IC	0.834
IG	0.744
IMP	0.909
INT	0.730
PS	0.461
RM	0.732
SPO	0.550

In this study, the square root of AVE for a construct was found greater than its correlation with other constructs (Table 4), hence, providing strong support for the establishment of discriminant validity (Pavlou et al., 2007).

Table 4. Discriminant Validity - Fornell and Larcker Criterion

	EG	EI	FAR	IC	IG	IMP	INT	PS	RM	SPO
EG	0.789									
EI	0.211	0.703								
FAR	-0.409	-0.003	0.890							
IC	0.246	0.400	-0.242	0.913						
IG	0.372	0.360	-0.257	0.675	0.862					
IMP	0.384	0.342	-0.310	0.757	0.679	0.953				
INT	0.720	0.327	-0.387	0.272	0.239	0.359	0.854			
PS	0.645	0.173	-0.140	0.242	0.267	0.266	0.522	0.679		
RM	0.815	0.043	-0.386	0.204	0.318	0.316	0.620	0.618	0.856	
SPO	0.747	0.314	-0.350	0.282	0.287	0.319	0.750	0.723	0.611	0.742

Model Fit

This section presents the analysis of the study's model statistics generated by the Smart PLS statistical software. However, since the model fit statistics are regarded to be still in the development stage – the current study also uses the Global Fit Statistic Approach proposed by Tenenhaus et al. (2005) to augment the model fit statistics generated by Smart PLS. The following indices were examined, namely, SRSR, R^2 for global goodness of fit (GFI), the Normed Fit Index (NFI) and high order construct validation.

As reflected in Table 5, the Standardized Root Square Residual (SRSR) is 0.087, which is less than the 0.10 threshold recommended by Hu and Bentler (2009), thereby confirming a good model fit. Furthermore, the Normed Fit Index (NFI) is 0.800 which is less than the threshold of 0.900 that as suggested by Bentler and Bonett, (1980). Overall, these results indicate that by and large, the model fit indices can be deemed to marginally meet the acceptable thresholds recommended in the extant literature.

Table 5: Model Fit

Model Fit Indices	Acceptable Threshold	Current Study Threshold	Decision: Acceptable/Unacceptable
SRSR	> 0.10	0.087	Acceptable
Normed Fit Index (NFI)	> 0.900	0.800	Acceptable

Following the formulae provided by Tenenhaus et al. (2005), the global goodness-of-fit

(GoF) statistic for the research model was calculated using the equation:

$$GoF = \sqrt{AVE * \overline{R^2}}$$

The calculated global goodness of fit (GoF) is 0.37, which exceeds the threshold of GoF>0.36 suggested by Khojasteh and Lo (2015). Thus, this study concludes that the research model has a good overall fit.

Validating Higher Order Construct

Ethical Leadership was the higher order construct in the study based on six lower order dimensions (ethical guidance; fairness, integrity, power sharing, role modelling & support and people orientation) and four employee creative behaviour dimensions (idea exploration, idea championing, idea generation and idea implementation). To establish the highest order construct (HOC) validity, Outer Weights, Outer Loadings and VIF were tested. As reflected in Table 6, the outer weights were found significant (Hair et al., 2016). Furthermore, outer loadings were found to be greater than 0.50 for each of the lower order constructs (Sarstedt, & Cheah, 2019). Finally, VIF values were assessed to check collinearity, all VIFs are less than the recommended value of 5 (Hair et al., 2016). Since all criteria are met, the HOC validity was established.

Table 6: Higher Order Construct Validity

HOC	LOCs	Outer Weights	T Statistics	P Values	Outer Loadings	VIF
EL	EG	0.236	11.694	0.000	0.912	4.474
	FAR	-0.181	3.894	0.000	-0.543	1.326
	INT	0.232	6.559	0.000	0.849	2.748
	PS	0.180	6.261	0.000	0.755	2.576
	RM	0.185	8.841	0.000	0.840	3.271
	SPO	0.225	6.559	0.000	0.881	3.894

Figure 1 shows a structural model for Model 1 representing the result for the first hypothesis (H1). In this Model a higher order model for ethical leadership (EL) effects on the higher order model for employee creative behaviour (ECB) was tested. The first order models for EL and ECB were run first to generate the second-order weights for the constructs' dimensions respectively. Figure 1 reveals the outcome of H1, which was stated as there is a positive impact of ethical leadership (EL) on employee creative behaviour (ECB). The results

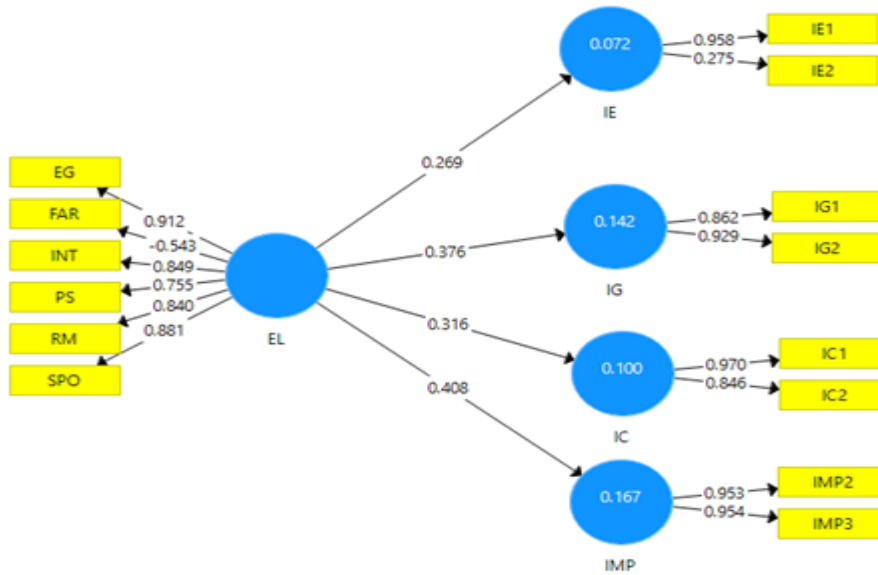revealed that EL has an effect on ECB (β=0.465, t=2.152, p=032). Hence, H1 was supported.

Figure 1: Structural Model for EL – ECB Relationship
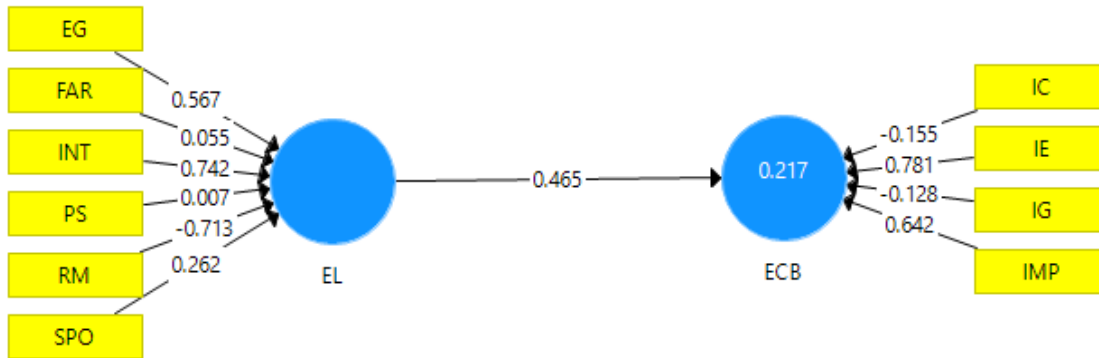
EL= Ethical Leadership; ECB= Employee Creative Behaviour

Figure 2 shows the structural model representing the result for the hypotheses testing.

Figure 2: EL and ECB Dimensions Relationship

Note: EL= Ethical Leadership; IE = Idea exploration; IC = Idea championing; IG = Idea generation; IMP= Idea implementation

The first order models for EL were run first to generate the second-order weights for the construct, which were then regressed with ECB dimensions. The results revealed that EL has an effect on IE (β =0.269, t=4.119, p=0.001); on IG (β=0.376, t=3.291, p=0.000), on IC (β=0.316, t=4.119, p=0.000) and on IMP (β=0.408, t=5.152, p=0.000). Hence, H2- H5 was also supported.

Table 7 reflects the hypothesised relationships, path coefficients, statistics and p values

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for the hypothesised relationships.

Table 7: Direct Relationship Results

Hypothesised Relationship	Hypotheses	Path Co-efficient	T Statistics	P Values
EL → ECB	H1	0.465	2.152	0.032
EL → IE	H2	0.295	2.801	0.005
EL → IG	H3	0.381	4.377	0.000
EL → IC	H4	0.332	4.024	0.000
EL → IMP	H5	0.460	4.166	0.000

Note: EL= Ethical Leadership; ECB= Employee Creative Behaviour; IE = Idea exploration; IC = Idea championing; IG = Idea generation; IMP= Idea implementation.

DISCUSSION

Ethical Leadership and Employee Creative Behaviour

The results support the hypothesis postulated since there is a significant positive impact of ethical leadership on employee creative behavior, a finding which is similar to the study in China, by Ko et al. (2017). By demonstrating qualities of honesty, openness, collective motivation, altruism, trustworthiness, justice and fair treatment, ethical leaders contribute at every stage of the creative work behaviour process (Tayyasar & Ajmal, 2017). Furthermore, since followers of ethical leaders perceive themselves as being in a high-quality social exchange relationship with their leader, they reciprocate by exerting more effort and getting engaged in creative work behaviour (Yidong & Xinxin, 2012).

Ethical Leadership and Idea Exploration

The results support the hypothesis that there is a significant positive impact of ethical leadership (EL) on idea exploration, which is contrary to Zhou and Shalley's (2010) contention, that idea exploration by employees in the focal organisation is not a pre-requisite for creativity since the new ideas and practices may also be generated by employees outside of the focal organisation. However, idea exploration and generation often involve rearranging already existing pieces into a new whole (Dereli, 2015). Yidong and Xinxin (2012) found that these new combinations often provide a basis for advances in science. Similarly, Chen and Hou (2016) found that skill in combining and reorganizing concepts is one of the best predictors of creative achievement. Idea exploration is very important in employee creative behaviors. Creativity is idea exploration and idea generation, and innovation is idea implementation (Kao et al., 2015). When exploring ideas employees are expected to control more resources and

exhibit more relevant behaviours, such as being proactive in searching for new information and trying new methods to solve a problem (Wu & Parker, 2012). Exploration includes looking for ways to improve current services or delivery processes or trying to think about work processes, products or services in alternative ways (Yidong & Xinxin, 2012).

Ethical Leadership and Idea Generation

The results support the hypothesis that there is a significant positive impact of ethical leadership on idea generation. Ethical leaders respect the dignity and talent of others, they provide followers with the opportunities to acquire work-related knowledge and skills and assign them tasks that best suit their capabilities (Elqassaby, 2018). Gabriel and Politis (2012) argue that ultimately, the individual is the source of any new idea however, it is the leader who creates an environment for the followers to behave creatively. As such, ethical leaders have the capabilities to influence followers to explore new ways of doing their work by exploiting opportunities (Lacerda, 2015) and generating concepts for purpose of improvement (Haiba et al., 2015).

Ethical Leadership and Idea Championing

The findings support the hypothesis and reveal that there is a significant positive impact of ethical leadership (EL) on Idea championing (IC). Hence, at the idea promotion stage of creative work behaviour, ethical leaders contribute by exhibiting traits of altruism and honesty, making employees feel more psychologically safe to speak up for promoting their ideas (Nazir et al., 2020). Ethical leaders provide followers with more autonomy, freedom, independence, active roles, and control over the tasks to be performed, facilitating them to implement new ideas and work processes (Wen et al., 2021).

Although ideas may have some legitimacy and appear to fill a performance gap, for most ideas it is uncertain whether their benefits will exceed the cost of developing and implementing them, and resistance to change is to be expected (Kolzow, 2014). That is why not all ideas emanating from employees go through to the implementation stage.

The creative individual who takes prime responsibility for the introduction of innovations is often not formally appointed but rather someone who feels a strong personal commitment to a particular idea and can 'sell' it to others (Fetrati & Nielsen, 2018). A champion has been described as someone in an informal role that pushes a creative idea beyond roadblocks within the organisation or as someone who emerges to put efforts into realizing

creative ideas and bringing them to life (Kolzow, 2014). However, there is a need for careful consideration of ideas being championed to avoid idea generation analysis paralysis whereby ideas are shot down because of the 'over analyses' funnel approach without putting them to a test. These ideas may prove useful at a later stage. This also needs careful consideration that ideas are not driven by self-interest at the expense of the organisational goals.

Ethical Leadership and Idea Implementation

The findings support the hypothesis that there is a significant positive impact of ethical leadership (EL) on idea implementation (II), which means ethical leaders can trigger 'application behaviour' towards ideas generated and champion developing them into practical propositions. According to Fetrati and Nielsen (2018), idea implementation behaviour means improving existing products or procedures or developing new ones. However, considerable effort and a results-oriented attitude are needed from employees to make ideas happen (Bos-Henles et al., 2017). In this study, leaders referred to setting department KPIs to attain organisational goals. The creativity process and the leaders make their teams brainstorm new ideas and these new ideas are tested and piloted for practicality and suitability before being recommended for implementation. Thus, ethical leaders display certain traits such as integrity, honesty, selflessness, determination, trustworthiness, support and sensible decision-making capability that encourage employees to react positively and come up with creative ideas (Asif et al., 2020).

Leader's Integrity and Employee Creative Behaviour

The findings confirm that relationship between a leader's integrity and employee creative behaviour is positive and insignificant. Ethical leaders display certain traits such as integrity, honesty, selflessness, determination, trustworthiness, support, and sensible decision-making capability that encourage employees to react positively and come up with creative ideas (Asif et al., 2020). The leaders keep promises and commitments and hence can be trusted by employees as genuine supporters of creativity. However, when leaders fail to show their integrity, followers lack the morality and motivation to exhibit a positive display of creativity

As a moral manager, an ethical leader is expected to influence subordinates' attitudes and behaviors through ethical leadership behavior, such as emphasizing integrity, respecting subordinates, supporting their development, improving the importance and autonomy of their work, and making fair and reasonable decisions (Yidong & Xinxin, 2012). In addition, ethical

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leaders act with integrity, treat others fairly and whilst being principled and making fair choices, are trustworthy, honest to not practice favouritism, and take responsibility for their own actions (Chughtai, 2016). Palanski and Yammarino (2007) further postulate that if a person is rated highly on integrity, they will demonstrate personal consistency in moral behaviour. This means ethical leaders are moral persons with high moral behaviour and this moral behaviour can be used to influence followers' values, attitudes, and behaviours by example and by actively promoting ethical and positive behaviour at work.

Leader's Support and People Orientation and Employee Creative Behaviour

The findings also confirmed the relationship between the leaders' support, people orientation and employee creative behaviour to be positive yet insignificant. According to Iqal et al. (2020), these ethical leaders are not only about morals but also pay salient attention to followers in the social environment whilst providing them with a voice, interpersonally or procedurally.

An environment of creative thinking is created by asking employees difficult and open-ended questions about their work and giving employees the freedom to apply their minds. Ethical leaders give meaning to the followers' role within their organisations and help them in making their work more meaningful; they also motivate their followers to be adaptable to changes and to be more innovative in the workplace, thereby helping them to perform better (Yidong & Xinxin, 2012). The leaders act as visionaries to stimulate and inspire followers to generate useful creative ideas by demonstrating 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 (Metwally et al., 2019). Hence, followers are more creative when they perceive their immediate supervisors as being supportive of them and their work since the people-orientation component in ethical leadership reflects genuinely caring about, respecting and supporting subordinates and where possible, ensuring their needs are met.

Leader's Ethical Guidance and Employee Creative Behaviour

The relationship between a leader's ethical guidance and employee creative behaviour was found to be positive and insignificant. This is because ethical leaders communicate the importance of ethical and responsible behaviour and they set a good example for their followers (Nejati et al., 2019). An organization that lacks ethical leadership and a positive work

environment may be characterised by feelings of uneasiness, anxiety and depression that impede employees from acting creatively (Chughtai, 2016). Employees require leaders to be understanding and open to removing doubt about their capabilities by not unnecessarily changing goal posts and rejecting new ideas. Followers seek ethical guidance from the leader to deal with any ethical dilemma arising within the workplace (Islam et al., 2019), and the absence of ethical leadership means employee feelings of uneasiness, anxiety and depression which stifles creativity (Chughtai, 2016). Therefore, ethical guidance creates a positive work environment that makes employees think creatively.

Power-Sharing by Leaders and Employee Creative Behaviour

The quantitative results found the relationship between a leader's power-sharing and employee creative behaviour to be positive in an insignificant way. This is similar to Kalshoven et al.'s (2011) argument that ethical leaders practice people orientation, integrity, ethical guidance, role classification, fairness and power-sharing. Similarly, Yidong and Xinxin, (2012) suggest that ethical leaders provide followers with a voice; the sharing of power allows subordinates more control and makes them less dependent on their leaders to behave positively.

Leader's Fairness and Employee Creative Behaviour

The results indicate that the relationship between a leader's fairness and employee creative behaviour is positive in an insignificant way. According to Javez et al. (2017), fairness is seen as an important form of ethical leader behaviour. Ethical leaders act with fairness whilst being principled and making fair choices that are trustworthy, being honest to not practice favouritism, and taking responsibility for their own actions (Chughtai, 2016).

When employees are treated fairly and respectfully by their leaders, they are more likely to think of their relationship with their leader in terms of social exchange (Engelbrecht et al., 2013). Furthermore, they are more likely to reciprocate by putting in extra effort at work, as evidenced by increased job dedication and a willingness to become more actively engaged in work (Engelbrecht et al., 2013).

Leader's Role Modelling and Employee Creative Behaviour

As role models, the leaders in this study act as influencers making sure they are approachable and consulting employees whilst listening to the ideas being suggested. To be credible role models, ethical leaders build legitimacy and tend to be emulated by their followers

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(Bedi et al., 2015). The followers are conscious that they are not judged only by results but also by how they do their creative work (Tushar, 2017).

CONCLUSIONS

Ethical leadership in the SOE has a significant positive influence on employee creative behaviour. In addition, ethical leadership positively impact the employee creative behaviour dimensions of idea exploration, idea generation, idea championing and idea implementation.

Furthermore, the leaders (in the SOE) create an enabling environment for employee creative behaviour using ethical leader legitimacy that followers can emulate to behave creatively. SOE leaders in exercising fairness, create a safe space of trust, honest, and without favouritism, where followers creatively behave without fear or worry. Ideas emanating from employees' creative behaviour yield a better way or cost-effective way of doing business to achieve process improvements, better performance, and a competitive edge. However, these ideas require scrutiny structures to ensure quality ideas filter through whilst avoiding analysis paralysis.

It was also evident that the leaders in SOE give the followers latitude and platforms to explore and generate creative ideas that are aligned with governance processes and regulations.

The study confirms the conceptualization of ethical leadership in social learning theory, suggesting that individuals can learn standards of appropriate creative behaviour by observing how role models behave.

SOEs need centres of excellence where employees are actively required to explore and generate new ideas, to review and improve systems and strategic imperatives. Establishing creativity centres is one way of stimulating individual and group creativity. Employees are given the opportunity to engage in creative brainstorming sessions to promote fluency in the generation of many ideas easily and flexibility to coming up with different kind of ideas.

To encourage more employee creative behaviour, organisations should put in place policies that recognise idea generators by incentivising creative thinking with individual intellectual property rights. Idea generators can be allowed to retain a portion of the benefits from their creative output and contribution to the knowledge economy.

To further encourage employee creative behaviours in organisations, creative efforts should be recognised through the creation of a patent box that permits income tax reduction to organisations and individuals involved in new ideas origination. Such a system introduces preferential treatment for research and development investment and expenditures in individual

and organisational taxation frameworks.

Employees should also be given the opportunity to make calculated mistakes and generate/brainstorm deas to learn from mistakes. Ideation ensures team collaboration to allow free-flowing conversation that enables idea generation for defined problems.

Leaders should support employee creative behaviour by eliminating constraints since constraints block employee creative thinking and idea generation within problem finding, problem solving and solution implementation activities. However, the ideation process is not haphazard but requires leaders to manage it as influenced by the organisational characteristics, strategies and the workplace.

Traditional organisational structures emphasise control instead of idea creation. As such, fresh ideas are difficult to push in hierarchical organisations. Creative structures in SOEs must be able to break the rigid organisational structure that allow creativity flexibility, fluidity and operational freedom.

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