


**LINKING ETHICAL LEADERSHIP TO EMPLOYEE CREATIVE PERFORMANCE: THE
ROLE OF LEADER-MEMBER EXCHANGE AND WORK ENGAGEMENT**

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 08 May 2023</p> <p>Accepted 04 August 2023</p>	<p>Purpose: The purpose of this research is to investigate the mediating role of leader-member exchange (LMX) and work engagement in the relationship between ethical leadership and creative performance.</p>
<p>Keywords:</p> <p>Ethical Leadership; Leader-Member Exchange; Work Engagement; Creative Performance.</p>	<p>Theoretical framework: The study is based on the theoretical foundation that ethical leadership positively influences creative performance. It further posits that this relationship is mediated by both leader-member exchange (LMX) and work engagement.</p>
	<p>Design/Methodology/Approach: Data for this study was collected from a Vietnamese service firm, with a sample comprising 78 leaders and 354 employees. The collected data was analyzed using structural equation modeling (SEM) to examine the proposed relationships.</p> <p>Findings: The findings of the study indicate a significant and positive correlation between ethical leadership and creative performance. Additionally, the study reveals that ethical leadership exerts an influence on both leader-member exchange (LMX) and work engagement, which subsequently enhance employees' demonstration of creativity in their work.</p> <p>Research, practical & social implications: This research sheds light on the mediating mechanisms through which ethical leadership impacts creative performance. The findings highlight the importance of fostering positive leader-member relationships and promoting work engagement in order to enhance employees' creative behaviors. Practically, the study suggests that organizations should prioritize the development of ethical leadership qualities to foster a creative work environment. Moreover, the research contributes to the broader social implications by emphasizing the significance of ethical leadership in promoting creativity and innovation within organizations.</p> <p>Originality/Value: This research contributes to the existing literature by examining the mediating role of leader-member exchange and work engagement in the relationship between ethical leadership and creative performance. The study provides valuable insights into the mechanisms through which ethical leaders can enhance creativity in the workplace. The findings of this research contribute to the understanding of the importance of ethical leadership and its impact on organizational outcomes, thereby adding to the originality and value of the study.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i8.3046</p>

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VINCULANDO A LIDERANÇA ÉTICA AO DESEMPENHO CRIATIVO DOS FUNCIONÁRIOS: O PAPEL DO INTERCÂMBIO ENTRE LÍDERES E MEMBROS E O COMPROMISSO DO TRABALHO

RESUMO

Propósito: O objetivo desta pesquisa é investigar o papel mediador do intercâmbio líder-membro (LMX) e o engajamento no trabalho na relação entre liderança ética e desempenho criativo.

Estrutura teórica: O estudo é baseado na base teórica que a liderança ética influencia positivamente o desempenho criativo. Ele também postula que esse relacionamento é mediado pelo intercâmbio líder-membro (LMX) e pelo compromisso de trabalho.

Projeto/Metodologia/Abordagem: Os dados para este estudo foram coletados de uma empresa de serviços vietnamita, com uma amostra composta por 78 líderes e 354 funcionários. Os dados coletados foram analisados por meio de modelagem de equações estruturais (SEM) para examinar as relações propostas.

Resultados: Os resultados do estudo indicam uma correlação significativa e positiva entre liderança ética e desempenho criativo. Além disso, o estudo revela que a liderança ética exerce uma influência tanto no intercâmbio líder-membro (LMX) quanto no engajamento no trabalho, o que posteriormente melhora a demonstração de criatividade dos funcionários em seu trabalho.

Pesquisa, implicações práticas e sociais: Esta pesquisa lança luz sobre os mecanismos de mediação através dos quais a liderança ética impacta o desempenho criativo. As conclusões destacam a importância de promover relações positivas entre líderes e membros e promover o engajamento no trabalho, a fim de melhorar os comportamentos criativos dos funcionários. Praticamente, o estudo sugere que as organizações devem priorizar o desenvolvimento de qualidades de liderança ética para promover um ambiente de trabalho criativo. Além disso, a pesquisa contribui para as implicações sociais mais amplas ao enfatizar o significado da liderança ética na promoção da criatividade e inovação dentro das organizações.

Originalidade/Valor: Esta pesquisa contribui para a literatura existente, examinando o papel mediador do intercâmbio de líder-membro e o envolvimento de trabalho na relação entre liderança ética e desempenho criativo. O estudo fornece informações valiosas sobre os mecanismos através dos quais os líderes éticos podem aprimorar a criatividade no local de trabalho. Os resultados desta pesquisa contribuem para a compreensão da importância da liderança ética e seu impacto nos resultados organizacionais, contribuindo assim para a originalidade e valor do estudo.

Palavras-chave: Liderança Ética, Intercâmbio de Membros Líderes, Envolvimento no Trabalho, Desempenho Criativo.

VINCULAR EL LIDERAZGO ÉTICO CON EL DESEMPEÑO CREATIVO DE LOS EMPLEADOS: EL PAPEL DEL INTERCAMBIO ENTRE LÍDERES Y MIEMBROS Y EL COMPROMISO LABORAL

RESUMEN

Propósito: El propósito de esta investigación es investigar el papel mediador del intercambio líder-miembro (LMX) y el compromiso de trabajo en la relación entre el liderazgo ético y el desempeño creativo.

Marco teórico: El estudio se basa en la fundamentación teórica de que el liderazgo ético influye positivamente en el desempeño creativo. Se plantea además que esta relación está mediada tanto por el intercambio entre líderes y miembros (LMX) como por el compromiso de trabajo.

Diseño/Metodología/Enfoque: Los datos para este estudio fueron recogidos de una empresa de servicios vietnamita, con una muestra que comprende 78 líderes y 354 empleados. Los datos recolectados se analizaron mediante el uso de modelos de ecuaciones estructurales (SEM) para examinar las relaciones propuestas.

Hallazgos: Los hallazgos del estudio indican una correlación significativa y positiva entre el liderazgo ético y el desempeño creativo. Además, el estudio revela que el liderazgo ético ejerce una influencia tanto en el intercambio entre líderes y miembros (LMX) como en el compromiso laboral, lo que posteriormente mejora la demostración de creatividad de los empleados en su trabajo.

Investigación, implicaciones prácticas y sociales: Esta investigación arroja luz sobre los mecanismos de mediación a través de los cuales el liderazgo ético impacta el desempeño creativo. Los hallazgos resaltan la importancia de fomentar relaciones positivas entre el líder y el miembro y promover el compromiso laboral para mejorar los comportamientos creativos de los empleados. En la práctica, el estudio sugiere que las organizaciones deben priorizar el desarrollo de cualidades de liderazgo ético para fomentar un ambiente de trabajo creativo. Además, la investigación contribuye a las implicaciones sociales más amplias al enfatizar la importancia del liderazgo ético en la promoción de la creatividad y la innovación dentro de las organizaciones.

Originalidad/Valor: Esta investigación contribuye a la literatura existente al examinar el papel mediador del intercambio líder-miembro y el compromiso laboral en la relación entre el liderazgo ético y el desempeño creativo. El estudio proporciona información valiosa sobre los mecanismos a través de los cuales los líderes éticos pueden

mejorar la creatividad en el lugar de trabajo. Los hallazgos de esta investigación contribuyen a la comprensión de la importancia del liderazgo ético y su impacto en los resultados organizacionales, añadiendo así originalidad y valor al estudio.

Palabras clave: Liderazgo Ético, Intercambio entre Líder y Miembro, Compromiso de Trabajo, Rendimiento Creativo.

INTRODUCTION

Ethical leadership involves leading in a manner that respects the ethical values, rights, beliefs, and dignity of others. Brown et al. (2005) defined ethical leadership as "demonstrating behavior that is normatively appropriate through personal actions and interpersonal relationships, and promoting such behavior to followers through two-way communication, reinforcement, and decision-making." Traits such as integrity, care, honesty, openness, trustworthiness, altruism, justice, and collective motivation are indicative of ethical leadership. (Brown, Treviño, & Harrison, 2005).

Creative performance refers to the ability to generate and implement original and valuable ideas pertaining to services, products, procedures, or practices. Individual creativity is comprised of expertise, creative thinking skills, and intrinsic motivation, as proposed by the componential theory. When these components are present, individuals are more likely to exhibit creative behavior. Leveraging the creativity of employees can serve as a competitive advantage for organizations, as it enables the generation of added value and increased efforts within a dynamic business environment. (Sigala & Chalkiti, 2015)

In the contemporary business landscape, ethical leadership has become increasingly essential in fostering creative performance. Ethical leadership holds a pivotal influence in promoting the improvement of employee behaviors and attitudes (Yuan, Vu, & Nguyen, 2018). This facilitates organizations in creating a dynamic and adaptable environment, enabling them to not only survive but also achieve their desired goals. (Yuan & Vu, 2017). Consequently, organizations are placing significant emphasis on developing and nurturing a culture of creativity (Thompson, 2018). In this context, ethical leadership is widely recognized as the primary driving force that empowers organizations to cultivate and maintain a culture of creativity. The exploration and comprehension of ethical leadership's essence remain at the forefront of scholarly research and are increasingly prioritized by organizations worldwide. (Yuan et al., 2018)

Numerous researchers have conducted studies examining various forms of leadership and their effects on creativity, such as transformational leadership, abusive supervision, and

empowering leadership. The style of leadership can indeed impact creative performance, as ethical leadership places importance on morality, fairness, autonomy, and a people-oriented approach. However, the specific influence of ethical leadership on creative performance within Vietnamese service firms remains unclear. Most leadership studies have primarily focused on Western cultures.

While researchers acknowledge the influence of national culture on leadership attributes and effectiveness, there is a dearth of research explicitly investigating the relationship between ethical leadership and creative performance within the Vietnamese context. Hence, the research question of this study seeks to address this gap: Does ethical leadership enhance creative performance within the Vietnamese context?

Indeed, there is a scarcity of empirical studies that specifically examine the relationship between ethical leadership and creative performance, particularly in relation to potential mediators such as leader-member exchange and Work engagement. Limited research has been conducted in this area, and there is a need to further explore and understand the mechanisms through which ethical leadership influences creative performance.(Yuan et al., 2018), employee empowerment and psychological empowerment (Manh-Cuong Vu, 2019); further research is needed to gain a better knowledge of the relationship between ethical leadership and creativity.

Therefore, our study aimed to examine the impact of ethical leadership style on creative performance specifically within the context of Vietnam. As noted by Manh-Cuong Vu et al. (2019), ethical leadership may yield unique and significant outcomes in Asian cultures, distinct from those observed in Western countries. Hence, we sought to explore this relationship in the Vietnamese context, taking into account leader-member exchange and work engagement as potential mediating factors. (Manh-Cuong Vu, 2019).

LITERATURE REVIEW

In this section, we will delve into the theoretical concepts relevant to the examination of ethical leadership and employee creativity. It is important to note that this study does not assume the existence of inherently good or ethical leaders. Instead, the focus lies on the perceptions of ethical leadership and its potential correlation with creative performance.

Ethical Leadership and Creative Performance

Scholars have used social cognitive theory(Schunk, 1989) and social exchange theory (P. M. Blau, 1968) to explain the impact of ethical leadership on employee behaviors. The

social cognitive theory posits that followers tend to learn and imitate the behavior of their superiors (Schunk, 1989), while according to the social exchange theory (P. M. Blau, 1968), ethical leadership is thought to evoke morally underpinned patterns of reciprocal behavior within organizations, resulting in subordinates' positive response to leaders' endeavors (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009). To enhance the theoretical foundation of our study, we incorporate the work engagement theory and social exchange theory. These frameworks provide a more comprehensive understanding of the link between ethical leadership and creative performance.

Over the past decade, there has been significant growth in research on ethical leadership, with a strong emphasis on the integration of principles such as fairness, honesty, openness, and respect within the behaviors exhibited by ethical leaders. This focus highlights the importance of incorporating these core values into the leadership practices of individuals, emphasizing their impact on creating ethical and morally sound organizational cultures. By embracing and embodying these principles, ethical leaders are able to guide their teams and organizations towards higher ethical standards and overall positive outcomes. (Brown et al., 2005; Manh-Cuong Vu, 2019). Ethical leaders are differentiated on the basis of high moral maturity and rigorous compliance with morally right principles (Mayer, Aquino, Greenbaum, & Kuenzi, 2012). They are people-oriented and take an unbiased decision for the benefits of the organization (Manh-Cuong Vu, et al. (2019). Ethical leaders affect the attitudes and behaviors of subordinates and motivating them to put extra effort into their work (Yuan & Vu, 2017). Recent studies have shown that ethical leadership is positively related to employee motivation (Manh-Cuong Vu, 2019), satisfaction (Qing, Asif, Hussain, & Jameel, 2020).

Creative performance is the ability to produce innovative ideas and concepts that are useful for problem-solving (Wadei, Chen, Frempong, & Appienti, 2021). Creative performance are a competitive advantage for organizations by generating extra value and efforts in a dynamic business environment (Shafique, Ahmad, & Kalyar, 2019). Altruism, openness, motivation, trustworthiness, and justice are the key behavioral aspects that help ethical leaders in making balanced decisions (Brown et al., 2005). By the means of motivation and cognition, ethical leaders positively influence Creative performance at the workplace (Qing et al., 2020).

H1. Ethical leadership positively influences creative performance.

Ethical Leadership and Leader-Member Exchange

In recently, leader-member exchange concept has been received considerable attention in research (Manh-Cuong Vu, 2019; Yuan et al., 2018)). The foundation of leader-member exchange (LMX) is built upon the extent to which leaders and their followers engage in a mutually beneficial relationship characterized by support and the exchange of valued resources. LMX theory emphasizes the quality of the relationship between leaders and their subordinates, focusing on the level of trust, mutual respect, and reciprocal exchange that exists between them. In a high-quality LMX, leaders and followers establish a close and positive connection, leading to increased support, collaboration, and the exchange of resources such as information, feedback, and opportunities for growth. This positive and mutually beneficial exchange enhances job satisfaction, commitment, and performance for both leaders and followers within the work environment. (Chen, Lam, & Zhong, 2012). Therefore, Hofmann et al., stated that leader-member exchange is a style of social exchange relationship that exists between an employee and his or her immediate supervisor (Hofmann & Morgeson, 1999). Given that employees often have more frequent and direct interactions with their immediate supervisors, it is reasonable to expect that their relationships with these supervisors will be stronger compared to relationships with higher-level leaders or executives. The regularity and proximity of interactions provide employees with greater opportunities to establish rapport, build trust, and develop a deeper understanding of each other's expectations and working styles. These factors contribute to the formation of stronger relationships between employees and their immediate supervisors. Stronger relationships with supervisors can lead to increased communication, support, and collaboration, ultimately fostering a more positive and productive work environment. (Yuan & Vu, 2017). Indeed, enhancing the leader-member exchange (LMX) relationship is of utmost importance due to its significant effects on employees. Ethical leaders have the potential to foster a high-quality LMX with their followers through various means. As ethical leaders are perceived as individuals who are honest, trustworthy, and guided by the greater good, their decisions and actions serve as the foundation for building strong and positive relationships with their followers. By consistently demonstrating ethical behavior, ethical leaders create a sense of trust and confidence among their followers. They prioritize the well-being of their followers, the organization, and society as a whole, thus cultivating an environment where followers feel valued and supported. These actions ultimately contribute to the development of a high-quality LMX relationship, which in turn leads to numerous benefits such as increased job satisfaction, commitment, and performance among employees. (S. D.

Hansen, Alge, Brown, Jackson, & Dunford, 2013; Treviño, Weaver, & Reynolds, 2006). When followers perceive their immediate supervisor is caring, supporting and motivating them in the best interesting, with them the immediate supervisor is committed. The result is that it will increase high-quality leader-member exchange because of high levels of loyalty, faith and sense of belonging (Erdogan, Liden, & Kraimer, 2006)

H2. Ethical leadership positively influences leader member exchange.

Ethical Leadership and Work Engagement

Work engagement is widely recognized as the active involvement and commitment of employees to their work roles, encompassing physical, cognitive, emotional, and mental aspects of their performance within those roles (Schaufeli, 2022). Research by Hansen (2014) has affirmed that leadership significantly influences employees' work engagement (A. Hansen, Byrne, & Kiersch, 2014). Similarly, Soane (2013) advocates that specific leadership styles have the ability to predict work engagement (Soane, 2013). These studies provide a strong foundation for examining and expanding upon the motivational influence of leaders on their followers. According to Soane (2013), leaders play a crucial role in organizational success and have a social influence on their followers. This social process of information seeking clarifies that employees encounter situational circumstances within their work environment that impact their level of motivation. It also highlights the causal effects through which ethical leaders can influence their followers' work engagement. For example, ethical leaders demonstrate care and responsibility towards their subordinates, which builds trust and fosters motivation regarding employees' developmental needs. As a result, employees experience greater job satisfaction and an increase in work engagement. Dedication and devotion are key factors that enhance employees' physical and cognitive abilities and fuel their emotional energy in performing their jobs effectively, thus manifesting their work engagement (A. Hansen et al., 2014). Additionally, researchers have recognized the social learning perspective of leadership as an important aspect that demonstrates the leader's influence on employees' work engagement (A. Hansen et al., 2014). Ethical leaders are considered role models for their subordinates due to their sacrifices and dedication to work, inspiring and motivating them to exert extra effort. Therefore, we proposed:

H3. Ethical leadership positively influences work engagement.

Ethical Leadership and Employee Creativity

Ethical leadership research has grown extensively in the past decade emphasizing the embeddedness of principles of fairness, honesty, openness and respect in ethical leader behavior (Asif, Miao, Jameel, Manzoor, & Hussain, 2020; Brown et al., 2005). Ethical leaders are distinguished by their high moral maturity and unwavering adherence to morally upright principles (Mayer et al., 2012). They prioritize the well-being of individuals and make impartial decisions for the benefit of the organization as a whole (Sharma, Agrawal, Khandelwal, & Journal, 2019). Ethical leaders have a profound impact on the attitudes and behaviors of their subordinates (Yuan et al., 2018) motivating them to go above and beyond in their work. Recent studies have demonstrated the positive relationship between ethical leadership and various employee outcomes, including motivation (Ouakouak, Zaitouni, Arya, & journal, 2020), satisfaction (Freire, Bettencourt, & Journal, 2020), positive emotion (Zhou, Sheng, He, Qian, & Health, 2020), ethical behavior (Walumbwa, Hartnell, & Misati, 2017), organizational citizenship behavior (Huang, Qiu, Yang, Deng, & management, 2021) and job performance (Ouakouak et al., 2020), and negatively related to work-family conflict (Freire et al., 2020) and turnover intentions (Ouakouak et al., 2020).

(Asif et al., 2020; Brown et al., 2005). Ethical leaders are differentiated on the basis of high moral maturity and rigorous compliance with morally right principles (Mayer et al., 2012). They are people-oriented and take an unbiased decision for the benefits of the organization (Sharma et al., 2019). Ethical leaders affect the attitudes and behaviors of subordinates (Yuan et al., 2018) and motivating them to put extra effort into their work. Recent studies have shown that ethical leadership is positively related to employee motivation (Ouakouak et al., 2020), satisfaction (Freire et al., 2020), positive emotion (Zhou et al., 2020), ethical behavior (Walumbwa et al., 2017), organizational citizenship behavior (Huang et al., 2021) and job performance (Ouakouak et al., 2020), and negatively related to work-family conflict (Freire et al., 2020) and turnover intentions (Ouakouak et al., 2020).

Scholars have used social cognitive theory (Bandura, 1986) and social exchange theory (P. Blau, 1964) to explain the impact of ethical leadership on employee behaviors. The social cognitive theory posits that followers tend to learn and imitate the behavior of their superiors (Bandura, 1986), while according to the social exchange theory (P. Blau, 1964), ethical leadership is thought to evoke morally underpinned patterns of reciprocal behavior within organizations, resulting in subordinates' positive response to leaders' endeavors (Mayer et al., 2009).

Social Information Processing (SIP) theory (Salancik & Pfeffer, 1978) posits that an individual's attitude and behavior are not only influenced by personal needs or goals but also by an array of social cues within the workplace. When employees face behavioral choices they may often seek cues and support from their superiors (Boekhorst, 2015). In the workplace, leaders form an essential aspect of organizational culture (Huhtala, Kangas, Lämsä, Feldt, & Journal, 2013) and thus act as an important source of information for the employees. Over time followers' behavior becomes self reinforcing as ethical leaders encourage group members to engage in learning and outline the importance of process over results through the promotion of value-driven approaches (X. Liu et al., 2021). Studies reveal that ethical leadership positively influences subordinates' organizational citizenship behavior, commitment and job satisfaction (Nawaz, Aihua, Khan, & Sciences, 2022) as well as job engagement (Walumbwa et al., 2017). These factors are proved to be important for creative ideas generation and risk taking within organizations (Ye, Liu, & Tan, 2022).

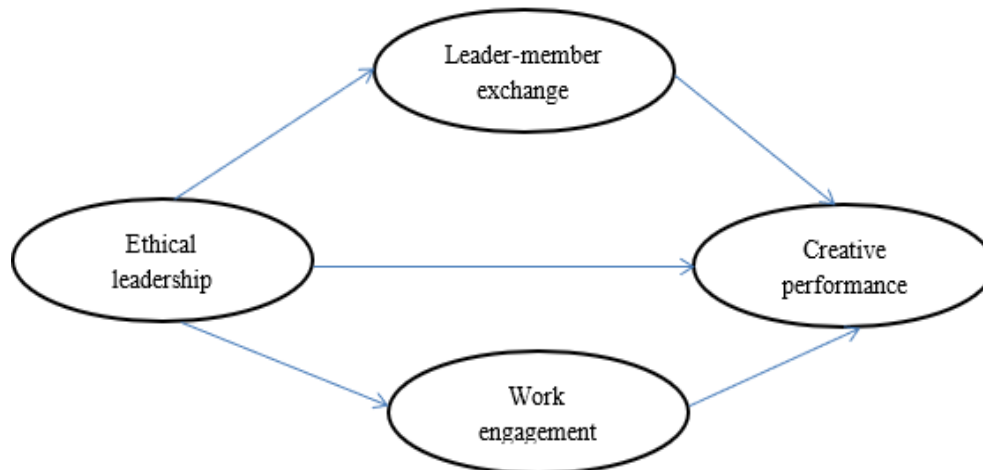
The positive effect of ethical leadership on innovation and creativity was identified in a number of recent studies (Kim, Kim, Kim, & health, 2021), however, the research into the effect of ethical leadership on Creative performance remains underdeveloped. Creative performance is a double edged sword and its management is highly challenging (F. Liu, Li, Taris, & Peeters, 2022). On the positive side, the deviance may foster radical innovations and breakthroughs, while the downside is that the deviance is risky, and its failure could be very costly. However, to remain competitive in today's markets where the product lifecycle is shortened and existing technology can become obsolete quickly, companies have to encourage and harness employee creativity, but Creative performance is not evitable or even desirable, because it is not realistic for the companies to support all creative ideas from the employees due to limited resources. Managers have to be judicious and selective and reject many creative ideas, whereas the employees of those rejected ideas may pursue them regardless and persistently (X. Liu et al., 2021).

In accordance with SIP theory, when organizational routines are openly challenged by ethical leaders, more Creative performance is expected to happen. Despite attracting different responses from the organizational leaders such as punishing, ignoring or manipulating, Creative performance allows employees to further develop and refine their new ideas, even when they were initially rejected by the organization (X. Liu et al., 2021).

In view of the above, we hypothesize that:

Hypothesis 4: Ethical leadership has a positive effect on employee creativity

Figure 1. Research model



Source: Self-developed

RESEARCH METHODOLOGY

Sample and Procedure

The sample consisted of 465 employees from service companies in Vietnam. One set of questionnaire were contributed during regular work hours to 800 employees after author had list of employees` information from human resource managers of 52 service companies. The authors directly explained the objective of this study, and explained the procedures for completing the questionnaire.

The questionnaire was developed based on a comprehensive review of the existing literature. The questionnaire was translated from English to Vietnamese and then back-translate to English by two independent bilingual scholars to ensure translation quality and guarantee equivalence of meaning. The questionnaire includes three main parts: ethical leadership, leader-member exchange, Work engagement and Creative performance. After questionnaire was distributed, 483 complete questionnaires returned, yielding a response rate of 60.4%. We were able to use responses from 465 complete and valid questionnaires for analysis.

Measures

Ethical leadership

Ethical leadership was assessed using 10 items from Brown et al., (2005). Items were scored on a 5-point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). A sample item is “My leader disciplines employees who violate ethical standards”. In this study, the subordinates indicated their perceptions about the behavior of ethical leadership of their leader. The authors develop a confirmatory factor analysis to validate the ethical leadership

scale (Chi-square $\chi^2(35)=112.365$; Goodness of Fit Index [GFI]=.653; Comparative Fit Index [CFI]=.645 ; Incremental Fit Index [IFI]=.646 ; RMSEA=.441) and show that the scale is unidimensional and has high validity and reliability (Cronbach`s alpha=.975).

Leader-member exchange

Leader-member exchange was measured with the seven item version developed by Dhar (2016). All items were measured on a five-point scale ranging from 1= “Not at all” to 5= “Very much”. A sample item is “How well does your leader recognize your potential?” The Cronbach`s alpha coefficient was .919. A confirmatory factor analysis (CFA) of leader-member exchange scale yielded a good fit ($\chi^2(2)=4.614$, IFI=.976, GFI=.968, TLI=.964, CFI=.976, RMSEA =.079) and show that the scale is unidimensional and has high validity and reliability (Cronbach`s alpha=.872).

Work engagement

Work engagement was measured with eight item version developed by Dyne & LePine (1998). We used a five-point scale ranging from 1, “strongly disagree”, to 5, “strongly agree”. A sample item is “I am enthusiastic about my job”. The Cronbach`s alpha coefficient was .951. A confirmatory factor analysis (CFA) of Work engagement scale yielded a good fit ($\chi^2(27)=134.313$, IFI=.830, GFI=.856, TLI=.882 , CFI =.830, RMSEA =.082) and show that the scale is unidimensional and has high validity and reliability (Cronbach`s alpha=.951).

Creative performance

Creative performance was measured with six item version developed by(F. Liu et al., 2022). We used a five point scale ranging from 1, “strongly disagree”, to 5, “strongly agree”. A sample item is “i come up with new ways to do things”. The Cronbach`s alpha coefficient was .864. A confirmatory factor analysis (CFA) of Creative performance scale yielded a good fit ($\chi^2(2)=3.156$, IFI=.993, GFI=.989, TLI=.986 , CFI =.993, RMSEA =.061) and show that the scale is unidimensional and has high validity and reliability (Cronbach`s alpha=.882).

Control variables

We controlled age, gender and education because previous research has showed that these variables can effect on individual and organizational variables (i.e. Foote & Tang, 2008).

In this study, we also used the work tenure of employee as a control variable because of their impact on managers and Creative performance.

RESULTS

Descriptive Statistics

The means, standard deviations and zero-order Pearson correlations of all the key variables are presented in Table 1. Fig. 1 showed the research model of gender, age, education, tenure, ethical leadership, leader-member exchange, work engagement and Creative performance. As shown in Table 1, gender was negative related to ethical leadership ($r=-.106$), LMX ($r=-.301$) and work engagement and Creative performance ($r=-.136$). Age was positive related to ethical leadership ($r=.101$), LMX ($r=.241$) and work engagement, Creative performance ($r=.109$). Tenure was positive related to ethical leadership ($r=.018$), and LMX ($r=.238$). Ethical leadership was positive related to LMX ($r=.117$), work engagement and Creative performance ($r=.098$). And LMX was positive related to work engagement ($r=1.000$), Creative performance ($r=.329$). work engagement was positive related to Creative performance ($r=.348$).

Convergent and Discriminant Validity

In this study, we conducted an EFA using Principal Axis Factoring with promax with Kaiser Normalization to examine the observed variables loaded together to check criteria of reliability and validity. The results showed that the KMO and Bartlett's test of sampling adequacy was significant for each variable were sufficiently (KMO=.893). Moreover, as shown Table 2, all the factor loadings was significant at .000 levels (all above .530), the results showed a good discriminant validity. Therefore, all chosen variables were suitable for factor analysis. The Cronbach's alpha for variables were also presented in Table 2. All alphas are reflective because all of was above .872

On the other hand, we examined the common method bias through Harman's single-factor test. The ten items of ethical leadership, seven items of leader-member exchange, eight items work engagement and five items Creative performance was entered in a principle component factor analysis. The results presented that the first factor in the model explained 34.223% of the variance. Thus, in here, the common method bias was not issue.

Table 1: Descriptive statistics, correlations and scale reliabilities

Variable	Mean	Std. Deviation	age	Gender	Education	Tenure	Ethical	LMX	Workenga	Creative performance
age	3.66	.667	1							
Gender	3.64	.689	-.205**	1						
Educatio n	3.64	.689	.309**	-.267**	1					
Tenure	3.51	.959	.234**	-.182**	.230**	1				
Ethical	2.42	.932	.101*	-.106*	.018	.018	1			
LMX	2.40	.909	.241**	-.301**	.209**	.238**	.117**	1		
Worken ga	2.37	.815	.109**	-.136**	.070	.252**	.098*	1.000**	1	
CP	1.46	.499	.109**	-.136**	.070	.073	.098*	.348**	.348**	1

Note: (1). Cronbach alpha reliabilities for observed variables are in parenthesis in the diagonal

(2)* Correlation is significant at the .05 level (2-tailed)

** Correlation is significant at the .01 level (2-tailed). N =574

(3) The square root of AVE for discriminant validity are in parentheses along the diagonal

Source: Self-developed

The third, discriminant validity relates to the degree to which items differentiate between constructs, and presents by the square root of average variance extracted. In table 1, the authors presented the square root of the average variance extracted of each latent constructs. All of them was greater than that construct`s correlation with other constructs.

Table 2: Item loading of the latent constructs

Item	Ethical leadership	Leader – member - exchange	work engagement	Creative performance	Cronbach's Alpha
EL1	.903				
EL2	.902				
EL3	.907				
EL4	.869				
EL5	.878				
EL6	.815				.975
EL7	.908				
EL8	.915				
EL9	.906				
EL10	.912				

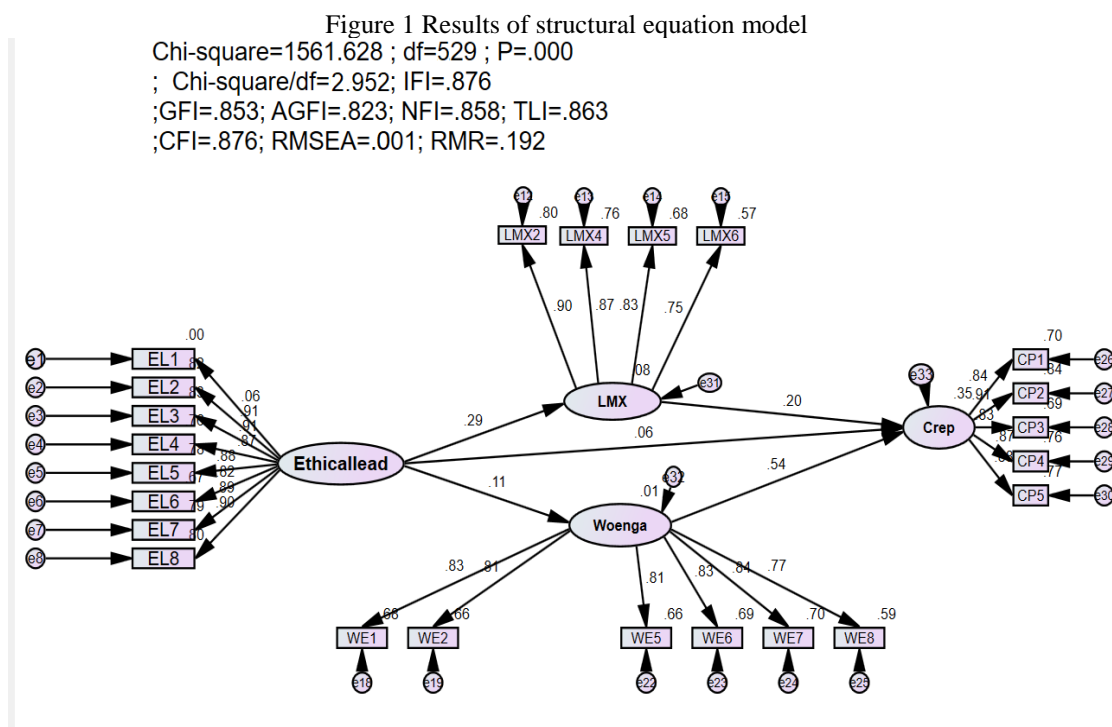
LMX1	.769		
LMX2	.863		
LMX3	.530		
LMX4	.871		.872
LMX5	.845		
LMX6	.713		
LMX7	.769		
WE1		.800	
WE2		.781	
WE3		.923	
WE4		.862	.951
WE5		.857	
WE6		.797	
WE7		.912	
WE8		.841	
CP1		.644	
CP2		.865	
CP3		.754	.882
CP4		.807	
CP5		.811	

Note: (1) Extraction Method: Principal Axis Factoring.
 (2) Rotation Method: Promax with Kaiser Normalization.
 Source: Self-developed

On the other hand, there are significant and positive correlations that exist among Ethical leadership, LMX, Work Engagement and Creative performance. Moreover, we used a series of regression to test the direct effects that were analyzed in this study. Addition, a series of test (i.e. tolerance, variance inflation factor) was used to examine the non-presence of multicollinearity (Hair, Tatham, Anderson, & Black, 1998).

Hypothesis Testing

The authors used SEM (structural equations modeling) to test direct and indirect effects using AMOS software (version 22). Figure 2 indicated the standardized structural coefficients. The all scales fit measures, multiple squared correlation coefficients of the variables, and significance levels of the path coefficients showed that the model fits the data well ($\chi^2(529) = 1561.628$, $p = .000$, $IFI = .876$, $GFI = .853$, $TLI = .863$, $CFI = .876$, $RMSEA = .001$).



Source: Self-developed

Table 3 indicated the results for the structural model in Figure 2. Structural equation modeling was performed the direct and indirect effects of the independent variables of ethical leadership, LMX, Work Engagement and Creative performance

Table 3 presented that ethical leadership is closely related to and effects LMX ($\gamma = .291$, $p < .001$), Work Engagement ($\gamma = .109$, $p < .001$) and Creative performance ($\gamma = .109$, $p < .001$), as predicted in hypotheses 1 and 2, respectively. Addition, the results showed an indirect effect

of ethical leadership on employee Creative performance (.059, $p < .001$) by LMX and Work Engagement (.200). The influence of ethical leadership on employee Creative performance is thus .259 ($p < .001$). Comparing the magnitudes of these effects indicated that the effect of ethical leadership on employee Creative performance is larger than the total effects of LMX, Work Engagement on employee Creative performance. Therefore, the model explains employee Creative performance well. Finally, Table 3 also presented a direct effect ($\gamma = .202$, $p < .001$) LMX on employee Creative performance, and Work Engagement on Creative performance ($\gamma = .538$, $p < .001$) supporting hypotheses 3,4.

Table 1 Structural model result (direct, indirect and total effects).

Effect from	To	Direct effects ^a	Indirect effects ^a	Total effects ^a
Ethical leadership	LMX	.291***		.291***
Ethical leadership	Work Engagement	.109***		.109***
Ethical leadership	Creative performance	.059***	.500***	.559***
LMX	Creative performance	.202***		.202***
Work Engagement	Creative performance	.538***		.538***
Goodness of fit statistics	Chi-square = 1561.628; chi-square/df = 6.819; df = 229; P=0.000; IFI=.876; GFI=.940; TLI=.976; CFI=.979; RMSEA=.033			

Source: Self-developed

DISCUSSION

This study examined the role of ethical leadership and psychological Empowerment in influencing Job Satisfaction and work engagement of employees associated with service companies in Vietnam. The results highlighted the existence of a positive relationship between ethical leadership and job satisfaction, work engagement of employee service company staff. These findings are consistent with the findings of Qing et al (2020)[50] who argued that ethical leadership plays a very important role in influencing the behavior of the employees` attitude in a positive way in the workplace. The presented findings on the positive relationship between ethical leadership and job satisfaction, work engagement have led to several suggestions.

The presented findings also revealed that psychological empowerment plays a mediating role in influencing job satisfaction and work engagement. The social learning theory and the social exchange theory (Bandura, 1977, 1986) are two main theories proposed by many researchers (Brown et al., 2005) that explained the mechanism by which ethical leaders affect their employees. This study found psychological empowerment act as a very important intervening variable in the ethical leadership- job satisfaction and work engagement link. This study adds to the literature on ethical leadership by testing the psychological and social aspects

that explain the ethical leadership- job satisfaction and work engagement link. The findings, which indicate that psychological empowerment acts as a partial mediator, lead to the important contribution of this study. Therefore, this research could be regarded as one of the first studies that integrate the social learning theory and the social exchange theory in explaining the relationship between psychological empowerment and job satisfaction, work engagement.

Finally, virtually no studies to the author`s knowledge have been conducted on ethical leadership and its relationship with job satisfaction; work engagement in Vietnam where various aspects such as ethics, psychological empowerment, job satisfaction and work engagement are highlighted. Thus, this research tried to add to the literature generalizing and externally validating ethical leadership and job satisfaction and work engagement, all three of which have been originally developed and primarily studied in Western countries.

The study findings lead to the suggestion that service companies need to understand the advantages of enhancing ethical leadership and psychological empowerment to achieve employee job satisfaction and work engagement.

Managers are advised to enhance a healthy relationship between themselves and their followers so that there can be open and free communication on a frequent basis. Through employee empowerment, hence, managers can attempt to create an environment that promotes job satisfaction and work engagement of employees.

STUDY LIMITATIONS AND FUTURE RESEARCH

The present study has some limitations. First, because employees provided ratings of ethical leadership, LMX, Work Engagement, employee creative performance, the hypothesized relationships between ethical leadership and the mediating variables must be interpreted with caution due to same-source concerns. For example, it is possible that employees` evaluations of ethical leadership bias their rating of perceptions of LMX. To address this potential limitation, we obtained employee creative performance from direct reports` supervisors. Thus, future study should strive to measure all predictors and employee creative performance ideally from different sources.

Second, the cross-sectional nature of this study implies that causes may be subject to alternative interpretations. In a longitudinal study, the measurement of cause variables and effect variables at different intervals would enhance the validity of the result.

The data were collected in service companies in Vietnam. Hence, the presented findings may not be generalized to other organizational context. Therefore, future researches should consider

collecting the data from different industries to generalize the findings of this study. On the other hand, the presented study used survey based to analyze. Future researches could use qualitative methods to get a better in-depth understanding of the complexities involved in promoting employee creative performance using ethical leadership style in service companies in Vietnam.

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