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THE EFFECT OF LEADER-MEMBER INTERACTION ON CREATIVE EMPLOYEE PERFORMANCE AND THE MEDIATING EFFECT OF SELF-ESTEEM ON THE RELATIONSHIP BETWEEN LEADER-MEMBER INTERACTION AND CREATIVE EMPLOYEE PERFORMANCE

LİDER-ÜYE ETKİLEŞİMİNİN YARATICI ÇALIŞAN PERFORMANSINA OLAN ETKİSİ VE ÖZ SAYGININ LİDER-ÜYE ETKİLEŞİMİ İLE YARATICI ÇALIŞAN PERFORMANSI İLİŞKİSİNDEKİ ARACI ETKİSİ

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Abstract

In workplaces, positive leader-member interaction might cause psychological and mental well-being of employees and increase productivity in the workplace. The study aimed to investigate the mediating role of self-esteem in the relationship between leader-member interaction and creative performance. To this end, a quantitative study based on the survey technique was conducted with employees and managers of manufacturing enterprises in the Kayseri Organized Industrial Zone. Face-to-face surveys were conducted with 422 manufacturing sector employees. Structural Equation Modeling (SEM) was used to test the hypotheses that were created within the framework of the study to determine the relationships between the variables. According to the results of the analysis, it was concluded that leader-member interaction had positive effects on creative performance and self-esteem and that self-esteem had a positive effect on creative employee performance. It was also found that self-esteem mediated the relationship between leader-member interaction and creative employee performance.

Keywords: Self-Esteem, Leader-Member Interaction, Creative Employee Performance.

Özet

İşyerlerindeki pozitif lider-üye etkileşimi, çalışanların psikolojik ve mental olarak iyi olmalarını ve işyerindeki verimliliği arttırıcı etkilere neden olabilmektedir. Araştırmanın amacı, öz saygının lider-üye etkileşimi ile yaratıcı performansı arasındaki ilişkide aracı rolü araştırılmak istenmiştir. Bu amaçla, Kayseri Organize Sanayi Bölgesi'nde faaliyet gösteren imalat işletmelerinin çalışanları ve yöneticileri ile anket tekniğine dayalı nicel bir araştırma yapılmıştır. 422 imalat

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sektörü çalışanına yüzyüze anket uygulaması yapılmıştır. Değişkenler arasındaki ilişkileri tespit etmek amacıyla araştırma çerçevesinde oluşturulan hipotezlerin test edilmesi için Yapısal Eşitlik Modellemesi (YEM) yaklaşımı benimsenmiştir. Yapılan analiz sonuçlarına göre, lider-üye etkileşiminin yaratıcı performans ve öz saygı üzerinde pozitif etkiye sahip olduğu ve öz saygının yaratıcı çalışan performansı üzerinde pozitif etkiye sahip olduğu sonucuna varılmıştır. Ayrıca, öz saygının lider-üye etkileşimi ile yaratıcı çalışan performansı arasındaki ilişkide aracılık ettiği belirlenmiştir.

Anahtar Kelimeler: Özsaygı, Lider-Üye Etkileşimi, Yaratıcı Çalışan Performansı.

Introduction

In business life, the effort to achieve success and to acquire an advantage over competitors has brought about a novel research area regarding the effective use of human resources. In today's business life, managers who perform recruitment processes with high-performance expectations have begun to consider contemporary management strategies that argue that psychological factors are also important for high productivity.

In today's information age, organizations cannot only achieve competitive advantage through technological factors, but also benefit from employees' creativity, networking skills, and intellectual capital.

For organizations to achieve pre-determined targets, the fact that they have turned to strategies to increase the productivity and performance of employees has led researchers to conduct studies to investigate the elements that increase productivity and performance (Çukurçayir & Eroğlu, 2005). As one of these elements, employee creativity is the presentation of an idea, a meaningful solution, a novel product, or a new technology with the employee's knowledge, experience, and ability. Previous studies reported that employee creativity, which might emerge with a special talent in individuals or the education they have received, is possible with environmental interaction and motivation (Biçer & Düztepe, 2003; Yıldırım, Taş & Çiçek, 2019; Okakın & Ayvacıoğlu, 2014; Akgül & Yavuz, 2021). For this reason, the creativity capacity of employees must be determined and it must be ensured that their distinctive characteristics are uncovered (Bakan, 2004). Right at this point, the role of the leader, in other words, the manager, is of undeniable importance.

Leaders are individuals who have the knowledge and skills to motivate people to achieve certain targets (Yaşlıoğlu, Pekdemir & Toplu, 2013). Leader-member interaction, on the other hand, is a set of expectations that employees would like to see from their superiors in return for the roles they assume when performing their jobs, and was first put forward by Kahn (1964) (Kahn, 1964; Kahn, 1990; Hui, Law & Chen, 1999). Since the motivating, cooperation-enhancing, and guiding aspects of leader-member interaction make the work environment more positive, it is considered to increase the self-esteem of employees.

Self-esteem is the subjective evaluation people make regarding themselves and the positive or negative comments they make about themselves. In other words, self-esteem, which is at the "self-actualization" phase of Maslow's hierarchy of needs, is the feeling of having the ability to accomplish a task. As an important factor, self-esteem increases the motivational performance of employees (Gardner, Masgoret, Tennant, & Mihic, 2004).

Having a qualified workforce with high self-esteem and the best level of leader-member interaction is a great competitive advantage for businesses. To this end, it is expected that leader-member interaction will positively affect creative employee performance and self-esteem will mediate the relationship between leader-member interaction and creative employee performance in businesses.

Method

To test the hypotheses created in line with the target of the study, a quantitative study method was adopted and a survey method was used to collect the study data by applying face-to-face surveys to the employees of manufacturing industry enterprises in Kayseri Organized Industrial Zone (OIZ). The data were analyzed by using Structural Equation Modeling, which was preferred because it is a powerful method both in terms of testing multiple variables together (Russell, Kahn, Spoth & Altmaier, 1998) and in terms of producing more effective results in mediation analysis (Little, Card, Bovaird, Preacher & Crandall, 2007). In the analysis of the data, the SPSS v24 package program was used to determine pre-tests and descriptive statistics, and the IBM AMOS v24 package program was used for SEM and CFA analyses.

Study Model

The purpose of the study was to determine the effect of leader-member interaction on creative employee performance and the mediating effect of self-esteem on the relationship between leader-member interaction and creative employee performance. The study model and hypotheses created within this framework are as follows.

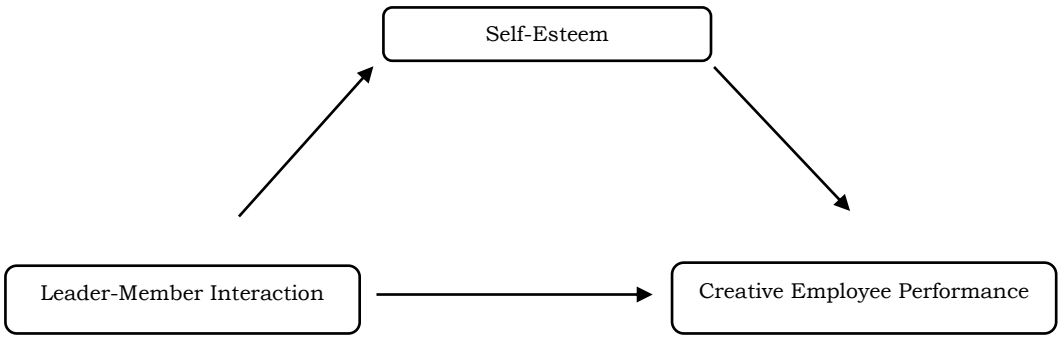

Figure 1. Study Model

H_1: Leader-member interaction has a positive effect on creative employee performance.

H_2: Leader-member interaction has a positive effect on self-esteem.

H_3: Self-esteem has a positive effect on creative employee performance.

H_4: Self-esteem has a mediating effect on the relationship between leader-member interaction and creative employee performance.

Population-Sample

The population of the study consisted of the employees and managers of manufacturing enterprises in the Kayseri Organized Industrial Zone. The sampling

method of the study was convenience sampling. The reason for choosing this method was that it is an improbable method and offers advantages such as geographical proximity, accessibility at a certain time, and voluntary participation (Etikan, Musa, & Alkassim, 2016). Based on the data of Kayseri Governorship, the number of employees in the Organized Industrial Zone was 70.000 (kayseri.gov.tr). The sample size was calculated as 394 with a 5% margin of error using the power analysis method suggested by Kadam and Bhalerao (2010). Since the data were collected from 422 participants, the sample size was deemed sufficient. The demographic data of the participants are given in the table below.

Table 1. Participant Data

		Numbers	Percentages
Sex	Female	156	37%
	Male	266	63%
Working Time in the Business	< 1 Year	116	27.5%
	1 Year - 5 Years	227	53.8%
	6 Years - 10 Years	72	17.1%
	11 Years - 15 Years	7	1.7%
Total Working Hours	< 1 Year	92	21.8%
	1 Year - 5 Years	235	55.7%
	6 Years - 10 Years	83	19.7%
	11 Years - 15 Years	9	2.1%
	> 16 Years	3	0.7%
Age Data	18 - 25 Years Old	225	53.3%
	26 - 35 Years Old	156	37%
	36 - 45 Years Old	38	9%
	46 - 55 Years Old	3	0.7%
Educational Status	Primary school	164	38.9%
	High school	210	49.8%
	Associate Degree	28	6.6%
	University	20	4.7%

As seen in the table, 63% of the participants were male and 37% were female. When the length of service in current workplaces was examined, it was found that 27.5% had worked for less than 1 year, 53.8% for 1-5 years, 17.1% for 6-10 years, and 1.7% for 11-15 years. When total professional experience was examined, it was found that 21.8% had worked for less than 1 year, 55.7% for 1-5 years, 19.7% for 6-10 years, 2.1% for 11-15 years, and 0.7% for more than 16 years. A total of 53.3% of the participants were between the ages of 18-25, 37% between the ages of 26-35, 9% between the ages of 36-45, and 0.7% between the ages of 46-55. In terms of education status, 38.9% graduated from primary school, 49.8% from high school, 6.6% had an associate degree, and 4.7% had a university degree.

The Scales Used in the Study

Leader-Member Interaction Scale: Developed by Scandura and Graen (1984), this 7-item leader-member interaction scale was revised by Graen and Uhl-Bien (1995). The scale consisted of one single dimension.

Self-Esteem Scale: The 7-item self-esteem scale developed by Steinfield, Ellison, and Lampe (2008) as a result of a longitudinal study was used in the study. The scale consisted of one single dimension.

Creative Employee Performance Scale: This 3-item creative employee performance scale developed by Madjar, Oldham, and Pratt (2002) was used in the study. The scale consisted of one single dimension.

The items of the scale consisted of 5 intervals (1- Strongly Disagree, 2-Partially Agree, 3-Neither Agree nor Disagree, 4-Agree, 5- Strongly Agree).

Analysis of Data

A two-phase approach was used for the analysis of the data (Anderson and Gerbing, 1992). In this respect, firstly, the prerequisites of the data (e.g., factor analysis and common method variance analysis) were examined, the distribution normality of the data was checked and their suitability for the SEM approach was determined. To this end, the skewness and kurtosis values were examined and it was seen that they were between -1.5 and +1.5. Based on these results, it was concluded that the distribution was normal (Bai and Ng, 2005). Harman's "Single Factor Test" was applied for the common method variance error. In this way, since the variance value formed when all variables were forced to one single factor distribution was 43%, it was concluded that there was no common method variance error (Harman, 1976). Then, Confirmatory Factor Analysis was used. A basic three-factor model and two alternative models were developed and Chi-Square differences were tested to see which model fit the data best (Anderson and Gerbing, 1988).

Table 2. Factor Analysis Results

Model	Factor	*x2*	*df*	*Δx2*	*RMSEA*	*IFI*	*TLI*	*CFI*
Main Model	3-Factor Study Model	713.44	326		0.728	0.912	0.918	0.922
Model 1	2-Factor Model: Self-esteem and Leader-Member Interaction are grouped under one factor.	928.82	329	215.38 p=0.00	0.912	0.811	0.807	0.798
Model 2	Single Factor Model: All variables are gathered under one single factor.	941.12	329	227.68p=0.00	0.924	0.791	0.780	0.774

As seen in Table 2, the 3-factor model had the best goodness of fit value (x^2/df = 2.188, *IFI* = 0.912, *TLI* = 0.918, *CFI* = 0.922, *RMSEA* = 0.072), which showed that the main model has good discriminant validity results (Hinkin, 1988; Steiger, 1990). To further test the discriminant validity, the steps suggested by Netemeyer et al. (1990) were followed. The square root of the variance (AVE) generated from the variables must exceed the correlation coefficient between the variables. Also, for convergent validity, variance and factor values (AVE) and composite reliability (CR) coefficients were calculated and tested to find out if they were within the accepted values (AVE = 0.50; Factor loading = 0.50; CR = 0.70) (Fornell and Larcker, 1981). These results are given in Tables 3 and 4.

Table 3. Factor Analysis Results

Variables	Items	Factor Loading	CR	Alpha	AVE
Leader-Member Interaction	1. I generally know what my supervisor expects from me.	0.795	0.901	0.912	0.565
	2. My supervisor understands my problems and needs.	0.804			
	3. My supervisor is aware of my potential.	0.777			
	4. My supervisor does not hesitate to use his/her authority to solve problems I face at work.	0.667			
	5. I know that my superior would be willing to compromise to save me in my time of need.	0.774			
	6. I trust my superior so much that I defend and try to justify his/her decisions even when s/he is not around.	0.748			
	7. My working relationship with my supervisor is very effective.	0.687			
Self Esteem	1. I feel that I am a valuable individual, at least at the same level as others.	0.525	0.913	0.918	0.612
	2. I feel like I have some good qualities.	0.501			
	3. As a result, I tend to feel like I am a failure (R).	0.712			
	4. I might do as well as most other people.	0.931			
	5. I feel like I do not have much to be proud of.	0.908			
	6. I have a positive attitude toward myself.	0.886			
	7. Overall, I am satisfied with myself.	0.878			
Creative Employee Performance	1. I might develop ideas, methods, or products that are both original and beneficial to the organization.	0.786	0.838	0.823	0.641
	2. I might develop ideas, methods, or products that are unique and useful to the organization.	0.963			
	3. I might use the present data or materials to develop ideas, methods, or products that are useful to the organization.	0.615			

As seen in the table, all values met the convergent validity criterion. Correlations between variables and other descriptive information are given in Table 4.

Table 4. Correlation Analysis Results

Scales	Standard Deviation	Mean	1	2	3
1.Leader-Member Interaction	1.202	3.138	(0.752)		
2. Self-esteem	3.771	1.118	0.431***	(0.782)	
3. Creative Employee Performance	2.715	1.889	0.535***	0.455***	(0.801)
***p < 0.001					

When the correlations between the variables were examined, it was found that there was a positive relationship between leader-member interaction and self-esteem (r = 0.431; p<0.001) and creative employee performance (r = 0.535; p<0.001), and also a positive relationship between creative employee performance and self-esteem (r = 0.455; p<0.001). It was also seen that the square root of the variance values exceeded the correlation coefficients. When all of these results were examined together, the study met all the criteria of convergent and discriminant validity, showed normal distribution, and there was no common method variance error. In this way, it was found that the data exhibited successful results in the first step of the two-phase approach suggested by Anderson and Gerbing (1992).

Hypothesis Tests

The SEM Approach was used in the second phase of the study, which was hypothesis testing. In this context, the goodness of fit values of the model established with the IBM AMOS v24 program were as follows: x^2/df = 2.614, *IFI* = 0.926, *TLI* = 0.908, *CFI* = 0.920, *RMSEA* = 0.078. These results showed that the main model had good goodness of fit results (Hinkin, 1988; Steiger, 1990). The results obtained from the analysis are given in the table below.

Table 5. Hypothesis Analysis Results

Path Analysis	β	Critical Ratio
Leader-Member Interaction → Creative Employee Performance	0.535***	6.218
Leader-member interaction → Self Esteem	0.214*	3.156
Self Esteem → Creative Employee Performance	0.318**	5.251
***p<0.001; **p<0.01; *p<0.05		

In the SEM Analysis, the direct effect between leader-member interaction and creative employee performance was examined and a significant relationship was detected (β = 0.535; p<0.001). The leader-member interaction significantly affected self-esteem (β = 0.214; p<0.05). Self-esteem had a significant effect on creative employee performance (β = 0.318; p<0.01). The bootstrapping method was used to determine the mediating effect in the study. The mediating effect results obtained with this method are given in the table below.

Table 6. Results of Mediation Analysis

Path Analysis	Direct Effect	Indirect Effect	Total Impact
Leader-Member Interaction → Self Esteem → Creative Employee Performance	0.535***	0.068*	0.603***
***p<0.001; *p<0.05; Bootstrapping sample = 2000			

As seen in Table 6, the indirect effect parameter was positive and significant in the analysis made with the bootstrapping method (β = 0.068; p<0.05). According to these results, the self-esteem variable had a mediating role in the relationship between leader-member interaction and creative employee performance. The results of the hypotheses are given in the table below.

Table 7. Hypothesis Results

Hypothesis	Conclusion
H_1: Leader-member interaction has a positive effect on creative employee performance.	Accepted
H_2: Leader-member interaction has a positive effect on self-esteem	Accepted
H_3: Self-esteem has a positive effect on creative employee performance.	Accepted
H_4: Self-esteem has a mediating effect on the relationship between leader-member interaction and creative employee performance.	Accepted

Conclusion

The study aimed to uncover the effect of leader-member interaction on creative employee performance and the mediating role of self-esteem in the relationship between leader-member interaction and creative employee performance. This quantitative study that was conducted to test the hypotheses created to this end was conducted with 422 participants in the Organized Industrial Zone in Kayseri.

According to the tests and examinations made with the Structural Equation Model, leader-member interaction was found to have a positive effect on the creative performance and self-esteem of employees. In other words, the creative performance and self-esteem of employees will be high in organizations where leader-member interaction is good, which will result in increased performance and organizational efficiency.

Another finding of the study was the positive effect of self-esteem on creative performance. For this reason, employees with high self-esteem will be more willing to create innovations.

According to the results of the mediator variable analysis, self-esteem was found to be a leader-member and creative employee performance. Based on this, it was concluded that leader-member interaction in organizations had a significant effect on employees' creative performance and self-esteem levels and that managerial decisions must be made by considering this for high productivity. The following suggestions were made as a result of the study.

- Management styles such as paternalistic leadership and democratic leadership that enable leader-member interaction to be at the highest level in organizations must be adopted
- Management systems that strengthen communication in organizations must be used by taking into account superior-subordinate relations.
- Since self-esteem is a subjective judgment about oneself, such as an individual's desire to achieve something, creating a setting where employees might display their creative performance outside of their job descriptions might help employees bring out their creative side. In other words, employees might be given some rewards that encourage them to think innovatively.

- The study is original because it examined the variables of leader-member interaction, self-esteem, and creative performance of employees together. It is considered that the study findings will contribute to all businesses in carrying out their activities.

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