



The Influence of Leader Member Exchange on Employee Creativity by Mediation of Creative Processes Engagement Star Hotel in Cirebon Regency

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Abstract. This study investigates the impact of Leader-Member Exchange on Employee Creativity in Star Hotels in the Cirebon Regency Region, with Creative Process Engagement as a mediating variable. The study was undertaken intentionally. A survey was conducted on 101 employees working in Star Hotels in Cirebon Regency. The survey utilized primary data collection methods, specifically through the distribution of questionnaires. The variables used are Leader-Member Exchange as the independent variable, Creative Process Engagement as the mediating variable, and Employee Creativity as the dependent variable. The analysis method employed is partial least squares structural equation modeling (PLS-SEM) using the Smart PLS 4.0 software. The findings indicated that the relationship between Leader-Member Exchange and Creative Process Engagement could positively and significantly impact Employee Creativity in Star Hotels in Cirebon Regency. Furthermore, Leader-Member Exchange positively and significantly influences Creative Process Engagement at the star-rated hotels in the Cirebon Regency area. This study additionally discovered that the leader-member exchange favors employee creativity in Star Hotels in Cirebon Regency, which employs creative process engagement.

Keywords: Leader-member exchange, employee creativity, creative process engagement

INTRODUCTION

Indonesia has emerged as a prominent tourist destination in the Asia Pacific region. Its tourist industry has vast untapped potential and the capacity to enhance its population's well-being greatly. Indonesia also possesses a wide range of natural and cultural resources

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crucial for advancing the tourism industry. The tourist sector is a prominent foreign cash source for the Republic of Indonesia's government. The tourist sector plays a significant role in driving the expansion of the Indonesian economy. According to figures from the Central Statistics Agency (BPS), the Indonesian economy grew by 5.02% annually (year on year/yoy). This rise is a noteworthy accomplishment considering the substantial reduction seen in 2020. Indonesia's economic growth in 2021, compared to 2020, increased by 3.69%, according to the data from the fourth quarter.

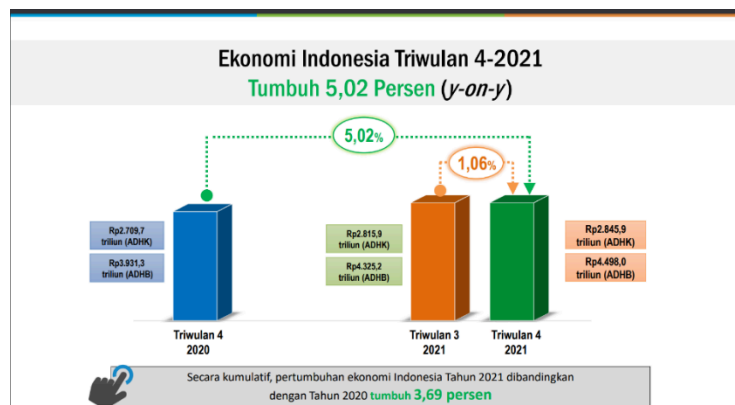


Figure 1. Indonesia Economic Growth Data
Source: Official of Statistics Indonesia (BPS)

According to BPS economic growth data, the hotel or lodging sector plays a significant role in Indonesia's economic growth. According to the fourth quarter report in 2021, the accommodation provider business field experienced a growth rate of 4.95%.

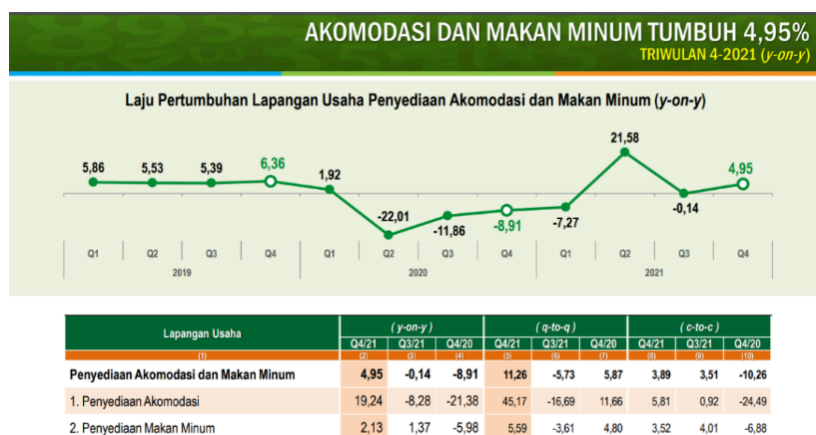


Figure 2. Indonesia Accommodation Contribution Data
Source: Official of Statistics Indonesia (BPS)

The graph remains consistent despite the varying decline in 2019. In the first quarter of 2020, there was a substantial decline in the Indonesian accommodation and food and beverage industry. However, it suffered fluctuations in the second quarter before eventually showing a gain. This represents a pivotal moment in endeavors to enhance the significance of a qualified contribution as a means of adding value.

**Table 1. Number of tourist visits to accommodation in West Java
By District / City**

No.	District / City	Foreign Tourists	Foreign Tourists Archipelago	Number
1.	Bogor	139.826	4.018.999	4.158.825
2.	Mumbai	49.138	443.795	492.933
3.	Cianjur	9,350	11,140	20,490
4.	Bandung	77,200	3,965,258	4,042,458
5.	Garut	29.158	13.583	42.741
6.	Tasikmalaya	1,476	23,400	24,876
7.	Philippines	3,505	70,071	73,576
8.	Brass	-	188,727	188,727
9.	Delhi	1,588	130,796	132,384
10.	Majalengka	500	70,885	71,385
11.	Sum	7.455	144.249	151.704
12.	Indramayu	251	78.255	78.506
13.	Subang	45.507	1.104.324	1.149.831
14.	Purwakarta	7,913	209,873	217,786
15.	Karachi	61.237	73.971	135.208
16.	Bekasi	63.246	186.990	250.236
17.	West Bandung		278,027 481,114	759,141
18.	Pangandaran	10.344	912.184	922.528

Source: jabar.BPS.go.id

The study on data collectivity focused on the number of local tourist visits in the districts and cities of West Java. The findings indicate that the Bogor region is the most popular destination for year-end tourism. This is primarily due to its cool climate, which is highly sought after by visitors from outside the area.

The Cirebon Regency boasts several tourist attractions, including the Sunyaragi cave, Trusmi Batik village, and the Tomb of Sunan Gunung Jati, which attract people from all over Indonesia. Following the onset of the COVID-19 epidemic, a significant and rapid decrease occurred. The Cirebon Regency government is currently making ongoing efforts to enhance its implementation of health norms. The tourism business in Cirebon Regency plays a crucial role in driving development, particularly by enhancing natural, religious, and historical tourism. This, in turn, supports the growth in the number of both local and foreign tourists visiting the region.

To promote tourism, Cirebon Regency offers a variety of lodging alternatives, including two-star, three-star, and four-star hotels. Among the guests who stay, some individuals appreciate the amenities provided and then go on their journey to the final destination. Cirebon is a region that serves as a transit hub for visitors. It contains transportation routes and toll facilities that make it easy for tourists to travel from the western part of Java to the central part of the island. Cirebon's geographical location on the border also helps to its role as a transit tourist.

Table 2. Number of Hotel accommodations by Hotel class in Cirebon Regency, 2019

Class Hotel	hotel	room	bed
Star Hotels	8 star Hotel	568	841
non-Star Hotel	18	411	583
number	26	979	1424
<i>source: BPS Cirebon Regency</i>			

Cirebon Regency offers a range of housing options, ranging from non-star motels to star hotels. Luxury hotels are in higher demand among travelers due to their superior service and more extensive amenities, which provide greater support and comfort. Furthermore, nearly all luxury hotels in the Cirebon Regency vicinity are conveniently located near popular tourist destinations.

Table 3. Hotel Data in Cirebon Regency

No	Nama Hotel	Klasifikasi Hotel
1	Aston Hotel and Convention	****
2	PatraJasa	****
3	Verse Hotel	***
4	Apita Hotel	***
5	Desa Alamanis resort and villa	***
6	Radiant Hotel	**
7	Sutan Raja Hotel	**
8	Octo Hotel	**

Source disbudpar cirebon regency 2021

The above table illustrates the categorization of hotels in Cirebon Regency, ranging from four-star to three-star to two-star. In order to navigate the challenging and unpredictable economic landscape, organizations require innovative personnel who can

enhance the quality of service, boost organizational efficiency, and guarantee long-term sustainability (de Jonge et al., 2012; Lusch et al., 2007). Furthermore, the prosperity of any organization is contingent upon its capacity to adjust to modifications, necessitating the presence of originality and ingenuity (Carr & Johansson, 1995). Creativity is the capacity to produce novel ideas or efficient solutions to address a problem (Amabile, 1988). Consequently, organizations that have innovative employees can generate additional value and sustain a competitive edge in a constantly changing business environment (Amabile et al., 2005; George, 2007).

Essentially, creativity can be defined in two primary ways. Creativity is generating original ideas and applying them to specific circumstances (Amabile, 1997; Oldham & Cummings, 1996). Furthermore, it can be defined as a cognitive process that enables individuals to generate novel and valuable concepts (Gaspersz, 2005). In a more recent study, Marja and Tomic (2010) defined creativity as generating novel and practical concepts or solutions by one or more persons within a professional setting. Meanwhile, Zeng et al. (2010) characterized product and service creativity as the subjective evaluation of a product or service's novelty and appropriateness. It evokes a positive emotional reaction aligned with the user's preferences and stimulates their desire to purchase, utilize, and value it.

Creativity, defined as the capacity to produce unique and original ideas, is a crucial element for a company to maintain a long-term competitive advantage (Oldham & Cummings, 1996; Amabile, 1988; Wang & Tsai, 2014). Organizations in the hospitality industry require innovative personnel to deliver exceptional business services and sustain long-term profitability (Hon, 2011; Wong & Ladkin, 2008; Wang et al., 2014). Consequently, an increasing focus has been on examining the primary components that impact creativity. Leadership styles, as examined in the context of leader-subordinate exchange (LMX) theory, have been investigated regarding their impact on subordinates' creativity and effectiveness in the workplace. As per Graen and Uhl-Bien (1995), LMX is founded on the reciprocal connection between employees and supervisors and can be regarded as a social interchange of beliefs, ideas, and responsibilities.

Employee self-development is most effective when the employee is fully engaged in the process, including the creative aspect, which fosters innovation inside the firm (Chiu, 2016; Zhou & Wu, 2018). The creative process necessitates the active participation of all team members, both cognitively and emotionally, including the leaders. Leaders play a

crucial role in promoting employee creativity by offering support and acknowledgment for their positive contributions toward achieving company goals (Chiu, 2016).

LITERATURE

The influence of LMX on employee creativity has been examined by previous research conducted by Wang (2016); Arsintadiani and Harsono (2012), which states that *Leader-Member-Exchange* affects employee creativity.

H1: There is a positive and significant influence between the variable *Leader-Member Exchange* employee creativity.

Creative process engagement is the employee's attachment to the creative process, which is an essential first step in the process of creativity (Gilson et al., 2004) and three steps (Zhang & Bartol, 2010; Henker et al., 2014), namely problem identification, search and categorization of information, and the creation of ideas. *Creative process engagement* positively affects employee creativity, which shows that by engaging in the creative process, employees led by Humble superiors will increase employee creativity. This is in line with the research of Amabile and Kramer (2011), which states that LMX has a positive and significant influence on EC.

H2: The leader-member exchange variable positively and significantly influences the creative engagement process.

Several studies have shown a positive relationship between employee creativity and creative process engagement. One example is a study by Amabile et al. (1996), which found that employees who are more involved in the creative process generate more new and original ideas.

H3: The creative process engagement variable has a positive and significant influence on Employee Creativity.

Creative process engagement is the employee's attachment to the creative process, which is an essential first step in the process of creativity (Gilson et al., 2004) and three steps (Zhang & Bartol, 2010b; Henker et al., 2014), namely problem identification, search and categorization of information, and the creation of ideas. *Creative process engagement* positively affects employee creativity, which shows that by engaging in the creative process, employees led by Humble superiors will increase employee creativity. This is in line with the research of Kiazad et al. (2014), which states that when employees feel more valuable and attached to the Organization, employees will spend more time.

H4: The Leader Member-Exchange variable positively and significantly influences employee creativity, mediated by Creative Process Engagement.

METHOD

This research method uses quantitative research methods with research instruments, namely questionnaires. The population of this study is all employees of Bintang of 4-star hotels in Cirebon Regency, with as many as 101 respondents. Samples in this study used sampling techniques such as simple random sampling. Sugiyono (2017: 82) *Simple Random Sampling* is the sampling of members of a population that is done randomly without regard to the existing strata in that population. The method of analysis used in this test is SEMPLS 4.0. The size used to obtain answers from respondents was measured using a Likert scale. This scale is loaded into five forms of responses, namely: strongly disagree (STS), disagree (TS), moderately agree (CS), agree (S), and strongly agree (SS).

DISCUSSION

Respondent Description

The number of male respondents was greater than female respondents. There were 62 male respondents while there were 39 female respondents. The average is dominated by the age of 28-37 years that is as many as 72 people, age 17-27 years 18 people, and age 38-57 years 11 people.

Struktural Equation Model

Evaluation Konstruk Of The Outer Reflective Construct Model

Based on the results of processing with SEMPLS 4.0. generated analisisCFA analysis with konstruk orde First Order construct and faktor loading factor as shown in Figure 3 and Table 1.

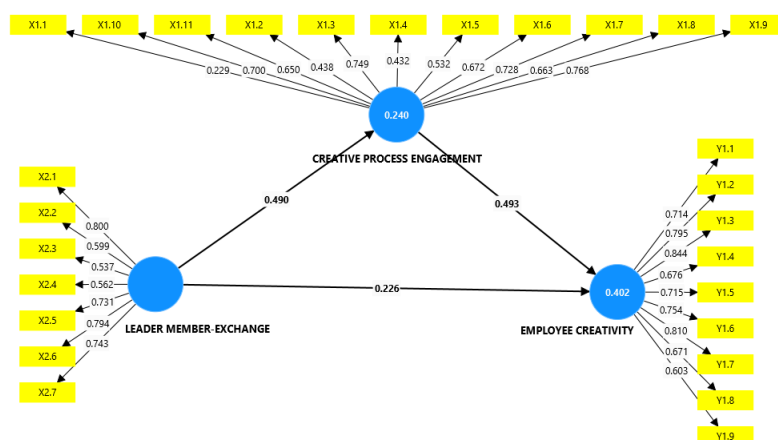


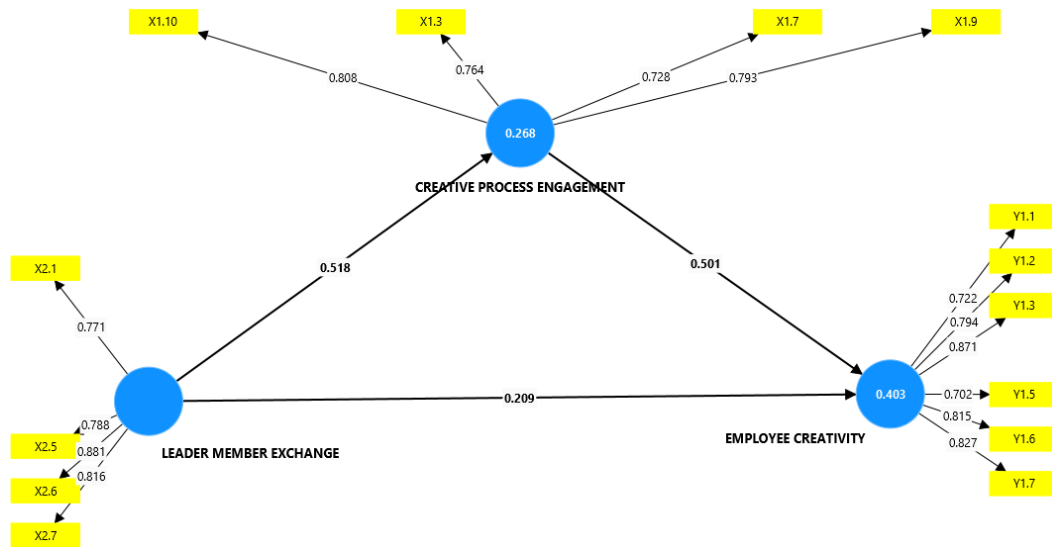
Figure 3 : Confirmatory Factor Analysis

Table 4. Loading Factor (Outer Loading)

	CREATIVE PROCESS ENGAGEMENT	EMPLOYEE CREATIVITY	LEADER MEMBER-EXCHANGE
X1.1	0.229		
X1.10	0.700		
X1.11	0.650		
X1.2	0.438		
X1.3	0.749		
X1.4	0.432		
X1.5	0.532		
X1.6	0.672		
X1.7	0.728		
X1.8	0.663		
X1.9	0.768		
X2.1			0.800
X2.2			0.599
X2.3			0.537
X2.4			0.562
X2.5			0.731
X2.6			0.794
X2.7			0.743
Y1.1		0.714	
Y1.2		0.795	
Y1.3		0.844	
Y1.4		0.676	
Y1.5		0.715	
Y1.6		0.754	
Y1.7		0.810	
Y1.8		0.671	
Y1.9		0.603	

Based on Table 1, it can be seen that there are several Employee Creativity (EC) construct items that produce loading factor values below <0.70. Meanwhile, in the Employee Creativity (EC) construct, there are three items whose loading factor values are below <0.70, namely Y1.4, Y1.8, and Y1.9. Then in the CPE construct, there are 7 items whose factor loading values are below <0.70, namely items X1.1, X1.11, X1.2, X1.4, X1.5, X1.6, X1.8. Meanwhile, in the LMX construct, there are three items whose factor loading values are below <0.70, namely items X2.2, X2.3, and X2.4. All items or indicators with a load factor value below < 0.7 are declared invalid and must be excluded from the research model.

Furthermore, after elimination, the complete research model can be seen in Figure 4 and Table 5



Picture 4. Full Model SEMPLS

Table 5 shows that all constructs with reflexive items or indicators produce a loading factor value > 0.7, which means that all items or construct indicators are declared valid. Table 5 also shows further test reliability and validity.

Table 5. Loading Factor (Outer Loading)

	CREATIVE PROCESS ENGAGEMENT	EMPLOYEE CREATIVITY	LEADER MEMBER EXCHANGE
X1.10	0.484		
X1.3	0.239		
X1.7	0.264		
X1.9	0.294		
X2.1			0.344
X2.5			0.265
X2.6			0.338
X2.7			0.278
Y1.1		0.192	
Y1.2		0.186	
Y1.3		0.259	
Y1.5		0.165	
Y1.6		0.199	
Y1.7		0.254	

Table 6. Construct Reliability and Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Creative Process Engagement	0.790	0.851	0.856	0.599
Employee Creativity	0.879	0.897	0.909	0.625
Leader-Member Exchange	0.832	0.840	0.888	0.665

Based on the output of reliability and validity constructs, Table 6 shows that the value of Ave produced by all reflexive constructs is above > 0.50, so it meets the validity and reliability of convergent. The composite reliability value produced by all reflexive constructs is very good, above > 0.70, so it can be concluded that all indicators of reflexive constructs are reliable or meet the trust test criteria.

Hypothesis Test

Inner Model Evaluation

Direct Influence Test

Table 7. Mean, STDEV, T-Values, P-Values

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Result
Creative Proses -> Kreativitas Karyawan	0.501	0.507	0.090	5.582	0.000	supported
Lmx -> Creative Proses	0.518	0.530	0.088	5.898	0.000	supported
Lmx -> Employee Creativity	0.209	0.217	0.104	2.002	0.045	supported

Note: *sign = significance < α 0.05

Based on Table 7 it can be seen that; (1) Creative Process Engagement (CPE) has a significant effect on Employee Creativity (EC). Sustainability (H1 is accepted); (2) Leader Member Exchange (LMX) has a significant positive effect on Creativity Process Engagement (CPE) (H2 accepted), (3) Leader Member Exchange (LMX) has a significant positive effect on Employee Creativity (EC) (H3 accepted).Indirect Influence Test

Table 8. Mean, STDEV, T-Values, P-Values

Lmx -> Creative Proces -> Employee Creativity	0.259	0.269	0.068	3.837	0.000	supported
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Note: *sign = significance < α 0.05

Based on the output in Table 5, Creativity Process Engagement (CPE) mediates the influence of Leader-Member Exchange (LMX) on Employee Creativity (EC). H4 is accepted.

The Influence of Leader-Member Exchange on Employee Creativity in Star Hotels in the Cirebon Regency.

Based on the test results, it can be concluded that *the Leader-Member Exchange* has a positive and significant effect on *Employee Creativity* in Star Hotels in Cirebon Regency. This shows that LMX can increase employee creativity. The results of this study are in line and reinforced with previous research conducted by Wang (2016); Arsintadiani and Harsono (2012) which states that *LeaderMember-Exchange* affects employee creativity.

The Influence of Leader-Member Exchange on Creative Process Engagement in Star Hotels in the Cirebon Regency.

Based on the test results, it can be concluded that *the Leader-Member Exchange* has a positive and significant effect on *the Creative process of Engagement* in five-star hotels in Cirebon Regency. This suggests that employees who have a high LMX with their leader are more likely to be involved in the creative process at work. The results of this study are in line and reinforced with previous research conducted by Amabile & Kramer (2011) which states that LMX has a positive and significant effect on EC.

The Influence of Creative Process Engagement on Employee Creativity in Star Hotels in the Cirebon Regency.

Based on the test results, it can be concluded that *the Creative process engagement* has a positive and significant effect on *Employee Creativity* in Star Hotels in Cirebon Regency. This shows that employees who have a high level of CPE are more likely to generate creative ideas and innovative solutions in their work. The results of this study are in line and reinforced with previous research conducted by Amabile et al. (1996), who found that employees who are more involved in the creative process generate more new and original ideas.

The influence of Leader Member-Exchange on Employee Creativity mediated by Creative Process Engagement in Star Hotels in Cirebon Regency.

Based on the test results, it can be concluded that *the leader Member-Exchange* has a positive and significant effect on *Employee Creativity through Creative Process Engagement* in Star Hotels in Cirebon Regency. This shows that LMX not only directly increases EC, but also through its effect on CPE. The results of this study are in line and reinforced with previous research conducted by Kiazad et al (2014) which states that when employees feel more valuable and attached to the Organization, employees will spend more time.

CONCLUSION

This research was conducted to determine the influence of the Leader Member-Exchange variable on Employee Creativity mediated by Creative Process Engagement in Star Hotels in Cirebon Regency. From the results of the data analysis, the discussion in the previous chapter, and the tests that have been carried out using the SEMPLS analysis method, it can be concluded as follows :

- 1) Based on the results of the Bootstrapping test, testing hypothesis 1 shows a P value of 0.045 and a T-statistics value of 2.002. It can be concluded that hypothesis 1 is accepted, and it is stated that LeaderMember-Exchange has a significant influence on Employee Creativity.
- 2) Based on the results of the Bootstrapping test, testing hypothesis 2 shows a P value of 0.000 and a T-statistics value of 5.898. It can be concluded that hypothesis 2 is accepted, and it is stated that LeaderMember-Exchange has a significant influence on Creative Process Engagement.
- 3) Based on the results of the Bootstrapping test, testing hypothesis 3 shows a P value of 0.000 and a T-statistics value of 5.582, it can be concluded that hypothesis 3 is accepted and it is stated that there is a significant influence of Creative Process Engagement on Employee Creativity.
- 4) Based on the results of the Bootstrapping test, testing hypothesis 4 shows a P value of 0.000 and a T-statistics value of 3.837. It can be concluded that hypothesis 4 is accepted, and it is stated that LeaderMember-Exchange significantly influences Employee Creativity through Creative Process Engagement.

Implication

Based on the data analysis findings and subsequent debate, the following suggestions can be made: The author anticipates this research will prove valuable, highlighting the significance of employee creativity in the tourism and hotel industry. By recognizing the importance of fostering creativity among employees, businesses may ensure their resilience in any circumstances. In light of the dynamic nature of the contemporary work landscape and heightened rivalry, the significance of management effectiveness has grown. It is imperative to have employees who possess the ability to identify novel opportunities and implement unorthodox ideas inside the workplace. Leaders who exhibit warmth towards their staff are regarded as one of the most potent variables contributing to high levels of creative job engagement.

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