

# A Study of Extrinsic and Intrinsic Motivation, Employee Job Creativity and Ethical Leadership in the Hospitality Industry

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## Abstract

*Understanding workplace motivation is vital in building a dynamic work environment that enriches and fulfils people. Motivation is seen as the driving factor behind every activity undertaken by an individual. Drawing on SDT theory, this study tested the behavioural regulation of extrinsic and intrinsic motivation, with the goal of providing valuable inputs about how extrinsic and intrinsic motivation leads to job creation, as well as an enhanced effect of ethical leadership among employees in the hospitality sector. Employee creativity was evaluated as a job result in this study. The final analytic sample of 298 individuals working full-time in the hospitality business was made up of dyads of both supervisors and subordinate-level employees. By coupling creativity with organisational performance, this research put forth a question for identifying the root causes of how to maintain and enhance employee creativity which is an important concern for organisations.*

**Keywords:** *Intrinsic and extrinsic motivation, self-determination theory, employee creativity, ethical leadership, Indian hospitality industry.*

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## Introduction

Motivation has been extensively researched by numerous scholars in a variety of fields. It plays an important role in several study domains, including management and psychology. Motivation, according to Rani and Kumar-Lenka (2012), is “a process that elicits, regulates, and maintains specific behaviours.” Thus, motivated individuals are engaged to engage in a certain behaviour in an enthusiastic manner, but uninspired employees may have little reason to perform (Richard M. Ryan and Deci 2000). Ilardi et al. (1993) establish a link between high levels of motivation and favourable work consequences, including job satisfaction, creativity, and well-being. The significance of motivation is shown by a recent Gallup survey, which found that unmotivated employees cause significant losses for organisations (Fidell et al., 2013). In this highly competitive environment, the function of innovation is seen as a vital aspect of the performance of any organisation. Literature has confirmed that what distinguishes a person is inventiveness. In a single company, the value of originality cannot be overstated. Firms which are creative and inventive have a stronger capacity to riposte to unforeseen challenges or threats posed by the internal or external environment (Reiter-Palmon & Illies, 2004). Furthermore, it is recognised as a crucial component of organisational survival and continues to compete. As a result, businesses encourage their employees who are creative. Motivation is something that makes an employee capable of producing innovative work since it drives an employee to take action. Creativity is often thought to be tied to one’s degree of motivation. Motivation stems from two basic sources. This encompasses innate and external drives. Intrinsic motivation promotes creativity. This is due to the fact that a human might be driven to attain a goal by an inside drive. As a result, the drive to achieve certain outcomes might cause him or her to spend extensively in enhancing his or her inventiveness. Nonetheless, the extrinsic drive usually stifles innovation.

Every organisation needs human and material (physical) resources to function properly and achieve its goals. The role of human resources is more significant than physical resources since a person must employ tangible resources effectively and

efficiently for a better end. Motivation is a process that inspires, motivates, and boosts confidence in doing creative activities. The definition of creativity is “the development of ideas must be coordinated and initiated by an organisation’s senior management” (Wu et al., 2008).

It is critical to understand the link between creativity and motivation since it allows businesses to discover how to develop talent. Further, leaders play a very important role in managing human resources. The presence of a good relationship between subordinates and leaders is very important for the smooth functioning of any organisation. A good relationship between leader and subordinates builds a positive work environment, which leads to higher motivation to work for the achievement of organisational goals. Motivation is one of the factors that encourages employees to think of innovative ways of completing work.

Centring on SDT theory which is the “Self-determination theory” initially postulated by Deci & Ryan (1985), the present study seeks to examine the relationship and impact of motivation on creativity. As a result, it identifies two forms of motivation: intrinsic & extrinsic motivation. The separation between the two allows for a separate examination of the shared relationship and the impact of extrinsic & intrinsic motivation styles on workers’ job inventiveness. Though a few studies have demonstrated the said relationship between employee motivation and employee creativity, the function of mediators, such as ethical leadership, in this interaction has received little attention.

By coupling creativity with organisational performance, researchers aim at identifying the root causes of how to maintain and enhance employees (Adil, 2019). It has already been demonstrated that both extrinsic & intrinsic motivational types have an impact on employee innovation (Minh & Huu, 2019; Shafi, Lei, et al., 2020), mainly researched in the western context, with very few research reported exhibiting non-western work settings. Furthermore, there’s still ambiguity in work examining the relationship between if there’s any relationship shared between motivation types and employee creativity at the job, with studies indicating a dual significant solid association or no association

(Aldabbas et al., 2022; Fischer et al., 2019) between the underlined constructs (Perry-Smith, 2006).

To fulfil underlying gaps, we tested the direct link between extrinsic as well as intrinsic motivation with that of creativity of employees in the Indian context making self-determination theory an explanatory mechanism. Recently, the researcher's focus has been shifted towards detecting intervening effects in explaining constructs relationships, the reason being research that ignores underlying processes lacks robustness. The importance of mediational variables such as ethical leadership/leadership style in the pre-existing relationship b/w extrinsic & intrinsic styles of motivation and employees' job creativity has been disregarded. Hereby, we focus our attention on the mediational role to develop an advanced notion of how extrinsic and intrinsic motivation affect employee creativity when there is an enhanced role of ethical leadership through the lens of SDT.

## **Theoretical Background, Literature Review and Hypothesis Formulation**

### **Self-Determination Theory**

The theoretical understanding of this research study is established on SDT theory (1985) developed by Richard M Ryan and Deci (2000a). They developed two separate forms of motivation under this paradigm, namely intrinsic and extrinsic motivation. The SDT is founded on three fundamental psychological demands that have a significant impact on future psychological growth, integrity, and well-being. The demand for competence is the ability to master difficult tasks and the sense of being able to execute at a high level (Deci et al., 2019). The demand for autonomy is related to the sensation of being self-determined, behaving freely, and having a choice (Deci & Ryan, 2008). Finally, the demand for relatedness explains a sense of belonging and connection to key persons in the surroundings.

Extrinsic motivation, according to Self-Determination theory, is generated from goals that are external to the action itself, or extrinsically motivated activities serve a purpose outside of the action itself. Extrinsic motivation is the polar opposite of intrinsic motivation. Extrinsic drive does not always indicate an urge or an absence or negligible self-determination, despite the fact that intrinsic desire

is the model of self-determined motivation. Extrinsic motivational style can be handled or self-regulated, according to OIT's interpretation. OIT implies that humans have an innate inclination to internalise the regulation of behaviour that was previously under the control of external events. People can perceive choice and completely endorse an activity that is nonetheless extrinsically driven, depending on how much behavioural control has been internalised.

Extrinsic motivation, i.e., behavioural control, is further classified into four categories according to the degree to which it has been internalised and integrated. Controlled motivational style is of two types, i.e., Introjected and external regulations. Autonomous style of motivation includes integrated and identified regulations (Richard M Ryan and Deci 2000) of extrinsic motivation. The most controlled style of extrinsic motivation includes the external regulation occurrence of, which results in immediate consequences such as incentives or (avoiding) penalties that impact behaviour. The external regulation is derived by external rewards or penalties, such as monetary incentives for best service or physical punishments for poor performance. In external types of motivation, the "locus of causation" of the action is characterised to be forces which are external in nature—i.e., the behaviour is often seen as replicated by occurrences and stressors beyond one's embedded selfhood. Introjected regulation, a motivational style, results when the behaviour and attitude is not reliant on external events but internalised to some extent. It is best characterised as a partially internalised drive since it is guided by a personal desire to validate one's ego while simultaneously being motivated by the external pressure of gaining acceptance from others. The other two external impulses, i.e., identified and integrated regulation, are more internalised and embedded into oneself, making them more autonomous. Identified and integrated regulation are volitional and self-determined motivational styles. Internalised aspirations and values that are either personally relevant or represent the individual's integrated sense of self-influence behaviour. People who exhibit a specified regulatory form of extrinsic motivation participate in an activity because they recognise its value as dictated by the aims, they support.

## Intrinsic Motivation

Richard M Ryan and Deci (2000) described “Intrinsic Motivation” as “an inbuilt inclination to seek novelty and challenges, to stretch and exercise one’s capacities, to investigate, and to learn.” It is characterised by an urge to exert active effort on an activity or endeavour that stems from internal stimuli & is uninfluenced by external factors such as rewards & gains. In terms of intrinsic motivation, there are two schools of management thoughts that prevail. To begin, Amabile (1990) defined intrinsic motivation as an attitudinal feature, whereas Yoon et al. (2015) defined it as a task-specific component. For this investigation, we used Yoon et al. (2015)’s conceptualisation. Individuals who are intrinsically driven participate in an activity for the intrinsic joy and pleasure that comes from doing so (Al-Jubari, Hassan, and Liñán 2019). According to Hur et al. (2016), intrinsic motivation produces pleasurable feelings, cognitive flexibility, risk-taking openness, and perseverance, all of which contribute to the urge for creativity. Self-motivated individuals are inherently inquisitive and thirst and pursuit to learn, which tends to enhance their understanding agility resulting into encouraging greater risk-taking behaviour (Suwanti, 2019). According to Shafi, Lei, et al. (2020), an employee’s love for their profession provides excitement and positive confidence for engaging in creative behaviour.

## Employee Creativity at Job

Firms consider employee job creativity to be a vital and critical component determining their competitive strength (Shafi, Lei et al., 2020) and further to achieve set goals and increased market competitiveness by supporting employee creativity (Kremer et al., 2019). Employee creativity, according to Klijn and Tomic (2010), is a mental process and the development of innovative and beneficial ideas and proposals by employees in a company. These concepts or solutions may be developed and implemented for product, technique or process improvement and adds to the organisational success factor (Jiang et al., 2019). According to Bibi and Afsar (2018), traditional rigid organisational approaches make individuals feel helpless at work which results in employees being less productive and unable to fully relocate their creative potential. Individuals with such attitudes

strive to obey the organisation’s rules, laws, and policies and do not explore novel solutions to the organisation’s problems owing to a low conviction. According to Seibert et al. (2011), managers must strive to instil an ethical leadership style as well as a sense of empowerment and willingness to explore in their staff in order for them to perform effectively on everyday responsibilities. Employee empowerment empowers the human resource to concentrate on an idea or a task with more freedom to think and decide with greater tenacity (Hur et al., 2016).

H1: Extrinsic motivation is positively related to employee creativity.

The concept of intrinsic-based motivation is central to Cognitive-evaluation theory. A self-directed or intrinsically motivated action is carried out because of its intriguing and spontaneously rewarding nature. Intrinsic motivation is associated with humans’ inherent inclination to examine their environment, shape their skills, and contribute to fixing challenges. Joy, curiosity, & enthusiasm are emotional responses connected with an intrinsic style of motivation. This is the paradigm of self-determination: when individuals are self-motivated and full of enthusiasm, they replicate a sense of agency and autonomy and exert full support to the actions they have been entangled. Extrinsic incentives can reduce intrinsic motivation, according to a large body of research in the field of Cognitive Evaluation Theory, especially if these external variables are viewed as dominating (Deci et al., 1999).

There are contextual factors which are affecting intrinsic as well as the internalisation of the extrinsic drive. A paradigm that assisted in the integration of these different facts was the concept of three key psychological requirements (Richard M. Ryan and Deci, 2000). Discretion, competence, and a sense of belonging have been identified as critical nutrients for psychological development and integrity. Situations that meet these criteria will enhance intrinsic motivation as well as the internalisation of external motivators. Conversely, wrecking key psychological desires is likely to stymie intrinsic/inner motivation & internalisation process. Therefore, both sorts of self-determined motivational styles reflect inclusive development & are supplemented by deliberate knowledge and experience and are linked with a wide

range of positive results. Controlled motivation, on the other hand, is said to stifle personal development.

There is also empirical evidence in the literature concerning the linear relationship b/w the intrinsic motivation of individuals & their work creativity (Hur et al., 2016) that found a substantial link b/w the two factors while conducting research on lower-level or front-line hotel staff from South Korea. When Al-Jubari et al. (2019) performed their research among Saudi government enterprises, they discovered a substantial association between intrinsic motivation and employee innovation. Moreover, Minh-Duc and Huu-Lam (2019) discovered a substantial relationship b/w motivation and creativity between respondents and employees of the Vietnamese hotel business. Employees display innovative behaviour in the workplace because they are confident and enthusiastic about their work. Shafi, Lei, et al. (2020), in their research on employees of software companies from Pakistan, established a link between transformational leadership and its effect on employees' job creativity and intrinsic motivation being the moderator.

**H2: Employees' intrinsic motivation is positively related to employee job creativity.**

The job's content, work environment, and autonomy support by management are considered as antecedents of employees' work motivational level. Previous research has linked employment characteristics, including work design and relevancy of tasks, to the intrinsic motivation of employees (Bibi & Afsar, 2018; Gagné et al., 2008). Likewise, work autonomy promoting management behaviour, such as ethical leadership, anticipates as a positive underlined predictor of behavioural control, which are self-determined (Gillet et al., 2013).

Literature has established a positive association underlying b/w self-determined or intrinsically driven behavioural regulations and a variety of implications, including employee creativity, reduced turnover intentions (Lam & Gurland, 2008), employee organisational commitment, work engagement, satisfaction (Gagné et al., 2008), organisational citizenship (Fernet et al., 2012; Kuvaas, 2009). Organisations gain immensely from proactive individuals who willingly contribute novel ideas, excel at innovation, and actively engage in meetings,

all of which may be attributed to extrinsic incentive elements in the workplace.

### **Ethical leadership as a mediating role:**

Organisational studies investigate the management and task settings required for employee success, as well as how various managerial practices, such as job design, managerial leadership styles, and incentive systems, among others, vary considerably for employees with different human temperaments (Gillet et al., 2013; Oldham & Hackman, 2010). It is critical to identify employer attitudes relevant and pertinent to the function of internal task motivation and extrinsic incentives for innovation prior to applying the person-situation interaction viewpoint to the current theoretical framework. Employers' ethical leadership orientations may shape how employees will respond to intrinsic task motivation or extrinsic rewards, altering the importance of these situational motivational factors on creativity, given the power of ethical leader behaviour which possesses the capacity to direct employees' task behaviour and strategy.

**H3: Ethical leadership mediates the relationship between extrinsic motivation and employees' job creativity.**

**H4: Ethical leadership mediates the relationship between intrinsic motivation and employees' job creativity.**

### **Research Methodology**

The current study's population comprised full-time workers employed in the hospitality sector based in North India, which is a service industry that relies heavily on employee ingenuity in handling operations. The survey questionnaires were sent to employees and their supervisors with the help of HR managers from the participating organisations. Respondents choose whether or not to participate in both circumstances, and participants were guaranteed data confidentiality. The final analytic sample of 298 respondents consisted of dyads from managerial and subordinate-level employee data-gathering procedures. The questionnaire was split into two categories: the first looked into respondents' impressions of extrinsic and intrinsic motivation, employee's job creativity, and ethical leadership;

the second looked into personal information including gender, age, qualification, experience, and hierarchical levels. The study's final sample was the representation of 58% of respondents being male, 52% have done the graduation, and 36% of them having work experience of more than five years in the hospitality industry.

**Table 1: Study demographics**

Variables	Items	Frequency
Age	21 to 23	98
	24 to 26	106
	27 to 29	51
	30 and above	43
Gender	Male	172
	Female	125
Qualification	Senior	32
	Secondary	
	Bachelor's	156
	Master's	69
Experience (Years)	Diploma	41
	1–2	17
	2–3	83
	3–4	42
	4–5	47
	More than 5	109
Hierarchical Level	Top	92
	Middle	206

### Measurement tools:

**Intrinsic motivation (IM):** IM was assessed using three questions from Amabile's (1985) and Tierney et al. (1999) study, with Cronbach's value = 0.724. Three intrinsic motivation factors included (a) Interest/Enjoyment, which evaluates how much a person enjoys the work. (b) Perceived Competence reflects a person's confidence in executing the job. (c) Value/Usefulness: This element evaluates how much a person values the task. These metrics assess an individual's or group's level of intrinsic motivation for a given task and learn more about the factors that influence that motivation.

Employee creativity (EC) was measured using a five-item creativity scale developed by Tsai (1997) and (Torrance, 1963). The Cronbach's  $\alpha$  value for the scales was 0.781.

We used Brown, Treviño, and Harrison's (2005) 10-item scale to measure ethical leadership (2005). Cronbach's  $\alpha$  = 0.863.

Further, the 12-item Hospitality Industry Extrinsic Motivation Scale (HIEEMS), created by Koo et al. (2020) and reflected a Cronbach's  $\alpha$  score of 0.764, was used to assess extrinsic motivation. Financial incentives, career prospects, social contact, personal values, and lifestyle advantages are all measured by this scale as examples of extrinsic motivation that might affect workers in the hospitality sector.

### Reliability and validity

Firstly, measurement scale reliability and validity were checked. Results showed Cronbach  $\alpha$  value, loading values of factors, average variance extracted along with composite reliability (CR) of measurement items used in this study had values that outstripped the minimum cut-off and were significant at  $p < 0.095$  confidence level. CR represents the composite reliability, with an acceptable value of 0.7 or greater, whereas the acceptable value for AVE is above 0.5. AVE represents the amount of variance the underlined construct has captured versus the variance amount due to the measurement error (Hair et al., 2017). For the variable understudy, AVE ranged from 0.505 to 0.623. The CR value for the extrinsic & intrinsic scale was 0.790, 0.777 for the creativity scale, 0.911 and 0.881 for the ethical leadership scale, all of which are above the threshold limit of 0.70 cut-offs; therefore, all scales indicated a good internal consistency, within the acceptable region (Hair, Ringle, and Sarstedt 2013). Thus, the scales used turned out to be reliable for the given data and could be used for further analysis.

**Table 2: Model Item Statistics**

Constructs Items	Mean	Std. Deviation	CR	AVE
<b>Intrinsic Motivation</b>			0.724	0.777
IM 1	4.24	.634		
IM 2	4.13	.626		
IM 3	4.09	.633		
<b>Employee Creativity</b>			0.781	0.911
Creativity 1	4.18	.648		
Creativity 2	4.04	.721		
Creativity 3	3.66	.860		
Creativity 4	3.74	.828		
Creativity 5	3.94	.665		
<b>Ethical Leadership</b>			0.863	0.881
EL 1	3.63	.903		
EL 2	3.70	.936		
EL 3	3.73	.972		
EL 4	3.79	.863		
EL 5	3.51	.998		
EL 6	3.68	.957		
EL 7	3.69	.903		
EL 8	3.60	.924		
EL 9	3.22	.926		
EL 10	3.55	.972		
<b>External Motivation</b>			0.764	0.790
EMS1	3.20	.941		
EMS3	3.23	1.155		
EMM1	2.89	1.267		
EMM2	3.01	1.159		
EMM3	3.01	1.106		
IRM1	4.01	.869		
IRM2	4.15	.820		
IRM 3	3.69	1.105		
IRM4	3.85	1.024		
IdentifiedR1	4.25	.698		
IdentifiedR2	4.17	.736		
IdentifiedR3	4.27	.752		

### Analyses and results:

To check model fitness of measurement, the model value of measures such as CFI, i.e., Comparative Fit Index, the goodness of fit index (GFI),  $\chi^2$  statistics, RMSEA and SRMR was compared to the threshold limit so that decision to accept or reject the proposed model can be made. Further, the structural/conceptual model exhibiting the drawn relationships was assessed using structural equation modelling through AMOS. SEM relates to the direct and indirect relationship among the variables under study.

## Measurement model fit summary: Table 3

Model fit indices	Obtained values	The criterion for good fit	Result supported
CFI	.93	$\geq 0.90$	Yes
GFI	.897	$\geq 0.90$	Yes
TLI	.930	$\geq 0.90$	Yes
SRMR	0.051	$< 0.08$	Yes
CMIN/DF	2.545	Between 1 & 3	Yes
RMSEA	.056	$< 0.08$	Yes

Table 3 exhibits the model fit indices to the given data. Results produced by SEM were quite acceptable and satisfactory with GFI value= 0.897, SRMR=0.051, RMSEA= 0.056, and CFI=0.93. The obtained fit indices exhibited a good fit.

## Results:

To check the association between underlined study variables, Pearson correlation coefficients were initially computed. Aside from employee extrinsic motivation, the results revealed that age was substantially linked with all other variables of the study. Gender was negatively related to age (-0.093), experience (0.037), hierarchical levels (-0.027) and extrinsic motivation (-0.012), whereas hierarchical levels were negatively related to employee creativity (-0.006). Data showed a significant and positive correlations between experience, intrinsic motivation, extrinsic motivation, ethical leadership and employee creativity.

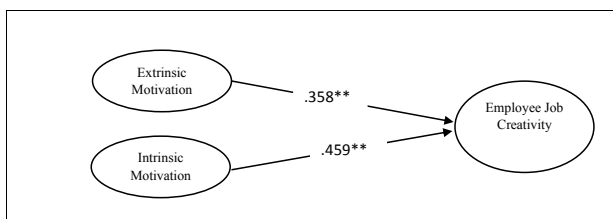


Figure 1: Depicting the impact of intrinsic and extrinsic motivation on employee creativity.

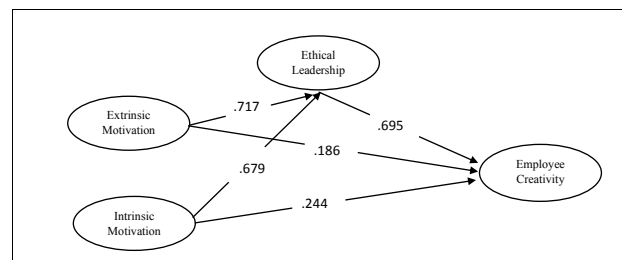
Figure 1 shows path analysis findings among variables with standardised regression weights. As indicated, the beta value is .358, which means that a change in the independent variable extrinsic motivation by one unit will result in a change in the dependent variable, i.e., employee creativity, by 35.8 units, whereas

the beta value for hypothesis no. two is .459, which means that a change in the independent variable intrinsic motivation by one unit will result in a change in the underlined dependent variable i.e., employee creativity, by 45.9 units. Extrinsic motivation, Intrinsic motivation was positively & significantly related to employee creativity, so hypotheses 1 and 2 was supported.

## Mediation analysis

The mediation effect in which (i) extrinsic motivation leads to creativity through ethical leadership style shows the indirect effect and (ii) Intrinsic motivation leads to creativity through ethical leadership style shows the indirect effect.

Study analysis results revealed mediated model is a good fit. Path analysis results showed a positive and significant correlation between Extrinsic motivation & Ethical leadership (where  $r = 0.717$  at  $p < 0.05$ ). Ethical leadership had a direct effect on employee creativity, with  $r = 0.695$  ( $p < 0.05$ ). Hypothesis 3, i.e., ethical leadership act as a mediator in the relationship between extrinsic motivation and employee creativity, was accepted with indirect effect  $r = 0.498$  ( $p < 0.05$ ). Further, study results showed. Intrinsic motivation of employees positively and significantly relates to managers Ethical leadership ( $r = 0.679$ ,  $p < 0.05$ , 95% confidence interval) and the direct effect of Ethical leadership on employee creativity was also significant at  $r = 0.695$  ( $p < 0.05$ ). Hypothesis 4 i.e., ethical leadership as the mediator in the relationship between intrinsic motivation & employee creativity, was accepted with an indirect effect  $r = 0.471$  ( $p < 0.05$ ).



## Mediation Model

### Figure 2

As figure 2, exhibits, extrinsic motivation showcased a significant and positive effect on employee creativity



with a direct effect of 0.358. When Ethical leadership was added to the model as a mediating factor (Mediation model. Figure 2), extrinsic motivation still showed a significant effect on employee creativity but with a weak direct effect of 0.186 ( $p < 0.05$ ). The mediation model concluded extrinsic motivation had a significant effect on employee creativity through ethical leadership with an indirect effect of  $r = 0.498$ . Thus, the total effect of Extrinsic motivation on employee creativity was 0.684 ( $0.186 + 0.498$ ). The indirect effect value of Extrinsic motivation through the mediating effect of ethical leadership on employee creativity accounted for 72.8% of the total effect ( $0.498/0.684$ ).

The intrinsic motivation variable demonstrated a significant positive impact on employee creativity with a direct effect of 0.459. When Ethical leadership was included in the model (Mediation model. Figure 3), Intrinsic motivation still showed a significant effect on employee creativity but with a weak direct effect of 0.244 ( $p < 0.05$ ). In the mediation model, extrinsic motivation had a significant effect on employee creativity through ethical leadership with indirect effect  $r = 0.471$ . Thus, the total effect of employee's intrinsic motivation on job creativity of employees was 0.715 ( $0.244 + 0.471$ ). The indirect effect value of Intrinsic motivation through the mediating effect of ethical leadership on employee creativity accounted for 65.8% of the total effect ( $0.471/0.715$ ). Thus, for hypotheses 3 and 4 ethical leadership partially mediated the effect of employees' extrinsic and intrinsic motivation on employee job creativity was supported.

## Discussion and conclusion

The current study aims to have a more advanced understanding of the mechanisms underlying the role of motivation on creativity level, and creative willingness, i.e., the direct and indirect effects of extrinsic and intrinsic motivation on employee creativity. With  $p < 0.05$ , all presented hypotheses were accepted. The current study established a linear relationship between (i) extrinsic motivation and employee creativity (ii) intrinsic motivation and employee creativity. This study's findings are congruent with those of (Javed et al., 2020). Employees who are motivated not just extrinsically (external, introjected, and recognisable regulation)

but also internally feel less limited by various standards at work and are more creative (Dewett, 2007). As a result, motivated individuals are more tend to be more inventive in their work.

Further research revealed an indirect relationship between (i) extrinsic motivation and employee creativity and (ii) intrinsic and employee creativity. Extrinsic incentive and employee creativity) are proportionately related to both ethical leadership and employee innovation. Second, the established consensus of current evidence indicates that intrinsic motivation and employee creativity are proportionately related to both ethical leadership and employee innovation. Employees are happy and driven when their employers demonstrate ethical leadership, which encourages employee creativity.

## Theoretical implications.

To begin, the structural model of the current study is built on the notion of self-determination of creativity in order to grasp and establish a connection between extrinsic motivation, intrinsic motivation, ethical leadership behaviour, and employee creativity among hospitality personnel. Second, in contrast to previous studies, the current study primarily focused on non-western, i.e., Indian context (Amundsen & Martinsen, 2015; Nguyen & Doan, 2021; Özaralli, 2015), concluding the relationship between extrinsic motivation and employee creativity with the mediating role of ethical leadership in a rapidly growing service-oriented industry such as hospitality and in a developing Asian economy such as India and empathising on the role of leaders and their ethicality. Third, we looked into both extrinsic and intrinsic motivational factors (external, introjected, and identified regulation) as an ethical leadership style is a significant factor for employee creativity in the context of hospitality enterprises.

## Implications for Practice

To begin, our study looks into (i) extrinsic motivation and employee job creativity and (ii) intrinsic motivation and employee job creativity relationship. The study's four hypotheses are all accepted, demonstrating that both types of employee motivation showed a significant impact on the creativity of hospitality employees. Organisations in the hotel sector, having service innovation, should focus on motivating the

workforce when carrying out tasks in order to inspire creativity in the workplace. The hospitality industry is a service-oriented industry showcases; excessive adherence to rules and regulations has a negative impact on employee quality of service they render, so managers must provide opportunities to workers to be resourceful in using resources, act proactively while making informed decisions within the context of employment, and only give suggestions and evaluations without strongly impeding in the employee's job (Kundu & Vora, 2004).

Second, it has been demonstrated that employee creativity acts as key to organisational innovation, competitiveness, growth, and survival (Kaplan & Madjar, 2017), new product/service, and employee performance (Zhang & Bartol, 2010). As innovative skills and creativity is uncommon in organisations, the best way to encourage them is by ensuring serious attention, ethical behaviour, and support of management in recognising it as an important organisational goal (Javed et al., 2017). According to the findings of this study, two variables must be considered in order to boost employee creativity: employee motivation, both extrinsic and intrinsic, as both complement each other, and ethical leadership behaviour/style by employers. Leaders should contribute the organisational resources to encouraging employees to get involved in strategic & artistic thinking because this aspect has the most impact and gives the organisation an advantage over others. Managers of hospitality businesses can encourage and incentivise employees to recognise challenges that are tedious or do not provide value and then encourage employees to submit solutions to these problems. Before deciding whether or not to implement the ideas, the manager analyses and evaluates the current situation. If the problem and issues are correctly identified, management should put in place a reward structure to encourage people to seek out and participate in more creative processes.

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