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## THE RELATIONSHIPS AMONG LEADER'S POLITICAL SKILL, LEADER-MEMBER EXCHANGE, ETHICAL LEADERSHIP, AND SOME WORK OUTCOMES

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### ABSTRACT

*This study aims to investigate the relationship among political skill, leader-member exchange, and ethical leadership and to reveal the impact of leader-member exchange on various work outcomes. In this context, the impact of leader-member exchange on individual creativity, life satisfaction, career success, and psychological well-being was examined. For this research, in September-November 2018 data were gathered through question forms from a total of 211 employees of a private sector firm in Istanbul, and structural equation modeling was used. According to the results of the analyses, it was found that ethical leadership has a full mediation effect on the relationship between political skill and leader-member exchange. Moreover, the employee's leader-member exchange perception was found to affect his/her creativity, life satisfaction, career success, and psychological well-being positively. In this study, if ethical values are successfully placed in the organization and an ethical climate is formed, it is seen that the leader does not need any extra skills. The formation of an ethical management approach in organizations has an effect that eliminates the need for leaders to have political skills.*

**Keywords:** Political skill, Leader-member exchange, Ethical leadership, Some work outcomes.

### INTRODUCTION

Changing conditions and globalization help the creation of a new order in which people and knowledge are important by changing the functioning and priorities of organizations significantly. This new order brings with it the question of how to use the existing human resources most effectively with new theories. In response to this question, the traditional leader-employee relationship should be changed, and leaders and the audience should communicate uniquely. The fact that the resources of the leaders are limited and scarce brings with it the fact that they cannot share these resources equally with all of their employees. Employees who are assessed by the leader through some evaluations and screenings are in the inner circle of the leader. The employee in the inner circle has more duties and powers than the employee in the external group and will display more behaviors that will benefit the organization. The concept of political skill can have negative connotations due to its use in daily language because some perceive the concept of political skill as individuals exhibiting all kinds of behavior for their interests. However, Ferris *et al.* (2010), who have made important contributions in defining the

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concept and explaining its content, have conducted many studies and shown that political skill is a positive feature. Political skill makes it easier to manage, influence and lead others.

Ferris *et al.* (2010) emphasized the need for political skill which is a supportive element and a skill that can be developed following the conditions while climbing the career ladder around the world. Additionally, it is of great importance that leaders demonstrate ethical leadership in competitive conditions because the leader affects the surrounding people positively or negatively as a result of their decisions. As ethical leaders will be role model and set an example for their employees, employee who trusts their leader won't exhibit negative behaviors towards their organization or leader. On the contrary, they will gravitate towards beneficial behaviors. In addition, the trust and loyalty between the leader and the employee will have an impact on the quality of the exchange that these parties will establish, and will contribute to many positive outcomes such as employee's life satisfaction, psychological well-being, career success, and creativity.

The research examined whether the effect of the political skill of the leader on leader-member exchange (LMX) occurs through ethical leadership and whether the political skill of the leader influences the formation of some work outcomes through the leader-member exchange. In the literature search, no study examining the relationship between all variables was found. Departing from this point, this study examining the relationships between these variables is significant.

## *Literature Review*

### *Political Skill*

The concept of political skill is included in the literature with the studies of Pfeffer (1981) and Mintzberg (1983). Later, Ferris *et al.* redefined this concept by conducting several studies on the concept of political skill. Accordingly, political skill has been defined as "the ability to understand others in organizations and to use this information through mobilizing or influencing to achieve organizational and individual goals" (Ferris *et al.*, 2005; Ferris *et al.*, 2010). Since people with political skills need to influence others, they also know what approach to use and how to apply this skill. In addition, these individuals can support others and instill faith and trust (Ferris *et al.*, 2010). Pfeffer (1981) argued that businesses need political skills to achieve success by emphasizing the gains of political skills. Leaders' political skills are expected to have a positive effect on the relationship they establish with their members. Political skills help influential leaders transform their activities into capacity (Frieder, 2014) and have a positive impact on their employees. Individuals with high political skills are individuals who appear sincere and are perceived as honest by those around them.

Research has also shown that a leader's political skills have a positive effect on the relationship they develop with their members. According to Douglas and Ammeter (2004, p. 539), the political skill of a leader is in the right direction with being effective in the organization and showing effective leadership. This skill is important for effective leadership and is a helpful factor in building strong bonds with employees (Perrewe *et al.*, 2007). Ammeter *et al.* (2002) stated that political behaviors lead to increased performance, promotion, and strength of leaders, as well as to satisfaction and increased performance of members. Epitropaki *et al.* (2016), Brouer *et al.* (2012), Brouer (2007), and Frieder and Basik (2017) also stated that the political skill of the leader has a positive effect on the leader-member exchange. Politically skilled leaders do not



create negative conditions and situations and do not allow the quality of this relationship to decline. Thus, leaders with political skills create a high-quality exchange with their members. Based on the perspectives described above, the following hypothesis was developed:

*H1: The political skill of the leader positively affects the quality of exchange of the employees with their leaders.*

#### *Ethical Leadership*

Ethical leadership means that people who are in a leadership position in environments with uncertainties and confusion make decisions by adhering to ethical principles and making these principles clear. In addition, ethical leaders are individuals who develop ethical standards to positively direct employees' behaviors, combine the values of the organization with ethical standards, and implement these ethical standards most effectively (Connock & Johns, 1995; Piccolo & Colquitt, 2006; Trevino & Brown, 2014). In this context, an ethical leader is a person who conveys their messages to employees through norms and standards, which play an important role in the process of deciding what is right and wrong, and ensuring that the right things are done correctly in management.

When the literature is reviewed, it was seen that there are a limited number of studies that directly address the relationship between the political skill of the leader and ethical leadership. However, several opinions and studies contribute to understanding the relationship between the political skill of the leader and ethical leadership perception. Rice and Shields- Dutton (2017) and Harvey *et al.* (2014) determined in their studies that the political skill of the leader affects the employees' perception of ethical leadership. In their study, Gill, Lapalme and Séguin (2014) found that the leader's political skill played a mediator role in the relationship between ethical leadership and organizational citizenship behavior. Beu and Buckley (2004) showed that politically skilled leaders' behaviors and decisions made them role models for how their employees should behave in the organization. Politically skilled leaders will increase their loyalty to the organization and themselves by gaining the trust of their employees and will be role models for them. The politically skilled leader who acts as a role model for their employees will look sincere in doing all this and will be perceived by their employees as just, honest, and ethical. Based on the perspectives described above, the following hypothesis was developed:

*H2: Leader's political skill positively affects employees' perception of their leaders as ethical.*

#### *Leader-Member Exchange*

Leader-Member Exchange Theory was introduced to the literature by Dansereau, Graen, and Haga (1975). Leader-member exchange theory states that the leader does not interact with members in the inner or external circle within the framework of a single leadership style and that the leader exhibits different behaviors to each member, thus developing different levels of relationships. The leader will treat some of their employees more warmly and friendlier, while others will be more distant due to formal business requirements. This leads to the emergence of the inner group / outer group distinction among the employees of the leader. A quality relationship indicates a high level of trust, support, and interaction frequency, meaning that both formal and informal rewards are highly interchangeable (Cogliser & Schriesheim, 2000;



Dienesch & Liden, 1986). Low-quality interaction means that the trust and support between the leader and the member are low and that not many interactions take place.

Rubin, Dierdorff and Brown (2010) found that ethical leaders form a strong bond with their employees, encourage them to exhibit ethical behaviors, and provide moral support. Dhar (2016), Hansen *et al.* (2013), Hu *et al.* (2018), and Bedi *et al.* (2016) also found that ethical leaders have a positive effect on the quality of leader-member interaction. An ethical leader is regarded by their employees as honest, reliable, and principled individual. The employee who trusts the leader will want to be closer to him and establish better relationships with him. This situation will lead to high-quality leader-member exchange. The hypothesis created based on the findings of the research is as follows:

***H3: The ethical behavior of the leader positively affects their exchange with their members.***

#### *Satisfaction with Life*

The concept defined as the satisfaction of the individual with their current life has been reshaped by the works of Diener *et al.* (1985) and is defined as a “cognitive assessment of life as a whole according to one's criteria”. It is expected that leaders who communicate with their employees in high quality, and who establish positive and strong ties will lead to the perception that employees are supported by their leaders. Wayne *et al.* (1997), Pauli *et al.* (2017) and Tu and Lu (2016) found that employees who have high-quality interaction with their leaders are more satisfied with their lives. In short, if the benefits from the efforts made and time spent by the employee during the exchange meet their expectations, positive work outcomes will be exhibited. In line with this expectation, the following hypothesis was developed:

***H4: As the leader-member exchange quality increases, employees' level of satisfaction with life increases.***

#### *Psychological Well-Being*

The concept of psychological well-being was first used by Diener *et al.* (1985) and has been included in the literature as the concept of subjective well-being. Psychological well-being is the power to balance one's life anxiety and individual and social interests (Ryff, 1989). Psychological well-being is also defined as a person's awareness and expression of their own emotions. In the literature review found that high-quality exchange with employees' leaders increase the levels of psychological well-being (Hooper & Martin, 2008), and reduces the stress that the employees feel within the company (Rousseau *et al.*, 2008; Sparr & Sonnentag, 2008). In alignment with this expectation, the following hypothesis was developed:

***H5: As the quality of leader-member exchange increases, the levels of psychological well-being of employees increase.***

#### *Career Success*

Arthur *et al.* (2005) defined career success as reaching the desired results related to a person's job. On the other hand, career success is defined as an individual's happiness with their work experience or achieving their goals. Sagas and Cunningham (2004), Breland, *et al.* (2007), and Byrne *et al.* (2008) found that the quality interaction that employees establish with their supervisors enables them to advance in their careers. Wei *et al.* (2010) found that the employee's



political skill positively influences their interactions with their manager, which also plays an important role in the success of employees' careers. According to this information, the following hypothesis was developed:

*H6: As the leader-member exchange quality increases, their career success also increases.*

#### Individual Creativity

Drazin *et al.* (1999) defined creativity as a process rather than a personality trait. Creativity, in addition to re-grouping existing products and ideas or creating new products and ideas, means that a new perspective or phenomenon is formed as a result of combining new ideas with existing ideas (Oldham & Cummings, 1996). In Olsson *et al.* (2012) and Gu *et al.* (2015) found that there is a direct relationship between leader-member exchange and individual creativity. Employees who have good relations with their leaders will look at the events with a broader perspective, will do their job more sincerely and willingly, and will establish easier connections between problems and their solutions. In alignment with this information, the following hypothesis was developed:

*H7: As the quality of the leader-member exchange increases, the creativity levels of employees increase.*

The political skill of the leader positively affects the interaction with the member. The high-quality interaction that the leader will establish with their members helps members to have positive feelings towards their leader and to be more sensitive to the organization. Employees will exhibit many positive behaviors in the business with this sensitivity they have. It was found in a study conducted by Kim *et al.* (2017) that the quality of interaction that the leader established with their members played a mediating role in the relation of the political skill of the leader with employee loyalty and job satisfaction. It was seen in the studies that the leader's political skill affects the positive behaviors of employees in the workplace.

In their study, Frieder (2014) obtained similar results to other studies and stated that the political skill of the leader has a positive effect on the quality of interaction with their members. Frieder also concluded that this relationship between the employee and the leader contributes to the success of the employee. As a result, in the literature search, there was no study found directly investigating the relationship between leader-member exchange, leader's political skill, and ethical leadership variables; however, based on the current findings, the following hypothesis was developed to reveal the relationship between these variables:

*H8: Ethical leadership variable plays a mediator role in the relationship between the political skill of the leader and the quality of the leader-member exchange.*

#### MATERIALS AND METHODS

The population of this research consists of employees of a consulting firm operating in the private sector of Istanbul in Turkey. Questionnaires to collect data from this arrest were hand-delivered by the researcher in September-November 2018. The company has a total of 306 employees. The survey was distributed to all employees and 211 surveys were taken into account





when blank and incomplete ones were removed. The survey consists of 64 items and they are measured on a 5-point Likert scale.

#### *Leader's Political Skill*

In measuring the political skill of the leader, an 18-item scale developed by Ferris *et al.* (2005) was used. The scale includes social astuteness (5 items), interpersonal influence (4 items), networking ability (6 items), and apparent sincerity (3 items). The scale's Cronbach alpha is coefficient ( $\alpha=0.950$ ) and is presented in **Table 1**. It was found that the goodness of fit values of the scale was not at an acceptable level. Thus, three items were removed from the analysis considering the item factor loads and item correction index values, and the necessary improvements were repeated. After confirmatory factor analysis, convergence and discriminant analyses were completed on the scale. A second-level factor analysis was performed after finding out that the dimensions of the scale did not meet the discriminant validity. Based on the findings, the political skill scale was evaluated as one dimension. The analysis results showed that the goodness of fit values (CMIN/DF: 4,623; GFI: 848; CFI: 872; AGFI: 783; SRMR: 037; RMSEA: 079) of the scale named "PS" were acceptable.

#### *Ethical Leadership*

A 10-item one-dimensional scale developed by Brown, Trevino and Harrison (2005) was used to measure employees' ethical perceptions of their leaders ( $\alpha=0.939$ ). Considering the item factor loads and item correction index values, five items were removed from the analysis and the improvements suggested by the program were made. As a result of the analysis, the goodness of fit values of the scale named "EL" (CMIN/DF: 814; GFI: 995; CFI: 1,00; AGFI: 977; SRMR: 006; RMSEA: 000) were identified.



#### *Leader-Member Exchange*

A 7-item one-dimensional scale developed by Scandura and Graen (1984) was used. This scale was applied to employees and measures the quality of exchange of employees with their leaders ( $\alpha=0.931$ ). The results of the first-level confirmatory factor analysis on the leader-member exchange scale showed that all items were significant ( $p < 0,05$ ). It was found that the goodness of fit values of the leader-member exchange scale named "LMX" has a single factor structure and the goodness of fit values of the scale (CMIN/DF: 1,814; GFI: 972; CFI: 991; AGFI: 935; SRMR: 022; RMSEA: 062) were at the acceptable levels.

#### *Life Satisfaction*

A 5-item scale consisting of one dimension developed by Diener *et al.* (1985) was used to measure the level of life satisfaction of employees ( $\alpha=0.817$ ). The goodness of fit values (CMIN/DF: 1,444; GFI: 986; CFI: 993; AGFI: 957; SRMR: 024; RMSEA: 046), of the scales named "LIFESAT" was found to be at an acceptable level.

#### *Psychological Well-Being*

An 8-item one-dimensional scale developed by Diener *et al.* (2009) was used to measure the psychological well-being of employees ( $\alpha=0.880$ ). Taking into account the item factor loads and item correction index values, the two items were removed from the analysis. Named as

“WELLBE” scale has a single factor structure and the goodness of fit values of the scale (CMIN/DF: 234; GFI: 975; CFI: 985; AGFI: 924; SRMR: 032; RMSEA: 080) were at the acceptable level.

#### Career Success

A 5-item one-dimensional scale developed by Greenhouse *et al.* (1990) was used to measure the career success levels of employees ( $\alpha=869$ ). One item was removed from the analysis considering the item factor loads and the item correction index values. Named "CARSUCC" the career success scale has a single factor structure and the goodness of fit values of the scale (CMIN/DF: 235; GFI: 999; CFI: 1,000; AGFI: 994; SRMR: 003; RMSEA: 000) were at the acceptable level.

#### Individual Creativity

An 11-item scale developed by Muñoz-Doyague *et al.* (2008) was used to measure the creativity levels of the employees ( $\alpha=909$ ). Five items were excluded from the analysis considering the item factor loads and the item correction index values. The results of the repeated analysis showed that the named “CREATE” scale has a single factor structure and the goodness of fit values of the scale (CMIN/DF: 2,008; GFI: 977; CFI: 992; AGFI: 931; SRMR: 024; RMSEA: 069) were acceptable.

#### Procedures and Analyses

The data collected in the study were analyzed and interpreted using the SPSS-21 and AMOS 21 package programs. The research was first examined by the AMOS package program for the degree of skewness and kurtosis of the items. The results of the test were significant and the data were normally distributed. In our study, the mediator variable analysis method proposed by Baron and Kenny (1986) was used. Since the data conform to the normal distribution condition, the maximum likelihood method was used in YEM.

## RESULTS AND DISCUSSION

The validity of the dependent and independent variables of the study is tested by identifying the correlation between the variables.

**Table 1.** Descriptive Statistics, Correlation and Reliability, and Discriminant Validity Values

No	Scale	Mean	S.D	1	2	3	4	5	6	7
1	PS	3,929	,7211	(,849)						
2	EL	3,887	1,0305	,792**	(,883)					
3	LMX	3,815	,9622	,713**	,867**	(,821)				
4	LIFESAT	3,194	,9272	,256**	,311**	,359**	(,713)			
5	WELLBE	4,128	,6882	,263**	,296**	,361**	,406**	(,735)		
6	CARSUCC	3,488	,9157	,238**	,271**	,319**	,534**	,357**	(,777)	

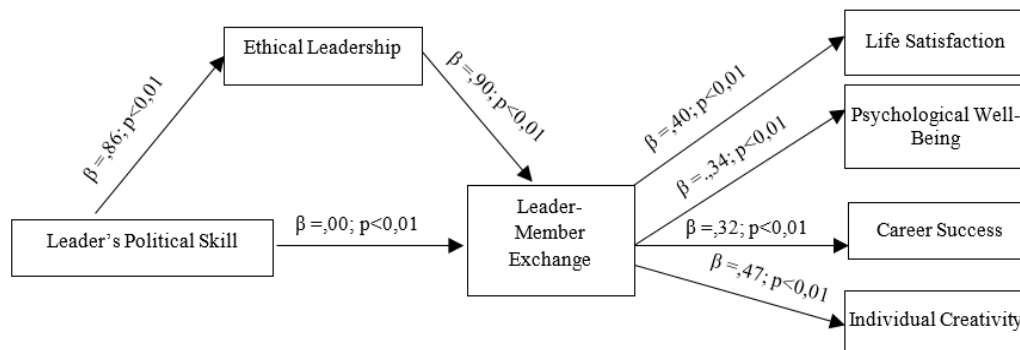
7	CREATE	3,848	,7325	,369**	,352**	,469**	,294**	,460**	,333**	(,794)
Reliability Coefficient Cronbach Alfa				,950	,939	,931	,817	,880	,869	,909
Combined Reliability (CR)				,922	,947	,935	,836	,875	,857	,910
Explained Average Variance Value (AVE)				,722	,780	,675	,509	,541	,605	,632

\*p<0,05; \*\*p<0,01; (The values shown in parentheses are the square root values of AVE calculated for the scale).

According to **Table 1**, employees think that their managers partially have political skills ( $X=3,929$ ). It is also seen that they have a moderate exchange with their leaders ( $X=3,815$ ). It can be stated that, in part, they have perceptions of their managers having ethical behaviors ( $X=3,887$ ). It can be said that employees exhibit moderate individual creativity ( $X=3,848$ ), to some extent career success ( $X=3,488$ ), and life satisfaction ( $X=3,194$ ). In addition, they experienced a high level of psychological well-being ( $X=4,128$ ).

As seen in **Table 1**, relationship between the political skill and ethical leadership variable is stronger than the LMX variable. In addition, relationship between the political skill and individual creativity ( $r=369$ ) is stronger than the other work outcomes. Moreover, the relationship between ethical leadership and individual creativity is stronger than the relationship between ethical leadership and other work outcomes. Lastly, the relationship between leader-member exchange and individual creativity is stronger than the other work outcomes.

Some of the goodness of fit values obtained in the repeated analysis by removing paths that were not significant in the model were within the acceptance values, although other fit index results were outside the acceptance values, they were close to the reference values ( $X^2/sd$ : 1,882; GFI: 735; CFI: 874 NFI: 767; TLI: 862; RMSEA: 078; SRMR: 69).  $X^2/sd$ , RMSEA, and SRMR values were within acceptable limits while CFI, GFI, and NFI values were outside the acceptable limits. It is expected that the model should not be within acceptable limits since the model in which mediator mediation is measured will contain parameters that are not significant ( $p>,05$ ). In the studies conducted, it was found that the RMSEA and SRMR fit index values resulted in larger values in the analyses with small sampling ( $N<250$ ). It is less preferred to report the RMSEA value in small sample studies. In studies with a sampling of less than 250, it was stated that it's sufficient to have  $X^2/sd$ , RMSEA, and SRMR goodness of fit values at acceptable levels (Gürbüz, 2019). The details of effect values in the model are presented in **Figure 1**.



**Figure 1. Structural Model of The Research**



Direct, indirect and total effects for the structural model are presented in **Table 2**.

**Table 2.** Direct, Indirect, and Total Effects of Variables Related to The Model

	Effects	EL	LMX	CREATE	CARSUCC	WELLBE	LIFESAT
PS	Direct	,863	~,003	,000	,000	,000	,000
	Indirect	,000	,775	,366	,249	,262	,308
	Total	,863	,772	,366	,249	,262	,308
EL	Direct	~	,898	,000	,000	,000	,000
	Indirect	~	,000	,427	,290	,305	,359
	Total	~	,898	,427	,290	,305	,359
LMX	Direct	,000	~	,475	,323	,339	,399
	Indirect	,000	~	,000	,000	,000	,000
	Total	,000	~	,475	,323	,339	,399
CREATE	Direct	,000	,000	,000	,000	,000	,000
	Indirect	,000	,000	,000	,000	,000	,000
	Total	,000	,000	,000	,000	,000	,000
CARSUCC	Direct	,000	,000	,000	,000	,000	,000
	Indirect	,000	,000	,000	,000	,000	,000
	Total	,000	,000	,000	,000	,000	,000
WELLBE	Indirect	,000	,000	,000	,000	,000	,000
	Indirect	,000	,000	,000	,000	,000	,000
	Total	,000	,000	,000	,000	,000	,000
LIFESAT	Direct	,000	,000	,000	,000	,000	,000
	Indirect	,000	,000	,000	,000	,000	,000
	Total	,000	,000	,000	,000	,000	,000

According to the data shown in **Table 2**, the independent variable of political skill does not directly affect the leader-member exchange ( $-,003$ ;  $p>,05$ ) but only indirectly ( $,775$ ;  $p<,001$ ). Thus, the  $H_1$  hypothesis is supported. The political skill directly affects ethical leadership perception ( $,863$ ;  $p<,001$ ). Thus, the  $H_2$  hypothesis was supported. Also, the ethical leadership perception directly affects the leader-member exchange ( $,898$ ;  $p<,001$ ). Thus, the  $H_3$  hypothesis was supported. According to the data in **Table 2**, it is seen that leader-member exchange directly and positively affects life satisfaction ( $,399$ ;  $p<0,001$ ). Thus, the  $H_4$  hypothesis was supported. Also, the leader-member exchange directly and positively affects the psychological well-being levels of employees ( $,339$ ;  $p<,001$ ). As a result, the  $H_5$  hypothesis was supported. According to the data in **Table 2**, it is seen that the leader-member exchange directly and positively affects the career success levels of employees ( $,323$ ;  $p<0,001$ ). As a result, the  $H_6$  hypothesis was supported.

The leader-member exchange directly and positively affects the creativity level of employees (,475;  $p < .001$ ). *Therefore, the H<sub>7</sub> hypothesis was supported.*

It is known that the effect of the political skill of the leader on the leader-member exchange is significant (,771;  $p < .001$ ). When ethical leadership is included in the model, the effect of the political skill variable on the leader-member exchange decreased from ,77 ( $p < .001$ ) to zero and was not statistically significant. This shows that the ethical leadership variable has a mediator role. According to the results of Sobel Aroian and Goodman tests, the mediator effect was found to be statistically significant ( $z = 7,598$ ; 7,5850; 7,601;  $p < .001$ ). *Therefore, the H<sub>8</sub> hypothesis was supported.*

The political skill of the leader is very important for the employee to evaluate the organization positively and to display constructive behavior. With the high-quality exchange that the leader establishes with their employee, the employee will know that their leader will support them under all circumstances. The employee, supported by the leader, will display positive attitudes and behaviors toward the organization. Politically skilled leaders have shown that they have strong human capital not only with their employees but also with the quality relationships they have established with many people around them. Leaders with this skill not only affect their members easily but can also change their leadership style according to their members and situational demands, from high-quality interaction to low-quality interaction (Brouer, 2007).

In this field study, besides examining the effect of the political skill of the leader on the quality of the exchange with the audience, how the quality of this exchange between the leader and their audience reflects on the life satisfaction, career success, psychological well-being, and creativity of the audience was examined. In addition, it has been attempted to determine what role ethical leadership plays in this model.

As a result of the evaluation, it was found that the leader's political skill has a high impact on the quality of interaction they will create with their employees. The findings obtained coincide with the findings of previous studies (Brouer, 2007; Brouer *et al.*, 2012). Therefore, it was found that political skill did not reflect negative conditions and situations on the other side and did not allow the quality of this relationship to decrease and that political skill had a positive effect on the quality of leader-member exchange. It was determined that the political skill of the leader positively affects ethical leadership. The findings of the study are in line with the findings of the studies conducted by Rice and Shields- Dutton (2017) and Harvey *et al.* (2014). Politically skilled leaders are well aware of the value and importance of building high-level relationships and building strong networks. This will enable the leader to be more aware of themselves and their environment and to have higher internal control.

The results of the structural equality analysis showed that the perception of a leader as ethical plays a role in the high quality of the exchange with their members. It was found that the ethical behaviors of the leader strengthen the bond that they will form with their employees and that employees feel more connected to their organizations and leaders by taking power from this bond. The findings obtained seem to coincide with the findings of previous studies (Hansen *et al.*, 2013; Bedi *et al.*, 2016; Dhar, 2016). Accordingly, it was determined that the level of exchange employees create with their leaders has a positive effect on their satisfaction with life. The findings obtained seem to coincide with the findings of previous studies (Wayne *et al.*, 1997; Tu & Lu, 2016; Pauli *et al.*, 2017). The fact that employee who has a strong exchange with their



leader knows that they are supported in all matters, that their problems are addressed, and that their leader helps solve problems increases their satisfaction level with life.

However, it was found that the contributions of employees who form high-quality exchanges with their leaders are noticed and appreciated by their leaders in the business which makes them feel positive, psychologically. The findings of the analysis seem to overlap with the findings of previous studies (Hooper & Martin, 2008; Rousseau *et al.*, 2008; Sparr & Sonnentag, 2008).

In addition, it was determined that the level of exchange employees create with their leaders increases their career success. The findings of the analysis seem to coincide with the findings of previous studies (Sagas & Cunningham, 2004; Breland, *et al.*, 2007). Finally, it was determined that the level of exchange that employees create with their leaders has a positive effect on their creativity. The findings obtained from the analysis seem to overlap with the findings of previous studies (Olsson *et al.*, 2012; Gu *et al.*, 2015). The formation of a high-quality exchange with their leader will improve employees' self-confidence and creativity.

## CONCLUSION

Having political skill which helps to perceive the requests of the people around them and to provide the communication and understanding they demand provides a great advantage for the leader. In addition to this, considering the competitive conditions of today's business world, it is seen that there are many negative situations such as increased corruption at the enterprise level, an increase in individual crime rates among employees, unfair competition practices, discrimination, and nepotism. Ethical leaders are leaders that do not allow these negative situations to occur and that provide an ethical climate within the organization. In this case, if ethical values are successfully placed in the organization and an ethical climate is formed, it is seen that the leader does not need any extra skills. The formation of an ethical management approach in organizations has an effect that eliminates the need for leaders to have political skills. The benefits of political skills and the perception of their leaders as ethical leaders due to their ethical behaviors have an equivalent effect on the positive behaviors of the employees in the organization. In the study, it was tested whether ethical leadership has a mediator role in the relationship between the political skill of the leader and the leader-member exchange, and it was observed that ethical leadership has a full mediator role in this relationship.

The study provides important contributions to the literature as there is no previous study with the variables used in this study, the literature showed that there are studies examining the effects of political skill on leader-member exchange (Harvey *et al.*, 2014; Rice & Shields- Dutton, 2017) by not including the ethical leadership variable which is an important factor in this relationship. In addition to the relationship between the leader-member exchange and ethical leadership variables of political skill; the fact that life satisfaction, psychological well-being, career success, and creativity variables, which are important results for the organization, were included in the study and the finding that ethical leadership variable plays a mediator role contributed significantly to the relevant literature.

## Limitations and Dimensions for Future Research

Based on the findings of the study, some recommendations can be made for practitioners. In future studies, it is considered that collecting data from different sources (e.g. public sector) and



designing a longitudinal study would increase the validity of the findings to be obtained. Conducting a study in both private and public institutions and comparing the results can make significant contributions to the literature. Conducting the study in a single city and a single enterprise constitutes one of the limitations of the research. For this reason, it can be recommended to use data to be collected from businesses located in different cities and sectors in future research. Among the variables discussed in the study, there is no variable that reveals the characteristics of the national or organizational culture. In future studies, relations can be examined by including cultural variables in the model. In this study, the employees evaluated only their managers. In addition, conducting a study in which managers evaluate their skills and level of relationships with their employees would be important in terms of contributing to the body of knowledge.

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