Relationship between Organizational Climate for Innovation and Innovative Work Behavior in Government-linked Companies

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Abstract—An important way to encourage innovative work behavior may be by creating an organizational climate conducive for innovation. However, there is no empirical evidence to show that organizational climate for innovation has a positive impact on innovative behavior of individuals. There is an obvious gap in this body of knowledge where a better understanding of the relationship between these two constructs is needed. A survey involving 202 managers working in Malaysian Government-lined Companies (GLCs) was carried out. Results of this study revealed that two specific climate for innovation dimensions (debate and idea support) had a significant and positive impact on the innovative work behavior of managers in Malaysian GLCs. This denotes that an innovative climate plays a contributing role in enhancing the innovative work behavior of individuals in an organization. Suggestions for practitioners are provided on how to close the gaps in knowledge and for developing structure and systems that promote a conducive climate and work behavior. Future research will likely focus on how climate may influence innovative work behavior through individual level mediators such as employee engagement or intrinsic motivation.

Keywords- climate; innovation; innovative work behavior

I. INTRODUCTION

Innovation can be simply described as the creation of something novel, particularly something radically different or doing existing things in a new way and this could be products and services, business processes, product/service delivery, business designs, or new ways of managing. Improving the organizational climate for creativity and innovation can promote effective problem solving in an organization and often increases its productivity and competitiveness [1]. Failing to innovate can put global organizations at risk and diminish their ability to sustain or gain a competitive advantage. This challenge can be met if organizations recognize that their ability to innovate is inextricably linked to their leaders, people, climate, culture as well as structure [2].

Studies on organizational climate or work environment have been a compelling and vibrant area of scholarship and research [3]. Previous works related to climate dimensions have shown positive relationships to a number of outcome variables, such as higher profitability, productivity [4, 5], a positive connection between innovation climate and employees’ innovative work behavior [6], determining climate dimensions that discriminate between best- and worst-case work environments [7], most and least creative teams [8] and connections between creative climate measures and creative output at the organizational, group and individual level [9]. The deliberate management of a climate supportive of innovation is a key challenge for those who lead and manage organizations [10].

The key construct that must be considered to better understand the internal environment supportive of innovation is defined as the climate for innovation and is crucial for organizations leveraging on innovativeness to create a competitive advantage and enhance performance. A supportive climate for innovation is one where creativity and change are encouraged and assert that part of managing for innovation is creating the appropriate climate so that employees can share and build upon each other’s ideas and suggestions [10]. Ekvall’s [11] climatic dimensions are, at present, well-accepted to represent the factors that determine the organizational climate for innovation. Isaksen and Lauer [8] further refined Ekvall’s model which identified the following climate for innovation dimensions: 1) freedom, 2) challenge and involvement, 3) dynamism, 4) idea support, 5) idea time, 5) debate, 7) conflict, 8) trust and openness and 9) risk-taking. These dimensions are the result of several large factor analytic studies [12].

Innovative work behaviors are discretionary behaviors and are not part of the employees’ prescribed job description or explicitly defined roles and, as a result, are not recognized by an organization’s formal reward and recognition systems [13, 14]. Nevertheless, employees’ tendencies to engage in these extra-role behaviors can lead to enhanced team and organizational effectiveness and superior performance [14].
Innovative work behavior consists of three interrelated behavioral tasks: idea generation, idea promotion and idea realization [13]. Idea generation refers to the formulation of new ideas which are in some way beneficial to the organization or the workgroup. Idea promotion entails galvanizing support for these new ideas. The final step in the innovation process is idea realization, which involves producing an innovation model that can be applied within a work group or to the organization as a whole.

Driven by the assumption that employees’ innovative work behavior contributes positively to work outcomes, researchers have devoted increasing attention to factors that potentially promote innovative work behavior. Various organizational and individual factors have been studied as important determinants of innovative work behavior [15, 16]. However, the relationship between organizational climate for innovation and innovative work behavior is still left unexplored.

A. Malaysian Government-Linked Companies (GLCs)

Government-Linked Companies (GLCs) are defined as companies that have a primary commercial objective and in which the Malaysian Government has a controlling stake [17]. To date, there are 33 GLCs listed on Bursa Malaysia, the Malaysian Stock Exchange [18]. They play a vital role in the nation’s economy [19] accounting for almost 10% of Gross Domestic Product. GLCs employ an estimated 5% of the national workforce and account for approximately 36% of the market capitalization of the Malaysian Stock Exchange. They are main service providers to the nation in key strategic utilities and services including electricity, telecommunications, postal services, airlines, airports, public transport, banking and financial services [20]. GLCs are increasingly playing an active and significant role in building international economic linkages through investments in foreign ventures and in new growth sectors, in line with a gradual internationalization of Malaysian economic interests [21]. This study specifically focuses on a cluster of GLCs called G20. G20 is a term for the grouping of the top 20 listed GLCs but which, as at 2013, is down to 17 due to mergers, demergers and other corporate restructurings. The 2012 GLC Programme Progress Review by the Putrajaya Committee on GLC Performance (PCG), is a high level committee formed by the Malaysian Government in 2005 to design and implement comprehensive national policies and guidelines to transform GLCs into high performing entities. The market capitalization of G20 stands at RM 336 billion and employs 359,187 employees. The indication is that Malaysian GLCs are now no longer inward looking and are keen to take on competition in foreign grounds where government backing is no longer advantageous in seeking profit opportunities [20, 21].

GLCs are now under greater pressure to develop strategies to compete successfully in a far more liberalized economic environment and with mounting challenge from new competition, both local and foreign [22]. Historically, many GLCs were originated as government owned entities such as the utility boards and infrastructure providers. Although these entities became GLCs with profit objectives, the nature of business did not evolve much and many remained monopolistic due to nationalistic interests. However, times have changed and in 2010 the Malaysian Parliament passed the Competition Act 2010, which was intended to prevent large companies from engaging in monopolistic activities. It came into force on 1st January 2012. Prior to this there was no law against monopolies or the formation of monopolies and oligopolies. GLC, like any other organization, will now need to find new ways to be competitive or they will perish. The study of organizational climate for innovation based on this setting is pertinent as these are high profile companies with an increasing need to enhance human capital and build capable leaders that understand the impact their style have on the creation of a conducive environment that supports innovation.

II. THEORETICAL BACKGROUND

A. Organizational Climate for Innovation

Climate is at the heart of the informal structure of a work group or organization. Groups can exert powerful pressures on employees to adjust their behavior. The more strongly employees are attracted to a group and wish to remain part of it, the more likely they are to conform to the majority view within the group. Thus, people generally conform to norms and values and comply with socially desired group behaviors. Deviant persons will be subject to strong persuasive pressures and eventually, if they do not conform, will be excluded from the group [23].

Schneider [24] advised against the use of general climate measures. He was a proponent of facet-specific climate approaches which meant that climate had a focus and was linked to something of interest. He suggested that dimensions of climate would differ according to the purpose of the investigation and the criterion of interest. General measures can easily contain dimensions that are irrelevant for a specific study. The question of the organizational climate for innovation and creativity, as one facet of the large organizational climate literature, has been the subject of studies and theory construction for decades [25]. Hunter, Bedell and Mumford [9] carried out a meta-analysis and review of 42 studies related to work environment associated with innovation. They concluded that all dimensions commonly examined in the climate studies produced sizeable effects with respect to measures of innovation. The deliberate management of a climate supportive of innovation is a key challenge for those who lead and manage organizations [10]. When employees feel a deeper sense of engagement and experience a climate conducive to innovation, higher levels of innovation can be achieved [26, 27]. People conform to norms and values in their work group and comply with socially desired group behaviors. The more these norms and values stress that innovation is desired, the more individuals within that group will be triggered to innovate.
West and Richards [28] suggest that:
'creative and innovative behavior at work seem to be promoted by a cognitive flex created by a combination of both personal qualities and work environment factors.'

Focusing on the latter point, it is clear that creating an atmosphere or climate which fosters organizational members' creativity will stimulate or promote innovation in organizations. The concept of organizational climate was first developed by Lewin, Lippitt and White, but it was researchers such as Goran Ekvall, West and Amabile who pioneered work in identifying climatic factors that influence organizational creativity or innovativeness [29]. The organizational climate for innovation construct looks at the perception held by the employees, individual impressions, expectations and feelings about their work environment. The degree of support and encouragement an organization provides its employees to take initiative and explore innovative approaches is predicted to influence the degree of actual innovation in that organization [30]. Sarros, Cooper, and Santora [31] in their recent work believe that the climate for organizational innovation is a useful proxy when it is difficult to get direct behavioral measures of innovation across diverse organization and industry sectors. A supportive climate for innovation is one where creativity and change are encouraged and part of managing for innovation is creating the appropriate climate so that employees can share and build upon each other's ideas and suggestions [10].

Ekvall [11] is a pioneer who spent many years studying organizational climatic factors or dimensions which affect organizational innovation. The dispositional model proposed by Ekvall and his colleagues [7, 32] is based on a theory of underlying psychological processes which led to the development of a model that identified climate dimensions for innovation and which, interestingly, correlate to those proposed by Amabile [33] as well as West [34]. However, it is also important to look at the level of analysis. To understand the climate for innovation at the organizational level rather than the individual or team level, Ekvall's climatic dimensions is at present well-accepted to represent the factors that determine the organizational climate for innovation. Isaksen and Lauer [8] further refined Ekvall's model which identified the following climate for innovation dimensions: 1) freedom, 2) challenge and involvement, 3) idea time, 4) idea support, 5) playfulness, 6) debate, 7) conflict, 8) trust and openness and 9) risk-taking. These dimensions are the result of several large factor analytic studies [12].

Autonomy encompasses personal control over how time is allocated and determination how the work is carried out [35]. Empirical evidence is supportive of the positive relationship between autonomy and innovation. In comparison to routine work, non-routine tasks and jobs are more challenging, require more thought and provide opportunities for learning and personal growth which, in turn, promotes innovativeness [36]. A trusting organizational environment augments positive feelings and the vitality to participate and contribute to others and the organization; a mistrusting environment aggravate people [37].

B. Innovative Work Behavior

Given the fact that innovation is crucial for the long-term survival of all organizations, it is not surprising that organizations are increasingly looking for employees who have the capability and motivation to engage in innovative work behavior [14]. Janssen [13] defines innovative work behavior as an:
'intentional creation, introduction and application of new ideas within a work role, group or organization, in order to benefit role performance, the group or the organization' (pp. 288).

Following Farr and Ford [38], De Jong and Den Hartog [6] define innovative work behaviors as an:
'individual’s behavior that aims to achieve the initiation and intentional introduction (within a work role, group or organization) of new and useful ideas, processes, products or procedures.'

An individual's innovative behavior in an organization includes actions such as seeking out new ideas, championing ideas at work, securing funds and planning for the implementation of ideas [39]. Innovative work behavior can generally be linked to the three stages of the innovation process: 1) idea generation, 2) idea promotion, and 3) idea realisation [13, 14]. Ultimately, individuals are the source of all ideas [40]. In the first stage of innovative behavior, an individual recognises a problem and comes up with new solutions or ideas that can be either novel or adopted. Next, an individual seeks ways to promote their solutions and ideas. In the final stage of the innovation process, an individual who exhibits innovative behavior realises the idea or solution by producing a model of the innovation that can be applied at the individual, group, or organization level [41]. Such behaviors are purely discretionary behaviors, called extra-role behaviors, and are not formally recognised by organizational reward systems [42]. Nevertheless, employees engaging in such behaviors are likely to benefit the organization, the group, or even individual employees to perform their job tasks more effectively [14].

Zooming in on these three factors or dimensions where specific discretionary behaviors may exist, idea generation is when employees are involved in discovery of an opportunity or problem that needs to be solved within the organization [6]. They are active in creating and suggesting ideas for products or processes that are new, applicable and potentially useful for approaching the identified opportunities.

Idea promotion involves the championing of ideas by convincing the players in the environment of the intended innovation. Championing includes behaviors related to finding
support and building coalitions, such as persuading and influencing other employees by ‘selling’ and coaxing.

Idea realization involves experimenting with an idea, creating a physical or intellectual prototype of the innovation, examining and improving its adequacy and planning its implementation in the organization.

C. Climate for Innovation and Innovative Work Behavior

Although a positive correlation between innovative climate and innovative work behavior has strong face validity, most empirical work explored climate’s effects on organizational and team level innovations [6]. Many studies [e.g. 43, 44] at the organizational and team level have shown a positive effect of climate on innovation. However, empirical study of climate’s effects on individual innovative behavior has been limited.

In a literature review Martins and Terblanche [30] assert that an employee’s perception of climate affects the extent to which creative solutions are encouraged, supported and implemented. They believe it encourages innovative ways of representing problems and finding solutions, but no empirical support is provided. In an early study, Scott and Bruce [39] hypothesised that climate perceptions may positively affect individual innovative behavior. In samples of knowledge workers and R&D workers, they did indeed find a positive, but rather weak, relationship. On the Malaysian front, in a very recent study conducted to investigate the relationship between organizational climate for innovation, leader member exchange and innovative work behavior among knowledge workers of knowledge intensive business services in Malaysia, it was reported that there was a significant relationship between pro-innovation organizational climate and the innovative work behavior of knowledge workers [45]. Another study also found a positive correlation among workers in a manufacturing plant but concluded that an innovative climate was important in the latter stages of the innovation process [46]. A recent meta-analysis by Hunter, Bedell and Mumford [9] found that the connection between creative climate and creative output was weaker in service industries (as compared to manufacturing). Another research, based on 399 managers of German organizations, revealed that climate dimensions such as autonomy and freedom, as well as the introduction of specialized knowledge and information, produced a positive effect on innovative behaviors [47]. When individuals work in an environment where freedom is perceived, they may experience greater free-will and take greater control of their own ideas and work processes which, in turn, can enhance their innovativeness [43, 48].

Although current literature provides limited hard empirical evidence, there are reasons to expect a positive relationship between climate perceptions and innovative work behavior. It was observed that suggesting new ideas was perceived to be risky because it represented change to an established order [49]. New ideas invite evaluation by other organizational members and may lead to debate or, even, conflict. This means building an organization where failure is tolerated, with no fear of submitting a foolish idea where creativity is encouraged. Minkdashi [50] summarized that to find original solutions to problems required employees to have the freedom to break the rules [51], feel safe about their ideas and trust in the organization. If synthesized, the themes risk taking, debate, freedom and trust which are all seen to impact on innovative work behavior, interestingly overlap with the determinants of climate for innovation conceptualized by Ekvall. This strengthens the expectation that climate for innovation will have a positive effect on innovative work behavior. Thus, it is hypothesized that:

Organizational climate for innovation will have a positive influence on innovative work behavior.

Organizational climate is an essential factor that enhances the perception of support for innovation and an individual’s innovative behavior [52]. Climate is the shared perceptions of organizational policies, practices and procedures. It is important to note that the current theoretical understanding of the consequences of organizational climate is based largely on studies conducted in western settings, with little evidence from an Asian perspective [53].

III. RESEARCH OBJECTIVE

The innovation capacity of an organization resides in the intelligence, imagination and creativity of its employees and their implication and support is needed for the development and implementation of innovation [54]. As innovation is seen a strategic pillar, it is crucial to get a better understanding of innovation in the context of climate for innovation and the impact it has on innovative work behavior. In view of this, investigating the relationship between these two constructs will be valuable.

IV. METHODOLOGY

A. Study Population

The population of this study consisted of employees of public listed Malaysian GLCs. The sample was made up of managers of these organizations. Sufficient information about the subjects was reported to identify the population group from which they were drawn. The study focused on the perception of followers; their age, gender, nature of business, job level, years in service and education level were used as control variables. Prior to the distribution of the set of questionnaires, the Human Resources (HR) heads of each GLC were approached and were notified of the aim of the study. A pilot test was first carried out on 25 respondents. Due to the challenge of time and resources, only GLCs based in the capital of Kuala Lumpur, where the researcher is based, were sampled. For the purpose of this study 10 public listed G20 GLCs, obtained from the website of Khazanah National (Khazanah, n.d.), the investment holding arm of the Government, were targeted. The total

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sample size was 530 (approximately 50 samples for each GLC approached). In total 206 were collected of which 202 were usable, yielding a response rate of 38%. This size was suitable to employ Structural Equation Modeling (SEM) analysis effectively [55].

B. Measures

The concept of Organizational Climate for Innovation (OCFI) was measured in this study by using the Situational Outlook Questionnaire (SOQ) [56]. It is based on the climate model and consists of nine items: freedom, challenge and involvement, idea support, playfulness, debate, conflict, trust, risk-taking and idea time. In total, there are fifty questions covering the nine dimensions of the SOQ. The items were scored using a four-point rating scale.

The concept of Innovative Work Behavior (IWB) was measured in this study by using the measurement scale developed by Janssen [13]. Janssen’s instrument scale encompasses the three stages of innovation: idea generation, idea promotion and idea realization. The items were scored using a seven-point rating scale.

C. Data Analysis Procedure

Using the Statistical Program for Social Sciences (SPSS) 20.0, several statistical techniques were utilized to analyze the research data. Descriptive statistics provided simple summaries about the sample and the measures [57]. Age, gender, nature of business, education level, position and years in service were used as control variables. Regression analysis was conducted to determine the impact of the control variables on the individual latent constructs. SEM was employed in this study because it is a powerful statistical technique that establishes measurement models and structural models to address complicated behavioral relationships prevalent in many business researches [58]. The LISREL 9.1 software was employed.

V. RESULTS

A. Demographics

The gender of respondents was relatively even, with 56.4% being female (n = 114) and 43.6% being male (n = 88). Most respondents were between the ages of 30 and 40 years (48.5%), followed by the 20 to 30 years age group (28.2%), respondents between the ages of 40 and 50 accounted for 16.8% and those above the age of 50, for 6.4%. The education level attained for the majority of respondents was a bachelor degree: 66.3% (n = 134), followed by diploma holders: 17.8% (n = 36) and those with post-graduate qualifications: 15.8% (n = 32). Finally, the respondents’ position in their organizations showed that all were manager grade staff. In terms of years in service with their organizations 34.6% (n = 70) had served for 10 to 20 years, 31.7% (n = 64) for 5 years or less, 28.7% (n = 58) for 5 to 10 years and 5% (n = 10) had given 20 years of service. The sample included six business sectors: 38.1% in the financial services/banking sector (n = 77), 19.3% in the manufacturing/industrial/engineering sector (n = 39), 18.3% in the energy/utilities sector (n = 37), 11.9% in the construction sector (n = 24), 9.4% in the agricultural sector (n = 19) and 3% in the service sector (n = 6).

B. EFA & CFA of the Measurement Model

After establishing a valid factor structure for the organizational performance variables through the EFA, CFA was employed to analyze the relationship between latent (unmeasured or theoretical construct) and observed (measured indicators) variables as well as to examine the convergent and discriminant validity. CFA was performed to confirm the scale structure in a Malaysian setting and to evaluate the distinctiveness of the three measures according to the data collected from employees within Malaysian GLCs. In total, forty four items were used to express respondents’ views. Four items measured freedom, six for challenge, four for idea support, six for playfulness, six for debate, six for conflict, two for trust, four for risk-taking and six items measured idea time. Even though all nine original factors were distinct in the EFA, the results of the model respecification in the CFA saw six OCFI factors retained. The final model consists of the organizational climate of innovation dimensions: debate, challenge, idea time, playfulness, conflict and idea support. The results showed the following goodness of fit: RMR = 0.0269, GFI = 0.89, CFI = 0.96, NFI = 0.93 and RMSEA = 0.076. χ²/ν = df ratio of 2.2 is deemed good.

In order to evaluate the dimensions of innovative work behavior in the Malaysian work environment, EFA was used to determine the underlying factor structures of innovative work behavior. Factor analysis was performed on the original nine items in the innovative work behavior scale. CFA was then performed to confirm the scale structure in a Malaysian setting and to evaluate the distinctiveness of the two measures according to the data collected from the employees within Malaysian GLCs. The revised model consisted of seven items and indicated a perfect fit (RMR = 0.046, GFI = 0.97, CFI = 0.93 and RMSEA = 0.071). χ² to df ratio of two is deemed acceptable. The final model consists of the innovative work behavior constructs (idea generation and idea actualization).

C. Confirmatory Factor Analysis of the Structural Model

The structural model which examined the relationship between climate for innovation and innovative work behavior, consisted of 18 items measuring climate for innovation and 7 items measuring innovative work behavior among managers in Malaysian GLCs. The first model (M1) yielded less than ideal NFI, CFI, GFI, RMR and high RMSEA (NFI = 0.72, CFI = 0.74, GFI = 0.53, RMR = 0.104 and RMSEA = 0.181) requiring improvement to the measurement model for it to be accepted.

To obtain a better model fit, respecification was conducted. Ten measurement indicators relating to climate for innovation were dropped due to low loadings (< 0.5). The
standardized residual covariance was analyzed to see whether there were discrepancies between the proposed model and the estimated model and to identify which caused problems (>0.4) will cause an unacceptable degree of error). Four items related to climate for innovation and three items related to innovative work behavior were dropped from M1. The revised model (M2) consisted of eight items indicated a good fit (NFI = 0.97, CFI = 0.98, GFI = 0.95, RMR = 0.0527 and RMSEA = 0.079). \( \chi^2 \) to df ratio of 3.0 was deemed good.

The results of the structural model (Figure 1.1) showed a positive relationship (\( \gamma = 0.60; \ p < 0.05 \)) between organizational climate for innovation and innovative work behavior. Thus, it is concluded that the hypothesis is supported. Measurement indicators IS36 (idea support: people here receive support and encouragement when presenting new ideas, \( \lambda_S = 0.81, \ p < 0.05 \)), IS37 (idea support: people usually feel welcome when presenting new ideas here, \( \lambda_S = 0.90, \ p < 0.05 \)), IS38 (idea support: people here are usually accepting of new ideas, \( \lambda_S = 0.81, \ p < 0.05 \)) and D41 (debate: many different points of view are shared here during discussion, \( \lambda_S = 0.49, \ p < 0.05 \)) showed positive and significant loadings on the climate for innovation construct while IWBIG3 (idea generation: searching out new working methods, techniques or instruments, \( \lambda_S = 0.76, \ p < 0.05 \)), IWBIP4 (idea promotion: acquiring approval for innovative ideas, \( \lambda_S = 0.84, \ p < 0.05 \)), IWBIR8 (idea realization: making important organizational members enthusiastic for innovative ideas, \( \lambda_S = 0.88, \ p < 0.05 \)) and IWBIR9 (idea realization: evaluating the utility of innovative ideas, \( \lambda_S = 0.93, \ p < 0.05 \)) showed positive and significant loadings on innovative work behavior. This explains that climate for innovation has a positive and significant influence on all three dimensions of innovative work behavior (idea generation, idea promotion and realization).

VI. DISCUSSION

The foregoing analysis empirically examined the impact of climate for innovation on three components: idea generation, idea promotion and idea realization, which are the three interrelated behavioral tasks of innovative work behavior [13].

The findings revealed that two specific climate for innovation dimensions (debate and idea support) had a significant and positive impact on the innovative work behavior of managers in Malaysian GLCs. This denotes that an innovative climate plays a contributing role in enhancing the innovative work behavior of individuals in an organization.

The findings reported are in agreement with the work of [10] who reported that higher levels of debate were conducive to creativity and innovation. Debate within a climate is where there is open and healthy opposition of viewpoints and where ideas are exchanged and considered for a greater good. For some individuals, having contrasting viewpoints or angles induces them to think creatively or innovatively [59]. Further, Mumford et al. [16] also found support for the construct of debate and stressed that one of the key elements in creating a climate for innovation was the role that leaders play in creating and nurturing an environment that supports the development and exchange of diverse ideas or thoughts and where invigoration of ideas is encouraged [60, 61].

In a research based in Germany, employees’ innovative behavior reflected in idea generation, evaluation and realization was amplified when their leaders granted them freedom and autonomy [47]. This was echoed by Kissi’s [62] work that showed the positive role of autonomy and freedom in creating a climate that encouraged innovation. Employees are more likely to engage in innovative work behaviors in this type of climate, because freedom and autonomy give them the perception that they have a say in how to make improvements and are in control to change their situation [47].

The idea support dimension is related to how new ideas are treated or managed [10]. Idea support, as a dimension of climate for innovation, encourages idea generation where ideas are treated in a receptive way and appraised on their feasibility in a supportive way that will lead to individuals having greater willingness to try out new ideas. Additionally, creating time, encouraging calculated risks and slack [16] may also translate to an improved perception of idea support.

Figure 1.1: Structural Model showing Relationship between OCFI and IWB

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If employees perceive their work environment to be where their creative and innovative efforts are valued and where their ideas are sincerely appreciated and accepted, they will be more willing or open to accept innovation related goals and engage in innovative behavior [63]. Apart from this, such behavior also seems to stimulate reflection among employees [64] which can enhance individual innovativeness. Support for new ideas by supportive leaders who listen is critical for the further development and implementation of these ideas. Intellectual stimulation involves increasing employees’ awareness of problems and stimulating them to rethink and challenge the status quo [65], while providing the right support and building a conducive climate — it may directly appeal to an employee to be more innovative. The rationale behind this being that employees are more willing to engage in innovative behavior when they feel challenged and feel confident that they will receive constructive feedback to ideas, and there is leeway for some degree of experimentation [66] — in other words, when there is a positive climate for innovation.

VII. CONTRIBUTION TO THEORY AND PRACTICE

The findings from the present study suggest the importance of innovative climate and its impact on employees’ innovative behavior. This study proposes a theoretical framework that helps to identify climate for innovation as a positive predictor of innovative work behavior of individuals. From a theoretical perspective, the results are consistent with past work that climate for innovation has a positive and significant impact on innovative work behavior [47] as well as support those carried out in a Malaysian context [45]. One implication of this finding is that leaders who can effectively utilise the climate dimensions such as idea support and debate should be able to promote behaviors that are pro-innovation. The perception of ample support to idea development and implementation as well as to the improvement of skills related to innovation may enhance an individual’s confidence on their competences to stimulate and maintain innovative work behaviors [63].

The main implication for managers, from the study, is that there is a need to systematically work with dimensions, specifically idea support and debate to create a climate conducive for innovation. To support innovative work behavior among employees, it is necessary to focus on each of these dimensions. In this context this study contributes to the literature on organizational innovation by illustrating how various aspects of the climate for innovation dimensions can be operationalized and assessed, while showing how individual work behavior are impacted making them more explicit and easier to discuss. This study also presents a practical tool for managers who want to strengthen or develop a working climate for innovation to attain organizational performance that are better than their competitors. For GLCs which the study is based on, the results can help specify which areas within the organization are working well and which ones require improvements. This has the potential to help managers to identify directions for action. As for those earmarked for more senior roles, they must be aware of issues that need to be taken into consideration when there is a need to revitalize creativity and innovation in their workplace. There is a need to understand that at the individual level, an individual’s workplace behavior is often influenced by their perceived support from the environment [67]. There are also implications to human resource heads that need to understand the gap between the current and the desired leadership style that will build the right climate to enhance individual innovativeness and take appropriate steps to revamp the organization’s human resources policy as well as training needs. This could include introducing new structure and systems where there is increased autonomy and developing recognition programs that places importance on proactive behaviors linked to innovativeness. To create a suitable environment for innovativeness to flourish, organizations might coach managers to be more encouraging and supportive, and who will seek to strengthen team dynamics where dimensions such as debate and idea sharing are inculcated and encouraged.

VIII. LIMITATIONS AND FUTURE RESEARCH DIRECTION

There are some limitations in this study. Firstly, it is cross-sectional in nature. Without longitudinal data, conclusions regarding causality cannot be drawn. Secondly, this study concentrated exclusively on GLCs in Malaysia. To improvement generalizability, especially in an Asian context, studies could be replicated in other countries in the region. Similarly, studies carried out in private entities as well as the public sector can provide richer analysis. Thus, it would be beneficial to replicate it in varied industries and across a wider work group to reaffirm the conclusions made in this study. A research that employs mixed methods whereby both qualitative and quantitative methodologies associated with constructivism and positivism are applied can offer richer analysis. Finally, future studies should be based on larger sample size can permit more powerful hypotheses tests. It would also be interesting to study similar characteristics with data provided by lower levels of management and employees in the organization.

In terms of directions for future research, this study examined the direct relationship between climate for innovation and innovative work behavior. However, the relationship between an innovative working climate and individual level innovativeness might be more complex than suggested in this study. The climate may influence innovative work behavior through individual level mediators. Thus it would be practical to include potential mediators such as employee engagement or intrinsic motivation.
IX. CONCLUSION

The findings reported also demonstrated the importance of organizational innovative climate and its direct impact on employees’ innovative work behavior. It showed that the results are consistent with past work that found climate for innovation had a positive and significant impact on innovative work behavior and is consistent with studies carried out in a Malaysian context [45]. One implication of this finding is that leaders who can effectively utilize climate dimensions, such as idea support and debate, should be able to promote behaviors that are pro-innovation. It is argued that the perception of ample support to idea development and implementation and to the improvement of skills related to innovation may enhance an individual’s confidence in their competence to stimulate and maintain innovative work behaviors [63]. There is a need to systematically work with climate dimensions specifically, idea support and debate to create a climate conducive to innovation. To support innovative work behavior among employees, it is necessary to focus on each of these dimensions. In this context, the findings from the analysis contribute to existing literature on organizational innovation by illustrating how various aspects of the climate for innovation dimensions can be operationalized and assessed, while showing how individual work behavior is impacted, making them more explicit and easier to discuss. It is important for employees to feel safe in groups and at work so that they will not be reluctant to envision and share new ideas.

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