

MAPPING ANTECEDENTS OF INNOVATIVE WORK BEHAVIOR: A CONCEPTUAL REVIEW

Michael K. Muchiri

Adela J. McMurray

RMIT University, Australia

Mathews Nkhoma

Hiep C. Pham

RMIT Vietnam University, Vietnam

ABSTRACT

Employee innovative behavior contributes to organizational success, and to overall business viability in the current competitive business environment. This paper analyzes past research and outlines some antecedents of innovative work behaviour. The paper proposes a framework depicting relationships among transformational leadership, leader-member exchange, employee perceptions of fairness and innovative work behavior. The paper follows a rigorous, systematic review of published studies representing the literature addressing transformational leadership, leader-member exchange, employee perceptions of fairness and innovative work behavior. The paper relied extensively on computerized keyword searches in the main business source databases of EBSCOhost, Emerald, ProQuest, ScienceDirect and SpringerLink supplemented by a manual review. The review leads to a credible conceptual framework that elucidates the relationship among transformational leadership, leader-member exchange, employee perceptions of fairness and innovative work behavior. Consequently, the framework advances theories on effective leader behavior, employees' perceptions of fairness and innovative work behavior. The framework helps unpack some underlying mechanisms through which leadership directly and indirectly influences employee innovative work behavior. Recognizing that innovative work behavior is influenced by the quality of supervisor-subordinate relationship, our conceptual framework stimulates a behavior-oriented approach to innovative work behavior research and has the potential to generate actionable knowledge to manage innovative work behavior. Top management could utilize our framework when executing organizational design interventions that engender and shape innovative work behavior. Our framework also advocates for the promotion of effective leader behavior and employees' perceptions of fairness which support innovative work behaviour. In practical terms, organizations could train their supervisors to exhibit more transformational leader behaviors as they stimulate idea generation and implementation. Further, organizations could roll out training focusing on developing better exchange relationships between leaders and their followers. Additionally, organizations, aware of the impact of employee perception of fairness on innovative work behavior, could develop fair and equitable procedures or introduce interventions targeting the development of required behavior which in turn could stimulate innovative work behavior. Future research could benefit by focusing on how specific dimensions of transformational leadership influence employee innovative work behavior at the individual, team and organizational levels. Furthermore, future research could focus on how individual differences impact leadership, perceptions of fairness and innovative work behaviour.

JEL Classifications: M10, M19

Keywords: Innovative Work Behavior, Leader-Member Exchange, Transformational Leadership, and Employee Perceptions of Fairness

Corresponding Author's Email Address: michael.muchiri@rmit.edu.au

INTRODUCTION

Employee innovative work behavior continues to gain a considerable amount of attention as it has been clearly demonstrated to contribute to organizational performance and survival (Amabile, 1988; Amabile et al., 2004; Bos-Nehles et al., 2017; De Vries et al., 2016; De Jong & Den Hartog, 2007, 2010; Yindong & Xinxin, 2013). This is especially vital as the business environment becomes more dynamic and challenging, where employee innovative work behaviors will play a part in aligning the business vision and models with the constant technological changes and turbulent operating environments. As such, employee innovative work behavior (that is, developing, adopting, and implementing new ideas for products and work methods) has been considered a major reason why some organizations survive the turbulence emanating from the competitive business environment (De Jong & Den Hartog, 2007, 2010).

To better understand innovative work behavior, various studies have focused on the antecedents of employee's innovative work behavior (hereafter IWB). Some of the proposed antecedents of IWB include personality and contextual characteristics (De Jong & Den Hartog, 2010), job design, organizational resources, and job characteristics (Shalley et al., 2004), and trust, connectivity, performance expectations and image creation (Yuan & Woodman, 2010). Other studies view strategy, organizational structure and climate, and individual and group capabilities as important determinants of IWB (Mumford & Licuanan, 2004). Moreover, recent research has highlighted the role played by effective leadership in shaping employee IWB (Bos-Nehles et al., 2017; De Jong & Den Hartog, 2007; Javed et al., 2017; Jung et al., 2008; Mumford & Licuanan, 2004; Scott & Bruce, 1994; Yindong & Xinxin, 2013).

While the extant research has explained numerous antecedents of IWB, there is a need to clarify the psychological processes through which effective leadership is related to IWB, and especially specifying how leader-member exchange impacts the transformational leadership-IWB relationship, and further unpacking how employees' perceptions of fairness impact the leadership-IWB relationship. Thus, a major goal for this review was to examine the underlying processes through which leadership processes and employees' perception of fairness influence IWB.

RESEARCH METHODOLOGY

Following a systematic and rigorous analysis of the extant literature, the authors focused on published studies representing the literature on IWB, leader-member exchange, transformational leadership, and employee perceptions of fairness. The review also relied on computerized keyword searches in the main business source databases of ProQuest, ScienceDirect, EBSCOhost, SpringerLink, and Emerald, and later conducted a manual search in key leadership and organizational behavior journals.

EMPLOYEE INNOVATIVE WORK BEHAVIORS WITHIN ORGANIZATIONS

Bos-Nehles et al., (2017, p.382) describe IWB as "All individual actions directed at the generation, processing and application/implementation of new ideas regarding ways of doing things, including new products, ideas, technologies, procedures or work processes with the goal of increasing the organizational effectiveness and success". According to Yuan and Woodman (2010), IWB is the development, adoption and

implementation of new ideas for products, technologies and work methods by employees. Notably, researchers agree that IWB comprises of the three stages of idea generation, idea promotion and idea realization (De Jong & Den Hartog, 2010; Scott & Bruce, 1994). At the idea generation phase, employees encountering work-related problems will find ways to improve existing processes or products and try to solve problems using new and alternative ways. At the idea promotion phase, employees engaged in IWB need to promote newly developed ideas, processes and products to potential partners, through the building of networks and coalitions of allies. Finally, at the implementation phase, employees need to produce a model of the new process and attempt to routinize it, to ensure the process or product becomes part of the routine at the workplace (De Jong & Den Hartog, 2010). Since IWB has been theorized as discretionary, and with the propensity to occur when employees have good relationship with their supervisors, some researchers associate effective leadership to IWB (Mumford & Licuanan, 2004; Scott & Bruce, 1994).

LINKING LEADERSHIP TO INNOVATIVE WORK BEHAVIOR

While several studies recognize the significance of innovation and its impact on organizational success, researchers have also identified top management support and involvement as vital for promoting innovation and IWB (Amabile et al., 2004; Javed et al., 2017; Jung et al., 2008; Yindong & Xinxin, 2013). Basing their argument on the Componential Theory of Creativity, Amabile et al. (2004) explained that leaders impinged on the creativity and innovation process through perceived leader and organizational support and supervisory encouragement, and subsequently impacting employee work environment. Notably, leadership, individual problem-solving style and work group relations influenced IWB (De Jong & Den Hartog, 2007; Scott & Bruce 1994), and that ethical, transformational, ambidextrous and inclusive leadership were related to IWB (Bos-Nehles et al., 2017; Garcia-Morales et al., 2012; Javed et al., 2017; Jung et al., 2008; Pieterse et al., 2009; Rosing et al., 2013; Tipu et al., 2012; Yindong & Xinxin, 2013). Thus, linking effective leadership to IWB, especially transformational leadership, makes intuitive sense, given the motivational and inspirational focus of transformational leaders (Bass 1985; Muchiri et al., 2019).

As described by Bass (1985), transformational leaders motivate their followers by demonstrating four key characteristics: idealized influence; inspirational motivation; intellectual stimulation; and, individualized consideration. First, by exhibiting idealized influence leadership, leaders act as role models for their followers, thus engendering the trust and respect of their followers. Second, through inspirational motivation, leaders motivate and inspire their followers so that they find meaning and purpose their work. Consequently, this enhances team spirit as followers envision attractive future states. Third, leaders intellectually stimulate their followers by encouraging them to be innovative and creative through questioning assumptions, reframing problems, and approaching old situations in new ways. Thus, leaders solicit the views of their followers to understand the causes of workplace problems and then work with the followers to solve the problems. Finally, through individualized consideration, leaders attend to specific needs of their followers, and act as coaches and mentors to enable followers' growth and development.

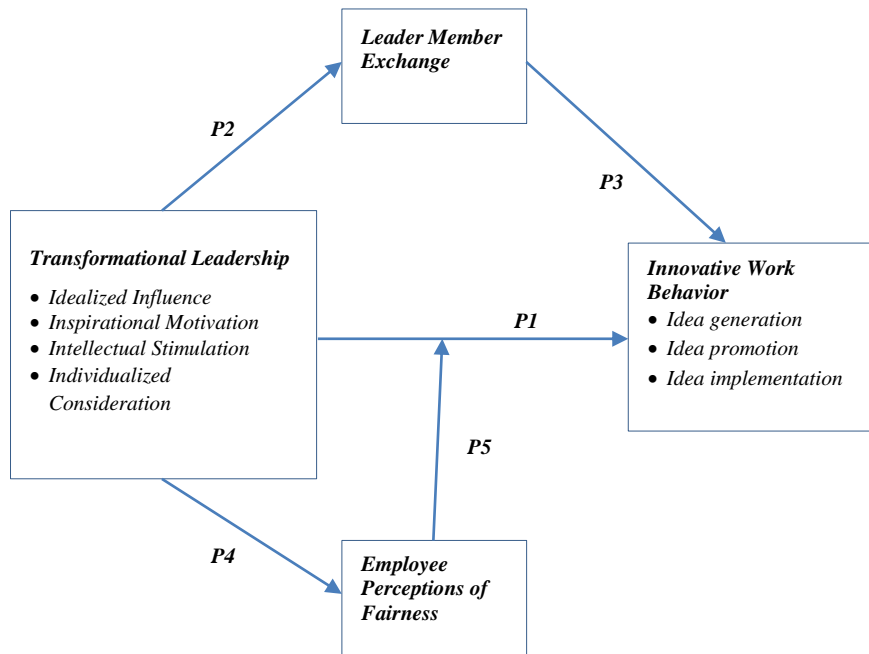
Past literature envisages transformational leadership (hereafter TL) as an effective form of leadership, which has influenced outcomes like profitability, business unit performance, follower satisfaction with leadership, and affective commitment. As such, researchers point to the four dimensions of TL (i.e., *intellectual stimulation*, *individualized consideration*, *inspirational motivation* and *idealized influence*), and

argue that it is the most feasible leadership style that would stimulate innovation at the workplace (Jung et al., 2008; Tipu et al., 2012). Specifically, researchers argue that through idealized influence and inspirational motivation, leaders shape the behavior of followers through role modeling and enhancement of appropriate innovative behaviors at the workplace. Further, through intellectual stimulation, leaders engender creativity, a major component of innovation, resulting in the generation of creative ideas (Tipu et al., 2012). By being individually considerate, leaders encourage their followers to engage in IWB, including taking risks and being creative when solving problems.

Transformational leaders encourage their followers to re-assess workplace problems and then come up with novel ideas and solutions. Further, coaching and mentoring their followers enables the employees to create new ideas. Through inspirational motivation, followers become more optimistic and confident when generating, promoting and implementing new ideas. Thus, TL influence their followers during idea generation, idea promotion and idea implementation through intellectual stimulation, individualized consideration, inspirational motivation and idealized influence. Further, transformational leaders exhibit creative behaviors which augment their charisma, inspiration and intellectual stimulation (Bass, 1985). Therefore, we propose a conceptual framework as shown on Figure 1 and envisage a direct relationship between TL and IWB. Thus,

Proposition 1: TL will be positively related to employee IWB.

FIGURE 1: PROPOSED MODEL LINKING LEADERSHIP, LEADER MEMBER EXCHANGE, EMPLOYEE PERCEPTIONS OF FAIRNESS, AND INNOVATIVE WORK BEHAVIOR



HOW LEADER MEMBER EXCHANGE RELATES TO TRANSFORMATIONAL LEADERSHIP

The leader-member exchange (LMX) theory proposes that high quality interpersonal relationships between supervisor and follower are vital for organizational performance (Cropanzano et al., 2017; Goodwin et al., 2009; Graen & Uhl-Bien, 1995). Liden and Maslyn (1998) describe LMX as comprising of the four dimensions of affect, contribution, loyalty and professional respect. Affect refers to the interpersonal relations that link together members within dyads, while contribution describes the implicit and explicit effort put in by the leaders and followers within the dyad. Loyalty denotes the commitment and exhibition of the commitment by the followers towards the leader's vision and ideas publicly, while professional respect is described as the extent of respect given by members of the dyad to each other. According to the LMX theory, leaders develop different exchange relationships with each of their subordinates, varying from low to high-quality LMX (Cogliser & Schriesheim, 2000). The high-quality LMX relationships, are characterized by respect, honesty, reciprocal influence, conscientious followers, and mutual fulfilled obligations between leaders and subordinates (Graen & Uhl-Bien, 1995). In return subordinates gain beneficial rewards from their leaders in terms of trust, autonomy, favorable job assignments and access to their leaders for support (Graen & Uhl-Bien, 1995). On the other hand, in low-quality LMX relationships, leaders apply formal authority, and followers receive standard and ordinary organizational benefits (Graen & Uhl-Bien, 1995). Since transformational leaders cultivate organizational contexts which enable high-quality leader-member relationships, they could engender mutual leader-follower professional respect, loyalty, understanding, mutual trust, and support in high-quality LMX (Graen & Uhl-Bien, 1995), and therefore likely to influence LMX (Goodwin et al., 2009). As shown in Figure 1, we predict a direct relationship between TL and LMX. Hence,

Proposition 2: TL will be positively related to leader-member exchange (LMX).

THE MEDIATING ROLE OF LEADER MEMBER EXCHANGE

The extant studies identify a relationship between LMX and the innovation process (Atwater & Carmeli, 2009; De Jong & Den Hartog, 2007; Scott & Bruce, 1994), with studies demonstrating that leaders influence the quantity and quality of IWB (Amabile et al., 2004), and that subordinates who worked well with their leaders were also supportive of innovation (Scott & Bruce, 1994). It is possible that a high-quality leader-follower relationship would promote IWB among the followers, given that employees in a high-quality relationship are likely to be more creative and innovative as they would receive more individualized consideration. Notably, transformational leaders cultivate an organizational context which enables high-quality leader-member relationships, ultimately leading to IWB. Based on the studies linking TL to subordinates' creativity (De Jong & Den Hartog, 2007; Jung et al., 2008), and as shown in Figure 1, we predict first, a direct relationship between LMX and IWB, and later an indirect relationship between TL and IWB which is mediated by LMX. Hence,

Proposition 3: LMX will positively affect IWB.

Proposition 4: LMX will mediate the relationship between TL and IWB.

RELATING PERCEPTION OF FAIRNESS TO EFFECTIVE LEADERSHIP AND INNOVATIVE WORK BEHAVIOR

The extant literature describes perception of fairness in terms of how employees evaluate the exchange relationship with their employer based on distributive and procedural fairness perceptions (Janssen, 2004). According to the social exchange theory (Blau, 1964), followers will reciprocate good deeds from their supervisors by putting in additional work effort (Collins, 2017), leading to employee job satisfaction, trust, and organizational citizenship (Ambrose et al., 2015; Collins & Mossholder, 2017; Colquitt et al., 2013). Additionally, perceptions of fairness often lead to employees exerting extra efforts leading to higher productivity and increased organizational performance (Colquitt, et al., 2013; Rodell et al., 2017).

Importantly, perceived fairness could affect employees' feelings of being recognized within an organization, and those leader behaviors that foster fairness could enable followers to 'reciprocate with work behaviors that benefit their supervisors' (Collins & Mossholder, 2017, p. 294). Thus, supervisors who reward their subordinates' efforts in a fair manner engender employees' willingness to engage in IWB. Thus, perception of fairness could impinge on the leader-follower relationship, especially in regard to distributive and procedural justice, and how this relates to IWB. That is, as transformational leaders cultivate an environment where followers have greater autonomy within the organization, where followers' perception of fairness is high, then followers are more likely to think on their own and develop creative ideas by challenging status quo (Bass, 1985). Consequently, fairness perceptions play a major role in minimizing followers' work-related stress, and subsequently strengthens the supervisor-subordinate relationships which in turn enhances employee IWB. Therefore,

Proposition 5: Employee perception of fairness moderates the relationship between TL and employee IWB at the individual, team and organizational levels.

DISCUSSIONS AND CONCLUSIONS

Our review uses a conceptual framework to highlight the leadership-fairness-IWB relationship and some key psychological mechanisms through which leadership stimulates IWB. We posit that both TL and LMX are directly related to IWB, that LMX is a mediator of the leadership-IWB relationship, and that perception of fairness is a moderator of the leadership-IWB relationship. Theoretically, we contribute to the leadership literature by examining both TL and LMX and relating them to IWB. Practically, organizations could develop specific facets of TL to stimulate IWB. Further, organizations could roll out training programs focusing on fruitful exchange relationships between leaders and their followers. Additionally, organizations need to develop fair and equitable organizational procedures which stimulate IWB. Future research could focus on how specific dimensions of TL influence employee IWB at all levels. Notably, since individual differences impact leadership, LMX quality, perceptions of fairness and IWB, future research could examine how individual differences of leaders and their followers impact the leadership-fairness-IWB relationship (Judge et al., 2008).

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