



RESEARCH PAPER

Impact of Organizational Support on Employee Creativity and Innovative Work Behavior: Mediation of Employee Creativity

Sohail Ijaz¹ Sadaf Nawaz^{*2}

1. Lecturer, Government Associate College, Tibba Sultanpur, Punjab, Pakistan

2. MPhil Scholar, Department of Psychology, Institute of Southern Punjab, Multan, Punjab, Pakistan

***Corresponding Author:** Sadafnawaz15@gmail.com

ABSTRACT

Organizations are facing turbulent environment due to advancement in technology, globalization and intense competition. In order to survive in this competitive business world, organizations are forced to innovate and respond to the changing environment. To line with this, this study aims to find the impact of organizational support on employee creativity and innovative work behavior in the banking sector of Pakistan. For this purpose data was collected from 267 employees working in the banking sector of Pakistan. Data was collected by using self-administered structured questionnaire. Data was analyzed by using SMART PLS. The measurement model confirms the validity and reliability of the measures. The structural model provides that organizational support has positive and significant impact on the employee creativity and innovative work behavior. Moreover, employee creativity mediates the relationship between organizational support and innovative work behavior. Research implications and limitations have also been discussed.

KEYWORDS Banking Sector, Employee Creativity, Innovative Work Behavior, Organizational Support

Introduction

Organizations are facing turbulent environment due to advancement in technology, globalization and intense competition. In order to survive in this competitive business world, organizations are forced to innovate and respond to the changing environment. In other words, innovation is widely acknowledged tool to survive and improve performance, especially in the dynamic environment. However, this innovation in the organization cannot be possible without the involvement of the employees (Chen & Kaufmann, 2008; Van Dijk, & Van Den Ende, 2002). Employees in the organization play critical role in improving the level of innovation in the organization. Employees are the source of innovative activities in the organization. Innovative behavior of the employees is the key to trigger innovative activities in the organization. Innovative work behavior is referred to the employees' behavior focusing on generating and implementing the novel ideas in the workplace (Beheshtifar & Zare, 2013; Shafi, Lei, Song, & Sarker, 2020; Tian, Wang, & Rispens, 2021).

Considering the importance of innovative work behavior, organizational researchers focused their attentions to factors which determine innovative work behavior (Dul, & Ceylan, 2011). Such factors includes leadership, rewards, innovative culture, and passion for innovation, performance expectations and organizational support (Kwan, Zhang, Liu, & Lee, 2018; Shafi, Lei, Song, & Sarker, 2020; Miao, & Cao, 2019). However, the relationship between these antecedents and innovative work behavior remains inconclusive and characterized by several gaps.

Social exchange theory provides that employer and employees enter in the reciprocal relationship (Cook, Cheshire, Rice, & Nakagawa, 2013; Cropanzano, & Mitchell, 2005). According to social exchange theory, when organization take cares of its employees then employees feel obliged to show greater efforts and repay the organization. Similarly, organization support to the employees enable the employees in triggering innovative work behavior by generating and implement new ideas, and completing their tasks in new and better ways (Hughes, Lee, Tian, Newman, & Legood, 2018).

Similarly, Duan, Tang, Li, Cheng, & Zhang (2020) provided that organizational support fosters employee creativity and this employee creativity in turn leads to innovative work behavior of the employees. Organizational support positively influence the attitudes and behavior of the employees, including employee creativity and innovative work behavior (Akgunduz, Alkan, & Gök, 2018).

Despite the strong theoretical foundation and empirical evidences of the relationship between organizational support, employee creativity and innovative work behavior, relationship between these variables remains inconclusive, especially from the context of developing world. Therefore, there is need to validate the social exchange theory and empirically test the relationship between .organizational support, employee creativity and innovative work behavior.

Literature Review

Employee Creativity

Creativity is related to the generation of new and useful ideas to improve the performance. Employee creativity is an important behavior which referred to ability of employees to generate new ideas and provide novel solutions of the problems which are appropriate, useful and fit for the purpose (Dul, & Ceylan, 2011; Oldham, & Cummings, 1996). Creativity is related to originality of ideas which are unique, novel and unusual. Similarly, creativity of employees is associated with the pro-active personality and creativity requires imagination and curiosity to provide novel solutions of the problems (Kim, Hon, & Lee, 2010). Creative behavior of employees enable the organization to bring innovation in the organization, and to adapt and innovate according to changing needs of the market. Creative behavior enables to play active role to bring change in the organization (Gong, Huang, & Farh, 2009)

Innovative Work Behavior

Innovative work behavior (IWB) is defined as “the intentional creation, introduction and application of new ideas within a work role, group, or organization, in order to benefit role performance, the group, and or the organization” (Janssen, 2000). Innovative work behavior is an important antecedent of innovation related activities in the organization. Employee creativity is related to the generation of novel ideas to innovate and solve the problems. And innovative work behavior goes beyond the employee creativity i.e. simply generating the novel ideas, by including the application of these novel ideas. In other words, innovative work ideas is the practical implementation of employee creativity (Van Dijk, & Van Den Ende, 2002; Widmann, Messmann, & Mulder, 2016).

There are two main directions in the literature in innovative work behavior. One stream considers the innovative work behavior as single dimension and the other stream considers the innovative work behavior as multi-dimension construct. In the multi-dimension construct, innovative work behavior is divided into dimensions i.e. idea generation and idea implementation (Akhavan, Hosseini, Abbasi, & Manteghi, 2015; De Jong, & Den Hartog, 2008).

Perceived organizational support, employee creativity and innovative work behavior

Attitudes and behaviors of the employees are shaped by various factors, including individual, group and organizational factors (Oldham, & Cummings, 1996). Amabile (1996) put forward two main types of factors i.e. individual and organizational factors as antecedent of employee creativity and innovative work behavior. However, organizational factors, as antecedent of employee creativity and innovative work behavior, have gained much attention in the last two decades (Cai, Khapova, Bossink, Lysova, & Yuan, 2020). In organizational factors, perceived organizational support is considered as an important predictor of positive attitudes and behaviors of the employees (Choi, Anderson, & Veillette, 2009). Employee creativity and innovative work behavior are considered as important behaviors of the employees. The social exchange theory provides the theoretical justification of the relationship between perceived organizational support, employee creativity and innovative work behavior (Volery, & Tarabashkina, 2021). According to social exchange theory, employers and employees enter into reciprocal relations. It provides that when employers take care of employees and extend support to the employees then employees feel the sense of obligation to repay the organization by putting extra efforts. The support by the organization enables the employees to contribute to the organization by generating and implementing novel ideas to solve the problems. In other words, organizational support is an important antecedent of creative and innovative behaviors of the employees (El-Kassar, Dagher, Lythreathis, & Azakir, 2022; Volery, & Tarabashkina, 2021).

More specifically, organizational support turns the desire of employees to exhibit creative behavior. Organizational support triggers employee creativity. Similarly, Zhang, Bu, & Wee, (2016) provides that the perceived organizational support is an important antecedent of employee creativity. Perceived organizational support provides a sense of importance and consideration to the employees which triggers employee creativity. In the similar way, organizational support sends positive signals to the employees and employees reciprocate by showing innovative behavior (Hughes, Rigtering, Covin, Bouncken, & Kraus, 2018). Also, employee creativity is considered as an important predictor of innovative work behavior. Considerable amount of evidence provides that organizational support triggers employee creativity (Duan, Tang, Li, Cheng, & Zhang, 2020; Ibrahim, Isa, & Shahbudin, 2016; Zhang, Bu, & Wee, 2016) and in turn, employee creativity leads to innovative work behavior (Bagheri, Akbari, & Artang, 2020). In other words, employee creativity acts as a linking variable between organizational support and innovative work behavior. Volery & Tarabashkina, (2021) provides that organizational support has an indirect impact on innovative work behavior through employee creativity.

From the above discussion, following hypotheses are proposed:

H₁: organizational support has positive impact on employee creativity.

H₂: organizational support has positive impact on innovative work behavior.

H₃: employee creativity mediates the relationship between organizational support and innovative work behavior.

Material and Methods

The population of this study is comprised of employees of banking sector of Pakistan. Data was collected from a sample of 267 employees working in banking sector of Pakistan. The study is quantitative in nature and data was collected by using structured questionnaire. The questionnaire was adapted from the previous studies. Collected data was analyzed by using PLS SEM. The measure of organizational support was adapted from the study of Eisenberger, Huntington, Hutchison, and Sowa (1986). Original scale is containing 36 items but in this study a shorter version of organizational support having eight items have been used. In the same way, innovative work behavior was measured with six items from the study of De Jong and Den Hartog (2010). The employee creativity has been assessed by using 13 items by following Zhou, & George, (2001).

Data Analysis

Analysis was performed through PLS-SEM (Ringle et al., 2015). PLS can handle complex models, including formative and reflective measurement models (Hair et al., 2017). In the current study, all constructs are reflective. The measurement model was used to estimate the reliability and validity, whereas the path coefficient was evaluated via a structural model. Firstly, the items loading was evaluated using the recommended criterion of greater than 0.60. Items having loading below 0.60 were dropped from the advanced analysis, more specifically, OS7, OS8, EC10, EC13, and IWB1. It indicates that all items of the study were valid.

In the following step, Cronbach’s alpha statistic was employed to estimate the internal consistency, the recommended value must be greater than 0.70 and the finding shows that all values were above than recommended arrange from 0.775 to 0.894, thus, internal consistency is established. Moreover, another criterion composite reliability for internal consistency with a threshold value greater than >0.7 was used. The obtained values were between 0.840 to 0.912 shown in table I. The average Variance Extracted (AVE) test was suggested for the evaluation of convergent validity (Fornell and Larcker, 1981). It measures how one construct measure is positively related to other. The acceptable range of AVE is >0.50 (Hair et al., 2017). Results show that AVE statistics are in an acceptable range, hence the convergent validity was established in this study.

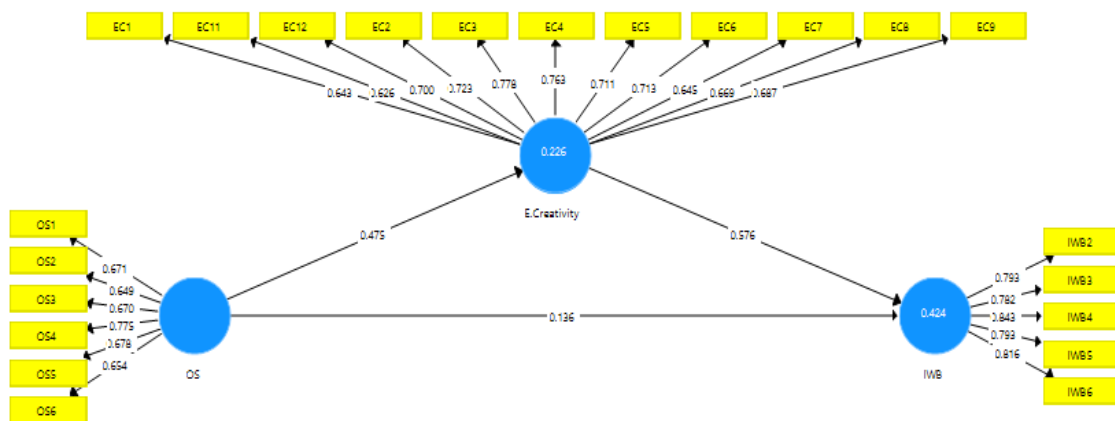


Figure I: Measurement Model

Table 1
Reliability and Validity of constructs

Variables	Items	Loading	Cronbach Alfa	CR	AVE
Employee creativity	EC1	0.643	0.894	0.912	0.487
	EC11	0.626			
	EC12	0.700			
	EC2	0.723			
	EC3	0.778			
	EC4	0.763			
	EC5	0.711			
	EC6	0.713			
	EC7	0.645			
	EC8	0.669			
Innovative work behavior	IWB2	0.793	0.865	0.902	0.649
	IWB3	0.782			
	IWB4	0.843			
	IWB5	0.793			
	IWB6	0.816			
	OS1	0.671			
OS2	0.649				
OS3	0.670				
OS4	0.775				
OS5	0.678				
OS6	0.654				

Next, construct validity was estimated to ensure that every studied construct is distinct from other variables in the study (Bagozzi & Phillips, 1991). The Fornell-Larcker test (Fornell and Larcker's, 1981; Hair et al. 2017) and heterotrait-monotrait (HTMT) ratio (Henseler et al., 2015) and via cross-loadings were used to estimate the construct validity.

Discriminant validity was evaluated via the Fornell-Larcker criterion (Fornell and Larcker, 1981). Hence, the square root of AVE values must be greater than the correlation between studied constructs. Table II indicates that discriminant validity was approved.

Table 2
Fornell-Larcker Test

	1	2	3
E.Creativity	0.698		
IWB	0.640	0.806	
OS	0.475	0.409	0.684

Another, HTMT criterion was also used to evaluate the correlation between constructs, and the HTMT value must be less than 1 (Haider et al., 2018). Table III shows that HTMT values were less than 0.80; therefore, discriminant validity was approved.

Table 3
HTMT test

	1	2	3
E. Creativity			
IWB	0.718		

OS	0.542	0.487
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The third criterion for discriminant validity was checked via cross-loading. The test shows that items loading must be greater than cross-loading (Götz et al. 2010). Table IV shows that discriminant validity was established.

Table 4
Cross loading

	E. Creativity	IWB	OS
EC1	0.643	0.462	0.411
EC11	0.626	0.438	0.296
EC12	0.700	0.457	0.306
EC2	0.723	0.507	0.356
EC3	0.778	0.514	0.379
EC4	0.763	0.416	0.403
EC5	0.711	0.416	0.318
EC6	0.713	0.453	0.380
EC7	0.645	0.394	0.232
EC8	0.669	0.462	0.216
EC9	0.687	0.361	0.290
IWB2	0.534	0.793	0.384
IWB3	0.435	0.782	0.310
IWB4	0.500	0.843	0.315
IWB5	0.496	0.793	0.294
IWB6	0.590	0.816	0.337
OS1	0.206	0.295	0.671
OS2	0.257	0.190	0.649
OS3	0.313	0.268	0.670
OS4	0.342	0.262	0.775
OS5	0.423	0.297	0.678
OS6	0.347	0.336	0.654

Collinearity was calculated through bootstrapping test in the structural model. This means a greater correlation among studies constructs (Hair et al., 2017). The variance inflation factor (VIF) criterion was employed to evaluate the collinearity, and recommended value is that it must be below 5. A result indicates that the values fall between the acceptable range of 1.00 to 1.291, and hence there was no collinearity.

Further, path coefficients were evaluated via the PLS algorithm, and significance was calculated by applying bootstrap standard error. A t-value greater than 1.96 ($p < .05$) shows that there is a significant correlation. Further, the coefficient of determination (R^2) was estimated. Table V presents the R^2 value that indicates the degree of variance explained by the predictors. As such, R^2 results 0.25, 0.50, and 0.75 are inferred as weak, moderate, and substantial respectively (Hair et al. 2014). More particularly, predictor organizational support explained the variance level in employee creativity is weak and innovative work behavior is substantial.

Table 5
Summary of Structural Model Assessment

	R ²	t-value	p-value	Assessment
E. Creativity	0.226	3.912	0.000	weak
IWB	0.424	8.168	0.000	substantial

The relationship between organizational support and employee creativity ($\beta=0.475, p < 0.01$). The relationship between organizational support and innovative work behavior ($\beta= 0.409, p < 0.01$). The relationship between employee creativity and innovative work behavior ($\beta= 0.576, p < 0.01$) shown in table 6.

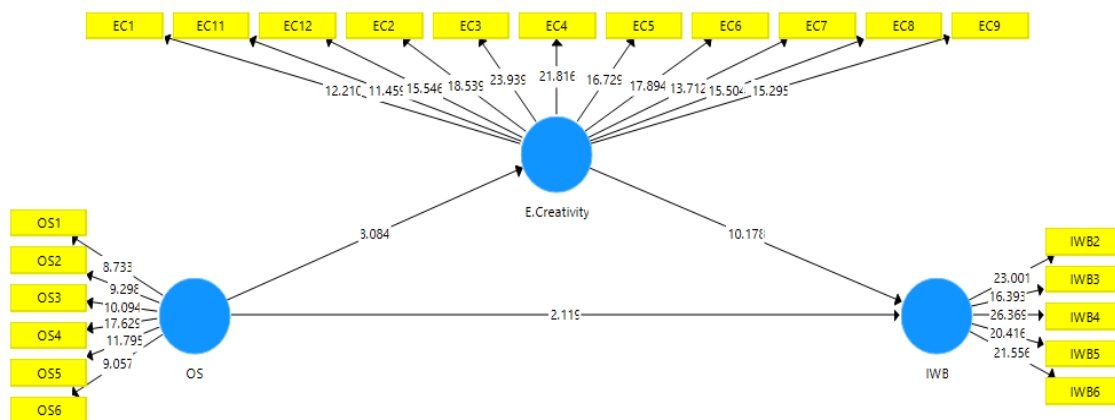


Figure II: Structural Model

Hair et al., (2017) proposed the criterion for mediation analysis, that the indirect path must be significant.

Table 6
Hypothesis Evaluation

Hypotheses	B	S. error	t-value	P-value	Decisions Supported
E.Creativity -> IWB	0.576	0.057	10.178	0.000	Yes
OS -> E.Creativity	0.475	0.059	8.084	0.000	Yes
OS -> IWB	0.409	0.057	7.123	0.000	Yes
OS -> E.Creativity-> IWB	0.273	0.043	6.363	0.000	Yes

The H1 indicates that there is a significant and positive relationship between organizational support and employee creativity ($\beta=0.475, p < 0.01$), which means H1 is supported. Further, H2 indicates that there is a significant and positive relationship between employee creativity and innovative work behavior ($\beta=0.576, p < 0.01$), further, H3 was that employee creativity mediates the path between organization support and innovative work behavior ($\beta=0. 273, p < 0.01$), hence H3 supported.

Conclusion

This study found the direct impact of organizational support on employee creativity and innovative work behavior, and indirect impact of organizational support on innovative work behavior through employee creativity. The findings indicate that organization support is an important predictor of employee creativity and innovative work behavior. Moreover, employee creativity mediates the relationship between

organizational support and innovative work behavior. The findings of the study validate the social exchange theory on the employees working in Pakistan, particularly banking sector of Pakistan.

More specifically, organizational support play important role in improving the creativity of the employees. Employees tend to show creative behavior when they feel that organization provide support to employees. The findings are in line with the previous studies in the literature on the relationship between organizational support and employee creativity. ... Akgunduz, Alkan, & Gök, (2018) provides that organizational support is an important determinant of employee creativity. Employee creativity contributes toward transforming the organizations into creative organizations. Employees are important sources of new, unique and useful ideas, which help the organization in implementing novel solutions of the problems.

Similarly, organizational support is an important predictor of innovative work behavior. The extended support by the organization help the employees in generating and implication of creative ideas. Organizational support make the employees to exert extra efforts which result into generating and practicing the novel ideas to solve the problems. Employees play pivotal role in bringing innovation in the organization. This innovative work behavior contribute toward triggering innovation related activities in the organization.

Finally, employee creativity connects the organizational support with innovative work behavior. Organizational support triggers employee creativity in the organization which in turn lead to innovative work behavior. Employee creativity is mainly related to the generation of novel ideas which are useful in solving the problems, and innovative work behavior is about practicing the novel ideas. Organizational support helps the employees to think out of the box and generate novel ideas and practicing these novel ideas to solve organizational problems.

Organization support is critical for creativity and innovation of the employees. Organizations should give value to the employees in order to trigger creative and innovative behavior of the employees. The feelings, that organization cares about the well-being of the employees and value the contribution of their employees, lead toward creativity and innovation among employees. The findings suggest the managers to extent support to their employees for increasing the level of creativity and innovation in the organization.

The findings of the study are from the employees of banking sector which may not be applicable to other sectors. Therefore, future studies should focus on the other sectors. Similarly, results are based on the data collected through self-administered questionnaire which may provide biased responses. Therefore, future studies should apply tri-angulation in data collection to avoid self-administered response bias. Additionally, organizational support and innovative work behavior have been taken as uni-dimensional constructs in this study, future studies should consider the dimensions of these variables to find the specific role of organizational support on various dimensions of organizational support and innovative work behavior.

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