EMPLOYEE’ INNOVATIVENESS: A CONCEPTUAL FRAMEWORK

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(Received April 24, 2021; Accepted May 25, 2021)

Abstract - Innovative behaviour is a key factor that contributes to organizational success. However, most studies have investigated employee’s innovative behaviour from single views, the interaction between the psychological and organizational factors influencing innovative behaviours remains unclear. This article seeks to address that research gap by building a holistic model of employee innovativeness. The proposed framework is a multi-component construct which provides a comprehensive view of various factors that influence employee innovativeness. The proposed model clearly explains the relationship between personal factors, including thriving at work, psychological capital, organizational factors presented by organizational climate, supervisor support and entrepreneurial orientation. The research also suggests a number of research directions in the future.

Key words - Innovative behavior; organizational climate; psychological capital; thriving at work; supervisor support

1. Introduction

To compete in a highly uncertain environment, organizations should encourage new ideas, provide better products/processes and stimulate innovative behaviours [1]. Moustaghfir and Schiuma [2] confirm innovation as a way to sustained economic growth and long-term business competitive advantage. Zhang, Lim, and Cao [3] strongly recommend that innovation in an organization must be supported by employees and team learning. However, organizational development stimulated by employees’ innovative behaviour is generally ignored or underestimated. Therefore, it is crucial for companies to investigate factors that promote employee innovation [4].

Many researches have sought to identify the antecedents of innovativeness, and they can be divided into two theoretical perspectives. Some studies, for instance, have focused on psychological factors ([1], [4], [5], [6], [7]) while others have focused on organizational factors ([8], [9], [10]). Parzefall et al. [11] reveal that most studies have focused on isolated factors, and there is a necessity for a holistic view. Therefore, our study contributes to the knowledge of employee innovation by building a framework to examine the relationships between organizational factors and psychological factors in facilitating employee innovative behaviours.

2. Methodology

Following the guideline of Xiao and Watson [12], we apply a systematic literature review in this article. The literature search took place in May-June 2020 from Google Scholar, Web of Science, and EBSCOhost using the keyword combinations of “innovative behaviour”, “innovative work behaviour”, “employee innovation”, “innovative employee”, “individual innovation”, “how to encourage employee innovation”, “what factors affect employee innovation”, “factors influence innovation/innovative work behaviour”, and “entrepreneur orientation and innovation”. For each manuscript, preliminary relevance was determined by title. From the title, if the content seemed to discuss the innovation, employee innovation and factors influence innovation, we obtained its full content for further evaluation.

Publications with a high degree of impact (ISI/Scopus indexed) from management related journals during the last four decades has been implemented to identify the perspectives of innovative behaviour. A total of 70 articles validated and relevant to innovation were selected for this review based on their impact and the relevance of the article content. Almost these articles have been published by Emerald, Elsevier, Wiley, Taylor & Francis, SAGE, INFORMS, Academy of Management, Cambridge University press, and Harvard University press. The purpose of this literature review is to provide illustrative perspectives from research articles on innovation in organizations.

3. Theoretical background

3.1. Innovative behaviour

The term “Innovation” can be expressed as “creativity” [13], “innovation” [14], “innovative behaviour” [15], “employee innovativeness” [7], and “innovative work behaviour” [10] in the literature. Innovative behaviour develops in a manner akin to a process which comprise not only encompassing activities related strictly to generation of ideas, but also taking action which facilitate their promotion. Innovation can be categorized into four levels: individual innovation, group innovation, organizational innovation and socio-culture innovation [16]. Innovative behaviour is closely related to employee creativity. For the purpose of the research, this article only focuses on invididual innovation level.

Innovative behaviour can be defined as employees’ inputs to the development of innovations [10]. It is expressed as behaviour directed towards the initiation and application (within a work role, group or organization) of new and useful ideas, processes, products or procedures [17]. Innovative behaviour is a multi-dimensional concept. Innovative behaviour comprises three parts namely recognizing problems, generating innovative ideas, promoting solutions and producing a prototype of the innovation [15]. In this article, our focus is on two core innovative behaviours that reflect the two-stage process: idea generation and application behaviour [17].
3.2. Thriving at work

Thriving at work has considered as as a way in which workers respond to difficulties or challenges, reflecting individual resiliency [18]. Spreitzer et al. [19] developed a theoretical model of thriving at work, which explains how certain individual characteristics, interpersonal/relational characteristics, contextual features and agentic work behaviours lead to thriving at work. They define thriving at work as a desirable and positive psychological state in which employees experience both a sense of vitality and learning. While vitality involves alive and positive feelings, as well as energy available to work, learning refers to the collection and application of skills, knowledge for personal development. Spreitzer et al. [19] claimed that thriving can occur with or without adversity. Moreover, the social work environment shapes employee’s experience of thriving. Consequently, Porath et al. [20] proposed thriving at work as a second-order factor accounting for the shared variance among vitality and learning. According to Kleine et al. [6], core assumption of thriving at work is that high levels of both vitality and learning need to be present for employees to thrive. By linking these two elements, organization can increase employee involvement at work, as well as enhance innovation and creativity [21].

3.3. Psychological capital

Many scholars have used the terms “psychological capital” and “positive psychological capital” synonymously. Luthans [22] defined psychological capital as a complement of personal and organizational features which can be developed and directed. It has been viewed as a positive state of an individual’s development [23]. This is a multidirectional concept consisting of four basic components: Self-efficacy/confidence, Hope, Optimism and Resiliency. Luthans and Youssef [24] defined self-efficacy as one’s confidence in his/her ability to mobilize the motivation, cognitive resources, and courses of action necessary to implement activities. Self-efficacy, inner agent to direct individul behaviour, represents the general individual belief of making a sense beyond the actual abilities that lead to complete tasks. Therefore, high self-efficacy can influence motivation in both positive and negative sides. Hope relates to an energy focused on the personal goals and a way to the target. Hope was formed by the interaction between three factors: goals, agency and pathways. Optimism is viewed as an attribution style where individuals explain positive events through personal, permanent, and pervasive causes [25]. Resiliency is the capacity to bounce back from adversity, uncertainty, failure, or even positive but seemingly overwhelming changes such as increased responsibility [24]. These four personal resources that constitute PsyCap are like a caravan, a specific profile of personal resources whereby an employee can improve their functioning in the workplace. Therefore, they follow, support one another, and play as a set of personal resources than as separate resources [26].

3.4. Organizational climate

According to Schneider et al. [27], organizational climate could be viewed as the shared perceptions of and the meaning attached to the policies, practices, and procedures employees experience and the behaviours they observe getting rewarded and that are supported and expected. Climate is an abstraction of the environment that is based on the patterns of experiences and behaviours that people perceive in the situation. Organisational climate gives a distinct identity to the organisation. It explains how one organization is different from other organizations. Moreover, organizational climate constitutes the way employees perceive and characterise their environment in an attitudinal and value-based manner [28]. Organizational climate was produced from context (e.g., purpose, size, resources, technology) and structure (hierarchy, authority system, structuring of role activities) [27]).

Organisational climate is a multi-dimensional concept. Therefore, many studies have been implemented to identify dimensions of organizational climate. Various dimensions of the organisational climate are individual autonomy, authority structure, leadership style, pattern of communication, degree of conflicts and cooperation, etc. According to Litwin and Stringer [29], there are six dimensions of organizational climate: structure, individual responsibility, rewards, risk and risk taking, warmth and support; and tolerance and conflict. On the other hand, Bock et al. [30] propose three dimensions of organizational: fairness (the perception that organizational practices are equitable), innovativeness (the perception about change and creativity facilitation) and affiliation (the perception of togetherness). Schneider and Ballet [31] proposed six items that constitute organisational climate: managerial support, managerial structure, concern for few employees, intra-agency conflict, agent dependence, and general satisfaction. The organizational climate dimensions from Bock et al. [30] are adopted in this article.

4. Model development

4.1. Thriving at work and innovative behaviour

Individual thriving consists of energy involving positive emotion and eagerness to engage in a particular task [32]. Thriving at work refers to a process of human growth manifested in both learning and vitality [19]. Learning is a necessary process to accumulate new knowledge and promote innovation as a result. The vital represents the positive emotion, a foundation for cognitive thinking, problem solving and improving performance [5]. When thriving, individuals are likely to retain their task focus in order to function effectively [19]. In addition, thriving provides assistance to the individuals to implement their job properly for their personal development and motivates individuals to involve in innovative work behaviour [5]. [19]). By conducting SEM analysis, Alikaj et al. [33] confirmed that an employee’s perception of thriving at work is highly related to his or her degree of creativity. Awang et al. [34] emphasized the impact of individual learning through thriving at work on innovative behaviour. Given the above arguments, one would expect:

H1. Thriving at work impacts on innovative behaviour.

4.2. Psychological capital and innovative behaviour

The concept of psychological capital is developed on
the basis of positive psychology and positive organizational behaviour. Research suggests that the positive psychological resources of efficacy, hope, resilience, and optimism have the potential to trigger innovative behaviours in the workplace [35]. According to Sameer [36], psychological capital capacities are antecedents of innovative behaviour, which in turn resulted in more engagement and satisfaction. Jafri [37] believes that psychological capital affects employees’ innovative behaviour to a large extent and could even predict their innovative behaviour. In addition, Slätten et al. [38] emphasizes that psychological capital was positively associated with innovative behaviour among service sales employees. In another study, Abbas and Raja [35] found a positive link between psychological capital and employee innovative performance. Other studies have investigated the effect of each psychological capital’s aspect on innovative work behaviour. Kumar and Uzkurt [39] pointed out that employees with high self-esteem are creative and tend to develop into innovative behaviours. According to Li and Wu [40], optimism and creative self-efficacy are important factors in predicting employees’ innovation behaviour. In addition, Ziyae et al. [41] demonstrate a positive relationship between the dimensions of psychological capital (i.e., self-efficacy, hope, optimism, and resiliency) altogether and innovation in information technology. Further, Yan et al. [42] show a positive correlation between psychological capital (as a whole) and innovation behaviour in Chinese nurses. A recent article by Schuckert et al. [43] found a positive relationship between psychological capital and innovative behaviour from full-time frontline employees of five-star hotels in Seoul, South Korea. On the other hand, studies have shown that psychological capital is an important factor for worker’s growing up at workplace [20]. In addition, Avey et al. [4] argue that employees’ psychological capital is likely to lead to the desirable outcome of their well-being at work. Similarity, based on bootstrapping results, Paterson et al. [44] show the indirect effects of psychological capital on thriving via task focus. Using meta-analysis, Kleine et al. [6] proposed the model of thriving which includes two categories: individual characteristics (e.g., psychological capital) and relational characteristics (e.g., heedful relating). Therefore, we expect that:

**H2.** Psychological capital has a significant effect on innovative behaviour.

**H3.** Psychological capital has a positive relationship with thriving at work.

### 4.3. Organizational climate and innovative behaviour

Organizational climate is a meaningful construct for management especially with human resource management and organizational behaviour [29]. Rožman and Štrukelj [28] assert that the positive organizational climate is one of the most important aspect, which has a direct relationship with employee behaviour. According to Ahmad et al. [45], the organization climate essentially affects employees’ attitudes and emotions. Abdulkarim [46] shows that that the organisational climate significantly affects employees’ mood, attitude and behaviour. Based on expected performance, Scott and Bruce [15] suggest that organizational support affects innovative behaviour. Moreover, Uzkurt et al. [47] confirm that there is a significant and positive relationship between the organizational culture and innovations through the socialization process of individual learning and via basic values, beliefs, and assumptions which are embedded organization’s structure, policies, and procedures. Workplace happiness, one aspect of organizational climate, is considered a key driver of innovative work behaviour because employees will be more creative and innovative, leading to a positive organizational output [48]. Research suggests that the organizational climate has a strong impact on employees’ creativity in medium-sized organisations [49]. In hospital, Yan et al. [42] reveal the fact that individuals are more inclined to achieve innovative behaviour through a perceived organizational innovation climate. Further, when employees perceive a work environment that is characterized by a favourable learning climate and capable of dealing with mistakes, they are likely to develop knowledge through reflection and experimentation on their job and consequently become more innovative [10]. In addition, according to Awang et al. [34], work environment is very important factor for employees’ innovative work behaviour. On the other hand, bad organizational climate is main constraint to employee behaviours [50]. Based on this, we propose that:

**H4.** Organizational climate has significant positive effects on innovative behaviour.

### 4.4. Supervisor support and innovative behaviour

Eisenberger et al. [51] viewed organizational support as global beliefs concerning the extent to which the organization values their contributions and care about their well-being. According to Haynes et al. [52], supervisor support relates to the extent to which employees receive support and encouragement from their immediate superior. Employees will generate ideas about how their supervisors take their contributions into account, support them and care about their well-being. A supportive supervisor will provide praise and reward for effort exertion and good performance to his subordinates [53]. Therefore, supervisor support helps employees to increase productivity. Kissi et al. [54] suggests that by providing necessary resources, autonomy and support, middle managers can encourage the championing behaviour of the project managers that leads to innovation outcomes. By investigating at leading edge European companies, Ramus and Steger [55] found that employees who perceived strong signals of supervisory encouragement were more likely to develop and implement creative ideas than employees who did not perceive such signals. Besides, Mishra et al. [56] emphasize that supervisor support becomes crucial as it can attract support from coworkers and other managers and thus, increasing chances for the success of an idea. According to Bak [57], by clarifying goals and roles, providing work-relevant information and communicating organization’s values, the feedback from supervisor affects innovative behaviour significantly. Therefore, when supervisors encourage new
ideas and their implementation, employees are able to adopt innovative behaviour [58]. Based on the preceding understanding, we posit that:

**H5.** The support from supervisor has significant positive effects on innovative behaviour.

4.5. **Entrepreneurial orientation and innovative behaviour**

Lumpkin and Dess [59] defined entrepreneurial orientation as a decision-making process or a management methodology underpinning a firm’s business activity during the initial stages. Real et al. [60] viewed entrepreneurial orientation as firm’s strategic posture to be innovative, proactive and risk-taking. Similatirly, Su and Sohn [61] proposed that entrepreneurial orientation is the strategic posture of a firm related to a firm-level strategy making process that leads to innovativeness, the ability to react fast and to take risks. Entrepreneurial orientation indicates the propensity to make strategic decisions on new ventures. According to Avlonitis and Salavou [59], entrepreneurial orientation reflects managerial capability by which firms embark on proactive and aggressive initiatives to alter the competitive scene to their advantage. Entrepreneurial orientation consists of innovativeness, risk-taking, and proactiveness [60]. Lumpkin and Dess [59] added two more dimensions, namely competitive aggressiveness and autonomy. Entrepreneurial orientation influences both firm growth and financial performance [61]. Besides, Su and Sohn [61] also argue that a new firm will refrain from engaging in R&D activity, exploring high-potential markets if there is no entrepreneurial orientation.

Existing research shows that organization with entrepreneurial orientation have a higher innovation than non-entrepreneurial orientation firm (e.g., Lumpkin and Dess [59], Majdouline et al. [65], Iturralde et al. [66]). Lumpkin and Dess [59] found that entrepreneur orientation is associated with individual and organizational attributes, inclusing proactiveness and innovativeness. de la Vega and Scott [68] emphasize that firms pursuing an entrepreneur orientation will support experimentation and creative thinking in their search for market leadership, and take action to produce innovative and highly profitable products that deliver superior value to customers. Also, Majdouline et al. [65] found out that there is positive link between entrepreneur orientation and innovation. That innovation will promote new entry or new venture creation: a vehicle for commercialization of innovations. Further, Huang and Wang [69] stress that entrepreneur orientation present an organization’s business philosophy in promoting and pursuing innovation. Li et al. [70] found a significant positive effect of entrepreneur leadership on employees’ innovative work behaviour from their empirical study. Based on the introduced theoretical bases, we formulate the following:

**H6.** Entrepreneurial orientation has a positive relationship with innovative behaviour.

Based on our hypotheses and extant literature, we propose the following conceptual model. (Figure 1).

5. **Discussion**

Innovation behaviour is a complex phenomenon. An integration of diverse and varied literature found in international journals during the last four decades may contribute to facilitate better understanding of employee innovation. Major focus on previous research on employee innovative behaviour has been either on psychological factors or on organizational factors, or on embedded strategy. They have not implemented the comprehensive analysis of all aspects and their relationship with employee innovative behaviour. These findings suggest that psychological capital and thriving at work are not entirely independent but are instead interwoven in their effect on innovative behaviour. Innovative behaviour is proposed as a consequence of delicate interactions of organizational climate, supervisor support and entrepreneurial orientation. Therefore, it may be suggested that individual factors, organizational factor and contextual characteristics have independent as well as combined or mediated effects on employee innovative behaviour. For this view, a conceptual framework of innovative behaviour is developed and proposed in the article.

6. **Conclusion**

This study examines the innovative behaviour and its foundation. Based on the extensive reviews of 69 articles, three dimensions of innovative behaviour are discovered: psychological dimension, organizational dimension and contextual dimension. This article contributes to knowledge of innovative behaviour and management as well. However, since the article focuses only on theoretical aspects, empirical evidence should be shown in future research to prove the proposed framework. Also, most articles included in the literature refer to studies conducted in developed countries, and only a few articles discuss research in emerging or developing countries. Hence, there is a need to test this conceptual model in the context of developing economies.

**Acknowledgment:** This research is funded by Funds for Science and Technology Development of the University of Danang under project number B2019-DN04-23.

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