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Employee Innovative Behavior Enhancement: The Moderating Influence of Organizational Tenure

Shakeel Zaman Khan

Research School Department of Management Science Lakki Marwat University

Muhammad Usman Khattak

Research School Department of Management Science Lakki Marwat University

Muhammad Imran

Research School Department of Management Science Lakki Marwat University

Abstract:

This study aims to determine whether or not the innovative behavior of employees remains constant as their tenure with the organization increases, and if so, how this behavior can be improved. Our proposition posits that the promotion of innovativeness among employees can be facilitated by four key factors: reward fairness, perceived failure tolerance, communication openness, and work discretion. Moreover, we hypothesize that the tenure of personnel with the organization will moderate the impact of predictors. The information was gathered from 381 personnel of the Pakistani telecommunications industry. Two-step structural equation modeling demonstrates that each antecedent positively influences the innovativeness of employees. Additionally, tenure within the organization negatively moderates this effect. It was discovered that employees with shorter tenures with the organization exhibited higher levels of innovation. We advise organizations to foster an environment that promotes fairness, open communication, failure tolerance, and work discretion in order to encourage employees to engage in innovative behavior. Furthermore, in order to maximize the innovative potential of employees with longer tenures within the organization, they should receive specialized refresher training and lucrative incentives.

Keywords- *Employee Innovative Behavior, Organizational Tenure*

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Introduction

Modern organizations anticipate that by leveraging the innovative capacity of their personnel, they can enhance their competitiveness and innovation levels in the marketplace. Novel concepts generated by employees have the potential to contribute to the improvement of their organization. De Jong and Den Hartog (2007) state that improved products, innovative services, and streamlined work processes result from the inventive concepts of employees. The relationship between employee innovativeness and organizational success has been established in the literature (Axtell et al., 2000). In order to ensure the consistent introduction of innovations, it is imperative that employees maintain a perpetual willingness and preparedness to contribute their innovative ideas (De Jong & Den Hartog, 2007). Given this context, it is critical to determine the factors that motivate employees to innovate and ascertain whether their capacity for innovation remains consistent over time. An employee's innovative behavior refers to a purposeful action taken within the workplace by an individual to propose fresh concepts, create novel services or products, or implement additional processes and procedures for the benefit of their respective unit or the entire organization (West & Farr, 1990). Innovativeness is the investigation of opportunities, origination, promotion, and implementation of ideas in the workplace, according to Scott and Bruce (1994). In pursuit of opportunities that satisfy their insatiable appetite for innovation. They devise an innovative resolution. They advocate for their concepts and endeavor to garner backing and cultivate groups. The process culminates in the commercialization of concepts subsequent to their testing, modification, and implementation (Dorner, 2012). As stated by Ömo (2006), innovativeness encompasses a wide range of activities, including the implementation of novel solutions or the modification of procedures, streamlining of tasks, and enhancement of end-user service. At any particular time, innovative employees engage in any or a combination of the activities identified by Scott and Bruce (1994). The element "newness" is present in every definition of innovativeness. According to Yuan (2012), novelty does not inherently imply that an idea must be novel to the entire universe. When considering the innovativeness of employees, the term "new" pertains to anything that is novel

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within the specific organizational context. In contrast, Axtell et al. (2000) contend that the innovativeness of employees can vary considerably, spanning from incremental to radical advancements, administrative to technical innovations (Van de Ven, 1986), and soft innovations to hard innovations. Regardless of the facet of innovativeness that employees participate in, the issue that emerges is how to augment that innovativeness. Regarding the improvement of employee innovativeness, there is a scarcity of research. The limited body of evidence that is currently available has centered on the impact of leadership styles on the levels of creativity and innovation exhibited by employees (De Jong & Den Hartog, 2007; Sharifirad, 2013; Yoshida et al., 2014). The influence of supervisor supportiveness on employee innovativeness was investigated by Janssen (2005). Wallace et al. (2016) examined the correlation between employee innovativeness, flourishing, and regulatory focus. The study conducted by Kang et al. (2016) examined the impact of a proactive, risk-taking, and innovative organizational climate on employee innovative behavior. The researchers emphasized the significance of a conducive organizational ecosystem in this regard. In the same way, Hsu and Chen (2017) reached the conclusion that the organizational innovation climate influences innovative behavior positively, with psychological capital serving as a mediator. In their 2017 study, Dhar and Garg examined innovative behavior from the standpoint of leader-member exchange. This demonstrates that the literature is deficient regarding the factors that may enhance the innovative behavior of employees. More precisely, we were unable to locate any research that examined the impact of variables including perceived reward fairness, receptivity to communication, work discretion, and tolerance for failure.

Therefore, the primary aim of the current research is to investigate the impact of four key factors—perceived reward fairness, perceived failure tolerance, communication openness, and work discretion—on innovative behavior.

The impact of these predictors remains consistent as employee tenure progresses. This will address a significant gap in the existing body of literature that was previously unexplored. We

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will theorize in the following section regarding the relationship between each predictor and innovative behavior.

2. Literature Assessment

2.1 Tolerance for Perceived Failure and Innovative Behavior

Failure can be conceptualized as a departure from the anticipated and intended results (Cannon & Edmondson, 2005). Not all failures are detrimental. Certain authors also emphasize the positive aspects of failures. Failures may serve as a guide for the adoption of new technologies or the pursuit of new opportunities, according to Peters et al. (2004). Organizations may discover "champions" or "innovators" within their ranks by permitting failures (Peters et al., 2004). Failure, according to Burns (2008), is an essential component of the innovation procedure. To achieve competitive advantage via innovation, an organization must be prepared to confront failure. Failing in a positive manner could foster an environment that encourages innovation, learning, and adaptation. Success is contingent upon one's capacity to endure disappointments. According to Timmons and Spinelli (2009), failure is an inevitable consequence of the innovation process. In light of this, Morris and Jones (1999) propose that management should communicate a failure tolerance in order to foster innovation and originality. The establishment of an employees' belief regarding failure tolerance in this manner contributes significantly to the development of an innovative culture. The trust of employees might enable them to engage in innovation without apprehension regarding potential setbacks (Menzel et al., 2008). In a similar vein, Hornsby et al. (2002) argue that an environment in which management is tolerant and benevolent toward employees is a prerequisite for innovation. Cannon and Edmondson (2005) describe the repercussions of organizational cultures that are intolerant. Employees refrain from emphasizing the shortcomings that they encounter or witness. Hidden disasters are never subject to analysis and have the potential to manifest again in the future. Moreover, personnel working in such an environment will abstain from conducting novel experiments with uncertain outcomes. Additionally, Kriegesmann et al. (2005) draw attention to organizational intolerance. Intolerantly

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of failure encourages risk aversion and supports the use of conventional approaches and methods of conducting business. The tolerance or intolerance of the organization is reflected in the conduct of administrators. Gupta et al. (2004) caution that risk-averse and conservative managerial behavior undermines the confidence and morale of their subordinates. Employees experience a loss of motivation and innovation. According to Ackoff (2006), circumstances in which employees dread failure impede their ability to adopt innovative approaches. In the same way, Hisrich and Peters (2002) contend that organizations that hold their staff accountable for their shortcomings stifle the inventiveness of their personnel. Furthermore, organizations forego the opportunity to gain knowledge from their blunders, which is critical for achieving success (Turner, 2002; Dawes, 2007). Errors serve as a reservoir of information. Ultimately, as hypothesized by Scheepers et al. (2008), an increased capacity for failure fosters innovation. Therefore, the subsequent hypothesis is put forth:

H1: An increase in the perceived tolerance for failure will have a positive correlation with innovative behavior among employees.

2.2 Communication Openness and Innovative Behavior

"Communication openness" refers to the unrestricted exchange of information, encompassing differing viewpoints and opinions, according to Rogers (1987). Openness of communication, according to Ayoko (2007), is the simplicity of conversing with others. The quantity and quality of information that is exchanged among members of an organization is an additional facet of open communication (Antoncic, 2007). Information is exchanged through a variety of channels, including formal and informal discussions, newsletters, and bulletins, among others. Openness in communication is a crucial precursor to innovativeness. It facilitates the exchange of ideas and the dissemination of information. Furthermore, these exchanges of ideas foster innovation (Hülsheger et al., 2009). Damanpour (1991) reached the conclusion that communication openness has a positive effect on innovativeness. The success of employees' innovative endeavors is contingent upon the provision of deliberation space among organization members.

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Ahmed (1998) suggests that the emergence of novel concepts is contingent upon the presence of an environment that fosters open communication. An environment that fosters transparency and cooperation and is founded on confidence stimulates ingenuity and fresh thinking. Martins and Terblanche (2003) contend that open communication is fostered within an organization when individuals tolerate one another's differences. Organizational members are able to engage in mutual monitoring, feedback, and support more effectively through the use of open communication. Therefore, the facilitation of open communication not only promotes the generation of ideas but also enhances their implementation (Hülsheger et al., 2009). Furthermore, Stull (2004) posits that employees will invariably be capable of instigating organizational innovations if they are permitted to express and bring to the attention of senior management their concerns, complaints, and ideas. Therefore, the following hypothesis is posited:

H2: A positive correlation will exist between openness of communication and innovative behavior among employees.

2.3 Employer Discretion and Propensity for Innovation

Work discretion refers to the extent to which an employee is granted autonomy, freedom, and the ability to determine work schedules, implement preferable work methods, and make decisions (Humphrey et al., 2007). In recent years, work discretion has been the focus of considerable interest among organizational researchers. In a recent meta-analysis of 259 studies on job autonomy, Humphrey et al. (2007) found that it positively impacted employee motivation, performance, satisfaction, and commitment. In the same vein, research has shown that employees who are granted greater autonomy exhibit reduced rates of exhaustion, absenteeism, and turnover intentions (Humphrey et al., 2007). According to Morgeson et al. (2005), work discretion provides employees with a broader scope of responsibilities. Work discretion, as described by Parker (1998), increases employee accountability for issues. It provides employees with an acknowledgment of the competencies and expertise necessary to perform a specific position. Instilling autonomy in the workplace encourages personnel to explore novel approaches to their

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tasks. This further explains how employees expand their job responsibilities by incorporating innovative approaches into their conventional duties (Parker, 1998).

Empowered personnel consistently generate innovative concepts. Employees are granted the authority to employ "trial-and-error" methods. Failure and success along the way are also components of innovation (Ramamoorthy et al., 2005). Employees who are empowered are willing to try novel methods and approaches. They might adopt unconventional approaches to performing tasks that ultimately evolve into innovations (De Spiegelaere, Van Gyes, et al., 2014). Shalley and Gilson (2004) have demonstrated that the implementation of novel approaches by employees in the workplace results in the manifestation of innovative behavior on an individual level. An organization that fosters autonomy and freedom in the workplace motivates its employees to offer innovative concepts (De Spiegelaere, Gyes, et al., 2014). According to Cabrera et al. (2006), employees who are granted greater autonomy are more likely to engage in knowledge sharing. As a result, there is an encouragement for innovative conduct (Axtell et al., 2000). Empirical evidence suggests that empowerment is positively associated with innovative workplace behavior (Roberg, 2007). Drawing from the preceding discourse, the subsequent hypothesis is posited:

Hypothesis 3: There exists a positive correlation between work autonomy and employee innovative behavior.

3. Methodology

3.1 Individuals

The target population consisted of managerial-level personnel working in the telecommunications industry of Pakistan. A random distribution of questionnaires was conducted among the intended respondents. Major telecommunications companies' primary offices and service centers in Lahore, Islamabad, Gujranwala, Rawalpindi, and Faisalabad were approached. The distribution of over 900 questionnaires occurred. 381 employees comprised the viable sample for this research, representing a response rate of 47%. The sample composition consisted of 31.8% females and 60.2% males. The average experience of the sample members was 6.3

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years, while their mean age was 31 years. An average of 5.4 years was the tenure of employees. In addition, the sample was representative of each department (marketing = 18.9%, human finance = 15%, sales = 14.4%, resources department = 16.5%, and technical department = 32%). 3.2 Measures 3.2.1 Innovativeness Scott and Bruce (1994) and De Jong and Den Hartog (2010) provided the items measuring innovativeness. Innovativeness of employees was evaluated using a behavioral frequency scale (1 = never, 2 = frequently).

3.2 Method for Collecting Data

The information was gathered from telecom professionals employed by Pakistani telecommunications companies. An online survey was in addition to a physical survey. 900 questionnaires were disseminated at random through a variety of channels. In order to facilitate the execution of the physical survey, multiple branch offices located in Lahore, Islamabad, Gujranwala, Rawalpindi, and Faisalabad were contacted. We procured the email addresses of managerial personnel from the human resources departments of pertinent organizations in order to conduct an online survey. We ensured their anonymity and voluntary involvement. A total of 900 questionnaires were distributed; 423 were returned. Were 381 responses sufficient for use?

4. Results and Discussion

Table 1: Moderating Effects of Tenure

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Model	Unstandardized Coefficient	p-Value
Control Variables (Age, Gender, Experience, Qualification)	N.S.	
Main Effects		
Tenure	.121	*
Failure Tolerance	.241	*
Failure Tolerance × Tenure	-.228	**
Communication Openness	.557	***
Communication Openness × Tenure	-.238	**
Work Discretion	.165	*
Work Discretion × Tenure	-.089	**
Reward Fairness	.102	**
Reward Fairness × Tenure	-.034	**

Innovativeness was found to be significantly and positively impacted by failure tolerance. Consistent with the assertions made by Timmons and Spinelli (2009) that employees are prone to failure when they attempt to implement and present novel concepts, the results of this study support the notion that an atmosphere that embraces failures fosters greater employee ingenuity (Kemelgor, 2002). The encouragement of innovativeness is communicated to employees through the perception of failure tolerance (Morris & Jones, 1999). Additionally, it is rational to assume that experimentation entails the possibility of failure and that innovations may emerge in an environment that tolerates failure. These empirical findings are novel and contribute to the body of knowledge regarding individual innovation. Additionally, openness in communication had a significant positive influence on employee innovation. Communication transparency is a critical element of an environment that fosters innovation (Ahmed, 1998). We provide empirical support for the proposition made by Hülsheger et al. (2009) that employee innovativeness is associated with the unrestricted exchange of ideas among organization members. It is possible to deduce from the findings that open communication expands the employees' sphere of thought through the exchange of ideas, which subsequently influences their actions from a broader perspective. The promotion of open communication within an organization facilitates the expression of ideas and concerns by its employees. Thus, in accordance with Stull (2004), we discover that innovativeness is positively correlated with communication openness. Work discretion is a

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significant predictor of innovative behavior, as supported by the findings. As previously emphasized, experimentation is compulsory for innovation. Discretion grants personnel the liberty to test their hypotheses regarding product development and process enhancement (De Spiegelaere, Van Gyes, et al., 2014). Our findings are consistent with those of Roberg (2007), who documented comparable results.

The primary determinant of the relationship between discretion and innovativeness is that employees are permitted to freely develop their own ideas. Furthermore, reward equity was found to be a substantial and favorable predictor of innovativeness. Our results align with the viewpoints expressed by Zhou and Shalley (2003) regarding the benefits of implementing a reward system to motivate and encourage innovation and creativity within an organization. It is emphasized in this passage that the mere implementation of a rewards system is insufficient, unless it is founded upon principles of equity (Baumann, 2011). Janssen (2000) corroborated these results and advocated for the implementation of an equitable reward system. As predicted, the moderating effects of organizational tenure materialized as well. As tenure increased, the influence of predictors diminished. An observed difference in innovation levels between employees with higher and lower tenures was tenure. The apprehension of new employees regarding their first impression of the organization may lead them to employ innovativeness as a strategy for managing that perception.

Summary:

In addition to its theoretical contributions, this research also possesses practical implications. Establishing a culture that promotes openness, work discretion, failure tolerance, and equity is imperative for organizations. Organizations may leverage individuals in leadership positions to foster such environments, given their capacity as representatives of the company. Not only is such an environment a significant precursor to innovative conduct, but it also exerts an impact on the duties and obligations of personnel in their respective positions. The utilization of a cross-sectional design in this study is not conducive to establishing causality. It is advisable that

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forthcoming researchers adopt a longitudinal design, in which data pertaining to the antecedent conditions are gathered at a single time point, while data concerning the criterion variable are collected at a later time point. Additionally, it is advisable to consider employing a mixed methods approach when integrating the analyses at multiple levels.

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