

## CHAPTER 5

### DISCUSSION, IMPLICATIONS & CONCLUSION

#### 5.1 Discussion of Research Results

This research has addressed an important issue in measuring the organisational innovativeness by proposing and testing the theoretical model of the relationship between self-leadership and organisational innovativeness, as well as assessing the mediating role of innovative behavior and the moderating role of environmental dynamism. It helps researchers and decision makers to understand the importance of self-leadership in cultivating innovative behavior and the interplay between environmental dynamism and innovative behavior in terms of organisational innovativeness.

Based on the research analyses, the findings for this study are summarized in Table 8. Consistent with the results from Carmeli et al. (2006), the correlation coefficient analysis revealed that self-leadership was positively related to innovative behavior ( $r = 0.64, p < 0.01$ ). It suggests that self-leadership skill plays an important role in fostering innovative behavior among employees. Therefore, employers need to emphasize on developing self-leadership talent among their workforces by investing resources to facilitate the learning processes. Eventually,

employees will focus their behavior towards attaining specific goals of the organisation and therefore improve their work outcome (Carmeli et al., 2006).

The correlation coefficient analysis has also confirmed that innovative behavior was positively related to organisational innovativeness ( $r = 0.35$ ,  $p < 0.01$ ). Thus, the findings supported  $H_1$  and  $H_2$ , whereby employees' innovative behavior was related to organisational innovativeness. This is consistent with other studies (e.g., Dasgupta & Gupta, 2009; Jong & Hartog, 2010; Pierce & Delbecq, 1977). Apparently, leveraging on innovative behavior of employees will drive the organisational innovativeness to a higher level. In addition to having the necessary infrastructure to facilitate the innovation processes, organisations that strive for innovativeness will also need to foster innovative behavior and build the right 'psychological climate' for their workforce (Scott & Bruce, 1994).

The research also supported  $H_3$ , suggesting that innovative behavior fully mediates the relationship between self-leadership and organisational innovativeness. As suggested by Houghton and Neck (2002), employees with high self-leadership skill rationalized innovative behavior as important requirements towards achieving organisational innovativeness. Thus, the findings seem to support the importance of the direct and indirect effects of innovative behavior and self-leadership on organisational innovativeness.

Finally, H<sub>4</sub> was supported based on the findings from moderated regression analysis. The results revealed that a significant interaction was present between environmental dynamism (as the hypothesized moderating variable) and innovative behavior in predicting organisational innovativeness. Hence, it was found that the relationship between innovative behavior and organisational innovativeness was moderated by the environmental dynamism. As expected, the positive sign of the coefficient indicates that environmental dynamism significantly influences organisational innovativeness under conditions of high innovative behavior. Therefore, it was recommended that the proposed framework for this study was fully supported by the empirical evidence as summarized in Table 8.

**Table 8: Summary of Results**

<b>Symbol</b>	<b>Hypothesis</b>	<b>Result</b>
H <sub>1</sub>	Self-leadership is positively related to innovative behavior	Supported
H <sub>2</sub>	Innovative behavior is positively related to organisational innovativeness	Supported
H <sub>3</sub>	Innovative behavior mediates the relationship between self-leadership and organisational innovativeness	Supported
H <sub>4</sub>	Environmental dynamism moderates the relationship between innovative behavior and organisational innovativeness	Supported

## 5.2 Research Implications

Results from this study provide empirical evidence that innovative behavior is fully mediating the relationship between self-leadership and organisational innovativeness. In other words, the individual factors (self-leadership) and predicted outcome (organisational innovativeness) have been directly and indirectly approached through mediation role of behavior (innovative behavior). Findings also suggested that the change in environmental dynamism will influence the strength of relationship between innovative behavior and organisational innovativeness.

Results from this study seem to suggest that organisational innovativeness is an important driver for business performance. Therefore, organisations that emphasized on innovativeness should be more supportive in encouraging the innovative behavior of employees and to focus on developing employees' self-leadership. From the academic aspect, this research is a stepping stone for further analysis on the mediational relationship between self-leadership and organisational innovativeness. It complements previous research on self-leadership by extending the framework to a broader level and measuring it with different constructs. Findings have also highlighted the importance of the direct and indirect relationships between self-leadership and organisational innovativeness through innovative behavior. On the other hand, researchers from around the globe could use the results to expand on the research model.

Generally, the findings tend to suggest that innovative behavior mediates the relationship between self-leadership and organisational innovativeness. From the business perspective, this study is an ideal reference for decision makers to explore other possible factors that would enhance the organisational innovativeness. This study has shown the need for organisations foster innovative behavior among their workers and to develop their self-leadership skill. It also highlighted the condition of business environment that would enhance the organisational innovativeness. Based on the findings, it was found that environmental dynamism significantly influences organisational innovativeness under conditions of high innovative behavior. Therefore, the results tend to suggest that organisations with highly innovative workforces and operate in a highly dynamic environment have higher possibility of achieving organisational innovativeness.

Therefore, the results showed that organisations should encourage the workforce to be more innovative and to develop self-leadership abilities. The feedback from some of the working adults in Malaysia has provided some hints on their perception towards organisational innovativeness at the workplace and the effect of self-leadership on their work behavior. The findings also revealed that employers need to groom the workforce to be confident self-leaders if they want to cultivate an innovative culture within the firm.

### **5.3 Limitations of the Study**

Several limitations were identified for this study. Among others, the first limitation of this study was the timeframe. In such a short period, only a small number of respondents were able to participate in this survey. Hence, the results may not be well representing the whole population of the working adults in Malaysia. Therefore, findings from a small sample size could not be generalized across a larger population.

Second, the data was collected based on convenience and snowballing sampling methods which could lead to bias due to the demographic characteristics. Certain categories of characteristics were too dominant over the others (e.g. proportion of female over male respondents). Hence, the effect of demographic profile on the research framework was not apparent and could be bias towards the minority group. All data were cross-sectionally analysed; therefore, it does not measure the extent to which people display innovative behaviors over a length of time. Do people behave the same way throughout their working lives? What makes people change their behavior after a while? Only a longitudinal research may be able to provide the relevant answers.

In addition, the acquired sample size may not be a perfect representative of the targeted population. Thus, it would not be possible to generalize the result outcomes. However, it has met the criterion as mentioned by several scholars for

empirical analysis (e.g., Bartlett, et al., 2001; Wilson et al., 2007). Referring to the answer sheets, some of the respondents have misinterpreted the negatively worded question. As a result, some of the feedback did not generate the expected outcomes. Finally, this research was broadly focused on working adults in Malaysia and the results may differ for certain industries or types of organisations as these demographic characteristics may significantly influence the research outcome.

#### **5.4 Suggestions for Future Research**

It would be good to replicate this model in future research consisting of higher number of respondents throughout Malaysia. This will strengthen the applicability of the research framework and increase the acceptance of the proposed model. By adopting a larger sample size, the findings from the study will be more significant in representing the target population.

Further analyses on the effect of demographic characteristics of the respondents and national culture on the relationship between self-leadership and organisational innovativeness would also be possible with a larger sample size. Additionally, it will allow researchers to evaluate and compare the results for different types of organisations or industries for a better understanding and application of the theories.

Alternatively, in the future, researchers should explore other possible predictors for innovative behavior such as intellectual capital, creativity or ICT literacy. It would be interesting to assess innovative behavior as the outcome of different predictors such as skills, knowledge, personality and organisational support in order to expand the existing concept to a broader scope.

Another suggestion would be to further revise the RSLQ and reduce the number of items to suit different context. As mentioned by Kawondera (2007), further examination is required to assess the applicability of the RSLQ in different context. This research had to remove one of its items to increase the validity of measurement. However, with more research that uses the RSLQ, we could perhaps develop a better self-leadership measure for Malaysia.

As suggested by Stewart et al. (2011), the relationship between self-leadership and its outcomes needs to be further empirically researched to determine the linearity of the relationship. Therefore, scholars should explore other potential linear relationships between self-leadership and other new forms of work behavior. Considering the role of environmental dynamism as the moderator in the relationship between innovative behavior and organisational innovativeness, researchers should have a look at how situational analysis would explain the extent to which people will display the same behavior in a different environment.



Another option would be to test the moderating effect of internal environment (such as changes in labor force) within the relationship between self-leadership and organisational innovativeness. Also, researchers should further analyze the feasible implementation of the research framework from the academic and business perspectives by conducting a qualitative research or a case study in order to obtain the viewpoint from the experts in the related field.

### **5.5 Research Summary and Conclusion**

Organisational innovativeness becomes increasingly important as one of the key drivers for business performance. Therefore, organisations that emphasized on innovativeness should be more supportive in driving the innovative behaviors of employees and to focus on developing employees' self-leadership. Cultivating innovative culture is important for most organisations today, but it will not be easy without the right people with the right attitude working for the organisation.

Although large companies may have more resources to invest in, it is not a guarantee that they will become more innovative than smaller businesses. Talents are very valuable for most organisations and they are of high demand; knowing their strengths and potentials are crucial to ensure that they will be able to contribute to a greater extent. Hence, organisations need to continuously promote and genuinely support the development of self-leadership skill in order to foster innovative behavior among their workers.

The need to search for innovative drivers in an organisation has inspired this research to investigate the relationship between self-leadership, innovative behavior, environmental dynamism and organisational innovativeness. Apart from that, it extends the research framework developed by Carmeli et al. (2006) by examining the relationship between self-leadership, innovative behavior and organisational innovativeness. Altogether, there were four hypotheses formulated for this study in accordance to the research questions posted in Chapter 1. Findings from this study supported all the four hypotheses and they were consistent with previous studies (e.g., Carmeli et al., 2006; Kawondera, 2007). Hence, it is a hint that innovative behaviors of self-leaders have positive relationships with organisational innovativeness, and their relationships were significantly related to dynamic environment.

According to DiLiello and Houghton (2006), leaders must encourage followers to practice self-leadership and build an environment that facilitate innovation within the organisation. Additionally, individuals who are self-leaders are generally valuable to the organisation (Stewart et al., 2011). Thus, it is up to the organisation to decide the best way to retain these talents from hopping to another company, as recruiting a new talent would be time consuming and costly. As a conclusion, findings from this research suggest that individuals with strong self-leadership skill are likely to display innovative behavior and contribute towards organisational innovativeness especially in a highly dynamic environment.