CHAPTER 1: INTRODUCTION

In a complex and dynamic business environment, an employees' Innovative Work Behaviour (IWB) is regarded as an important key asset for a company to maintain and remain successful. Baker and Sinkula (2002) and Lyon and Ferrier (2002) also mentioned that similarly, "innovation nowadays is defined as a key driver of long term success of a firm in today's competitive market." In short, IWB is defined as the intentional creation, introduction and application of new processes, ideas, products or services within a work role, group or organization for the benefit of the individual, group, or organization (West & Farr, 1990; Janssen, 2000).

Innovative behaviour of employees is significant to organizational effectiveness and survival (Scott & Bruce, 1994). Therefore, organizations must become more innovative in order to compete globally (Baker and Sinkula, 2002; Balkin, Markaman and Mejia 2000). Global competition forces companies to keep moving to improve their performance (Brown and Eisenhard, 1995).

There are a number of studies that discussed and investigated the internal factors that are antecedents of employees' innovation. More recently, leadership (Jong and Hartog, 2007; Carmeli, Maiter and Weisberg, 2006) and organization culture (Hartmann, 2006).

Since employees are regarded as assets of an organization, management and leaders should endeavour to understand how to motivate and nurture employees' innovative work behaviour in order to encourage higher innovative output. These innovative outputs include new ideas, suggestions, knowledge and development of products or services as well as new and improved processes or systems which hold potential in gaining a competitive edge in today's business world.

1.1 PROBLEM STATEMENT

Looking at the changing environment and never-ending growing competition in today's market, innovation in developing new processes or products, and improving existing ones is a necessity for organizations who want to survive (Amabile et al., 2005). However, in the process of promoting innovative behaviour, there are still a number of challenges and obstacles that management and leaders face. One of the main challenges is that most employees' objective at work is to complete their job in an orderly and satisfactory manner within a set amount of time. Although this is a good work practice, the end result is normally bland and uninnovative. This is most likely due to disinterest, time and other resource constraint and lack of motivation. Therefore, most employees will just imitate existing processes and procedures in their workplace without spending additional time in an effort to be innovative (Loewe & Dominiquini, 2006).

It is not surprising to find that leadership plays an important part in creating an employee's innovative works behaviour in an organization (Scott & Bruce, 1994). Leaders are responsible to create an innovative work environment to motivate employees

to innovate and to be creative. However, in many organizations, unless innovation is a priority for managers, management will otherwise omit any form of encouragement to be innovative (Jong & Hartog, 2007).

However, it does not mean that all individuals including employees and managers dislike or are against the idea of innovation. In fact, most employees and managers encourage innovation and apply innovative behaviour in their personal daily life. Nevertheless, this positive attitude is difficult to find in workplace. When back in the organization workplace, the same group of people will often find innovation extraordinarily difficult, and hence the rarity of the innovation culture (Martens, 2011).

Some studies also indicate that organizational changes stimulate by employee innovation behaviour, are generally ignored or underestimated. Besides, some other researchers have emphasized that innovation not the only intentional act of generating new ideas, but also with the introduction and application of new ideas, all aimed at improving organizational performance (Janssen et al., 2004). Therefore, without a good organization work culture, it is difficult to encourage people to have innovative work behaviour in their workplace.

It is very important for an organization to understand how to motivate an employee's innovative behaviour to produce innovative output in their work especially in today's rapidly changing business environment. Identifying how management can affect the innovative behaviours of these employees hold the promise of gaining a competitive

edge over business rivals. Since the innovation culture is not common in today's organizations, it is obvious that it is not so easy to create one. Time and effort is needed in order to create an innovative culture in an organization.

How do organizations develop an innovation culture? Who should be involved in the innovation process? What roles should they play? All these questions usually opens management's mind to think further about employee innovative work behaviour. As such, the purpose and significance of this study is to determine how an organization can develop an innovative culture, the roles involved in the innovative process and how management can encourage employees to be innovative.

1.2 PURPOSE AND SIGNIFICANCE OF THE STUDY

The overall objective of this study is to provide advance knowledge concerning employees' innovation behaviour and innovative output. This research was carried out to explore the link between organization culture and participative leadership on employees' innovative work behaviour and their innovative output since IWB is a specific key asset for companies to remain successful in a complex and dynamic business environment (West & Farr, 1990; Janssen, 2000).

Capitalizing on their employees' ability to innovate is one of the ways for organizations to become more innovative (Katz, 1964). From the employees' ability to generate ideas and using these ideas as building blocks for new and better products, services and work processes, it can help to improve business performance. A number of

academics now endorse the view that employee's innovation helps to attain organizational success (Smith, 2002; Unsworth and Parker, 2003).

Obviously, innovation is difficult for organizations to accomplish, especially on a consistent basis. This is due to reasons revolving around complex company structures, work processes, personal attitudes, lack of attention from top management, lack of a precise innovation methodology, and lack of time to pursue new ideas. All these reasons can either favour innovation or inhibit it (Zaltman, 1973). For management who has set innovation culture as a target for their organization to achieve, this paper will help them understand how employee innovative work behaviour can be motivated through company's work culture and leadership.

Leadership research and practice normally focus on how leadership may stimulate employee innovative behaviour (Pieterse et al., 2010). As a leader, they should understand how leadership can affect innovative behaviour of employees to increase the innovative output in their workplace. Hence, the goal of the present study is to shed more light on these relationships by examining how high performance work culture and participative leadership can affect employee innovative work and this as a mediator to increase employee innovative output.

By referring to Jong and Hartog's study conducted in Netherlands in year 2008, this study aimed to examine if the same result is derived in Malaysia's workplace, although with different work culture and behaviour of the employee.

This study can also grant the management team a comprehensive analysis about employees' innovative work behaviour, as well as to provide an understanding that employees' innovation is essential in any organization success. It will be meaningful for the management to understand the approaches they should take in order to enhance the level of its employee innovative work behavior. Optimistically, this knowledge would be useful to act as a source of information for any future research regarding this subject.

Besides, this research also can add value in the existing literature of employee innovative work behavior and can be use as one of the references or guidance for future research as well as adding value to the literature in human resource management.

In summary, the importance of this study can contribute to a number of advantages to different parties such as corporate strategy, business unit level in forming their company's work culture, leader to choose or change their leadership style and the analytical and empirical researches. This study also can provide the management an understanding concerning which factors are significant that could lead to the employees' innovative work behavior and innovative output in the context of high performance work culture company, in which ultimately attempting to enhance organization performance continuously and make an organization a competitive entity in the global market.

1.3 RESEARCH QUESTIONS AND OBJECTIVES OF THE STUDY

In line of what was mentioned in the section above, this study will examine the internal factors that are antecedents of employee innovation. As there are quite a number of innovative limitations highlighted in different studies, understanding the factors that influence these limitations will help managements to cultivate employees' innovative behaviour. The following research questions were developed in order to guide this study:

RQ1- Which of the selected factors affect employees' innovative outputs in an organization?

RQ2- Is innovative work behaviour a mediator in the relationship between high performance work culture and participative leadership with employee's innovative outputs?

RQ3 – Is there a difference in innovative work behaviour between employees of IBM and HP?

In order to answer the research question, the below research objectives were developed to aid the purpose of this study.

RO1: To examine the relationship between Participative Leadership and employee's Innovative work behaviour

RO2: To examine the relationship between High Performance Work Culture and employee's Innovative Work Behaviour.

RO3: To investigate the mediating effect of Employee's Innovative Work Behaviour on the relationship between Participative Leadership and employee's Innovative Output.

RO4: To investigate the mediating effect of Employee's Innovative Work Behaviour on the relationship between High Performance Work Culture and employee's Innovative Output.

RO5: To identify any difference in innovative work behaviour between employees of IBM and HP.

1.4 SCOPE OF THE STUDY

This research paper intends to examine if high performance work culture and participative leadership has any impact on employee innovative work behaviour and innovative output in the organization. Therefore the respondents are selected from high performance work culture companies (IBM and HP). Since Nation HR Forum 2006, IBM started to promote high performance work culture in their organization. Same direction applied in HP in year 2008 where they reinforced HP's high-performing work culture as one of their goals in developing a new employment brand.

The target respondents are employees who work in two high performance work culture IT companies, which are IBM Sdn. Bhd. and HP Sdn. Bhd. in Malaysia. In order to make a fair comparison, all respondents were selected with the same working background in mind from each company's operational department.

1.5 ORGANIZATION OF THE STUDY

This research paper has been organized into five chapters with subtopics for each chapter. Chapter one will cover the introduction of this research paper which includes subtopics such as the problem statement, significant of the studies, research questions, research objectives, and scopes of the study. Chapter two will revolve around the discussion of the related and relevant literature in the research area and topic. Chapter three consists of the discussion of the design of the research methodology, which will include subtopics such as hypotheses, measurement selection, sampling design, data collection procedure, and data analysis techniques. Chapter four will discuss the research

findings and results of this paper. This will also include the data extracted from questionnaires obtained from the samples, the analysis of the measurements obtained, and the findings of the hypotheses testing. The last and final chapter of this research paper will conclude and summarize the findings obtained from chapter four. This final chapter will also discuss about the managerial and academic implication, the limitations of the study, suggestions and advice for future investigations for other researchers.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

Innovation is the ability to innovate and enhance the company product, services and process continuously that can be the competitive advantage for the organizations. If the continuous flow of innovation is to be realized, individual employees need to have willingness and ability to innovate (Janssen, 2000). Tushman and Nadler (1986) have given a similar definition of innovation. Innovation refers to a new idea, process, solution, method or service to improve the organization performance.

While competing in an uncertain external environment, innovation with developing, carrying, reacting to, and modification of ideas becomes a critical weapon for compete. Gardner at el. (2005) indicated that globalization generates high competition in tangible assets and intangible assets especially human resources as well as product-market activities. Organizations competing on the advantageous positions in the product market do so by speeding up the life cycle of the new products development (Brown and Eisenhardt, 1995). Most of the organizations are facing environment that is described by high extraordinary challenges such as reduced product life cycles, high-end technology, globalization and initiating modern day competition, therefore innovation is a main focus area for the management.

The importance of employee's innovative and continuous improvement are discussed and focused under academic literature on innovation and creativity (Janssen,

2000), as well as highlighted and focused in workplace on some of the popular management principles, such as total quality management, corporate entrepreneurship and Six Sigma. For example, IBM does offer Six Sigma courses to their employee for innovative training.

When discussing about employee innovation, the innovative work behaviour normally is being focused on. For example, Amo (2005) highlighted that employees contribute to the innovation process in several ways. Employee innovation behaviour is highly related to the new product, new market development or the business improvement from their routine process.

For innovative work behaviour (IWB), Jeroen and Deanne (2008) mentioned IWB including exploration of opportunities and the generation of new ideas. This is considered as creativity related behaviour, but also complement with behaviours directed towards applying new knowledge, skill or process improvement and implementing change to improve individual as well as operation performance. This is same as implementation oriented behaviour.

Expansion from previous studies had only focused on employee creativity and the generation of creative ideas while innovative work behaviour in this study will further discussed on the details from idea generation to implementation as per suggested by Mumford (2000); Zhou & Shalley (2003). IWB is focusing more on a set of employee behaviours related to the generation of ideas, getting support from internal and external

party, and helping their implementation in the organization (Scott & Bruce, 1998; Jansen, 2000). Based on Lepine and Van (1998) point of view, the innovation always begin with the recognition and generation of creative ideas that challenge the past and routine process and standard operation procedure. This is the first step to move to efficiency and simplification.

2.2 INNOVATIVE WORK BEHAVIOUR (IWB)

Innovation theory has been continuously mentioned that innovation is not only limit on creativity, but also includes the innovative ideas implementation (King & Anderson, 2002). Therefore, IWB covers idea generation as well as the behaviours needed to implement ideas and achieve improvements that will enhance individual and company performance. Besides, Farr and Ford (1990) defined innovative work behaviour as an employee's behaviour that target to achieve the initiative in generating and introducing new and useful ideas, processes, products or procedures. The measure of IWB developed here thus captures both the initiation and implementation of innovative ideas (Jong and Hartog, 2008). Janssen (2000) also defined IWB as the intention creation, introduction and application of new ideas within individual job role, team, group or organization in order to benefit the performance or output.

The basis of IWB is not much different from employee creativity. As general, creativity is defined as the production of new and useful ideas for products, services, processes and procedures (Oldham & Cummings, 1996; Amabile, 1988). However, there are some differences between innovation and creativity, pointed out by West & Farr (1990) and Scott & Bruce (1994). Apart from creativity, IWB is intended to provide some kind of benefit to either individual or organization. It has a clearer applied component especially in the stage of implementation and is expected to drive a better result in innovative output. When using the term "creativity", researchers often refer to something that had been done for the first time while innovation emphasizes a more complicated process (Janssen et al., 2004).

Innovation refers to an activity whose aim is to develop, carry, react to, and modify ideas (Van, 1986). Similarly, others have emphasized that innovation has to do not only with the intentional act of generating new ideas, but also with the introduction and application of new ideas, all aimed at improving organizational performance (West and Farr, 1989; Scott and Bruce, 1994). Therefore, creativity can be counted as one of the important component of IWB, most evident in the beginning of the innovation process, when problems or performance gaps are recognized and ideas are generated in response to a perceived need for innovation (West & Farr, 1990).

According to Jong and Hartog (2008), IWB contains dimensions which are mentioned in next page that are highly linked to different stages and phrases of the innovation process. There were a number of researches discussing IWB with different dimension or perspective. For example, Scott and Bruce (1994) and Kanter (1988) outlined three stages of IWB, which are idea generation, coalition building and implementation. However, the individual innovation has always started from problem recognition and new ideas or suggestion generation.

Besides, an innovative employee will seek the support from management level for an idea and through coalition building attempt to gain the support for employee's idea or suggestion. Finally, the innovative employee will move forward to idea implementation. Among three stages of the innovative behaviour Scott and Bruce (1994) developed, they found that IWB as a multistage process but idea generation is considered the beginning due to it includes both ideas generation and problem recognition.

According to Jong and Hartog (2008), IWB can be categorized as four types that are opportunity exploration, idea generation, championing, and application.

2.2.1 Opportunity Exploration

The first stage of innovative work behaviour is identifying a new opportunity (Basadur, 2004). It started with new opportunity discovery or when a problem occurred and needs to be solved. The trigger may be an opportunity to improve situation or a threat or gap requiring immediate action. An opportunity is often an unplanned or unexpected event and intentionally discovering such events will be viewed as impossibility. Opportunity exploration includes looking a way to improve the current process or to think about work processes, product or services in alternative ways (Farr & Ford, 1990). The same idea was found in Scott and Bruce (1994) study that innovation in the workplace has been conceived as complicated behaviour consisting of a three-stage process. Employee recognize problem and suggest new solution and ideas, either novel or adopted in the beginning stage of innovative behaviour. The opportunity exploration includes focusing on opportunity sources; looking for opportunity to innovate; recognizing opportunity and gathering information about opportunities (Jong & Hartog, 2008).

2.2.2 Idea Generation

The second element of IWB is idea generation and forms a first step in the exploitation of opportunities (Jong & Hartog, 2008). Mumford (2000) suggested that human is the source of new ideas and suggestions. Besides being aware of a need or an

opportunity, the ability to develop and construct new ways to address the need is important for innovation (Kanter, 1988). Idea generation refers to generating idea and concepts for improvement purposes. The generation of ideas can be for new products, services or processes, the entry of new markets, improvements in current work processes, or solutions to identified problems (Kanter, 1988; Van de Ven, 1986; Amabile, 1988). The basis for idea generation is the combination and reorganization of information and existing concepts to solve the problems or to improve the current performance.

An innovative individual is able to approach problems or performance gaps from a different perspective. Idea generation often involves rearranging existing things into a new whole. With the skill in combining and reorganizing concepts, it can help create creative achievement (Mumford et al., 1997). This element also includes generating ideals and solutions to opportunities (Kanter, 1988; Howell and Higgins, 1990; Amabile, 1988); generating representations and categories of opportunities (Farr and Ford, 1990); generating associations and combination of idea and information.

2.2.3 Championing

The third element will be championing. Championing is an individual or a team of people who promote, encourage, support, and drive innovation in their organizations and sell it to others especially to the supervisor or management team. They do this in spontaneous moments of insight and in ad-hoc initiatives, as well as in some structured innovation programs or activities. It is a relevant aspect of IWB once an opportunity is explored and the idea is generated. Most ideas need to be sold (Jong and Hartog, 2008).

An individual seeks ways and opportunity to sell their concept and ideas, and build legitimacy and support from both internal and external party in the organization. Although ideas may have some legitimacy and value to fill a performance gap, but it is uncertain whether the benefits will cover the cost of developing and implementing them for most new ideas implemented. Besides, the resistance to change is to be expected as human nature in an organization (Kanter, 1988). Coalition building is always needed to implement an innovation; this involves acquiring support and power by selling the idea to potential allies. Most of the time, the prospective groups such as customer, leaders, team member of a proposed innovation will resist and will be uncertain about its benefits and this innovations will often need to be 'sold' to users. Having a selling point for the new idea is very important to pursue the user.

The innovative individual who takes initial responsibility for the introduction of innovations is, most of the time not formally assigned, but rather someone who feels a strong personal commitment to a particular idea and is able to 'sell' it to others (Kanter, 1988). A champion has been defined as an individual in an informal role that pushes a creative idea beyond roadblocks within the organization or as someone who start to put efforts into realizing creative ideas and bringing them to life (Kleysen & Street, 2001). This can involve the champion's own or other people's ideas. Championing includes behaviours related to looking support and building coalitions, such as influencing other related party, and pushing and negotiating (Howell & Higgins, 1990; King & Anderson, 2002, Van, 1986).

Finally, the supported idea needs to be implemented and make it become a new practice. It also include mobilizing resources (Kanter, 1983; Howell & Higgins, 1990); persuading and influencing (Kanter, 1983; Zaltman et al., 1973); pushing and negotiating (Kanter, 1983; Kanter, 1988); challenging and risk-taking (Kanter, 1983; Amabile, 1983).

2.2.4 Application

In the final stage of the innovation process, an individual who demonstrates the innovative behaviour, realizes the concept and idea by producing a model of the innovation that can be experienced, applied and used within a team, a group, or the organization as a whole (Kanter, 1988). Innovative behaviour is defined as a multiple-stage process in which from an individual recognizes a problem for them to generate new ideas, works to promote and build support for them, and produces an applicable model for the use and benefit of the organization or parts within it (Jong and Hartog, 2008).

Application is improving current process or procedures, or developing new ones based on innovative ideas. Reasonable effort and a results-oriented attitude are required from employees to help to implement the ideas. Application behaviour relates to the efforts individuals must put forth to develop an idea selected for implementation into practice. Application always implies making innovations a regular part of work processes (Kleysen & Street, 2001) and includes behaviours like developing new products or work processes, and testing and modifying them (West & Farr, 1990; Van, 1986; Kanter, 1988). So the final stage including implementation (Zaltman et al., 1973; Van, 1988), modifying (Kanter, 1983) and reutilizing (Anderson and King, 1993).

2.3 PARTICIPATIVE LEADERSHIP

A couple of studies linked employee innovative behaviour with company's leadership. The theories of transformational leadership have emphasized stimulating innovation as a main function of leadership (Bass, 1985). The effectiveness of leadership behaviour is dependent on factors within the leadership context (Yukl, 2002). Leadership involvement is essential to employee innovative behaviour. In simpler words, there is no innovation without leadership (Yukl, 2002).

Besides transformational leadership, participative leadership is another leadership style that encourages participation and interaction between leaders and their subordinates. Rather than taking autocratic decisions and direct instruction, they will try to involve other people in the process, mainly including team member, subordinates, peers, superiors and other stakeholders. Usually, the manager or leader will give or deny control to the subordinates; most participative activity is within the immediate team. The level of influence and power depend on the manager's preferences and beliefs, and a whole spectrum of participation is possible (Jong and Hortag, 2007).

Participative leadership can be practiced through brainstorming, open discussion and other similar participative opportunities where employees can freely suggest new ideas and provide solutions on particular issues thus be part of the decision-making process within the organization. This can create a room for employee innovative behaviour from exploring opportunity and generating new ideas. Leaders should encourage the subordinate to think and work in new ways; help them look for new

experiences that may spark and encourage new ideas; and they create a regular operations context in which sharing and developing new ideas is the norm. Yukl (2002) mentioned that all this activities can be done if management involves their subordinate in the discussion or decision making. With that, the subordinate will have a sense of belonging towards the organization and would be willing to demonstrate more innovative behaviour.

More and more leadership researches have focused on leaders influencing teams or the organization, and their relationship with followers. This approach emphasizes a vertical influence-related process in which subordinates are controlled, influenced and managed by a single individual leader (Carmeli & Tishler, 2006). Therefore, leaders can directly influence the behaviours of their employees. Leaders play a vital role in motivating such innovative behaviour (Jong and Hartog, 2008). Previous studies have indicated that employees' innovative behaviour depends greatly on their interaction with others in the workplace, surely including their leaders (Anderson et al., 2004; Zhou and Shalley, 2003). In general, leaders have a powerful source of influence on employees' work behaviours and innovative behaviour is no exception (Yukl, 2002).

Based on Howell and Higgins's (1990) study, he provided the explanation regarding the importance of innovative behaviours of individuals in the work place. He suggested that the success of innovative ideas is mostly based upon "champions". Without the support from the management team, their effort is wasted. Individuals who informally start to promote the idea with excitement, conviction, persistence, energy, and willingness to take risk on their position and reputation to ensure the innovation's success

will face the failure if they are unable to sell the idea to the user. Therefore, leadership is playing a very important role in motivating and encouraging their employee to have innovative behaviour and producing more innovative output in their workspace by supporting their idea (championing).

Leadership research has taken different perspectives such as leader traits, behaviours, and the influence of situational characteristics on leader effectiveness. In the past 20 years, transformational and charismatic leadership approaches have gained popularity. Participative leadership is also becoming more popular by Jong & Hartog (2008); we should focus on the perspective and how participative leader behaviour influence and motivate employees' idea generation and application behaviour to create innovative work behaviour.

Participative leadership's leaders try to use various decision-making procedures that determine the extent to which people can influence their decisions and have the autonomy to design and perform their own tasks. It is open and flexible in the workplace to encourage all innovative new ideas. Participative leadership can take different forms in their organizations such as consultation, joint decision making and delegation (Yukl, 2002). Such leadership style is one of the antecedents of individual innovation (Judge et al., 1997). In a study among the employees of a manufacturing plant, Axtell et al. (2000) found a positive relationship between participation and employees' innovative behaviour, measured using self-ratings of employees' suggestions and implementation efforts.

2.4 HIGH PERFORMANCE WORK CULTURE

An organization's work culture can be defined as a shared value among the employees, basic assumptions that the group learned as it solved its problems of internal integration and external adaptation that has worked well to be considered valid. So, it had to be taught to new members who just joined the organization as the correct way to follow, perceive, think, and feel in relation to those problems (Schein, 1990).

It is important to start with explaining exactly what an organization would actually look like in order to have the capability to create a "culture of high performance". Understanding how that picture differs from typical organizations will highlight the critical differences for the types of organization, and help the organization to predict the changes required to transform a culture. In a high performance work culture, employee will behave differently. However, people tend to behave appropriately to their own, individual perception of the situation. Therefore, it is logical to assume that in different work cultures, people would react and respond differently. One aspect of people's perception of their situation within an organization can be easily identified by the terms they use to describe their job (Roodt, 2007).

In a high performance work organization, the basic concept is to create a strong and committed internal environment that supports customer needs and expectations in order to sustain competitiveness. For instance, Juechter et al.'s (1998) study of high performance organizations found that a clear, understandable and compelling direction on company's mission, vision, and strategy are embraced by employees at different levels,

and employee involvement (teamwork, capability development, and empowerment), positively influence outcomes.

High performance work culture also can be interpreted as one type of the organizational culture. McNamara (2006) compared the organizational culture to that of an individual's personality comprising of a set of assumptions, norms, values, value, signs and artefacts that can be viewed in the organizations' members and their behaviours. In other words, the way the person dresses, speaks and acts is a reflection of their own personality and their behaviour is influenced by their own set of assumptions, values, beliefs and norms (McNamara, 2006). Some researchers indicated that an organization's culture influences the way people think consciously and subconsciously, the way they make decisions and extends to the way they feel and behave (Lok & Crawford, 2004). It was argued that this kind of influence could have considerable impact on organizations in terms of their performance (Lok & Crawford, 2004). Therefore, high performance work culture can influence the behaviour of employee including innovative behaviour in their workplace.

Clemmer (2005) found that high performance organizations integrate the intangible elements of their character (that which give meaning to the people in the organization) with the tangible elements (the organization's management processes and systems). These tangible elements are said to translate the ideals of the organization into action (Clemmer, 2005). The intangible element is important in giving clear picture to the people in the organization.

Among some of the models used before in other researches, one of the most important dimensions is that high performing organizations possess a clear vision and a solid strategy. This dimension is a base determinant required in high performance organizations as it provides direction and provides a platform to design strategic plans and set goals for the future and one of the key drivers of the organization vision and strategy is the commitment demonstrated by leadership figures in the organization (Cowen & Osborne, 2002).

Again, leader is playing an important role in creating high performance organization. In most companies, these leaders are normally composed of the executive team and they perform a lead role in the implementation of the company's vision and strategy. The ability of the top management to translate the company's vision and strategy into achievable target for the rest of the business requires a combination of a positive doable mindset and knowledge on how to steer its people towards reaching them (Cowen & Osborne, 2002). It is clear that leader have to master new concepts and theories, cultivate new insights, command new skills, and above all, develop a global mindset conducive to global thinking and strategizing beyond that has been successful in the past. (Roodt, 2007).

In high performance companies, employees understand the company mission and vision and they believe in the vision of the business. They are treated fairly where poor performance is frowned upon while good performance is rewarded. It is a company where employees are committed to long service most importantly; organizations with

high performance work cultures are recognized by their 'vibe' and described as exciting places to be. The people within the organizations believe that anything is possible. They are obsessed on beating their competitors and they are determined to do whatever is required to achieve success. Innovative work behaviour should be one of the characteristics in high performance organization. The organization's recruitment and selection strategies ensure that the best people are selected and recruited (Roodth, 2007).

High performance companies have a clear strategy. The strategy normally consists of three key elements that are precise performance measurements; a good recognition system for top performance as well as clear and transparent communication systems. This ensures that employees always know what are company or management's expectation on them; the rewards and recognition system has a credible reputation and employees always know what is happening within the organization. Annual performance evaluation is one of the tools to assess their performance and establish an effective recognition system.

With a full commitment and involvement in their job as well as clear direction given by top management, the employee should demonstrate high innovative work behaviour in high Performance organization. So, high performance work culture Company is expected to have employees who always practice innovative works behaviour in order to survive in the high competitive business world. The aim of this study is to contribute to the field of individual innovative output by measuring the employee's IWB under participative leadership among 2 high performance work culture Companies – IBM Malaysia Sdn Bhd and HP Company.