

## **CHAPTER 5: CONCLUSION AND RECOMMENDATION**

This study proposed and tested a model that linked a few variables: high performance work culture, participative leadership, innovative work behaviour and innovative output. We will further discuss to elaborate the findings from Chapter 4, together with the research objective and questions in this chapter. We will also highlight the limitation of this study, suggestion for future research, implication and recommendation for reader's benefits.

### **5.1 DISCUSSION OF THE FINDINGS**

#### **5.1.1 Normality Testing**

Under the normality testing, some of the demographic items do not have normal distribution bell-shaped graph. With the objective of this study, where only selected employees from IBM and HP's operational support team as the respondents, it is expected that the study contain some demographic items which do not pass the normality test. However, when referring to other items, which do not impacted by the companies selected, all passed the normality testing. Therefore, the overall result indicates that the distribution of the sample was considered normal. Hence, the sample is still acceptable and can be considered as normally distributed and conveniently selected from the population (Operational Support Team employees from IBM and HP).

**Table 5.1: Normality Testing (Descriptive Statistic Justification Table)**

Demographic	Normal Distribution of Sample	Justification
AGE	Not Supported	Young workforce in IBM and HP
GENDER	Supported	
ETHNIC_GROUP	Supported	
GROSS_MONTHLY_INCOME	Not Supported	Under the same department, so has similar income range
CURRENT_JOB_POSITION	Not Supported	Under the same department, so has similar job position
YEARS_OF_SERVICE	Supported	
Company	Supported	

### 5.1.2 Hypotheses Finding

Based on the literature review, research objectives and questions, we focused on the results of the hypotheses testing. H1 - Participative leadership was positively related to innovative work behaviour; and H2 - High performance work culture was positively related to innovative work behaviour, that were supported under Correlation testing and Regression analyses. This was consistent with Jong and Hartog (2008) study. However, both independent variables do not have strong relationship with innovative work behaviour as  $r < 0.5$ . This is because the majority of the respondents have less than 5 years of service in that organization. As they were new in the organization, so most of the time spent to understand the job's process and procedure, rather than focus in innovative work behaviour. Besides, by screening through supervisor-rated questionnaire, we found that supervisor could not see the employee's innovative behaviour in this short period of employment; therefore, most of the questions were rated as neutral.

Furthermore, H3 - Innovative work behaviour mediates the relationship between participative leadership and innovative output and H4 - Innovative work behaviour mediates the relationship between high performance work culture and innovative output are both supported by Hierarchical Regression analyzes. The result obtained from this

study is consistent with Axtell et al. (2000) finding that innovative work behaviour impact innovative output. Therefore, with employee's own innovative work behaviour, it will help to create more innovative output,

Lastly, For H5 - There is a difference in innovative work behaviour between IBM's employees and HP's employees. This hypothesis was not supported using T-test. Although IBM have better performance in terms of revenue compare to HP, but HP's employees still demonstrating innovative work behaviour, so company performance was not significantly impacted by innovative behaviour. In other words, by comparing the mean of innovative work behaviour between both companies, the analysis result does not support Salim and Sulaiman (2011) study that there is positive relationship between innovation (measured as innovation in process, products, administration system) and company performance. Both IBM and HP are showing similar innovation level in operation support team, but the company performance in term of revenue, EPS etc were much different.

In summary, the above analysis supported the previous studies' findings that high performance work culture and participative leadership significantly related to employee's innovative work behaviour as discussed in chapter 2. It is good to collect the data from both groups of respondents independently as shown in this study's sampling methodology where the employee rated on high performance work culture, participative leadership and innovative output questions; where else supervisor rated on employee innovative work behaviour separately. The result is more reliable as shown in table 4.11 - Hierarchical

regression analysis (Participative Leadership). The result shows that the relationship between Participative leadership and innovative output is  $R^2=0.524$  (both participative leadership questions and innovative output were answered by employees). However, the relationship between participative leadership and innovative work behaviour is lower at  $R^2=0.224$  as the participative leadership questions were rated by employees but innovative work behaviour questions were rated by their supervisor. Although it derived the same result about the significant relationship, but it still shows that employees may perceive that they have innovative output in their workplace. Nonetheless, when their innovative behaviour is rated by their supervisor, different results are obtained.

Besides, this study has focused on 2 high performance work cultures companies – IBM and HP. From the findings, it is consistent with the previous studies finding that high performance work culture is significantly related to employee innovative behaviour. Both companies have similar ratings on employee innovative work behaviour. This indicates that both companies' employees work under high performance work culture and demonstrated innovative work behaviour in their workplace even though IBM has better performance compared to HP in terms of revenue as mentioned in chapter 3.

## **5.2 LIMITATION OF THE STUDY**

There were several limitations in this study that deserve consideration. First up is the study makes use of a cross-sectional survey which does not allow conclusions regarding causality nor does it fully capture the dynamic nature of the relationship between company's work culture and leadership towards follower innovative work behaviour.

The cross-sectional nature of the data employed means that the causal relationships between variables in this study can only be inferred. Cultivating more valid insights about the causal antecedents and effects of high performance work culture, participative leadership towards innovative work behaviour and innovative output would benefit future research. This is even better if more rigorous research designs (e.g., longitudinal designs) and analytic techniques more suited to testing causal hypotheses (e.g., structural equation modelling) were employed.

For example, because work culture and its application to innovative behaviour is not a one-shot kind of experience (it typically requires some trial-and-error and adaptation), it is possible that the high performance work culture and participative leadership variables would show a stronger relationship with innovative work behaviour when assessed from a longer-term perspective.

Second, considering that self-ratings on innovative work behaviour by employee might not give the real measurement due to inherent problems; however, supervisor

ratings may also have its limitation. Supervisors' ratings might be somewhat biased due to their overall, holistic view of the capabilities and performance level of a particular employee. This might influence the inter-correlations between variables - high performance work culture and participative leadership and innovative work behaviour. Due to employee is required to provide their names in the survey for matching purpose, respondents felt uncomfortable and their answer might not be reflecting to the real situation especially when they are evaluating supervisor's performance under participative leadership. Again, it influences the inter-correlations between variables.

Third, since the study completed was among employees in both selected high performance company - IBM and HP, therefore the respondents are having similar background such as age, monthly gross salary, years of service and the experience of innovative work behaviour. Therefore, the result is similar from all respondents. With this limitation, the finding is difficult to replicate into the universal for all company regardless whether it is a high performance company.

### **5.3 SUGGESTION FOR FUTURE RESEARCH**

For future research, it can extend the scope of study and enlarge the group of respondent by not only limited to selected companies' input since it will produce a limited insight or information to the readers when majority of the respondent have similar background and experience in the company. We can find different opinions and inputs, if we have respondent from different company and this will help us to gain an overview of the innovative behaviour.

Therefore, we recommend evaluating employee innovative work behaviour from different organization, including high performance and low performance culture or big organization, as well as small organization. As per study of Rabia (2010), size of the organization does not play a significant role in IWB. Therefore, further study can examine if IWB is significant with the high/low performance work culture. The employee might also demonstrate innovative work behaviour even though they are not working in the high performance work culture's organization. Future studies may have comparisons with culturally diverse organizations, and cross-cultural replication of the current study.

In order to have evaluation that is more accurate on innovative work behaviour, the questionnaire can be extended to employee self-rating, supervisor rating, peer rating and customer rating to avoid bias from supervisor and increase the validity and reliability of the result. As the respondent feel uncomfortable to provide their name in the survey form, so we should honour the confidentiality of the data by using other method (such as numbering or other symbol) to do the matching from two sets of answers.

## **5.4 IMPLICATIONS**

### **5.4.1 Managerial Implications**

This study confirms the positive relationship between high performance work culture, participative leadership and innovative work behaviour. This finding is consistent with previous the studies (e.g: Judge et al. (1997), besides Axtell et al. (2000), and Pool, 2000). The findings reveal that employees innovative work behaviour is able to stimulate employees' innovative output in their jobs.

An organization should understand whether innovation culture exist in the workplace, and how can the management team make it happen? How do organizations develop an innovation culture? Who should be involved in the innovation process? What roles should the management team play in creating the innovation culture? All these questions usually opens management mind to further consider about employees' innovative work behaviour and it is the purpose and significant of this study.

Therefore, this result may be useful in helping organization to understand the link between culture and leadership and innovative behaviour to develop better competitive strategies and performance. The finding is valuable for those organizations who currently practicing high performance work culture, or planning to create this culture in the future to encourage employee innovative work behaviour because there was not much study done previously on the relationship between high performance work culture and innovative work behaviour as discussed in chapter 2.



This study proves that high performance work culture has moderate and positive relationship with innovative work behaviour. With this finding and expectation, organization can use it as a based when considering whether to move to high performance work culture in organization.

Besides, the finding also has practical implications for the training and development of manager's leadership style. Training and development management programs could teach managers about the important role that culture and leadership plays in order to manage their team more effective and improve the company's performance. However, it is also crucial for management to consider that using a participative leadership style is not pertinent in every organizational context. As the respondent in this study are all from high performance work culture, so the result might be different in other work culture. An organization that offers products and services that do not involve much innovation will not bring much benefit using participative leadership styles. Organizations that have products and services that need constant improvement to fulfill ever-changing customer needs must remain innovative and are more suited to encourage participative leadership styles.

#### **5.4.2 Academic Implications**

The objective of this study is to examine the proposed factors of high performance work culture and participative leadership related to employee's innovative output in their workplace specifically. The findings indicated that high performance work culture and participative leadership significantly affect innovative work behaviour, which

is parallel with a number of prior researches as discussed in chapter 2. Therefore, this study can act as one of the references for future innovative work behaviour research.

Besides, the research instruments employed in this study has based on adoption and further modification of previous studies (Jong and Hartog, 2008). Previous studies concluded that the external work contacts and participative leadership has positive relationship with employee's innovative work behaviour.

However, this study modified the independent variable from external work contacts to high performance work culture and tested in Malaysia context. This new instrument has passed the factor analysis and reliability test, so it is indicating that the adoption and modification of this instrument are appropriate. Therefore, this is a new and significant approach instrument, and is applicable in Malaysia context for future study.

## **5.5 SUMMARY AND CONCLUSION**

As innovation is more and more important for organizations, the study of what affects innovative behaviour of employees is increasingly important. Especially the studies of antecedents that are under managerial control are of substantial value for organizations. Therefore, management should well understand the factors leading to employee innovative work behaviour as this will lead the company to better position in high competitive business work. High performance work culture and participative leadership are two factors among the rest can be considered and further studied.