

Servant leadership and employee innovative behaviour: Unpacking the role of support for innovation and creative self-efficacy in knowledge intensive service context

Tahira Nazir

Amjad Iqbal

Department of Management Sciences
COMSATS University Islamabad
Wah Campus, Wah, Pakistan

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Abstract

Employee innovative behaviour is widely emphasized as a critical driver of organizational innovation. Drawing on social information processing theory, this research proposes that by exhibiting servant leadership style, organizational managers can stimulate employee innovative behaviour directly and through the mechanism of support for innovation. This study also anticipates that the role of employees' creative self-efficacy in strengthening the influence of support for innovation on innovative behaviour. To test the proposed relationships, data is collected from 338 IT professionals working in twelve large-sized IT-based service organizations of Pakistan. The results surfaced from PLS-SEM analysis indicate strong support for direct and positive linkage between servant leadership and innovative behaviour and significant role of support for innovation in mediating this relationship. However, the accentuating role of creative self-efficacy is not supported. This study extends existing knowledge concerning the nexus between servant leadership and innovation by examining the mechanism of support for innovation by which servant leadership can augment employee innovative behaviour. Findings of this research entails vital implications for service organizations striving for superior innovation performance. Furthermore, some contradictory findings of this research call for further empirical investigation for more finegrained managerial implications.

Introduction

Innovation has been widely recognized as the key determinant of organizational performance, competitiveness and longterm survival in dynamic business environment and volatile marketplace (Hughes, Lee, Tian, Newman, & Legood, 2018, Jia, Chen, Mei, & Wu, 2018). In an organizational context, whether it is manufacturing or services-oriented, innovation is mainly driven by employees by producing and implementing novel ideas (Iqbal, Nazir & Ahmad, 2022). Employees' behaviour, directed at creation and implementation of new and novel ideas is defined as innovative behaviour (Scot & Bruce, 1994). However, exhibition of such a risky and proactive behaviour requires a workplace environment that support novel ideas (Haider, Zubair, Tehseen, Iqbal, & Sohail, 2023). Prior research has continuously emphasized the role of leadership in shaping a supportive work environment that is conducive to employees' involvement in risky and proactive behaviours such as innovative behaviour (Lee et al., 2020).

Earlier research has documented the importance of various leadership styles in stimulating employees' innovative behaviours (Lee et al., 2020). These leadership styles include but not limited to transformational, transactional (Gu, Duverger, & Yu, 2017), entrepreneurial (Iqbal et al., 2022), authentic (Schuckert, Kim, Paek, & Lee, 2018), and ethical leadership (Ullah, Mirza, & Hameed, 2022). Given that innovation activities are risky and proactive in nature, an employee-oriented form of leadership is more conducive to innovative behaviour. Moreover, in a knowledge-intensive work context such as information technology service organizations, employees remain under consistent pressure to come with up novel ideas (Iqbal, Latif, & Ahmad, 2020). Therefore, in such knowledge-based organizations, employees are more concerned about their wellbeing. Hence, an employee-centric form of leadership is more relevant in

such work contexts. Servant leadership as a moral and employee-oriented leadership style that primarily focuses on employee needs (Greenleaf, 1970). In recent years, the burgeoning research has provided an increasing evidence regarding the role of servant leadership in fostering positive behaviours and performance outcomes at individual level (Eva, Robin, Sendjaya, van Dierendonck, & Liden, 2019). Additionally, recent meta-analytic studies and empirical investigations have documented that in comparison with other leadership behaviours such as ethical and authentic leadership, servant leadership has stronger association with positive employee behaviours and has the ability to generate an additional variance in employees' attitudinal, behavioural and performance outcomes (Hoch, Bommer, Dulebohn, & Wu, 2018).

Although, several studies have examined the nexus between servant leadership and innovative behaviour; however, contradictory results of these studies warrant further exploration of the mechanisms and boundary condition under which the influence of servant leadership can be best translated into employees' innovative behaviour (Newman, Neesham, Manville, & Tse, 2019). In line with such calls for further investigations and borrowing theoretical perspectives from social information processing theory, the present study intends to examine the mediating role of perceived support for innovation as an important mechanism linking servant leadership and followers' innovative behaviour. Additionally, this research is also proposed to examine the role creative self-efficacy as a critical boundary condition accentuating the influence of perceived support for innovation on employee innovative behaviour.

Theoretical background

Servant leadership as an antecedent of employee innovative behaviour

Due to consistent pressure for innovation, knowledge-based organizations have extended their focus on employee-centric forms of leadership to promote positive behaviours of their employees while ensuring their wellbeing (Newman et al., 2018). According to seven-dimension conceptualization, as theorized by Liden et al. (2015), servant leaders have conceptual skills, exhibit ethical behaviour, show concern for community, put their followers first, focus on their emotional healing, empower their subordinates, help them grow and succeed. In leadership studies, Blau's (1964) social exchange theory (SET) has been frequently used to understand the association between leadership and follower outcomes. Consistent with reciprocity norms that are the core tenets of SET, it is argued that when employees receive positive treatments from their leaders, they are highly motivated to reciprocate with effective performance and improved work attitudes and extra-role behaviors that benefit the organization (Iqbal et al., 2020; Jaiswal & Dhar, 2017).

Extant research reveals that employee-centric forms of leadership such as servant leadership can positively influence key outcomes at followers' level such as organizational citizenship behavior (Newman, Schwarz, Cooper, & Sendjaya, 2017), voice behavior (Chughtai, 2016), and performance (Liden, Wayne, Liao, & Meuser, 2014). Servant leadership focuses on serving-others and thus has the ability to honor commitment, care and empower subordinates, develop their competencies and emphasize their interests (Liden et al., 2014). In line with SET, these leaders with such people-oriented characteristics prompt their followers to exhibit greater responsibility at work (Hale & Fields, 2007) and reciprocate with improved performance and demonstrate creative behaviour (Karatepe, Ozturk, & Kim, 2019). Consistent with this reasoning, several empirical investigations have demonstrated positive effects of servant leadership style on employee innovative behaviour. Thus, drawing support from social exchange perspective and based on the findings of previous research, this study proposes the following.

H1: Servant leadership has positive association with employee innovative behaviour.

Mediating role of perceived support for innovation

Contradictory results of prior research suggests that the effects of servant leadership on followers' innovative behaviour do not take place in a simple and straight forward. This study focuses on employees' perception of support for innovation in transmitting the effect of servant leadership on employee innovative behaviour. Perceived support for innovation reflects employee's perception that they are encouraged to produce creative ideas, they can solve problems differently without any negative consequences and their organization is characterized by flexibility and continuous change where

employees' ability to generate new ideas is respected (Scot & Bruce, 1994). Consistent with notion, social information processing (SIP) (Salancik & Pfeffer, 1978) theory can be invoked to explain the linkage of servant leadership with employees' innovative behaviour via their perception of support for innovation at workplace. SIP theory posits that employees in a group, team or department do not operate in isolation. Instead, they conduct their work through a complex social process whereby they tend to seek and interpret social cues from their work environment to build their perceptions regarding workplace climate or environment. Leadership is a prominent source of social information to perceive work environment.

Servant leaders pay personal attention to empowerment, growth and development of their follower and they are open new ideas from their subordinates thus engendering perceptions of psychological safety (Chughtai, 2016). These social cues from leaders make employees feel that their work environment is supportive for engagement in innovation related activities and do not fear any retaliation for their new ideas and novel solutions to work related issues. This perception of support for innovation prompt employees to engage in creation and rationalization of novel ideas. Prior research indicates that perceptions of support for innovation at work is positively related to employee innovative behaviour (Akbari, Bagheri, Imani, & Asadnezhad, 2021). Aligned with assertions of SIP theory and earlier evidence, the current research proposes the following relationship:

H2: Perceived support for innovation mediates the positive association between servant leader and employee innovative behaviour.

Modrating role of creative self-efficacy.

Prior research argues that employees' ability to produce and implement new and complex ideas also plays a critical role in shaping their innovative behaviour. Employees' self-efficacy is mainly rooted in social cognitive theory which suggests that self-efficacy is a required condition that enable individuals to exhibit specific behaviours (Bandura, 1997). Creative self-efficacy is a particular facet of self-efficacy that refers to an individual's perception that he/she has the capability of realizing creative tasks (Tierney & Farmer, 2002). According to Hsu et al. (2011), creative self-efficacy refers to "one's confidence in the ability to perform a specific task in the innovation process" (p. 259). Prior studies suggest that employees with enhanced creative self-efficacy more strongly tend to exhibit innovative behaviour. Likewise, employees with greater self-efficacy, who are already motivated by support for innovation, are more likely to demonstrate innovative performance. Hence, it can be assumed that creative self-efficacy will accentuate the relationship between perceived support for innovation and employee innovative behaviour. Consequently, this study proposes the following (Figure 1):

H3: Creative self-efficacy moderates the association between perceived support for innovation and employee innovative behaviour such that the association is stronger when creative self-efficacy is high.

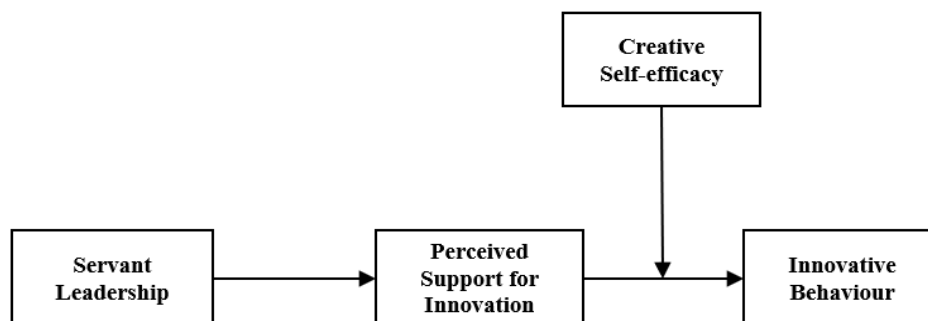


Figure 1: Proposed research model

Methodology

Sample and procedures

Using cross-sectional study design, data was gathered from 338 employees of twelve large-sized organizations providing information technology services and located in Rawalpindi and Islamabad

regions of Pakistan. In final sample, the male respondents accounted for 79% and female 210 indicating age of 26 years on average. Additionally, 62% of the respondents had a professional diploma or bachelor's degree. The mean job tenure of the participants in their respective organization was 4.5 years. Instruments used current study are portrayed in Table 1 and tapped using five-point Likert scales ranging from 1 for "strongly disagree" to 5 for "strongly agree".

Data analysis and results

PLS-SEM technique was employed data analysis and testing the proposed relationship through SmartPLS 4 software (Ringle *et al.*, 2022) by following recent guidelines and recommendations (e.g. Hair *et al.*, 2019). Initially, measurement model was assessed to confirm and establish reliability and validity of study constructs. Table 2 shows that outer loadings of indicators of all the constructs are above 0.70. Composite reliabilities of all constructs are well above minimum threshold of 0.70 and average variance extract (AVE) values meet the minimum requirement of 0.50. Likewise, Table 3 indicates that HTMT ratios indicating adequate discriminant validity. Collectively, these results establish that the quality of measurement model is satisfactory.

Table-1: Measurement Instruments

Construct	No. of Items	Source
Servant leadership	7	Liden et al. (2015).
Support for innovation	6	Scot & Bruce (1994)
Creative self-efficacy	3	Tierney and Farmer (2002)
Innovative behaviour	6	Scot & Bruce (1994)

Table 2: Factor loadings, CR values and average variance extracted

Construct	Indicator	Loading	CR	AVE
Servant leadership	SL1	0.794	0.909	0.589
	SL2	0.754		
	SL3	0.747		
	SL4	0.803		
	SL5	0.799		
	SL6	0.758		
	SL7	0.712		
Creative self-efficacy	CSE1	0.899	0.909	0.769
	CSE2	0.843		
	CSE3	0.888		
Support for innovation	SI1	0.798	0.890	0.620
	SI1	0.856		
	SI3	0.794		
	SI4	0.718		
	SI6	0.740		
	SI6	0.740		
Innovative behaviour	IB1	0.796	0.915	0.643
	IB2	0.860		
	IB3	0.829		
	IB4	0.783		
	IB5	0.808		
	IB6	0.730		

Table 3: Discriminant validity (HTMT criterion)

	CSE	IB	SI
IB	0.876		
SI	0.669	0.724	
SL	0.665	0.695	0.827

Note: SL = servant leadership, SI = support for innovation, IB = innovative behaviour, CSE = creative self-efficacy.

Note: SL = servant leadership, CSE = creative self-efficacy, SI = support for innovation, IB = innovative behaviour, AVE = average variance extracted, CR = composite reliability.

In the next step, structural model was evaluated for explanatory power and relevance and statistical significance of hypothesized relationships using bootstrapping procedure with 10,000 sub-samples. To this end, we first evaluated R² value of target construct. The results show R² = 0.451 indicating that the hypothesized model explain a variance of 45% in innovative behaviour. This value of R² demonstrates medium explanatory power of the model. Table 4 exhibits results of hypothesis concerning direct, indirect and moderated relationships. The results indicates that servant leadership has positive relationship with innovative behaviour ($\beta=0.368$, $t=5.561$, $p < 0.01$) showing support for H1. The results further reveal that servant leadership has positive association with support for innovation ($\beta=0.707$, $t=20.023$, $p < 0.01$) and support has positive linkage with innovative behaviour ($\beta=0.357$, $t=5.856$, $p < 0.01$). These results points to the mediating role of support for innovation. Consequently, the results exhibit that support for innovation play a significant mediating role in the linkage between servant leadership and innovative behaviour ($\beta=0.253$, $t=5.381$, $p < 0.01$) providing support for H2. However, the results do not validate the role of creative self-efficacy in strengthening the relationship between support for innovation and innovative behaviour ($\beta=-0.036$, $t=1.740$, $p > 0.05$). Hence, H3 is not substantiated.

Table 4 : Results of structural model evaluation

Relationships	β	t-Value	p-value
<i>Direct effects</i>			
SL → IB	0.368	5.561	0.000
SL → SI	0.707	20.023	0.000
SI → IB	0.357	5.856	0.000
<i>Indirect effects</i>			
SL→SI→IB	0.253	5.381	0.000
<i>Moderating effect</i>			
CSE x SI → IB	-0.036	1.740	0.082

Note: SL = servant leadership, SI = support for innovation, CSE = creative self-efficacy, IB = innovative behaviour.

Discussion, implications and future research directions

Prior studies have widely documented the critical role of servant leadership in shaping positive behaviours. The objective of present study was to examine the nexus between servant leadership style and followers' innovative behaviour and exploring the underlying mechanism and boundary conditions under which this relationship can occur. Based on data collected from employees of IT-based organization in Pakistan, findings of this investigation entail several theoretical implications. First, this study extends growing and conflicting evidence concerning the role of employee-centric leadership in directly stimulating innovative behaviour. In congruence with the propositions of SET (Blau, 1964), findings of current investigation indicate positive direct relationship between servant leadership style and subordinates' innovative behaviour. This finding contradicts the results of study conducted by Newman et al. (2018) who did not find direct linkage between servant leadership and innovative behaviour. However, in line with the propositions of SET, the findings of current study substantiate the evidence

concluded by Iqbal et al. (2019) which suggest that when employees receive positive and favourable treatment from their leaders, they tend to go beyond transactional obligations and reciprocate with desirable behaviours.

Second, building upon SIP theory (Salancik & Pfeffer, 1978), the present study extends prior evidence by assessing and documenting the role of support for innovation in mediating the relationship of servant leadership with followers' innovative behaviour. In alliance with the core tenets of SIP theory, findings of present research suggest that social cues of empowerment, growth and development, concerns for individual interests and openness for new ideas that employees receive from servant leadership foster perceptions of support for innovation (Reiter-Palmon & Illies, 2004; Shin, 2015) that in turn prompt them to engage in innovative behaviour (Akbari et al., 2021). In doing so, this research not only contributes to servant leadership and innovation literature but also confirms the validity of SET and SIP theories in explaining the nexus between leadership with servant characteristics and employee behaviour. However, contrasting findings concerning the moderating role of employees' creative self-efficacy as concluded in present study call for further exploration of the mechanisms and boundary conditions under which servant leadership can better shape employee innovative behaviour. Additionally, this research calls for further empirical investigations in various work contexts for fine-grained practical understanding of the mechanisms linking servant leadership and employee innovative behaviour.

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