

IMPACT OF LEADERSHIP STYLES ON EMPLOYEES' INDIVIDUAL  
INNOVATIVE BEHAVIOR IN NEPALI PRIVATE BANKING SECTOR: ROLE  
OF KNOWLEDGE SHARING AND EMPOWERMENT

A Research dissertation submitted to  
Kathmandu University School of Management  
in partial fulfillment of the requirements for the  
Degree of Master of Philosophy (MPhil) in Management

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## DECLARATION

I hereby declare that this dissertation entitled *Impact of Leadership Styles in Individual Innovative Behavior of Nepali Private Banking Sector: Role of Knowledge Sharing and Empowerment* embodies the result of an original research work I carried out in partial fulfillment of the requirements for the degree of Master of Philosophy (MPhil) in Management of Kathmandu University and that this dissertation has not been submitted for candidature for any other degree.

.....  
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September, 2020



## RECOMMENDATION

This is to certify that Kabita Gurung has completed her research work on *Impact of Leadership Styles on Employees' Individual Innovative Behavior in Nepali Private Banking Sector: Role of Knowledge Sharing and Empowerment* under our supervision and that her dissertation embodies the result of her investigation conducted during the period she worked as an MPhil candidate of the School of Management. The dissertation is of the standard expected of a candidate for the partial fulfilment of the requirements for the degree of MPhil in management and has been prepared in the prescribed format of the School of Management. The dissertation is forwarded for evaluation.

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### APPROVAL

We have conducted the viva-voce examination of the dissertation *Impact of Leadership Styles on Employees' Individual Innovative Behavior in Nepali Private Banking Sector: Role of Knowledge Sharing and Empowerment* by Kabita Gurung and found the dissertation to be original work of the candidate and written according to the prescribed format of the School of Management. We approve the dissertation as the partial fulfillment of the requirements for the degree of Master of Philosophy (MPhil) in Management.

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## ABSTRACT

The empirical evidences for the role of transformational and transactional leadership in stimulating innovative behavior is limited and inconsistent. The significance of leadership style is expected to increase in the services sector, due to its direct impact on economic development. The purpose of this study is to examine the impact of knowledge sharing and empowerment on the effect of leadership styles on individual innovative behavior. There is an immense need to promote innovative work behavior in the banking industry as leadership plays a crucial role in promoting innovative work behavior in organization. Therefore, present study aims to enhance the understanding about innovative work behavior by examining the impact of empowerment and knowledge sharing on employee innovative work behavior. Two hundred and eighteen employees from fifteen private banks of the country participated in the survey. Correlation results indicated that transformational leadership, transactional leadership, knowledge sharing and empowerment were significantly related to individual innovative behavior. Results indicates that knowledge sharing mediates the relationship between transformational leadership and individual innovative behavior as well as with transactional leadership. The results also suggest that empowerment as a mediator did not mediate the relationship between transactional leadership and employee innovative behavior. Individual innovative behavior being one of the important topic in today's time, this study provides empirical evidence to researchers to explore the theme more extensively on various organization concepts.

*Keywords:* leadership styles, knowledge sharing, empowerment, individual innovative behavior, private banks, Nepal.

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## ABBREVIATIONS

KS	Knowledge Sharing
MLQ	Multifactor Leadership Questionnaire
NOY	Number of Years in the Job
TF	Transformational Leadership
TS	Transactional Leadership

## CHAPTER I

### INTRODUCTION

Innovative behavior of employees has greater impact on organizational efficiency and their survival as mentioned by Oldham and Cummings (1996) which is more relevant especially at present time of business environment where achieving a competitive advantage has become more important (Scott & Bruce, 1994; Shalley, 1995). Ramoorthy, Flood, Slattery and Sardessai (2005) in their study have emphasized to realize the undertaking of innovation, organizations need to work on their employees. They also need to work on innovating their laid procedures and operations to get fruitful results which may include series of reworks. Employees of organization are the single factor who will consider and implement innovative endeavors (Amabile, 1996).

According to Martins & Terblanche (2003), organizations depend on different actors to foster innovative work behavior and amongst them the organizational leaders are considered the most notable ones who can nurture and induce change (Janssen, 2000; Nazir, Qun & Shafi, 2018). Those circumstances lead to question on how leadership stimulate innovative behavior among employees. This study tends to show the bridge between leadership styles and individual innovative behavior. Based on leadership theories by Bass and Avolio (1997, 2000), this study will focus on two main styles of leadership behaviors which are Transformational leadership and Transactional leadership.

Transformational leadership have been encouraging innovation as a fundamental leadership function (e.g. Bass, 1985; Conger, 1999) and transformational leadership, in divergence to transactional leadership, has been debated to be a

particularly effective way to stimulate innovative behavior (Basu & Green, 1997). Jin (2010) suggests, transformational leadership embraces the basics of 'empathy, compassion, thoughtfulness, relationship building and innovation'. It is believed to foster climate of trust, nurture employees' confidence, and encourage their individual development. On the other hand, Transactional leadership may possibly produce an obedient workforce but obstructs innovative thinking, creativity, or initiative where productivity may be produced but innovations and breakthrough will be difficult to achieve (Mohiuddin, 2017). Transactional leadership is often argued as adversely related because it is observed to have more focus on in-role performance and less on encouragement of fresh activities (Pieterse, 2010). This behavior in turn is perceived as governing and demotivating which leads to less innovative behavior.

Janssen (2000) is of the view that to possess endless flow of innovation and to realize goals, individual employees got to be skilled to innovate. As a consequence of globalization most of the recent organizations face multi-faceted challenges. It is important that they be more creative in terms of products and services than before. Therefore, innovative behavior is indispensable for organizations to safeguard their survival and to develop in the current era of struggle (Jung, Chow & Wu, 2003; Tierny). Prior research conducted by Barroso Castro, Villegas Perinan and Casillas Bueno (2008) has recognized empowerment as the predictor of innovative work behavior as well as in the study done by Pieterse, Knippenberg, Schippers & Stam (2010) as well. Also, transformational leadership has been taken as prominent influencing factor on employee attitudes such as empowerment as mentioned by Avolio, Walumbwa and Weber (2009). As stated by Jung and Avolio (1999), with individual consideration and encouraging inspiration the transformational leaders tend to enable and cheer their team members instead of focusing on reward and

punishments. On the contrary, transactional leadership focus on in-role performance more than innovation. Hence, highly empowered employees in particular might view this as governing and discouraging which may instigate low innovative behavior (Deci & Ryan, 1987).

Leaders are anticipated to have a fundamental role in the empowerment process of employees (Druskat & Wheeler, 2003). According to Seibert, Wang and Courtright (2011), greater level of innovation at work can be achieved as empowerment is expected to enhance the individual ability to implement opinions and ideas. Similarly, Amabile (1988) indicated that, because the results of empowerment, workers feel they need independence and impact which may trigger creativeness among them. Empowerment adds to enrichment of these ideas generated by employees in the implementation stage which results to enhancing innovation in the workplace (Seibert, Wang, & Courtright, 2011). Conger and Kanungo (1988) have also asserted empowerment as an important factor contributing to innovativeness.

Earlier studies show knowledge management as vital for improving organizational performance (e.g. Choi, Poon & Davis, 2008; Perez & Alegre, 2012) and the knowledge sharing and innovativeness of workers in the organization (Kuo, Kuo & Ho, 2014). So there is a substantial influence of knowledge on innovative work behavior. Hence, knowledge sharing as a potential intellectual capital is believed to have an important impact on the development. Giustiniano, Lombardi and Cavaliere (2016) examined how people garner knowledge and found how knowledge sharing plays an important role in nurturing individual creativity.

In this ever evolving global market, human capital has been identified as the competitive advantage for any organization. This is apparent from literature on how leaders have major impact on their followers in terms of leadership style they possess.

Hence, the progress and advancement in services sector safeguards the general growth of economy, especially for a developing country. The private banking sector of Nepal is growing progressively that has given rise to intense competition among banks as well as an exemplary to other service sectors within the country. This sector has delivered a noteworthy role in facilitating for economic growth of Nepal. Therefore, to stay ahead in the business, banks can wisely manage their human capital efficiently by engaging different leadership styles. Thus, managing knowledge is of ultimate importance for banking firms, as it is for any other industry. Also, private banks have progressively huge and significant presence in Nepal, and most businesses now are relatively more inclined to bank with the private banks than traditional state-owned banks (Selectusa, 2019). Second, Nepali banking industry has substantial instabilities in the past for its liberalization, deregulation, improving information technology and globalization (ukdiss, 2018). In order to remain competitive and cope up with market irregularities it is important for banks to adopt knowledge sharing.

The existing number of total commercial banks in Nepal has given rise to fresh ideas in banking related operation especially by incorporating information technology and e-commerce practices using banking channels. There is an immense need to incorporate innovative work behavior in banking industry as leadership contributes in promoting innovative work behavior in organization. Current study hence targets to enhance the understanding about the subject by observing the effect of empowerment and knowledge sharing on employee innovative work behavior.

### **Statement of the Problem**

Innovative behavior has been identified as a multi-stage course of problem recognition, generation of ideas or solutions, support for ideas and idea implementation (Kanter, 1988; Scott & Bruce, 1994). Leadership style has been

identified as fundamental in organizations to lift innovation performance. It is, thus, imperative to study leadership practices and understand how these variables can have an impact on practices and longevity of innovation in organizations.

The practical data for the contribution of transformational and transactional leadership in stimulating innovative behavior is limited and inconsistent (e.g., Basu & Green, 1997, Shin & Zhou, 2003) with some studies finding positive effects, others finding negative effects and some studies finding no effects at all which is challenging to the theoretical definitions of the under study leadership styles in relation to innovative behavior. Judge and Piccolo (2004) and Lowe, Kroeck, and Sivasubramaniam (1996) in their studies have found a constructive relationship between transformational leadership and work unit efficiency measures which showed innovativeness to be a contributing agent of effectiveness. Similarly, a study performed by Khan, Aslam & Riaz, (2012) among the banks of Pakistan, it was found that transformational and transactional both promote individual innovative behavior. The outcome is consistent to the study performed by Riaz (2009) in the same banking sector. Likewise, in another study by Jaskyte (2004), no significant change in the production of ideas, innovative behavior, and leadership styles.

In this time of globalization, there is a requirement for employee empowerment in organizations so that employees will be in a situation to make quick decisions and respond quickly to any variations in the environment (Johnson, 1993). Psychological empowerment has an affirmative effect on employee creativity (Alge, Ballinger, Tangirala & Oakley, 2006). Berraies et al. (2014) Çakar and Ertürk (2010) have emphasized about how empowerment influences innovative work behavior still remains unconvincing. Some studies (Saray et al., 2017; Sulistyono, 2016; Çekmecelioğlu and Özbağ, 2014; Fernandez and Moldogaziev, 2013; Spreitzer, 1995;

Damanpour, 1991) have, for example, indicated the importance of empowerment on innovative work behavior.

Empowerment has been developing as a concern for all. The banking industry has been emerging relatively higher pace in Nepal (Dhungel & Dhungel, 2013) and is the sector having close connection with the macro-level economic growth in Nepal. Without detailed evidence on how employees assess empowerment and how it connects to their performance, Nepali banks' employers may not be able to utilize the productivity of their employees (Gautam, 2018). As per the study conducted by K.C and Neupane (2019), it states that from perspective of employees the status of employee empowerment is not satisfactory in the case of Nepali commercial banking sector. The researcher believes that study on empowerment in context of Nepalese banking sector or any other sector in relation to leadership styles and innovative behavior is still lacking. There are only handful of studies (Gautam & Ghimire 2017; K.C & Neupane, 2019) conducted on empowerment. other than that the focus of the topic is more towards women empowerment, health sector, rural development etc. Therefore, this study strives to investigate the mediating effect of empowerment on individual innovative behavior. Building on these arguments, we propose that empowerment can be an important mediator for the relationship between leadership styles and individual innovative behavior in Nepalese banking sector.

In today's struggle, the staffing, selection, training for knowledge and abilities are not sufficient (Brown & Duguid, 1991) but, must consider the transferring of expertise and knowledge to the deprived beginners from those who have (Hinds, Patterson & Pfeffer, 2001). The minority number of empirical evidence directly examining the relationship make it valuable to extend the body of evidence. Some researchers have also suggested for future examination of knowledge sharing in the

relationship between transformational leadership and employee innovative work behavior. For example, Li et al. (2019) have mentioned about how different variables may have a leading influence on an individual's capability to exhibit creativity (e.g., LMX, voice behavior, power distance, and knowledge sharing). And how future research can look into including them as potential mediators. Likewise, Khan et al. (2012) suggested on addressing moderating and mediating factors of leadership styles and innovative work behavior which can add to the existing body of knowledge.

Knowledge sharing is regarded as indispensable component of knowledge management (KM) after knowledge generation and knowledge codification (Yesil & Deril, 2013) and has captured enormous attention of researchers due to several strategic benefits to organizations in today's dynamic environment. In a study conducted by Chaudhary (2012) on knowledge management practice by banking industry of Nepal found that Nepalese banks are found to be well acquainted with the importance of KM, but this may not be sufficient to give consideration to formulation and implementation of KM strategy in Nepalese banking industry. The study also found that Nepalese banks use computer as the major mode of knowledge transfer and have intranet facilities but they are not very effective for the organization to use them to give remarkable output. Khanal and Poudel (2017) found a positive relation between components of KM process and organization performance when measured in terms of employee satisfaction of banking sector on Nepal.

In context of Nepal, there are ample studies concentrated around knowledge management practices such as Gautam (2012), Khanal (2017), Biswakarma (2018), Khanal & Paudyal (2018) and Paudel (2020) being the recent one. Although knowledge management has been widely discussed by many academicians and practitioners, there is scarcity of literature and information on knowledge sharing in

Nepalese context. Knowledge sharing as the most important segment and a hectic challenge of knowledge management (KM) is something that lacks the attention of scholars in our context. Baniya (2004) in his study revealed that knowledge management has identified human capital as crucial for any organization. The study further discloses how there is an absence of systematic knowledge management method towards human resource development in Nepalese business organizations. While maximum studies in the literature, relating to all aspects of KM, are concerned with the manufacturing industry, the service industry, and banking in particular is the least attended sector (Kubo et al., 2001). And as per researcher's knowledge this is first of its kind in context of Nepal.

Considering the stated gaps in the existing literature, the current study aims to examine the role of knowledge sharing on Nepalese private banking sector in terms of leadership styles and employees' individual innovative behavior. To investigate the aforesaid linkages private banking sector is ideal for particular reasons. First, the banking industry has been identified as regarded as most knowledge intensive industries and also considered as a fastest growing financial service sector in Nepal. Lamb (2001) mentioned that to gain competitive advantage banks should have the ability to leverage one of the vital intangible resources i.e. knowledge. Thus, managing knowledge is of greatest importance for banking firms, as it is for any other industry. Also, banks have unilaterally large and influential presence in Nepal, most businesses now are relatively more inclined to bank with the private banks than traditional state-owned banks (Selectusa, 2019). Second, Nepali banking industry has substantial instabilities in the past because of liberalization, deregulation, improving information technology and globalization (ukdiss, 2018). In order to remain

competitive and cope up with market irregularities it is important for banks to adopt knowledge sharing.

Extant literature has identified several antecedents and outcomes of knowledge sharing in organizations (Mishra & Pandey, 2018). Hence, it is necessary to examine the relationship in a context which is growing and requires leadership to drive employees' innovative behavior i.e private banking sector in case of Nepal. On the basis of the problem and research gap, the key questions to which this study is directed are:

- *Does knowledge sharing mediate the relationship between leadership styles and employee innovative work behavior?*
- *Does empowerment mediate the relationship between leadership styles and employee innovative work behavior?*

#### **Objectives of the Study**

Essentially, this study will seek to investigate the above mentioned issue in the Nepalese banking sector. More specifically, the objectives of the study are as follows:

- To examine the mediating role of empowerment on the relationship between leadership styles and employees' individual innovative behavior in Nepalese banking sector.
- To examine the mediating role of knowledge sharing on the relationship between leadership styles and employees' individual innovative behavior in Nepalese banking sector.

#### **Significance of the Study**

Individual innovative behavior contributes as a crucial agent in private commercial banks of Nepal. Banking in Nepal plays an essential role in the economy due to its governing place in the financial system (NRB, 2020). In Nepali context,

banking is believed to be the most desired place to work, whereas employee turnover rate is also one of the highest in this sector as mentioned the study of Adhikary (2018). In today's competitive world, Banks contribute in achieving the objective of economic development by financing every sectors and uplifting their development. As mentioned in Adhikary (2018), In Nepal, working at a bank is considered as a well-paid workplace for many graduates and job seekers. Also, many graduates after completing management degree are observed to have chosen banking career ignoring their first degree career prospects.

With respect to Nepali context, a study by Shrestha (2012) has revealed that transformational leadership is completely related to employee's satisfaction with the leader whereas for transactional leadership, relationship was not significant. Although the efficiency of transformational over transactional leadership in Nepali context has been found in consistence with the general trend of other studies, this study is focused in tele communication sector of Nepal and cannot be generalized to other sectors. Since it is believed that leadership is affected by organizations and cultures in which it appears, it is required to assess leadership in varying organizational and cultural contexts (Bass,1997). One possibility is to explore this with respect to banking sector, which is growing and is considered attractive by many graduates. The leadership literature recommends transformational leadership is important to enhance leadership skills in management trainees. This could be applied to our banking sector in particular since they are mostly hiring management trainees to develop future leaders in this sector. Furthermore, there are studies with respect to relationship of transactional-transformational leadership with other organizational outcomes across various sectors such as organizational citizenship, commitment, engagement etc.

Those studies are necessary to support the existing theoretical claims and extend to more practical application.

This study helps to expand the body of knowledge concerning innovative behavior in case of Nepal. Furthermore, most of the research concerning individual behavior was studied in the western context which may and may not fit in our context. Hence, this study is expected to help recognize applicable dimension in private commercial banks of Nepal, and also add to the current literature by investigating mediating effect of knowledge sharing and empowerment on leadership styles and individual innovative behavior. To the researcher's understanding, this could be the first study to investigate the influence of knowledge sharing and empowerment in terms of employees' individual innovative behavior in Nepali context. This research is beneficial as it helps identify the employees' perspective of leadership styles and provides guidelines for people managers on how to stimulate individual innovative behavior by practicing effective and systematic leadership styles.

The practical indication for the roles of leadership in stimulating innovative behavior is limited as well as varying (e.g., Basu & Green, 1997, Shin & Zhou, 2003). Hence, it becomes necessary to examine the relationships in different context which might help researchers to understand the different variables' relationship in the Nepali banking sector which may help them implement the findings of this study in other areas as well. The outcome of this study will contribute to the discussion about contextualizing employee empowerment in banking sector of Nepal adding further weights to the intermittent body of literature.

### **Organization of the Report**

This study has five chapters. Chapter - I briefly introduce the concepts, context, and study domain of this research.

In chapter -II a body of literature has been reviewed on transformational and transactional leadership styles, empowerment, knowledge sharing and individual innovative behavior. Empirical evidence of the reviewed study variables has also been incorporated. Moreover, theories and model supporting concerned variables have been covered too. Finally, at the end of this chapter, a research framework has also been formulated.

Chapter – III involves research process including research design, research hypotheses, variables and their operationalization. In this chapter research methodology is discussed in detail. This chapter concentrates on a detailed discussion on data collection, administration, and process.

Chapter – IV analyzes the major findings of the study. It has covered the result from demographic variables through respondent characteristics, descriptive statistics and comparison among different groups with study variables. The data is cleaned through confirmatory factor analysis and reliability analysis. After getting the acceptable model fit and reliability, different statistics were used to test the hypotheses. Particularly, correlation and regression analysis have been presented. Moreover, mediation role of empowerment and knowledge sharing has been presented and finally, summary of hypothesis testing results has been presented.

Chapter – V contains the summary, discussions, implications for practice and research, and critique of the study. This chapter compares, analyzes, and discusses major findings in relationship with prior researches.

## CHAPTER II

### REVIEW OF LITERATURE

This study looks into the contribution of psychological capital in entrepreneurial innovative behavior. This section attempts to overview innovative behavior and psychological capital in terms of their theoretical conceptualizations and discussions on the empirical results in the study domain.

#### **Conceptualizations of Leadership Styles**

‘Leadership is a process by which one person influences the thoughts, attitudes, and behaviors of others’ (Mills, 2005). To achieve the goal of organization, employees prefer to be leaded and motivated towards their goal and not only hear what should be done. Leadership styles were first identified by Burns (1978) in the perspective of political sciences as being polar to each other.

The overall leadership literature shows a sort of evolution in leadership theories, which one can assess with respect to theoretical and empirical focus; for example, we can see substantial shift in focus of leadership from traits to competence and to behavioral aspect of the leader at different times, although their inter-relatedness has also been explored. Similarly, the concepts of transactional and transformational leadership seem to have basically evolved and developed with respect to leadership in organizations. Although, Burns (1978) had initially defined transformational leadership with respect to inspirational behaviour of political leaders, Bass (1985) and his colleagues extended this concept to explain the behaviour of organizational leaders, which has been quite extensively studied in leadership literature, both conceptually and empirically. Also, while Burns (1978) had theorized transactional and transformational leadership as two ends of a single continuum, Bass

(1985) argued against this mutually exclusive characteristic and rather proposed that transformational leadership builds up on transactional leadership but not vice versa. This distinction between the transactional and transformational leadership and emphasis on the transformational leadership behavior is accredited for the resurgence of interest in the study of leadership (Hartog, Muijen & Koopman, 1997). The studies otherwise until late 1970s were found to be focused much on transactional nature of leader-follower behavior as explained by some of the most popular leadership theories of those times such as Path Goal Theory (1974), Leader Member Exchange Theory (1975), among others. Transformational leadership has since then proven to be a very popular construct in that more studies have focused on transformational leadership than any other leadership theories (Judge & Piccolo, 2004).

The transactional leadership theory rests on the basic premise of exchange relationship between leader and follower, which is hugely influenced by the social exchange theory. In the context of organizational leadership, transactional leadership has been explained in terms of exchanged rewards for appropriate performance, which hence focuses on leadership through contingent reinforcement. According to Bass (1990), the modern leadership behavior can be explained by its focus on two factors: accomplishing the task at hand and satisfying the self-interest of those who do good work. While much of these focuses seem to have been explained by transactional approach, the transformational leadership is believed to have added another layer to this exchange relationship. This is because transformational leadership also incorporates exchange of reward for compliance while inspiring followers to work beyond their self-interests for the achievement of shared goals. Bass (2008) has also emphasized that transformational leaders have to be envisioning in order to be able to influence the followers beyond their self-interest. Quinn (1988) has compared these

concepts of transactional and transformational leadership to previous leadership theories such as task oriented – relation oriented leadership (Fiedler, 1967). However, Bass has claimed transactional-transformational theory as a new paradigm, and he has also proposed a full range leadership model with factors to define both transactional and transformational leadership and no leadership dimensions which according to him were the findings of series of surveys and case studies (Bass, 1990).

We can therefore conclude that both transactional and transformational leadership are characterized by exchange relationship between a leader and a follower, however what distinguishes transformational approach from transactional approach is the dynamics of strong personal identification with the leader with a shared vision for the future. Transformational leadership is therefore argued to be more effective than the transactional leadership behavior. Since the effectiveness of transactional leadership is characterized by contingent reinforcement whereby good performance is rewarded and bad performance is punished, it is argued that it promotes mediocrity (particularly through passive management by exception) and does not motivate followers to excel as transformational leadership does. Moreover, scholars have also argued that using disciplinary threats to improve group's performance may be ineffective or even counterproductive in the long run. In contrary, through transformational leadership it is believed that leaders can ultimately transform organizations by envisioning change and mobilizing commitment to this vision.

Although the conceptualization of transformational leadership has become overtly popular overtime, scholars have also raised questions pertaining to the issues such as validation of each behavior as distinct dimension (Yukl, 2011), the augmentation effect which asserts that transformational leadership adds to the effect

of transactional leadership (Judge & Piccolo, 2004), among others which have both instigated and recommended further inquiries pertaining to validity of the measurement. With regard to the effectiveness of transactional and transformational leadership, several studies have made it evident that transformational leadership is more effective. There are several studies that have produced similar correlations between transformational leadership behaviour and higher ratings of organizational outcomes such as performance (Bass, 1990). Moreover, studies conducted in varying organizational set ups such as educational institutions (Koh et al., 1995), business organization (Howell & Avolio, 1993) also show that transformational leadership is positively related to positive organizational outcomes. However, scholars have also proposed that transactional leadership is more effective in organizational level while transformational leadership is more effective in individual and small group level (Bryant, 2003 as cited in Bass, 2008). Also, there is evidence that transformational leadership is more effective in military than civilian sector as shown by the studies done among political leaders, educators, military leaders and business leaders. In addition, management by exception was found to be less effective in civilian sectors than in military sector (as cited in Bass, 2008). With respect to the methodology applied, we see that the effectiveness of transformational and transactional leadership has been mostly studied through field survey, laboratory experiment and field experiments, case studies and comparative studies, mostly using Bass's MLQ which also showed the hierarchal relationship in terms of effectiveness of transformational leadership and dimensions of transactional leadership, establishing transformational leadership as the most effective leadership behavior.

The effectiveness of the transformational leaders can also be explained in terms of contingent condition opined by Bass (1997). However, Bass also argues that the best leader is a combination of both transactional and transformational leaders.

Although transformational leadership has been also considered as being effective in multiple situations and cultures as suggested by empirical studies carried out across leaders at different levels of authority and different types of organization and in several countries, universality of these findings are still questioned. The assessment of effects of different situations and cultural context with respect to means, variances and correlations have been suggested in the literature since few studies have shown discrepancies in such outcomes with respect to variation in context. For example: a study found significant discrepancy in the correlation between leadership and employee satisfaction in the US and in Mexico (Dorfman & Howell, 1988). Similarly, while it is acceptable for inspirational leaders to boast about their competence in order to reduce subordinates' feelings of fear and shame in Indonesia, same is considered inappropriate in Japan. In addition, scholars have found inconsistent finding pertaining to leadership behavior and organizational type as well (Singer & Singer, 1990).

Transformational leaders are observed as persuasive and inspiring (Avolio & Bass, 2002) who focus on upcoming needs, also have concerns with long-term issues, and visualize themselves from a universal viewpoint (Avolio, Waldman & Einstein, 1988; Bass, 1990). Hence, transformational leaders are thought to be intellectually stimulating in terms of innovative work behavior in modern organization. They encourage innovative work environment to acquire modern knowledge and technologies. Jung, Chow & Wu (2003) has examined the link between this factor and innovation at structural level. Transformational leadership has been noticeable in

stimulating innovating work behavior among team workers (Bass & Avolio, 1990; Janssen, 2002). However, the features of transactional leaders are more goal oriented. They emphasize on goals, their monitoring, and ultimately controlling outcomes as well (Avolio & Bass, 2002).

### **Knowledge Sharing**

Employees are the human capital who possess skills, abilities and most importantly stock of knowledge within the organization. Human capital are integral part of organization and equally the knowledge held by them which need to be disseminated for its value to be appropriated. Knowledge sharing has become an important part of knowledge management in today's knowledge-based economy.

In present study, classification of knowledge sharing is consistent with Earl (2001) on sharing knowledge by the individuals within groups, teams that helps promote new ideas and work practices in the organization. Knowledge sharing as explained by Ipe (2003) "the process by which knowledge held by an individual is converted into a form that can be understood, absorbed, and used by other individuals". In present study, knowledge sharing is assumed to mediate the relationship between Leadership styles and Innovative work behavior as suggested by Li et al. (2019) for future examination. Afsar (2016) brought together person organization fit and innovative work behavior by taking knowledge sharing as a mediator. The study was conducted among the nurses of government hospitals of Thailand. The results of the study found a positive relationship between the study variables while the knowledge sharing behavior found to be a partial mediator between these two.

In this study, knowledge sharing is assumed to mediate the relationship between Leadership styles and Innovative work behavior as suggested by Li et al.

(2019) for future examination. Knowledge sharing is also termed as the “provision of task information and know-how to help others and to collaborate with others to solve problems, develop new ideas or implementing policies or procedures” (Cummings, 2004). Specifically, through the collision of different knowledge among the interpersonal relationship, individuals are more likely to be enlightened and create innovative ideas (Cao, 2015). According to Darroch and McNaughton (2002) Knowledge sharing has the potential for enriching the employee’s competencies as well. In turn this increases the organization’s capabilities and can facilitate innovation.

### **Conceptualizations of Individual Innovative Behavior**

By studying past literatures pertaining to the concept of innovative work behavior, it could be understood that different researchers approve about how innovative work behavior has been conceptualized over the years. Innovative work behavior is considered to be a multistage process and has to do with the generation, adoption and implementation of novel ideas (Kanter, 1998; Scott & Bruce, 1994). Generally, the construct has been conceptualized in terms of individual characteristics, traits, behaviors and products. For instance, Hurt et al. (1977) construe individual innovativeness as a generalized willingness to change. That is also why innovative behavior is crucial for companies' success lies in individuals who are the main source of every innovation (Abstein & Spieth, 2014). Therefore, following the work of Janssen (2000) in present research innovative work behavior is also referred as a multistage process.

### **Idea Generation**

It is the first element in exploitation of opportunities which involves creation of useful ideas in any domain. Any kind of work related inconsistencies, gaps and any

new trends could be the of fresh ideas (Pukiene, 2016). According to him, Idea generation is the first element of innovative work behavior and refers to coming up with unique ideas and procedures for the purpose of improvement, which could be enhanced by the greater complexity and combination of more knowledge, competencies and sources of information.

### **Idea Promotions**

Another relevant aspect to innovative behavior is the idea promotion where individual is looking for support for the idea to be pitched in. in order to champion the idea it requires to be promoted or explore the ways to be implemented. This stage is often being looked into as the most important aspect for an individual for their ideas to be heard.

### **Idea Realizations**

This aspect of innovative behavior is regarded as the challenging part for an individual as he/she has requires having different skills, knowledge, and communications in order to field the idea. As rightly mentioned by Kanter (1988), the idea becomes a reality; prototype or model of the innovation is produced that can be touched or experienced, that can now be diffused, mass-produced, turned to productive use or institutionalized.

### **Leadership Styles and Knowledge Sharing**

Prior studies have mixed results on the theory of leadership styles in relation to knowledge sharing. For e.g in a study by Masa'deh, Obeidat and Tarhini (2016), revealed that transactional leadership impacted knowledge sharing, whereas transformational leadership did not. On the contrary, Bradshaw et al. (2015) found transformational leadership being positively associated with all the dimensions of knowledge sharing. Similarly, study conducted by Han et al., (2015) in South Korea

showed that Transformational leadership had only an indirect effect on knowledge sharing intention among employees.

Also, a study conducted by Chen and Barnes (2006) in Taiwan and US found transformational leadership behaviors as significant predictor of internal knowledge sharing and contingent reward leadership behavior being significantly and positively correlated with both internal and external knowledge sharing. Another study by Hussain, Abbas, Lei, Haider and Akram (2017) showed transactional leadership and knowledge sharing have positive relationship with creativity, and knowledge sharing mediates the role between those variables. Thus, there has been a mixed result with respect to leadership styles and knowledge sharing. Hence, the leaders having transactional behavior may stimulate creativity among employees by involving tangible recognition or rewards for flourishing initiatives and their development.

### **Knowledge Sharing and Innovative Work Behavior**

Kamasak & Bulutlar (2010) have found knowledge sharing as a positive contributor towards innovative work behavior. Knowledge sharing is a valuable mechanism for innovation as mentioned by Mura et al. (2013). Knowledge sharing not only let the employees to pass the knowledge to other workers but it also enables others to acquire beneficial knowledge (Kuo et al., 2014). Knowledge sharing is critical to accomplishing any innovation or in other words knowledge sharing is the foundation of creative thinking, innovation and level of creativity (Marshall & Rollinson, 2004; Vicari & Troilo, 2000).

Research conducted by Selamat and Zhang (2019) found knowledge sharing to have a positive impact on the innovation behavior as well as having significant impact on it. And this conclusion finds its path similar to findings made by previous researchers such as Manteghi (2015 and Tu et al. (2015). Due to the pool of positive

outcomes knowledge sharing has on individual, team and origination level, it has been as much desirable in present organization. Researchers Mishra and Pandey (2018) have also highlighted the importance of leadership styles adopted by managers in those organizations and the impact they have on the knowledge sharing behavior of followers through several underlying mechanisms. Leadership is known as one of the most important factors affecting innovation and knowledge sharing because leaders can influence the introduction of new ideas and can promote knowledge sharing environment (Hislop, 2009). As the study of Lu, Leung, and Koch (2006) suggested, the leadership styles significantly affect the choice, motivation, and the ability of knowledge sharing.

As a result, the current paper suggests that knowledge sharing has an effect on innovative behavior. This argument leads to following hypotheses:

*H1: The relationship between transformational leadership and individual innovative behavior is mediated by knowledge sharing*

*H2: The relationship between transactional leadership and individual innovative behavior is mediated by knowledge sharing*

### **Empowerment**

The original meaning of empowerment has been referred to as to “authorize, give power to” (Tulloch, 1993). Over the years, the definition of empowerment still remains to gain definite concept. This may be due to difference in perception on how the concept is looked into and studied by the scholars. For e.g Holt, Love and Nesan (2000) has defined the concept in perception that an employee holds. However, as suggested by Ford and Fottler (1995), honest empowerment is likely to embrace decision-making authority over job content and job context.

Empowering individuals to achieve organization objective and individual performance goal is the essence of leaders. Supporting this are the studies done by Behling and McFillen (1996), Bass (1999) who suggests that organizational leadership influence employees' behavior by empowering them. The concept of empowerment also revolves around employees being provided with greater degree of flexibility and more freedom to make decisions relating to work. Likewise, according to Akbar et al. (2011), employees who are empowered have more authority in decision making are more satisfied with their jobs and more loyal to the organization. Empowering individuals also directs them to be more responsible towards the decision making process that occurs in their job area.

While Kanter (1983) and Parker and Price (1994) emphasized that to become empowered, a person must have the freedom or authority to make necessary decisions in performing his tasks or job. So combining both the approaches, Chiles and Zorn (1995) conceptualized employee empowerment as both a perception and a process to foster employee competence and control. Agreeing to Chiles and Zorn (1995), to attain true empowerment, employee must be both competent and have certain control to make necessary decisions; either aspect alone is inadequate for true empowerment. Studies on leadership styles suggest that practice of empowering subordinates is a principal component of managerial and organizational effectiveness (Bennis & Nanus, 1985). Leaders may often choose to practice particular interaction styles that represent motivation, needs and expectation of both leaders and followers.

Leaders with transformational styles energize and hence empower their followers to act providing an exciting vision for the future rather than rewards and punishments (Bennis & Nanus, 1985) which helps create a more participative climate and empowered condition. This behavior of leaders is assumed to help followers

realize their authority and take actions for improved vision. A study carried out among 152 employees from various industries in Turkey to investigate transformational leadership in relation to empowerment by Ozaralli (2002) and another study among undergraduates in Canada (Meyerson & Kline, 2008) reported in increased followers' empowerments in performing organizational functions with the ability of leaders to properly implement transformational style.

On the contrary, transactional leadership are assumed to have opposite effect to what transformational leadership exhibits. Leaders have the clarity in what is expected of their team members. The behaviors exhibited by transactional leaders focus mainly on mistakes or slippages of performance. This behavior may inadvertently communicate that mistakes are anticipated but they cannot take initiative to correct it, thus leading in suppressing empowering norms. According to the research results conducted by Appelbaum, Karasek, Lapointe and Quelch, (2015), transactional leadership cannot be discounted as the research shows that the proper mixture of the incentives and rewards, connected with a certain organizational culture, can raise empowerment among certain types of employees.

### **Mediating Role of Empowerment**

An organization that wants to become innovative must encourage and facilitate its employee to be creative, because individual creativity leads an organization toward success (Ven, 1986; Smith, 2002; Jong & Hartog, 2007). Bakker, Albrecht and Leiter (2011), Laschinger, Wong and Greco (2006), and Macey and Schneider (2008) proposed that in order to increase employees' involvement in work engagement, it is compulsory to empower them. In the study conducted by Pieterse et al. (2009) found that transformational leadership was positively related to innovative behavior with higher psychological empowerment whereas transactional leadership

was negatively related to innovative behavior when higher psychological empowerment. However, study conducted by Men and Stacks (2013) with 700 casually selected employees from diverse work units of a Fortune 500 company on United States shows that transformational and transactional leadership are both positively associated with employee empowerment.

Since the 1980s, the concept of empowerment has become dominant to the work of many researchers. Blau and Alba (1982) gave the concept of discretionary empowerment. According to empowerment theory, it is a combination of management practices to transfer authority to lower level. According to work of Conger and Kanungo (1988), employee empowerment is a motivational theory that can increase the performance of employees. Scholars have also identified the important role that organizational leadership plays in empowering employees (e.g Castro et al.,2008; Hackman & Johnson, 2004, Yukl, 2006).

In the present study, researcher proposes that psychological empowerment is an important mediator on the impact of leadership styles and innovative behavior.

This argument leads to following hypotheses:

*H3: The relationship between transformational leadership and individual innovative behavior is mediated by empowerment*

*H4: The relationship between transactional leadership and individual innovative behavior is mediated by empowerment*

### **Research Framework**

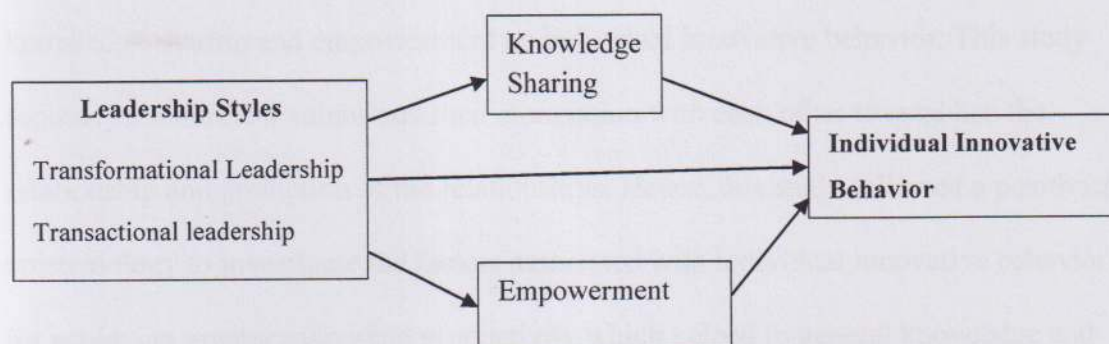
In this section, relationship among leadership styles empowerment, knowledge sharing and individual innovative behavior has been shown in a pictorial form.

Present study will measure interactive relationship of leadership styles

(Transformational and Transactional) and empowerment with individual innovative behavior. Also, this study will examine direct relationship of

Furthermore, control variables (i.e. gender, years of experience, qualification, position, and age) will be included. This study tries to illustrate the effect of social support on training effectiveness.

Based on the empirical evidence in related study below theoretical framework is proposed:



**Figure 1: Conceptual Framework**

## CHAPTER III

### RESEARCH METHODOLOGY

In this chapter, initiating with the research approach, it continues with discussion on research design, research hypotheses, variables and their operationalization, unit of analysis, population and sample design, demographics, instrumentation, and data collection and analysis procedure. It also encompasses data gathering technique and analysis strategies.

#### **Research Design**

The objective of this study is to investigate the impact of leadership styles, knowledge sharing and empowerment on individual innovative behavior. This study focuses on numerical values and their association with each other to establish the relationship and prediction of the relationships. Hence, this study followed a positivist epistemology to investigate the factors associated with individual innovative behavior for achieving greater individual productivity which helped to general knowledge and helped to extend the existing knowledge. Positivism describes the phenomena that are experienced and believed in empiricism observation and measurement are the core of the study (Trochim, 2008, as cited in Singh, 2017). This study follows a quantitative approach to analyze the data. Quantitative research is considered to be the most scientific approach to do social science research (Richard, 2009). Quantitative research has ability to make correct predictions which are valuable for evaluating and testing theory. Building upon these assertions, it infers that the used epistemological basis and methodological approach are applicable in this study. This study has a cross-sectional in design, i.e. data are collected at one point of time. The design of

this study is cross-sectional and self-administered questionnaire technique is used to collect responses from the participants.

### **Research Hypothesis**

Hypothesis is a mere assumption or some supposition to be proved or disproved (Kothari & Garg, 2014) and it brings clarity, specificity and focus in a research problem (Kumar, 2014). To address research questions and to test the relationships among independent, moderator, mediator and dependent variables based on theoretical and empirical evidence, it is necessary to assume the relationship and accordingly formulated for the study. Hence, this study examines the effect of leadership styles, empowerment, knowledge sharing with individual innovative behavior. Based on the arguments four hypotheses are to be tested.

### **Variables and their Operationalization**

In the study four variables will be studied. The independent variable in this study is leadership styles under which transformational and transactional leadership styles are considered. The dependent variable is individual innovative behavior. The mediating and moderating variables are knowledge sharing and empowerment respectively and the control variables are gender, year of experience, qualification, position, and age.

**Transformational leadership:** Type of leadership where leaders are known to encourage and inspire their employees and help them grow.

**Transactional leadership:** types of leaders who emphasize on rewards and punishments to motivate their employees.

**Knowledge sharing:** It is an activity referred to process that identifies, shares and utilizes knowledge or exchange good organizational practices for better outcome.

**Empowerment:** It is a state in which employees have a sense of the competence to execute the job well (Conger & Kanungo, 1988).

### **Unit of Analysis**

The unit of analysis is the essential entity that is examined in the study. The unit of analysis can be individual, group or organizational level. However, this study has used only individual level of unit of analysis as individual data were collected from the private commercial banks of Nepal. This study has individual level of unit of analysis as the data were collected in an individual manner from the private banks of Nepal located within Kathmandu valley. Those individuals are other employee who report to their supervisor. They can be branch employees who report to Branch managers, Relationship managers who report to their sales head or they can be sales officer who report to their team leaders. Basically they are individuals who do not head any units in the organization or are in any supervisory roles. Individual responses were entered for data analysis process.

### **Population and Sample Design**

Population is the aggregate of all the elements defined prior to selection of the sample. Sampling, therefore, is the process of selecting a few (a sample) from a population (Kumar, 2014). In this study, the population comprises employees of private sector banks operating within Kathmandu valley. First 20 commercial banks were randomly chosen from sampling frame of 24 private commercial banks. Second, those employees were included who had the work experience of at least 6 months on the job with the same supervisor. A total of 350 questionnaires were distributed among the employees of banks with the expectation of receiving minimum of 250 questionnaires for conducting data analysis. Out of circulated 350 questionnaires, 280 were received among which 218 were usable.

Questionnaires were circulated on a convenience sampling basis. The respondents were reached out through personal and professional channels. During the process, participants were informed about the objectives and important of the study and also instructed on how to fill out the questionnaire.

Sl. No.	Item	Frequency	Percentage
1	1. Q1 (Age)	20	15
2	2. Q2 (Gender)	30	25
3	3. Q3 (Education)	40	35
4	4. Q4 (Occupation)	50	45
5	5. Q5 (Work Exp)	20	15
6	6. Q6 (Income)	30	25
7	7. Q7 (Health)	20	15
8	8. Q8 (Stress)	30	25
9	9. Q9 (Work-Life)	20	15
10	10. Q10 (Satisfaction)	30	25
11	11. Q11 (Work-Life)	20	15
12	12. Q12 (Work-Life)	30	25
13	13. Q13 (Work-Life)	20	15
14	14. Q14 (Work-Life)	30	25
15	15. Q15 (Work-Life)	20	15
16	16. Q16 (Work-Life)	30	25
17	17. Q17 (Work-Life)	20	15
18	18. Q18 (Work-Life)	30	25
19	19. Q19 (Work-Life)	20	15
20	20. Q20 (Work-Life)	30	25
	Total	100	100

Table: 3.1

*Questionnaire Response Rate*

Commercial Banks	Sent Out	Returned	Usable	Manager	Officer	Assistant
1. Prabhu Bank Ltd	20	18	12	1	5	4
2. Global IME Bank Ltd	20	16	9	1	4	3
3. Machhapuchchhre Bank Ltd	30	25	16	3	7	6
4. Standard Chartered Bank Nepal	60	56	48	7	27	14
5. Civil Bank Ltd	20	14	14	2	9	3
6. Nepal Investment Bank Ltd	20	12	8	1	3	4
7. Sanima Bank ltd	20	13	10	1	5	4
8. NIC Asia Bank Ltd	20	19	15	2	4	9
9. Everest bank Ltd	20	15	10	1	6	3
10. Nabil bank Ltd	20	10	10	2	4	4
11. Citizen Bank International	20	14	11	3	5	3
12. Nepal SBI Bank Ltd	20	13	10	1	7	2
13. Laxmi Bank Ltd	20	18	15	2	4	9
14. Nepal Credit and Commerce Bank Ltd	20	20	17	1	9	7
15. Mega Bank Nepal	20	17	13	1	8	4
<b>Total</b>	<b>350</b>	<b>280</b>	<b>218</b>	<b>29</b>	<b>91</b>	<b>98</b>

### **Demographic**

In the questionnaire, demographic information is asked to filter the sample as per the researcher's criteria. In the study, only those participated who work at commercial banks and have worked at least 6 months with the same line manager. The demographic variables included are gender, age, position, number of years in the job and educational qualification.

### **Instrumentation**

The constructs and variables are leadership styles (transformational and transactional), individual innovative behavior, knowledge sharing and empowerment. Previously developed measures altogether 58 items were used in this study. The Multifactor Leadership Questionnaire (Bass & Avolio, 2004), Rater form will be used to measure leadership style. And to measure innovative behavior, the study used 9-items IWB scale developed by Janssen (2000). Participants' were asked to respond from 1 (never) to 7 (always). Likewise, 7 items ranging from 1 (strongly disagree) to 7 (strongly agree) were adopted from Pirkkalainen et al. (2018) to suit the context of this research to measure knowledge sharing. Empowerment was measured using a six-item scale adapted from Men & Stacks (2013). It consisted of six items presented in a seven-point Likert scale format, in which 1 equaled strongly disagree and 7 equaled strongly agree. Higher scores indicated higher levels of empowerment. Demographic variables such as gender, age, position, numbers of years in the job and education have been analysed to the research instrument, to have a broader view of the sample and have overall idea of respondent age group as well as education in majority. Demographic variables were taken as control variables in this study. It is because the control variable might affect the dependent variable. In such situation control variable need to be incorporated in regression.

Development of multifactor leadership questionnaire (MLQ), a measure of transformational and transactional leadership (along laissez-faire, no leadership) by Bass is considered as an important contribution to the development of the concept of transformational leadership. The MLQ has been widely used and the hierarchy of these dimensions in terms of effectiveness has been both theoretically and empirically verified, which puts transformational approach as most effective followed by contingent reward, active management by exception, passive management by exception and laissez-faire leadership.

### **Research Procedure**

Research procedure includes the administration of the questionnaire, data collecting and processing and data analyzing. The following sections deals with the brief description of each elements.

### **Administration of the Questionnaire**

There are 58 questionnaire of leadership styles, individual innovative behavior, knowledge sharing and empowerment. Response for MLQ was obtained in 5-point likert scale and responses for innovative behavior, knowledge sharing and empowerment was obtained in a 7-point likert type scale. The questionnaires also included 5 demographic information like gender, age, position etc. Respondents were ensured for the confidentiality of their responses. Before the administration of the questionnaire, a pilot test was carried out by distributing the questionnaire to 20 perspective respondents. Based upon these responses, reliability and content of the questionnaire was evaluated whether it is reliable or not to administer for future use. Total of 350 questionnaires were distributed among the employees of banks with the expectation of receiving minimum of 250 questionnaires for conducting data analysis.

Out of circulated 350 questionnaires, 280 were received among which 218 were usable.

### **Data Processing**

After collecting of returned paper based questionnaire, they were screened manually to see the completion of all required information. The screening process discarded questionnaire with incomplete information. Thus, completed and criteria met questionnaires were used by providing appropriate coding for further analysis. Quantitative data collected during research was analyzed by using statistical software- SPSS 25, which enables convenient production of graphical displays and statistical analysis (Norusis, 2006). During the screening process, 62 questionnaires were discarded and 218 questionnaires meeting the criteria were used for further analysis.

### **Data Analysis**

Descriptive statistics were calculated, as this method is useful to describe the basic features of the data used and provide simple summaries about the sample and measures (Gravetter & Forzano, 2006). Cronbach's Alpha ( $\alpha$ ) has been performed in order to test internal consistency and reliability of scales. Also, dispersion, central tendency and normality were examined simultaneously. The skewness and kurtosis were performed as they are the indication whether the variables are normally distributed or not (Falola, Osibanjo, & Oja, 2014). Moreover, Kline (1998, as cited in Falola, Osibanjo, & Oja, 2014) posited that skewness above 3 and kurtosis above 10 indicates serious departures from normality in a distribution.

For inferential analysis- reliability, correlation and regression were performed. Hierarchical regression analysis was done to test the impact of independent variable on the dependent variable. As Hayes (2013) states "bootstrapping confidence intervals have become the new standard in the 21<sup>st</sup> century for testing the hypotheses about

mechanisms in a mediation analysis". This method calculates the conditional effect leadership styles on individual innovative behavior at different values (-1 SD, mean, +1 SD) of the moderator (empowerment), through bootstrapping, set of 5000 samples. All analysis was run using SPSS 25 with Hayes process statistical program v3.5.

### Hypotheses Testing

Pearson coefficient correlation test and ANOVA method- "a hypotheses testing procedure, that is used to evaluate mean differences between two or more populations" (Gravetter & Wallnau, 2009) was used to test the hypotheses of the relationships. Correlation coefficient is performed to test the relationships between study variables and examine whether the hypothesized is positively and significantly related as in the expected directions. Similarly, hierarchical regression analysis was carried out to confirm the relationships indicated by the correlation coefficients. Moreover, gender, age, position, number of years in the job and education are considered as a control variable.

## CHAPTER IV

### RESULTS

This chapter aims to empirically evaluate leadership styles, innovative behavior, knowledge sharing and empowerment. In this section empirical research findings, based on collection and analysis of primary data has been reported and summarized. Descriptive statistics together with validity, reliability and correlation analysis is provided. Hypotheses raised in the previous section has been tested using relevant statistical analysis method and confirmed or rejected based on test results. First, respondent demographics have been determined followed by test of Cronbach's alpha to examine if the items of the scale are reliable enough to capture the study variables. Second, it presents correlation coefficients and regression analysis of the study variables. Both descriptive and inferential statistics were used for the analysis of data to get answers to the research questions, and also to test the stated hypotheses for this study

#### **Respondent Characteristics**

A total of 350 questionnaires were distributed, out of which 280 were received and 218 were usable. The respondents' characteristics are summarized in Table 4.1. The table shows 49.10 percent were male and 50.09 percent were female. From the total 218 respondents 61 percent respondents were below 30 years of age, 35.30 percent were between 31-40 years of age, 3.70 percent were between 41-50 years and there were no respondents who were more than 50 years of age. Similarly, 45 percent of the participants were at assistant level, slightly less 41.70 percent were at officer level and rest 13.30 percent were at managerial level. Majority of the participants with 44.50 percent reported number of years in the job as below 2 years, 19.30 percent

reported 3-5 years, 14.70 percent have 6-10 years and 21.60 percent have more than 10 years of age.

Table 4.1

*Respondent Characteristics (N=218)*

Variable	No. of Respondents	Percentage
<b>Gender</b>		
Male	107	49.10
Female	111	50.09
Others	-	-
<b>Age</b>		
Less than 30 years	133	61.00
31-40	77	35.30
41-50	8	3.70
More than 50 years	-	-
<b>Position</b>		
Assistant	98	45.00
Officers	91	41.70
Managers	29	13.30
<b>Number of years in the Job (NOY)</b>		
0 - 2 years	97	44.50
3 - 5 years	42	19.30
6 - 10 years	32	14.70
More than 10 years	47	21.60
<b>Education</b>		
Plus 2	8	3.70
Bachelors	68	31.20
Masters	142	65.10
Others	-	-

### Reliability Analysis

Before performing statistical analysis, Cronbach's alpha test was used to ensure internal reliability of the questionnaire. Reliability ensures the consistency in measurement across various items in the instrument. The results of reliability analysis are presented in Table 4.2. All Cronbach's alpha test results are higher than 0.70- meaning that chosen scales are appropriate to use in the study. In MLQ, Output items

(9-items) such as effectiveness, 4 items, extra effort, 3 items and satisfaction, 2 items were excluded while determining output. Hence, total of 58 questions (indicators) was used in testing results.

Table 4.2

*Values of Cronbach Alpha for Different Instruments*

<b>Instruments</b>	<b>Number of statements</b>	<b>Cronbach's Alpha</b>
Transactional Leadership	16	0.79
Transformational Leadership	20	0.911
Individual Innovative Behavior	9	0.899
Knowledge Sharing	7	0.868
Empowerment	6	0.871

*Source:* designed by author based on empirical research results extracted from SPSS

### **Levels of Leadership Styles, Knowledge Sharing, Empowerment and Individual Innovative Behavior**

The minimum, maximum, skewness, and kurtosis of study variables are presented in Table 4.3. To test the normality of data, skewness and kurtosis test were examined. Skewness and kurtosis are the indicators to see if the variables are normally distributed (Falola, Osibanjo, & Oja, 2014). Threshold values for skewness is  $\pm 3$  and threshold values for kurtosis is  $\pm 10$  (Kline, 1998, as cited in Musil, Warner, Yobas, & Jones, 2002). The skewness and kurtosis values were found within the acceptable range as per the rule of thumb.

Table 4.3

*Descriptive Statistics of Study Variables (N=218)*

Variables	Minimum	Maximum	Skewness	Kurtosis	Mean	SD
Transactional Leadership	0.00	4.00	0.355	0.465	2.128	0.583
Transformational Leadership	0.00	4.00	-0.888	1.160	2.731	0.612
Knowledge Sharing	1.00	7.00	-1.061	1.371	5.744	0.868
Empowerment	1.00	7.00	-0.996	0.740	5.529	0.947
Individual Innovative Behavior	1.00	7.00	-1.053	1.109	5.218	0.863

**Comparisons among Different Groups**

To determine whether there is statistically significant difference between the means of two or more unrelated sub-groups, various tests were conducted. For this, various demographic variables considered in this study were divided into different sub-groups. The demographic variables in this study are gender, age, position, number of years in the job and educational qualification. For comparing different groups one-way ANOVA test was performed. Since all the demographic variable in this study has more than two unrelated groups hence independent t-test was not performed. One-way ANOVA was used to understand whether there is difference in leadership styles, knowledge sharing, empowerment and individual innovative behavior based on demographic variables under the study ie gender, age, position, numbers of years in the job and educational qualification. The results are presented in following sections:

### **Effect of Gender on Leadership Styles, Knowledge Sharing, Empowerment and Individual Innovative Behavior**

One-way ANOVA was applied to examine if there is a difference based on gender. To examine the effect of gender on leadership styles, knowledge sharing, empowerment and individual innovative behavior, gender was divided into three sub groups ie male, female and others. Table 4.4 shows the descriptive statistics results and Table 4.9 shows the F-statistics result from one-way ANOVA.

The results (Table 4.9) show gender having statistically significant difference among leadership styles and empowerment. From the results it indicates that the male employees perceive their people manager as transactional leaders than the female employees. Likewise, male employees perceive their leaders to be transformational leaders. Further, no significant difference is seen with dependent variable, individual innovative behavior. It indicates that there is no difference in perception regarding innovative behavior for either gender.

Similarly, knowledge sharing is also insignificant in the results which shows no difference in perception towards mediating variable. Participating genders did not find difference in terms of knowledge sharing. However, results show a significant difference in-terms of empowerment with regard to gender in which male consider to be more empowered than female participants.

Table 4.4

*Descriptive Statistics: Gender*

<b>Variables</b>	<b>Gender</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Transactional Leadership	Male	107	2.35	0.56
	Female	111	1.91	0.52
	Total	218	2.12	0.58
Transformational Leadership	Male	107	2.84	0.59
	Female	111	2.62	0.62
	Total	218	2.73	0.61
Knowledge Sharing	Male	107	5.82	0.85
	Female	111	5.67	0.88
	Total	218	5.74	0.87
Empowerment	Male	107	5.69	1.03
	Female	111	5.37	0.83
	Total	218	5.53	0.95
Individual Innovative Behavior	Male	107	5.23	0.93
	Female	111	5.19	0.79
	Total	218	5.21	0.86

*Note:* Gender: Male, Female, Others

### **Effect of Age on Leadership styles, Knowledge Sharing, Empowerment and Individual Innovative Behavior**

In this study, age group of participants was divided into four sub groups ie less than 30, 31-40, 41-50 and more than 50 to identify the influence of age on study variable. Table 4.5 shows the descriptive statistics and Table 4.9 shows F-statistics results from one-way ANOVA examining the effect of age on leadership styles, knowledge sharing, empowerment and individual innovative behavior. Categories are more than two, hence one-way ANOVA was conducted.

Table 4.5

*Descriptive Statistics: Age*

<b>Variables</b>	<b>Age Group</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Transactional Leadership	less than 30	133	2.16	0.61
	31-40	77	2.10	0.52
	41-50	8	1.81	0.35
	Total	218	2.12	0.58
Transformational Leadership	less than 30	133	2.73	0.60
	31-40	77	2.72	0.65
	41-50	8	2.69	0.30
	Total	218	2.73	0.61
Knowledge Sharing	less than 30	133	5.55	0.92
	31-40	77	6.00	0.66
	41-50	8	6.42	0.66
	Total	218	5.74	0.86
Empowerment	less than 30	133	5.34	1.01
	31-40	77	5.79	0.76
	41-50	8	6.06	0.66
	Total	218	5.52	0.94
Individual Innovative Behavior	less than 30	133	5.09	0.91
	31-40	77	5.41	0.76
	41-50	8	5.34	0.31
	Total	218	5.21	0.86

*Note:* Age: less than 30, 31-40, 41-50, more than 50

The results from one-way ANOVA in Table 4.9 indicate that there is statistically significant difference among employees of different age group on knowledge sharing, empowerment and individual innovative behavior. From the descriptive statistics, it indicates that employees between 41-50 years of age perceive more knowledge sharing than other age groups. With highest mean value of 6.42, employees at this age tend to be at higher positions who like to collaborate with other

to solve problems for better outcome. Similarly, employees between 31-40 years of age also perceive knowledge sharing as important tool than employees who are below 30 years of age. Similarly, descriptive statistics reveals that employees between 41-50 years of age perceive they are empowered enough to perform their job. With the increase in age group the empowerment has increased may be due to increase in their job positions. Likewise, employees between 31-40 years of age perceive more innovative behavior than employees or other age group. Employees at this age in their mid-career tend to demonstrate more innovative ideas so they can succeed in their job.

#### **Effect of Position on Leadership styles, Knowledge Sharing, Empowerment and Individual Innovative Behavior**

To identify the impact of position on leadership styles, knowledge sharing, empowerment and individual innovative behavior, position was divided into three main groups, ie assistant, officer and manager. In order to find out if there exists statistically significant difference among these groups- descriptive statistics and F-statistics are presented in Table 4.6 and Table 4.9 respectively. The results in Table 4.9 reveals that there is statistically significant difference among the different position group on their perception on knowledge sharing, empowerment and individual innovative behavior.

The descriptive statistics in Table 4.6 shows that employees in manager position perceive more knowledge sharing than employees at assistant and officer positions. Knowledge sharing in this position helps them grow in their job and also strengthens work relationships. Similar to the results in age group, the results in this category also reveal that with increase in age and position the perception towards knowledge sharing and empowerment is also more. The results also indicate that employees at officer position perceive more innovative behavior than employees at

assistant and manager position. Employees in this position tend to work on new ideas and search solutions to issues and also work on the applicability of their ideas.

Table 4.6

*Descriptive Statistics: Position*

<b>Variables</b>	<b>Position</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Transactional Leadership	Assistant	98	2.19	0.64
	Officers	91	2.08	0.55
	Managers	29	2.04	0.44
	Total	218	2.12	0.58
Transformational Leadership	Assistant	98	2.68	0.66
	Officers	91	2.83	0.46
	Managers	29	2.55	0.77
	Total	218	2.73	0.61
Knowledge Sharing	Assistant	98	5.43	1.03
	Officers	91	5.94	0.59
	Managers	29	6.17	0.56
	Total	218	5.74	0.86
Empowerment	Assistant	98	5.26	1.06
	Officers	91	5.75	0.76
	Managers	29	5.70	0.82
	Total	218	5.52	0.94
Individual Innovative Behavior	Assistant	98	4.99	1.03
	Officers	91	5.53	0.48
	Managers	29	4.99	0.89
	Total	218	5.21	0.86

### **Effect of NOY on Leadership Styles, Knowledge Sharing, Empowerment and Individual Innovative Behavior**

In this study, to identify the influence of number of years in the job (NOY) on leadership styles, knowledge sharing, and empowerment and individual innovative

behavior- NOY was divided into four groups: less than 2 years, 3-5 years, 6-10 years and more than 10 years.

Table 4.7

*Descriptive Statistics: Number of Years in the Job (NOY)*

<b>Variables</b>	<b>NOY</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Transactional Leadership	0 - 2 Years	97	2.14	0.59
	3 - 5 Years	42	2.23	0.60
	6 - 10 years	32	2.06	0.66
	>10 years	47	2.05	0.45
	Total	218	2.12	0.58
Transformational Leadership	0 - 2 Years	97	2.66	0.55
	3 - 5 Years	42	2.82	0.67
	6 - 10 years	32	2.98	0.54
	>10 years	47	2.61	0.67
	Total	218	2.73	0.61
Knowledge Sharing	0 - 2 Years	97	5.57	0.98
	3 - 5 Years	42	5.48	0.64
	6 - 10 years	32	6.08	0.71
	>10 years	47	6.10	0.69
	Total	218	5.74	0.86
Empowerment	0 - 2 Years	97	5.15	1.08
	3 - 5 Years	42	5.59	0.54
	6 - 10 years	32	6.03	0.73
	>10 years	47	5.90	0.73
	Total	218	5.52	0.94
Individual Innovative Behavior	0 - 2 Years	97	5.03	1.03
	3 - 5 Years	42	5.39	0.45
	6 - 10 years	32	5.53	0.73
	>10 years	47	5.22	0.75
	Total	218	5.21	0.86

To check if there exists statistically significant difference among sub groups of NOY with study variables, Table 4.7 presents the descriptive statistics and Table 4.9 presents the results of one-way ANOVA. Sub-groups being more than two, one-way ANOVA was conducted. The results in one-way ANOVA reveal that there exists a significant difference among different sub group on transformational leadership style,

knowledge sharing, empowerment and individual innovative behavior. The descriptive statistics in Table 4.7 and results from table 4.9 show that employees having work experience of 6-10 years perceive their leaders to be transformational leaders more than employees in other sub groups. Results of Table 4.9 also indicate that employees who have work experience of 6-10 years perceive higher level on transformational leadership, empowerment and individual innovative behavior than any other sub groups within the category. Similarly, descriptive statistics in table 4.7 shows that employees with increasing years of work experience perceive more knowledge sharing by them- the difference is confirmed by value of 7.463 on knowledge sharing for different work experience. With increased number of experience, employees have more knowledge to share that can facilitate creativity in the workplace.

#### **Effect of Educational Qualification on Leadership styles, Knowledge Sharing, Empowerment and Individual Innovative Behavior**

To check the effect of educational qualification on leadership styles, knowledge sharing, empowerment and individual innovative behavior, education was categorized into four sub groups- Intermediate, Bachelor, Master and others. Since the sub group is more than 2 groups so one-way ANOVA was conducted. Table 4.8 shows the descriptive statistics for each group and Table 4.9 shows the one-way ANOVA results. The one-way ANOVA suggests there exists a statistically significant difference among sub groups of education on Transactional leadership, knowledge sharing, empowerment and individual innovative behavior. From the descriptive statistics in Table 4.8, employees whose highest level of education is plus two perceive their leaders to be more transactional compared to other sub groups with higher education qualification. Likewise, employees with increasing educational

qualification perceive more on knowledge sharing, empowerment and individual innovative behavior.

Table 4.8

*Descriptive Statistics: Educational Qualification*

<b>Variables</b>	<b>Education</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Transactional Leadership	Plus 2	8	2.57	0.79
	Bachelors	68	2.01	0.51
	Masters	142	2.15	0.59
	Total	218	2.12	0.58
Transformational Leadership	Plus 2	8	2.94	0.28
	Bachelors	68	2.65	0.58
	Masters	142	2.75	0.63
	Total	218	2.73	0.61
Knowledge Sharing	Plus 2	8	4.69	1.52
	Bachelors	68	5.55	0.86
	Masters	142	5.89	0.76
	Total	218	5.74	0.87
Empowerment	Plus 2	8	4.45	1.32
	Bachelors	68	5.28	1.01
	Masters	142	5.70	0.82
	Total	218	5.52	0.95
Individual Innovative Behavior	Plus 2	8	4.06	1.44
	Bachelors	68	5.06	0.84
	Masters	142	5.35	0.78
	Total	218	5.21	0.86

Table 4.9

*One-way ANOVA among Demographic Variables*

Variable	Gender	Age	Position	NOY	Education
Transactional Leadership	37.242**	1.509	1.249	0.900	3.985*
Transformational Leadership	7.483**	0.028	2.716	3.254*	1.157
Knowledge Sharing	1.641	9.677**	13.921**	7.463**	10.381**
Empowerment	6.525*	7.101**	7.379**	12.082**	10.608**
Individual Innovative Behavior	0.120	3.512*	11.33**	3.635*	10.861**

Note: The number in the tables are values of F –statistics, NOY: Number of years in the job, \*p<0.05,

\*\*p<0.01

### **Relationship among Leadership Styles, Knowledge Sharing, Empowerment and Individual Innovative Behavior**

This study has measured the strength of the relationship among the study variables using Pearson correlation analysis. Pearson coefficient of correlation between antecedents, moderating, mediating and outcome variables are shown in Table 4.10. Furthermore, mean and standard deviation are also given in the same table. Results in Table 4.10 demonstrate the results of correlation among the different study variables. The tabulated data in Table 4.10 reveals that all the relationships are statistically positive and significant.

Table 4.10

*Mean, Standard Deviations and Correlations of Transactional Leadership, Transformational Leadership, Knowledge Sharing, Empowerment and Individual Innovative Behavior (N=218)*

<b>Dimensions</b>	<b>Mean</b>	<b>SD</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Transactional Leadership	2.13	0.58	1				
2. Transformational Leadership	2.73	0.61	.365**	1			
3. Knowledge Sharing	5.74	0.87	-0.115	.249**	1		
4. Empowerment	5.52	0.95	0.035	.498**	.667**	1	
5. Individual Innovative Behavior	5.21	0.86	.142*	.419**	.626**	.612**	1

Note: \*\* Correlation is significant at  $p < 0.01$  level (2-tailed)

Transformational and Transactional Leadership styles was measured in a 5-point scale ranging from 0 (Not at all) to 4 (Frequently, if not always) and rest three dimensions were measured in 7-point scale. In comparison to all dimensions, transactional leadership is perceived at a lower level, with mean value of 2.13. It reveals that the employees' perceptions of transactional leadership style in the organization is lower than transformational leadership style. The results suggest that transformational leadership style is major contributing factor in employees' innovative behavior.

The mean value and standard deviation of knowledge sharing are 5.74 and 0.87 which suggests that employees are supported with the knowledge sharing practice in their organization. Likewise, the mean of empowerment is 5.52 which also reveals that employees are empowered for their jobs to be performed. And, the mean of individual innovative behavior is 5.21 which indicates that employees perceive that

they are given rooms for their creativity. Also, individuals are the one who develop, enable, research and implement ideas for the organization. The statistical results in Table 4.10 reveals the relationship among transactional leadership style, transformational leadership style, knowledge sharing, empowerment and individual innovative behavior are significant and the nature of relationship is positive. Overall, the tabulated data in Table 4.10 indicate a fair, positive and significant relationship with dependent variable Individual innovative behavior as well and those relationships are strong enough to test proposed hypotheses.

#### **Assessment of Mediating Effect**

Knowledge sharing is assumed as a mediating variable in this study. To test if knowledge sharing mediates the relationship between leadership styles and individual innovative behavior simple mediation analysis is used, by determining the indirect effect of transformational and transactional leadership on individual innovative behavior through knowledge sharing. According to Hayes (2013), "mediation analysis is a statistical method used to help answer the questions as to how some causal agent X transmits its effect on Y?". We used bootstrapping through process model 4 controlling demographic variables gender, age, position, NOY and education as covariates to examine mediation effect. The model suggests that, to mediate, zero should not lie between the indirect effect's 95% bootstrap confidence interval and if it does, the mediation relationship will be rejected.

### Mediating Effect of Knowledge Sharing for Effect of Transactional Leadership on Individual Innovative Behavior

The results of simple mediation model and bootstrapping confidence intervals are presented in the Table 4.11.

Table 4.11

*Mediating effect of Knowledge Sharing for effect of Transactional Leadership on Individual Innovative Behavior*

Variable	Coefficient	SE	t	p
const	-0.023	0.447	-0.052	0.968
Knowledge Sharing	0.665	0.055	12.099	0.000
Transactional Leadership	0.386	0.083	4.665	0.000
Gender	0.229	0.097	2.366	0.019
Age	0.114	0.120	0.950	0.343
Position	-0.130	0.083	-1.581	0.115
NOY	-0.046	0.059	-0.772	0.441
Education	0.157	0.088	1.776	0.077
Indirect effect of X on Y through M				
	Effect	Boot SE	BootLLCI	BootULCI
Knowledge Sharing	-0.144	0.076	-0.266	-0.019
R <sup>2</sup>				0.472
F			26.802***	0.000

Note: \*P<0.10; \*\*P<0.05; \*\*\*P<0.01

\*X-Transactional Leadership; Y-Individual innovative behavior; M- Knowledge sharing; NOY-Number of years in the job

Simple mediation model suggested by Hayes (2018) was followed to examine mediating effect of knowledge sharing on the relationship of transactional leadership style on individual innovative behavior. As shown in Table 4.11, with  $F = 28.806$  shows the model is fit and statistically significant at  $p = 0.000$ .

In the same table, Table 4.11, model information shows that transactional leadership significantly predicts individual innovative behavior with knowledge

sharing, as  $b = 0.386$ ,  $t = 4.727$ ,  $p = 0.000$ . In addition, knowledge sharing also statistically significantly predict individual innovative behavior with transactional leadership style with  $b = 0.665$ ,  $t = 11.339$ ,  $p = 0.000$ . Likewise, control variable gender with  $p = 0.019$  is significant and it has some effect on dependent variable.

The information on last part of same Table 4.11 includes indirect effect of X on Y through M and represents model with the relationship between transactional leadership and individual innovative behavior being mediated by knowledge sharing. In structural model, the results indicate significant negative indirect effect. The effect is  $-0.144$  with bootstrapped standard error (BootSE) of  $0.076$  and a 90% confidence interval (BootLLCI – BootULCI) ranging from  $-0.266$  to  $-0.019$ . It indicates that with knowledge sharing the effect of transactional leadership on innovative behavior is reduced by  $0.144$  level. Hence it partially eliminates the positive effect of transactional leadership on innovative behavior. The confidence interval shows that zero does not lie between the bootstrapping lower and upper confidence interval hence mediation does exist thus supporting H2.

### **Mediating Effect of Knowledge Sharing Concerning the Effect of Transformational Leadership on Individual Innovative Behavior**

The Table 4.12 presents the results of simple mediation model conducted to examine mediating effect of knowledge sharing on transformational leadership and individual innovative behavior. Process model four was employed to check the mediation effect.

Table 4.12

*Mediating Effect of Knowledge Sharing Concerning the Effect of Transformational Leadership on Individual Innovative Behavior*

Variable	Coefficient	SE	t	p
const	0.350	0.402	0.870	0.386
Knowledge Sharing	0.547	0.062	8.877	0.000
Transformational Leadership	0.414	0.092	4.507	0.000
Gender	0.127	0.082	1.543	0.124
Age	0.107	0.122	0.877	0.382
Position	-0.111	0.099	-1.124	0.262
NOY	-0.056	0.054	-1.050	0.295
Education	0.212	0.106	2.006	0.046
Indirect effect of X on Y through M				
	Effect	Boot SE	BootLLCI	BootULCI
Knowledge Sharing	0.187	0.062	0.077	0.322
R <sup>2</sup>				0.494
F			30.735***	0.000

Note: \*P<0.05; \*\*P<0.01; \*\*\*P<0.001

In the Table 4.12, independent variable transformational leadership and mediating variable knowledge sharing predicting individual innovative behavior are shown. The model is fit with  $F = 30.735$  statistically significant at  $p = 0.000$ .

Similarly, the results indicate that transformational leadership significantly predicts individual innovative behavior with knowledge sharing, as  $b = 0.414$ ,  $t = 4.507$ ,  $p = 0.000$ . In addition, knowledge sharing also significantly predicts individual innovative behavior with  $b = 0.547$ ,  $t = 8.877$ ,  $p = 0.000$ . The relationship was examined by controlling the effects of demographic variables and the results show that only education is significant with  $p = 0.04$ . It shows that only education has effect on dependent variable.

The information on the last part of Table 4.12 includes indirect effect of X on Y through M and represents model with the relationship between transformational leadership and individual innovative behavior being mediated by knowledge sharing. The effect is 0.187 with bootstrapped standard error (BootSE) of 0.062 and a 95% confidence interval (BootLLCI – BootULCI) ranging from 0.077 to 0.322. The indirect effect's confidence interval indicates that zero does not lie between the bootstrapping lower and upper confidence interval. It indicates that transformational leadership further influences innovative behavior of employees through knowledge sharing by additional 0.187 level thus supporting H1.

#### **Assessment of Mediating Effect of Empowerment.**

Empowerment is assumed as mediating variable in this study. To test if empowerment mediates the relationship between leadership styles and individual innovative behavior, process model 1 suggested by Hayes (2018) was employed. In the present study, 95% of bias-corrected bootstrap confidence interval of the direct and indirect effects was obtained with 5000 number of bootstrap resample. We used bootstrapping through process model 4 controlling demographic variables gender, age, position, NOY and education as covariates to examine mediation effect. The model suggests that, to mediate, zero should not lie between the indirect effect's 95% bootstrap confidence interval and if it does, the mediation relationship will be rejected.

**Mediating Effect of Empowerment Concerning the Effect of Transactional Leadership Style on Individual Innovative Behavior**

Table 4.13

*Mediating Effect of Empowerment Concerning the Effect of Transactional Leadership style on Individual Innovative Behavior*

Variable	Coefficient	SE	t	p
const	0.451	0.438	1.031	0.304
Empowerment	0.593	0.052	11.417	0.000
Transactional Leadership	0.274	0.084	3.261	0.001
Gender	0.285	0.100	2.854	0.005
Age	0.289	0.123	2.347	0.020
Position	0.061	0.083	0.738	0.462
NOY	-0.214	0.062	-3.441	0.001
Education	0.160	0.090	1.763	0.079
Indirect effect of X on Y through M				
	Effect	Boot SE	BootLLCI	BootULCI
Empowerment	-0.032	0.073	-0.177	0.111
R2				0.447
F			24.243***	0.000

Note: \*P<0.05; \*\*P<0.01; \*\*\*P<0.001

Results in Table 4.13, show the indirect effect of transactional leadership on individual innovative behavior through empowerment is -0.032. the indirect effect's confidence interval indicates that zero lies between bootstrapping lower and upper confidence interval (LLCI = -0.0177 and ULCI = 0.111). This signifies that empowerment did not mediate the relationship between transactional leadership and individual innovative behavior of employees, thus rejecting H4.

The result from Table 4.11 also show that transactional leadership significantly predicts individual innovative behavior with empowerment, as  $b = 0.274$ ,  $t = 3.261$ ,  $p = 0.001$ . In addition, empowerment also significantly predicts individual innovative behavior with transactional leadership style with  $b = 0.593$ ,  $t = 11.417$ ,  $p = 0.000$ .

### **Mediating Effect of Empowerment Concerning the Effect of Transformational Leadership Style on Individual Innovative Behavior**

In the Table 4.14, independent variable transformational leadership and mediating variable empowerment predicting individual innovative behavior are shown. The model is fit with  $F = 23.511$  statistically significant at  $p = 0.000$ .

Similarly, the results indicate that transformational leadership significantly predicts individual innovative behavior with empowerment, as  $b = 0.239$ ,  $t = 2.766$ ,  $p = 0.006$ . In addition, empowerment also significantly predicts individual innovative behavior with  $b = 0.502$ ,  $t = 8.277$ ,  $p = 0.000$ . The relationship was examined by controlling the effects of demographic variables and the results show that age, education and NOY is significant with  $p = 0.044$ ,  $p = 0.022$  and  $p = 0.002$  respectively.

Table 4.14

*Mediating Effect of Empowerment on Impact of Transformational Leadership Style on Individual Innovative Behavior*

Variable	Coefficient	SE	t	p
const	0.944	0.381	2.480	0.014
Empowerment	0.502	0.061	8.277	0.000
Transformational Leadership	0.239	0.086	2.766	0.006
Gender	0.180	0.092	1.947	0.053
Age	0.249	0.123	0.029	0.044
Position	0.048	0.083	0.581	0.562
NOY	-0.192	0.063	-3.072	0.002
Education	0.209	0.091	2.302	0.022
Indirect effect of X on Y through M				
	Effect	Boot SE	BootLLCI	BootULCI
Empowerment	0.363	0.068	0.242	0.505
R2				0.439
F			23.511***	0.000

Note: \*P<0.05; \*\*P<0.01; \*\*\*P<0.001

The information on same Table 4.12 includes indirect effect of X on Y through M and represents model with the relationship between transformational leadership and individual innovative behavior being mediated by empowering. The effect is 0.363 with bootstrapped standard error (BootSE) of 0.068 and a 95% confidence interval (BootLLCI – BootULCI) ranging from 0.242 to 0.505. The indirect effect's confidence interval indicates that zero does not lie between the bootstrapping lower and upper confidence interval. It indicates that transformational leadership further influences innovative behavior of employees through empowerment by additional 0.363 level this supporting H3.

Table 4.14

*Mediating Effect of Empowerment on Impact of Transformational Leadership Style on Individual Innovative Behavior*

Variable	Coefficient	SE	t	P
const	0.944	0.381	2.480	0.014
Empowerment	0.502	0.061	8.277	0.000
Transformational Leadership	0.239	0.086	2.766	0.006
Gender	0.180	0.092	1.947	0.053
Age	0.249	0.123	0.029	0.044
Position	0.048	0.083	0.581	0.562
NOY	-0.192	0.063	-3.072	0.002
Education	0.209	0.091	2.302	0.022
Indirect effect of X on Y through M				
	Effect	Boot SE	BootLLCI	BootULCI
Empowerment	0.363	0.068	0.242	0.505
R2				0.439
F			23.511***	0.000

Note: \*P<0.05; \*\*P<0.01; \*\*\*P<0.001

The information on same Table 4.12 includes indirect effect of X on Y through M and represents model with the relationship between transformational leadership and individual innovative behavior being mediated by empowering. The effect is 0.363 with bootstrapped standard error (BootSE) of 0.068 and a 95% confidence interval (BootLLCI – BootULCI) ranging from 0.242 to 0.505. The indirect effect's confidence interval indicates that zero does not lie between the bootstrapping lower and upper confidence interval. It indicates that transformational leadership further influences innovative behavior of employees through empowerment by additional 0.363 level this supporting H3.

### Summary of Hypotheses Testing Result

Based on statistical analysis, four hypothesized relationships were examined. The findings and outcomes of those hypotheses are summarized in below points. Two of the hypotheses was to examine the mediation relationship and other two hypotheses checked for moderation relationship.

- H1: The relationship between Transformational leadership and Individual innovative behavior is mediated by Knowledge Sharing- Supported.
- H2: The relationship between Transactional Leadership and Individual innovative behavior is mediated by Knowledge sharing- Supported.
- H3: The relationship between Transformational leadership and Individual innovative behavior is mediated by Empowerment- Supported.
- H4: The relationship between Transactional and Individual innovative behavior is mediated by Empowerment- Rejected.

## CHAPTER V

### SUMMARY, DISCUSSIONS AND IMPLICATIONS

This chapter explores and discusses the results obtained in chapter IV based on the research propositions set out in chapter III. The aim is to discuss the analysis of the data in relation to the research propositions but also to illuminate other findings pertinent to the discussion. The findings of this study are related to practical and research implications and also suggested for further research. Lastly, a critique of the study is presented.

#### **Summary of Findings**

This study examined the effect of leadership styles (Transformational leadership and Transactional leadership), knowledge sharing and empowerment on individual innovative behavior of private commercial bank employees. Questionnaire survey was conducted in 15 randomly selected commercial banks within Kathmandu valley. 350 respondents participated in the survey. The summary results of correlation and regression analysis related to the study are:

1. The mean of study variables is: Transactional leadership- 2.13; Transformational leadership- .273; Knowledge sharing- 5.74; Empowerment- 5.52 and Individual innovative behavior is 5.21.
2. To test the normality, the value of Skewness and Kurtosis shows they are within the acceptable range of  $\pm 3$  and  $\pm 10$  respectively.
3. The one-way ANOVA indicates that there is statistically significant difference among male and female employees on transformational leadership, transactional leadership styles and empowerment. Male consider their leaders

to be transformational leaders and transactional managers than female employees. Likewise, male perceive more empowered than female employees.

4. The one-way ANOVA indicates age group between 41-50 shows higher inclination to knowledge sharing and empowerment than other age groups. With highest mean value of 6.42, employees at this age are assumed to have reached at higher positions who like to collaborate with colleagues for better outcome. At this age, they also perceive they are empowered enough to perform their job. With the increased age bracket the mean value of empowerment has gradually rise which may be due to their increased job positions. Similarly, age group between 31-40 perceive more innovative behavior than other age groups. Employees at this age in their mid-career tend to demonstrate more innovative ideas so they can succeed in their job.
5. The descriptive statistics shows that employees in manager position perceive more knowledge sharing then employees at assistant and officer positions. Knowledge sharing in this position helps them grow in their job and also strengthens work relationships. The descriptive statistics result indicates that employees at officer position (with mean value- 5.53) perceive more innovative behavior than employees at assistant and manager position. Employees in this position have the tendency to explore new ideas and search solutions to issues.
6. The results in one-way ANOVA reveal that there exists a significant difference among different sub group of NOY on transformational leadership style, knowledge sharing, empowerment and individual innovative behavior. The descriptive statistics indicates that employees with more than 10 years of work experience perceive more knowledge sharing followed by employees

with 6-10 years of experience. With increased number of experience, employees have more knowledge to share that can facilitate creativity in the workplace. Similarly, the results indicate that employees who have work experience of 6-10 years have more statistically significant difference on transformational leadership, empowerment and individual innovative behavior than any other sub groups in the category.

7. The one-way ANOVA suggests there exists a statistically significant difference among sub groups of education on Transactional leadership, knowledge sharing, empowerment and individual innovative behavior. From the descriptive statistics, employees whose highest level of education is plus two perceive their leaders to be more transactional compared to other sub groups with higher education qualification. Likewise, employees with master education qualification perceive more on knowledge sharing, empowerment and individual innovative behavior.
8. Correlation analysis shows that the relationship among transactional leadership style, transformational leadership style, knowledge sharing, empowerment and individual innovative behavior are significant and the nature of relationship is positive.
9. The mediation analysis shows that knowledge sharing significantly mediates the relationship between transactional leadership and individual innovative behavior.
10. The mediation analysis shows that knowledge sharing significantly mediates the relationship between transformational leadership and individual innovative behavior.

11. The indirect effect's confidence interval indicates that zero does not lie between the bootstrapping lower and upper confidence interval. Hence, knowledge sharing mediates the relationship between transformational leadership style and individual innovative behavior.
12. Empowerment as mediator did not mediate the relationship between transactional leadership style and individual innovative behavior.
13. Empowerment mediated the relationship between transformational leadership style and individual innovative behavior.

This study attempts to analyze the effect of leadership styles, knowledge sharing, and empowerment on individual innovative behavior among employees of Nepalese banking sector. The findings indicated that knowledge sharing does mediate the relationship between transactional leadership and individual innovative behavior as well as between transformational leadership and individual innovative behavior. Further, empowerment mediated the relationship between transformational leadership style and individual innovative behavior. However, empowerment did not mediate the relationship. The study provides a theoretical ground and also summarize the findings of previous studies which help researchers to gain knowledge. Below discussion part explains the findings with their relative studies.

### **Discussions**

Many studies examine ties between leadership styles and knowledge sharing on an organizational level. This study has contributed to the existing literature by examining knowledge sharing and empowerment from individual perspective i.e employees point of view.

This study shows that knowledge sharing mediates the relationship between transactional relationship and innovative behavior which is consistent with study of

Hussain et al., (2017). Although transactional relationship positively effects innovative behavior surprisingly the positive impact of transactional leadership on innovative behavior is slightly decreased with the presence of mediating variable ie knowledge sharing. One possible reason could be, transactional leader brings innovativeness but not through knowledge sharing – through rewards and punishment; everyone is focused on their individual being and probably competitive- and don't consider sharing of knowledge across fellow workers as important. This implies that in Nepalese private banking sector, those banks where leadership is perceived to be transactional (carrot/ stick) type, they will not able to induce innovative behavior through knowledge sharing in the same level they would have induced without it. The results of this study shows negative indirect effect which contradict with the results of Amabile (1983).

From extant literature, there are studies which shows significant relation between transactional leadership and the effectiveness of the leader which ultimately yields positive work outcomes or performance (Avolio & Howell, 1992). However, when comparing it with transformational leadership, transactional leadership seems to have negative relation with individual innovative behavior when knowledge sharing is included. One possible explanation could be because this style is more tasks oriented and endorses status-quo for achieving anticipated performance which may not seem appropriate for innovation.

Transactional leadership is more related to rewards, recognition and exchange between leaders and followers. From statistics, we can observe that majority of the participants were below 30 years holding either assistant or officer positions in their organization. Due to their job position it is possible that due to higher tendency of knowledge sharing the employees may tend to think mechanically rather than using

their creativity. Jung (2001) who had a similar research found that subordinates under the control of a transactional leader tend to show less creativity than those under the control of a transformational leader. Majority of employees in this study at their job position perceive their leaders as transactional as well. Hence, it may be assumed that though they may have a great relation with their leaders in terms of task fulfilment, rewards however in the process of fulfilling leader's orders they might not be inclined towards new idea generation even if there is knowledge sharing in the team.

The findings of this study shows that knowledge sharing mediates the relationship between transformational leadership and individual innovative behavior in Nepalese private banking sector. The findings are consistent with the results reported by other researchers (Li et al., 2014; Liu and DeFrank, 2013; Shao et al., 2012). Bradshaw et al. (2015) revealed that transformational leadership is positively associated with all the dimensions of knowledge sharing. Transformational leadership has been extensively explored on this theme in the past.

From the descriptive statistics, it indicates that employees between 41-50 years of age perceive more knowledge sharing than other age groups. With highest mean value of 6.42, employees at this age are assumed to have reached at higher positions who like to collaborate with colleagues for better outcome. As mentioned by Sammarra, Profili, Maimone and Gabrielli (2017), Older workers may not be as focused on knowledge acquisition, but they are likely to have a stronger motivation to share their knowledge with other colleagues. Hence, organizations can organize sessions where senior members can share their knowledge and life experiences which can help other members. As rightly mentioned by Burmeister and Deller (2016), organizations should provide opportunities for older members to engage in knowledge-sharing behaviors. Similarly, age group between 31-40 perceive more innovative behavior

than other age groups. Employees at this age in their mid-career tend to demonstrate more innovative ideas so they can succeed in their job. Those younger workers are more likely to be motivated to acquire new knowledge and may be more prone to engage in knowledge exploration activities that are particularly beneficial for generating creative ideas and radical innovations Sammara et al. (2017). The results also show that employees in manager position perceive more knowledge sharing than employees at assistant and officer positions. Knowledge sharing in this position helps them grow in their job and also strengthens work relationships.

In this study, descriptive statistics reveals that employees between 41-50 years of age perceive they are empowered enough to perform their job. With the increased age bracket the mean value of empowerment has gradually rise which may be due to their increased job positions.

Empowerment is a kind of power sharing process that transpires when a leader gives a subordinate autonomy to determine independently how to perform their responsibility. This process helps an employee wear their thinking cap and perform their task innovatively. In this study, the results show that transformational leadership style through empowerment predicts individual innovative behavior. Different studies have shown that there is positive relationship between transformational leadership and empowerment; and empowerment and individual innovative behavior but only few studies incorporate mediating role of empowerment. Most of the empirical studies provide evidence on the impact of empowerment on individual creativity and innovation (Zhang & Bartol, 2010). For example, empowerment of followers has been taken as one of the consequences of transformational leadership such that those followers are converted into effective leaders. Moreover, empowering team members

by providing them with autonomy to manage their work would arguably facilitate their work-related learning leading them to be creative.

One of the reason for private banks being first choice for job seeker could be due to provided authority for them to act responsibly within authority. All the employees have standardized job description and delegation of authority where they can act and apply their expertise on the given job. The employees are aware of the risk they are expected to act based on their authority. By this they can think of ideas where they can excel at their job. Due to this private banking sector in Nepal is also one of the biggest employer with 36,861 individuals as of mid-July 2019. The number of staff working in the three public banks was 6,704 and the number of staff working in the private banks was 30,157 as on the date, which shows that the three public sector banks still employ 18.19 percent of total people working in the commercial banking industry (NRB, 2020). Granting employees, the power to perform their tasks enhances their motivation, job satisfaction, organizational commitment and social exchange relations (Maynard et al., 2012; Patel & Cardon, 2010).

Empowerment confident more employees in their work and strengthen their creativity and ability to solve problems (Kelley et al., 1996), as a result of displaying a high degree of innovative behavior. Supporting this is the study done by Epitropaki and Martin (2005) who found that by empowering employees, transformational leaders can create a perception among followers that they are important members of the organization. The findings of the study suggest that empowerment does not mediate the relationship between transactional leadership and employee individual innovative behavior. One possible explanation could be the leadership style practiced by the organization. Transactional leadership is perceived as exchange-based association between leader and employees. Due to which this type of leadership

behavior is considered as discouraging and decreasing innovative performance (Yukl, 1999).

This leadership style rests upon rewards and punishment which may be a barrier for employees to explore their innovative side. An over-reliance on rewards and punishments will create the perception of lack of delegation and trust among employees (Bass & Avolio, 1997). So, those banks where leadership is perceived to be transactional type, they are not able to induce innovative behavior through empowerment. This may be because transactional leadership is more authoritative and strict in rules; things are more systematic and straight to the regular process so employees are not compulsorily expected to think innovatively (Mufti, Xiaobo, Shah, Sarwar & Zhenqing, 2019). The employees are required to act upon the orders from the leaders and they are not empowered enough to act in their job area. This interaction style may restrict creativity of employees. Another possible explanation could be empowerment practices adopted by those banks. Empowerment practices have positive effects on organizational performance because they stimulate positive attitudes and behaviors from employees (Riordan, Vandenberg & Richardson, 2005). Practice of including employees in decision making process, organizing interaction session and building leadership from the high potential employees can help in the process. Nevertheless, as transactional leadership is based on rewards and punishments, the banks may also utilize this and practice employee empowerment.

### **Implications**

This study was designed to examine the impact of leadership styles (Transformational and transactional leadership) and knowledge sharing on individual innovative behavior. Also, to examine the moderating role of empowerment on leadership styles in private banks of Nepal. The findings of this study have

implications to practitioners and researchers. The implications are discussed in below sections.

### **Practical Implications**

Empirical evidence indicated that the private commercial banks could practice transformational leadership style to promote knowledge sharing practice to enhance individual innovative behavior. The exploration of leadership styles in terms of employees' individual innovative behavior in the private banking sector may provide useful insight for leadership training which is assumed to facilitate knowledge sharing behavior. Moreover, institutions under pressure to innovate give a greater understanding of the leaders that encounter a huge amount of pressure within the current competitive environment to innovate. Therefore, the researchers recommend that the private banks should provide suitable motivational programs to encourage knowledge sharing between members of staff through providing reward systems. Being a service based institution, banking institutes rely on human inputs hence it is on part of organization to facilitate them with appropriate training based their job requirement. The results of this study also suggest that there is positive relationship between transformational leadership and individual innovative behavior through knowledge sharing. Findings of study conducted by Biswakarma & Khanal (2015) suggests that impact of transformational leadership styles on employee engagement is significantly higher than transactional and charismatic leadership styles in Nepalese banking scenario. An engaged employee is expected to exhibit knowledge sharing practice in their workplace which facilitates the innovative behavior among employees.

It is also a fact that private banking sector is a major contributor to Nepalese economy. Being a service based organization, they need achieve a competitive edge

through knowledge management. Hence, it would be imperative that leaders choose those styles of leadership that help subordinates develop a positive outlook toward knowledge sharing and consequently propel them to share their knowledge with others. This sharing would not only lead to the growth of an individual employee but also benefit the organization.

Today there are number of ways one can receive training which provides them with range of leadership styles that may lead to enhanced knowledge-sharing behavior in contemporary knowledge-based organizations. Leaders can practice different ways to be engaged with employees. They can offer new ideas, challenge existing workflow, have brainstorming sessions which instigate team discussions and gradually to individual knowledge sharing practice.

### **Research Implications**

This study was designed to examine impact of transformational and transactional leadership on individual innovative behavior with knowledge sharing as the mediating variable and empowerment as moderating variable. There are less studies conducted with assumed mediating and moderating variable together hence this has helped to deepen understanding of leadership styles, innovation, knowledge sharing and empowerment. Also, unlike previous studies which has been carried in a western context, findings of this study may help infer the applicability to a similar setting other than Nepal.

For future research, replication of same study can be done to check if similar findings will be obtained. Some of findings of this study are inconsistent to previous research. Nepal is a country in South Asia and as stated by Liden, 2012, Asia is characterized by greater power distance between leaders and followers and has embodied a culture where hierarchy has been accepted as a norm (Ahlstrom, Chen &

Yeh, 2010; Lam, Huang & Lau, 2012; Liden, 2012). Leaders are endowed with greater discretion and control, and followers generally obey their decisions. So the inherent power distance between leaders and followers may influence the leadership effect on organizational and strategic outcomes. Hence, it would be an area to explore where future researcher may incorporate power distance as mediators to check the influence of power distance on individual innovative behavior. Further, banks have number of departments comprising of employees at frontline and operations. The perceptions of frontline staffs could be different from those working at support functions in the same organization. Present study was conducted with the employees of banks without specific segment of employees. Hence, it would be interesting to test the same study with frontline staffs and operations staffs separately.

#### **Critique of the Study**

One possible limitation was the common source measurement. The study was conducted from employee perspective only. This may limit the comprehensive understanding of how organizational leadership styles influence individual innovative behavior. Hence, the findings of present study may not be generalizable to the organization as a whole. Consideration of only transformational and transactional leadership in the present study might have limited the findings of this study. There are other leadership styles as well. There could be possibilities that leaders who were being rated by the employees fall in other categories like autocratic leadership, democratic leadership etc. the combination of participants could be another limitation.

Descriptive statistics showed that majority of the participants were below 30 years of age and were assistant/ officers. The job level they are in may not demand individuals to explore their innovative side which is seen in our results as well. So response rate could have been extended to a larger audience involving

individuals who are at higher positions as well. The results of this study is based on opinion of the bank employees who work at frontline and back-end support functions. The perceptions of frontline may be different to those of operations staffs according to the job nature. For e.g operations staffs may have a routine based job to work on bank's internal system whereas frontline staffs may have to deal with clients based on their financial requirement. Hence, the researcher believes that due to diverse job nature the opinions may not be same towards the variables under consideration in this study however no such segregation of staffs was done in this study. Another limitation of this study is larger number of data (more than 20%) skewed in one organization which may distract un-biased sort of way of collecting to little bit more biased.

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## APPENDICES

Dear Respondent,

I am conducting this questionnaire survey for an academic research as required by the MPhil program. The title of my research is "**Impact of Leadership Styles in Individual Innovative Behavior of Nepalese Private Banking Sector: Role of Knowledge Sharing and Empowerment**". This questionnaire serves as an important data collection tool for the analysis of the constructs in consideration for this research.

There is no right or wrong answers. As you go through the questionnaire, please pay attention to the statements and choose the right alternative as honestly as possible. I would like to state that this research is purely for an academic purpose and we are simply interested in your candid and honest opinion. I assure you that strict confidentiality will be maintained and information furnished by you will be used only for the above stated purpose. It will take you about **20 minutes** to complete this questionnaire survey.

Thanking you for your cooperation.

Kabita Gurung

Kathmandu University School of Management (KUSOM)

MPhil 2016

## Multifactor Leadership Questionnaire

### Rater Form

Name of Supervisor/ Line Manager: \_\_\_\_\_ (Optional) Date: \_\_\_\_\_

This questionnaire is used to describe the leadership style of your line manager as you perceive it. Judge how frequently each statement fits the person you are describing.

Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

The Person I Am Rating . . .

- |    |   |   |   |   |   |   |
|----|---|---|---|---|---|---|
| 1  | Provides me with assistance in exchange for my efforts.....                                   | 0 | 1 | 2 | 3 | 4 |
| 2  | Re-examines critical assumptions to question whether they are appropriate.....                | 0 | 1 | 2 | 3 | 4 |
| 3  | Fails to interfere until problems become serious.....   | 0 | 1 | 2 | 3 | 4 |
| 4  | Focuses attention on irregularities, mistakes, exceptions, and deviations from standards..... | 0 | 1 | 2 | 3 | 4 |
| 5  | Avoids getting involved when important issues arise.....                                      | 0 | 1 | 2 | 3 | 4 |
| 6  | Talks about his/her most important values and beliefs.....                                    | 0 | 1 | 2 | 3 | 4 |
| 7  | Is absent when needed.....  | 0 | 1 | 2 | 3 | 4 |
| 8  | Seeks differing perspectives when solving problems.....                                       | 0 | 1 | 2 | 3 | 4 |
| 9  | Talks optimistically about the future.....  | 0 | 1 | 2 | 3 | 4 |
| 10 | Instills pride in me for being associated with him/her.....                                   | 0 | 1 | 2 | 3 | 4 |
| 11 | Discusses in specific terms who is responsible for achieving performance targets...           | 0 | 1 | 2 | 3 | 4 |
| 12 | Waits for things to go wrong before taking action.....  | 0 | 1 | 2 | 3 | 4 |

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

13	Talks enthusiastically about what needs to be accomplished.....	0	1	2	3	4
14	Specifies the importance of having a strong sense of purpose.....	0	1	2	3	4
15	Spends time teaching and coaching.....	0	1	2	3	4
16	Makes clear what one can expect to receive when performance goals are achieved.....	0	1	2	3	4
17	Shows that he/she is a firm believer in "If it ain't broke, don't fix it....."	0	1	2	3	4
18	Goes beyond self-interest for the good of the group.....	0	1	2	3	4
19	Treats me as an individual rather than just as a member of a group.....	0	1	2	3	4
20	Demonstrates that problems must become chronic before taking action.....	0	1	2	3	4
21	Acts in ways that builds my respect.....	0	1	2	3	4
22	Concentrates his full attention on dealing with mistakes, complaints, & failures.	0	1	2	3	4
23	Considers the moral and ethical consequences of decisions.....	0	1	2	3	4
24	Keeps track of all mistakes.....	0	1	2	3	4
25	Displays a sense of power and confidence.....	0	1	2	3	4
26	Articulates a compelling vision of the future.....	0	1	2	3	4
27	Directs my attention toward failures to meet standards.....	0	1	2	3	4
28	Avoids making decisions.....	0	1	2	3	4
29	Considers me as having different needs, abilities, and aspirations from others....	0	1	2	3	4
30	Gets me to look at problems from many different angles.....	0	1	2	3	4
31	Helps me to develop my strengths.....	0	1	2	3	4
32	Suggests new ways of looking at how to complete assignments.....	0	1	2	3	4
33	Delays responding to urgent question.....	0	1	2	3	4
34	Emphasizes the importance of having a collective sense of mission.....	0	1	2	3	4
35	Expresses satisfaction when I meet expectations.....	0	1	2	3	4
36	Expresses confidence that goals will be achieved.....	0	1	2	3	4

## Part 2: Individual Innovative Behavior

*Below are several statements about your work with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing the appropriate number. Please give your responses as following:*

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

1	I am creating ideas for difficult issues.....	1	2	3	4	5	6	7
2	I am searching out new working methods, techniques or instruments..	1	2	3	4	5	6	7
3	I am generating original solutions for problems.....	1	2	3	4	5	6	7
4	I am mobilizing support for innovative ideas.....	1	2	3	4	5	6	7
5	I am acquiring approval for innovative ideas.....	1	2	3	4	5	6	7
6	I am making important organizational members enthusiastic for innovative ideas....	1	2	3	4	5	6	7
7	I am transforming innovative ideas into useful applications....	1	2	3	4	5	6	7
8	I am introducing innovative ideas into the work environment in a systematic way.....	1	2	3	4	5	6	7
9	I am evaluating the utility of innovative ideas.....	1	2	3	4	5	6	7

## Part 3: Knowledge Sharing

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strogly Agree
1	2	3	4	5	6	7

1	In my organization, I share and discuss my experiences and special knowledge with others. .....		1	2	3	4	5	6	7
2	In my organization, I usually get new knowledge from colleagues..... .....		1	2	3	4	5	6	7
3	In my organization has expertise in the usage and maintenance of critical information infrastructure, e.g. intranet, groupware (like WeChat, QQ).....		1	2	3	4	5	6	7
4	In my organization, the intranet systems enable the sharing of ideas and critical documents. ....		1	2	3	4	5	6	7
5	Knowledge sharing is important for me. .....		1	2	3	4	5	6	7
6	I enjoy seeing my colleagues benefit from my knowledge sharing efforts. .....		1	2	3	4	5	6	7
7	Sharing knowledge with my colleagues enhances our work relationship.....		1	2	3	4	5	6	7

### Part 4: Empowerment

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

1	I feel competent to perform the tasks required for my position. ....	1	2	3	4	5	6	7
2	I have the authority to make the decisions that need to be made to perform my job well.....	1	2	3	4	5	6	7
3	I feel adequately prepared to perform my job.....	1	2	3	4	5	6	7
4	"Management trusts me to make the appropriate decisions in my job. ....	1	2	3	4	5	6	7
5	I have the skill to excel in my job. ....	1	2	3	4	5	6	7
6	I have the opportunity to use my judgment for problems I encounter in my job. ....	1	2	3	4	5	6	7

### Your personal information

A. Gender	a. Male <input type="checkbox"/> b. Female <input type="checkbox"/> c. Other <input type="checkbox"/>
B. Age	a. < 30 <input type="checkbox"/> b. 31 – 40 <input type="checkbox"/> c. 41 – 50 <input type="checkbox"/> d. > 50 <input type="checkbox"/>
C. Position	_____
D. Number of years in the job	a. 0-2 yrs <input type="checkbox"/> b. 3-5 yrs <input type="checkbox"/> c. 6-10 yrs <input type="checkbox"/> d. > 10 yrs <input type="checkbox"/>
E. Educational Qualification	a. Intermediate <input type="checkbox"/> b. Bachelors <input type="checkbox"/> c. Masters <input type="checkbox"/> d. Doctorate <input type="checkbox"/>