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CULTIVATING INNOVATIVE BEHAVIOUR IN
MANUFACTURING SECTOR: THE ROLE OF INCLUSIVE
LEADERSHIP

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Abstract

To successfully promote innovation in manufacturing firms is contingent on their employees. Inspiring them in these firms to show tendency towards innovative work behaviour (IWB) requires effective and participative leadership styles to motivate them in exhibiting such critical behaviours. An excellent supervision from inclusive leadership could play a significant and important role in shaping their IWB at work. Therefore, this conceptual paper proposes to investigate the effect of inclusive leadership on employees' IWB in electronics manufacturing industries in Northern region of Malaysia. The effects outlined in this paper are analysed under the theoretical framework of social exchange theory (SET). This framework is suitable for this study as it helps researchers gain the understanding on how inclusive leadership influences IWB in electronic manufacturing industries. This study carries value as research on inclusive leadership in organizational research is in early stages and this study will extend the scope of inclusive leadership for the arguments that inclusive leadership has potential to fosters employee IWB.

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1. Introduction

Along with the essentiality of electronic products (e.g. computers, mobile phones, electronic appliances and televisions) for the purpose of daily life, office and home use, the electronics manufacturing industry has become one of the largest and fastest growing manufacturing industries in the world (Gu et al., 2016). This holds true with the electronic manufacturing industry of Malaysia where this industry is contributing significantly to economic growth of the country (Raj-Reichert, 2020). With regards to electronic products and appliances, Malaysia is one of the world's largest exporters (Tsen, 2005). This industry is expected to grow and may serve an important catalyst to job creation in the future. Further, many initiatives have been taken by the Govt of Malaysia to provide support to electronic industry in Malaysia to grow further. This could be possible in the event of concrete support of innovation initiatives among employees working in these firms. Because, these industries rely on most innovative technological equipment to produce goods and improve the quality of products. In line with this, the high competition and rapid changes in technologies, the extent to which electronic manufacturing firms are involved in innovation is essential and need of time. Arguably, employees' innovative work behaviour (IWB) leads towards overall innovation for firms (Jena & Memon, 2018). This is due to the fact that 80% of new ideas that become the basis for innovation in a firm come from individual employees (Getz & Robinson, 2003). Further, employees' IWB play critical roles in enabling firms gain competitive advantage and help firms survive for long term in their businesses. That is the reason, IWB has become a crucial factor to be promoted among employees, and it has compelled researchers to investigate various factors that could impact it (Stock et al., 2017).

It has been well-established in literature that leadership plays a significant role in promoting employees' IWB (Anderson et al., 2014). Studies have therefore, investigated transformational, ethical and empowering leadership styles in an effort to promote employees' IWB (Dhar, 2016; Slatten et al., 2011; Slatten & Mehmetoglu, 2015). Despite the growing body of research on various leadership styles with employees' IWB, the role of an emerging and promising leadership style such as, inclusive leadership remains unexplored (Tran & Choi, 2019). Inclusive leadership has been viewed as a distinct leadership style with other popular leadership styles as these leaders enable their followers to recognize of being treated favourably from their organization (Tran & Choi, 2019). With such treatment, these leaders help their employees endorse higher efforts and display greater work performance at work (Choi et al., 2015). Considering the role of inclusive leadership, we argue it could play the role in enhancing the employees' IWB in the electronic manufacturing industry of Malaysia.

1.1. Innovative Work behaviour

IWB is a process in which unique ideas are generated, promoted and implemented by employees for the sake of benefiting their role performance in the organizations (Thurlings et al., 2015). With this behaviour, employees play a vital role for organizational success (Kim & Shin, 2015). Scholars argue that these behaviours are very beneficial for firms. For example, employees with this behaviour help their firms gain competitive advantage (Liu, 2017), and this behaviour results in meeting customer's satisfaction (Slatten & Mehmetoglu, 2015).

IWB is composed of two fundamental concepts; creativity and innovation (Dorenbosch et al., 2005). Creativity is regarded as an important factor for individual innovation (Heye, 2006). Though, creativity is an essential factor for innovation, some scholars think it is different from IWB arguing that, creativity is only limited to the generation of ideas, whereas IWB includes all steps such as generation, promotion and implementation of ideas (Afsar et al., 2015). But some scholars regard them as similar constructs, stating that without creativity, innovation cannot take place (Amabile et al., 1996). Therefore, both creativity and IWB are essential for the success of all kinds of firms including service and manufacturing, that need to consistently produce new products (Weaver, 2017).

Research has given much evidence of the factors that influence employees' IWB in the literature. Among other factors, leadership has been considered one of the major factors influencing it. For example, various studies have examined the influence of different leadership styles (e.g. transformational, transactional, charismatic, empowering, ethical and authentic leadership) in investigating the relationship with IWB (Dhar, 2016; Günzel-Jensen et al., 2018; Michaelis et al., 2009; Slatten, 2014; Sagnak, 2012; Zhou et al., 2014). However, most of these studies focus was on leaders' centric approach which merely focused on leaders' traits and characters promoting IWB, neglecting the role of essential leader-follower relationship in promoting IWB. Thus, the current study aims to address this shortcoming in literature by examining the relationship between a participative leadership style such as inclusive leadership with IWB.

1.2. Inclusive Leadership

Inclusive leadership is a type of participative leadership that shows openness, availability in their interactions with the employees (Nembhard & Edmondson, 2006). With such openness behavior, these leaders give signals to their followers that innovation is welcomed and appreciated (Hollander, 2009). These leaders have the tolerance for listening to the views of their followers and at the same time encourage their followers in case they make mistakes (Qi et al., 2019). The more employees are motivated in an organization, the more they are involved in IWB (Shin & Zhou, 2003). As organizational support theory postulates that work outcomes are based on organizational support. Therefore, the role of inclusive leadership in this regard plays an important role that can impact employees' IWB. This is due to the fact that inclusive leaders are able to provide resources including information, time, and support necessary for IWB (Reiter-Palmon & Illies, 2004). These leaders through inclusiveness, give employees more discretion, allow them to make decision, give them a sense of responsibility, and employees receive support and guidelines by these leader (Hollander, 2009; Javed et al., 2019). In such situations, employees without fear and hesitation, come up with divergent ideas and involve in creative outcomes. Therefore, inclusive leaders may be a promising leadership style for promoting employee IWB.

1.3. Inclusive leadership and IWB

The theoretical base of this study is on social exchange theory (Blau, 1964). SET is one of the most popular theories in organizational behaviour research that has been extensively used by researchers to describe motivational basis behind employees' attitudes and behaviours. This theory has been applied to investigate and predict human behaviour in several industries including service and manufacturing (Garg & Dhar, 2017; Sanz-Valle & Jiménez-Jiménez, 2018). The basic theme of this theory is based on reciprocity (Gouldner, 1960). According to this theory, followers will reciprocate in such a manner that their immediate

leader or manager interacts with them (Dhar, 2016). For example, when leaders treat his/her employees with fairness, ethically, supports their efforts, encourage their work, the followers or employees in return display positive behaviour at workplace (Dhar, 2016). Within the context of this current study, this theory helps us understand the ways an individual in an organization setting responds to an inclusive leadership style.

According to SET (Blau, 1964), the more followers receive resources, permission and inclusion from their leaders, they are more obliged and willing to reciprocate by involving in IWB (Qi et al., 2019). When leaders care about their followers needs and feelings, allow them to express their own view and ideas, show loyalty towards them, employees would gain pleasure performing their tasks and involve in innovative activities (Janssen, 2004). In similar way, inclusive leaders support their followers and confidence among them increases. They in return involve in more voluntary tasks by trying their best to fulfill the organizational mission, thus increase their abilities and awareness for innovation (Ahearne et al., 2005).

PI: Inclusive leadership has a positive impact on employee's IWB.

2. Problem Statement

With the changes in customers' demands, escalation of competition and technological furtherance, developing strategies for promoting and implementing innovation is vital and crucial for electronic manufacturing industries of Malaysia. These industries are expected to explore further into advancement as the industry implements Industry 4.0 and continues its steady growth into the smart industry and artificial intelligence. To cope up with cut-throat competition and environmental uncertainties, they need to be innovative. This can be done when these organizations exploit their employees' ability to innovate by encouraging them to come up with useful ideas that become the basis for new and improved products, services and work processes. According to Faggian and McCann (2008), it is the role of ideas and intellectual capital that brings economic growth rather than only the production of goods. Considering the growing intensity of intellectual capital, it is understood that all countries are in need for skilled workers who can develop ideas and also can use their knowledge for bringing technological change and economic progress (Azman et al., 2016). Further, scholars suggested that, it is the creative capital and talented workforce that contributes for the advancement of countries (Faggian & McCann, 2008).

Considering the importance and role of employees' innovative potential to contribute for the overall innovation, it becomes important to explore the factors that impact the employees' IWB. Thus, this study responds to these needs by examining the influence of inclusive leadership on employees' IWB.

3. Research Questions

To investigate the proposition that inclusive leadership has an impact on employees IWB in electronic manufacturing industries in Northern region of Malaysia.

4. Purpose of the Study

This conceptual paper intends to identify the role of inclusive leadership that may enhance employees' IWB in the electronic manufacturing industry of Malaysia through a quantitative research analysis approach.

5. Research Methods

The participants of this study will be the full-time employees working in electronic manufacturing industries in Northern region of Malaysia. Data will be collected via structured questionnaire. Personal visits to these industries will be made to communicate the purpose and objectives of this study. Each industry human resource (HR) manager will be contacted to discuss the process of collecting data in various electronics manufacturing industries.

5.1. Instruments

Inclusive leadership scale of 9-item developed by Carmeli et al. (2010) will be used for this study. Innovative behaviour will be measured using 9-item scale developed by Janssen (2000).

6. Findings

Based on previous studies and extant literature, it is understood that inclusive leadership is a significant and important factor to influence employees' IWB.

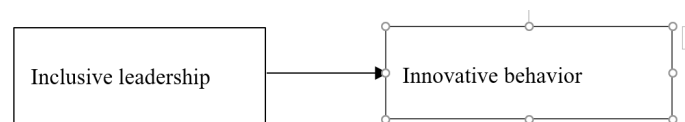


Figure 01. Conceptual Model

7. Conclusion

In conclusion, this study proposed a conceptual model on inclusive leadership and IWB. it provides new understanding of a participative leadership style such as inclusive leadership in enhancing employees IWB electronics manufacturing industries of Malaysia.

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