

EFFECT OF EMPLOYEE'S BEHAVIOR TOWARDS ORGANIZATIONAL CHANGE ON INNOVATIVE WORK BEHAVIOR IN BANK EMPLOYEES WITH MEDIATING EFFECT OF EMPLOYEES' INVOLVEMENT.

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ABSTRACT:

The main purpose of conducting the study is to examine the impact of employees' behavior towards the organizational change on innovative work behavior. Primary data of 250 respondents were collected from different banks of Punjab. Data is analyzed through different tools of SPSS. The results of this study highlight the importance of positive employees' behavior towards organizational change on innovative work behavior. Additionally, employee's involvement also enhances the relationship of employee's behavior towards organizational change and innovative work behavior. However, employee's involvement magnifies the positive behavior of employees towards innovative work behavior. Data was collected from employees in the banking sector, that's why these results can't be generalized in other sectors. For implications, organizations must give importance to their employees by involving them in the decisions making for the purpose of a positive response that results in innovative work behavior.

Introduction

In this modern era, business needs a transformation to remain in the market. Some business with time undergoes a transition to become successful and grow. It drives innovation and creativity within the organization

Employee's behavior has a significance impact in the change process, their

cooperation assists organizations to implement change in an effective way. Moreover, Individual behavior brings off the new introductory product, process and procedure within the organization that leads the innovative work behavior (Farr and Ford 1990). Innovative work behavior not just only creation of new ideas but also it includes the successfully implementation of creative ideas in the organization.

This research aims to reveal the employee's behavior in the banking institutes towards the change and its effect on the innovative work behavior with the mediating effect of employees' involvement.

Research question

How employee's behavior towards organizational change influences the innovative work behavior with the mediating variable employee's involvement?

Statements of problem

Banking sector still has a sufficient study on the behavior of employees regarding the structural transformation in Pakistan that should be address for achieving innovative work behavior.

Significance of study

It plays a very important role especially in banking sector because banking institutes get benefits by understanding the importance of innovative work behavior and employees' involvement in the organizational change. Moreover, it also highlights the importance of innovative work behavior in the services and manufacturing sectors.

Limitation

This study conducts in Pakistan. Moreover, response is collected from the province Punjab in a natural condition. It constructs on generation Z but it can be construct on generation X and Y. The quantitative study specified with banking sector. However, it can be practice in different sectors such as automobile and manufacturing industry etc.

Literature Review

Organizational change has a significance impact on the business performances. Many studies emphasize that employees play a major role in successful organizational change because implementation of change is executed by the employees (Shah N, 2016). If employees show a favorable response towards the organizational change. It leads the innovative work behavior. Thus, we proposed that.

Hypothesis1: Employee behavior towards organizational change has a positive relationship with innovative work behavior.

Employees show a favorable response if employers acknowledge them (Korkmaz and Arpacı, 2009) Thus we can propose that.

Hypothesis2: Employees behavior towards the organizational change has a relationship with employee involvement.

The study of Syed Talib Hussain *et al.*, (2016) emphasize on the participation of employees in the decision making is more effective strategy that mostly organizations adopt. It also allows the employees to give their ideas (Morgan & Zeffane, 2003) that leads the creativity and innovation in the organization. So, we can propose that.

Hypothesis3: Employee involvement has an impact on innovative work behavior.

Organizations must ensure the employees involvement in the information meeting for a positive response that leads the innovative work behavior in the organization. So, we are stated that.

Hypothesis4: Employees involvement has a mediating effect between employees' behavior towards organizational change and innovative work behavior.

Methodology

Quantitative research is used to measure the hypothesis relation between the variables. This study is conducted in the banking sector. Primary data is collected through closed ended questionnaire from different banks of Punjab province in Pakistan.

Approximately, 250 questionnaires were collected from employees of different banks that are go through any change. To analysis the data Five-point Likert scale is used. 1 is strongly agree, 2 is agree, 3 is neutral, 4 is disagrees, 5 is strongly

disagrees. Questionnaires consist of 36 items. The scale to measure the employee’s behavior towards organizational change was adopted CRRE scale from Tsaousis, I. & Vakola, M. Additionally, to measure the employee’s involvement as a mediating variable; scale was adopted from David E. Morgan and Rachid Zeffane (2003). Scale consist of 10 items were adopted from Jeroen de Jong and Deanne den Hartog (2010) to measure the work behavior.

Theoretical background

Theory of planned behavior purposed by Ajzen in 1991. It is used to recognize the behavior of individuals. In this study, TPB supports the variable employee’s behavior in this framework.

Innovation theory support the innovative work behavior in this framework that is developed by the E.M. Rogers in 1962. Approximately all motivational theories support the employee’s participation in the organization’s decisions. Based on the classic motivation theory, organizations must involve their employees in decision making for innovative work behavior that leads to the success of the organization. This theory was proposed by Henri Fayol.

Data analysis

Table 1: *Reliability Analysis of Study Variables*

	PB	NB	EI	IWB
Reliability	.86	.67	.70	.93

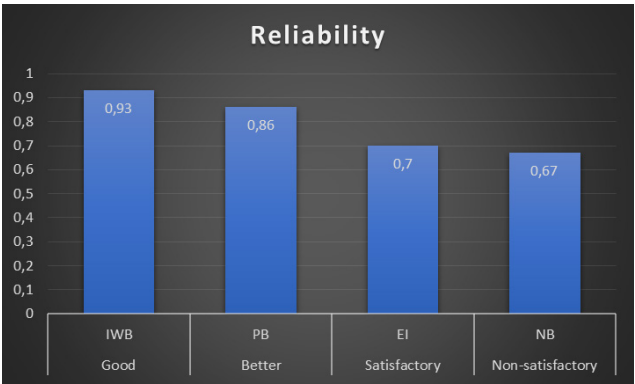


Figure 1: - representation of reliability values of study variables.

Above table and figure 1 show the reliability that is found through SPSS. Researchers use reliability tests to measure the consistency of the study. The value of reliability must be greater or equal to the 0.70 that indicates the acceptance of the study. The value of Positive Behavior (PB) is .86 that indicates better level, and the reliability value of Negative behavior (NB) is .67 that indicates non-satisfactory. Furthermore, the reliability value of employees' involvement (EI) is .70 that indicates the acceptance level of the variable and Innovative work behavior (IWB) shows .93 reliability's value that considered the better level. Based on the above discussion and the results we come to the point that there is a positive relationship between the positive behavior towards the organizational change on innovative work behavior with the mediating effect of employee's involvement.

Table 2: *Descriptive statistics and correlations for Study Variables*

Variables	n	M	SD	1	2	3
1. positive behavior	250	29.67	7.46	-		
2. Negative behavior	250	27.12	6.34	-.33**	-	
3. Employees involvement	250	13.91	2.81	.29**	.13*	-
4. innovative work behavior	250	27.12	8.30	.37**	-.32**	.42**

*p<.05. **p<.01.

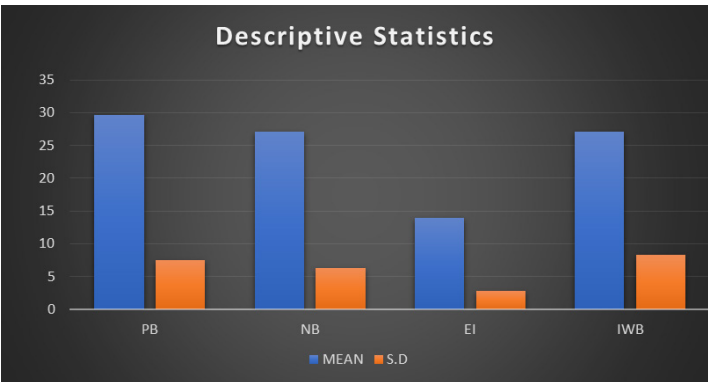


Figure 2: - Representation of Mean and Standard deviation of positive behavior, negative behavior, Employees' involvement, and innovative work behavior.

Table 2 and figure 2 show the mean and standard deviation of variables. Furthermore, Table 2 revealed correlation's values that are found through IBM statistics. Researchers use correlation analysis to find the relationship between the variables. If the value close to +1 its mean, there is a strong relationship between

the variables and if the value close to -1 its mean there is a weak relationship between the variables. According to these results, there is a significance relationship between positive employees' behavior towards organizational change and innovative work behavior ($r=.37, p<.01$); so H1 is accepted. Furthermore, there is no significance relationship between negative employees' behavior towards organizational change and innovative work behavior as $r=-.32$. Based on the above result if organizations involve their employees in the decision making, they show positive behavior towards the change. ($r=.29, p<.01$) so H2 is accepted. Additionally, there is a significance relationship between employees' involvement and innovative work behavior ($r=.42, p<.01$) therefore, H3 is accepted. According to the above results, if the banking sector involves their generation Z employees in the decision making, they show positive behavior towards the change that promotes innovative work behavior in the organizations.

Table 3: *Psychometric properties for scales*

Scale	M	SD	Range	Cronbach's Alpha
Positive Behavior	29.67	7.46	13-69	.86
Negative Behavior	27.12	6.34	13-71	.67
Employees' involvement	13.91	2.81	5-22	.70
Innovative work behavior	27.12	8.30	10-46	.93

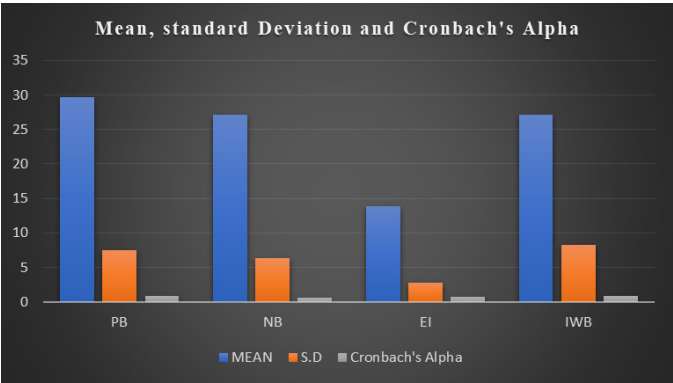


Figure 3: - Mean, Standard deviation and Cronbach's Alpha of study variables.

Above table 3 and figure 3 revealed Means, Standard deviation, and Cronbach's alpha through IBM statistics. Researchers use Cronbach's alpha to measure the reliability of the scale. Mainly, reliability test is used to measure the consistency

of the scale and Cronbach's alpha is used to measure the internal consistency. The Cronbach's alpha for positive behavior was .86 (>.80) which indicate high internal consistency. The Cronbach's alpha value of negative behavior was .67 (<.70) which indicate low internal consistency. The Cronbach's alpha value of Employees' involvement was .70 which indicates satisfactory consistency. The Cronbach's alpha of Innovative work behavior was .93 (>.70) which indicate the higher internal consistency. According to the Cronbach's alpha value there is a relationship between the positive employee's behavior with innovative work behavior and mediating variable employees' involvement. Moreover, this study proves the reliability of all the items of the scale expect the negative behavior towards the organizational change.

Table 4: Direct and indirect effect of Positive behavior towards organizational change on IWB.

95%			
Effects	B	LL	UL
Total	.415***	.286	.54
Direct	.303***	.17	.43
Indirect	0.11***	.06	.17

**p< .001

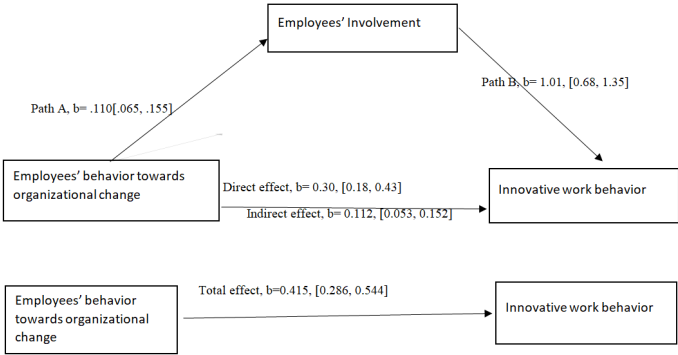


Figure 4: The above table and figures show that there is a significant relationship between the positive behavior towards organizational change and innovative work behavior. Additionally, mediation exists between the employee's behavior towards organizational change and innovative work behavior by 0.112. There is a positive relationship exists between employees' positive behavior towards organizational change and innovative work behavior with mediating variable employee's involvement.

Table 5: *Direct and indirect effect of negative employees’ behavior towards organizational change on IWB*

95%CI			
Effects	B	LL	UL
Total	-0.42***	-0.58	-0.27
Direct	-0.50***	-0.64	-0.37
Indirect	0.08***	0.002	0.20

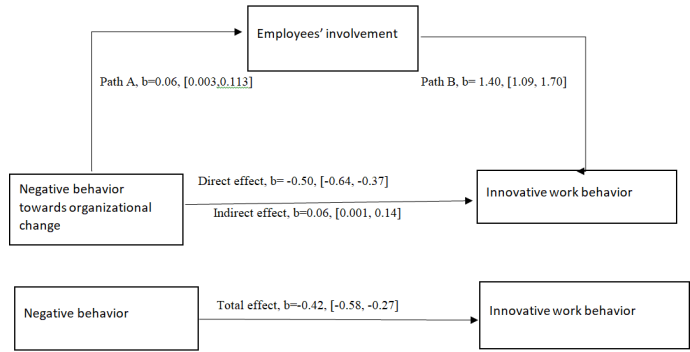


Figure 5: Through above table and Figure5, we concluded that there is no positive relationship exist between negative employees’ behavior towards organizational change and innovative work behavior. Additionally, mediation exist between employee’s negative behavior and innovative work behavior by 0.06.

Conclusion and Discussion

The main purpose of conducting this study is to find the impact of employees’ behavior towards organizational change on innovative work behavior. Through this study the researcher finds that there is a positive relationship between employees’ behavior towards organizational change and innovative work behavior with the mediating variable employee’s involvement.

This study also provides the idea for further research through primary data collected from different industries such as automobiles industry etc. Different organizations get benefits from this study with little modification because organizations are recruiting generation Z. Researcher and students also get practical and theoretical knowledge from this study.

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