

**RELATIONSHIPS BETWEEN LEADERSHIP, ABSORPTIVE CAPACITY AND
INNOVATIVE WORK BEHAVIOR:
THE MEDIATING ROLE OF WORK ENGAGEMENT**

Abstract

The objective of this paper was to design and to test a causal research model to predict Innovative Work Behavior (IWB) as part of the MBA competences developed with Leadership (L), and Absorptive Capacity (AC), and the important role of work engagement (WE). With this in mind we focus on IWB at the individual level of analysis and as a one-dimension. Two hundred and one MBA students and MBA alumni from a private Mexican business school with national footprint participated in this study, and we collected the data using both online and paper survey questionnaires. It included confirmatory factor analyses, regression analyses with SPSS and structural equations with R to test hypothesized relationships of IWB with related constructs such as L, WE, and AC. These analyses demonstrated reliability and validity. The AC and Work Engagement (WE) variables showed a direct effect on IWB. Additionally, L also had indirect effect on IWB through the mediating variable of WE but not a direct effect. Overall, the results showed significant support for the research model, in particular the mediating role of WE in influencing IWB. Comparison with different MBA programs in Mexico and other Latin American Countries in developing IWB are part of our future research.

Keywords: Leadership, Absorptive Capacity, Work Engagement, Innovative Work Behavior

Introduction

The last decade has been a landscape of disruptive changes (i.e. block chain, Internet of Things, Social Media) opening an opportunity to sense and to respond to unmet needs, jobs-to-be-done, and to solve complex problems with innovative business models. To design and to deliver a successful value proposition new skills and a new mindset are required to foster an Innovative Work Behavior (IWB) as part of a business curriculum in the MBAs, in particular with responsible leadership and absorptive capacity profile. Definitely also companies must engage their talent with challenging and learning environments. This leaders and innovators observe the world with a new mindset to sense and to respond to complex challenges but with sustainable, responsible and customer centric perspectives to create value, this leadership archetypes are individuals who drive growth by putting new ideas into action in every corner and every role of his or her organization, and who does so responsibly. Leaders of this kind define what's next, for our markets and for our societies.

Whether it is producing more fuel-efficient autos or creating new business processes, innovative leaders are the ones who will create opportunity from the major challenges facing the world.

Innovation is a central strategy for any firm in its interest to compete and to lead it its sector or market, and even more critical for emerging markets such as Mexico, it must be a central strategy, on a continuous basis. The innovation must take different paths, offering solutions in products, services, business models, processes, brands, channels and customer experiences. An innovative firm can gain competitive advantages over its competitors that are not. Considering that innovative ultrasuccess firms sense and respond nurture by their employees' new ideas and methods generated, adopted, or modified, or original solutions to problem, or mobilizing support to innovative ideas, or making possible to motivate key members in a systematic mode to approve and to fund innovative solutions, an understanding and rewarding individual IWB is key. To reinforce this IWB employees also must develop business competences on AC and be exposed to contextual influences such as leadership in order to build WE. The paper is structured as follows: first the theoretical background is included to present the literature gap; then the paper objective is declared; followed by our research methodology; next the results are presented; then a discussion of the results is articulated; and finally the paper conclusions, the limitations are presented and future research are commented.

Theoretical Framework

Leadership

Since the work of Burns (1978) there have been a lot of interest in leadership. More recently, particularly on transformational and transactional (Bass, 1991). In one hand, transformational leadership influences followers by getting them to transcend their self-interests for the good of the group, organization, or society, while also enhancing followers' expectations and abilities, and their willingness to take risks (Bass and colleagues). Avolio, Bass and Jung (1999) suggest that transformational leadership include three factors: charisma-inspirational, intellectual stimulation, and individualized consideration. Following, the definitions as proposed by Bass, Avolio, and Atwater (1996). First, charismatic-inspirational leaders are role models that followers strive to emulate and align around a vision, common purpose, and mission. These type of leaders provide meaning and optimism about the mission and its attainability. Second, intellectually stimulating leaders encourage followers to question basic assumptions, and to consider problems from new and unique perspectives. Third, individually considerate leaders work with followers, diagnosing their needs and then elevating them to higher levels.

In the other, transactional leaders follow existing rules and only intervene when necessary. Transactional leadership include two factors: contingent reward and management-by-exception. Following, the definitions as proposed by Bass et al. (1996). First, contingent reward involves direct, consultative or negotiated agreements between leaders and followers about

objectives and/or task requirements. The leader provides rewards and recognition if followers achieve the objectives or execute the tasks as required. Second, in management-by-exception the leader identifies mistakes and corrects the performance of the follower.

Kotter (2001) suggests that leaders perform three important tasks. First, leaders need to define a clear direction for the organization and formulate strategies that allow it to pursue its vision. Second, they need to communicate this vision and align people to move in the same direction. Finally, for this to happen they need to inspire and motivate people to come up with initiatives that let them deal successfully with change. In other words, the importance of establishing a vision, aligning people, and motivating and inspiring them towards the vision.

Kouzes and Posner (1988) identified five leadership behaviors: inspire a shared vision, enable other to act, model the way, encourage the heart, and challenge the process. Inspire a shared vision refers to the degree to which a leader has a vision for the future. Enable other to act relate to the quantity of collaborative and participative decisions taken by a team. Model the way is the degree the leader lives and practices its values. Encourage the heart refers to the degree the leader gives positive feedback, publicly recognizes individual contributions, and celebrates the achievement of his team. Challenge the process is the degree to which assumptions are questioned, experimentation is encouraged, and risks are taken.

Nonetheless transformational leadership has gain a lot of popularity, transactional leadership should not be undermined. According to Yousaf (2017) organizations need different types and styles of leadership depending on the context and stage of the organizational cycle. Transactional leaders play a key role in developing and designing the practices that align with the transformational change (Yousaf, 2017). So, it seems that in order for an organization to succeed, both types of leadership need to be present.

Positive relationship with measures of performance have been found when followers rate their leaders as being more transformational leadership (Howell & Avolio, 1993). Also, moderate but still positive correlations have been reported for leaders exhibiting a contingent reward style of leadership.

Absorptive Capacity

A review of the literature reveals that researchers have used two different approaches in examining Absorptive Capacity (AC), the unidimensional approach, in which this capacity is assessed using simple single measures or multi-item measures that reflect several aspects of the concept (Chen, Lin & Chang, 2009); and the multidimensional approach (Flatten, Engelen, Zahra & Brettel, 2011).

AC theory examines the extent to which a firm can recognize the value of new external information, assimilate it, and apply it to commercial ends (Cohen & Levinthal, 1990). The theory assumes that absorbing new knowledge can help an organization become more innovative and flexible and achieve higher levels of performance than it would without absorbing new knowledge, fostering a competitive advantage. In particular, it postulates that the ability of a firm to absorb external knowledge is critical to its innovative capability (Chen et al., 2009; Lane, Koka & Pathak, 2006) and also that it is largely a function of the firm's level of prior related knowledge and the intensity of the individual effort to learn (Cohen & Levinthal 1990).

Research on AC incorporates theories of learning, innovation, managerial cognition, the knowledge-based view of the firm, dynamic capabilities (Cohen & Levinthal, 1990; Camisón & Forés 2010; Zahra & George, 2002). They differentiated different capabilities such as knowledge acquisition, assimilation, transformation and exploitation capacities, which have complementary roles. Acquisition of knowledge is the ability to recognize, value and acquire external knowledge that is critical to a firm's operations (Zahra and George 2002). Assimilation capacity refers to the firm's capacity to analyze, process, interpret, understand, internalize, and classify new external information or knowledge (Camisón & Forés, 2010; Zahra & George, 2002). Transformation of knowledge means the ability to modify and adapt newly acquired information and combine it with existing and internally generated knowledge (Zahra & George 2002). And exploitation capacity refers to the organizational capacity based on routines that enable firms to apply the knowledge, using it to create new goods, systems, processes and competences, and/or to improve or expand the existing ones (Zahra & George 2002).

The assumption that AC comprises an individual dimension (Matusik & Heeley 2005) is directly supported by the premise that all knowledge is initiated, created or acquired at the individual level, and, subsequently, an organization's AC will critically depend on the absorptive capacities of its individual members (Cohen & Levinthal 1990). As Nonaka and Takeuchi (1995) identified, new insights and ideas occur to individuals and not to organizations. Indeed, all mechanisms that have been proposed for nurturing firms' absorptive capacity have a focus on stimulating employees' AC.

Work Engagement

Among the scholars studying engagement at work was Kahn (1990), who described it as the “harnessing of organization members’ selves to their work roles: in engagement, people employ and express themselves physically, cognitively, emotionally and mentally during role

performances” (p. 694). In other words, engaged employees put a lot effort into their work because they identify with it.

According to Kahn (1990, 1992), a dynamic relationship exists between the person who drives personal energies (physical, cognitive, emotional, and mental) into his or her work role on the one hand, and the work role that allows the person to express him or herself on the other hand. Kahn (1992) differentiated the concept of engagement from psychological presence or the experience of “being fully there”, namely when “people feel and are attentive, connected, integrated, and focused in their role performance” (p. 322).

A different approach was presented by Maslach, Schaufeli and Leiter (2001) who considered WE as the opposite of employees who suffer from burnout, where engaged employees have a sense of energetic and effective connection with their work, looking upon their work as challenging. Also these authors referred engagement as characterized by energy, involvement, and efficacy.

Consequently, WE is defined and operationalized as “a positive, fulfilling, work related state of mind that is characterized by vigor, dedication, and absorption” (Schaufeli, Salanova, González-Romá, & Bakker, 2002, p. 74). Vigor is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one’s work, and persistence even in the face of difficulties. Dedication refers to being strongly involved in one’s work, and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge. Absorption is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work.

Innovative Work Behavior (WE)

At an individual-level innovation is represented by Innovative Work Behavior (IWB), which includes micro-level innovation processes such as problem recognition, idea generation, building a coalition of supporters for it, and realizing the idea (Janssen, 2000; Scott and Bruce 1994).

Janssen (2000) defined IWB as the intentional creation, introduction and application of new ideas within a work role, group or organization, in order to benefit role performance, the group or the organization.

Many studies have examined the antecedents of an individual’s IWB such as individual factors and contextual factors (Hammond, Neff, Farr Schwall & Zhao, 2011). Individual factors include work engagement and contextual factors include supervisor support (Basu & Green, 1997), and leadership (Avolio & Bass, 2004).

Even though IWB is defined as that of developing and implementing new ideas, previously researched antecedents have not included variables from knowledge management perspectives. Dealing with unfamiliar external ideas requires considerable cognitive capacity and effort. Thus, knowledge and AC management-related constructs should be considered to be facilitators of IWB (Janssen, 2000).

Objectives

Previous research has considered other organizational considerations not individual level of analysis. To close this controversy, our paper explores the relationships of L, AC and WE with IWB. With this base line we attempt to answer the following research questions:

1. How do AC, L, WE and IWB interact with each other?
2. What is the influence and role of WE?

Methodology

Research Model & Hypotheses

Our first hypothesis is summarized in the Research Model A in Figure 1, exploring the direct relationships of Leadership, Absorptive Capacity and Work Engagement with Innovative Work Behavior.

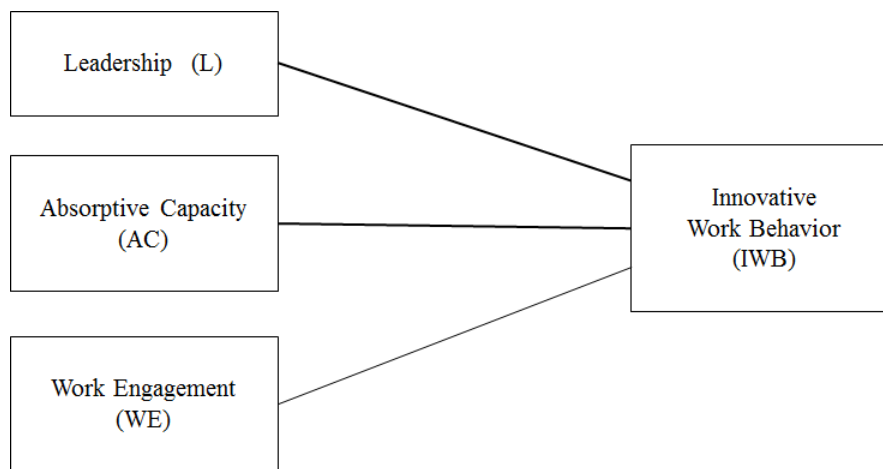


Figure 1. Research Model A: Direct Relationships of L, AC, and WE with IWB

H1: L, AC, WE have a direct, positive and significant relationship with IWB

An employee or individual who is positively challenged and incentivized by his or her leader will have a direct influence and positive and reinforced innovative behavior at work.

An employee or individual who is provided with sufficient resources and develops absorptive capacity capabilities will have a direct, positive and reinforced innovative behavior at work.

An employee or individual with work engagement will have a direct, positive and reinforced innovative behavior at work.

Our second and third hypotheses are summarized in the Research Model B in Figure 2, exploring the mediating effect of WE between L on IWB, and between AC on IWB.

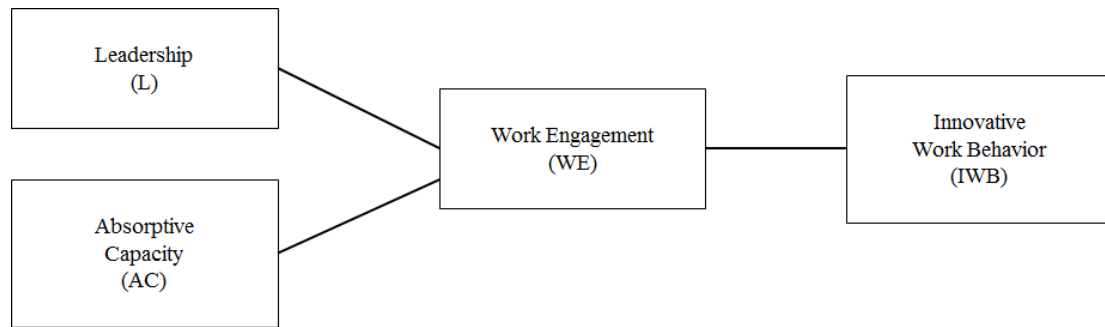


Figure 2. Research Model B: Relationships of L and AC with IWB mediated by WE

Leadership and Innovative Work Behavior mediated by Work Engagement.

Kahn (1990) defines personal engagement as the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. According to Kahn (1990, 1992), engagement means to be psychologically present when occupying and performing an organizational role.

Engaged people can be a key driver for organizational effectiveness and a source of competitive advantage (Lockwood, 2007). She defines employee engagement as the extent to which employees commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment. Successful companies have the capacity to attract and retain talent with competencies required to grow.

Furthermore, employees with the highest levels of commitment perform better and are less likely to leave the organization, which indicates that engagement might be linked to organizational performance. In other words, people willing to go the extra mile for the organization by looking for new ways of doing things, fostering innovation oriented to fulfill customers' needs, and adapting to changes in the environment. This will ultimately boost firms' performance.

Bass et al. (1999) suggest that the new work environment require people to go beyond transactional leadership styles to styles that inspire and intellectually stimulate people in order for them to be motivated and consequently performance better. According to Bass (1997), this new work environment requires leadership factors such as being charismatic, inspirational, and intellectually stimulating. He suggests that this kind of leadership will result in higher levels of commitment, motivation, trust, cohesion, and performance. In this same line, Yousaf (2017) suggest organizations need different types and styles of leadership (transformational and transactional) depending on the context and stage of the organizational cycle.

Lockwood (2007) suggest that leadership can influence employee engagement and that aligned and engaged people can contribute to organizational success and be a source of competitive advantage. Saks (2006) proposed a model of several possible antecedents of employee engagement, among them perceived organizational and supervisor support.

Considering the importance of understanding the relationships of AC and WE on IWE we are exploring the following hypothesis:

H2: WE mediates the relationship between L on IWB

Absorptive Capacity and Innovative Work Behavior mediated by Work Engagement.

For this paper, IWB is defined as all employee behavior directed at the generation, introduction and/or application of ideas, processes, products or procedures, new to the relevant target of adoption.

IWB includes behavior of employees that directly and indirectly stimulates the development and introduction of innovations on the workplace. For this research we consider one dimension including idea generation, mobilization and implementation of the innovation as a single, additive scale for IWB (Janssen, 2000; Salanova & Schaufeli, 2008; Scott & Bruce, 1998).

According to our research model, contextual factors such as WE channels individuals' AC with a significant and positive effect on IWB.

As declared the objective of this paper, we are exploring the influence and role of WE, considering that employees engage in innovative activities when they are motivated at the workplace and have the individual capabilities and resources to acquire, assimilate, transform and exploit knowledge to solve an unmet need or problem, promoting a reinforcing innovative behavior at work. As this study focuses both on the relation of AC on the direct and indirect relation with IWB running partly through work engagement, these double considerations of IWB are under study.

Considering the importance of understanding the relationships of AC and WE on IWE we are exploring the following hypothesis:

H3: WE mediates the relationship between AC on IWB

Research Methodology

The paper was conducted at a Mexican Higher Education Business Community with current MBA part-time students and alumni, the criteria was to include respondents in their last trimester or alumni, all with current jobs. Data collection occurred between April and July 2017. We develop an online questionnaire send to the Business School community and also we personally delivered a questionnaire to the students during class attendance to complete. Whenever possible, the researchers described the paper objective and had the students complete

the questionnaire at that time. If online questionnaires were not received within one week, we began a follow-up procedure including email reminders. The questionnaire was translated from English to Spanish by two professors fluent in both languages. The survey was then revised for the final version of the questionnaire.

This procedure yielded 201 usable questionnaires with a 34% response rate. Respondents were either general managers, middle managers, coordinators or people with no-direct reports. Because of the comparative focus of the first part of this paper, we opted for the approach that would result in as large a sample of firms as possible. Single-respondent studies are also frequently used in referent organizational and strategy literature (e.g., Denison & Mishra, 1995).

Measures.

Leadership was measured using the Multifactor Leadership Questionnaire (MLQ Form 5X) developed by Bass (1985), containing twenty-eight items, rated on a five-point Likert type scale, ranging from 0 = never to 4 = always. It measures charisma-inspirational, intellectual stimulation, individualized consideration, contingent reward, and management-by-exception.

Absorptive Capacity was measured using a multidimensional scale developed by Flatten et al. (2011^b). Following them, ACAP was measured using a 14 seven-point-Likert scale, ranging from 1 = strongly disagree to 7 = strongly agree. These items include four determinants of the construct: acquisition, assimilation, transformation, and exploitation.

Work engagement was measured using a short version of the Utrecht Work Engagement Scale developed by Schaufeli, Bakker and Salanova (2006), containing nine items, rated on a seven-point Likert scale, ranging from 0 = never to 6 = always (daily). It measures the vigor, dedication, and absorption on an individual on the job.

Innovative Work Behavior was measured using a 9 seven-point-Likert scale, ranging from 1 = never to 7 = always. These measure idea generation, idea promotion, and idea realization of individuals. A one-dimensional scale due to the results obtained by Janssen (2000) and de Jong and den Hartog (2010).

Analytical Procedures

Using SPSS, we measured Cronbach's alpha, α (or coefficient alpha) for reliability or internal consistency, to see if multiple-question Likert scale surveys were reliable for L, WE, AC and IWB.

Pearson's correlation coefficients were used to measure how strong a relationship is between L, AC and WE with IWB variables. Confirmatory factor analysis were executed.

To test the first hypothesis, multiple regressions were performed using SPSS. Multiple regression test took our data points to find the best fit line, treating all our observations as a whole examining how well they correlated. Using the outcomes of the multiple regression analysis we checked the validity of our hypotheses.

To test the second and third hypotheses we used structural equation modeling with R to understand if WE plays a mediating effect between L and IWB for hypothesis 2, and between AC and IWB for hypothesis 3.

We selected the R alternative because R do not require a license, is open-source, cooperatively developed software that implements the S statistical programming language and computing environment. The current capabilities of R are extensive and provides basic structural equation modeling facilities in R, including the ability to fit structural equations in observed variable models and to fit latent variable models by full information maximum likelihood assuming multinormality.

Results

Based on the descriptive and statistical analysis, the majority of the respondents (see Table 1) work for private companies (70%) either national or foreign firms, with more than 250 employees (73%), and for the manufacturing sector (75%).

Table 1. Companies' Profiles

Type of Company	Number of Employees	Industry Sector
08.5% public	09.5% less than 50	74.6% manufacturing
43.3% private national company	17.4% form 50 up to 249	23.9% service
27.9% private foreign company	73.1% 250 employees or more	01.5% other
20.4% mixt		

Following the descriptive analysis with the respondents' profiles (see Table 2) 69% of the respondents were male and 31 females; 73% were 30 years old or older; 48% had a middle management responsibility and 11% were CEOs or general managers; 81% had less than five years working for their companies and 17.4% had between five and ten years of tenure.

Table 2. Respondents' Profiles

Gender	Age	Position	Tenure in Position	Tenure in Company
68.7 % male 31.3 % female	26.9 % 29 years or less 73.1% 30 years or more	10.9% general manager, CEO or equivalent 47.8% middle management or equivalent 26.9% coordinator, supervisor or equivalent 14.4% no direct reports	35.3% less than 5 yrs 43.8% 5 to 10 yrs 20.9% more than 10 yrs	80.6% less than 5 yrs 17.4% 5 to 10 yrs 01.5% more than 10 yrs

We conducted a scale reliability and internal consistency analysis using Cronbach's Alpha, to analyze how closely related a set of items are as a group (see Table 3). The alpha coefficient for all the items was higher than .93, suggesting that the items have relatively high internal consistency.

Table 3. Scale Reliability using Cronbach's Alpha

Construct	Number of items	Likert scale	Cronbach's alpha
Leadership (Avolio & Bass, 2004)	28	0 to 4 (never to always)	0.97
Absorptive Capacity (Flatten et al., 2011 ^b)	14	1 to 7 (strongly disagree to strongly agree)	0.94
Innovative Work Behavior (Janssen, 2000)	9	1 to 7 (never to always)	0.93
Work Engagement (Schaufeli & Bakker, 2003)	9	0 to 6 (never to always)	0.94

Descriptive statistics, inter-correlations among the study variables, and reliabilities of the measures are reported in Table 4, considering the 201 respondents of the study. The results suggest that our measurement model has sufficient discriminant validity. The results also address the issues raised our research questions, and offers support for the Research Model.

Table 4. Means, Standard Deviations, Inter-correlations, and Reliabilities^a of Variables in the Study.

Scales	Means	s.d.	1	2	3	4
1. Leadership	2.99	0.76	(0.97)			
2. Absorptive Capacity	4.88	1.28	.488**	(0.94)		
3. Innovative Work Behavior	5.53	1.02	.176*	.259**	(0.93)	
4. Work Engagement	4.93	0.98	.608**	.331**	.404**	(0.94)

(N = 201)

^a Coefficient alpha reliabilities estimates are shown on the diagonal.

* p < 0.05, **p < 0.01

For all measures included in the study a principal components factor analysis was conducted. The number of factors was restricted to one in order to see if all items loaded accordingly. The one-factor solution is presented in Table 5. According to Hair, Anderson, Tatham and Black (1995) an item was retained in a factor if it is loaded +/-0.30 or greater. All the items for the variables included in the study loaded accordingly as suggested by Hair (see Table 5).

Table 5. Factor Analysis.

Item	Leadership (L)	Absorptive Capacity (AC)	Innovative Work Behavior (IWB)	Work Engagement (WE)
1	.730	.712	0.749	.887
2	.390	.786	0.768	.844
3	.549	.738	0.770	.888
4	.605	.749	0.839	.890
5	.726	.768	0.843	.852
6	.792	.695	0.807	.826
7	.797	.713	0.847	.794
8	.769	.825	0.825	.833
9	.790	.836	0.721	.634
10	.712	.820		
11	.796	.783		
12	.738	.783		
13	.786	.781		
14	.728	.728		
15	.830			
16	.702			
17	.705			
18	.754			
19	.770			
20	.830			
21	.529			
22	.794			
23	.776			
24	.821			
25	.745			
26	.754			
27	.608			
28	.735			

For H1, we used SPSS to regress Innovative Work Behavior on Leadership, Absorptive Capacity, and Work Engagement. The results were $R = 0.429$. Specifically, we found that Absorptive Capacity and Work Engagement were predictors of Innovative Work Behavior, with $p < 0.05$ and $p < 0.01$, respectively. Leadership did not predict Innovative Work Behavior as predicted. Using the R Package and structural equations we explored the influence and role of WE in our Research Model B, comparing the relationships with L, AC on IWB (H2 & H3) (Yves Rosseel, 2012). The results are shown in Table 6.

Table 6 Regression Analyses: Innovative Work Behavior regressed on Leadership, Absorptive Capacity, and Work Engagement

Dependent Variable	Independent Variables	R	Standardized Beta-Coeff.	t	Sig. t
IWB		0.429			
	(Constant)			8.448	.000
	L		-.066	-.850	.396
	AC		.166	2.225	.027
	WE		.378	5.244	.000

Using SPSS, the results of the regression showed as proposed by H1, that Absorptive Capacity and Work Engagement have a direct, positive and significant effect on Innovative Work Behavior. However, Leadership did not.

For H2 and H3, in the presence of L and AC, WE mediates the relationship between L and IWB. There is not a direct relation between L and IWB. Also, there is a direct, positive, and relationship between AC and IWB (see Table 7).

Table 7. Structural Equation Modeling to test the Role of WE with L and AC

Regressions:					
		Estimate	Std.Err	z-value	P(> z)
IWB ~					
L	(l)	-0.137	0.109	-1.259	0.208
AC	(ac)	0.192	0.098	1.962	0.050
IWB ~					
L	(ml)	0.424	0.094	4.511	0.000
AC	(mac)	0.204	0.099	2.055	0.040
IWB ~					
WE	(we)	0.430	0.112	3.836	0.000
Defined Parameters:					
		Estimate	Std.Err	z-value	P(> z)
ind_weml		0.183	0.056	3.249	0.001
ind_wemac		0.088	0.050	1.756	0.079
total_l		0.045	0.101	0.447	0.655
total_ac		0.518	0.145	3.579	0.000

Discussion

Based on the quantitative results presented in the previous section, the discussion of the findings (see Table 8) will be developed.

We consider an individual level of analysis since our sample was collected based on a data base of MBA students and alumni from a Business School, considering their personal experience in their program and the impact this program had in their work environment.

Based on the Research Model A and Research Model B, we found the following:

Absorptive Capacity and Work Engagement have a direct, positive, and significant effect on Innovative Work Behavior (multiple regression).

Leadership do not have a direct effect on Innovative Work Behavior (multiple regression).

Leadership has an effect on Innovative Work Behavior when Work Engagement is present as a mediator (structural equations).

Absorptive Capacity has also an effect on Innovative Work Behavior when Work Engagement mediates the relationship between Leadership and Innovative Work Behavior (structural equations).

Table 8. Objectives, Research Questions, Hypotheses and Findings

Objective: To explore the direct and indirect relationships of L, AC and WE with IWB	1. How do AC, L, WE and IWB interact with each other?	H1: L, AC, WE have a direct, positive and significant relationship with IWB	Using Multiple Regressions (SPSS) <ul style="list-style-type: none"> • L does not have a direct relationship with IWB • AC does have a direct relationship with IWB • WE does have a direct relationship with IWB
	2. What is the influence and role of WE	H2: WE mediates the relationship between L on IWB	Using Structural Equation Modeling <ul style="list-style-type: none"> • WE mediates the relationship between L on IWB
		H3: WE mediates the relationship between AC on IWB	Using Structural Equation Modeling <ul style="list-style-type: none"> • AC has a direct effect on IWB, and WE does not mediates the relationship between AC on IWB

Conclusion

The objective of this paper was to design and to test two causal research model to predict IWE considering L, AC and the important role of Work Engagement. In order for organizations to develop a central innovation strategy based on talent and capabilities, firms are relying on hiring and develop people with particular competences, in particular Leaders and people with strong WE and AC skills, in particular from MBA in Business Schools with a strong base on design and future thinking, foresight, customer centric focus, and sustainable innovative mindset. L, AC and IWB must be part of MBA competences. People in organizations need to engage in IWB, from the generation to the promotion to the realization of ideas with a market orientation.

For this to happen, organizations need to realize the important role of Work Engagement. Our results suggest that Work Engagement mediates the relationship between Leadership and IWB and that Absorptive Capacity have a direct effect on IWB. The challenge for organizations is to attract, develop, and retain talent that is willing to run the extra mile for the success of their projects in the organization. In other words, engaged and committed people to lead and to collaborate in an organization can certainly be a source of competitive advantage.

Virtually all major human resources areas in the organizations will be particularly interested in improving levels of work engagement.

Almost without exception firms will find that work engagement channel leaders and talented and skilled people on sustainable innovation, reinforcing innovative work behavior that translates in value creation for all the stakeholders involved.

Some limitations must be taken into account, only a sample of 201 MBA students and alumni were considered for two month period, for one school at an individual level of analysis.

Future research need to include the different dimensions of the variables included in this study, test it using larger and comparative samples, and analyze the long term effect using a longitudinal study.

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