Basma Farahat

#### Examining the Effect of Innovative Climate on Change-Oriented Organizational Citizenship Behavior: A Comparative Study Basma Farahat

# Abstarct

This research examines the effect of innovative climate on change-oriented organizational citizenship behavior. An online survey was used and data were collected from a sample of 490 Egyptian employees who are currently working in Germany and have been working in Egypt in the past. Applying the structural equation modeling technique results revealed that, innovative climate had significant influence on change-oriented OCB in Egypt and Germany.

#### Keywords: Change-oriented OCB, Innovative Climate, Egyptian context, German Context. Introduction

Change is an organizational inevitability (Culmer, 2012). Organizations strive to remain competitive by continuously adapting to changes, and yet effective organizational change seems to be rare. Recent statistics show that only one-third of organizational change endeavors were considered successful by their leaders. Obviously, implementing successful change programs in organizations is quite challenging. The low success rates of change programs are often due to resistance to change on the part of employees (Pieterse, Caniels, & Homan, 2012). During the organizational change process, the uncertainty of the business environment and job changes may cause fear among employees and thus affect their attitudes (Chih et al., 2012), which in turn increase their resistance. One solution to obtain the above situation is change-oriented organizational citizenship behavior (CO-OCB).

The roots of change-oriented OCB are in the classical concept of OCB. According to Choi (2007) change-oriented OCB refers to the "constructive efforts by individuals to identify

العدد الرابع الجزء الثاني ٢٠١٨

Basma Farahat

and implement changes with respect to work methods, policies, and procedures to improve the situation and performance" (López-Domínguez et al., 2013).

On the other hand, in this questionable and challenging world, organizations have to constantly enact changes (Giebels et al., 2016).

In the quest to attain long-term existence, a company's capability to increase innovation and creativity has been recognized as an essential factor (Ekback and Sundstrom, 2016). Accordingly, businesses have to embrace an innovative climate that is characterized by a continuous organizational change to achieve success. A corporation's innovative climate defines its ability to integrate ideas into useful application and is influenced by the kind of industry that the firm operates within (Ekback and Sundstrom, 2016).

In this regard, this study tries to examine the impact of innovative climate on employees' change-oriented OCB.

This study will help expand knowledge of change-oriented OCB and innovative climate in several ways.

First, unlike most previous studies found in the literature that have repeatedly differentiated between various OCB internal dimensions, this study attends to a distinctive dimension of OCB that challenges the status quo and thus, fosters organizational change.

Second, this research will contribute to theory development by extending the traditional OCB model with empirical data from a field study on change-oriented OCB as well as add value to managers and practitioners with practical findings in an area that has rarely been investigated.

Third, the present research responds to previous studies suggested emphasizing different national and cultural contexts' effect on challenging OCB for future research (e.g. Lopez-Dominguez et al., 2013; Li, 2016).

Basma Farahat

To this end, the research at hand conducts a comparative study that contributes to this field of research through examining responses and perceptions of Egyptian employees in two different cultural and organizational contexts (the German context and the Egyptian context).

To sum up, there is ample empirical evidence that cultures vary from one country to another and that a variety of managerial practices differ by national cultures (Hofstede, 1980). Therefore, the present research examines whether these differences matter to Egyptian employee's change-oriented OCB.

#### Literature Review Change-oriented OCB

Change-oriented OCB focuses on bringing about change, not simply demonstrating cooperation and adaptability, and incorporates innovation behaviors, such as the generation and implementation of new ideas or processes (Bettencourt, 2004). The focus of change-oriented OCB is on individual discretionary behavior aimed at inducing positive change.

In a longitudinal study of 1,923 participants from a large electronics company in Korea, Choi (2007) found strong vision and innovative climate to predict change-oriented OCB.

In addition, the impact of the work environment variables on change-oriented OCB were found to be partially mediated at the individual level and fully mediated at the group level by psychological empowerment and felt responsibility for change. The results suggest that change-oriented OCB is strongly influenced by organizational level variables, even more so than group level variables.

According to Campbell (2015), there is a lucid and practical connection between performance management and change-oriented organizational citizenship behavior that affects the overall performance of any typical organization.

Basma Farahat

Li et al. (2016) affirm that empowered leadership has a positive impact on change-oriented OCB driven mainly by the socially embedded model. The research also explored the viability of the link between empowering leadership and changeoriented OCB to ascertain how that effect could be alleviated or even amplified. The findings of the research indicate that enabling leadership had a positive impact on the employees at the workplace which also affects change-oriented OCBs.

Kao (2017) investigated the existent relationship between change-oriented OCB and work characteristic using the work design model (knowledge-oriented approach) on immigration workers. The findings confirmed that transformational leadership had a notable positive influence on the organization climate through knowledge-oriented work characteristics.

To summarize, the development of a flexible and innovative workforce is a prerequisite for continued organizational success. In such a context, employees must regularly come up with ideas and express them to improve existing methods, procedures, and policies (Bettencourt, 2004). For this reason, challenging forms of OCB are becoming a critical component of employee performance (Morrison & Phelps, 1999).

# **Innovative Climate**

Management needs to ensure that the organizational climate encourages, nurtures, and enhances individual creativity.

Employees who have innovative and creative potential are most likely to practice innovation when they perceive strong organizational support. Furthermore, if organizations are able to develop an organizational climate perceived as positive by individuals, this is more likely to result in higher levels of motivation, commitment, and employee engagement, leading to improved organizational performance (Shanker et al., 2017).

Moolenaar et al. (2010) described innovative climate as "the shared perceptions of organizational members concerning

Basma Farahat

the practices and behaviors that promote the generation of new knowledge and practices".

Innovative climate is assimilated into an organization by means of a series of steps relating to the awareness of a possible innovation which is evaluated for its appropriateness (Lee and Wu, 2011).

Fernandez and Moldogaziev (2012) explored the workers' empowerment to inspire innovative behavior. The authors discovered that personnel's empowerment could encourage creativity.

According to the study of Kao (2017), the more the innovativeness in organizational climate, the more the employees will be motivated to show change-oriented OCB. In addition, the study explored how organizational climate directly affect employees' change-oriented OCB in a cross-level organization. Results revealed that organizational climate have a contextual effect on change-oriented OCB.

To conclude, prior studies revealed that innovative climate has a significant positive effect on employee's motivations, attitudes, and behaviors toward accepting, suggesting, and implementing organizational change

# German Organizational Context (GOC) and Egyptian Organizational Context (EOC)

Following is a brief discussion on how national culture affects the GOC and the EOG with regard to innovative climate.

A study conducted by Moonen (2017), aimed at addressing the importance of cultural values, the organizational culture and management style for innovation. Based on a theoretical framework developed on the basis of the six Hofstede dimensions, results revealed that there is a strong positive relation between several cultural characteristics of countries and their innovation strength.

Basma Farahat

According to Moonen (2017), in cultures that exhibit less power distance like Germany, communication across functional or hierarchical boundaries is more common and this enables to connect different creative ideas and thoughts, which can then lead to unusual combinations and even radical breakthroughs.

Moreover, the German society strongly relies on rules, laws and regulations. Germany wants to reduce its risks to the minimum and handle changes step by step. Therefore, such a society is better in implementing new ideas and innovative findings successfully because they tend to be more precise and punctual thus avoiding uncertainty (Moonen, 2017).

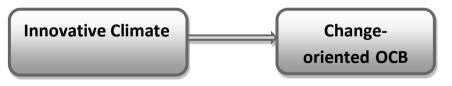
Moreover, Moonen (2017) argued that in case of large power distance like in Egypt, sharing of information can be constrained by the hierarchy and since innovation significantly depends on the spread of information, so one of the possible effects can be linked to a slowing down of the innovation process.

For Egypt to achieve fast economic development it needs to shift toward individualism (Hofstede et al., 2010).

To that end, the organizational context in Germany offers a more conducive innovative environment as compared to the Egyptian organizational context.

**Research Model and Hypothesis** 





**H1:** There is a significant difference between GOC and EOC regarding the impact of innovative climate on change-oriented OCB.

# **Research Methodology**

The online survey method used for collecting data for analysis, where personally-administered questionnaire is adopted from earlier studies.

The population for this research consists of all Egyptians who currently (during the time of research) work in Germany and used to work in Egypt in the past so that; they can hold comparisons between the two work environments and thus, answer the survey questions.

Those Egyptians form the sample under study and the sample size is 490.

Along with descriptive statistics and other statistical techniques, the structural equation modeling (SEM) will be used to test the hypothesized model.

# **Research Results**

Table (1)

Structural Path				Coefficient	
				German y	Egypt
H1	Innovative climate	$\rightarrow$	Change- Oriented OCB	.623**	.988*

Statistical results in table (1) show that for both organizational contexts, IC has a significant positive effect on CO-OCB (Germany,  $\beta = .623$ , p < 0.01) and (Egypt,  $\beta = .988$ , p < 0.05). These findings are also consistent with the study of Choi (2007).

Thus, the hypothesis is rejected where there is no significant difference between Germany and Egypt with regard to the impact of IC on CO-OCB.

Basma Farahat

# **Research Implications**

The organizational innovative climate affects employees' change-oriented OCB. If organizations want to improve the change-oriented OCB of the employee, they should provide a good innovative climate. Suggestions may include: redesign tasks and jobs in a more challenging way, encourage open and honest debate and discussion of ideas, encourage flexibility and risk-taking, and provide employees with autonomy in doing their jobs.

# **Research limitations**

Research limitations: Self-reported bias, specific group of respondents, and comparison between Egypt and Germany on a narrowly basis and certain aspects.

#### References

- Bettencourt, L. A. (2004). Change-Oriented Organizational Citizenship Behaviors: The Direct And Moderating Influence Of Goal Orientation. *Journal of Retailing*, 80(3), 165-180.
- Campbell, J. W. (2015). Identification and performance management: An assessment of change-oriented behavior in public organizations. *Public personnel management*, 44(1), 46-69.
- Chih, W.W., Yang, F., & Chang, C. (2012). The Study of the Antecedents and Outcomes of Attitude toward Organizational Change. *Public Personnel Management, 41* (4).
- Choi, J. N. (2007). Change-oriented organizational citizenship behavior: effects of work environment characteristics and intervening psychological processes. Journal of Organizational Behavior: *The International Journal of Industrial, Occupational and Organizational Psychology and Behavior, 28*(4), 467-484.
- Culmer, N. (2012). *I.T. Changes: an Exploration of the Relationship between Motivation, Trust, and Resistance to Change in Information Technology* (PhD Dissertation). University of Lowa.
- Ekbäck, C., & Sundström, J. (2016). Assessing The Innovation Climate Within A High Technology Company To Improve And Encourage Creativity. MA Thesis. KTH Industrial Engineering and Management. Retrieved from <u>http://www.diva-portal.se/smash/get/diva2:970550/fulltext01.pdf</u>
- Fernandez, S., & Moldogaziev, T. (2012). Using Employee Empowerment to Encourage Innovative Behavior in the Public Sector. *Journal of Public Administration Research and Theory*, 23(1), 155-187.
- Giebels, E., de Reuver, R. S., Rispens, S., &Ufkes, E. G. (2016). The critical roles of task conflict and job autonomy in the relationship between proactive personalities and innovative employee behavior. *The Journal of Applied Behavioral Science*, *52*(3), 320-341.
- Hofstede, G. (1980). *Culture's Consequences: International Differences in Work-Related Values.* Beverly Hills, CA: Sage.
- Hofstede, G., Hofstede, G. J. & Minkov, M. (2010). *Cultures and organizations: software of the mind* (3rd ed.). New York: McGraw-Hill.
- Kao, R. H. (2017). The relationship between work characteristics and change-oriented organizational citizenship behavior: A multi-level study on transformational leadership and organizational climate in immigration workers. *Personnel review*, *46*(8), 1890-1914.

Basma Farahat

- Lee, F.H. & Wu, W.Y. (2011). The relationships between personorganization fit, psychological climate adjustment, personality traits, and innovative climate: Evidence from Taiwanese high-tech expatriate managers in Asian countries. *African Journal of Business Management*, 5(15), 6415-6428.
- Li, M., Liu, W., Han, Y., & Zhang, P. (2016). Linking empowering leadership and change-oriented organizational citizenship behavior: The role of thriving at work and autonomy orientation. *Journal of Organizational Change Management*, 29(5), 732-750.
- López-Domínguez, M., Enache, M., Sallan, J. M., & Simo, P. (2013). Transformational leadership as an antecedent of change-oriented organizational citizenship behavior. *Journal of Business Research*, 66(10), 2147-2152.
- Moolenaar NM, Daly AJ, Sleegers PJC (2010). Occupying the principal position: Examining relationships between transformational leadership, social network position, and schools' innovative climate. *Educ. Admin. Q.*, *46*(5): 623-670.
- Moonen, P. (2017). The impact of culture on the innovative strength of nations: A comprehensive review of the theories of Hofstede, Schwartz, Boisot and Cameron and Quinn. *Journal of Organizational Change Management*, 30(7), 1149-1183.
- Morrison, E. W. & Phelps C. C. (1999). Taking charge at work: Extrarole efforts to initiate workplace change. *The Academy of Management Journal*, 42(4), 403-419.
- Pieterse, J.H., et al. (2012). Professional Discourses and Resistance to Change. *Journal of Organizational Change Management*, 25(6), 798-818.
- Shanker et al. (2017). Organizational climate for innovation and organizational performance: The mediating effect of innovative work behavior. *Journal of Vocational Behavior*, *100*, 67–77.