THE IMPACT OF PERCEIVED ORGANIZATIONAL SUPPORT ON INNOVATIVENESS OF ENTRY-LEVEL EMPLOYEES WORKING IN THE INFORMATION TECHNOLOGY SECTOR OF HYDERABAD, INDIA

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To my wife *Saakshhi*

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ABSTRAK

Persaingan di kalangan organisasi signifikannya amat ketara dalam dunia perniagaan kini. Sesebuah organisasi sering mencari kelainan daripada organisasi lain melalui inovasi: - cara organisasi boleh menjadi inovatif adalah bergantung pada keinovatifan para pekerjanya. Pekerja yang inovatif diiktiraf sebagai suatu komponen asas bagi kemandirian serta manfaat organisasi. Inovasi melibatkan kelainan yang diusahakan, menjana jalinan serta pengetahuan baru tentang produk: - bagi merealisasikan tujuan ini memerlukan kebebasan dan sokongan. Objektif utama kajian ini adalah untuk menyelidik kaitan antara sokongan organisasi ditanggap (perceived organizational support) serta keinovatifan pekerja (perisian) baru, yang bekerja dalam sektor teknologi maklumat di Hyderabad, India. Di samping itu, kajian ini turut menyelidik kaitan antara kesan gender pekerja dengan sokongan organisasi ditanggap dan keinovatifan pekerja. Sejumlah 300 soal selidik telah diagihkan kepada jurutera (perisian) baru Daripada 300 soal selidik yang diagihkan, 165 diterima dan telah dianalisis menggunakan perisian SPSS. Keputusan menunjukkan bahawa sokongan organisasi ditanggap membantu keinovatifan pekerja baru dalam sektor teknologi maklumat di Hyderabab, dan gender pekerja menunjukkan kaitan yang sederhana. Implikasi, batasan, serta cadangan untuk penyelidikan pada masa depan turut digariskan dalam kajian ini.

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ABSTRACT

Competition amongst the organizations is enormous in today's business environment. Organizations are always trying to be different from others through innovation and the way organizations can be innovative depends on the innovativeness of the employees. Innovative employees have been recognized as a fundamental component for organization survival and profitability. Innovation involves doing things differently, creating new connections and new knowledge products; to achieve this it requires freedom and support. The primary objective of this study is to investigate the relationship between perceived organizational support and innovativeness of the entry level software employees working in the information technology sector of Hyderabad, India. In addition, this study also aims to examine the effects of gender of the employees on the relationship between perceived organizational support and employee innovativeness. A total of 300 questionnaires were distributed among the entry level software engineers, 165 questionnaires were usable and were analyzed using SPSS software. The results revealed that perceived organizational support favors entry level employee innovativeness in the informational technology sector in Hyderabad and gender of the employees moderates the relationship. Implications, limitations, and recommendations for future research were also presented in this study.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Today, organizations conduct business in a global environment and are faced with significant competition. The search for competitive advantage has led to the recognition of organizational innovation (OI) as a vital ingredient for survival and profitability in this 'Information Age' (Read, 2000). One way for organizations to be innovative is to capitalize on their employees' ability to be innovative (Jong & Hartog, 2007). As Katz (1964, p.132) puts it: "an organization that solely depends on the blueprints of prescribed behavior is a very fragile system." According to Thompson (2001, p.37), "Innovation is an important element in maintaining fit, as environmental forces and competitor strategies change. An innovative organization fosters learning which leads to continuous, managed change to products, services, and processes." In turn, this demands an organization-wide commitment to improvement and change, together with the ability and willingness of managers to spot and seize change opportunities. Effective innovation is thus about people and the exploitation of organization's knowledge and intelligence.

Van de Ven (1986) refers to innovation as an activity whose aim is to develop, carry, react to, and modify ideas. The ability to generate new ideas can help to improve the business performance to a new level. Many practitioners and academics now approve the view that individual innovation helps to attain organizational success (Van de Ven, 1986; Amabile, 1988; Axtell, Holman, Unsworth, Wall, Waterson & Harrington, 2000; Smith, 2002; Unsworth & Parker, 2003).

Global organizations today are faced with enormous opportunities and challenges. Employees of these organizations are scattered around the world, which means the engine of knowledge is working round the clock, but geographical, biological, and linguistic barriers prevent real-time access to each other (American Productivity and Quality Centre, 1996). Innovation and continuous learning are the essential requirements for knowledge firms to survive in this hyper-competitive global mall (Pillania, 2007). The present global economy is a knowledge economy. Knowledge is the most costly resource and provides the highest returns, and its strategic management leads to sustainable competitive advantage (Pillania, 2007). Globally, many scholars (e.g., Kaplan, 1985; Lewis, 1996; Williamson, 2000) have accepted and agreed to this eminence of the resource of knowledge (Pillania, 2005). Multinational Corporations (MNCs) are knowledge repositories (Inkpen & Ramaswamy, 2006) and MNCs need to make the best utilization of the innovation capabilities of their employees. Tremendous risk is associated with neglecting knowledge and knowledge management in the present scenario. Organizational innovation requires a broad variety of cognitive and socio-political efforts from individual innovators (Kanter, 1988). As the foundation of all innovation is creative ideas (Scott & Bruce, 1994), individual employees develop, promote, discuss, modify, and ultimately implement ideas (Van deVen, 1986).

Many researchers indicate that innovation requires freedom and support from the organization. Utilizing the social exchange framework, perceived organizational support (POS) which asserts that employees develop "global beliefs concerning the extent to which the organization values their contributions and cares about their well-being" (Eisenberger, Huntington, Hutchinson & Sowa, 1986, p.501) will contribute to high levels of innovativeness (Eisenberger, Fasolo & Davis-LaMastro, 1990). The distinction between POS, employee commitment and loyalty is made clear by Eisenberger *et al* (1990) who suggested

that as employees' various needs are fulfilled, a perception or belief about how the organization feels about them is formed. If the belief is positive, employees perceive an imbalance between their contributions and the support provided by the organization. Hence, to have a more equitable relationship, employees increase their levels of commitment and loyalty effort for/toward the organization. Similar to Eisenberger *et al.*'s (1990) findings, exchanges between the supervisor and employee were reported to be related to innovativeness (Scott & Bruce, 1994).

The present study which aims at determining the impact of perceived organizational support (POS) on employee innovativeness is done in the background of Indian Informational technology sector. More than 500 million Indians are below the age of twenty-five. The National Association of Software and Services Companies (NASSCOM) report of 2004 predicts that over the next five years, India will be responsible for nearly a quarter of the increase in the world's working-age population. Already, India has almost a third of the available labor supply in low-cost countries including the highest number of knowledge workers. Although the growth is tremendous there always has been a significant demand-supply gap of innovative knowledge workforce which has been cited as one of the major problem concerning Indian IT sector.

1.2 Problem Statement

Organizations in today's global business environment want employees to be as creative as possible. One of India's primary edge in the global IT markets that has remained the key concerns and challenges for the country's IT sector is skilled and innovative manpower. While India currently boasts as one of the world's largest most qualified pools of scientific and engineering manpower, growing global demand for appropriately skilled, industry-

oriented professionals and a gradually enlarging demand-supply gap, are expected to test the limits of Indian IT manpower development capabilities. According to Arora, Ashish, Arunachalam, Asundi and Fernandes (2000), studied the aspects related to the supply and demand for skilled human capital-software developers to the Indian software development industry. Their general finding is that a situation of excess demand currently exists for skilled software development professionals. The large loss of experienced professionals due to relocation to the United States under the H-1 B visa program has exacerbated the problem. The country is at an important juncture in its history, having completed the transition from an agrarian economy to a full-fledged, first-world economy, operating at the leading edge of contemporary technology. A key element in taking the country forward and maintaining its growth momentum will be the provision of a highly skilled, innovative and competent global workforce. Clearly, the way forward for India is quality education that conforms to key global standards and creates professionals that are equipped with international-level certifications and accreditations. IT manpower development today, is not only crucial for sustaining the growth of the Indian economy, it is also important for maintaining the country's edge in the global IT markets, where competition is on the rise.

India has a pool of roughly 14 million young graduates (Farrell, Diana, Kaka, & Sturze, 2005). The number is almost twice that of the United States, and is topped up by 2.5 million new graduates in science, engineering and IT every year ("Innovations", 2007). IT is at the forefront, with a number of homegrown giants now leading the way ("Innovations", 2007). Competition for the IT jobs in India is enormous due to high wages; so employees need to prove themselves regularly (Farrell *et al.*, 2005).

The reason for choosing IT sector for research is, growth in Indian IT industry is commendable from US$1.1 billion in 1993-1994 to US$37.3 billion in 2005-2006 and to

US$57 billion a year by 2008, employing four million people and accounting to seven percent of the country's gross domestic product. The National Association of Software and Services Companies (NASSCOM) report of 2004 projects India's software exports in IT and ITeS (Information Technology enabled Services) sector at $49 billion by 2009 with direct employment opportunity for two million graduates.

The primary reason for choosing Hyderabad as research site is, with more than ten million residents, the city of Hyderabad is the capital city of the southern Indian state of Andhra Pradesh. It is India's fifth largest metropolis in India and one of its fastest growing. The State of Andhra Pradesh has been at the forefront of India's IT growth. However, very less research has been done on this particular industry. According to Software Technology Parks of India (STPI) report of 2006-2007 on IT export performance, the projected investments are Rs.19 billion by the newly registered units of STPI. With the IT sector growing steadily, it is not only enabling the economy to grow but also creating lot of employment potential both direct and indirect services. In order to ensure that the growth continue in the future years, multipronged steps in the areas of adding right talent, creating better infrastructure, expanding to multiple locations have been taken by the government of Andhra Pradesh.

1.3 Research Objectives

The main objectives of the research are:

- To examine the relationship between perceived organizational support and employee innovativeness.

- To examine the moderating effect of employee gender on the relation between perceived organizational support and employee innovativeness.

1.4 Research Questions

The main research questions are:

- Is there a relationship between perceived organizational support and employee innovativeness?

- Does gender of the employees moderate the relation between perceived organizational support and employee innovativeness?

1.5 Scope of the Study

The scope of the study is confined to the employees and their respective companies in the informational technology sector of the city of Hyderabad, India. Outsourcing of IT has changed enormously over the past decade. Supported by the rise in data networks and satellite communication, India has witnessed a boom in software application development and IT services. Hyderabad being the second largest ITeS provider after Bangaluru (Bangalore) contributes large part of its IT exports. Also, the emergence of Hyderabad as one of the biggest IT hubs in India has created a huge demand for engineers specializing in software and IT. Government of the state of Andhra Pradesh recognized this huge demand and took an initiative and adopted various progressive steps for this purpose. The number of engineering colleges in the state has increased rapidly providing highly trained software graduates. There are a total of 300 engineering colleges today in the state compared to just 37 colleges in 1987. Besides, courses such as MCA (Master of Computer Applications) and BCA (Bachelor of Computer Applications) have also been introduced to provide skills in software. IIIT (International Institute of Information Technology) was started by getting a number of private companies to come together to establish a university. In addition to the local workforce, the migrants tend to show a marked preference for the city of Hyderabad

compared to locations like Mumbai, Delhi, Chennai and even Bangalore. These are due to economic as well as personal reasons. While the calm life of Hyderabad is an appealing factor, other major reasons include reasonable cost of living, healthy climate, and commendable infrastructure and so on. An important factor is also that Hyderabad is strategically located in the country, well connected by road, rail and air. Due to the above reasons, the competition for IT jobs in Hyderabad is huge and the employees need to prove their worth regularly and being innovative is the key.

1.6 Significance of the Research

The significance of the research apart from answering the research questions and meeting the research objectives are:

- Although information technology is regarded as the main industry contributing a major part of total IT exports of the country and employing a huge number of employees, a very less amount of research has been done on this business sector and almost none on the behavioral aspect. Therefore, the present study on perceived organizational support and employee innovativeness provides a significant addition to the literature on employee behavioral aspect in the area of information technology sector of Hyderabad, India.

- Globalization has had a significant impact on women's work in information technology in developing countries. (Hafkin & Taggart, 2001). With this study, the moderating effect of gender on the impact of perceived organizational behavior on employee innovativeness is observed which would be useful in understanding more about the marginalization in developing countries.

1.7 Definition of the Key Variables

Table 1.1

Definition of Key Variables

Term	Definition
Perceived Organizational Support (POS)	POS refers to employees' perception concerning the extent to which the organization values their contribution and cares about their well being. POS has been found to have important consequences on employee performance and well-being (Eisenberger *et al*., 1986, p.501).
Innovativeness	Behavior directed towards the initiation and application (within a work role, group or organization) of new and useful ideas, processes, products or procedures (Farr & Ford, 1990).

1.8 Organization of Remaining Chapters

Chapter 2 provides the current up to date literature on the topic and is mentioned with appropriate citations in APA format, Chapter 3 contains the detailed procedure or the set of procedures about how data for the research was obtained and about the specific analysis techniques used for the analysis of the data. In chapter 4, results of hypothesis testing and the summary of the results are provided. Chapter 5 presents interpretation of results; implication and limitations of the research are also mentioned in chapter 5followed by suggestions for future research and conclusion.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter surveys the relevant literature that forms the basis for this research study. It consists of seven sections including the introduction. Sections 2.2, 2.3, and 2.4 constitute a review of past literature on perceived organizational support, employee innovativeness and women perceptions of organization and their role in information technology innovation respectively. Section 2.6 depicts the theoretical framework of this research study. Section 2.7 outlines the formulation of the hypothesis. Section 2.8 concludes this chapter by providing the summary of the chapter and a brief overview of the subsequent chapter.

Perceived Organizational Support research is driven by the idea that an employee independently evaluates the treatment that he or she receives from the organization and determines the extent to which he or she feels supported.

2.2 Perceived Organizational Support (POS)

It all began with the observations made by researchers due to the increasing interest in the role of exchange processes in organization that if managers are concerned with their employees' commitment to the organization, employees are focused on the organization's commitment to them (Eisenberger *et al*, 1986).. To employees, the organization serves as an important source of respect, and tangible benefits, such as wages and medical benefits. Although there were relatively few studies of POS until the mid 1990's, research on the topic has expanded in the last few years.

Generally, employers value employee dedication and loyalty. Organizational support theory (Eisenberger *et al.*, 1986; Rhoades & Eisenberger, 2002; Shore & Shore, 1995) holds that in order to meet socio-emotional needs and to assess the benefits of increased work effort, employees form a general perception concerning the extent to which the organization values their contributions and cares about their well-being. Employees who are emotionally committed to the organization show heightened performance, reduced absenteeism, and a lessened likelihood of quitting their job (Mathieu & Zajac, 1990; Meyer & Allen, 1997; Mowday, Porter, & Steers, 1982). Therefore, perceived organizational support can be considered as one of the determinant of organizational commitment and loyalty. Conversely, employees are more concerned with the organization's commitment to them. Social exchange theorists have mentioned briefly about employment as the trade of effort and loyalty for tangible benefits and social rewards (Bateman & Organ, 1983; Brief & Motowidlo, 1986; Mowday *et al*., 1982; Organ & Konovsky, 1989). When one person treats another well, the reciprocity norm obliges the return of favorable treatment; as long as the employer and the employee apply this reciprocity norm to their relationship, the outcomes shall be beneficial to both. Organizational support theory (Eisenberger *et al*., 1986; Shore & Shore, 1995) supposes that to determine the organization's readiness to reward increased work effort and to meet socio-emotional needs, employees develop global beliefs concerning the extent to which the organization values their contributions and cares about their well-being. POS is also valued as assurance that aid will be available from the organization when it is needed to carry out one's job effectively and to deal with stressful situations (George, Reed, Ballard, Colin, & Fielding, 1993).

Rhodes and Eisenberger (2002) identified many antecedents and consequences some of them related to this study are outlined below:

2.2.1 Antecedents of POS

2.2.1.1 Fairness and POS

Greenberg (1990) identified that fairness of the ways used to determine the distribution of resources among employees is dealt by procedural justice. According to Shore and Shore (1995), repeated instances of fairness in decisions concerning resource distribution should have a strong cumulative effect on POS by indicating a concern for employees' welfare. Cropanzano and Greenberg (1997) distinguished between structural and social aspects of procedural justice.

2.2.1.2 Supervisor Support and POS

Employees, while forming global perceptions concerning their valuation by the organization, develop general views concerning the degree to which supervisors value their contributions and care about their well-being (Kottke & Sharafinski, 1988). Supervisors act as organizational agents, the employee's receipt of favorable treatment from a supervisor should contribute to POS. The strength of this relationship depends on the degree to which employees identify the supervisor with the organization, as opposed to viewing the supervisor's actions as idiosyncratic (Eisenberger *et al*., 1986).

2.2.1.3 Organizational Rewards, Job Conditions and POS

Human resources practices showing recognition of employee contributions will be positively related to POS (Shore & Shore, 1995). A variety of rewards and job conditions have been studied in relation to POS—for example, recognition, pay, promotions, job security, autonomy, role stressors, and training.

According to organizational support theory, favorable opportunities for rewards serve to communicate a positive valuation of employees' contributions and thus contribute to POS (Greenberg, 1990). Assurance that the organization wishes to maintain the employee's future membership is expected to provide a strong indication of POS, particularly when downsizing has been prevalent (Allen, Shore, & Griffeth, 1999).

Employees' perceived control over how they carry out their job, including scheduling, work procedures, and task variety is called Autonomy. Autonomy has traditionally been highly valued in Western culture (Geller, 1982). Organization's trust in employees to decide wisely how they will carry out their job, high autonomy should increase POS (Eisenberger, Rhoades, & Cameron, 1999). Stressors refer to environmental demands with which individuals feel unable to cope; stressors should reduce POS (Lazarus & Folkman, 1984). Wayne, Shore and Liden (1997) suggested that job training is a discretionary practice communicating an investment in the employee, thus leading to increased POS.

Dekker and Barling (1995) argued that individuals feel less valued in large organizations, where highly formalized polices and procedures may reduce flexibility in dealing with employees' individual needs. Even though large organizations, as small ones, can show benevolence to groups of employees, the reduced flexibility for meeting the needs of individual employees, imparted by formal rules, could reduce POS.

Of all the major organizational determinants of POS mentioned above, rewards and favorable job conditions are expected to have the weakest effect. Such treatment should contribute to POS only to the extent that it is perceived to represent the organization's voluntary, intentional actions (Eisenberger, Cummings, Armeli & Lynch, 1997). The reason might be the external pressures like contractual obligations concerning pay and work rules,

government health and safety regulations, and societal norms whose violation would bring bad publicity to the organization.

2.2.2 Consequences of POS

2.2.2.1 POS and Organizational Commitment

POS should create a felt obligation to care about the organization's welfare (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). This obligation to exchange caring for caring should enhance employees' affective commitment to the personified organization (Foa & Foa, 1980). POS should also increase affective commitment by fulfilling such socio-emotional needs as affiliation and emotional support (Armeli, Eisenberger, Fasolo & Lynch, 1998; Eisenberger *et al*., 1986). Additionally, Shore and Tetrick (1991) suggested that POS might reduce feelings of entrapment (i.e., continual commitment) that occur when employees are forced to stay with an organization because of the high costs of leaving.

2.2.2.2 POS and Job-Related Affect

POS has been hypothesized to influence employees' general affective reactions to their job, including job satisfaction and positive mood. Job satisfaction refers to employees' overall affect laden attitude toward their job (Witt, 1991). POS should contribute to overall job satisfaction by meeting socio-emotional needs, increasing performance-reward expectancies, and signaling the availability of aid when needed (Armeli *et al*., 1998; Eisenberger *et al*., 1986). Positive mood differs conceptually from job satisfaction in that it involves a general emotional state without a specific object (George, 1989). Mood has been proposed as the state component of affectivity, influenced by environment (George & Brief, 1992). POS may

contribute to employees' feelings of competence and worth, thus enhancing positive mood (Eisenberger *et al*., 2001; George & Brief, 1992).

2.2.2.3 POS and Job Involvement

Job involvement refers to identification with and interest in the specific work one performs (Cropanzano *et al*., 1997; O'Driscoll & Randall, 1999). Perceived competence has been found to be related to task interest (Eisenberger *et al*., 1999). By enhancing employees' perceived competence, POS might increase employees' interest in their work.

2.2.2.4 POS and Performance

POS should increase performance of standard job activities and actions favorable to the organization that go beyond assigned responsibilities. According to George and Brief (1992), such extra-role activities include aiding fellow employees, taking actions that protect the organization from risk, offering constructive suggestions, and gaining knowledge and skills that are beneficial to the organization.

2.2.2.5 POS and Strains

POS is expected to reduce aversive psychological and psychosomatic reactions (i.e., strains) to stressors by indicating the availability of material aid and emotional support when needed to face high demands at work (George *et al*., 1993; Robblee, 1998). Some investigators have proposed a main effect rather than a buffering effect of POS on such strains as fatigue (Cropanzano *et al*., 1997), burnout (Cropanzano *et al*., 1997), anxiety (Robblee, 1998; Venkatachalam, 1995), and headaches (Robblee, 1998). It is conceivable that POS could

decrease employees' general level of stress at both high and low exposure to stressors (Viswesvaran, Sanchez, & Fisher, 1999).

2.2.2.6 POS and Desire to Remain

Witt and colleagues (Nye & Witt, 1993; Witt, 1991; Witt & Nye, 1992) examined the relationship between POS and employees' desire to remain with the organization. These found workers' propensity to leave the organization if offered slightly higher pay, more professional freedom or status, or friendlier coworkers. Desire to remain should be distinguished from the discomforting perception of being trapped in an organization because of the high costs of leaving (i.e., continuance commitment).

2.2.2.7 POS and Withdrawal Behavior

Withdrawal behavior refers to employees' lessening of active participation in the organization. The relationship of POS to behavioral intentions to leave (i.e., turnover intention) have been assessed (Allen *et al*., 1999; Aquino & Griffeth, 1999; Guzzo, Noonan, & Elron, 1994; Wayne *et al*., 1997), as have actual withdrawal behaviors such as tardiness, absenteeism, and voluntary turnover. Retention of organizational membership, high attendance, and punctuality provide publicly identifiable ways for employees to reciprocate POS. POS also increases affective organizational commitment, thereby lessening withdrawal behavior.

2.2.2.8 POS and Corporate Entrepreneurship

POS represents the extent to which employees believe the organization values and supports each individual member of the organization. This can be assessed in terms of employee

perceptions of the adequacy of programs that provide employee recognition, problem-solving assistance, and safe working conditions. POS develops as the employee experiences various tangible and intangible outcomes through the daily exchange process with the organization (Eisenberger *et al*., 1986). When these exchanges lead to positive outcomes, commitment and affect towards the organization are triggered (Eisenberger *et al*., 1986).

Within the Corporate entrepreneurship (also known as *Intrapreneurship*) context, positive feelings about the organization and its supportive nature positively influence employees' receptivity towards the organization's efforts to introduce and implement corporate entrepreneurship which is a identified as a process to acquire and utilize the innovative skills and abilities of the employees. (Rutherford & Holt, 2007).

2.3 Innovativeness

The researcher in this study has primarily sourced from management-oriented journals the reason being, the innovation literature is vast and multi-disciplinary (Read, 2000). Innovation research has originated from many fields of knowledge including management, psychology, economics, sociology and science. Within these and other disciplines, researchers tend to conceptualize innovation in different ways (Gopalakrishnan & Demanpour 1997; Tang 1998). One of the common definitions is that innovation is something new or novel. Beyond newness, there were definitions that vary with academic perspective and application (Burgelman & Sayles 1986). Farr and Ford (1990) defined innovativeness as behavior directed towards the initiation and application of new and useful ideas, processes, products, or procedures. An implied feature of innovation is that it must be useful (Gronhaug & Kaufman 1988; Padmore, Schuetze & Gibson 1997; Cooper 1998). This distinguishes an innovation from an invention, which may not have practical application. Especially in a

business sense, it is desired that an innovation contribute to the firm's performance in some way. Thus, defined, innovativeness can be seen as a uni-dimensional attitude, through which employees can contribute to the innovation process. One main point of argument is, whether innovation is a process, or an outcome (Ettlie 1980; Kimberly & Evanisko 1981; Rodgers 1983). The following are some of the antecedents of organizational innovativeness pointed out in the literature:

2.3.1 Antecedents of Innovativeness:

2.3.1.1 Personal Mastery and Innovativeness

Personal mastery, according to Garcia-Morales, Llorens-Montes and Verdu-Jover (2006) is the fine art of managing the mind and the desire to understand and learn for its own sake which recognizes that organizations advance only through individuals who innovate and learn. Innovative orientation requires people with a greater creative capacity and a higher degree of personal mastery. People with high personal mastery have the capacity to observe the distance between current reality and their personal vision and to transform this creative tension into an innovative impulse that allows reality to be brought closer to this vision (Senge, 1990; Senge, Roberts, Ross, Smith, and Kleiner, 1994).

2.3.1.2 Transformational Leadership and Innovativeness

Promoting Organizational innovativeness requires transformational leadership to tackle the intellectual-capital-based new economy. Supportive leadership allows the organization to learn and innovate through experimentation-dialogue-personal mastery-organizational knowledge (Senge et al., 1994). First, the leader plays a key role in employee innovativeness and in creating a climate that encourages the abilities/practices needed to promote

innovativeness among employees (Van de Ven, 1986). Analyzing the determinants of innovative conduct in organizations reveals that leader characteristics and leadership style are essential to encouraging this innovative capability. There is currently broad consensus on the idea that a transformational leadership style is more likely to encourage employee innovativeness than transactional styles of leadership. Supportive leaders create the ideal conditions for employee innovativeness by bringing together teams of innovative people, promoting mutual trust, risk taking, and shared vision among the organization members and minimizing internal communication costs (Dess and Picken, 2000; Senge, 1990).

2.3.1.3 Shared vision and Innovativeness

Shared vision implies a common commitment to a desired future and a common sense of the organizational purpose. It gives strength to innovate and learn (Maani and Benton, 1999; Senge, 1990; Senge et al., 1994; Wang, Luxhoj, and Johansen, 2004). The mere fact that someone in a position of authority is individually open to innovation, initiates it and makes the decision to innovate is not enough. Because people support what they help to create, there must be a shared vision and commitment by all organization's members. Lack of shared vision interferes with individuals' ability to find innovative solutions collectively, for each individual is more committed to his own posture. Shared vision enables better understand employee innovativeness and to become committed to it (Clarke, 1994).

2.3.1.4 Proactivity and Innovativeness

Miller and Friesen (1982) distinguish between conservative and enterprising organizations in terms of the employee innovativeness. In the first group, employee innovativeness occurs only in response to challenges and threats; it only occurs when needed. The second group

accepts innovativeness as a vital central element of strategy. If we focus on innovativeness, innovative organizations not only react to the environment but also create it. They take a proactive attitude, shaping both the forces and the conditions that affect the organization. Organizations should aspire to control their environment, not simply adjust to it, for this aspiration encourages a greater innovative spirit. One of essential components of innovative strategy is thus the presence of proactivity.

2.3.1.5 Environment and Innovativeness

Environmental changes define the radicalism required in new products/services in order to stay competitive. Organizations distinguished by having created the conditions for sustained Innovativeness have a general in-depth knowledge of their environment, which constitutes the main source of opportunities and threats (Clarke, 1994). The literature is full of statements advancing the thesis that the environment and changes in it are challenges that encourage employee innovativeness (Clarke, 1994; Starkey and McKinlay, 1988). However, studies of the influence of an organization's environment on adopting innovation are few. Some empirical research links the growing levels of employee innovativeness to environmental uncertainty (Damanpour, 1996).

2.3.2 Consequences of Innovativeness

2.3.2.1 Innovativeness and Organizational Performance

Those organizations with greater number of innovative employees will achieve a better response from the environment, obtaining more easily the capabilities needed to increase organizational performance and consolidate a sustainable competitive advantage (Hurley and Hult, 1998). Not promoting innovative projects and activities will have a negative effect on

organizational performance (Lo¨o¨f and Heshmati, 2002). The OI literature includes both empirical studies supporting this relationship (Hurley and Hult, 1998) and studies that use econometric methods to demonstrate it (Lo¨o¨f and Heshmati, 2002). Although some research establishes a direct relationship between different aspects of innovation (innovation speed-design, innovation-flexibility) and performance rather than between innovation and performance, most of these aspects are positively linked to organizational improvement (Danneels and Kleinschmidt, 2001).

2.3.2.2 Innovativeness and Creativity

Innovativeness is closely related to employee creativity. The differentiation between the two is blurred (Jong & Hatrog, 2007), as some researchers have proposed models of creativity that also pay attention to the implementation of creative ideas. Basadur (2004) distinguishes between problem finding, problem conceptualization, problem solving, and solution implementation. In line with this, in a review of creativity research, Mumford (2003) recommends that future work should investigate the implementation of creative ideas. He recognizes that real-world performance represents one of the important components of creative work and considers the investigation of implementing ideas to be an important emerging issue.

Other authors have identified and discussed differences between innovativeness and creativity. Unlike creativity, innovativeness is intended to produce some kind of benefit. Innovativeness has a clearer applied component since it is expected to result in innovative output (West & Farr, 1990). However, it cannot be said that it comprises application only as innovativeness encompasses employees' behaviors directed at the production of novel products, services and/or work processes (Scott & Bruce, 1994). In that sense, creativity can

be seen as a part of innovativeness that is most evident in the first phase of the innovation process, where problems or performance gaps are recognized and ideas are generated in response to a perceived need for innovation (West, 2002). West (2002) also suggests that the distinction between creativity and innovativeness is one of emphasis rather than substance. Some previous studies treated employees' innovativeness as a one-dimensional construct that encompasses both idea generation and application behavior (Scott & Bruce, 1994; Janssen, 2000).

2.3.2.3 Innovativeness and corporate entrepreneurship

Zahra (1991) defines corporate entrepreneurship as ". . . a process of organizational renewal that has two distinct but related dimensions: innovation and venturing, and strategic renewal". Miller (1983) and several others (e.g., Slevin & Covin, 1990; Dean, Brandes & Dharwadkar, 1998) have echoed this notion by specifying three components of corporate entrepreneurship or Intrapreneurship: proactiveness, innovation, and risk taking. Similarly, Lumpkin and Dess (1996) identified autonomy, innovativeness, risk taking, proactiveness, and competitive aggressiveness as a set of behaviors that reflect corporate entrepreneurship. Covin and Miles (1999) have observed, the commonality in most conceptualizations of corporate entrepreneurship is the dimension of innovation. Accordingly, Rutherford and Holt (2007) defined corporate entrepreneurship as a process of enhancing the ability of the firm to acquire and utilize the innovativeness skills and abilities of the firm's members. The organizational members' application of innovativeness abilities and skills are at the very heart of corporate entrepreneurship.

Organizations by themselves do nothing – even the most collective activities that take place within organizations are an amalgamation of the activities of individual organizational

members; therefore, organizations will be innovative, proactive, and take risks through the actions of their members (Stevenson & Jarillo, 1990).

2.4 Women's Role

2.4.1 POS for Women's advancement

Continuously, women are underrepresented in senior management and executive positions (Wellington, Kropf & Gerkovich, 2003). Frustrated, many well educated and experienced professional women exit the organization (Indvik, 2001; Kephart & Schumacher, 2005), or in many instances, exit the workforce altogether (Belkin, 2003). As such, voluntary turnover of desirable employees is generally detrimental to the organization in terms of replacement costs and work disruption (Hellman, 1997). Jawahar and Hemmasi (2006) predicted that the extent to which the organization supports advancement of women will be of more concern than the general construct on organizational support, and consequently, will be more strongly related to turnover intentions than general perceptions of organizational support.

2.4.2 Innovativeness and Women

Historically, gender has been considered a uni-dimensional construct; men were expected to be the providers and women the care-givers. Mitter (1998) points out that woman in the informal sector need to be innovative in finding niche markets. According to Friedman, Johnson, Kaufmann and Zoido-Lobaton (2000), firms in the informal sector avoid tax payments but suffer other limitations like high cost of capital and a limitation on size. As a result informal firms are smaller and have a lower capital-labor ratio. Kirton (1976) contends that, on average, men tend to be more innovative and women are adaptive, suggesting gender differences in the creativity aspect of human capital.

2.4.3 Women and Information Technology

Information technology is both enabling as well as a contributing factors to globalization (Hafkin & Taggart, 2001). Mitter (1998) predicts that the introduction of new technologies has changed women work in three ways:

- By altering the process of production in manufacturing and service industries through automation, deskilling of workers, and increasing the skills requirements of key jobs. In developing countries women tend to be concentrated in end user, lower skilled IT jobs related to word processing or data entry and make up small percentages of managerial, maintenance, and design personnel in networks, operating systems, or software. Women's lower representation in the production and design of IT is a result of reduced access to education, socio-cultural norms discouraging women from studying science and technology, and feminization of the IT jobs that women hold.

- By the introduction of new products or services in the market, such as electronics, computer peripherals, or information processing work. Women's access to new product and technologies is not a simple question in male dominated cultures such as India. Some of the factors that are significant in determining whether women can access technology include education, financial resources, cost, location, culture, and skills.

- By shifting production that often used old technologies to locations that are distant from the main sites of commercial units or to home-based workers. In societies and cultures where women's public mobility is limited, women may not be able to travel to training or to work, or husbands or family members may not approve of their wives or daughters attending training or to work in an unsupervised environment where men are present.

2.5 Theoretical Framework

The variable of interest in this study is employee innovativeness. The present study was intended to examine the relationship between perceived organizational support (as a predictor variable) and employee innovativeness (as a criterion variable) in Indian organizational setting. In addition, the study also attempts to investigate the moderating effect of the gender of employees on the relationship between perceived organizational support and employee innovativeness. The research framework is shown in Figure 2.1.

Figure 2.1

Theoretical Framework
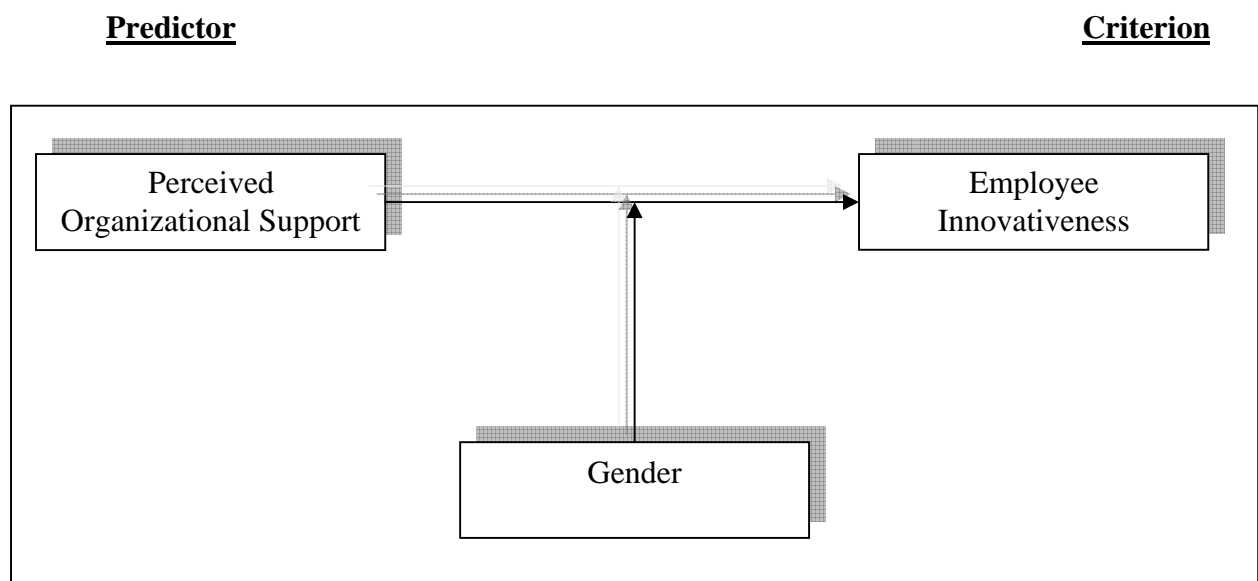
2.5.1 Social Exchange Theory

Social exchange theorists argue that rewards or resources received from others are more highly valued if they are based on their individual choice rather than circumstances beyond