

# **The dynamic link between workplace climate and employees' readiness to innovate in UAE private sector organizations**

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## **Purpose**

It is imperative in today's dynamic environment to examine the social aspect effect on innovation in addition to technical and economic aspects. The purpose of this paper is to: first, theoretically identify and empirically examine the dynamics of work climate that can modulate employee's readiness for innovation in private sector organizations within the UAE. Second, set a conceptual framework that brings work climate into consideration for organizations when promoting employees' innovation.

## **Design/Methodology/Approach**

Based on the literature review (appendix 1), a conceptual model (appendix 2) was developed to identify five different facets of work climate and their impact on employees' readiness for innovation, namely: nature of work, supervisor and peer relations, reward and development opportunities, employee skills and personality traits and employee involvement.

A quantitative research approach had been employed capitalizing on reviewing secondary documents and collecting primary data through self-administered questionnaire submitted to 104 private sector employees who were selected randomly. Necessary approvals were taken prior to survey distribution; all participants were briefed on survey purpose and participant rights. Anonymity of both organizations and participants were guaranteed. Collected data were analyzed using Statistical Package for Social Sciences. All items of the research instrument were tested for reliability using Cronbach Alpha test and the results yields reliability coefficients of 0.891, 0.885 and 0.738 for all 33 items, work climate global variable and readiness to innovate variable respectively as shown in table 3. Demographic distribution of sample has some distinct characteristics like higher

percentage of males (69%) over females and dominance of non UAE nationals representing 93% of the sample, both figures are inline with UAE statistics which indicates that 75% of Dubai population are males and 99% of UAE private sector employees are expats.

## **Findings**

The following set of hypotheses correlating work climate and its components with employees' readiness to innovate were employed and tested using Pearson correlation test, regression analysis and paired-samples T test:

H1: Work climate will significantly influence employees' readiness to innovate.

H2: There is relationship of statistical evidence between nature of work and employee readiness to innovate.

H3: There is relationship of statistical evidence between supervisor and peer relations and employees' readiness to innovate.

H4: Reward and development opportunities have significant relationship with employees' readiness to innovate.

H5: There is statistically significant relationship between employee skills and personality traits and employees' readiness to innovate.

H6: There is statistically significant relationship between employee involvement and employees' readiness to innovate.

The correlation matrix indicated a positive relationship between work climate along with its five facets and the dependent variable; employees readiness to innovate with a correlation coefficient ranging from .222 to .427 ( $p$ -value < 0.01) as shown in table 4. Similarly, When work climate was regressed against employees' readiness to innovate, the F test showed a significant model ( $P$  value <0.001) and coefficient of determination  $R^2$  0.132 as indicated in table 5. Regression analysis test results also showed a highly significant relationship between employee readiness to innovate and two of the work climate components; nature of work and employee skills and personality traits ( $p$ -value < 0.001) and  $R^2$  0.116 and 0.174 respectively as shown in table 6. The results have been

further confirmed using paired-samples T test, which showed a positive relationship between the work climate and all its components with employee readiness to innovate at a significance level of 0.000 except for reward and development factor, the positive relationship was also maintained at significance level .05 as indicated in table 7. The findings of this paper revealed that organizational work climate could be critical predictor of employees' innovation, influencing 13.2% of the variance in employee readiness to innovate. Employee skills and personality traits and nature of work play the most important role; explaining 17.4% and 11.6% of the change in employees' readiness for innovation respectively. Other factors of work climate like employee involvement, supervisor, peer relations and reward and development factors also showed positive relationship with the employees' readiness to innovate. Thus it can be concluded that all claimed hypotheses were established and that private sector employees in the UAE can develop their innovation readiness on the base of work climate factors.

### **Research limitations**

There might be issue of generalizability as the study sample was limited to private sector employees from two emirates of the seven emirates in the UAE. Thus future research on different economic sectors and on other nations is required. Another limitation arose from the difficulty in accessing official evaluation records with regards to employee readiness to innovate, thus a self-rated questionnaire was administered which may give rise to personal bias.

### **Practical Implications**

Given the paper findings, from both research and practical perspectives, it is important to consider how organizations can alleviate their employees' capacity and ability to innovate through paying attention to work climate factors. Therefore it is recommended that managers embrace management practices that unleash employee skills and abilities to innovate. The way in which supervisors exercise management skills is also important and thus training programs for supervisors on communication and team work will serve the goal of improving supervisor and peer relations and thus encouraging innovation.

**Social implications**

This study will contribute to the implementation of UAE vision 2021 in becoming one of the most innovative countries in the world and will provide guidance to government officials working for the national innovation committee through highlighting the role of work climate in promoting innovation throughout the private sector in the UAE.

**Originality/value**

This study is significant in studying the impact of work climate on innovative attitude at an individual level, in an Arabic context with a unique set of work climate factors as shown in the study conceptual model. Additionally, from a research perspective this study will add to the current literature through making possible cross-cultural comparisons between the western and Arab context with regards to the work climate and employee innovation relationship.

## Appendix 1 (summary of literature review)

Published paper (Author, date, title)	Relation between work climate and innovation
Buckler (1997) The spiritual nature of innovation.	Confirmed that innovation is a work environment that drives value creation
Amabile et al (1996) Assessing the work environment for creativity.	Claimed that perceived work environment affects organizational creativity and innovation
Tesluk et al (1997) Influences of organizational culture and climate on individual creativity.	Stated that organizational climate can influence innovation through: socialization processes and development of shared norms between the organization employees.
Hunter, Bedell & Mumford (2007) Climate for Creativity: A Quantitative Review.	Concluded that most work climate dimensions examined in earlier studies showed large impact on organizational innovation.
Klein and Sorra (1996) The Challenge of Innovation Implementation.	Claimed that The more employees' perceive work climate as satisfactory and supportive for innovation, the more this will influence their readiness to innovate.

**Table 1: relation between work climate and innovation**

Published paper (Author, date, title)	Factors of work Climate	Findings
Denison and Mishra (1995) Toward a theory of organizational culture and effectiveness.	Employee involvement, consistency, adaptability and sense of mission.	Involved and empowered employees feel more motivated and self-confident in doing their jobs and thus show higher levels of innovation.
Schneider et al. (1996) Creating the climate and culture of success.	Nature of interpersonal relationships, nature of hierarchy, nature of work and focus of support and rewards	Organization climate to support innovation, it should be communicative, decentralized, dynamic and rewarding to innovation initiatives.
Martins and Turblanche	Strategy, structure, support	Cross-functional teams that allow

<p>(2003) Building organizational culture that stimulates creativity and innovation.</p>	<p>mechanisms, behavior that encourages innovation and communication</p>	<p>for social networking among employees will encourage innovation.</p>
<p>Dombrowski et al (2007) Elements of innovative cultures. <i>Knowledge and Process Management</i></p>	<p>Innovative mission and vision statements, a culture of democratic, lateral communication, forms of safe innovative environments, flexibility; collaboration across functions; sharing across business units, incentive schemes, and leadership.</p>	<p>The suggested eight elements of work climate drives innovation within the workplace.</p>
<p>Isaksen &amp; Ekvall (2007) Assessing the Context for Change: A Technical Manual for the SOQ – Enhancing Performance of Organizations, Leaders and Teams for over 50 Years.</p>	<p>Challenge, freedom, trust/openness, idea time, playfulness/humor, conflict, idea support, debate, and risk taking.</p>	<p>Those nine dimensions are critical for developing a creative climate within the organization boundaries</p>
<p>Arad et al (1997) A framework of study of relationships between organizational characteristics and organizational innovation.</p>	<p>Reward and development opportunities</p>	<p>Organizational values are mirrored in rewarded behaviors, where rewarding individual creative behavior makes the innovative attitude general to all employees and that personal development opportunities as well as professional growth have major impact on innovation.</p>
<p>Ahmad (1998) Culture and climate for innovation.</p>	<p>Employee traits</p>	<p>set of traits that can affect innovation such as: the employee being knowledgeable, active, self-confident, comfortable with uncertainty, introvert and analytical thinker.</p>

**Table 2: Work climate factors and innovation**

## Appendix 2 (Research conceptual model)

Based on above-mentioned literature review; researchers of this paper were able to identify work climate as a global multidimensional independent variable with five work climate components: nature of work, Supervisor and peer relations, rewards and development opportunities, employee skills and personality traits, employee involvement, and supervisor support.

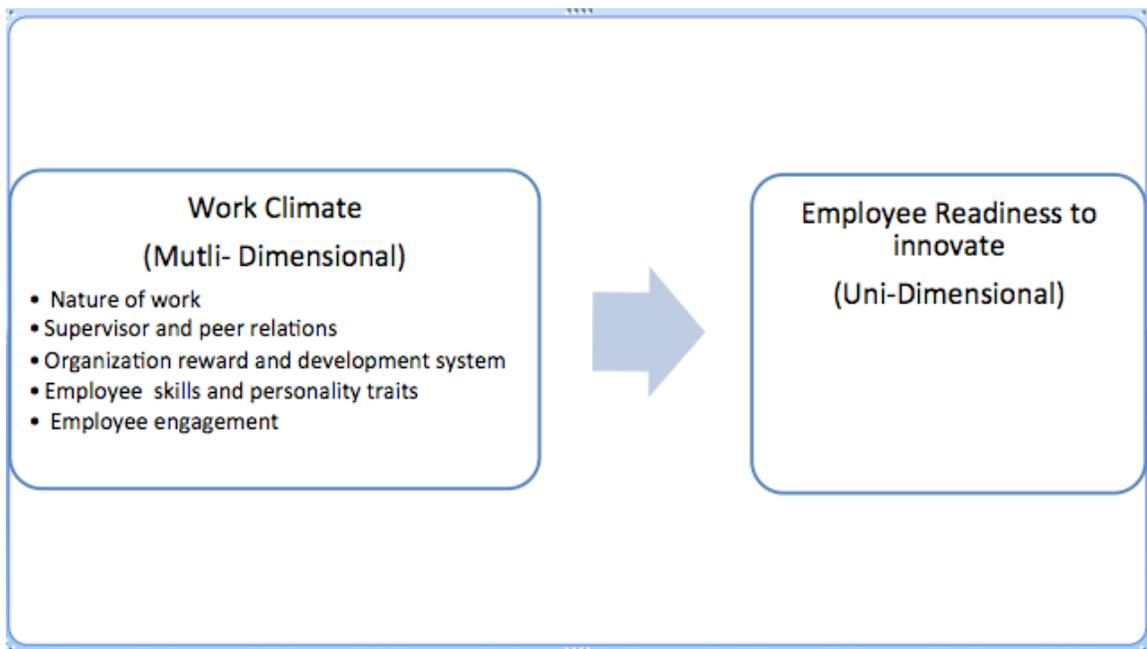


Figure 1. Research conceptual model

### Appendix 3 (instrument and hypothesis testing)

Description	Value	Items	New Value After deletion	Items
Nature of work	0.621	3	NA	3
Supervisor and peer relations	0.748	8	NA	8
Employee skills and personality traits	0.766	5	NA	5
Employee involvement	0.697	4	NA	4
Reward and development opportunities	0.806	6	NA	6
Global Work Climate variable	0.885	26	NA	26
Readiness to innovate variable	0.661	8	0.738	7
Total items	0.885	34	0.891	33

**Table 3: Cronpach Alpha Values**

Correlation		Global Work Climate	Nature of work	Supervisor and peer relations	Emp. Skills and pers. traits	Employee involvement	Reward and development
Readiness to innovate variable	Pearson Correlation	.375**	.354**	.229*	.427**	.222*	.263**
	Sig. (2-tailed)	0.000	0.000	0.021	0.000	0.025	0.008
	N	104	104	104	104	104	104

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

**Table 4: Correlation matrix**

Regression equation	F value and sig level	R square	Adjusted R square	Beta
Work climate variable regressed against employees' readiness to innovate	16.37 (0.000)	0.141	0.132	0.375

**Table 5: Regression test results for global work climate and employees' readiness to innovate**

Regression equation	F value and sig level	R square	Adjusted R square	Beta
Employee skills and personality traits regressed against employees' readiness to innovate	22.26(0.000)	0.182	0.174	0.352
Nature of work regressed against employees' readiness to innovate	15.411(0.000)	0.125	0.116	0.247

**Table 6: Regression test results for significant factors of work climate and employees' readiness to innovate**

Paired Samples Correlations		N	Correlation	Sig. (2 tailed)
Pair 1	Global work climate	104	0.375	0.000
Pair 2	Nature of work	104	0.354	0.000
Pair 3	Supervisor and peer relation	104	0.229	0.000
Pair 4	Employee skills and pers. Traits	104	0.427	0.000
Pair 5	Employee involvement	104	0.222	0.000
Pair 6	Reward and development	104	0.263	0.031

**Table 7: Paired -Samples T Test**