The Influence of Leadership Behavior
on Innovative Work Behavior:
The Case of a Pharmaceutical Company in
Germany

Master Thesis Business Administration
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Abstract

Purpose

Innovation is a crucial part of companies getting a competitive advantage. Most studies of leadership behaviors fostering innovative work behavior have explored how organizations can become more innovative by encouraging their employees to generate new ideas in a knowledge-intensive environment. By showing specific leadership behaviors leaders can improve idea generation and idea realization. Next to that, they can adopt or delegate innovator roles, that help pushing an idea through the different phases of the innovation process. The purpose of this paper is to find appropriate leadership behaviors that enhance the innovative work behavior of employees in a different context, namely a manufacturing environment.

Methodology/Research Approach

Based on findings from contemporary literature, this study investigates the appropriate behaviors leaders should show when attempting to foster innovative work behavior by using a real-life case study. Focus groups, a document analysis and interviews are used for this purpose.

Findings

The findings show that, keeping Employees motivated, encouragement for innovation, promoting information sharing, distribution of demanding assignments and delegation and providing autonomy are behaviors that are beneficial during the idea generation phase. In contrast, during the idea realization phase leaders need to establish a feedback culture, have enthusiasm for applying better solutions, offer a bonus for innovative ideas and also offer resources for implementation.

Practical implications

With economies facing challenges and staying competitive, organizations have an increasing interest innovation leading to higher economic performance. Organizations can become more innovative by encouraging their employees to generate new ideas. The findings of this study can be a guidance for leaders wanting to enhance innovative work behavior.

Originality/Value

This study provides a new view on leadership behaviors fostering innovative work behavior within the manufacturing context. Until now studies focused mainly on knowledge-intensive environments. The found behaviors offer a chance to push innovative ideas through the innovation cycle.

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1   Introduction

Contemporary organizations have an increasing interest in sustainable innovation leading to higher economic performance. Economies are facing challenges such as climate change and ageing populations as well as new competitors from developing countries. To tackle these issues, businesses try to distinguish themselves from other ventures by being innovative (Montalvo et al., 2006). Therefore, being innovative and generating new ideas has proven to be an essential task for companies (Boons et al., 2013). Organizations can become more innovative by encouraging their employees to generate new ideas. There are many researchers that believe such a behavior can positively influence organizational outcomes, like Van de Ven (1986) and Smith (2002). Employees are being able to be innovative and pay attention to their regular work at the same time (Miron et al., 2004).

Scholars agree that innovation within organizations is a step-wise process consisting of different phases. These phases are distinguished by the idea generation, idea realization, idea diffusion and ultimately successful innovation (Boer & During, 2001; Waldman & Bass, 1991). The aim of innovation is to implement new ideas and put them into practice. But often ideas are generated but not put into practice. Organizations need to be able to rely on their employees in case of innovations as these are the ones who can realize them (Ramamoorthy et al., 2005). Farr & Ford (1990) call this concept innovative work behavior. It is an employees' behavior towards the generation and implementation of useful and new ideas into work processes of an organization (Farr & Ford, 1990). This construct implies that employees generate these innovative ideas parallel to their usual responsibilities and following their own will to be innovative, even though it might not be their functional responsibility (De Jong & Den Hartog, 2007).

Previous research has found a positive relationship of certain management and leadership behavior towards innovative work behavior (Yukl, 2002; De Jong & Den Hartog, 2007). Leaders are able to influence the innovative work behavior of their employees and guide them through the phases of innovation. Zhou and Shalley (2003) found in their study, that motivation based on goal-setting and constructive feedback can have an impact on employees' ability to generate new ideas. The role of the leader can thus be seen as an important driving force of innovative work behavior (De Jong, 2007), because they provide support and resources in order to implement ideas into business processes (Dulebohn et al., 2012). Research on leadership behavior has examined the roles and behavior of leaders in innovation management and defined several ways in which they contribute to the innovation capabilities of employees (Hackman & Walton, 1986; Vera & Crossan, 2001; Dulebohn et al., 2012).

De Jong and Den Hartog (2007) found that different innovation phases need different leadership behaviors to be effective. This is for example the case with ideas that receive great opposition from others within the organization. In these cases, strong leaders can champion ideas and collaborate with others to get them into practice (Mumford, 2002).

Knowing that leadership behavior has an influence on innovative work behavior means that improvements in this kind of behavior could lead the employees to be more innovative and express their ideas more often. Employees who actively work within their area are basically the experts for this kind of work. Therefore, their might have ideas that can ultimately contribute to organizational outcomes and improve work processes (Smith, 2002).

Research Goal

Most studies that focused on the relationship of leadership and innovative work behavior or individual innovation have looked at leadership-styles. However, these were originally intended to assess the impact of leadership styles on the performance of employees rather than on their innovative work behavior (De Jong & Den Hartog, 2010). Therefore, there have been little research on what behaviors exactly leaders should show in order to enhance innovative work behavior. Additionally, scholars like De Jong and Den Hartog (2010) have focused on knowledge-intensive organizations for finding appropriate leadership behaviors that strengthen employees innovative work behavior. Research shows that there are multiple leadership styles and leadership behaviors playing a role in the innovation process. This study will take these into account but focus on the behaviors that leaders can show during the different phases of innovation. As past research focused on knowledge-intensive employees there is a research gap concerning production workers who have very different characteristics.

The goal of this research is to get to know which behaviors leaders should show in order to foster innovative work behavior in a manufacturing environment. As mentioned before, most studies focus on specific leadership styles, such as transformational or transactional leadership. Although this study takes these into account, the focus will be on leadership behaviors. This study will address the behaviors during the different phases of the innovation process.

Therefore, this study addresses the following research question:

In what way can line managers enhance employees' innovative work behavior by adopting specific leadership behaviors during the phases of the innovation process?

2 Literature Review

2.1 The Innovation Process and the Concept of Innovative Work Behavior

Past research has described innovations as being a process that leads through different phases. Innovation is defined as the process of translating an idea into a good that creates value for an organization (Business Dictionary, 2017). An idea can be called innovation when it is replicable and satisfies a specific need e.g. of customers. Innovation involves the process of applying information, using imagination to generate new ideas that are converted into useful products. Contemporary companies use innovation to satisfy the needs of customers. Innovations can both be continuous or revolutionary in nature (Business Dictionary, 2017).

Scholars refer to the concept of innovative work behavior. According to Janssen (2005) at first a problem is recognized and the need to overcome it is perceived. Afterwards, an idea is born that aims at overcoming this problem. This idea needs to be championed and promoted throughout the organization. Only then, an idea can ultimately be realized and implemented. De Jong and Den Hartog (2007) distinguish between the two phases of idea generation and idea implementation. For the idea generation phase, employees need to be aware of problems and be creative to come up with innovations. On the other hand, in the implementation phase, employees need support from leaders in order to be able to realize ideas into organizational processes.

As already said, the innovation process consists of several phases. The concept of innovative work behavior leans towards this structure but focuses on employees inside the organization, who are willing to participate in such a way as they behave innovatively. Innovative work behavior consists of interrelated behaviors that refer to individual innovation. It can be defined as behavior that goes beyond the usual tasks of an employee that aim to implement useful innovative ideas into work processes. Employees show this behavior even though it is to part of their daily work. Therefore, it can be said that innovative work behavior is much more than only being creative, although it might be part of the generation of ideas (Kleysen & Street, 2002). These innovative ideas can vary from very small changes to renewals of whole procedures, but in general it can be said that there are two types of innovation. Radical innovation is defined as ground-braking innovations, while incremental innovation rather describes small continuous changes (Crossan & Apaydin, 2010). Innovative work behavior usually describes small solutions from employees that operate further down the hierarchy. Therefore, it can be concluded that innovative work behavior refers more to incremental than radical innovation.

In order to operationalize innovative work behavior in a multidimensional way, there are several phases that can be distinguished. Scott and Bruce (1994) and Janssen (2000) see individual innovation as a multistage process in which the beginning consists of with the recognition of a problem and the generation of a possible solution. During the next stage this idea is promoted throughout the organization (Kanter, 1988). Therefore, innovation is seen as consisting of different individual behavior and actions in each of the stages (Scott & Bruce, 1994).

Before any problem can be solved, there needs to be an idea about possible opportunities for improvements. Idea generation therefore consists of the identification of problems within work processes and finding a possible solution for these. Employees generate ideas and afterwards propose these to higher level management (De Jong & Den Hartog, 2007). The generation of ideas can refer to various things for example changes in work processes and new products (Amabile, 1988). Antecedents of generating new ideas are seen to being able to spot problems and recreate existing patterns of knowledge (Reiter-Palmon, Mumford & Baughman, 1997; De Jong, 2007).

After an idea is born, it needs to be spread throughout the organization. The aim is to find as much support as possible and moving the idea from theory into practice (Janssen, 2000). Even though some ideas might have some legitimacy, there is no guarantee that it will be implemented. In most cases new ideas will face some resistance from co-workers or leaders. Especially, when the idea proposes co-workers to change their presumably outdated skills, there will be refusal to adjustment and possible damage to successful implementation (Jones, 2004). This shows that it is necessary to champion the idea and build coalitions. Someone who is capable of doing so is the champion who sees the advantages of the new idea and subsequently takes responsibility of promoting it. They find support, build coalitions and try to persuade other employees about the advantages (e.g. Gemünden, Salomo & Hölzle, 2007; Howell et al., 2004; Burgelman, 1983).

After an idea has been generated and championed to an extend that there is enough support, it needs to be actively implemented into the organization. As this stage is one of the most difficult, many ideas that have been championed will never be implemented (Kleysen & Street,

2001). Nevertheless, it is the aim of innovative work behavior. Figure 1 shows an overview of the three dimensions of innovative work behavior.

Idea Generation	Idea Championing	Idea Application
Employee notices problem and finds a suitable solution	Idea is promoted in order to find support	Implementation of idea in daily work processes
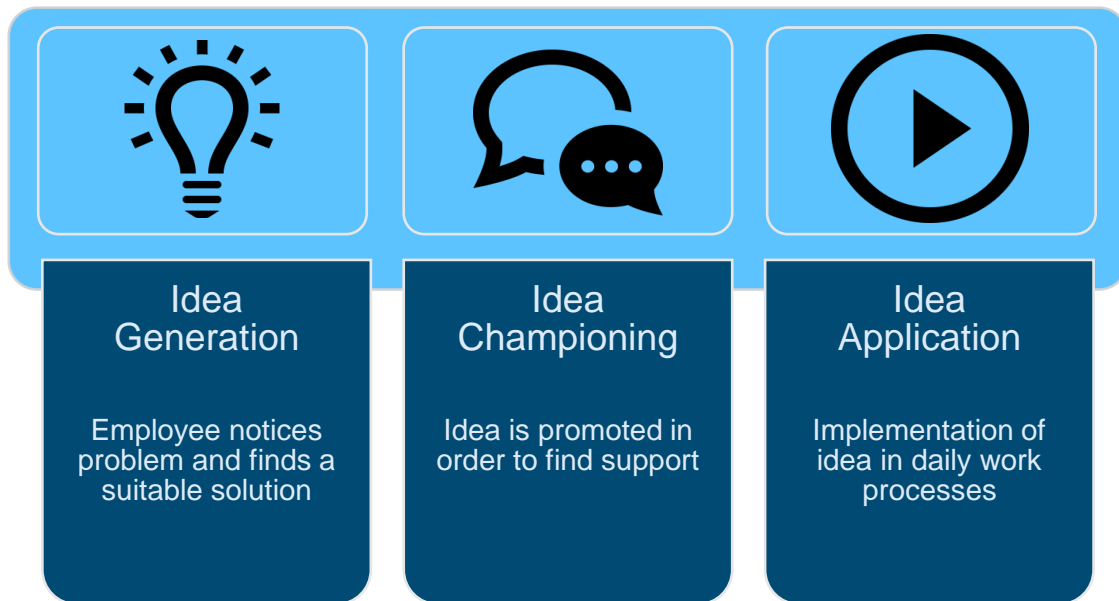
Figure 1: Dimensions of Innovative Work Behavior

Many companies make use of employee suggestion systems in order to administrate generated ideas from employees as well as providing appropriate resources to implement these. That way companies are able to transform employee ideas into practicable implementations (Van Dijk & Van Den Ende, 2002).

2.2 Leadership Styles and Behaviors

Scientists like Kanter (1983) and Pelz and Andrews (1966) described leadership as being critical in the creation of innovative work behavior. However, those have mainly focused on traditional leadership approaches, such as participative leadership. In addition to that, they primarily focused on the activities that leaders need to follow in order to achieve higher outcomes regarding productivity and not innovation outcomes (Scott & Bruce, 1994; Waldman & Bass, 1991). All of them are regarded innovation as a stable construct, which means that past research did not differentiate between different leadership behaviors and their specific impact on the different phases of innovative work behavior.

Leadership in general can be defined as the action of leading a group of people (Oxford Dictionary, 2016). Several scholars claim that there is a positive relationship of leadership and innovative work behavior (Janssen, 2005; Scott & Bruce, 1994). Ong et al. (2003) argue that leaders who support their employees when they show innovative behavior, will enhance innovative work behavior. Only then employees know what is expected of them and what behaviors are valued by their employer. It is also important that leaders are trained how to

motivate their subordinates. Being supportive towards employees can foster their self determination to become innovative and take the initiative (Ohly et al., 2006).

To underline their findings, Scott and Bruce (1994) use the Social Exchange Theory. They argue that employees with a high-quality relationship to their supervisor usually enjoy more autonomy, which is in turn an antecedent of innovative work behavior. Reciprocation can therefore be seen as wanting to pay back to the organization, e.g. with an innovative idea. Scholars also talk about the Pygmalion Effect (Livingston, 1969). It refers to the assumption that leaders expect a certain behavior from their subordinates, such as being innovative and they subsequently become so. Next to that, Janssen (2005) claims that supportive behavior fosters innovative work behavior among employees as they feel comfortable enough to express their ideas to their supervisor. Because of this and their power regarding the resources needed for implementation, leaders are crucial within the innovation process.

Past leadership research has also investigated different leadership styles, such as transformational leadership, participative leadership and the leader-member exchange theory (LMX). Transformational leaders are seen to stimulate their subordinate's creativity by encouraging them and helping them to see problems differently (Kahai et al., 2003). By doing so leaders push their employees to achieve their full potential (De Jong, 2007). Transformational leaders inspire their employees and try to diffuse their values (Johnson & Dipboye, 2008). Transactional leaders monitor their employees much more. Their employees try to work as hard as possible to achieve the goals that the leader set in order to receive rewards (Ashforth & Humphrey, 1995). On the other hand, participative leadership allows employees to be involved in decision-making processes. They can influence decisions to a certain degree and enjoy autonomy in performing their own tasks. Yukl (2002) defines several forms of participative leadership, such as joint decision-making, consultation but also delegation. This leadership style is seen to be an antecedent of innovation (Axtell et al., 2000; Judge et al., 1997).

The Leader-Member-Exchange Theory (LMX) is especially influential. It has become a substantial leadership theory since the 1990s and aims at explaining the effects of leadership on members, namely employees. It says that leaders do not treat every employee in the same way and that this behavior affects the work-related behavior of employees (Rockstuhl et al. 2012). It has been defined as:

"(a) a system of components and their relationships (b) involving both members of a dyad (c) involving interdependent patterns of behavior and (d) sharing mutual outcome instrumentalities and (e) producing conceptions of environments, cause maps and value"

(Scandura, Graen & Novak, 1986, p.580).

LMX is seen as a relationship between leader and employee, that affects several behaviors and emotions. Sanders et al. (2010) claim that LMX refers to the quality of the relationship between leaders and employees. According to them it is positively linked to innovative work behavior as employees that feel supported and valued by their supervisor tend to return value to the organization. This can for example be in form of innovative behavior that goes beyond their usual task description. LMX focuses on the social exchange relationships between the two sides and proposes a certain quality that of course affects several outcomes (Sanders, 2010). These could be for example employee commitment, subordinate and supervisor satisfaction or performance in general (Yukl, 2002). Graen and Scandura (1987) add to this view that this quality also has an impact on innovativeness. They propose that high-quality relationships make it easier for leaders to delegate difficult tasks. When employees try to fulfil their role, they become more innovative to solve their problem. This view is also supported by other researchers (Janssen & van Yperen, 2004; Tierney et al., 2004).

As said before, past research focused on leadership styles or different concepts explaining how these affect employee's performance or innovativeness. Nevertheless, these were intended to assess the impact of leadership styles on the performance of employees rather than on their innovative work behavior (De Jong & Den Hartog, 2010). Therefore, there have been little research on what behaviors exactly leaders should show in order to enhance innovative work behavior.

De Jong & Den Hartog (2007) have assessed this research gap and found 13 leadership behaviors contributing to the phases of innovative work behavior. They focused their work on the two phases of idea generation as well as idea implementation. They described *innovative role modelling* as being an example of innovative behavior for employees. This includes actions such as exploring opportunities, generating ideas, championing and putting efforts in development. Literature and their findings suggest that this behavior contributes to both the idea generation phase and the application phase. Being an example for innovative behavior therefore means that leaders themselves explore new ways and try to develop current work processes and routines (De Jong & Den Hartog, 2007). Leaders who want their employees to behave a certain way need to demonstrate this behavior themselves. This way employees replicate this behavior as they perceive it as the adequate way of dealing with these situations (Shalley & Perry-Smith, 2001).

In addition, *intellectual stimulation* fosters innovative work behavior by teasing employees to see problems within their work processes. Leaders who enhance their employee's awareness towards innovation in general and problems that might occur, enable them to generate ideas. This might be done by providing support to employees who try to act in an innovative way but

also by questioning their ideas and stimulate them to think even further (Elenkov et al., 2005; Mumford et al., 2002).

Stimulating knowledge diffusion refers to leaders who propose and stimulate an open and supportive communication. These generally have better results regarding innovative work behavior and can be in form of informal work meetings such as having lunch together or making it easy for employees to communicate with each other (De Jong & Den Hartog, 2007). Additionally, diffusing knowledge involves being visible as a leader, keeping employees informed about issues that might relate to them. Employees who have been informed about different viewpoints and who have the possibility to engage in discussions with their colleagues generate more often innovative ideas than employees who do not have the opportunity to do so (Amabile et al., 2004, Moolenaar, 2010).

Mumford et al. (2002) state that employees are only able to generate innovative ideas if they are aware of problems and possibilities. Therefore, it is needed that they are informed about visions and strategies of the company for which they work. Moreover, leaders who *provide vision* about types of innovation they would prefer and in which direction the organization moves, foster innovative work behavior (De Jong & Den Hartog, 2007). Leaders who offer their employees clear goals to achieve with their work can help them understanding what the organizations wants to achieve in the long run as well as providing them with the desire to help achieving those goals (Shalley & Gilson, 2004).

Consulting refers to incorporating ideas of employees before major changes that might affect them. Leaders who ask employees beforehand and try to incorporate their feelings and alternative ideas into decisions positively enhance innovative work behavior (De Jong & Den Hartog, 2007). This leadership behavior demonstrates that employees are taken seriously by their leader and their opinion matters in decision-making processes (Amabile et al., 2004; Moolenaar et al., 2010).

Leaders who *delegate* certain tasks give their employees some kind of autonomy to finish the job in their own way. By doing so, they provide their employees the freedom to get to a certain working goal without intervening too much (De Jong & Den Hartog, 2007). *Support for innovation* refers to leaders being able to let their employees make mistakes and still support them further to ultimately get to an innovative solution. When employees feel that their leader is supportive, patient and listens to innovative ideas they are more willing to share their ideas with the organization (De Jong & Den Hartog, 2007; Moolenaar et al., 2010).

Organizing feedback makes sure that employees get some first feedback on their ideas and helps them to develop the idea further. Furthermore, it shows employees that their innovative behavior is wanted and that successful attempts to be innovative will be rewarded by providing

attention and interest (Shalley & Gilson, 2004). Feedback can be given in several ways such as presenting the innovative idea in team meetings and giving colleagues the opportunities to react to these ideas or also providing feedback right after the expression of the idea. This might make it easier to rethink the idea and improve it right away (De Jong & Den Hartog, 2007).

Leaders can *recognize* the innovative behavior of employees in multiple ways but most importantly in a non-financial way. This can be done by praising the idea but also by publicly acknowledge the idea (Shalley & Gilson, 2004; De Jong & Den Hartog, 2007). Leaders who actively listen to employees when they express an idea and acknowledge that employees have put effort in the elaboration of this idea can positively influence the innovative work behavior of these employees (Amabile et al., 2004).

Different to recognizing the efforts in non-financial ways, *rewards* refer to monetary rewards such as one-time payments or raise in salary. De Jong and Den Hartog (2007) found in their study that most leaders do not think that those rewards have a positive impact on the idea generation phase of their employees. Nevertheless, it seems important to reward employees after their idea had been implemented to motivate them after the complete innovation process. On the other hand, there are researchers who found that intrinsically motivated employees, meaning they find their motivation from an own wish for innovating their workplace, are more often innovative than employees, who receive extrinsic motivation by money (Amabile, 1997). *Providing resources* refers to either tangible resources such as money for implementing an idea or also material to try if an idea can be realized, or also to intangible resources like time of the leader to listen to an idea. To put it the other way around, if employee do not get time to think about ideas and to try out these ideas, there will not be the possibility to generate ideas that lead to positive organizational outcomes (De Jong & Den Hartog, 2007). Although, providing time, money and materials play a role in the implementation phase, Amabile, (1997) found that this effect does not go head to head with other factors that have been found to enhance innovative work behavior. Shalley and Gilson (2004) even found that the availability of a high amount of resources could have a negative effect on the innovative behavior as employees might become used to it and subsequently become lazy. Therefore, the amount of resources should be kept with caution and should be appropriate to the situation.

Monitoring refers to leaders who constantly make sure that work is done effectively and efficiently and who oversee their employees. That way, the monitoring comes close to controlling the work and making it very difficult for employees to get the degree of autonomy needed to generate ideas. During the implementation phase, though, a certain amount of monitoring in the sense of providing guidance can help developing the idea towards realization (De Jong & Den Hartog, 2007). At the same time, it can give employees the feeling that the leader keeps showing an interest in their work by monitoring it to an adequate degree and

providing feedback (Amabile et al., 2004). *Task assignment* includes providing employees with challenging tasks (De Jong & Den Hartog, 2007). Tasks that might at first be even too challenging can lead employees to dive into the problem and find possible solutions. Generating an intrinsic motivation, employee try to find innovative ways to resolve the problems and achieve the goals. In order to do so, employees are forced to leave known ways and processes (Amabile, 1997). All of these behaviors, are found to have an influence on the innovative work behavior of employees (De Jong & Den Hartog, 2007). The following table gives an overview of these behaviors and their effect on the different innovation phases.

Behavior	Definition	Relation found towards	
		Idea generation	Idea application
Innovative role modelling	Being an example of innovative behavior, exploring opportunities, generating ideas, championing and putting efforts in development	x	x
Intellectual stimulation	Teasing subordinates directly to come up with ideas and to evaluate current practices	x	
Stimulating knowledge diffusion	Stimulating open and transparent communication, introducing supportive communication structures like informal work meetings	x	
Providing vision	Communicating an explicit vision on the role and preferred types of innovation, providing directions for future activities	x	x
Consulting	Checking with people before initiating changes that may affect them, incorporating their ideas and suggestions in decisions	x	x
Delegating	Giving subordinates sufficient autonomy to determine relatively independently how to do a job	x	x
Support for innovation	Acting friendly to innovative employees, being patient and helpful, listening, looking out for someone's interests if problems arise	x	x
Organizing feedback	Ensuring feedback on concepts and first trials, providing feedback to employees, asking customers for their opinion		x
Recognition	Showing appreciation for innovative performances	x	x
Rewards	Providing financial/material rewards for innovative performances		x
Providing resources	Providing time and money to implement ideas		x

Monitoring	Ensuring effectiveness and efficiency, checking-up on people, stressing tried and tested routines (negative relationship)	**x**	**x**
Task assignment	Providing employees with challenging tasks, make allowance for employees' commitment when assigning tasks	**x**	

Table 1: Overview Leader Behaviors related to Innovative Work Behavior (De Jong & Den Hartog, 2007)

Summarizing it can be said that intellectual stimulation, stimulating knowledge diffusion and task assignment are specifically contributing to the idea generation phase, while organizing feedback, rewards and providing resources are contributing to the idea application phase. The other behaviors have an impact on both of the innovation phases.

2.3 Leaders Adopting Innovator Roles within the Innovation Process

Next to showing specific behaviors, leaders can also take over roles that help pushing ideas from employees through the innovation cycle. After an idea is born, it will be subject to resistance within the organization. This resistance can, of course, have multiple sources such as the desire to keep things as they are or the fear that the implementation could affect the person in a negative way. Therefore, the innovation process needs to be supported by persons who take over specific roles. Gemünden et al. (2007) talk about these roles as being innovator roles that are defined as roles that employees take over in order to foster innovative behavior and push an idea through the innovation process. They are seen to have a positive influence on innovation success. Traditional innovation management literature defines several innovator roles, but more recent research proposes four more relevant ones.

The champion is one of the most researched roles. After an innovative idea is born, he is the one who convinces other employees and higher management, subsequently allocating resources and support (Schon, 1963; Markham et al., 1991). The champion is seen as crucial for the success or fail of implementation processes and persistently brings together the right people (Howell et al., 2004; Burgelman, 1983). Following Mansfeld et al. (2010) he is intrinsically motivated and needs a high degree of autonomy. Within his role he is also very committed to the organisation and to innovative ideas in general. As said before, leaders who support innovative ideas from their employees foster IWB. Therefore, leaders can take over the role of a champion. They usually directly receive innovative ideas from their employees which gives them the opportunity to champion those ideas that seem most suitable for them.

In order to be able to generate innovative ideas and later implementing it, there needs to be someone who brings specialised knowledge into the process. The expert promoter possesses

the needed technical knowledge to refine and advance the proposed idea to make it suitable for implementation (Mansfeld et al., 2010). In some cases, the leader can be the one who possesses the special knowledge needed for taking over this role. More often it will probably somebody else who takes over the corresponding responsibilities. This role is assumingly a case for delegation by the leader.

Holding authority and hierarchical power, the power promotor can push the idea from generation to implementation phase. He is able to provide resources and helps to overcome obstacles within the process of implementation (Gemünden et al., 2007). The power promotor is probably the roles that can be best attributed to the leader.

After knowledge is present and potential resources are there, the innovation process needs a person that connects the expert and power promotor. He has specialized knowledge of organizational structures and possesses intra-organizational networks. Because of his diplomatic nature, he can bring these people together and make sure they work together (Gemünden et al., 2007). In general, it can be assumed that the leader can be both – the power promoter and the process promotor. If the leader is not in possession of an intra-organizational network, there might be a more suitable subordinate.

This role shows high parallels with the gatekeeper mentioned before. Gemünden et al. (2007) concentrated more on the contacts the relationship promotor has outside of the company. These can help building a bridge from the innovative idea inside and possible further solutions for advancement from the external. If the leader has such a strong connection to the outside, he can take over the role of the relationship promotor. Nevertheless, if there is an employee who is more suitable, he should be chosen instead.

If leaders take over an innovator role and assign or delegate the other roles to their employees, they are able to influence the innovation process in a positive way. Therefore, leaders do not only need to show certain behaviors to foster innovative work behavior but also need to take over the innovator roles defined before.

3 Methodology

3.1 Research Design

This research uses qualitative research methods. Different to quantitative research methods in which numbers play the most important role, qualitative research has the benefit of being more open to unexplored subjects. As this research aims at analyzing the relationship of leadership behavior on the innovative work behavior of employees and finding the most effective behaviors, qualitative methods can lead to results that can later be studied with quantitative methods. The study is based on a single case study at a manufacturing company. A case study is the best method for answering the research question as it is a detailed study of a social unit and empirical evidence from this unit can lead to important insights (Myers, 2009). Most case studies gather multiple sources of evidence. Usually these sources are interviews with persons and document analyses (Watkins, 1997; Myers, 2009). This study will make use of documents provided by the case company in order to analyze the given information. This is needed to understand the situation of participants and to get to know the environment of the participant's working area. Additionally, interviews will be held in order to deepen this knowledge and gather data and viewpoints from specific groups within the organization such as the working council or the human resource department. Next to that, focus groups will be held in which core topics related to the research question will directly address the participants of interest in this manufacturing environment.

In general, case studies are especially useful when an in-depth investigation is needed to get to the core of a problem. As this study is mainly explorative it can give better insights into new and unexplored topics. In this case, the unexplored topic is to a great extend the differing environment in which leadership behaviors are reviewed and their effect on production personnel rather than employees of knowledge-intensive businesses. Next to that, this research approach is used to test existing theory by illustrating it with a real-life case as well as trying to add to current knowledge on the topic (Thomas, 2011).

3.2   Description of the Case Company: PHARMA

In this research, the company PHARMA (pseudonym) was used as a case company. It is a manufacturer of pharmaceutical packaging and delivery systems. It is headquartered in the USA and has more than 28 manufacturing facilities around the world. The company employs around 7000 people worldwide. This research was conducted in the German facilities with around 1200 employees.

PHARMA produces rubber components and packaging for the healthcare industry. Therefore, it must meet exact product specifications as well as delivering the quality standards the healthcare customers require. Because of this specialty, PHARMA needs to meet these standards at every level within the organization and employs very different kinds of jobs. At the manufacturing level employees need to produce the plastic products in a clean and sterile way and need to minimize disruptions to meet manufacturing goals. At this level, most employees have a technical background. At the research and development level, most employees have either an engineering or an academic background. PHARMA does not only produce ready made products but also conducts contract manufacturing. This means that the company gets assignments from healthcare or drug companies with specific requirements. Therefore, being able to be innovative is an integral part of the success of PHARMA. Having the infrastructure, the technology and the people to produce the product will not be enough to stay competitive. The pharmaceutical industry is highly hostile and companies within this industry must stay innovative at any time in order to be able to compete with the other companies. Bringing customers quality, safety and reliability is essential in the healthcare sector. Employees working at the machines that produce the products that had been designed by engineers and scientists are the ones who really know the machines and their faults. Therefore, these people might have important ideas and assumptions that could help to improve the processes and machines.

At PHARMA, employees have the opportunity to express their idea not only to their subsequent supervisor but also in a systematic way via a form. In that case, this form is filled in by the employee and is given to the works council. In the next step, the works council distributes the idea of the employee to the appropriate supervisors within the technical departments, so that these can decide if there is a way the employee's idea can be implemented. In all of these cases, it is important that the employee's job description does not contain the requirement to improve processes. Only if the employee expresses an idea to his leader without being required to do so, the idea can be submitted into the employee suggestion system. If the idea is implemented and improves current processes and machines, the employee receives a

monetary reward. Usually this reward is based on the amount of money the company saves by implementing the idea the employee has expressed.

At PHARMA most employees working in the production area do not have the improvement of processes written into their job description. Therefore, a submission of an improvement suggestion is a part of innovative work behavior. This submission can be classed as a step after expressing an innovative idea to the specific supervisor. The fact that not all ideas and behaviors regarding innovative work behavior are submitted into the system will be considered when asking the questions during the focus groups and interviews as well as while analyzing the data.

PHARMA serves as a great case company to study the relationship of leadership behavior and the employee's willingness and ability to express innovative ideas that can have an enormous impact on the company's competitiveness.

3.3   Description of Sample and Participants

The research sample consisted of employees working at PHARMA in the two German manufacturing plants. This leads to an overall population of 1200 employees. Both plants were used since these are only a few miles away from each other and share a works council as well as the employee suggestion system. The works council provided a list of submitted improvement suggestions. All of these suggestions were submitted by workers that belong to the operating departments.

Employees of commercial departments are more often expected to improve processes. Next to that, improvement suggestions of workers in operations can have a huge impact on the effectivity of machines. In the past, this has led to huge financial benefits. Focus group 1 (n=7) consisted of a mixed group of employees from different departments and hierarchy levels. Focus group 2 (n=7) focused on the leadership side and consisted of line managers of workers from the operating departments of the case company.

3.4 Data collection method

In general, case studies use a variety of different data collection methods (Saunders et al., 2007). Therefore, this research will use several techniques at the same time. An overview can be found in table 1.

Method	Reason for Usage
Document analysis	This is used to get an insight into the organization in general – its structure, the work processes and strategy. It is important to know if innovation is of importance within the company and if this is communicated throughout the documents.
Interviews	These interviews are mainly used to get a deeper understanding of the context and have a supporting role to the other data sources.
	The aim of these is to show the views of people who are part of the system as well as have an influence on the behavior of leaders and employees.
	Interviews were held with the works council and the HR director.
Focus Groups	Focus groups give important insights into how the current system of submitting improvement suggestions is perceived by employees and leaders.
Group 1: Employees (7 Participants)	This focus group gives insights into how employees perceive the process and how leaders affect the decision to submit a suggestion. Next to that, an understanding of how leaders should react can be created.
Group 2: Leaders (7 Participants)	This focus group gives the opportunity to as leaders how they perceive the system and their responsibilities to support employees.

Table 2: Overview of Research Methods

3.5 Procedures

The following paragraph emphasizes the different data collection methods that were used in this research (see Table 1 for an overview). Each of these will be explained and elaborated.

3.5.1 Interviews

Semi-structured interviews were conducted to get a better understanding about the current system of the employee suggestion system and the related problems that were seen in the behavior of related leaders. In order to get to this aim, purposive sampling was used to select the people that interviews were held with. This means that respondents were selected who are seen to be the best to answer the related questions (Saunders et al., 2007).

At first, the works council was interviewed to get general information about the current system and the related problems. Two representatives of the works council were interviewed. Additionally, the human resource director of the company gave his/her viewpoint on innovation in general and how leaders can influence innovative work behavior.

3.5.2 Document Analysis

A document analysis gives insight into the general structure and strategy of the case company as well as the specific procedures used at PHARMA. Therefore, some general documents were used to get information about the company. The public website as well as the intranet provided documents about the structure, mission and strategy of PHARMA. Next to that, the works council provided important documents of the employee suggestion system and it processes. The forms that employees need to fill in before submitting the suggestion was included as well as the current employer/works council agreement on employee suggestions. In addition, the rating system for financial benefits after implementation provided important information. The works council also provided documents about all of the current submitted suggestions as well as names of employees, names of leaders who work on the idea and the current status of the suggestion. Next to these documents, tables with numbers about the years 1991 until 2016 were provided. When selecting the documents, the main criterion was that it provided relevant information about the current situation of the employee suggestion system and innovation at PHARMA in general.

3.5.3 Focus Groups

Two focus groups were conducted in the course of this research to get insights into the different perceptions of employees and leaders. There are multiple reasons for using focus groups. First of all, they are a good way of assessing complex behavior, which is the case in this research. Next to that, it is possible to discover different opinions within groups. Data from focus groups can give a more human touch to data that can otherwise be very impersonal (Krueger, 1998).

Having two focus groups, one for employees and one for leaders, will give an insight into both sides of the coin, making it easier to understand leadership behavior and its perception. One of the focus groups focused on employees of the production area, their opinion on the current system of the employee suggestion system and how their leaders can support them. The other focus group focused on leaders who work with the suggestions and the way they perceive this kind of work with their employees. Two focus groups on these two sides of the problem were used in order to see differences in the experiences from both sides. These insights will lead to better recommendations for future actions.

Participants for the focus groups were selected by using purposive sampling (Saunders et al., 2007). Employees were divided into leaders and non-leaders, as a first step. This is determined by their status in the company's SAP system. Employees who were leaders by definition of the company and belonged to the operations areas were invited to join the focus group of the leaders. Employees who were defined as non-leaders were invited to join the other focus group. These employees were not part of the same team nor necessarily of the same shift. They were selected from the existing different shifts and production areas. The two invitation letters that were used can be found in the appendix. These were spread via e-mail as well as company mail. Focus group 1 (employees) consisted of seven employees, while focus group 2 (leaders) consisted of seven leaders and supervisors.

The discussion was started by a short introduction of the topic and an announcement that every participant should feel free to express their opinions and that these will be recorded, transcribed and anonymized later. Both groups were informed about the research aim and that there were two focus groups to take both views into account. To engage in a discussion, questions related to the research question were asked as well as further questions for clarification.

The following questions were asked during the focus group with the employees in order to get to know their perceptions regarding innovation and the role of their leader:

Focus Group 1: Employees
1. What is your definition of innovation in general?
2. To what extend would you describe PHARMA as innovative?
3. To what extend and how does you leader try to enhance the innovative behavior of you and your colleagues?
4. How does your leaders react if you express an idea?
5. How does your leader support this decision afterwards?
6. How does your leader behave if this idea is implemented?
7. What do you think are advantages of the employee suggestion system?
8. What do you think are problems of the employee suggestion system?
9. Which behavior would you wish from you leaders?

Table 3: Questions asked in Focus Group 1: Employees

The first questions asked during focus group 1 (employees) were directed at the general perception of innovation. The aims is to know if perceptions of innovation were similar. The subsequent questions were directed at the perception of the innovative culture at PHARMA. The questions were directed at getting an insight, if employees feel a supportive environment within the company and if that helps them being innovative. Keeping the different dimensions of innovative work behavior in mind, the following questions were asked, in order to get to know the behavior of the leaders when employees express an opinion. Two questions were directly addressing the employee suggestion system. The last question was directed at the desired situation and was supposed to give insights into the wishes of the employees.

The second focus group consisted of leaders of the case company. Employees were seen as leaders in case they supervise at least one employee. This also means that this status is recognized by the case company. This recognition is determined by their status in the SAP system that the company uses. Therefore, there is no doubt if an employee is a leader or not. This was the case for all of the participants in the focus groups of leaders.

The following questions were asked during the focus group with the leaders in order to get to know their perceptions regarding innovation and how they aim to support their employees:

Focus Group 2: Leaders
1. What is your definition of innovation in general?
2. In which situations come innovative ideas at PHARMA into life?
3. To what extend would you describe PHARMA as innovative?
4. To what extend and how do you try to enhance the innovative behavior of your employees?
5. How do you react to innovative ideas of you employees?
6. How do you support your employees afterwards?
7. How do you behave if an innovative idea of one of your employees is implemented?
8. What do you think are advantages of the employee suggestion system?
9. What do you think are problems of the employee suggestion system?
10. Which behavior would you wish from your employees regarding innovation?

Table 4: Questions asked in Focus Group 2: Leaders

3.6 Data Analysis

The methodological approaches were used to get a deep insight into the organization and the problem described. For this, interviews, a document analysis and two focus groups were conducted. The documents will be analyzed by summarizing the main points that can help answering the research question. Both the interviews and the focus groups were recorded and transcribed to analyze the data. For this a deductive approach was used. The theoretical framework that was presented in chapter two was used as a starting point for the analysis. That way, the analysis of the data is linked to the corresponding research and an existing body of knowledge (Saunders et al., 2007).

Theoretically, innovative work behavior is a multi-dimensional concept, nevertheless most studies measure it in a one-dimensional way (e.g. Janssen, 2000; Kleysen & Street, 2001), as the different dimensions are seen to be mainly overlapping in their definitions. In this research, though, the multi-dimensional viewpoint is used (De Jong & Den Hartog, 2010) as it is of interest here which leadership behaviors can enhance which phase of innovative work behavior. Therefore, we want to get as near as possible to the different phases.

To approach the data an open coding process was used. This means that the data is analyzed by breaking down the data into distinct areas such as academically concepts. The name of these labels can derive from the content of the constructs of interest (Glaser, 1992).

For this the three dimensions of innovative work behavior, idea generation, idea championing and idea implementation, as well as leadership behavior in general were used and the transcripts were scanned for quotes relating to these concepts. These codes were selected, as these not only represent the variables represented in theory but also innovative work behavior in general. Next to that, because the employee suggestion system cannot be parted from innovation and leadership behavior at the case company, a code was also generated for topics and issues related to this system. By doing so, there will be an overview of issues related solely to the system in the output section of Atlas.ti.

As a first step, the transcripts of the focus groups were scanned for the three dimensions of innovative work behavior and leadership behavior in general. At the same time, issues concerning the employee suggestion system were coded. Most of the time, multiple codes applied to the same quotation. The scanning of the transcripts and the subsequent linking to the theoretical concepts or concepts related to the problem, lead to a list if quotations for each of the codes. This can be seen, as an example, in the following figure.

1:1 Innovation bedeutet für mich n.. (4:4)
1:2 Im wahrsten Sinne des Wortes E.. (6:6)
1:3 Aber auch offen sein für Neues.. (8:8)
1:4 Innovativ, Innovation... Für m.. (12:12)
1:5 Also auch den Blick mal öffnen.. (14:14)
1:6 Man kann ja innovativ führen o.. (16:16)
1:7 Innovation bedeutet auch, dass.. (18:18)
1:8 Ja also, wenn ich das bei uns .. (22:22)
1:9 Also man kann sich ja selber r.. (26:26)
1:10 Innovative Ideen kommen ja dan.. (28:28)
1:11 Das kann mehrere Bedingungen h.. (30:30)
1:12 Wir befassen uns mit Projekten.. (30:30)
1:13 Aber ich würde auch sagen, es .. (32:32)
1:14 So wie ich das sehe ist das sc.. (34:34)
1:15 Wenn du ein gutes Team hast, d.. (36:36)
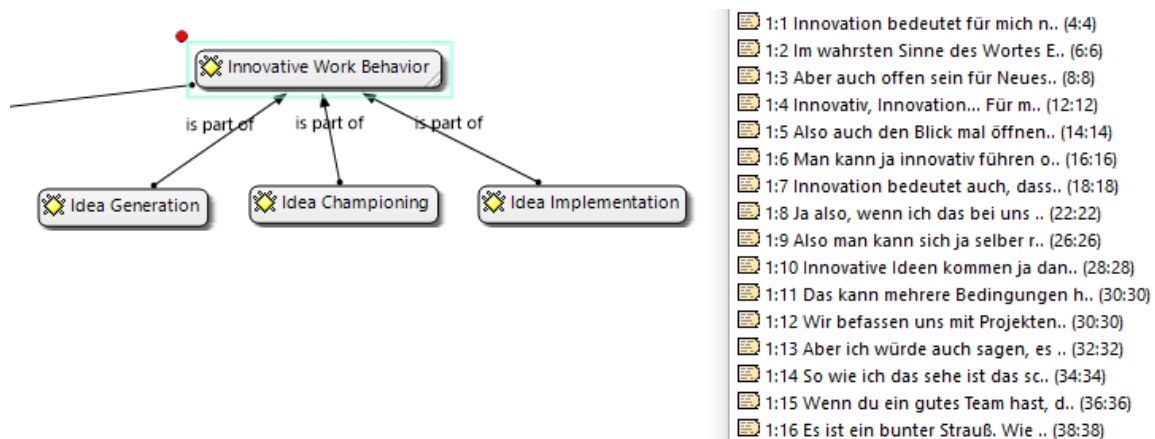1:16 Es ist ein bunter Strauß. Wie .. (38:38)

Figure 2: Example of Data Analysis in Atlas.ti

Relating these codes to the research question of this study, the relationship of innovative work behavior and leadership behavior lead to the following in the network view in Atlas.ti.
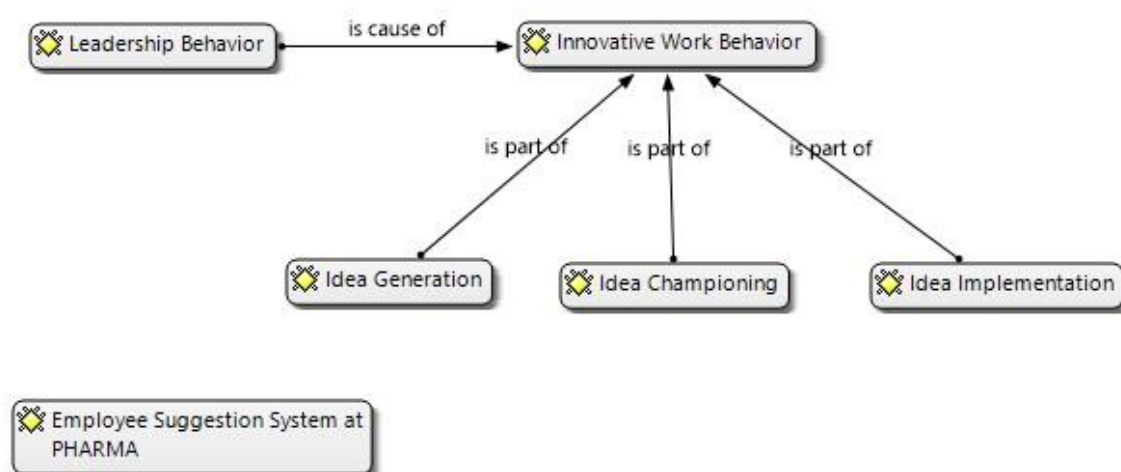

Figure 3: Network View in Atlas.ti

As a last point, the quotations of leadership behavior were scanned again and labels how these behaviors can be allocated and named were given. The results section will give an overview about these allocations.

4 Results

4.1 Innovation at the Case Company PHARMA

The latest financial report of the case company starts with a promise to commitment in the areas of quality, collaboration, service and innovation. Being founded in the early 20st century, it originates its success with an ongoing innovation process and being able to provide technologically advanced and top-quality products to its customers **(Financial Report of 2015).** The financial reports also feature the 'Innovation and Technology Committee' that the company brought to life in order to provide guidance to the company board regarding technical and commercial innovation strategies and current innovation trends. It also advises the company board in case of investments in innovative technologies. Innovation is the key to success and its performance also affects the company's annual incentive plans that is partly based on innovation milestones. Only if certain thresholds of innovative performance are met, employees receive a financial reward from the annual incentive plan **(Proxy Report, 2016).**

The documents provided by the works council consist of several sources. The **'Guideline for the Employee Suggestion System'** features the aim and rules of the system. It is validated and signed by the plant manager as well as the Chief Human Resources Officer. It is available to all employees via intranet or the works council.

According to the document, the aim of the system is to:

- promote cooperation,
- simplify and humanize the work of the company,
- increase work safety,
- increase the profitability of the company,
- promote and improve the protection of the environment,
- save energy and promote quality.

It specifically addresses the need for leaders to be personally involved in the system and to support their subordinates with information and helping them to formulate their idea. This includes giving their own view about the submitted suggestion in written form. It also defines what the company sees as an improvement suggestion:

'A suggestion for improvement for the purposes of this directive is any suggestion which appears useful to the company and which is beyond the immediate scope of work of the submitter.'

The employee fills in a form and submits it to the works council, which then leads the charge for distributing it to the correct departments and hierarchy levels of the company. If a

suggestion is implemented, the employee receives a letter with the amount of money that had been determined by the committee. There is no communication in between these steps, if the leader does not take over the communication. If the suggestion is not implemented but the employee has shown commitment to the company, there is also the possibility to give a smaller amount of money to show appreciation to the effort. It is also clearly stated that ideas originating from project groups in which the aim is to come to ideas within a team, is not seen as being eligible for monetary rewards. This is because such ideas are a team effort, which is not seen as individual innovation but rather as something that is expected.

The following documents concern the evaluation of the suggestion by the employee. **'The Evaluation of the Task Area'** concerns the circumstances in which the suggestion has been made. The employee needs to make a suggestion of which he/she is not able to provide resources himself to implement the idea. It is crucial that he/she needs to express this idea to his supervisor. Next to that, it is important that there was no work order of the leader that lead to the generation of the idea. The job description of the employee should not include the improvement of work processes as this would practically be the same as a work order. The next step of the evaluation process would then be the **'Calculation of the Premium'** in case that the company can measure the effects of the suggestion. If not, the **'Calculation of the Premium without Predictable Savings'** or the **'Proposals for Accident Prevention and Environmental Protection – Degree of Influence'** apply. In all cases points are given related to the suggestion and factors are calculated to get to the premium the employee receives if the idea is implemented. The submitted proposals are evaluated by a selection of employees who work in technical areas or the facility management and are leaders within the department in which the idea is supposed to be implemented. This committee will give the points explained and will give guidance how the idea can be technically implemented.

4.2 Leadership Behavior fostering the Idea Generation Phase

Based on the focus groups and interviews is was possible to differentiate several leadership behaviors that foster the idea generation of employees. Because of the qualitative nature of the research this section concentrates on the behaviors that the participants found most important. Therefore, not all if the behaviors that were named by the participants are described in in the following.

Keeping Employees motivated

Employees at PHARMA, see that the problems they experience with expressing innovative ideas, also in some cases apply to their subsequent leader. They admit that there is a need of time to be able to provide guidance to keep them motivated:

"It is also needed that our leaders get some time. Not only that we get time, but also the supervisor must get time. Effectively, the whole hierarchy that we have should get time. Otherwise this does not work. Otherwise we do not need to continue."(Employee)

On the other hand, employees also notice that providing vision is a crucial part of staying motivated and that leaders need to communicate their believes and feelings about innovation to them. Otherwise, they lose interest in being innovative as it does not seem to be acknowledged by their supervisors:

"In all case, the employees would also be tremendously motivated, if they would notice that the leaders care for their ideas. Because otherwise, if you always run and run and you see no light at the end of the tunnel, then at some point, you stop running."(Employee)

In the following case, the employee expresses that not only the quantity of communicating of leaders plays a role, but also the situation in which the employees are supposed to express ideas. Other employees might not feel the same degree of wanting to be innovative. This situation can make employees who would like to ask questions or express an idea, feel uncomfortable:

"When I really have my department leader in front of me, this is actually only once a year. And then he has his points, which he goes through. Afterwards he asks if we have anything to say. And he means that seriously. But the little employee then has his colleagues sitting there, who think, come let me go home. Then you do not say anything, of course." (Employee)

This also includes being able to identify with employees and their ideas. The works council of the case company their concernment that leaders do not set the priorities aiming at innovation:

"The leaders do simply not identify with the ideas of their employees and, as I said, set other priorities, which also have been set for them from higher hierarchies. We really have a great need for time and there is no consistent handling of the innovative ideas." (Works Council)

At the same time, the works council thinks that leaders should be trained about the meaning of being a leader and about influence of a certain behavior. Being unsure about their own job will make it difficult to keeping employees motivated:

"I think they should be trained about these processes and about the importance of leadership and the employee suggestion system. This is my opinion, because, many are very unsure about providing a vision in their job. I sometimes have the impression, that they do not know exactly what they should do about it."(Works Council)

Therefore, identifying with employees and being there for them is perceived as a crucial part of keeping them motivated.

Encouragement for Innovation

Encouraging the innovative work behavior of employees can be executed in many ways. At the case company, leaders try to stimulate this behavior by allowing their employees to be innovative and giving time to rethink innovative ideas. But it is also important to be open-minded as a leader and to acknowledge when employees express an idea and to support it in a way that these employees can bring ideas into action. Employees who feel that they waste the time of their leaders will less likely express their ideas. Therefore, it seems important to communicate the need for innovation as a leader and to be open for it.

One of the leaders expressed this in the following way:

"I simply allow innovation by teaming up with me and them I am saying, look, we have to solve this and that. Maybe you can find a way. And quite often it happens." (Leader)

Next to that, it seems important that employees have some time during their work, so that they can rethink processes and procedures. Providing time as a leader is an important step of innovative work behavior according to leaders:

"It is also very important to offer time. So, if I need a solution to a problem, I do not expect the same work at the same time, so you can also take care of it. If I at the same time expect the same output or the same result, then innovation will not happen at all."(Leader)

Nevertheless, some employees do not think that their leaders provide this kind of time to them and that this hinders them to generate ideas. Because of the fact, that employees mainly work in shifts and need to have a certain output at the end, time pressures seem to hinder employees to come up with ideas and contact their leaders.

Promoting Information Sharing

Spreading information throughout the company is very important for the idea generation. According to employees at PHARMA, teamwork seems to be a way of spreading information about innovative ideas:

"We brainstorm, we have teamwork and get together to solve problems as innovatively as possible." (Employee)

Yet, at the same time leaders at the case company suggest that having informal meetings about innovative ideas should possibly happen more often in cases, where leaders do not entirely understand the idea of the employee. In these cases, employees might not have expressed their idea in such a way that the leader can already foster and spread the idea to take it into action:

"It is also due to the quality of these suggestions for improvement. You have to imagine, the employee makes an improvement suggestion. He has that in his head. It is logical to him. And then I am supposed to judge that. Sometimes I do not even know what the employee wants. But I also have very few possibilities to hold consultation. So, I really ask for a little understanding, because sometimes I really do not get what they want."(Leader)

Having informal meeting with employees and sharing the thoughts and ideas can help getting a deep understanding of the problem the employee wants to solve. Next to that, employees are not always supported to express their ideas in a way that makes sense to the leader. They might have an idea but cannot sufficiently explain it due to lack of for example technical knowledge.

Distribution of Demanding Assignments

This behavior refers to giving employees demanding assignments so that they need to think about possible solutions. If they want to achieve the task, they need to generate innovative ideas which triggers idea generation. At the case company, leaders tend to give such assignments to employees in order to stimulate their thinking and to generate ideas that ultimately also help their employees:

"And then I ask them what they would do. How would you create your own living room? I do the same thing at my office table, so that I can work best. They are allowed to design their own workplace. Ergonomics, material flow etc. These are the points where we start and it really helps." (Leader)

Delegation and Providing Autonomy

Delegating tasks to employees involves being able to give a certain degree of autonomy. At the case company PHARMA, some of the leaders believe that autonomy is important but at the same time limits can have a positive effect for innovative work behavior:

"I even believe that it is driving innovation when employees get limits. You do not get any more money, but I want to have it anyway. So maybe you can still think of a solution." (Leader)

But also, Human Resources has an opinion about how leaders at PHARMA should perceive delegation of tasks and how it can foster innovation:

"You have to be able to try things and not to be told from that something is wrong right away. You have to make your own experiences. But I would say that we are not there at PHARMA. Because we are very strongly pay-driven. So now, if a leader teams up with his employees and leads in an inspiring way, then this is certainly a very good culture of innovation."(HR)

According to HR, PHARMA does not give enough freedom to their employees to find an own way of dealing with problems and having autonomy in order to be innovative. Leaders at PHARMA do not always give a direction and subsequently leave employees freedom to find alternative solutions:

"I think what is important, is to have a certain scope for autonomy, so to offer freedom and freedom in one 's own thinking. So, do not always think about everything for the employees. It

is best leaders only do this now and then, so, the employee goes back to his work and finds his own way. If you talk about goals and not how to exactly get to the goal, you allow the employee to think for himself and get ideas." (HR)

Based on the findings of the data, the following leadership behaviors are found to have a positive effect on the idea generation phase:

Idea Generation	
Leadership Behavior	Keeping Employees motivated
	Encouragement for Innovation
	Promoting Information Sharing
	Distribution of Demanding Assignments
	Delegation and Providing Autonomy

Table 5: Leadership Behaviors for the Idea Generation Phase

4.3 Leadership Behavior fostering the Idea Realization Phase

In the idea realization phase ideas are in the process of being implemented into organizational processes. Ideas are tried and tested in order to see if it fits the needs of the company. Leaders wanting to foster this phase need to show different behaviors than in the previous phase. These behaviors are elaborated in the following section.

Establishing a Feedback Culture

Leaders at PHARMA assume that organizing feedback is an important aspect of communication with the employee. Spending time with the employee and giving feedback, especially if the idea is not implemented, makes sure that employees will be willing to express their ideas next time.

"Time is also very important. That you actually take the time and sit down with them. That they can also offload what they have. And also, that there is also a feedback. This feedback is very important. Because then you close this loop again. Even if the idea is not implemented, it is not implemented this time for several reasons. That way, there is also an understanding of why it is not implemented. If you do not say anything, the employee says, you always go there and nothing comes back." (Leader)

Providing feedback will make sure that employees feel that their idea counts, if it is implemented or not. This will make them stay motivated to generate new ideas for next time:

"The flow of information back to the employees is really important. If a project does not turn out to be positive, then they are also motivated for the future to stay tuned and remain motivated. And that keeps the whole system running…This is not always possible in production…But it is important is that there is feedback." (Leader)

Leaders at PHARMA try to be open about their own state of mind. Saying that at a certain point there is no time to discuss an idea and organizing an appointment, can make it easier for both to rethink the idea and have a meaningful talk about such an innovation.

Even though leaders might be aware of the fact that feedback is important, there are times in which it can be stressful to be constantly available to the employee and his or her ideas. In these cases, leaders at PHARMA try to be open about the situation and try to postpone the talk about the idea. Although, this can be a drawback for the employee, it is made clear that

the postponement is not because of the idea but because of other causes. This is also a way of giving feedback and part of the communication with the employee:

"It is a bit dangerous is when you have a stressful day. Phone, mobile phone, everyone tears you and then an employee comes to the late shift, good-humored and well-slept, hey here I am and I have an idea. And then I think, yes, this is all I needed now. In the inside. But on the outside, you have to say yes, brilliant... In those cases, it is best to say, do not be angry with me but I cannot concentrate on this today. I write this down and when I have time, I come to you." (Leader)

Although, the situations described above seem to make the impression that leaders at PHARMA always give feedback to some extent, employees do not think that the feedback is sufficiently organized all the time. They feel that sometimes ideas are not wanted and do not want to disturb the leaders. Employees seem to think that even after ideas are shared, it is not sufficiently communicated what happens afterwards.

"So, I'd say that we want to improve things within in the team, too. If there is something new, then all the employees express their ideas about it. But of course, we can only look at the places we work. And what happens afterwards is usually far away." (Employee)

Enthusiasm for applying better solutions

Leaders can show support for innovation in multiple ways. At PHARMA, a leader wants to show presence by walking through the work places and asking employee's opinions when questions arise. Also having a positive relationship with employees can send the signal that ideas can be expressed at any time:

"I think you need a good relationship to your employee. Everything works better, if one has a personal word with one another. That there is confidence. This is also the case, if I arrive at the plant in the morning. I do not meet with employees in the office, but when I run through the hall. And then I ask them what they would do. How would you create your own living room? I do the same thing at my office table, so that I can work best. And then they start thinking about it. It is important, of course, that you keep in touch with them. So, if you lure them and then they would come and suggest something and I say, no I do not invest these 700 Euro now. Then of course it gets around." (Leader)

Additionally, to being around and asking questions, leaders at the case company want to stay consistent. If they challenge their employees to be innovative they also want to make sure that

there are resources for these kinds of ideas. On the other hand, the situation of being a leader and being responsible for employees, administrative work and working areas, sometimes makes it difficult to show the support for innovation that the employee expects:

"What I always say is, have you already written this down? Please write it down… But sometimes you only try to get from one place to another and you are approached by five people. And when someone approaches you with a good idea and you might not have time for that. Then something must be done instead, so that the idea will not be lost. I know one hundred percent that otherwise I would forget the idea. And then I say, write it down, I put this into my pocket and we make an appointment and talk about it later. I help you and everything is fine. Somehow it sounds a bit stupid, but..." (Leader)

Support for innovation does not always happen in the most obvious way. Leaders who are, for example, honest about a lack of time can still support an idea by creating procedures how to deal with the expression of ideas. If employees know that a leader prefers the idea written down it can even help them rethinking their idea and finding the right words to make sure the leaders understands the idea. At the same time, employees also seem to be caught in their work rather than having time for innovation. An employee at the case company expressed this feeling:

"Sometimes I think the fear is too great, because I have not managed my batch." (Employee)

This quote shows how important it is for leaders to give the freedom to work on the implementation projects, provide advices and being patient towards their employees. Fearful employees will not show the same degree of motivation as employees who get full support by their leaders. Only then the idea realization process can really be fostered and ideas become reality.

Offering a Bonus for Innovative Ideas

Although it might be a plus, employees at the case company make sure that money is not the reason to be innovative and to express ideas to their supervisor. It would reward them more to know that their idea is valued and that supervisors try to implement the idea:

"I would not even care about the money. It would be more important if my proposals were implemented directly. That would be more important to me. We also would like to see that they hear us. This is also an appreciation to the employee who has the problem. The people above do not have the problem of course. And if nothing happens, you feel left alone. Then nothing happens and you do not make a suggestion anymore, because you think, that does not lead

to anything. At least a feedback. Money is a nice thing, though. The mills of god grind slowly, but those of PHARMA grind even slower (laughing)." (Employee)

This shows that employees at the case company feel that rewards should not entirely be in a monetary way. Support and direct feedback, as well as trust and praise are more important to stay motivated than the promise of a monetary reward.

Offering Resources for Implementation

The development and realization of an idea will always need resources at some point. The most important resources are mainly money and time. Quite often, employees who would like to implement an idea are not in the hierarchical position to receive such resources by themselves. Therefore, supportive leaders need to promote the idea and get the necessary resources, so that the idea can be further developed. Leaders at PHARMA recognize this need for resources and try to support their employee's idea with it:

It is important, of course, that you keep in touch with them. So, if you lure them and then they would come and suggest something and I say, no I do not invest these 700 Euro now. Then of course it gets around." (Leader)

On the other hand, employees argue that working together more and having enough time would make it easier to be innovative. This also applies to the leader himself. If the leader receives enough time to show the behavior needed for innovation there would be more employees showing innovative work behavior:

"I would wish that we would work more hand in hand. That both of us get enough time from above and it is not only said we must produce now. That would be important to me." (Employee)

How Small Amounts of Money can make a Difference

Especially at the case company, small amounts of money invested into the implementation of an idea, can have a huge impact on savings, even if the employee receives a monetary reward. Figure 4 shows data provided by the works council and compares the submitted and implemented employee suggestions per year from the years 2010 to 2014. It shows that from 2010 until 2013 the employees at PHARMA have submitted more and more suggestions, while 2014 the number dropped again. Nevertheless, throughout all of the years remained at relatively high levels, meaning many of the submitted ideas have also been implemented in the end.
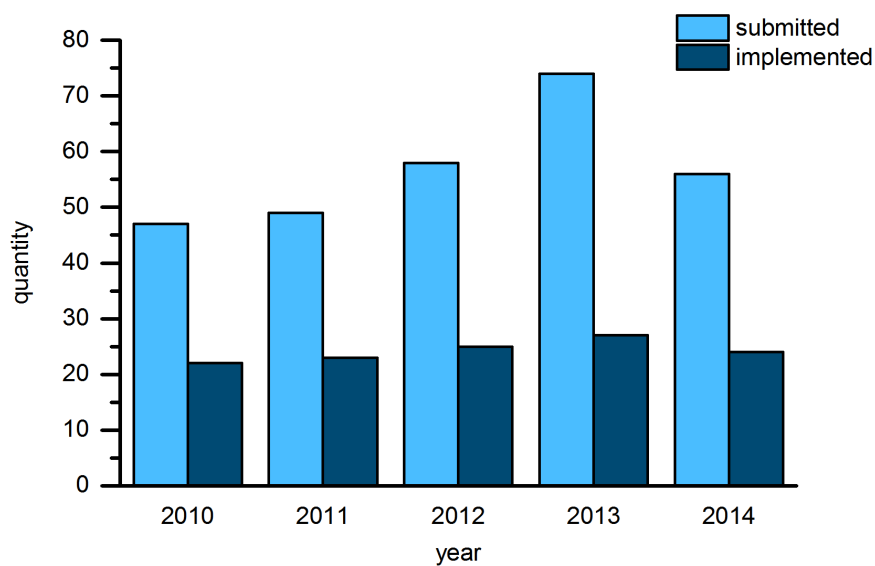

Figure 4: Comparison of Submitted and Implemented Employee Suggestions per Year (own figure, data works council)

Further data provided by the works council, is shown in Figure 5. It compares the rewards for employee Suggestions and the savings for PHARMA per Year. It shows that the rewards that are cashed out to employees always remain far under the savings the case company spares. It is especially prominent in the years 2010 and 2011, in which the savings exceed the rewards with up to 5 times.
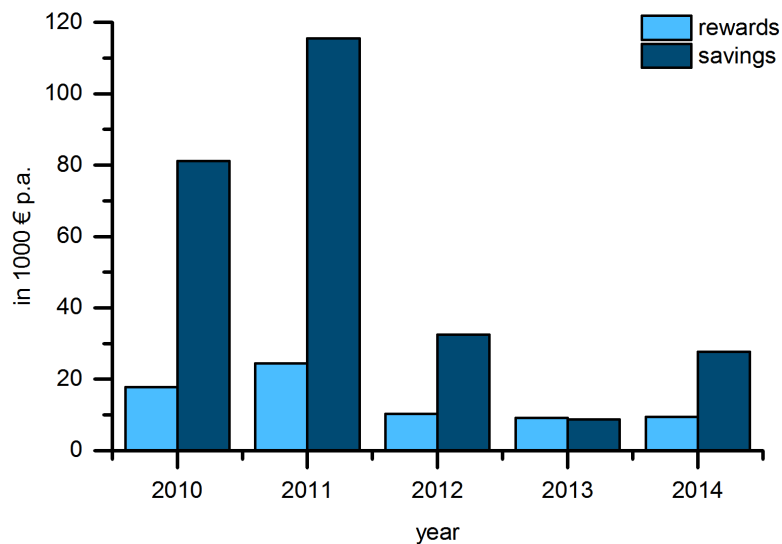

Figure 5: Comparison of Rewards for Employee Suggestions and Savings for PHARMA per Year (own figure, data works council)

Based on the findings of the data, the following leadership behaviors are found to have a positive effect on the idea realization phase:

Idea Realization	
Leadership Behavior	Establishing a Feedback Culture
	Enthusiasm for applying better solutions
	Offering a Bonus for Innovative Ideas
	Offering Resources for Implementation

Table 6: Leadership Behaviors for the Idea Realization Phase

4.4 The Relationship of Leaders and Innovator Roles

At first, it must be noted that, according to Human Resources, the case company does not distinguish leadership roles or style within their company. Although, it is said that this is a possibility for the future. This could be applied to existing leaders within the company as well as testing applicants before entering the company and choosing the right leadership style depending on the role needed. In this section, the roles that leaders in the case company overtake within the innovation process are elaborated.

Based on the data collected at the case company, different innovator roles were distinguished. It also became clear that different phases of the innovation process might need different leadership behavior and leaders taking over innovator roles.

The power promoter is probably the role that can be attributed best to the leader. He is the one who holds the authority and hierarchical power to push an idea towards implementation. At the case company, leaders are the ones who take over this role and receive the idea of the employee. Subsequently, they are the ones who decide if an idea is suitable or not.

"It is always about cost and benefit. That is the whole problem. If I think this is very important and needs to be tackled, then it can still be that my leader is not of the same opinion." (Employee)

Providing resources is one of his most important tasks as well as helping employees to overcome obstacles that are out of their reach because of hierarchical reasons.

"I always write down the ideas of the employees. And afterwards, I think about the possibility of realizing them and think about the costs it would create. If the idea is good, then it will be refined. If afterwards this idea will really be implemented is a completely other point. But we work towards this goal." (Leader)

Therefore, a power promoter can well be bound to limits as well. Although leaders possess more power that the average employee, they need to promote the idea at higher levels in order to be able to realize an idea.

Every innovative idea needs somebody who convinces others within the organization. These include colleagues as well as higher management. If these are convinced that an idea can work and ultimately help the organization, resources and support will be provided by upper management much easier. Therefore, bringing together the right people really is crucial for the success of an implementation process.

"If I hear a brilliant idea, then there is always a way of promoting and highlighting it." (Leader)

Championing ideas needs somebody who feels committed to the organization and is intrinsically motivated. A leader who takes over this role needs support and autonomy from upper management. But at the same time, this role can also be done by somebody who is not a leader in this sense, but can promote the idea at the shop floor. At the case company, though, seems to be a problem with the delegation of these tasks. One employee said, that even though he wants to promote ideas, there are obstacles:

"I would love to help other employees with their ideas. But I cannot access my e-mail account. Otherwise I would like to promote these ideas. But I am afraid what happens if I can actually do that and then it takes too much time and the other work is not finished." (Employee)

Having specialized knowledge about the technical side of the implementation of ideas, the expert promotor refines and advances the idea that the employee has expressed. This way the idea is made more suitable for implementation. At the case company, most ideas are submitted into the employee suggestion system. The idea is then refined and ultimately given to an employee who knows most about the technical side. Therefore, this role is in most cases delegated and not taken over by the leader himself.

Even if the problem of resources and knowledge is cleared, somebody needs to make sure that knowledge and hierarchy meet to push the idea through the innovation process. This person needs an intra-organizational network and knowledge about organizational structures. A leader might be both, the power promoter and the process promoter, but it can well be that these roles do not fit one person. At PHARMA, innovative ideas are pushed through the employee suggestion system in which leaders, employees and the works council work together at the implementation process. At the moment, the process promotor is mostly taken over by the works council that connects the other roles with each other and takes over the communication between them ('Guideline for the Employee Suggestion System').

Leaders are able to positively influence innovative work behavior by taking over innovator roles or delegate the other roles to their employees. Currently, though, leaders at the case company are not entirely proactive adopting these roles.

4.5 Problems associated with the Employee Suggestion System at PHARMA

The following results part will give an overview about the results directed especially at the employee suggestion system. The problems associated with the system refer to three different problem areas: Transparency, time pressures and lack of support.

Transparency

For most the different participants in this study, the problem of transparency was apparent. Being not able to know what happens to an idea after it has been expressed and submitted, makes employees less motivated to generate new ideas:

"The transparency is missing. For the leader as well as for the employee. He does not know what is going on at all. He must constantly ask, otherwise he will not get any information." (Works Council)

"This is like the steam engine. A large dark room. There is something happening and you do not know what is in it." (Leader)

Especially some kind of feedback, what is happening afterwards does not seem to happen. This applies to the employee who does not get any information about whether his idea is implemented or not, but also to the leader who does not express how much he is working on the implementation:

"You work like a beetle, but the whole system actually works against the employee. The employee says I have had a great idea, he is 100% convinced by it and does not get any feedback. That's how it works. I mean, we had the same problem on Friday, because we did not quite understand what an employee wanted from us. Then we went to production and have looked at this problem. And then we found out that the idea was really good." (Leader)

The leaders also thought that the system itself hinders innovation by being not clear enough. There should be a new system that takes care of more communication:

"That's why I found this discussion also very important, because a new system must be much clearer. No matter how it is. It must be transparent to every employee. " (Employee)

One suggested an excel list in which the ideas are tracked:

"Actually, it would be good if we had an Excel tracking list. That should always be actual. And then you know at least, what is right now and where is it getting caught. Then you do not always have to ask the works council." (Employee)

Employees at the case company also think, that the problem could to some extend originate from the fact that leaders are not always as informed about the machines etc. as they are themselves. This makes it more difficult for them to describe their ideas for improvement:

"Yes, the problem is probably the difference between the one works with it and the one who supervises it. If a leader hears an idea and he was never down there, he will say, what is that? In the past, we always had things that were reported and nothing happened. And then you develop such an organizational blindness and you say, why should I report that, because nothing will happen. And that is really a pity. These are just a lot of possibilities but the small things are also important. For example, risk of injury or handling the product where it could work faster or better. " (Employee)

The works council is of the opinion that leaders should be trained in their role as a leader, how they can enhance innovation and how the system works:

"So I think they should be trained about these processes and about the importance of company suggestion. Is my opinion because many are very uncertain in their job. I sometimes have the impression they do not know exactly whether they should implement it now." (Works Council)

Time Pressures

Another problem that has been expressed are time pressures. This refers to the time employees have to be innovative as well as the time leaders have to show the appropriate behavior or be innovative themselves. Leaders say that employees underestimate the amount of time they spend on tiny things such as being approached by employees or even fixing lights:

"It is not always a great idea for the whole company. If you go through the room, then one employee says the light is broken, the heating is not working, the Coca Cola cannot be bought. You are always addressed. These are thousands of things the managers are concerned about. We do not only care about the process. There is also a whole rat tail where people have needs. " (Leader)

This situation makes it more difficult for everybody to become innovative. Another problem for employees is that in some cases they might need help thinking about their idea or filling in the

form for the system. Although, there might be help next to the leader, there is not time to go to the works council etc. because the production could stop if the employee leaves the production area:

"So the help you can definitely get at the works council. In my department, I can also go to my boss and say that I now have an appointment with the works council. That is no problem. No production is lost. In the finishing production, when the employee would leave for half an hour, there would be absolute chaos." (Employee)

Employees do not dare to leave their workplace, as it might lead to problems:

"But it is not always easy to do it all. The line may not stop. Then you hear from above, why did the line stand? Because you read your e-mails have? We need to be careful." (Employee)

Lack of Support

The current suggestion system at PHARMA is being supervised by the works council, although they do not feel that the responsibility should lie there. In the past, there were times in which the works council rejected to work for the system in order to show that it would not work without them. This has also been expressed by the employees who got to know about this situation:

"Yes, I have a bit of respect when the XY from the works councils retires. He tries to support it as much as possible. There was a time in which he did not do it and then, in principle, it has completely degenerated for a few months." (Employee)

Some employees argue that they do not get enough support with rethinking their idea and writing it down. The form of the suggestion system is not clear enough to them and there are not enough contact persons who can help.

"Yes, officially is always said, make suggestions for improvement. But if you come and tell them the idea the say, write something. And many of them are already overwhelmed by this. Then there are four or five boxes on the form and you have to tick one, but several apply. Then you stand there and think what you are going to do. Where do you get most money? (Laughing) Are you taking this or that? But I have recently submitted an improvement proposal, and there have always been several things. I picked something but I think that should be improved. " (Employee)

After the idea had been submitted, employees usually get a letter with a number. They feel, that leaders should explain the letter, which also contains other information, to them better.

"Then the letter is pressed into your hand, there is no explanation. Then you stand there with the writing and you think, yes, maybe start the first sentence and then you think, ok, maybe the suggestion was not so important after all… (laughing). I would also have to train the employees better about the whole process." (Employee)

HR does not entire support the suggestion system as it is not seen a top priority. The top innovative ideas are seen to be coming from Research & Development rather than from employees in the production area:

"It's more - I'd rather see it than a must-do. Every company has a company suggestion, so we have it. But we do not use it as a tool to become more innovative. But if there is a great suggestion then we are all happy, and then the employee gets his payment, but it is not used in a way that the best ideas are to be generated there. These are from R&D. It is also seen as a kind of works council project, although it actually benefits the entire company." (HR)

5 Discussion

Past research on leadership and innovative work behavior have looked at leadership-styles or leadership related theories. However, these were originally intended to assess the impact of leadership styles on the performance of employees rather than on their innovative work behavior (De Jong & Den Hartog, 2010). Therefore, there have been little research on what behaviors exactly leaders should show if they aim to strengthen the innovative work behavior of their employees. Additionally, there has been little research on this topic in production companies. This research provides insights into leadership behavior and innovative work behavior by assessing leadership behaviors in a manufacturing environment. Leaders have a significant role in affecting the innovative behavior of their subordinates and also the innovation process (Mumford et. al, 2002¸Yukl, 2002; De Jong & Den Hartog, 2007). By adopting specific behaviors, leaders can guide their employees and their ideas through the phases of innovation.

5.1 Leadership during the Idea Generation Phase

The results of this study shows that keeping employees motivated, encouragement for innovation, promoting information sharing, the distribution of demanding assignments and a degree of delegation and providing autonomy are leadership behaviors that have shown to have a positive impact on the idea generation phase. It seems that leaders who generally show interest in the ideas of employees and try to keep them motivated can strengthen the innovative behavior of their subordinates. Next to that, communication within teams and throughout the whole organization is an important factor as well. Although some evidence referred to the distribution of demanding assignments in order to foster employee's own thinking, the evidence is rare. This also applies to delegation and providing autonomy to employees as evidence was mainly found within the quotes of leaders rather that the perceptions of employees. Therefore, it might well be that leaders only aim to show those behaviors but do not actually show them.

Comparing the findings of this case study with the research of De Jong & Den Hartog (2007), several connections can be found. According to their study the leadership behaviors intellectual stimulation, stimulating knowledge diffusion and task assignment are specifically contributing to the idea generation phase (De Jong & Den Hartog, 2007). Of course, the other behaviors they found were also seen as contributing to some extent, but not seen as essential for the idea generation phase. Findings of that study showed that providing employees with the strategy and vision of the company were important to enhance their thinking about where

the organization is going and how they can find suitable solutions for problems. In line with Mumford et al. (2002) it was found that employees are only able to generate innovative ideas if they are aware of problems and possibilities. If visions are not communicated well enough, some employees feel uniformed. This also applies to the question, which innovative behavior is wanted by the leader. If leaders do not provide employees with this information, it will hinder innovation (De Jong & Den Hartog, 2007). Therefore, leaders who put more effort in explaining strategies and visions to their employees, so that they know, what is expected of them, strengthen innovative work behavior more than others.

Next to that, findings of this study show that leaders in fact, foster their employee's ability to see challenges to some extent and employees seem to be motivated by this. This is mainly in line with current literature as intellectual stimulation plays an important role during the idea generation phase. If applied well, it can enhance innovative work behavior by teasing employees to see problems more often because leaders enhance their awareness (Elenkov et al., 2005; Mumford et al., 2002).

Next to that, promoting information sharing e.g. by having informal meeting with employees has been found to have a great impact on innovative work behavior. Theory refers this as leaders who propose and stimulate an open and supportive communication. This can be in form of having lunch together or making it easy for employees to communicate with each other (De Jong & Den Hartog, 2007). Employees who miss this leadership behavior and subsequently feel lost with their ideas as there is no place to express them and communicate them to their colleagues, will less likely be innovative. Another behavior that was found in this study is the distribution of demanding assignments, which refers to providing employees with challenging assignments. This is very much in line with the results of De Jong & Den Hartog, (2007) who found that an assignment of challenging tasks can foster innovation. Even though these assignments might be difficult at first, it challenges employees to find solutions which fosters idea generation. Leaders who give challenging assignments to their employees will have subordinates who are intrinsically motivated to find solutions on their own. By doing so they are forced to leave known ways and processes (Amabile, 1997). Also, delegation and providing autonomy to find these unknown ways, are found to be important behaviors during the idea generation phase. In general, employees and leaders seem to have good relationships and a mutual respect. This in fact fosters idea generation as high-quality relationships make it easier for leaders to delegate tasks to their employees (Graen and Scandura, 1987). Nevertheless, evidence of delegation is rare at the case company as evidence was mainly found in the quotes of leaders rather than employees. This could lead to the impression that employees do not perceive that tasks are delegated to them and autonomy is provided.

Referring to innovator roles, the idea generation phase needs leaders who strongly support their employee's ideas. Ideas will always receive opposition from others within the organization (Mumford, 2002). Leaders who step back as soon as the idea is submitted into the employee suggestion system and are not interested in the idea any more, will cause discontent among employees. This can lead to the idea not being implemented, because of a lack of support. Also employees themselves, who could serve as champions for their own idea, seem to lose track. The other innovator roles (Gemünden et. al, 2007) are usually served by other employees who fit the roles best, such as technical clerks who bring the needed technical knowledge to bring ideas into practice.

5.2 Leadership Behavior during the Idea Realization Phase

The leadership behaviors that were found to be most important during the idea realization/implementation phase are establishing a feedback culture, enthusiasm for applying better solutions, offering bonuses for innovative ideas and offering resources.

Establishing a feedback culture makes sure that employees are able to develop an idea further, as they are provided with instant feedback and are able to talk to others about the idea. Next to that, it shows employees that their innovative behavior is wanted and that successful attempts to be innovative will be rewarded by providing attention and interest (Shalley & Gilson, 2004). Feedback can for example be given by presenting the innovative idea in team meetings and giving colleagues the opportunities to react to these ideas. Employees who feel that sufficient feedback is missing will lose interest. If feedback is missing at all, motivation within the workforce decreases. This is in line with the findings of Zhou and Shalley (2003) where it was found that motivation increases if feedback is provided at every stage of the innovation process. The findings also show that the case company is missing such a feedback culture and that employees would even prefer such communication before receiving any kind of reward. Even though offering a bonus for being innovative seem to play a role in staying motivated during the implementation process. Although, the rewarding process of the case companies' employee suggestion system is the major way of thanking employees for their efforts, the findings are not sufficient for making judgements. Employees suggested, though, that money is not the most important factor for them to be innovative. Comparing these findings to literature, De Jong and Den Hartog (2007) found that most leaders do not think that monetary rewards have a positive impact on the idea generation phase of their employees. Nevertheless, it seems important to reward employees after their idea had been implemented to motivate them after the complete innovation process. As said before, employees expressed that monetary rewards are nice to have, but that their motivation rather generates from getting positive feedback and being praised by their leader. This is actually in line with the findings of

Amabile (1997), who found that intrinsically employees find their motivation from their own wish to be innovative and that these are more often innovative that employees who seek a monetary reward.

Offering resources for implementation has shown to be crucial for the success of idea realization. Leaders need to provide resources in order to implement ideas into business processes. These can be either tangible resources such as money for implementing an idea or also material to try if an idea can be realized, or also to intangible resources like time of the leader to listen to an idea (Dulebohn et al., 2012). Money for the implementation of ideas that have been identified as benefitting for the company, does not seem to be a problem, which is in line with the findings of De Jong and Den Hartog (2007), that providing resources mainly plays a role during the implementation phase.

Enthusiasm for applying better solutions was found to be important during the realization phase. Nevertheless, if there was support by the leader during the idea generation phase it cannot generally expected that there is also support during the implementation phase. Leaders who tend to lose interest at ideas after these have been submitted into the employee suggestion system, will cause employees to submit less or none ideas. At this point it would actually be crucial for the success of the idea implementation that the leader supports the idea and pushes it further though the innovation process. Therefore, lack of support is a restraining factor during the implementation phase. This loose of support is probably one of the major issues as the case company. If leaders support their employees even though they make mistakes, employees will be more motivated to work for the implementation of his or her ideas (Moolenaar et al., 2010).

Referring to innovator roles during the idea implementation phase, it can be said that, the role of the leader does not change much, but that the leader needs to continue this role. Therefore, the power promotor (Gemünden et. al, 2007) is still very important during this phase. Next to that, the project manager of the implementation phase might foster innovation, if leaders take over responsibility within the implementation process. Employees who have a leader who has the power and the ability to champion the ideas throughout the organization, will more likely dare to express ideas.

6   Conclusion and Recommendations

This research aimed at answering the following research question: In what way can line managers enhance employees' innovative work behavior by adopting specific leadership behaviors during the phases of the innovation process? The theory suggested that leadership behavior indeed has an influence on innovative work behavior. Organizations have become more aware of the innovative ideas of employees (Boons et al., 2013) and understand that ideas can have a positive influence on organizational outcomes (Smith, 2002).

The findings of this research indicated that the best leadership behaviors for the idea generation phase are keeping employees motivated, encouragement for innovation, promoting information sharing, distribution of demanding assignments and delegation and providing autonomy. On the other hand, establishing a feedback culture, enthusiasm for applying better solutions, offering bonuses and offering resources for implementation are seen to contribute to the idea realization phase.

The research question was answered by making use of a single case study. The case company PHARMA is a manufacturer of pharmaceutical packaging and delivery systems. It heavily relies on ideas of its employees. The production of products that are in direct contact to medicine means that quality standards are a constant issue at the plants. This means that the company needs employees who see solutions, even though it is not part of their job description. In the problem statement is was made clear that PHARMA misses the innovative work behavior of their employees to a certain extend and that it would like to perform actions to improve it. A document analysis, interviews for further understanding the context and two focus groups were conducted. One focus group focused on leaders while the other focus group focused on employee's perceptions on leadership behavior. Afterwards the data was analyzed by using the qualitative data analysis programme Atlas.ti.

The problems that were detected include that the case company PHARMA does not perceive the innovative behavior of their employees at the lower levels as being a priority. Therefore, leaders do not get time and training in order to enhance the innovative work behavior of their employees. The perceptions of leaders and employees were different concerning the support for innovation. Leaders thought that they offered their support and waited for their employees to asked them if help is needed. On the other hand, employees much more wanted to be approached and supported without asking. They even felt fear to some extend to steal time from their subsequent leaders. Feedback was not perceived as sufficient and in some cases not existent. Employees were not integrated enough into decision-making processes which lets them feel less important. The rewards system at PHARMA was seen to work well, but the

acknowledgement of great ideas needs to be more often and to a greater extend. Money was not seen as the main motivator which is in line with the current literature (Amabile, 1997). The three major problems associated with the employee suggestion system were seen to be transparency, time issues and lack of support. Leaders and employees both described the system as being a black box in which the idea is submitted and no feedback is given afterwards. These problems hinder employees to submit ideas and hinders innovative work behavior at the production level.

6.1 Recommendations

There are several recommendations that the findings of this research suggest. Establishing a feedback culture by having sessions and circulating ideas is especially important. Employees who do not feel support might lack innovative work behavior. Communication is an essential part of keeping employees motivated and feeling informed. Another factor is that employees as well as the works council perceive that leaders do not identify enough with the ideas of their subordinates. This and the lack of communication where the organization is aiming in the future leads to a lack of vision for the employees. Therefore, a training on which leadership behaviors are important and how they can put these into action could help leaders to enhance innovative work behavior. This of course includes that they are provided with time as well. By doing so it will help leaders to provide a vision of the company, where is the organization heading. It will become clearer to the employees how they can help.

Another problem that has been detected is that employees are not consulted often enough. Most of the times they were not asked if a change in processes or in the workplaces would make sense according to them. Therefore, they do not feel integrated into decision-making processes. By not including them, it gives them the feeling that their opinions do not matter and that their ideas might not either. On the other hand, employees expressed the feeling that their supervisors do leave them freedom and autonomy to get own ideas. The rewards system at PHARMA seems to work well, but the recognition could be enhanced. This could for example be done by praising ideas of employees more often in team meetings or in the company newspaper. Additionally, employees felt that money was of course a motivator but not as much as acknowledgement by their leader. This is in fact a good sign, as intrinsically motivated employees are more often innovative that employees who are not. Therefore, this characteristic should be enhanced.

All of the behaviors that leaders and employees described in this research ultimately lead to the employee suggestion system at PHARMA. Leaders as well as employees see major problems arising in the system that hinders them to stay innovative. The three major problems

associated with the employee suggestion system that were detected in this research were transparency, time issues and lack of support. Leaders and employees both described the system as being a black box in which the idea is submitted and nobody sees what is happening inside. This clearly hinders idea implementation and does not motivate employees to keep on submitting their ideas.

Next to that, employees usually get information about whether their idea will be implemented or not after several months only, which leads them to lose interest into their own idea. Therefore, rethinking and improving the current employee suggestion system should be a priority for the future.

As said by the HR Director of the case company, the innovative work behavior of employees and also the suggestion system are not seen as the most important source of ideas that benefit the company. Therefore, not much effort is put in training leaders how to enhance the innovative behavior of their employees. The document analysis showed, though, that really good ideas can lead to high savings for the company, while maintaining small costs. Therefore, a recommendation is to make innovative work behavior a topic in upper management by explaining the concept and make upper management more aware of the possibilities for the organization and its employees. A better understanding could lead to more money being invested in leadership trainings and was how to enhance innovative work behavior at the work place.

6.2 Scientific and Practical Relevance

Innovative Work Behavior is a popular phenomenon among researchers and many studies have been conducted on this topic. Researches include antecedents and outcomes of innovative work behavior as well as specifically leadership behavior that enhances it. This problem-oriented case study examines leadership behaviors and their impact on innovative work behavior. By doing so, problems arising from leadership behavior can be detected and recommendations for the case company arising from theory can be offered.

The scientific contribution of this thesis is to add to the existing literature about innovative work behavior and leadership behavior as it assesses the perceptions of employees about the behavior of their leaders within a real-life context. Therefore, this research adds to the existing literature about leadership behavior during the different phases of the innovation process. As mentioned before, existing literature mainly focuses on leadership styles rather than behaviors. The study found leadership behaviors in a manufacturing context that are to some extend similar to the ones that De Jong and Den Hartog found in their study about knowledge-intensive

sectors. As this research was conducted in a manufacturing company with production workers a new focus has been put on leadership behaviors in this specific domain.

Enhancing innovative work behavior could help PHARMA to improve machines and processes. Nevertheless, it is not on the agenda so far in upper management. It is on the agenda of the hierarchy level of line managers, though, who would like to increase it. Therefore, closing the gap between what is currently done at the company and what literature recommends, will help these leaders to achieve higher levels of innovative work behavior. This research gives indications about which leadership behaviors are working best in which phase of the innovation process.

6.3   Limitations of the Research

The study has limitations that derive from the chosen research method. It concerns the reliability of the results as well as the universal applicability to other cases. The research method of a case study leads to mostly qualitative data that can include biased results. Nevertheless, this method was chosen as it is the best to get a deep understanding of perceptions, feelings and opinions, which in this case were the most important.

The results might not be entirely generalizable as the case study was conducted in only one case company. Although, the participants of the interviews and focus groups were selected carefully, it might still be that these do not represent the company perfectly well. This also affects the universal applicability to other company contexts. After these results were selected, it would also make sense to do further studies trying to lead a transformation process that could lead to better trained leaders and a clearer employee suggestion system. This could therefore be a suggestion for any further research on this topic.

Another limitation can the reliability of the data collected. As the researcher worked for the company at the time of the study, it could be that the participants did not answer the questions as they would normally do. Nevertheless, the researcher did not know the employees and they were free to participate in the study. Nevertheless, the researcher can ask questions and directing to specific answers without knowing, which can also lead to biased answers. This research still used this method get an insight into the topics related to the research question.

Further research should try to make the results more valid by having more studies within several industries and sectors. Therefore, it might make sense to see if other sectors have different results. A quantitative study that uses the current study as a basis could lead to interesting results. Additionally, it might well be that there are differences among the importance of the different leadership behaviors.

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8   Appendix

8.1   Letter of Invitation: Focus Group 1 – Employees (in German)

Liebe Kolleginnen und Kollegen,

das betriebliche Vorschlagswesen bietet zahlreiche Möglichkeiten sich als Mitarbeiter aktiv einzubringen und Prozesse bei PHARMA zu verbessern. Im Rahmen meiner Masterarbeit an der Universität Twente, möchte ich mir dieses System bei XX näher ansehen und Handlungsempfehlungen entwickeln.

Dazu lade ich Sie zu einer Gruppendiskussion ein, in der Ihnen einige offene Fragen gestellt werden. Dabei geht es ausschließlich um Ihre persönlichen Meinungen zum betrieblichen Vorschlagswesen und welche Unterstützung Sie sich von Ihren Führungskräften wünschen

Das Gespräch wird aufgezeichnet und im Rahmen meiner Masterarbeit ausgewertet. Die Aufzeichnungen werden selbstverständlich anonymisiert und bei der Universität Twente unter Verschluss verwahrt. Die Handlungsempfehlungen werde ich PHARMA anschließend zur Verfügung stellen.

Um einen umfassenden Einblick erhalten zu können, wird es eine weitere Gruppendiskussion mit Führungskräften geben.

Ich bitte Sie mich schnellstmöglich wissen, ob ich mit Ihrer Teilnahme rechnen kann. Es geht in dem Gespräch nicht um richtig oder falsch, sondern um Ihre eigenen Erfahrungen und Ideen. Sollten Sie weitere Fragen zum Ablauf haben, melden Sie sich gerne bei mir unter der Durchwahl XX oder per E-Mail an XXX .

Mit freundlichen Grüßen

Bianca Nödl

Und das Research Team:

Anna Bos-Nehles (Assistant Professor Universität Twente)

Nesrin Hill

8.2 Letter of Invitation: Focus Group 2 – Leaders (in German)

Sehr geehrte Führungskräfte,

das betriebliche Vorschlagswesen bietet zahlreiche Möglichkeiten sich als Mitarbeiter aktiv einzubringen und Prozesse bei PHARMA zu verbessern. Im Rahmen meiner Masterarbeit an der Universität Twente, möchte ich mir dieses System bei XX näher ansehen und Handlungsempfehlungen entwickeln.

Im Rahmen dessen würde Sie gerne zu einer Gruppendiskussion einladen, in der offene Fragen gestellt werden. Dabei geht es um Ihre persönlichen Meinungen zum betrieblichen Vorschlagswesen.

Das Gespräch wird aufgezeichnet und im Rahmen meiner Masterarbeit ausgewertet. Die Aufzeichnungen werden selbstverständlich anonymisiert und bei der Universität Twente unter Verschluss verwahrt. Die Handlungsempfehlungen werde ich PHARMA anschließend zur Verfügung stellen.

Um einen umfassenden Einblick erhalten zu können, wird es eine weitere Gruppendiskussion mit Mitarbeitern geben, die in der Vergangenheit bereits Verbesserungsvorschläge eingereicht haben.

Ich bitte Sie vielmals mir schnellstmöglich mitzuteilen, ob Sie an dem Gespräch teilnehmen können. Es geht in dem Gespräch nicht um richtig oder falsch, sondern um Ihre eigenen Erfahrungen und Ideen. Sollten Sie weitere Fragen zum Ablauf haben, melden Sie sich gerne bei mir unter der Durchwahl XXX oder per E-Mail an XXX.

Mit freundlichen Grüßen

Bianca Nödl

Und das Research Team:

Anna Bos-Nehles (Assistant Professor Universität Twente)

Nesrin Hill

8.3 List of studied documents

8.3.1 Organizational Documents

- Annual Financial Report 2015

- Proxy Report 2016 for Investors

- Employee Suggestion System Data 1991-2015 (Works Council)

- Employee Suggestion System, Average Processing Time

- Employee Suggestion System, Savings achieved by Suggestions

- Company Guideline for the Employee Suggestion System

- Evaluation of the Task Area

- Calculation of the Premium

- Calculation of the Premium without Predictable Savings

- Proposals for Accident Prevention and Environmental Protection – Degree of Influence

8.3.2 Job Descriptions

- Job Descriptions of Production Workers

- Job Descriptions of Commercial Employees