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## Article

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# The impact of relational leadership on employee innovative work behavior in IT industry of China

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## ABSTRACT

This study is an attempt to investigate the effect of relational leadership (RL) on the three different stages of employee innovative work behavior (EIWB) in information technology industry of China. It also investigates the overall effect of relational leadership on total EIWB. It was proposed that relational leadership effects EWIB positively. For testing the hypotheses, a self-administered questionnaire was used to find out what are the responses of 261 employees from an IT company. Correlation and regression analysis suggested that relational leadership affects all three stages of employee innovative work behavior in significant manner. Its overall effect on EIWB is also very prominent in our analysis. The results of this study suggest that relational leadership, being a powerful motivational tool, helps employees to depict innovative work behavior at each of idea generation, idea promotion and idea realization stages of EIWB. The implications and limitations of the study are further discussed.

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## 1. Introduction

Changes in basic regulations, technological advancements and also global competition have made it extremely difficult for organizations to compete in present business world successfully. Therefore, at present, continuous innovation is crucial source for organizational survival in market-oriented economies. As a result, organizations are more and more interested in examining all those factors that increase the innovative work behavior of its employees (Agarwal, 2014; Scott & Bruce, 1994, p. 580). This is particularly true for information technology business due to the radical innovation requirements and dynamic environment in which these businesses are operating. Nevertheless, innovation is not a new concept in the literature anymore; however, a relatively smaller portion of the literature focuses on part of organizational features that leads innovation in the organization (Chandler, Keller, & Lyon, 2000). According to Woodman, Sawyer, and Griffin (1993), “we know little about how organizations can successfully promote and manage individual and organizational creativity (p. 316)”. Many authors (such as Woodman et al., 1993) found rewards, organizational culture and resources as the determinants of innovative behavior in the organization. Some others (e.g. Damanpour, 1991) identified internal and external communication and managerial attitude toward change as positively correlated factors with

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innovation. On the other hand, some other studies focused on how different forms of leadership influence innovative work behavior (e.g. Kahai, Sosik, & Avolio, 2003; Tsai & Tseng, 2010). The major rationale of studying leadership as a contributor to innovative work behavior is that although literature progressed a lot but still a lot has to do regarding the leadership (Hilaire, 2008), particularly in Chinese context due to rapid growth in its market-oriented economy. According to Graen and Uhl-Bien (1995) "Despite many years of leadership research and thousands of studies, we still do not have a clear understanding of what leadership is and how it can be achieved". As a matter of fact and time, leaders play crucial role in shaping organizational work climate; therefore, many researchers mentioned that leaders and managers have increased level of responsibility for developing their employees and also facilitating human resource teaching in their organizations (Noor & Dzulkifli, 2013). Although the influence of different forms of leadership on innovative work behavior has been understudy in past, however, there is little if any about the relationship between relational leadership and innovative work behavior in previous research studies which is a new leadership phenomenon. Particularly, the sample was collected from Chinese IT industry because China is growing rapidly in technological and scientific innovations in recent years. This is predominantly true for IT firms in China, who are moving from narrow downstream services to complete range and becoming better IT service providers in the world (Lin & Liang, 2009). Although China's economic growth has slowed down, however, Chinese desire to innovate is still at top priority list of Chinese government's 13th 5 year plan for 2016-2020. According to a report, the country pursues for heavy investment in science and technology in coming five years that if implemented, will boost the spending in this area up to 9.1% in current year (2016) to 271 billion Yuan (Asian Scientist Magazine, April 6, 2016). The report further quoted the words from the opening speech of Premier Li Keqiang on March 5, 2016 as under,

"Innovation is the primary driving force for the development and must occupy a central place in China's development strategy".

While transmuting from plan-economy to market-economy, economic globalization and information technology are generating a great revolution in China. However, this transformation requires a continuous dedication for innovation that is impossible without internal motivation of employees. This highlights the further importance of innovation for Chinese IT companies. As leadership is equally an important organizational phenomenon and its effects, in shaping behaviors and attitudes of followers, are long lasting and enduring, therefore, this study focuses on a new dimension in leadership i.e. relational leadership. Therefore, this study aims to explore how a better innovative work behavior can be achieved in China through using relational leadership. In order to better understand this interaction between independent and dependent variables, this study investigates the relationship between relational leadership and three stages of employee innovative work behavior. It also analyzes the overall effect of relational leadership on Employee innovative work behavior.

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## 2. Literature review

### 2.1. Relational leadership

Since many years, leadership has been an important phenomenon in organizational research. This prominent attention has been due to the fact that leaders shape the behaviors of their followers. Leadership has been defined differently according to the individual viewpoint of the researchers and the phenomenal facets that interest them the most. It is mostly defined by terms like post heroic (Fletcher, 2004), Distributed (Gronn, 2002), shared (Conger & Pearce, 2003), constructed (Hosking, 2007) and also relational (Uhl-Bien, 2006). The difference in these definitions is based on the emphasis on personality traits, influence relationships, appeal to self-versus collective interests, leader ability and individual versus group orientation. With the emerging organizational trends and employee relationship management, leadership has also changed drastically. Particularly since 1980s interest in studying new dimensions of leadership has increased (Bryman, 1992). Researchers has started finding out such leadership style that focused on leader's ability to attain higher level of performance from its employees. Nevertheless, literature on this subject has progressed a lot; however, there is still a great need to work more on leadership (Hilaire, 2008). In the search of new concepts about leadership, relational leadership is an emerging concept (such as Uhl-Bien, 2006). As many leadership theories are concentrating on the evaluation and understanding of leadership process, relational leadership even goes further with the notion that social dynamism is the cause of individual's influential capacity (Hilaire, 2008). In their study, Komives, Lucas, and McMahon (1998) emphasized that "leadership is a relational process of people working together to accomplish change or to make a difference that will benefit the common good". Purposeful, inclusive, ethical, process-oriented and empowering were nominated as main elements of relational leadership by these authors. In another study, Komives, Lucas, and McMahon (2013) defined relational leadership as "Leadership is a relational and ethical process of people together attempting to accomplish positive change". Uhl-Bien (2006) provided the most comprehensive theoretical model of relational leadership. This theory provides auspicious approach of rethinking, re-theorizing and re-assessing the social influence practice in leadership (Hilaire, 2008).

At present, in addition to having administrative skills, a leader should be able to take initiative and develop as well as maintain positive functioning relationships in the organization (Watt, 2013). Hence, a leader is the one who can make difference by understanding the change him/herself, makes strategies for change and flourishing together with his/her followers. Therefore, leadership is not based only at the traits of the leader but it is the social process that occurs between followers and the leader, i.e. leadership is a relational process. There are plenty research work about the effects of leadership on different variables such as turnover, work satisfaction, performance, etc., however, there are very few studies about the relationship between the leader and

the followers. Need of time arises that leadership theory should be viewed as social process and also consider the fact that leadership is in fact embedded in its context (Uhl-Bien, 2006). Leadership is not only the incremental control of the superior toward his/her assistants but most importantly it is the collective incremental control or influence of leaders in and around the system. Nature of such relationship is not self-determining rather it is built overtime by leaders and followers. The nature of relational leadership can be explored further by focusing on Uhl-Bien's definition of RL that states that relational leadership is "a social influence process through which emergent coordination (i.e. evolving social order) and change (e.g. new values, attitudes, approaches, behaviors, and ideologies) are constructed and produced" (Uhl-Bien, 2006, p. 655). Thus, social aspect is the base of relational leadership. More specifically, changes are "constructed and produced" and everyone takes part in this process. Therefore, relational leadership does not depend on the hierarchical position or role of the leader only. Its affects are wide spread in the organization. Different authors defined relational leadership differently; however, the base of all these definitions is the relationship and the interaction of this relationship between leader and followers. Regan and Brooks (1995) studied relational leadership and identified its main elements as collaboration, care, vision, courage and intuition (Carifio, 2010). The five main components of relational leadership are also defined by the Komives et al. (1998). They are namely inclusion, empowerment, purposefulness, ethical behaviors and process orientation. These elements identified by both Regan and Brooks (1995) and Komives et al. (1998) are nearly same, however, on the bases of Carifio's (2010) study, the most influential ones are used in this study. These are explained further in next paragraph.

Relational leadership is inclusive as it includes others by showing them valuable involvement and being open to dissimilarities (Komives et al., 1998). Relational leadership provides empowerment by providing the employees the sense that their contribution matters and they have the right to take initiative (Komives et al., 1998). It is a shared thing and members are responsible for outcomes. Relational leadership has vision (Regan & Brooks, 1995) as it provides an attitude of hope and an ability to make a commitment. It is purposeful by forming a common vision, establishing individual and group goals and obligation to fulfill those objectives. Relational leadership is ethical as it is driven by positive values, individual integrity, goodwill and moral commitment of the leadership and the followers (Komives et al., 1998). At last relational leadership is caring (Regan & Brooks, 1995) as it does not overlook the human aspect of leaders and followers. Care in this regard is the translation of moral commitment into actions.

## 2.2. Employee innovative work behavior

West and Farr (1990) defined innovative work behavior as "all employee behavior directed at the generation, introduction and/or application (within a role, group or organization) of ideas, processes, products or procedures, new to the relevant unit of adoption that supposedly significantly benefit the relevant unit of adoption". Other authors (such as De Spiegelaere, Van Gyes, De Witte, Niesen, & Van Hootegeem, 2014; De Jong & Den Hartog, 2008) also defined innovative work behavior on the basis of West and Farr definition. Following West and Farr (1990) De Jong and Den Hartog (2008) also defined innovative work behavior as 'an individual's behavior that aims to achieve the initiation and intentional introduction (within a work role, group or organization) of new and useful ideas, processes, products or procedures as well as implementation of those ideas'. According to Agarwal (2014), due to the increased importance of innovation as an important ingredient for organizational success and survival, study of those factors that enhance innovative work behavior has also increased. Whether or not organizations are able to improve their performance by introducing more innovation has been a major topic of study by the researchers and practitioners (Damanpour, 1987, p. 675). In the presence of tough competition, organizations are consistently looking for change. Innovative behavior is repeatedly considered as the foundation of change in the organization as well as innovation in the organization (Tsai & Tseng, 2010).

Some studies (such as Birkinshaw, Hamel, & Mol, 2008, p. 825; Janssen, Van de Vliert, & West, 2004, p. 129) found innovativeness as the important factor helping organizations to have a sustainable competitive advantage over competitors and also as a major contributor to firm's long term success and survival. Many studies (e.g. Abstein & Spieth, 2014; Janssen, 2000; West & Farr, 1989) concluded that in rapidly changing business world, EIWB is considered as an important asset for organizational success. EIWB is not only important for the innovation-oriented organizations or jobs but it is also very important for whole organizational workforce (De Jong & Den Hartog, 2010; Mumford, 2003). Innovative work behavior is focused on such actions that are initiated by the individuals themselves and their aim is to improve the present conditions or generating new ones for the organization and for themselves (Griffin, Neal, & Parker, 2007; Parker & Collins, 2010). Significance of EIWB in sustaining organizational competitive advantage is also asserted by the scholars (e.g. Janssen et al., 2004; Scott & Bruce, 1994; Yuan & Woodman, 2010).

Although innovation is located at the heart of any organization's competitiveness (Agarwal, 2014; Janssen et al., 2004) however, no organization can achieve this without its employees (Abstein & Spieth, 2014). This significance of employees' innovative work behavior for organizational sustainability has been mentioned in the literature (Agarwal, Datta, Beard, & Bhargava, 2012). Employees' innovative behavior is the foundation of higher performance for the organization and therefore, it is very important to identify that what facilitates or encourages this innovative behavior by employees (Scott & Bruce, 1994, p. 580). Individual characteristics do affect the determining factors of organizational innovation, for example leadership, innovation supportive roles or resistance to change in the organization (Noor & Dzulkifli, 2013). As leadership is a prominent workplace element, it has been found influencing the behavior of employees and shaping their organizational activities. Most prominently, transformational leadership has been studied as an important influencer on the innovativeness of employees (e.g. Kahai et al., 2003; Tsai & Tseng, 2010). However, what is the effect of relational leadership on employee innovative work behavior still has less, if any, attention in

literature (Mumford, 2003). This study focuses on the three stages of employee innovative work behavior namely Idea generation, idea promotion and idea realization. Idea generation stage may comprise of all those steps that aimed at improving new products, services or organizational practices. Idea promotion stage actually brings strength to the ideas generated and they are taken further from organizational barriers and resistance to change (Shane, 1994). Looking for greater organizational support and building strong collaboration are the important considerations at this stage (King & Anderson, 2002). Idea realization stage brings the generated and promoted ideas into reality. Particular behaviors to be mentioned at this stage are development of new products or services or job techniques (West & Farr, 1990).

### 2.3. Relational leadership and employee innovative work behavior

At present, utmost agenda of every business is to attain innovativeness for its operations, hence leaving a space for further investigation about the topic. Therefore, there is greater need to understand the leadership and the effect of organizational climate on innovative work behavior in organizations (Noor & Dzulkifli, 2013). Though, a number of studies examined the innovative behavior in organizational settings however, the issue that how the leader's behavior affects the subordinate's creativity has been given a little attention since quite a long time (Mumford, 2003). Some studies such as Mumford (2003) used creative performance models for identifying three leader behaviors that might affect the subordinate's creativity. They focused on problem construction, learning goals and feelings of self-efficacy and found that leader's behavior indeed affects the subordinate's creativity. Scott and Bruce (1994) hypothesized that individual problem solving style, leadership and work group relations affect individual innovative work behavior. This affect could be direct or indirect through the influence on the individuals' perceptions about the climate for innovation. They found a positive relationship of these variables with innovative work behavior of the employees. Few other researchers (e.g. Kahai et al., 2003; Tsai & Tseng, 2010) explored the relationship between individual level transformation leadership and employees' innovative work behavior. Nusair, Ababneh, and Bae (2012) also studied the impact of transformational leadership to employee innovative work behavior in Jordanian public sector by collecting data from 358 employees and found a 47% variation in employee innovative behavior caused by transformational leadership. Moreover, participative leadership style was found related to individual innovation in the study of Judge, Fryxell, and Dooley (1997).

In another study, De Jong and Den Hartog (2007) found thirteen leadership behaviors that prominently influenced the idea generation, idea promotion and idea implementation stages of innovative process. In another important study, Janssen (2005) mentioned that if employees perceive that their leaders are supportive, they participate in more innovative activities in the organization. Tierney, Farmer, and Graen (1999) are also among other researchers who concluded that having higher quality relationships with the leaders results in higher innovative work behavior on behalf of the employees. Chao, Lin, Cheng, and Tseng (2011) investigated the influence of the supervisor' leadership on employee innovative behavior in manufacturing industry. They examined the interference of the organizational justice and organizational culture in the relationship between supervisor' leadership and employee innovative behavior and found a positive relationship between supervisor leadership and employee innovative work behavior. Indication from the above studies is that leadership have a great influence in shaping the behaviors of organizational employees, however, there is a lack of analysis about the effects of relational leadership on the innovative work behavior in literature.

Though, Brower, Schoorman, and Tan (2000) studied the outcomes of relational leadership (such as empowerment, delegation, surveillance or less monitoring, employee satisfaction, work performance, etc.), but the influence of relational leadership on innovative work behavior is not mentioned clearly. Therefore, the purpose of this study is to find out whether or not the relational leadership affects the innovative work behavior of organizational employees.

## 3. Theoretical framework and hypotheses

On the basis of above discussion in literature review, followings hypotheses are generated for this study and this relationship is provided in conceptual framework of study in Figs. 1 and 2.

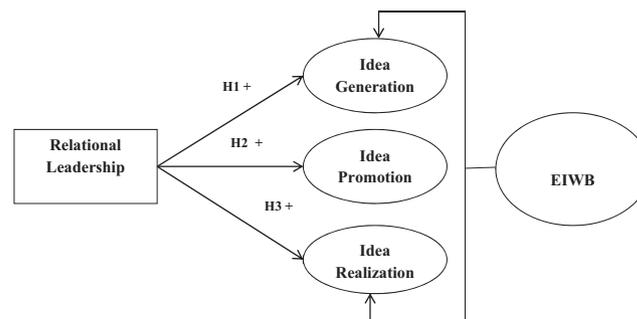
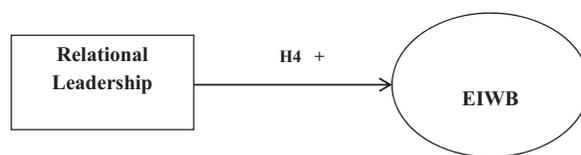


Fig. 1 – Conceptual framework.



**Fig. 2 – Conceptual framework.**

H1. Relational leadership affects idea generation stage of EIWB directly and positively.

H2. Relational leadership affects idea promotion stage of EIWB directly and positively.

H3. Relational leadership affects realization stage of EIWB directly and positively.

H4. Relational leadership overall affects EIWB directly and positively.

## 4. Research methodology

### 4.1. Unit of analysis

Unit of analysis for this study are the employees of Nantian (南天电脑系统 in Chinese) computer system limited. The company is working for more than 30 years in four different regions of China namely Kunming, Beijing, Hainan and Shanghai. It is included in the top ten leading IT solution providers in China. Company is mainly engaged in software development, system integration and financial equipment sales and services. The company also produces high tech products and application software solutions, financial application software product solutions and computer applications to different industries including government, banking, medical, telecommunications and asset management companies. It is well known for providing customized information systems and application solutions to its customers. As mentioned earlier, the rationale behind choosing IT Company in China for this research is the fact that Chinese IT companies are outperforming worldwide. According to [Lin and Liang \(2009\)](#), China is continually growing and is expected to become world leader in information technology business in coming years.

### 4.2. Sampling method and technique

Non probability convenience sampling technique was used for collecting data. This technique is used due to accessibility limitation, budget constraints and also to get quality responses from those employees who were timely willing to respond to the questionnaire.

### 4.3. Instrument design

5 point Likert scale was used to assess the relationship between relational leadership and employees' innovative work behavior. Relational leadership questionnaire (RLQ), developed and validated by [Carifio \(2010\)](#), was used to measure relational leadership. The dimensions of RLQ are inclusive, empowering, caring, ethical and vision respectively. Each dimension has 5 items with a .90 reported alpha reliability for all scales. In order to measure employee innovative work behavior, innovative work behavior scale developed by [Janssen \(2000\)](#) was used. This scale has three dimensions namely idea generation, idea promotion and idea realization. Each dimension contains 3 items with a .94 reported alpha reliability ([Janssen, 2000](#)). In order to get accurate responses from the Chinese employees, the questionnaire was translated into Chinese. For higher accuracy in translation, parallel translation technique was used.

### 4.4. Data collection procedure

Self-administered data collection technique was implied. The employees were requested to fill up the questionnaire. They were provided enough time to read and understand the questionnaire. They were also requested to report some demographic information. While collecting data, all ethical considerations were taken into account. Respondents were provided with information about the objective of this that is purely for academic purposes and not sponsored by any funding agency. They were further ensured about the anonymity and secrecy of their provided information.

**Table 1 – Descriptive statistics of the study variables (n=261).**

Variables	Minimum	Maximum	Mean	Std. deviation
Idea generation	1	5	4.23	.557
Idea promotion	2	5	4.16	.464
Idea realization	1	5	4.38	.572
Relational leadership	2	5	4.14	.453
Total EIWB	1	5	4.26	.450

## 5. Results and analysis

A total of 300 questionnaires were distributed among the staff at different managerial level in Nantian Company in Shanghai, China. 279 employees responded to the questionnaire, however, 18 questionnaires were not filled up properly or they were partially filled. Therefore, they were excluded from the final analysis of the study. Using IBM SPSS, Correlation and linear regression tests were applied on this data. However, in order to understand the characteristics of the respondents, some demographic information was also collected from the respondents. Employees were contacted from three different managerial levels, namely operational, managerial and strategic levels. 127 males and 134 females between the ages of 20 years to 46 years or above participated in this study. In the following section main results of the study are reported.

### 5.1. Descriptive statistics

Descriptive statistics are presented in Table 1. Idea generation, idea promotion and idea realization has a mean value of 4.23, 4.16 and 4.38 respectively. Whereas, relational leader has the mean value of 4.14 and total EIWB presented with mean value of 4.26.

### 5.2. Cronbach's alpha reliability

Relational leadership scale reported .95 alpha reliability with 25 items as compare to .90 reported in Carifio's (2010) study. Whereas, the scale of employee innovative work behavior reported .872 alpha reliability with 9 items, as compare to .94 reported by Janssen (2000). Both scales reported high reliability values that indicate the validity of these measures for current study.

### 5.3. Correlation analysis

In order to find out the relationship direction and strength between relational leadership and the stages of employee innovative work behavior, bivariate correlation analysis was conducted. Table 2 presents the correlation analysis. The values in Table 2 indicate that relational leadership is positively and significantly correlates with the three dimensions of employee innovative work behavior namely idea generation ( $r = .515, n = 261, p < 0.01$ ), idea promotion ( $r = .49, n = 261, p < 0.01$ ), and idea realization ( $r = .619, n = 261, p < 0.01$ ). The dimensions of EIWB are also positively and significantly correlated with each other.

### 5.4. Regression analysis

To find out how much variance in idea generation, idea promotion and idea realization and in total EIWB is explained by relational leadership, linear regression analysis technique was used. Before conducting this test, all the pre-requests were considered and verified. These requirements are enough sample size, check for multicollinearity, outliers, homoscedasticity and linearity. Simple linear regression output is presented in the Table 3. This table suggests that all four regression models were significant at  $p < .000$  level. For relational leadership and idea generation model the values of  $R^2 = .515$ , and adjusted  $R^2 = .262$  are presented. For relational leadership and idea promotion model the values are  $R^2 = .490$ , and adjusted  $R^2 = .237$ . Whereas, relational leadership and idea realization model presents the values of  $R^2 = .691$ , and adjusted  $R^2 = .381$ . The overall effect of relational leadership on total employee innovative work behavior is evident by these values of  $R^2 = .644$ , and adjusted  $R^2 = .412$ . By observing  $\beta$  values, Table 3

**Table 2 – Pearson product-moment correlations between independent and dependent measures of the study.**

Scale	Relational leadership	Idea generation	Idea promotion	Idea realization
Relational leadership	–			
Idea generation	.515**	–		
Idea promotion	.490**	.646**	–	
Idea realization	.619**	.566**	.513**	–

Note: Correlation is significant at \*\*  $p < 0.01$  (2-tailed).

**Table 3 – Summaries of multiple regression analysis for relational leadership predicting idea generation, idea promotion and idea realization and total EIWB.**

Model	R	$\Delta R^2$	$\beta$	b	S.E	F	t	p
Dependent variables								
Idea generation	.515	.262	.515	.633	.066	93.252	9.657	.000
Idea promotion	.490	.237	.490	.502	.055	81.827	9.046	.000
Idea realization	.619	.381	.619	.783	.062	160.869	12.683	.000
Total EIWB	.644	.412	.644	.639	.047	183.059	13.530	.000

Note: b = un-standardized coefficients, S.E = standard error of variables,  $\beta$  = standardized coefficients, t = t-statistic, p = significance level.  $R^2$  = R square.

indicates that relational leadership explains 51.5% variation in idea generation, 49% in idea promotion, and 61.9% in idea realization. Overall it explains 64.4% variation in employee innovative work behavior. That shows quite satisfactory and positive results for this study and the results supported all four hypotheses (H1, H2, H3 and H4) of this study.

## 6. Discussions

This study was conducted with the objective to find out whether or not relational leadership effects the idea generation, idea promotion and idea realization stages of employee innovative work behavior in IT industry of China. It also intended to find out the overall effect of relational leadership on EIWB. The rationale was to find out how relational leadership interacts with employee innovative work behavior in ever fast growing information industry of China. First, it was hypothesized that relational leadership positively and significantly affects idea generation phase of EIWB. The results supported this proposition by showing positive correlation and a significant and positive regression value effect of relational leadership on idea generation level of employees, therefore, H1 is not rejected. The second hypothesis of this study was that relational leadership effects positively and significantly to the idea promotion in employees of IT industry in China. Results also supported this hypothesis and indicated a positive correlation and significant regression results between relational leadership and idea promotion stage of EIWB, therefore, H2 is also not rejected. H3 stated that relational leadership has a positive and significant effect on idea realization in employees of IT industry. This hypothesis is also supported because results indicated a significant positive correlation and regression values for the effect of relational leadership and idea realization stage of EIWB. Therefore, H3 is also not rejected. H4 claimed that relational leadership is positively and significantly affects the overall EIWB. Hence the results of this study supported this claim by presenting a strong and positive correlation between relational leadership and total EIWB.

Results also ensure a significant and positive regression value and therefore, H4 is also not rejected. As it is evident from the results that relational leadership significantly and positively affects all dimensions of innovative work behavior of the employees of Nantian Company, however, this influence is particularly higher in idea realization stage of IWB with 62% variance caused in idea realization due to relational leadership. This suggests that better the relationships between leader and his employees more easy it will be to implement the innovative ideas in the organization. If the leader shows care for his employees, include them at all stages of their work and innovation, provide them a clear vision and for the fulfillment of that vision, empower them to act freely, and also ethically treat them then employees will show a better innovative behavior and ultimately results in organizational performance. Mumford (2003) also support claims presented in this study by concluding that leader's behavior indeed shapes the innovative ability of organizational employees.

In another study, Chao et al. (2011) found a good supervisor's leadership and employee innovative work behavior related to each other. The results of this study are also consistent with the findings of Tierney et al. (1999) who found that higher quality relationships with leaders' results in higher level of innovative work behavior by employees. This study also co-aligns with the findings of De Jong and Den Hartog (2007) and Janssen (2005). These authors found that if employees perceive that their leaders are supportive, they participate in more innovative activities at all three stages of innovative work behavior (idea generation, idea promotion, idea realization). In the case of present study, Chinese employees working in An IT Company presented that their leaders are relational and therefore, they are also depicting innovative work behavior. That support and strengthen the claim of this research study.

## 7. Conclusion

The rationale behind this study was to find out whether relational leadership has a positive effect on the employees' innovative work behavior or not in IT industry employees in China. It was also aimed to find out how strongly relational leadership effects EIWB on these employees. This study also observed that what is the effect of relational leadership on each dimension of EIWB? As mentioned earlier, businesses are subject to high volatility due to high level of changes in business world. Innovation is the key to success in present competitive business environment. Innovation does not happen in isolation from the people of organizations. People are the key resource for the organizations that can be better used for achieving its objectives of higher innovative ability. However, in present market-oriented economy, using this resource in an appropriate and useful manner to ensure higher competitive advantages and output is crucial and demands special attention.

Administrative skills are not enough to utilize such an important resource alone rather leaders also need to be in a position to take initiative and cultivate and retain a positive functional relationship with his followers (Watt, 2013). Its particularly true for China's fast growing IT industry, which is expected to lead the world market in coming years. The desire of Chinese Government and companies to be innovative and promote innovation is supported by the way the leaders are dealing with their followers in IT industry. If they are showing a relational aspect of leadership to their employees, then they are able to internally motivate them to be more innovative in their jobs. Furthermore, this study helped in understanding the nature of this relationship between relational leadership and idea generation, promotion and realization stages of EIWB. The results supported all the hypotheses of this study. Therefore, relational leadership has been found as an important instrument for increasing the innovative ability of organizational employees in IT industry employees particularly. It can be concluded that relational leadership leads to better innovative work behavior on behalf of organizational employees.

### 7.1. Managerial and practical implications

Findings from this study suggest a number of implications for organizational managers and leaders, particularly for Chinese organizations and HR practitioners. In order to improve the employee innovative behavior, organizations need to promote relational leadership among their leaders. Those leaders who are more inclusive, ethical, empowering, caring and those who have clear vision are able to increase the innovative work behavior among their followers. Relational leadership can also be used as a source of employee motivation because better relations with leader increases employees work involvement that leads to better innovative behavior among workers. Employees need better behavior and empowerment in their work to achieve higher innovative goals. Hence, in present competitive business environment, relational leadership can be used as an ultimate source for competitive advantage. It can also help in achieving higher organizational productivity goals by organizations in general and technology driven companies in particular. Therefore, it is the need of time to train the organizational leaders to depict better relational behavior with their followers and create a better working environment for them. This will ultimately lead to higher levels of innovativeness and workers' productivity.

### 7.2. Limitations and future research suggestions

This research is not free from limitations. The limitations of this study are discussed here and some future study recommendations are also provided next. Due to limited access and budget, it was not possible for the researchers to access all employees' databases of the Nantian Company. Therefore, only those employees were contacted and requested to fill up the questionnaire, who were willing to respond to this request. Moreover, this study is cross sectional study, therefore, the data was collected in one short time. However, a longitudinal or qualitative study can be conducted to understand the concept of relational leadership in more details. In addition to longitudinal study, the interaction between relational leadership and EWIB can also be tested by incorporating some mediating or moderating variables, for example organizational culture and social capital. Future study can focus on other industries beside information technology with increase in sample size. Lastly, this study was conducted by using Chinese employees' sample, however, future studies can also focus on other under developing countries which are struggling to become developed and promote innovation in their countries.

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## Conflicts of interest

It is stated that this research was purely conducted for academic purposes. There is no role of any organization or sponsor in the study design, in the data collection process, analysis of the study and interpretation of the data. The conclusions are solely made on the basis of the collected data.

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