

UNIVERSITI TEKNOLOGI MARA

**EMPLOYEE MINDSET AND
INNOVATIVENESS: THE
MODERATING EFFECTS OF
SOCIAL RELATIONSHIPS AND
SELF-LEADERSHIP AMONG
EMPLOYEES AT SELECTED
GOVERNMENT LINKED
COMPANIES (GLCs)**

MOHD SAFWAN BIN RAMLI

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ABSTRACT

Employee innovativeness increases organizations' chances to react to changes and discover new opportunities. It can also help foster competitive advantage as it allows organizations to build better products and services for their client. Innovativeness is also recognized as one of the important criteria in employment whereby, employers tend to look at the job candidates' abilities in expressing themselves through their creative thinking skills. Innovative employee can lead to new ideas as people are introduced to diverse perspectives and pushed to think more deeply. Another benefit of collaboration is that people with different skills and knowledge can figure out creative ways to combine their assets to solve problems. The main purpose of this research was to investigate the moderating self-leadership and perceived organizational support towards the relationship between an employee mindset and employee innovativeness among Government Linked-Companies (GLCs). The five GLCs involved in this study were Khazanah, Proton, Axiata Berhad, MAS and EPF. A correlational study design was applied in this study and data were collected by using quota sampling. Data were obtained through a set of questionnaires comprised of four sections. A pilot study was done prior to the actual data collection process, validating the instruments used. Exploratory Factor Analysis was conducted to establish the components under investigation. Besides, the researcher used descriptive, correlational, multiple regression and hierarchical regression analysis to analyze the data obtained. The findings of this study revealed that there was a relationship between an employee mindset and employee innovativeness among employees at selected GLCs in Malaysia. Specifically, every dimension of employee mindset explained the variance of employee innovativeness. Adaptability was discovered to be the most influential dimension of employee mindset towards employee innovativeness, followed by the dimension of employee mindset. Through correlational analysis, it was also found that the cosmopolitanism dimension of employee innovativeness had the strongest relationship with employee mindset. In addition, hierarchical regression analysis discovered that social relationships and self-leadership moderate the relationship between an employee mindset and employee innovativeness. In fact, four dimensions from the social relationship and self-leadership were found to be significantly moderating the relationship between the two variables of employee mindset and employee innovativeness. The researcher proposed a few suggestions on how to improve adaptability, super leader, cognitive complexity, work culture and creative thinking among employees. For instance, employees were recommended to be active listeners to improve their adaptability, embrace social composure to improve their creative thinking, work culture and their leadership skills, in order to increase their levels of innovativeness. Additionally, the researcher also suggested that future research should be conducted in a larger population and on other GLCs in other settings with better sampling methodologies.

Keywords: Employee Innovativeness, Employee Mindset, Idea Generation Of Innovation, Idea Realization, Diffusion

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TABLE OF CONTENTS

| | Page |
|---|-------------|
| CONFIRMATION BY PANEL OF EXAMINERS | ii |
| AUTHOR'S DECLARATION | iii |
| ABSTRACT | iv |
| ACKNOWLEDGMENT | v |
| TABLE OF CONTENTS | vi |
| LIST OF TABLES | xiv |
| LIST OF FIGURES | xvii |
| | |
| CHAPTER ONE INTRODUCTION | 1 |
| 1.1 Introduction | 1 |
| 1.2 Research Background | 1 |
| 1.3 Problem Statement | 5 |
| 1.3.1 The Urgency to Conduct the Study | 8 |
| 1.4 Research Objectives | 11 |
| 1.5 Research Questions | 12 |
| 1.6 The Significance of This Study | 12 |
| 1.6.1 The Employers or Organizations | 13 |
| 1.6.2 The Future Researcher | 13 |
| 1.6.3 The Nation | 14 |
| 1.7 Scope of the Study | 14 |
| 1.8 Operationalized Definition of Terms | 14 |
| 1.8.1 Government-Linked Companies | 14 |
| 1.8.2 Cosmopolitanism | 15 |
| 1.8.3 Cognitive Complexity | 15 |
| 1.8.4 Entrepreneurial Mindset | 15 |
| 1.8.5 Boundary Spanning | 15 |
| 1.8.6 Adaptability | 15 |
| 1.8.7 Work Culture | 15 |

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter outlined the background of the study, statement of the problem, research objectives, research questions, the significance of the study, limitations of the study and definitions of the key terms used in this research. This section provided some important insights by exploring the innovativeness among government-linked companies where employees can contribute to innovation, and the important areas in which this study has made an original contribution to the body of knowledge.

1.2 Research Background

Innovation is a key driver in creating new opportunities that create greater value for society both economically and socially. It is also a process that involves the deliberate application of information, imagination and initiative in translating excellent ideas or outstanding inventions into new goods or services. Innovation is a critical element of Malaysia's development agenda as it raises productivity and competitiveness to be an advanced and inclusive nation (Suliman, 2020). Nowadays, innovation is considered a trending issue that people talk about. One of the main reasons is due to the Malaysian government's effort to push this society to become innovative to compete with the outside world; it will create a competitive advantage, as well as enhance productivity and efficiency (Tenth Malaysia Plan, 2010). The reason for this is innovation and economics are equal. Without innovation, the economy cannot sustain. Nelson (1993) stated that innovation can expand and develop economies. Economies that do not add new kinds of goods and services only continue to repeat old work and do not expand much. Innovation is important to the country to drive the economy further.

Several measures were undertaken to strengthen the innovative environment during the Tenth Malaysia Plan, 2011-2015; Twelve Malaysia Plan, 2016 - 2020, including investing substantially in research, development, commercialization and