Entrepreneurial Leadership and Innovation Work Behavior: Social Cognitive Approach

by 1357. 2282 Endi Sarwoko 1357. 2282 Endi Sarwoko

Submission date: 03-Aug-2020 12:30PM (UTC+0700)
Submission ID: 1365375742
File name: 1357._2282-6730-1-SM_artikel_masuk.doc (145K)
Word count: 6452
Character count: 39956

Journal of Economics, Business, and Accountancy Ventura Vol. xx, No. xx, August – November xxxx, pages 1 – 14

Entrepreneurial Leadership and Innovation Work Behavior: Social Cognitive Approach

Endi Sarwoko
Universitas Kanjuruhan, Jalam S. Supriadi 48, Malang, Jawa Timur, Indonesia

A R T I C L E I N F O

Article history:
Received
Revised
Accepted

JEL Classification:

Key words:
Entrepreneurial leadership, innovation work behavior, creative self efficacy

DOI:
10.14414/jebav.

A B S T R A C T

Previous studies have examined the relationship between leadership type and innovative behavior. However, there is still a scarcity of empirical studies the mediation role of creative self-efficacy on the relationship between entrepreneurial leadership and innovative work behavior. This study was conducted to fill this gap in understanding the relationship between entrepreneurial leadership and innovative work behavior, as well as the role of creative self-efficacy as the mediation. A questionnaire was distributed to 190 employees of the Authorized Honda Service Station (AHASS) in Malang Raya to collect the data. Structural equation modeling was used for data analysis and hypothesis testing. The results indicate that the effectiveness of entrepreneurial leadership will enhance employee's innovative work behavior. Entrepreneurial leadership will also increase creative self-efficacy, which in turn will enhance employees' innovative work behavior. This study contributes to the development of literature by providing empirical evidence on the relationship between entrepreneurial leadership and innovative behavior, as well as the role of creative self-efficacy in innovative behavior. The study confirms the Social Cognitive Theory (SCT) that self-efficacy produces creative ideas and innovative work. Leaders should open up opportunities for employees to develop creative ideas at the workplace to improve innovative work behavior.

A B S T R A K

Penelitian terdahulu sudah menguji hubungan tipe zakepemimpinan dengan innovation behavior, namun masih ada kelangkaan studi empiris tentang peran mediasi creative self efficacy pada hubungan antara entrepreneurial leadership dengan innovation work behavior. Studi ini dilakukan untuk mengisi gap tersebut dengan tujuan untuk memahami hubungan entrepreneurial leadership dengan innovation work behavior, serta peran creative self-efficacy sebagai mediasi dari hubungan entrepreneurial leadership dengan innovation work behavior. Data dikumpulkan menggunakan kuesioner yang dibagikan kepada 190 karyawan Authorized Honda Service Station (AHASS) di Malang Raya. Analisis data menggunakan Structural equation modelling dengan software SmartPLS. Hasil penelitian mengindikasikan bahwa efektivitas entrepreneurial leadership akan meningkatkan innovative work behavior karyawan, selain itu entrepreneurial leadership akan meningkatkan creative self-efficacy, dan menyebabkan peningkatan innovative work behavior karyawan. Studi ini berkontribusi pada pengembangan literatur dengan memberikan bukti empiris tentang hubungan antara entrepreneurial leadership dengan innovative behavior, dan peran creative self-efficacy pada innovative behavior. Studi mengkonfrmasi Social Cognitive Theory (SCT) bahwa self-efficacy seseorang akan menghasilkan ide-ide kreatif di tempat kerja, dan menghasilkan pekerjaan yang inovatif. Implikasi praktis, leader harus meningkatkan kesempatan kepada karyawan lebih besar untuk mengembangkan ide-ide kreatif dalam pekerjaan, dalam rangka mencapai peningkatan innovative work behavior.

1. INTRODUCTION

Studies have approved that entrepreneurship is associated with innovation (Tidd, 2014), entrepreneurial behavior encourages innovation and adaptation to a changing environment (Renko et al., 2015). Thus, owner-managers need to have the ability to drive innovation in their company. Innovation is needed since changes occur in a competitive business environment (Sawaean & Ali, 2020), and risks are increasing (Fontana & Musa, 2017). Com-

** Corresponding author, email address: endiswk@unikama.ac.ac.id.*

panies should be adapted through innovation to deal with these environmental changes (Ince et al., 2016) by exploring and exploiting opportunities to maintain competitive advantage (Fontana & Musa, 2017). The success of a business is achieved if the leaders have a clear vision and are supported by entrepreneurial actions (Sawaean & Ali, 2020). Companies must be able to take opportunities and improve organizational competence (Huang et al., 2014).

A competitive and dynamic business environment requires leaders to encourage creativity and innovation in order to be able to compete by having entrepreneurial leadership (Gupta et al., 2004). Innovation is determined by two things, at the organizational level innovation is determined by leadership (Puente-Dã-Az, 2016), while at the individual level it is determined by individual creativity; the result of individual creativity in organizations is innovation (Hon & Lui, 2016). The creativity and innovation model developed by Hon and Lui (2016) explains that at the individual level, creativity is generated by creative efficacy; the results are individual outcomes in the form of career satisfaction, while at the organizational level the results of individual creativity are performance and innovation. Specifically, Cai et al. (2019) state that innovation in the team (organizational) is determined by entrepreneurial leadership. The model describes the relationship between leadership and creative efficacy as well as innovation, in which leadership is the antecedents of creativity, while innovation is the result of creativity. Renko et al. (2015) stated that entrepreneurial leadership increases followers' trust in skills and abilities as well as encourages enthusiasm for innovation.

Studies on the role of leadership on innovative behavior have focused on transformational leadership, in which transformational leadership is related to innovation and creativity (Afsar et al., 2014; Afsar & Masood, 2018; Caillier, 2016; Chen et al., 2014; Gill et al., 2010; Herrmann & Felfe, 2014; Kang et al., 2015; Liu et al., 2010). Transformational leadership can foster a climate for innovation that encourages employee (Jaiswal & Dhar, 2015). Besides, transformation leadership is related to performance (Buil et al., 2019; Salanova et al., 2011). Newman et al. (2018) argue that different leadership (eg entrepreneurial, transformational, and participative leadership) are effective for innovative behavior. However, based on the results of meta-analytic research by Herrmann and Felfe (2014), studies on transformational leadership in relation to creativity has resulted in unsatisfactory results since transformational leadership is not specifically related to innovative behavior and opportunity recognition (Bagheri, 2017); transformational leadership focuses on how leaders generate higher performance from followers (Bass, 1985). This criticism shows that previous studies on the role of transformational leadership in innovation need to be developed in other types of leadership. It is supported by a study by Newman et al. (2018) stating that entrepreneurial leadership provides a stronger moderating effect from the relationship of creative self-efficacy and innovative behavior than transformational and participative leadership. Therefore, the effect of different leadership styles on innovative behavior needs to be examined.

The measurement of entrepreneurial behavior and entrepreneurial attitudes in Indonesia presented in the Global Entrepreneurship Monitor (GEM) shows that in 2018, Indonesia's index Perceived Capabilities Rate (PCR) revealed that 64,1% out of a total population of 18-64 years believed they have the skills and knowledge to start a business (self-efficacy). It is even higher than the global average of 49.15%. Furthermore, the Innovation Rate (IR) measurement shows that only 15.36% of new entrepreneurs in Indonesia produce innovative products/services; the percentage is lower than the global average of 26.6%. It indicates that entrepreneurs in Indonesia have high self-efficacy, but lack of innovation. The low degree of innovation needs to be explored further, especially the factors that influence entrepreneurial innovation. It is important for organizations to identify and improve the factors that effect on individual innovative work behavior (Afsar & Umrani, 2019).

Some previous studies describe that entrepreneurial leadership has a positive effect on employee innovative work behavior (Bagheri, 2017), facilitates the innovation process in the company (Fontana & Musa, 2017), and has an impact on business performance (Huang et al., 2014; Sawaean & Ali, 2020). These findings indicate that employee's innovative behavior is determined by how a leader is able to move his employees to apply new ideas in their work. Another study examine entrepreneurial leadership with creativity, such as Cai et al., (2019) who states that employees and teams led by entrepreneurial leadership will produce creative results, supported by the employee's and team's creative self-efficacy. The literature has proven that entrepreneurial leadership affects innovative work behavior mediated by creative efficacy. There is a dearth of empirical studies on the relationship between entrepreneurial leadership and innovative

work behavior in the small businesses of developing countries such as Indonesia. To fill this gap, this study aims to examine the relationship between entrepreneurial leadership and innovative work behavior, as well as the role of creative self-efficacy as a mediator of the relationship between entrepreneurial leadership and innovative work behavior.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Entrepreneurial Leadership

Entrepreneurial leadership is different from other leadership styles since entrepreneurial leadership focuses on recognizing and exploiting opportunities as entrepreneurial goals (Renko et al., 2015), and achieving innovation performance (Fontana & Musa, 2017). According to the entrepreneurial leadership theory, entrepreneurial leadership is an effective type of leadership to build teams in order to achieve innovation goals (Renko et al., 2015). Entrepreneurial leadership is a type of leadership that focuses on innovation and adaptation to an uncertain environment (Surie & Ashley, 2008), and utilizing new opportunities and enhancing the ability to compete in a dynamic environment (Huang et al., 2014). The definition of entrepreneurial leadership leads to one characteristic namely leadership that leads to innovation. In this study, entrepreneurial leadership is defined as a type of leadership that focuses on recognizing and exploiting opportunities to build teams in order to achieve innovation goals (Renko et al., 2015).

Entrepreneurial leadership encourages organizations to strengthen a culture of innovation by finding and exploiting opportunities to improve organizational performance (Rae, 2017). Entrepreneurial leadership is considered an effective leadership in encountering a dynamic business environment since it will increase innovation and recognize opportunities (Fontana & Musa, 2017; Freeman & Siegfried Jr, 2015). Entrepreneurial leadership adopts philosophy and management methods that enable the integration of knowledge to be utilized in new processes, products, and operational activities (Gupta & Batra, 2016). It is important to encourage the development of entrepreneurial leadership at all levels of the organization to ensure that the innovation process is managed effectively (Fontana & Musa, 2017). This is because the organizational competitive advantage is determined by employee innovative behavior (Shin et al., 2017; Wang et al., 2015). The role of entrepreneurial leadership is to support the creation of new ideas by employees and develop strategies and approaches to facilitate these innovations (Bagheri, 2017), and the recognition of opportunities perceived by employees (Huang et al., 2014). Entrepreneurial leadership can increase individual participation to raise innovation awareness (Strobl et al., 2020), solve problems using creative methods, and utilize organizational resources effectively and efficiently in order to improve organizational performance (Rae, 2017). The application of entrepreneurial leadership in SMEs is considered effective because it is able to deal with a dynamic business environment since its orientation is opportunity and innovation, and is able to move followers to recognize opportunities and use creative methods. The aim is innovative behavior and organizational performance.

Research on entrepreneurial leadership can be done with a focus on three things, namely focus on leaders (entrepreneurial behavior and attitudes), new business owners, and differences or similarities between leaders and entrepreneurs (Renko et al., 2015). In this study, entrepreneurial leadership is examined with an approach to entrepreneurial behavior and attitude, its impact on employee innovative behavior.

Creative Self-Efficacy

Referring to the Social Cognitive Theory (SCT) (Bandura, 1986), the belief in self-efficacy enables the development of creative ideas in the workplace. The core of SCT is an assessment of one's capability to execute courses of actions required in order to achieve performance (Bandura, 1986). This includes two things, namely the expectation of being able to perform certain behaviors and the results to be obtained from their behavior (Leong & Rasli, 2014). An individual who has self-efficacy is able to execute action; self-efficacy will affect one's affective response in carrying out the task and will affect the success of the task (Newman et al., 2018).

Creative self-efficacy is a special form of self-efficacy in which an individual perceives himself to be able to produce creative ideas (Tierney & Farmer, 2002). Creative self-efficacy bridges the creativity of leaders and the creativity of employees (Jiang & Gu, 2017). Someone with high creative self-efficacy tends to realize their creative potential to achieve creative results (Diliello et al., 2011). They are involved in innovative behavior since they believe in their knowledge and skills to generate ideas at the workplace (Jiang & Gu, 2017). Someone with low creative self-efficacy will regard challenges as mere opportunities (Newman et al., 2018). In the context of service companies, employee's creative self-efficacy is portrayed from innovative be-

havior in the workplace in which customer problems are solved creatively (Michael et al., 2011).

Innovative Work Behavior

To improve the development of innovation, an understanding of innovative work behavior is needed (Messmann & Mulder, 2012). Innovative behavior is the involvement in the innovation process as an initial part of innovative results, and the concept of innovative behavior is broader than creativity (Shin et al., 2016) since innovative behavior includes activities ranging from fighting for ideas to implementing new processes (Janssen, 2000). While the focus of creativity is narrower only on raising useful new ideas (Shalley, 2008). Creativity includes exploring and generating ideas, while innovation involves fighting for and implementing ideas (De Jong & Den Hartog, 2010). Innovative work behaviors link activities and employee's work results, which will influence the development of innovation (Messmann & Mulder, 2012). Innovative work behavior includes the process of identifying and introducing new ideas, processes, and new procedures in work (De Jong & Den Hartog, 2010).

De Jong and Den Hartog (2010) measure innovative work behavior using four dimensions, namely: 1) idea exploration of the discovery of opportunities as an initial process of innovation, 2) idea generation relating to products, services or processes, new markets, process improvement, and problem identification, 3) idea championing of fighting for ideas to be relevant to be implemented, and 4) idea implementation of the behavior of realizing ideas. Messmann and Mulder (2011) used five dimensions to measure innovative work behavior, namely opportunity exploration, idea generation, idea promotion, idea realization, and reflection. The difference between these two measurements is that De Jong and Den Hartog measure the innovation by focusing on the level of individuals in the organization while Messman and Mulderis a dynamic and context-bound construct.

Entrepreneurial Leadership dan Innovation work behavior

A leader in an organization has a role as a facilitator and manager. The role of the facilitator is to change the creative efforts of individuals and teams into innovation, while managers manage the goals of the organization to innovation (Denti & Hemlin, 2012). Crossan and Apaydin (2010) develop a multi-dimensional framework of organizational innovation with three determinants of innovation, namely leadership, managerial levels, and business processes. It was further explained that in the context of leadership, innovation is determined by the ability and motivation of leaders to innovate. Entrepreneurial leadership encourages organizations to strengthen a culture of innovation (Rae, 2017), which is considered effective in a dynamic business environment Fontana & Musa, 2017; Freeman & Siegfried Jr, 2015). Entrepreneurial leadership plays a role in supporting the employee's creation of new ideas to achieve innovation (Bagheri, 2017).

Studies have shown that entrepreneurial leadership has a significant positive effect on employee innovative work behavior (Bagheri, 2017), entrepreneurial leadership has a positive and significant influence on the dimensions of the innovation process (Fontana & Musa, 2017), entrepreneurial leadership is positively related to exploratory and exploitative innovation, moderated by the environment (Huang et al., 2014). Using a different perspective from leadership, Afsar and Umrani (2019) explain that transformational leadership has a positive impact on employees' innovative work behavior, and the climate for innovation moderates the relationship. Chen (2007) examined the relationship between entrepreneurial leadership and innovative capability, with a high level of entrepreneurial leadership and team creativity that would improve innovative capability.

Several previous studies have examined entrepreneurial leadership and innovation. However, generally, they were in medium and large companies. Thus, it allows different findings in the context of small and medium enterprises. This study tested the hypothesis of the relationship between entrepreneurial leadership and innovative work behavior in the context of small and medium-sized service enterprises.

H_1: Entrepreneurial leadership has a positive relationship with innovative work behavior

The Mediating role of Creative Self Efficacy

A study by Puente-Dã-Az (2016) describes that an increase in creative self-efficacy can be done from two levels. At the organizational level, creative self-efficacy is determined by leadership, while at the individual level is through achievement goals. Leadership and achievement goals are related to creative self-efficacy, and will determine the achievement of creative performance. Jaiswal and Dhar (2015) stated that employees with high self-efficacy would use creative behavior when the innovation climate is supportive, and the innovation climate will be determined by leadership. Research by Cai et al. (2019) found that innovative work be-

havior is determined by entrepreneurial leadership and employee and team creativity. In addition, it was found that the relationship was mediated by the employee's creative self-efficacy and team's creative efficacy.

Puente-Dā-Az (2016) develops the antecedent of creative self-efficacy model that leadership (organizational antecedent) and employee's achievements goal (personal antecedent) will determine creative self-efficacy. Then the result of creative efficacy is creative performance. This model seeks to suggest testing the role of leadership as an antecedent of creative self-efficacy and the results are in the form of individual creative performance. Amabile and Pratt (2016) developed The Dynamic Component Model between creativity and innovation that individual creativity is related to innovation. At the individual level, creativity includes intrinsic motivation for the task, skills, and creative process. Furthermore, at the organizational level, innovation includes motivation for innovation and available resources. This model explains the relationship between individual creativity and innovation. A study by Michael et al., (2011) found that employees with high creative self-efficacy exhibit high levels of innovative behavior. Newman et al., (2018) states that a high entrepreneurial leadership will affect the relationship of creativity and innovative behavior.

H_2: Entrepreneurial leadership has a positive relationship with creative self-Efficacy

H_3: Creative self-efficacy as a mediator in the relationship between entrepreneurial leadership and innovative work behavior

3. RESEARCH METHOD

Research Design

This study is a quantitative study with a survey to service companies namely Authorized Honda Service Station (AHASS). It is focused on small and medium-sized enterprises, especially automotive services, with 2 main reasons. First, motorcycle sales growth in Indonesia especially in Malang Raya is very high. Thus, the need for after-sales service also increases with high competition among authorized AHASS dealers in providing after-sales service. Secondly, motor vehicle technology has also improved demanding companies to have higher innovation s than other companies in order to be able to serve the needs of customers. Third, small and medium-sized enterprises have different challenges compared to large companies in dealing with environmental changes, both in terms of innovation and leadership

This study combines two approaches, namely innovation at the individual level related to creative self-efficacy and innovative work behavior and at the organizational level related to the application of entrepreneurial leadership in companies. Data were collected using a single source method from employees. They were asked to assess the entrepreneurial leadership behavior of the owner/manager and their perceptions about their creative self-efficacy and innovative work behavior at the workplace.

Sampling method

The research sample was taken from AHASS employees in Malang Raya including Malang City, Malang Regency, and Batu City. Using the Slovin formula, a total sample of 209 employees was selected using the proportional random sampling technique. Proportional random sampling was used to guarantee a representative sample since the number of employees in each AHASS dealer is not the same. The response rate of the questionnaires was 90%. Thus, the analysis only used data from 190 employees.

Measures

Entrepreneurial leadership measurement used the Entrepreneurial Leadership Questionnaire (Renko et al., 2015). Using eight items, respondents were asked to respond to whether the leader has radical improvement ideas, totally new ideas, risk-taking, creative solutions, passion, a vision of business, encouraging employees to work more innovatively, and want challenges from employees related to their business.

Innovative work behavior measurement uses four items from De Jong and Den Hartog (2010), namely idea exploration, idea generation, ide championing, and ide implementation.

Creative self-efficacy measurements used three items developed by Tierney and Farmer (2002). Respondents were asked if they believe they are able to solve problems creatively, perceive that they can generate new ideas, and have the talent to develop other people's ideas.

Respondents answered with a 5-point Likert Scale, ranging from 1 = strongly disagree to 5 = strongly agree. Structural equation modeling (SEM) with the SmartPLS 3.0 was used to test the hypothesis of relationships between variables, namely the relationship between entrepreneurial leadership and innovative work behavior, with creative self-efficacy as the mediation.

4. DATA ANALYSIS AND DISCUSSION

This study was conducted at the Authorized Honda Service Station (AHASS) in Malang Raya to measure the level of employee's innovative work behavior and the influencing factors, namely entrepreneurial leadership and creative self-efficacy. The description of innovative work behavior, entrepreneurial leadership, and creative self-efficacy in Table 1 indicates that generally, employees assessed the level of entrepreneurial leadership in the company as high (substantial), especially in the dimension of leaders often have new ideas, creative solutions to problems, and future company's mission. While other dimensions show moderate results. Creative self-efficacy of all dimensions shows a high level of creative self efficacy (substantial). The innovative work behavior shows high results (substantial) for three dimensions, namely methods, techniques, or new work instruments (idea generation), enthusiastic for innovative ideas (idea championing)), and introducing innovative ideas into work practice (idea implementation), while the dimension of idea exploration shows a moderate level.

Table 1. Descriptive Statistics, Factor Loading

Variable	Mean	SD	Factor Loading	t-value
Entrepreneurial Leadership				
EL 1	3.021	3.021	0.714	20.060
EL 2	3.837	3.837	0.842	44.923
EL 3	3.253	3.253	0.702	17.022
EL 4	3.658	3.658	0.746	21.702
EL 5	3.058	3.058	0.775	24.855
EL 6	3.584	3.584	0.779	23.653
EL 7	2.811	2.811	0.725	17.366
EL 8	3.179	3.179	0.736	22.796
Creative Self-Efficacy				
CSE 1	3.874	3.874	0.841	37.341
CSE 2	3.889	3.889	0.794	20.315
CSE 3	4.053	4.053	0.732	16.301
Inovative work behavior				
IWB 1	3.042	3.042	0.764	18.536
IWB 2	3.921	3.921	0.861	44.284
IWB 3	3.968	3.968	0.829	31.363
IWB 4	3.779	3.779	0.858	47.922

Source: SmartPLS Output, 2020.

Measurement

The estimation of structural models and hypothesis testing for relationships between variables used SmartPLS software. Table 1 presents the factor loading for each dimension of each construct analyzed, and the t-value that measures the significance of the factor loading. According to Hair et al. (2011), the role of thumb for model evaluation, each item must have an outer loading value of > 0.7 and at t-value of > 1.96 (significance level = 5%). The test results show all items have a factor loading greater than 0.7 and each item has at t-value of > 1.96. Thus, the items and constructs meet the requirements for model measurement.

Tabel 2. Evaluasi Model Pengukuran

Construct	Composite Reliability	AVE	EL	CSE	IWB
Entrepreneurial Leadership (EL)	0.913	0.568	**0.568***		
Creative Self-Efficacy (CSE)	0.833	0.625	0.417	**0.625***	
Inovative work behavior (IWB)	0.898	0.687	0.505	0.311	**0.687***

** Average Variance Extraced (AVE)*
Source: SmartPLS Output, 2020

Internal consistency reliability was measured using composite reliability. Table 2 shows that the items in each construct have satisfactory reliability. Furthermore, the measurement of convergent va-

lidity uses the criteria of average variance extracted (AVE) for each construct of 0.5 or more (Hair et al., 2011). The AVE value in table 3 shows that the construct meets convergent validity (AVE > 0.5). The discriminant validity test used the Fornless-Larcker criteria. The AVE of each latent construct should higher than the highest squared correlation (Hair et al., 2011). The AVE value for each construct (number in the diagonal direction) is higher than the highest squared correlations with any other latent construct (numbers below the diagonal), thus the construct has good discriminant validity.

Tabel 3. *Direct and Indirect Effect*

Relationship	Path Coefficient	t-value	R^2
EL → IWB	0.601	10.445	0.417
CSE → IWB	0.169	2.532	
EL → CSE	0.646	16.826	0.521
EL → CSE → IWB	0.109	2.446	

Source: SmartPLS Output, 2020

Structural Model

Structural testing of the model used a value of R^2 that is a measure of the accuracy of the model's predictive. The R^2 value in table 3 was 0.417 for the innovative work behavior construct and 0.521 for the CSI construct. Thus, the accuracy of the model is in the moderate category (Hair et al., 2011).

Table 3 presents the path coefficient value as the causal relationship between constructs, and the t-value for hypothesis testing. Based on the results of the analysis, it is found that entrepreneurial leadership has a positive and significant relationship with innovative work behavior (t-value 10.445> 1.96), entrepreneurial leadership also has a positive and significant relationship with creative self-efficacy (t-value 16.826 > 1.96). Thus, hypothesis 1 (H_1) and hypothesis 2 (H_2) are accepted. Furthermore, creative self-efficacy also showed the results of a positive and significant relationship with innovative work behavior (t-value 2.532 > 1.96). Thus, Hypothesis 3 (H_3) was accepted.

Discussion

The study aims to examine the relationship between entrepreneurial leadership and innovative work behavior, and the role of creative self-efficacy as a mediator in the relationship between entrepreneurial leadership and innovative work behavior. Hypothesis testing results indicate that the innovative work behavior is determined by entrepreneurial leadership, whereas a high entrepreneurial leadership is positively related to innovative work behavior. The difference of entrepreneurial leadership from other types of leadership is that entrepreneurial leadership focuses on recognizing and exploiting opportunities to achieve entrepreneurial goals (Renko et al., 2015), and innovation performance (Fontana & Musa, 2017). In this study, entrepreneurial leadership is proven to be able to encourage employee involvement in the innovation process in the form of innovative work behavior at the workplace. Entrepreneurial leadership is able to encourage employees to identify and introduce new ideas in the work process and procedure (De Jong & Den Hartog, 2010). The results of this study indicate that if the leader has new ideas, creative solution to every problem, is willing to take risks, is creative, has a future company's mission, is passionate, and wants challenges from employees related to the business, the leader is able to encourage employees to have innovative behavior in the workplace. Entrepreneurial leadership will value and support the creation of new ideas by employees and develop strategies and approaches to facilitate innovation and recognition of opportunities (Bagheri, 2017). The findings of this study have confirmed the role of entrepreneurial leadership in innovative behavior and have provided empirical evidence of the effectiveness of entrepreneurial leadership in improving innovative work behavior especially service SMEs since it will increase innovation and opportunity recognition (Fontana & Musa, 2017; Freeman & Siegfried Jr, 2015). The research findings are relevant to the findings of previous researchers (Cai et al., 2019; Fontana & Musa, 2017; Puente-DãAz, 2016).

Another finding from this study is that entrepreneurial leadership is positively related to creative self-efficacy in which high entrepreneurial leadership will increase employee's creative self-efficacy. Furthermore, employees with high creative self-efficacy will increase innovative work behavior. Thus, creative self-efficacy as a mediator of entrepreneurial leadership's relationship with innovative work behavior. When SME leaders apply entrepreneurial leadership, they will encourage employee creativity such as employee involvement to generate and explore new ideas at work (De Jong & Den Hartog, 2010). Employees with high self-

efficacy will use creative behavior when the innovation climate is supportive, and leadership (Jaiswal & Dhar, 2015) will determine the innovation climate. This finding is relevant to the antecedent models of creative self efficacy (Puente-Dã-Az, 2016) that creative self efficacy is determined by leadership. Thus, leadership as an antecedent of creative self-efficacy with innovation performance as a result. In addition, this finding is in line with Michael et al. (2011) that employees with high creative self-efficacy show high levels of innovative behavior. Furthermore, Newman et al. (2018) state that high entrepreneurial leadership will affect the relationship between creativity and innovative behavior.

This study was conducted in response to the antecedent of creative self efficacy model proposed by Puente-Dã-Az (2016) that creative efficacy will be determined by leadership. Thus, leadership is an antecedent of creative self-efficacy and the result is innovation performance. In addition, this study responds to The Dynamic Component model proposed by Amabile and Pratt (2016) that individual creativity is related to innovation. At the individual level, creativity includes intrinsic motivation for the task, skills, and creative process. Furthermore, at the organizational level, innovation includes motivation for innovation and available resources.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

This study investigates the relationship between entrepreneurial leadership and innovative work behavior, as well as the mediating role of creative self-efficacy in the relationship between entrepreneurial leadership and innovative work behavior. The results showed that entrepreneurial leadership has a positive effect on innovative work behavior. Besides, entrepreneurial leadership increases creative self-efficacy, then creative self-efficacy would encourage innovative work behavior. Thus, creative self-efficacy mediated entrepreneurial leadership relationship with innovative work behavior. The effectiveness of entrepreneurial leadership is reflected in the behavior of generating new ideas, having creative solutions, willing to take risks, being passionate, and having a future company's mission. Such behaviors will encourage employees to have innovative behaviors at the workplace.

Entrepreneurial leadership is an important aspect of the creation of creative self-efficacy to achieve employee innovative behavior since entrepreneurial leadership provides greater opportunities for employees to develop their creativity. Entrepreneurial leadership improves employee's creative self-efficacy that they have the ability to be involved in the company's innovation process by generating and exploring new ideas and implementing them in innovative jobs.

Theoretical Implications

This study broadens the complexity of previous studies that entrepreneurial leadership is a factor that affects innovation performance (Fontana & Musa, 2017), and business performance (Huang et al., 2014; Sawaean & Ali, 2020). In this study, it has been proven that entrepreneurial leadership affects creative self efficacy and increases employee innovative work behavior. In addition, the results of this study have confirmed the study conducted by Newman et al. (2018) that different leaderships are all effective for innovative behavior.

The results of this study also confirm the Social Cognitive Theory (SCT) (Bandura, 1986) that belief in one's self-efficacy will generate creative ideas in the workplace. Furthermore, a high entrepreneurial leadership is able to increase employees' sense of ability that they are able to execute the actions in an innovative manner (Bandura, 1986). Creative self-efficacy and innovative behavior are both created and increased when the leader applies entrepreneurial leadership.

Managerial Implications

The business competition is getting tougher. Thus, a leader must have and develop radical improvement ideas, totally new ideas, risk-taking, creative solutions, passion, the vision of the business, encourage employees to work more innovative, and want challenges of employees related to their business in order to improve employee creative self-efficacy and achieve employee innovative work behavior. This study shows that CST is a mediator of the relationship between entrepreneurial leadership and innovative work behavior. Therefore, it is important for leaders to implement the results of this research by providing greater opportunities for employees to develop creative ideas at the workplace in order to achieve innovative work behavior.

Limitation

This research suffers from several limitations. It is only carried out on service SMEs especially the automotive sector in a limited area in Malang Raya, East Java. Therefore, future studies in other fields with a broader scope are likely to have different results making it possible to carry out further research. In addition, creative self-efficacy and inno-

vative work behavior in this study were measured from employee perceptions allowing bias to occur. Further research can develop measurements at the organizational level and employee levels, such as creative self-efficacy and innovative work behavior measurements by leaders and entrepreneurial leadership measurements by employees.

REFERENCES

Afsar, B., Badir, Y. F., & Saeed, B. B. (2014). Transformational leadership and innovative work behavior. *Industrial Management & Data Systems*.

Afsar, B., & Masood, M. (2018). Transformational leadership, creative self-efficacy, trust in supervisor, uncertainty avoidance, and innovative work behavior of nurses. *The Journal of Applied Behavioral Science, 54*(1), 36-61.

Afsar, B., & Umrani, W. A. (2019). Transformational leadership and innovative work behavior. *European Journal of Innovation Management*.

Amabile, T. M., & Pratt, M. G. (2016). The dynamic componential model of creativity and innovation in organizations: Making progress, making meaning. *Research in organizational behavior, 36*, 157-183.

Bagheri, A. (2017). The impact of entrepreneurial leadership on innovation work behavior and opportunity recognition in high-technology SMEs. *The Journal of High Technology Management Research, 28*(2), 159-166.

Bandura, A. (1986). *Social foundations of thought and action: A social cognitive theory*: Prentice-Hall, Inc.

Bass, B. M. (1985). *Leadership and performance beyond expectations*: Collier Macmillan.

Buil, I., MartÃ-nez, E., & Matute, J. (2019). Transformational leadership and employee performance: The role of identification, engagement and proactive personality. *International Journal of Hospitality Management, 77*, 64-75.

Cai, W., Lysova, E. I., Khapova, S. N., & Bossink, B. A. G. (2019). Does entrepreneurial leadership foster creativity among employees and teams? The mediating role of creative efficacy beliefs. *Journal of Business and Psychology, 34*(2), 203-217.

Caillier, J. G. (2016). Linking transformational leadership to self-efficacy, extra-role behaviors, and turnover intentions in public agencies: The mediating role of goal clarity. *Administration & Society, 48*(7), 883-906.

Chen, M. H. (2007). Entrepreneurial leadership and new ventures: Creativity in entrepreneurial teams. *Creativity and Innovation Management, 16*(3), 239-249.

Chen, Y., Tang, G., Jin, J., Xie, Q., & Li, J. (2014). CEO sâ€™ transformational leadership and product innovation performance: The roles of corporate entrepreneurship and technology orientation. *Journal of Product Innovation Management, 31*, 2-17.

Crossan, M. M., & Apaydin, M. (2010). A multiâ€dimensional framework of organizational innovation: A systematic review of the literature. *Journal of Management studies, 47*(6), 1154-1191.

De Jong, J., & Den Hartog, D. (2010). Measuring innovative work behaviour. *Creativity and Innovation Management, 19*(1), 23-36.

Denti, L., & Hemlin, S. (2012). Leadership and innovation in organizations: A systematic review of factors that mediate or moderate the relationship. *International Journal of Innovation Management, 16*(03), 1240007.

Diliello, T. C., Houghton, J. D., & Dawley, D. (2011). Narrowing the creativity gap: The moderating effects of perceived support for creativity. *The Journal of psychology, 145*(3), 151-172.

Fontana, A., & Musa, S. (2017). The impact of entrepreneurial leadership on innovation management and its measurement validation. *International Journal of Innovation Science, 9*(1), 2-19. doi:10.1108/ijis-05-2016-0004

Freeman, D., & Siegfried Jr, R. L. (2015). Entrepreneurial leadership in the context of company startâ€up and growth. *Journal of Leadership Studies, 8*(4), 35-39.

Gill, A., Fitzgerald, S., Bhutani, S., Mand, H., & Sharma, S. (2010). The relationship between transformational leadership and employee desire for empowerment. *International Journal of Contemporary Hospitality Management, 22*(2), 263-273. doi:10.1108/09596111011018223

Gupta, V., MacMillan, I. C., & Surie, G. (2004). Entrepreneurial leadership: developing and measuring a cross-cultural construct. *Journal of Business venturing, 19*(2), 241-260.

Gupta, V. K., & Batra, S. (2016). Entrepreneurial orientation and firm performance in Indian SMEs: Universal and contingency perspectives. *International Small Business Journal, 34*(5), 660-682.

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of marketing theory and practice, 19*(2), 139-152.

Herrmann, D., & Felfe, J. r. (2014). Effects of leadership style, creativity technique and personal initiative on employee creativity. *British Journal of Management, 25*(2), 209-227.

Hon, A. H. Y., & Lui, S. S. (2016). Employee creativity and innovation in organizations. *International Journal of Contemporary Hospitality Management*.

Huang, S., Ding, D., & Chen, Z. (2014). Entrepreneurial Leadership and Performance in C hinese New Ventures: A Moderated Mediation Model of Exploratory Innovation, Exploitative Innovation and Environmental Dynamism. *Creativity and Innovation Management, 23*(4), 453-471.

Ince, H., Imamoglu, S. Z., & Turkcan, H. (2016). The effect of technological innovation capabilities and absorptive capacity on firm innovativeness: a conceptual framework. *Procedia-Social and Behavioral Sciences, 235*, 764-770.

Jaiswal, N. K., & Dhar, R. L. (2015). Transformational leadership, innovation climate, creative self-efficacy and employee creativity: A multilevel study. *International Journal of Hospitality Management, 51*, 30-41.

Janssen, O. (2000). Job demands, perceptions of effortâ€□reward fairness and innovative work behaviour. *Journal of Occupational and organizational psychology, 73*(3), 287-302.

Jiang, W., & Gu, Q. (2017). Leader creativity expectations motivate employee creativity: A moderated mediation examination. *The International Journal of Human Resource Management, 28*(5), 724-749.

Kang, J. H., Solomon, G. T., & Choi, D. Y. (2015). CEOs' Leadership Styles and Managers' Innovative Behaviour: Investigation of Intervening Effects in an Entrepreneurial Context. *Journal of Management studies, 52*(4), 531-554. doi:10.1111/joms.12125

Leong, C. T., & Rasli, A. (2014). The Relationship between innovative work behavior on work role performance: An empirical study. *Procedia-Social and Behavioral Sciences, 129*, 592-600.

Liu, J., Siu, O. L., & Shi, K. (2010). Transformational leadership and employee wellâ€□being: The mediating role of trust in the leader and selfâ€□efficacy. *Applied Psychology, 59*(3), 454-479.

Messmann, G., & Mulder, R. H. (2011). Innovative work behaviour in vocational colleges: Understanding how and why innovations are developed. *Vocations and Learning, 4*(1), 63-84.

Messmann, G., & Mulder, R. H. (2012). Development of a measurement instrument for innovative work behaviour as a dynamic and context-bound construct. *Human Resource Development International, 15*(1), 43-59. doi:10.1080/13678868.2011.646894

Michael, L. A. H., Hou, S. T., & Fan, H. L. (2011). Creative selfâ€□efficacy and innovative behavior in a service setting: Optimism as a moderator. *The Journal of Creative Behavior, 45*(4), 258-272.

Newman, A., Herman, H. M., Schwarz, G., & Nielsen, I. (2018). The effects of employees' creative self-efficacy on innovative behavior: The role of entrepreneurial leadership. *Journal of Business Research, 89*, 1-9.

Puente-DÃ-az, R. (2016). Creative self-efficacy: An exploration of its antecedents, consequences, and applied implications. *The Journal of psychology, 150*(2), 175-195.

Rae, D. (2017). Developing entrepreneurial leadership: the challenge for sustainable organisations. *International Journal of Work Innovation, 2*(1), 76-100.

Renko, M., El Tarabishy, A., Carsrud, A. L., & BrÃ¤nnback, M. (2015). Understanding and measuring entrepreneurial leadership style. *Journal of Small Business Management, 53*(1), 54-74.

Salanova, M., Lorente, L., Chambel, M. J., & MartÃ-nez, I. M. (2011). Linking transformational leadership to nursesâ€™ extraâ€□role performance: the mediating role of selfâ€□efficacy and work engagement. *Journal of advanced nursing, 67*(10), 2256-2266.

Sawaean, F., & Ali, K. (2020). The impact of entrepreneurial leadership and learning orientation on organizational performance of SMEs: The mediating role of innovation capacity. *Management Science Letters, 10*(2), 369-380.

Shalley, C. (2008). Creating roles. What managers can do to establish expectations for creative performance. Teoksessa: Handbook of organizational creativity, toim. Shalley, C.â€"Zhou, J., 147â€"164. In: Taylor and Francis Group LLC, New York.

Shin, S. J., Yuan, F., & Zhou, J. (2016). When perceived innovation job requirement increases employee innovative behavior: A sensemaking perspective. *Journal of Organizational Behavior, 38*(1), 68-86.

Shin, S. J., Yuan, F., & Zhou, J. (2017). When perceived innovation job requirement increases

employee innovative behavior: A sensemaking perspective. *Journal of Organizational Behavior, 38*(1), 68-86.

Strobl, A., Bauer, F., & Matzler, K. (2020). The impact of industry-wide and target market environmental hostility on entrepreneurial leadership in mergers and acquisitions. *Journal of World Business, 55*(2), 100931.

Surie, G., & Ashley, A. (2008). Integrating pragmatism and ethics in entrepreneurial leadership for sustainable value creation. *Journal of Business Ethics, 81*(1), 235-246.

Tidd, J. (2014). Conjoint innovation: Building a bridge between innovation and entrepreneurship. *International Journal of Innovation Management, 18*(01), 1450001.

Tierney, P., & Farmer, S. M. (2002). Creative self-efficacy: Its potential antecedents and relationship to creative performance. *Academy of Management Journal, 45*(6), 1137-1148.

Wang, X. H., Fang, Y., Qureshi, I., & Janssen, O. (2015). Understanding employee innovative behavior: Integrating the social network and leaderâ€"member exchange perspectives. *Journal of Organizational Behavior, 36*(3), 403-420.

Entrepreneurial Leadership and Innovation Work Behavior: Social Cognitive Approach

ORIGINALITY REPORT

0%	2%	5%	3%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

Exclude quotes	On	Exclude matches	< 2%
Exclude bibliography	Off		

Entrepreneurial Leadership and Innovation Work Behavior: Social Cognitive Approach

GRADEMARK REPORT

FINAL GRADE

/0

GENERAL COMMENTS

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11