



اونیورسیتی تکنیکال ملیسیا ملاک

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

## Faculty of Technology Management and Technopreneurship

THE RELATIONSHIP BETWEEN ORGANIZATIONAL CLIMATE  
AND INDIVIDUAL INNOVATIVE BEHAVIOR THROUGH  
KNOWLEDGE SHARING IN THE UAE ORGANIZATIONS

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Master of Science in Technology Management

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**THE RELATIONSHIP BETWEEN ORGANIZATIONAL CLIMATE AND  
INDIVIDUAL INNOVATIVE BEHAVIOR THROUGH KNOWLEDGE SHARING  
IN THE UAE ORGANIZATIONS**

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**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

**2025**

## DECLARATION

I declare that this thesis entitled “The Relationship Between Organizational Climate and Individual Innovative Behavior through Knowledge Sharing in The UAE Organizations” is the result of my own research except as cited the references. The thesis has not accepted for any degree and is not concurrently submitted in candidature of any other degree.

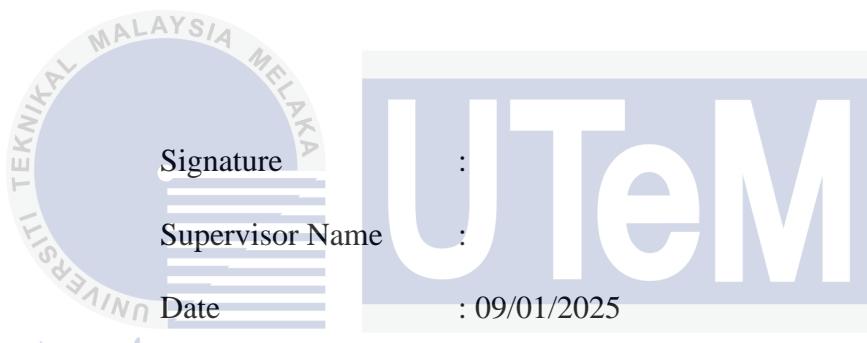


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## APPROVAL

I hereby declare that I have read this thesis, and, in my opinion, this thesis is sufficient in terms of scope and quality for the award of Master of Science in Technology Management.



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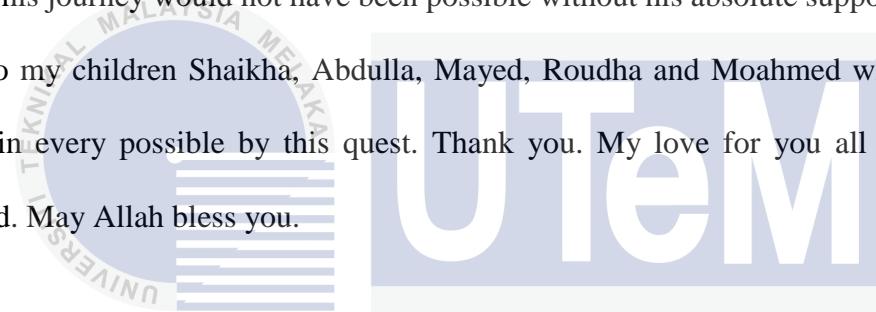
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## DEDICATION

I dedicate my dissertation work to my family and friends. A special feeling of gratitude to my loving parents, Mohamed, and Khadija Al Hosani whose words of encouragement and push for tenacity ring in my ears.

I also dedicate this thesis to my husband, Ahmed Al Marzouqi his continuous love, encouragement, and patience during the completion of my journey to obtain my master's degree. This journey would not have been possible without his absolute support.

To my children Shaikha, Abdulla, Mayed, Roudha and Moahmed who have been affected in every possible by this quest. Thank you. My love for you all can never be quantified. May Allah bless you.



اوینیورسیتی ٹیکنیکال ملیسیا ملاک

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## ABSTRACT

Given that organizations need to manage complex situations, multiple organizational climates can coexist and these climates can jointly influence employee behaviors. However, the mechanisms through which the latter relationships operate are poorly understood. We take a multilevel approach to examine the mechanisms that link organizational innovative climate and employee innovative behavior. An innovative workforce is essential for success in the age of digitalization, globalization, and rapid changes. An innovative workforce is essential for success in the age of digitalization, globalization, and rapid changes. This study analyzed the relationships between individual innovative behavior, organizational climate, and knowledge sharing. This study analyzed the relationships between individual innovative behavior, organizational climate, and knowledge sharing. The researcher adopted a quantitative methodology for quantitative analysis, data collected from the respondents are analyzed using widely recognized statistical tools, namely the Statistical Package for the Social Sciences (SPSS) version 29. The study utilizes a random sample of 140 participants among managers and employees of UAE organizations located in Dubai and Abu Dhabi. Pilot study was conducted before the final data collection process. The data collection included an original instrument developed by the researcher based on the validated constructs and tools. Data analysis included factor analysis, regression statistics, reliability, and significance testing. Results revealed that there is a strong positive association between organizational climate and individual innovative behavior. Knowledge sharing has been the mediating variable, and it has positively mediated the relationship between the independent and dependent variables. It implies that organizational climate has a strong positive effect on employees in UAE organizations if they want to improve their innovative behavior. At the same time, they should also encourage knowledge sharing to contribute to the relationship between the two variables. Future research has to focus on analyzing these variables by involving a larger sample and analyzing different settings.

**HUBUNGAN ANTARA IKLIM ORGANISASI DAN TINGKAH LAKU INOVATIF  
INDIVIDU MELALUI PERKONGSIAN PENGETAHUAN DI ORGANISASI UAE**

**ABSTRAK**

*Memandangkan organisasi perlu mengurus situasi yang kompleks, pelbagai iklim organisasi boleh wujud bersama dan iklim ini boleh mempengaruhi tingkah laku pekerja secara bersama. Walau bagaimanapun, mekanisme yang melalui hubungan yang terakhir ini beroperasi kurang difahami. Kami mengambil pendekatan berbilang peringkat untuk mengkaji mekanisme yang menghubungkan iklim inovatif organisasi dan tingkah laku inovatif pekerja. Tenaga kerja yang inovatif adalah penting untuk kejayaan dalam era pendigitalan, globalisasi dan perubahan pesat. Tenaga kerja yang inovatif adalah penting untuk kejayaan dalam era pendigitalan, globalisasi dan perubahan pesat. Kajian ini menganalisis hubungan antara tingkah laku inovatif individu, iklim organisasi, dan perkongsian pengetahuan. Kajian ini menganalisis hubungan antara tingkah laku inovatif individu, iklim organisasi, dan perkongsian pengetahuan. Pengkaji menggunakan pakai metodologi kuantitatif untuk analisis kuantitatif, data yang dikumpul daripada responden dianalisis menggunakan alat statistik yang diiktiraf secara meluas, iaitu Statistical Package for the Social Sciences (SPSS) versi 29. Kajian menggunakan sampel rawak seramai 140 orang peserta dalam kalangan pengurus dan pekerja Organisasi UAE yang terletak di Dubai dan Abu Dhabi. Kajian rintis telah dijalankan sebelum proses pengumpulan data terakhir. Pengumpulan data termasuk instrumen asli yang dibangunkan oleh penyelidik berdasarkan konstruk dan alat yang telah disahkan. Analisis data termasuk analisis faktor, statistik regresi, kebolehpercayaan, dan ujian keertian. Keputusan menunjukkan bahawa terdapat perkaitan positif yang kuat antara iklim organisasi dan tingkah laku inovatif individu. Perkongsian pengetahuan telah menjadi pembolehubah pengantara, dan ia telah mengantara secara positif hubungan antara pembolehubah bebas dan bersandar. Ini menunjukkan bahawa iklim organisasi mempunyai kesan positif yang kuat ke atas pekerja di organisasi UAE jika mereka ingin memperbaiki tingkah laku inovatif mereka. Pada masa yang sama, mereka juga harus menggalakkan perkongsian pengetahuan untuk menyumbang kepada hubungan antara dua pembolehubah. Penyelidikan masa depan perlu memberi tumpuan kepada menganalisis pembolehubah ini dengan melibatkan sampel yang lebih besar dan menganalisis tetapan yang berbeza.*

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## LIST OF ABBREVIATIONS

CLIOR -	Organization Climate Scale
DOI -	Diffusion of Innovation Theory
ESN -	Enterprise Social Network
GFX -	Gross Fixed Capital
HAAD -	Health Authority Abu Dhabi
HR -	Human Resources
IIB -	Individual Innovative Behavior
IT -	Information Technology
KS -	knowledge sharing
M -	Mean
OC -	Organizational Climate
P -	Significant Value
PIE -	Post-Implementation Evaluation theory
R&D -	Research and Development
SECI -	Socialization, Externalization, Combination, Internalization
SEM -	Structural Equation Modeling
SD -	Standard Deviation
SME -	Small-Medium Enterprises
UAE -	United Arab Emirates

## LIST OF PUBLICATIONS

Alhosani, M., and Ahmad, S., 2023. The Mediating Effect of Knowledge Sharing Between Organizational Climate and Individual Innovative Behavior in UAE Organizations. *International Journal of Research Publication and Reviews*, 4(7), pp2283-2289.



# CHAPTER 1

## INTRODUCTION

### 1.1 Background

Modern organizations operate in tough competition, technological advancement, and economic uncertainty. Such conditions in the business environment demand that companies be adaptable, flexible, and innovative. Scholars define innovation differently. As the dictionary of Zhang et al. (2023) mentions, innovation refers to something new or a change made to an existing product, idea, or field. According to Lee et al. (2024), innovation is the implementation of radical and novel ideas. Throughout the scholarly literature, the definitions of creativity can differ. Saether (2019) viewed it as the generation of novel and valuable ideas. At the same time, an organization's innovation capabilities depend not only on the organization's policies but also on its employees' skills and professional development (Mussner et al., 2022). Thus, understanding the essence of innovativeness cannot be viewed separately from the role of the individuals involved in the organizational processes. Employees have to demonstrate innovative behavior to supplement the organization with the capability to survive and prosper in a challenging business environment.

Innovative behavior could be defined as implementing new ideas in the organization through a multi-stage behavior to develop processes, products, or procedures. According to Saether (2019) and Shanker (2017), innovative behavior has several essential stages, including idea generation, promotion, and realization. Innovative behavior could also be defined as the intentional application of novel and improved ideas, processes,

practices, and policies for a long-term sustainable organization and business success (Lee et al., 2024). Individual innovative behavior (IIB) is referred to as individual contribution in idea generation and implementation to achieve an innovative competitive organization with sustainable existence (Saether, 2019). IIB engages an individual's actions under a socio-psychological process. The circumstances of acquiring innovative behavior start with goal setting, intentional modification, novel ideas, initiatives, and thoughtful implementation of the ideas (Lee et al., 2024). IIB does not develop in an individual in a vacuum, and a person has to develop this skill through professional and personal development, learning, and on-the-job training.

One of the ways to develop IIB in employees is elaborating a corporate culture that supports individual creativity in the workplace. Supporting individual creativity is essential in achieving innovation among employees (Wang, 2017). According to Saether (2019), organizations have to pinpoint issues related to higher levels of employees' innovative behavior. Lee et al. (2024) have stressed the necessity to examine the factors affecting the development of IIB. Regularly individuals are usually praised by the organizations for the creativity (Wang, 2017). Recently, researchers shifted their attention to the influence on creativity and innovation.

Moreover, scholars increased focus on the impact of team composition, team structure, and contextual factors like the organizational size or institutional culture environment (Mussner et al. 2022). For example, employee engagement has attracted attention since it is seen as a stronger predictor of performance than other factors such as job satisfaction, job involvement, and organizational commitment (Mussner et al., 2022). Meanwhile, it was also recognized that various individual and circumstantial factors influencing employee engagement had been understudied in innovative behavior (Lee et al., 2024). IIB remains an area of increased interest among researchers due to the relevance

of this topic in a business environment.

IIB is strongly connected to the level of creativity among people. As Bai et al. (2016) argued, employee creativity results from a dynamic interaction between team members besides self-motivation and the function of individual talent. It is crucial to consider the social climate of the workplace as a critical factor in IIB development (Sözbilir, 2018). A study by Sözbilir (2018) indicated that social context positively influences creativity, as the type of interaction between employees in the workplace improves the creativity level of individuals. Employees operating in creative environments demonstrate a higher level of risk-taking and are more likely to express their intention to share their opinions and ideas more openly (Liu et al., 2022). A creative climate has the potential to create conditions for the development of IIB among employees.

While studies on creativity and innovation focus on different levels of analysis (example individual, team, organizational), the basis of innovative action is anchored in an organization's employees (Anderson et al., 2021). At the individual level, studies explore individual factors, task contexts, and social contexts concerning IIB (Mussner et al., 2022). The factors preventing the development of IIB within an organization include employee fatigue and burnout, usually triggered by an ineffective corporate culture, lack of proper social context, and poor interaction among stakeholders (Kwan and Kim, 2019).

Recent inquiries concentrated on innovation antecedents on the product or organization level, where it is critical to examine innovation antecedents on the individual level, especially the leadership strategies. Kwan and Kim (2019) considered leadership style and interpersonal relationships as antecedents of employees' engagement and innovative behavior. Hence, leadership can be an innovative behavior trigger at the team level. Correspondingly, an analysis of the conservation of resources theory by Kwan and Kim (2019) explained that antecedents on the team level require the individual to use all

available resources from leaders' support and colleagues to sustain innovative work behavior.

## 1.2 UAE Vision 2021

According to UAE vision 2021, to maintain a diverse and effective economy, the country has to focus on improving the innovation factor and consider the Global Innovation Index as a key performance indicator in the United Knowledge pillar of the country's Vision 2021. In 2017, UAE achieved a ranking of 35th globally and the first among all Arab countries in the context of the Knowledge pillar. It is persistently growing to improve the country's position in the international market. For instance, the research by Patwary et al. (2024) revealed that innovative approaches and creativity are widely promoted in various organizations in the UAE. Mainly innovations are widely considered the pillars of success in UAE society. Thus, many organizations operating in different market segments present innovativeness as the core and obligatory part of their business strategies. Such strategies have an indirect but strong effect on the general productivity of the organization, ensuring benefits for all stakeholders. Among numerous examples, one can find private and governmental organizations. For instance, Health Authority Abu Dhabi (HAAD) has become a great example of the increased productivity of the public organization due to creativity and innovations (Patwary et al., 2024).

According to Economic Surveys Results (2018), the UAE has been continually growing; therefore, innovations are supposed to make the growth more intensive and quality. The difference between the statistics of 2018 and previous years is essential since the UAE has advanced many economic factors. This situation reveals innovations' positive effects on the country's economic development. The total value added in 2018 equaled AED 850 billion, the production increased by 13.2%, Gross Fixed Capital (GFX) reached

AED93.9 million, intermediate consumption increased by 8.3%, and the compensation of employees increased by 2.5% (Economic Surveys Results, 2018). Since the UAE has achieved impressive results, it currently strives to strengthen its worldwide economic influence. Hence, the research will be a good foundation for the further development of innovations by providing insight into how IIB can be affected by organizational climate. By perceiving the issue appropriately, the environment can be altered to create maximally favorable conditions for the development of innovations.

In the UAE, the significance of innovations is promoted by top government ministers. According to the UAE Ministry of Cabinet Affairs (2015), the key priority sectors for innovations are renewable energy, transportation, healthcare, education, water, and space. For the UAE, each of these sectors will be addressed to create a long-term plan for the significant changes. However, it is essential to remember that SMEs constitute a large part of all these sectors. Irrespective of the type of organization, innovations start with people that develop their innovative capability at the individual level. The extension of innovations begins with setting the personal responsibility of each employee to establish IIB, thus contributing to the UAE Innovation Strategy. The innovation pyramid consists of people who develop IIB at the foundation, middle, and top (UAE Ministry of Cabinet Affairs, 2015). To that end, all elements of the pyramid are interconnected. This structure makes it impossible to renovate radically if one of the elements is either absent or poorly developed.

Before promoting innovations, it is necessary to create an environment that will allow managing changes effectively. According to the UAE Ministry of Cabinet Affairs (2015), the environment includes an innovation regulatory framework, technology infrastructure, and enabling services and incentives. When employees can develop creative ideas, they must be able to implement them. Otherwise, the process of innovation will be

inadequate. If services and technology infrastructure are addressed by the government and the viability of the idea is high, the government will quickly adopt innovations, thus motivating individuals to grow and develop (UAE Ministry of Cabinet Affairs, 2015). In other words, the UAE forces individuals to settle all kinds of enterprises that will somehow contribute to at least one of the priority sectors. The accumulation of many companies will allow the country to favor the rapid growth of the government innovation culture. In such a manner, each enterprise will bring new technologies, concepts, and ideas that will push the UAE to change.

The goal of creating new socio-economic value related to the UAE drives the government to adopt measurement tools that suit the economic objectives of the country. Therefore, Abu Dhabi Innovation Index was established to monitor innovation progress, allowing for better economies and data analysis than previous measures. The UAE built a complete innovation-based system to reach a knowledge-based economy depending on technological infrastructure and a high-quality education system. Thus, INSEAD has named the UAE the most innovative country in the Middle East. The Mohammed Bin Rashid Center for Government Innovation published the Government innovation framework in 2015. It was meant to guide government employees on the meaning of government innovation and how entities can embark on their innovation journey to help achieve the UAE Vision 2021.

### **1.3 Problem statement**

The behavior of managers affects the ability of individuals to innovate, generate ideas, create new products, or propose new developments in the organizations. It implies that the management's behavior contributes to the climate in the organization that is termed as the organizational climate. The impact of organizational climate is crucial to

explore to know it affects different functions and activities within an organization. All companies need innovation to succeed in today's competitive environment. The role of organizational climate and management's role is crucial to promote innovation in the workplace. Kelly (2016) proves that innovation becomes critical in all aspects of the business and among every team member. It is also applicable at the individual level and individual innovative behavior occurs under the supervision and guidance of the management. Organizational climate should be favorable to let individual innovative behavior take place in the organization. It implies that positive change must promote a culture rich in creativity and renewal (Kelly, 2016). Most studies concentrate on leadership and organizational innovation, an essential aspect of the corporate system. This is the reason why this research has focused on investigating the impact of organizational climate on individual innovative behavior. However, the role of knowledge sharing has also been studied in connection with the relationship between these two variables.

The mediating role of knowledge sharing is crucial in developing individual innovative behavior because sharing of information and knowledge develops a culture of creativity and new forms of knowledge. It can cause individual innovative behavior but its role in developing a favorable organizational climate is also vital. Therefore, the role of organizational climate along with the mediating effect of knowledge sharing can reveal important insights on how individual innovative behavior can take place. Therefore, the research has studied knowledge sharing as it plays a mediating role in the relationship between the independent variable and the dependent variable.

Research has taken innovation at the individual level as the innovation required on the individual level is frequently neglected. Therefore, the research has focused on the individual level of behavior towards innovation. So far as knowledge sharing is concerned, this process is of individual and organizational perspective simultaneously. In