



# **Gordon Institute of Business Science**

University of Pretoria

## **Research Report**

# Understanding the motivators of frontline employee innovation

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## DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to perform this research.

7 November 2016

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## ABSTRACT

Innovation is widely seen as one of the cornerstones of organisational success and sustainability in an environment characterised by intense competition. The frontline employee is increasingly being seen as a critical component in an organisation's innovation effort, due to their close proximity to and frequent engagement with the customer. Yet there is a lack of insight into what motivates frontline employees to be innovative. The purpose of this research is to gain insight into the specific motivators that influence the propensity of frontline employees to innovate. This research took the form of a descriptive study using a quantitative methodology, collecting data from 264 respondents through an online survey tool and an existing measurement instrument found in literature. A non probability sampling technique was used at a particular South African bank to obtain the sample.

Research questions were formulated around, intrinsic motivation, extrinsic motivation, and employee engagement factors and extended into determining which specific type of extrinsic and intrinsic motivators were effective in driving frontline employee innovation. A regression analysis revealed that intrinsic motivation was the only construct that was deemed to be statistically significant in predicting frontline employee innovation. However the "financial rewards" attribute, which corresponds to the extrinsic motivation construct, was found to be a statistically significant predictor of frontline employee innovation, albeit an inverse relationship.

The findings suggest that frontline employees place more emphasis on their psychological needs being met in order for them to be innovative and that money is not necessarily a good motivator. In fact money as a motivator is seen as controlling and coercive and diminishes an employee's sense of self determination and therefore may be detrimental to the motivation of frontline employee innovation.

Academically, this study contributes to the insights on motivating frontline employees, with an emphasis on driving innovation. These insights may be used in business to inform motivational tactics that leads to a continued propensity to innovate amongst frontline employees, thus ensuring the overall success and sustainability of the organisation. **Key Words:** Motivation, Frontline Employee, Innovation.



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## CHAPTER 1: INTRODUCTION

### 1.1 Description of the problem and background

In a world where there is an ever-increasing need to innovate, service industries are not absolved from this phenomenon. The literature is unanimous concerning the importance of motivating employees to innovate. Authors such as Sousa and Coelho (2011); Slatten and Mehmetoglu (2011); Anderson, Potocnik and Zhou (2014) and Binnewies and Gromer (2012) have all suggested that innovation allows an organisation to remain relevant and competitive in a constantly changing environment. Baumann and Stieglitz (2014) reported that firms can realise significant value from employee generated ideas as employees understand the firm, its customers, its products and services and its processes. The frontline employee is a vital component of an organisation's innovation agenda due to the employee's ability to understand customer needs implicitly (Bettencourt, Brown and Sirianni, 2013). Yet it is unclear as to how to effectively motivate frontline employees to innovate. There is no consensus in literature concerning the motivators of frontline employees to be innovative. Some authors claimed that extrinsic motivators are effective in motivating employees to innovate (Danish & Usman, 2010; Stringer, Didham & Theivananthampillai, 2011). Other studies have found that extrinsic motivators may in fact inhibit the motivation to innovate (Baumann & Stieglitz, 2014; Jarnstrom & Sallstrom, 2012). Zhang and Bartol (2010); Cadwallader, Jarvis, Bitner & Ostrom (2010) and Stringer et al. (2011) suggested that intrinsic motivation is effective in motivating employees to innovate, however there are opponents to this view, who have suggested that intrinsic motivation on its own is not sufficient to motivate employees to innovate (Coelho & Augusto, 2010; Zhang & Bartol, 2010).

According to Sturt and Rogers (2016) while 90% of non-management employees think they should be participating in innovation, only about 60% are actually involved in the innovation process. The challenge for lower level employees seems to be a lack of motivation to innovate, as Sturt and Rogers (2016) cited a lack of encouragement and appropriate resources. The danger is that employees, even those who are highly self-motivated may become disillusioned, which then leads to a dysfunctional work environment that further inhibits the emergence of new ideas (Sturt and Rogers, 2016).

Expanding on the argument that frontline employees lack the motivation to innovate, Sturt and Rogers (2016) questioned what exactly motivates frontline employees to be innovative.

It is therefore important to first understand what motivates employees to innovate. Slåtten and Mehmetoglu (2011a; 2011b), Chandy and Tellis (1998) and Baumann and Stieglitz (2014) suggested that job autonomy and the level of employee involvement are motivators for innovation. However Amabile (1997), Amabile, Conti, Coon, Lazenby and Herron (1996) and Baumann and Stieglitz (2014) have suggested that a conducive work environment is an effective motivator for innovation. Yet Cho and Perry (2012) argued for the efficacy of extrinsic motivators, and conversely Zhang and Bartol (2010) argued that intrinsic motivators are better at motivating innovation. Fernandez and Pitts (2012) argued that both forms of motivation are important and necessary to drive the innovation agenda. With such divergent views there seems to be a lack of consensus regarding the motivations of employees to innovate.

## 1.2 Context of the study

The success and sustainability of an organisation is highly dependent on its ability to innovate (Anderson, Potocnik & Zhou, 2014; Andriopoulos, 2001; Cadwallader et al., 2010; de Jong, Bruins, Dolfsma & Meijaard, 2003; Nidumolu, Prahalad, Rangaswami, 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Sousa & Coelho, 2011; West & Anderson, 1996). Often innovation is associated purely with products, however the importance of innovation in the service industry has also been documented (Alam, 2013; Bettencourt et al., 2013; Damanpour & Gopalakrishnan, 2001; de Jong et al., 2003; Dorner, Gassmann & Gebauer, 2011). Rayport (2012) emphasised the importance of innovation in the service industry, a sector accounting for 85% of GDP output in the US and further argued that this type of innovation is different to typical product innovation in that every employee at any level can play a role in differentiating how a company sells its product. Rayport (2012) termed this concept demand-side innovation.

Businesses use various channels to drive their innovation effort. Some businesses tend to centralise the innovation function into a specific team, thereby limiting the innovation outcomes because such teams are inhibited by their lack of insight into the customer,

the level of talent in the team and the overall constraint of the resources in the team (Moosa & Panurach, 2008). It is therefore important and valuable to canvass employees for input into the innovation efforts of the company to gain a competitive advantage, because the employees ultimately understand the business, the products, customers and processes (Baumann & Stieglitz, 2014; Binnewies & Gromer, 2012). Hence a further determinant of an organisation's sustainability lies in the creativity demonstrated by its employees (Buech, Michel & Sonntag, 2010; de Brentani, 2001; Gopalakrishnan, Kessler & Scillitoe, 2010; Sousa & Coelho, 2011; Wong & Ladkin, 2008; Zhang & Bartol, 2010).

Frontline employees are often in the closest proximity to customers and as such are uniquely positioned to gather fundamental customer insights as these relate to the organisation's products and services. These insights are integral in developing ideas for performance improvement, thereby making them an essential source of ideas for innovation (Melton & Hartline, 2010; Van der Heijden, Scheepers, Nijssen & Ordanini, 2013). Moosa and Panurach (2008) further suggested that the reason that frontline employees are best positioned to play an innovative role is that they are unfamiliar with the overall business plans and their ideas have not yet been properly framed, which allows for un-sanitised idea generation. Umashankar, Srinivasan and Hindman (2011) stated that innovation is improved when frontline employees are involved in the innovation process. For innovation to progress, the organisation needs to leverage the insight and perspective of frontline employees and couple those insights with the expertise and experience of management, research and development teams and central innovation teams (Moosa & Panurach, 2008).

Frontline employees such as customer service personnel, due to their proximity to the customer are best placed to deliver on demand-side innovation. Companies therefore need to enable their frontline employees to innovate by providing them with access to appropriate resources, and allowing them the latitude to innovate and to recognise and reward innovation (Rayport, 2012). Motivating frontline employees to be creative and innovative is important as these employees are able to adapt their approach to customer needs and make the interactions with customers more compelling, which in turn differentiates a business and therefore improves the likelihood for continued relevance and sustainability (Rayport, 2012).

A firm may therefore gain competitive advantage by leveraging its frontline employees' knowledge, competence and capability in driving innovation (Melton & Hartline, 2012). The involvement of frontline employees in innovative service development has a definite and direct impact on the performance of service orientated firms (Melton & Hartline, 2010). The frontline employee has a unique ability to identify issues, opportunities and is able to generate innovative ideas better than others due to their intimate insight into the products, services, processes and the customers themselves (Melton & Hartline, 2010; Melton & Hartline, 2012; van der Heijden et al., 2013). It is therefore crucial that businesses effectively motivate frontline employees to be creative and innovative.

Therefore the question is: How does a company motivate frontline employees to innovate? Furthermore, which is better: Extrinsic or intrinsic motivation? More specifically, what type of extrinsic and intrinsic motivators drives frontline employees' innovative behaviour? The literature also presents a host of other antecedents to innovation, such as organisational culture and climate, leadership style and organisational structure, which need to be taken into consideration. The literature does not focus specifically on frontline employees; hence more investigation is required concerning the drivers of innovation specifically amongst frontline employees.

### **1.3 Business Challenges**

Businesses have the challenge of ensuring that employees, especially frontline staff, are stimulated to effectively participate in the creative process of generating ideas and innovative solutions (Coelho & Augusto, 2010; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Zhang & Bartol, 2010). Employees need to be exceedingly engaged in their day-to-day jobs to participate in the innovation process (Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b). Businesses therefore need to understand how to motivate frontline employees to be as proficiently motivated in their daily jobs to innovate.

This section delineates the considerations of businesses when attempting to motivate employees to innovate. Given the generally limited resources, businesses make choices regarding which of these motivators are most effective in driving the desired innovation outcome. The choices of motivators are numerous, Baumann and Stieglitz

(2014), Chandy and Tellis (1998) and Slåtten and Mehmetoglu (2011a; 2011b), suggested that job autonomy and the level of involvement that employees feel in executing the strategy of the firm are fundamental antecedents to driving employee engagement such that employees would actively participate in innovation efforts. Baumann and Stieglitz (2014) further suggested that employees are further motivated to innovate when the work environment and social context are favourable. Anderson et al. (2014) and Martins and Terblanche (2003) identified organisational culture as a determinant of the levels of creativity and innovation in a company. Extrinsic motivation has also been identified as a driver of innovation in an organisation (Cho & Perry, 2012; Danish & Usman, 2010; Fernandez & Pitts, 2011). Simultaneously, intrinsic motivation has also been propounded as an effective driver of employee innovation (Jarnstrom & Sallstrom, 2012; Zhang & Bartol, 2010).

Three primary areas of engagement have emerged from the literature as having an impact on the motivation of employees to innovate. The first is leadership style (Anderson et al., 2014; Hülshager, Anderson and Salgado, 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b), the second is organisational culture and climate (Anderson et al., 2014; Andriopoulos, 2001; Baumann & Stieglitz, 2014; Fernandez & Pitts, 2011; Lages & Piercy, 2012; Martins & Terblanche, 2003; van der Heijden et al., 2013; West & Anderson, 1996) and the third is organisational structure (Amabile et al., 1996; Andriopoulos, 2001; Binnewies & Gromer, 2012; Cadwallader et al., 2010; Chandy & Tellis, 1998; Fernandez & Pitts, 2011; Martins & Terblanche, 2003; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b).

This study therefore aims to address the business challenge by addressing the lack of clarity and specific insight about the drivers of frontline employee motivation to innovate.

## **1.4 Current academic understanding**

This section provides the main constructs that were researched to provide the context and basis for this study. The primary topics that were reviewed include innovation; motivation and the importance of the frontline employee in innovation. The reason for highlighting these constructs is to attempt to address the academic gap that currently exists, and to attempt to bring all three constructs together in one study. It is important

to bring these constructs together, because as this study reveals, motivation as an area of study is complex and multidimensional and cannot be generalised, meaning not all types of employees are motivated in the same way and not all job tasks are motivated in the same way. The aim of this study was to be more specific about motivation to innovate amongst frontline employees. The current academic understanding seems somewhat disparate as various authors have claimed different motivators to innovation, with no clear consensus and at times authors have even contradicted themselves. As such this study sought to gain more clarity and insight into the motivators of frontline employee innovation.

### **1.4.1 Innovation**

Innovation may be described as new and useful ideas that produce a future benefit to an organisation (Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Stringer et al., 2011; West & Anderson, 1996). Innovation is thus critical in the current competitive business context because it allows companies to effectively differentiate their offerings in the market (Anderson et al., 2014; Andriopoulos, 2001; Cadwallader et al., 2010; de Jong et al., 2003; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Sousa & Coelho, 2011; West & Anderson, 1996).

### **1.4.2 The frontline employee**

The frontline employee is well placed to identify issues and opportunities that others in the organisation are not privy to because through their primary efforts of servicing the customer they have an intimate insight into the products, services, processes and the customers themselves (Melton & Hartline, 2010; Melton & Hartline, 2012). This proximity to the customer generates insights and is a fertile source of innovative ideas to improve products, services and processes (Melton and Hartline, 2010; Van der Heijden et al., 2013). Frontline employees also play a boundary spanning role as they understand the intricate workings of the businesses and processes and are closest to customers and can therefore integrate insights from customers into innovation projects that directly impact the business (Cadwallader et al., 2010; de Jong et al., 2003; Dorner et al., 2011; Ettlíe & Rosenthal, 2011). The other advantage of using frontline employees in the company's innovation effort is that they are not framed by business plans, which means the ideas they generate are unsanitised (Moosa & Panurach, 2008).

### **1.4.3 Employee motivation**

Research on employee motivation is well documented and extensive. Motivation is generally described as the extent to which a person chooses to exert voluntary effort on a particular task to achieve a goal (Aworemi, Abdul-Azeez & Durowoju, 2011; Cadwallader et al., 2010; Danish & Usman, 2010; Jarnstrom & Sallstrom, 2012). The literature accessed overwhelmingly confirmed that motivation is not random and that people are motivated by their personal goals (Aworemi et al., 2011; Jarnstrom & Sallstrom, 2012). Two distinct forms of motivation emerged, the first being that of intrinsic motivation, where a person does a job for the inherent benefit of doing the job (Amabile, 1997; Amabile, 2012; Cho & Perry, 2012; Stringer et al., 2011; Zhang & Bartol, 2010). The second form is extrinsic motivation, which relates to the instrumental reasons that people do a job (Cadwallader et al., 2010; Cho & Perry, 2012; Danish & Usman, 2010; Jarnstrom & Sallstrom, 2012; Stringer et al., 2011).

### **1.4.4 Extrinsic motivation**

Generally the literature is somewhat contradictory with authors such as Danish and Usman (2010) and Stringer et al. (2011) argued that extrinsic motivators are vital in driving desired outcomes. However others such as Baumann and Stieglitz (2014); Cadwallader et al. (2010) and Jarnstrom and Sallstrom (2012) argued that extrinsic rewards may crowd out internal motivators and generally tend to generate many good ideas but not many exceptional ones as people place more emphasis on the reward than the job itself.

### **1.4.5 Intrinsic motivation**

Similarly for intrinsic motivators, there are arguments that state that intrinsic motivation is positively correlated to job satisfaction and engagement, which is an antecedent to employee innovation (Cadwallader et al., 2010; Stringer et al., 2011; Zhang & Bartol, 2010). Conversely there are arguments stating that intrinsic motivation is not enough to secure effective innovative outcomes (Coelho & Augusto, 2010; Zhang & Bartol, 2010).

It is therefore apparent that in the case of both extrinsic and intrinsic motivation there lacks consensus on which is better in motivating employees to be innovative and therefore provides a basis for this study.



#### **1.4.6 Intrinsic versus Extrinsic motivation relating to frontline employee innovation**

Ultimately, the literature suggests that both forms of motivation are important, but that there are pitfalls to using each in certain contexts (Jarnstrom & Sallstrom, 2012; Stringer et al., 2011). Reiss (2012) argued that human motives are multi-faceted and need to be considered when examining what motivates people toward a goal. This point was further validated by Danish and Usman (2010), Slåtten and Mehmetoglu (2011a; 2011b) and Sousa and Coelho (2011) who noted other variables that impact frontline employee motivation specifically related to innovation, such as employees' personal values, organisational commitment and the level of customer orientation.

#### **1.4.7 Summary**

The literature that was reviewed highlighted a lack of clarity as to the exact type of intrinsic and extrinsic motivation that drives frontline employee innovation. Furthermore the efficacy of extrinsic motivators compared to intrinsic motivators seems ambiguous and therefore requires further exploration specifically in the context of frontline employees. Consideration must also be given to context surrounding the employee as propounded by Danish and Usman (2010), Slåtten and Mehmetoglu (2011a; 2011b) and Sousa and Coelho (2011). The specific contextual motivators that needed to be considered were leadership style (Anderson et al., 2014; Hülshager et al., 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b), organisational culture and climate (Anderson et al., 2014; Andriopoulos, 2001; Baumann & Stieglitz, 2014; Fernandez & Pitts, 2011; Lages & Piercy, 2012; Martins & Terblanche, 2003; van der Heijden et al., 2013; West & Anderson, 1996) and organisational structure (Amabile et al., 1996; Andriopoulos, 2001; Binnewies & Gromer, 2012; Cadwallader et al., 2010; Chandy & Tellis, 1998; Fernandez & Pitts, 2011; Martins & Terblanche, 2003; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b ).

#### **1.4.8 Research problem**

The importance of innovation in the current business environment has been established, and the importance of the frontline employee in the organisation's innovation efforts has been explained. However, there appears to be a lack of clarity and consensus on how to motivate frontline employees to be innovative such that they

positively contribute toward the organisation's innovation agenda. There is a gap concerning the extrinsic and intrinsic motivators that drive frontline employee innovative behaviour, and some ambiguity exists in whether extrinsic motivators are better than intrinsic motivators in driving employee innovation. Furthermore it seems that the contextual motivational factors found in literature are general to all employees and are not specific to frontline employees. Hence this study sought to examine what drives frontline employees to innovate both extrinsically and intrinsically as well as look at the effects of leadership style, organisational culture & climate and organisational structure on this specific behaviour. The study also sought to determine which of these variables have a greater effect in motivating frontline employee innovation.

Therefore the overarching question that is being asked by this research study is:

### **What Motivates Frontline Employee Innovation?**

## **1.5 Research Aim**

The primary aim of this research was to understand what motivates frontline employees to innovate. The specific focus was on the extrinsic and intrinsic motivators that drive innovative behaviour as well as the contextual engagement factors, i.e. organisational structure, organisational culture and climate and leadership style that drive this behaviour. This study also attempted to evaluate the extent to which each of these motivators drive innovative behaviour in frontline employees, thus identifying the differences between the variables. While literature on intrinsic and extrinsic motivators is well established for employees, the value of this study would be to categorise the primary drivers of intrinsic and extrinsic motivators and evaluate the relevance of each driver specifically on the frontline employee's motivation to innovate. Similarly, the literature provides insight into numerous contextual engagement factors that suggest why employees in general are motivated to innovate; hence a further aim of this research was to understand the impact of main engagement factors regarding the frontline employee's propensity to innovate. The study sought to evaluate each motivator in relation to each other in an effort to determine which form of motivation is most relevant to driving frontline employee motivation to innovate. Finally the study aimed to obtain a more insight on frontline employee motivation to innovate in response to the lack of consensus in literature.

## 1.6 Research Motivation

The academic value of this research is to add to the existing insights on motivation. Furthermore this study consolidates the concepts of motivation, innovation and the frontline employee, thus providing additional insight and perspective to all three concepts.

This research would be valuable to organisations as it would determine the types of motivation that are the most effective as drivers of innovation in frontline employees. The value to organisations is to be able to apply the most appropriate motivational tactics in order to extract the maximum value from the investments made by motivating their frontline employees to be innovative. The extended benefit that this research would potentially yield is the potential cost saving that organisations may realise from pursuing the most beneficial motivational strategies and abandoning those that are less relevant. This research also sought to emphasise that motivation is not a “one size fits all” approach, as individuals are all motivated differently. Therefore, the research commanded a categorisation of the motivating drivers of innovation according to those that are most impactful to frontline employees.

## 1.7 Research Scope

This study focused on the financial services industry. This industry is extremely susceptible to change and is characterised by uncertainty and therefore the ability to effectively innovate is critical to the industry remaining relevant and competitive (Trivellas, 2011). Furthermore the importance of creativity of frontline employees in this industry is heightened since they have little or no influence over the highly regulated products they sell and as such they need to be creative in the manner in which they service individual customer needs (Sousa & Coelho, 2011; Trivellas, 2011). The scope of this research is bound by three fundamental concepts, which are, motivation, innovation and the frontline employee and ultimately the relationship between these concepts.

The scope of this research was bound by the following definitions:

**Motivation-** Motivation has been described as the degree or extent to which a person chooses to engage in a particular behaviour (Aworemi et al., 2011; Cadwallader et al.,

2010; Jarnstrom & Sallstrom, 2012). Danish and Usman (2010) have stated that motivation is the influence on a person to achieve a goal. Motivation according to Danish and Usman (2010) has an explicit, positive impact on a job. Motivation is not random in nature, as individuals are driven to achieve personal and organisational goals (Aworemi et al., 2011).

**Extrinsic Motivation-** Extrinsic motivation refers to the instrumental reasons that people engage in certain behaviours rather than the reasons that are inherent to the behaviours (Cadwallader et al., 2010; Cho & Perry, 2012; Jarnstrom & Sallstrom, 2012; Stringer et al., 2011). Extrinsic motivation is seen to control a person's behaviour by adding external stimuli, such as financial rewards (Jarnstrom & Sallstrom, 2012).

**Intrinsic Motivation-** Intrinsic motivation as described by Amabile (1997); Jarnstrom and Sallstrom (2012) and Stringer et al. (2011) is when a person engages in an activity purely for the inherent benefit the activity provides, such as personal interest, enjoyment or for the challenge.

**Innovation-** Amabile (2012) defined innovation as the ability of an organisation to successfully implement new ideas that have been generated. Innovation has also been described as new ideas that have the potential to generate future value for the organisation (Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Stringer et al., 2011; West & Anderson, 1996).

**Frontline employees –** The frontline employee is described as those employees that are closest to customers and those that interact with customers most regularly in the delivery of products and services (Moosa & Panurach, 2008).



## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

This research study sought to consolidate the concepts of motivation, innovation and the frontline employees in a single study in order to gain specific insight into what motivates frontline employees to be innovative. Much of the literature that was reviewed did not combine all three concepts in a single study thus revealing a research gap. As such the literature review explored and provides context to the concepts of motivation, innovation and creativity as well as the frontline employee. The study focussed on gaining insight into the specific type of motivation that is most effective in allowing frontline employees to innovate. The literature review also explored fundamental theories which could be used to anchor this study and this provide academic credibility.

### **2.2 Understanding motivation**

This section provides the context of a pertinent area of this study, which is motivation. The concept of motivation is defined, the relevant theory concerning it is explored, and the specific types of motivation are discussed.

#### **2.2.1 Defining motivation**

Motivation has been described as the degree or extent to which a person chooses to engage in a particular behaviour (Aworemi et al., 2011; Cadwallader et al., 2010; Danish and Usman, 2010; Jarnstrom & Sallstrom, 2012) have stated that motivation is the influence on a person to achieve a goal. Motivation according to Danish and Usman (2010) has an explicit, positive impact on a job. Motivation is not random in nature, as individuals are driven to achieve personal and organisational goals (Aworemi et al., 2011). People are not always clear about what they want, which makes motivation a subconscious phenomenon (Aworemi et al., 2011), which emphasises the complexity of understanding what motivates certain types of people or

people in specific types of roles to achieve specific outcomes. This particular research study examined motivates frontline employees towards being innovative.

## 2.2.2 Theories of motivation

There are numerous theories presented that explain motivation. This section offers a brief overview of these theories that have ultimately contributed to the meta-theory of motivation. The relevance and importance of these theories is for a manager is to understand which levers to pull to optimise motivation in the organisation.

A hierarchy of motivation provided by Cadwallader et al. (2010) identifies global, contextual and situational motivation and suggested that managers are unlikely to influence global motivations, whereas the manager can manipulate certain contextual and social factors in the workplace to improve motivations. Situational motivation is probably the most flexible; hence employees' motivation can be managed by influencing their affect by adjusting the situation, for example: A manager can provide more role clarity or afford more task autonomy, which could positively affect employee motivation (Cadwallader et al., 2010; Cho and Perry, 2012). This is most likely the type of motivation that must be considered in the context of frontline employee as it most accurately describes the context of the typical frontline employee role.

Self Determination Theory extends the understanding of motivation beyond simply intrinsic and extrinsic motivation and delves into the concept of self-determination, which refers to the propensity of an individual to self-regulate and to be autonomous (Jarnstrom & Sallstrom, 2012). While this offers a perspective, other theories that are discussed further on in this chapter offer a more holistic view of motivation as it relates specifically to creativity and innovation.

Trivellas (2011) propounded the existence, relatedness and growth theory of motivation, where existence relates to the basic needs of the individual, relatedness refers to the individuals need to belong to social groups, maintain their status within those groups and maintain relationships and growth relates to the desire to achieve self-actualisation. The concepts within this theory seem to relate to much of what makes up intrinsic motivation and once again a more comprehensive theory is put forward further in the literature review.

This section merely highlights the fact that there are differing theories in literature around the concept of motivation, thus demonstrating the complexity and multidimensional nature of the topic. It also demonstrates that none of these are specific to the frontline employee hence it is difficult to simply apply a theory to the context of frontline employee innovation.

### **2.2.3 Types of motivation**

Jarnstrom and Sallstrom (2012) provided three drivers of motivation, namely biological, extrinsic and intrinsic. The biological driver can be described as the instinctive human drive that emanates from within the individual, for example the motivation to act to protect oneself. Extrinsic motivation is stimulated externally and this form of motivation is driven by the promise of rewards or the avoidance of punishment. The last driver is intrinsic motivation, which is driven by the sheer inherent enjoyment of doing a particular activity (Jarnstrom & Sallstrom, 2012). Initial studies suggested that intrinsic motivators were subordinate to biological and extrinsic; subsequently the view has shifted to propose that intrinsic motivators are as strong as biological and extrinsic motivators (Jarnstrom & Sallstrom, 2012). This evolving view is further evidence of the multidimensional nature and complexity of motivation.

The multidimensional nature is further demonstrated in the fact that employees are not solely motivated by a single form of motivation, e.g. financial rewards and often a factor such as autonomy in one's role is linked to behaviours and attitudes that drive motivation (Aworemi et al., 2011). Therefore two distinct areas of motivation have emerged, i.e. intrinsic and extrinsic motivation, which will be explored in more detail in the next section.

### **2.2.4 Extrinsic motivation**

Extrinsic motivation includes the instrumental reasons that people engage in certain behaviours rather than the reasons that are inherent to the behaviours (Cadwallader et al., 2010; Cho & Perry, 2012; Jarnstrom & Sallstrom, 2012; Stringer et al., 2011). Extrinsic motivation, in the context of the Self Determination Theory can be referred to as controlled motivation, since a person's behaviour is controlled by adding external stimuli, such as financial rewards (Jarnstrom & Sallstrom, 2012). In this condition the person regulates from the outside, meaning that the behaviour is dependent on the

value that the person attaches to the external stimuli (Jarnstrom & Sallstrom, 2012). The traditional management accounting view is that there is no better motivator than money and the primary aim of incentives like bonuses is to improve extrinsic motivation (Stringer et al., 2011). Tangible incentives inherent to extrinsic motivation are effective in improving job task performance and often stretch people's thinking (Danish & Usman, 2010). Rewards and recognition directly impact employee motivation as these are vital components in building and maintaining employee self-esteem (Danish & Usman, 2010). Stringer et al. (2011) further asserted that there is an explicit link between pay for performance and extrinsic motivation, as people seek benefit for themselves by pursuing the instrumental benefit from performing the task. Reinforcement theory further suggests that setting clear targets and paying for performance against those targets enhances motivation (Stringer et al., 2011).

Jarnstrom and Sallstrom (2012) emphasised different types of extrinsic motivators that correspond to the extent of self-determination and the degree of autonomy enjoyed by employees. As an example, some extrinsic motivators are said to be impoverished forms of motivation, where the motivation is purely instrumentally driven and the absence of a reward leads the person further away from autonomy. Other extrinsic motivators enhance intrinsic motivation and the feeling of autonomy; an example being verbal reinforcement or positive feedback that increases intrinsic motivation (Amabile, 1997; Jarnstrom & Sallstrom, 2012). Hence intangible rewards could enhance intrinsic motivation and tangible rewards could in fact undermine intrinsic motivation (Amabile, 1997; Jarnstrom & Sallstrom, 2012). Effectually, money could be detrimental to motivation if it is seen as a method of control rather than a symbol of respect; this however is dependent on personal preference (Amabile, 1997; Jarnstrom & Sallstrom, 2012).

Amabile (1997); and Stringer et al. (2011) also offered the perspective that extrinsic motivators do not have to negate intrinsic motivators and can actually complement intrinsic motivation. This notion challenges the belief that extrinsic motivation is necessary for employees not to minimise effort (Stringer et al., 2011). Synergistic motivators are extrinsic motivators such as rewards and recognition and feedback, which are also known as enabling extrinsic motivators that enhance an individual's intrinsic motivation if these confirm or validate a person's competence (Amabile, 1997; Baumann & Stieglitz, 2014; Jarnstrom & Sallstrom, 2012). Another synergistic motivator known as informational extrinsic motivation takes the form of effective



feedback information that typically shares how to improve performance and could also enhance intrinsic motivation (Amabile, 1997; Baumann & Stieglitz, 2014; Jarnstrom & Sallstrom, 2012). Conversely, controlling extrinsic motivators are detrimental to intrinsic motivators as these seek to control an individual's behaviour and therefore tend to undermine the employee's sense of self determination (Amabile, 1997; Jarnstrom & Sallstrom, 2012). Therefore, the argument affirmed by Amabile (1997; 2012) is that a well-grounded intrinsic motivation is relatively impervious to the effects of extrinsic motivators.

### **2.2.5 Intrinsic motivation**

Intrinsic motivation as described by Amabile (1997); Jarnstrom and Sallstrom (2012) and Stringer et al. (2011) is when a person engages in an activity purely for the inherent benefit the activity provides, such as personal interest, enjoyment or for the challenge. Cadwallader et al. (2010) and Jarnstrom and Sallstrom (2012) offered a self-determination continuum, where on one extreme there is the condition of amotivation, which suggests that a person does not see value in the activity and hence has low motivation and does not self-regulate at all. The other extreme suggests a condition of autonomy and intrinsic motivation, which suggests that a person is motivated to perform the task by a sense of free choice and completely self regulates to this condition (Jarnstrom & Sallstrom, 2012). Intrinsic task motivation generally increases an employee's perception of their psychological empowerment as an employee has a sense of self efficacy and then has the competence and control to perform his/her job task and the job task is seen to be meaningful and impactful (Cho & Perry, 2012; Stringer et al., 2011; Zhang & Bartol, 2010). As an example, Schepers, Falk, Ruyter, Jong and Hammerschmidt (2012) suggested that intrinsic motivation is certainly an antecedent in driving Customer Stewardship Control, where employees find satisfaction and meaning in effectively solving customer issues.

In today's business context money as a reward for performance seems to be the generally accepted norm; however this has been brought into question especially in the context of developed economies, where people have transcended beyond mere biological motivation (Jarnstrom & Sallstrom, 2012). Hence job tasks that are not extrinsically motivated may still be performed well when a sense of self actualisation drives the employee.

According to Jarnstrom and Sallstrom (2012) people are motivated by more than rewards or the threat of being punished. Factors such as personal growth, task satisfaction and quality of work also motivate people to the extent that intrinsic motivation could result in being a stronger driver than extrinsic motivation. The challenge lies in creating a balance between matching people with the jobs that excite them such that they are intrinsically motivated by the job and then determining how far the individual may be stretched before motivation diminishes (Andriopoulos, 2001).

Intrinsic motivation is further enhanced by the social context and work environment; factors such as positive feedback and enabling culture support intrinsic motivation and help internalise extrinsic motivators and move employees toward autonomy (Jarnstrom & Sallstrom, 2012). While intrinsically motivated people are less attracted by rewards, specifically pay, a perceived inequity in pay may also be detrimental to intrinsic motivation (Stringer et al., 2011).

The next concept investigated in relation to this study is that of innovation, which is discussed in the following section.

## **2.3 Innovation Defined**

The literature review has provided insight into what motivates employees. This study requires focus on the specific area of innovation and how an organisation effectively motivates employees, specifically frontline employees, to innovate. It therefore requires further understanding about the concept of innovation.

Amabile (2012) defined innovation as the ability of an organisation to successfully implement new ideas that have been generated. Innovation has also been described as new ideas that have the potential to generate future value for the organisation (Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Stringer et al., 2011; West & Anderson, 1996). Innovation is also seen as a means to bring about change in an organisation whether that is in response to market forces changing or as a proactive action to differentiate the organisation and this could take the form of new products, services or improvement in processes (Damanpour, 1996; Damanpour & Gopalakrishnan, 2001).

Binnewies and Gromer (2012) suggested that there are three key components of innovation, namely idea generation, which is the development of new practical ideas; promotion, which is the selling of and gathering support for the idea and implementation, which is the actual realisation and execution of ideas. West and Anderson (1996) provided a perspective of innovation that is wider than the economic benefit that can be derived from the activity; effective innovation can also realise administration efficiency, staff well-being, and personal growth and also relates to the broader benefits to society. It is clear that authors defined innovation differently according to the contexts of their studies.

Gopalakrishnan et al. (2010) explained that there are different types of innovation, specifically incremental innovation, which relates to small improvements on existing products or services and radical innovation, which relates to innovation that fundamentally changes the business or industry. Gopalakrishnan et al. (2010) further stated that people are the foundation of innovation as they feed the innovation process from the creativity, through to the idea generation and the ability to implement the changes in the organisation/system.

All these definitions and descriptions of innovation are valid and there is significant commonality between authors. This study also adopts an amalgamated view of innovation using the views of Binnewies and Gromer (2012) and Gopalakrishnan et al. (2010), mainly that innovation is the function of idea generation, promotion and implementation. This study also adopts the view that innovation benefits need not be limited to economic benefit (West & Anderson, 1996).

Before delving further into innovation, it is necessary to clarify between creativity and innovation, as these two concepts are used interchangeably in literature.

## **2.4 Distinguishing between Creativity and Innovation**

Throughout literature the concepts of creativity and innovation are interchangeably used, and it therefore warrants an understanding of the terminology. Amabile (2012) and Sousa and Coelho (2011) defined creativity as the process of generating new ideas to address particular issues or strive towards a goal. In her definition Amabile (1997; 2012) further suggested that the idea should be new and not just merely different.

Coelho and Augusto (2010) and Slåtten and Mehmetoglu (2011a; 2011b) regarded employees' creativity as the heart of innovation. Binnewies and Gromer (2012) suggested that creativity and innovation are closely related concepts and they described creativity and innovation as simply different stages in the innovative work process. Anderson et al. (2014) offered a unified view of creativity and innovation by stating that these are the culmination of ideas, processes and outcomes of initiatives to improve the current reality.

However, the distinction has been made between the creative and innovative stage with the creative stage anchored in idea generation and the innovation stage more focused on the execution of ideas and realising of actual outcomes (Anderson et al., 2014; Hülshager et al., 2009).

Matongela (2013) articulated the difference between innovation and creativity by explaining that creativity is a multi-layer process of conceptualising ideas and concepts and innovation is the successful and profitable result emanating from the creative process. Therefore given the fact that this study has adopted the view that innovation is the function of idea generation, promotion and implementation (Binnewies & Gromer, 2012; Gopalakrishnan et al., 2010) the study therefore adopted the view that innovation is the culmination of creativity that has been effectively implemented. As such the study used the concept of innovation rather than creativity, as innovation is the concept that adds value to an organisation, whereas creativity is a single step in the innovation process and on its own does not yield value for the organisation.

## 2.5 The importance of innovation

The success and sustainability of an organisation is highly dependent on its ability to innovate (Anderson et al., 2014; Andriopoulos, 2001; Cadwallader et al., 2010; de Jong et al., 2003; Nidumolu et al., 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Sousa & Coelho, 2011; West & Anderson, 1996). The current business environment is highly competitive and ever more global, which requires companies to continuously seek ways of improving their offerings in order to remain competitive (Anderson et al., 2014; Andriopoulos, 2001; Cadwallader et al., 2010; de Jong et al., 2003; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Sousa and Coelho, 2011; West & Anderson, 1996). Furthermore a volatile and unpredictable

business environment with constant technology advances means that a pertinent challenge for managers is to encourage innovation and constantly stimulate employees to be creative (de Brentani, 2001; Gopalakrishnan et al., 2010; Sousa & Coelho, 2011; Zhang & Bartol, 2010). Hence an organisation's sustainability is highly dependent on employee creativity (Buech et al., 2010; Sousa & Coelho, 2011; Zhang & Bartol, 2010). It is therefore evident that innovation is critically important for a company to be relevant to its customer base. To be able to compete effectively in the market and by not prioritising innovation a company runs the risk of being driven out of the market by more innovative and agile competitors.

Often innovation is associated purely with products, however the importance of innovation in the service industry has also been documented (Alam, 2013; Bettencourt et al., 2013; Damanpour & Gopalakrishnan, 2001; de Jong et al., 2003; Dorner et al., 2011). Rayport (2012) emphasised the importance of innovation in the service industry in the study of a sector accounting for 85% of GDP output in the US and argued that this type of innovation is different to typical product innovation in that every employee at any level can play a role in differentiating how a company sells its product. This concept Rayport (2012) termed demand-side innovation.

## **2.6 The importance of innovation in a service environment**

The previous section described the importance of innovation in the business environment in general, covering all industries. As service sectors play an ever more significant role in the economy it is vital to understand the importance of innovation in the service environment.

Service sectors have become an increasingly important sector in developing economies as the firms in this sector constitute many of the large employers and contributors to GDP (Alam, 2013; Bettencourt et al., 2013; de Jong et al., 2003), a notable example being the financial services industry, i.e. the banks. The innovation structures of service firms tend to be somewhat informal compared to manufacturing firms who may have dedicated Research and Development units (Ettlie & Rosenthal, 2011). Furthermore while innovation in manufacturing may be considered as linear, in services it is a change in strategy, structure and skills and is always aligned with a

market and environment that is constantly in flux (Ettlie & Rosenthal, 2011). Service firms want to improve their service offering to their customers to maintain competitive advantage, which makes innovation in this sector is of vital importance (Alam, 2013; Bettencourt et al., 2013; Dorner et al., 2011). According to Wong and Ladkin (2008) innovation is critical for a firm to improve service delivery. Customers are diverse as are the problems they experience, which requires organisations to develop creative solutions. Hence organisations need employees to be creative if they wish to satisfy customers and remain competitive (Sousa & Coelho, 2011).

Sousa and Coelho (2011) described the importance of allowing frontline employees the flexibility to be creative in servicing customers within the services sector, since services are heterogeneous in nature as no two customers are the same. The consumption of services is immediate and customer satisfaction is determined at the point of delivery of the service by the individual.

Dorner et al. (2011) and Melton and Hartline (2010) emphasised the importance of innovation in the service organisation, as core products and services become more interchangeable causing margins to fall. This in turn makes innovation in the service environment a valuable differentiator as it allows an organisation to differentiate their position in the market and not be over exposed to price erosion.

Innovation allows service orientated organisations the ability to maintain competitive advantage; generate organic growth, increase revenue, market share and profits (Dorner et al., 2011; Melton & Hartline, 2010). The literature has provided a view of the importance of innovation within the service environment. In the context of this study it is important to delve a bit deeper to gain insight into the importance of innovation within the financial services industry, which is explored in the next section.

## **2.7 The importance of innovation specifically in financial services**

The demand on the financial services industry to innovate has increased as customers' expectations of products and services have become more elaborate (Schueffel & Vadana, 2015). The World Economic Forum cites a rapidly changing landscape in terms of regulation, technology and similarly states that evolving customers'

expectations require financial services companies to drive innovation (World Economic Forum, 2016).

Trivellas (2011) stated that the banking environment is extremely uncertain and therefore banks need to build capability to remain relevant and competitive. Sousa and Coelho (2011) argued for the importance of flexibility and creativity amongst frontline employees in the banking sector as the employees have no control over product design and are largely unable to change the product to suit the customer's need. It is therefore even more important for the employee to build relationships through adapting and creating a service that addresses the customer's needs or complaints (Sousa & Coelho, 2011; Trivellas, 2011). Damanpour and Gopalakrishnan (2001) findings noted that as banks adopted product and service innovation, most banks demonstrated a higher incidence of adopting product innovation over process innovation. Where banks adopted a healthy mix of product and process innovation there seemed to be a positive association with the bank's performance. This is an important point to consider as innovation at the frontline is most likely to happen at a process level rather than at a product level, as argued by Sousa and Coelho (2011) and could have a similarly large impact as product innovation typically has had (Damanpour & Gopalakrishnan, 2001). Financial services and in particular banks are highly dependent on their frontline to deliver against customer demands and therefore it is important that innovation at the frontline is considered, which is discussed in the next section.

## **2.8 Frontline employees and innovation**

The previous section stated the importance of innovation in the service environment, however further investigation is required regarding the relationship between innovation and the primary component of the service sector which is the customer facing employee, otherwise known as the frontline employee. The frontline employee is described as those employees that are closest to customers and those that interact with customers most regularly in the delivery of products and services (Moosa & Panurach, 2008). This section seeks to understand this relationship between frontline employees and innovation.

Companies that tend to centralise innovation into a specific and defined programme, realise that it is inefficient and insufficient (Moosa & Panurach, 2008). This is primarily

driven by the lack of talent in a pre-defined team, the attention that they are able to provide to numerous areas of the business is limited, and there is a deficiency regarding the insights of the customer (Moosa & Panurach, 2008). Frontline employees are best placed to add value to the customer and the business as their engagement with the customer stimulates valuable ideas and they are able to effectively convert those ideas (Bettencourt et al., 2013; de Brentani, 2001; Moosa & Panurach, 2008).

Customers play an active role in the delivery of a service and as such it is vital that there is effective engagement in the service delivery process at the customer touch points to understand the customer needs completely (Bettencourt et al., 2013). Schepers et al. (2012) offer the concept of Customer Stewardship Control, which relates to the idea that frontline employees adopt a sense of ownership and accountability for the overall welfare of a customer. This amplifies the frontline employee's orientation for meeting the customer's needs (Schepers et al., 2012). Frontline employees that have a customer orientation tend to display what Schepers et al. (2012) termed extra role behaviour (ERB), which are behaviours that an employee displays that are not required as part of their core role. This highlights the importance of the frontline employee in driving the innovation agenda, as they can assist in focussing a firm's innovation to be more customer centric, which will result in truly differentiated offerings (Bettencourt et al., 2013).

A firm can gain competitive advantage by leveraging its frontline employees' knowledge, competence and capability in driving innovation (Melton & Hartline, 2012). The involvement of frontline employees in innovative service development has a definite and direct impact on the performance of service orientated firms (Melton & Hartline, 2010). Cadwallader et al. (2010); de Jong et al. (2003); Dorner et al. (2011) and Ettl and Rosenthal (2011) mentioned the boundary spanning role of frontline employees being the interface between the firm and the customer and the fact that these employees provide insight into innovations and that they are equally critical in the implementation of innovation. Organisations that desire an innovative approach in their business must leverage internal resources to understand the environment and gather intelligence and insight. It becomes apparent that frontline employees present the perfect knowledge interface due to their proximity to customers, competitors and suppliers (Melton & Hartline, 2012). Frontline employees are often closest in proximity to customers and as such are uniquely positioned to gather fundamental customer insights as it relates to the organisation's products and services and are best able to



develop ideas for performance improvement, which makes them an integral source of ideas for innovation (Melton & Hartline, 2010; van der Heijden et al., 2013). Moosa & Panurach (2008) initially suggested that the reason that frontline employees are best placed to play an innovation role is that they are unfamiliar with the overall business plans and their ideas have not yet been properly framed, which allows for unsanitised idea generation. Umashankar et al. (2011) have more recently stated that innovation is improved when frontline employees are involved in the innovation process. In summary, to progress innovation, the organisation needs to leverage the insight and perspective of frontline employees and couple those insights with the expertise and experience of management, Research and Development teams and central innovation teams (Moosa & Panurach, 2008).

Two concepts characterise the job task of the frontline employee. The first concept is heterogeneity, which relates to the fact that no two customers are the same and requires the frontline employee to constantly adapt their job task to each unique situation (Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Wilder, Collier & Barnes, 2014). The second concept is interaction, which is the content contained in the engagement with the customer at the customer touch point and often includes the dialogue that occurs (Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b). According to Slåtten and Mehmetoglu (2011a; 2011b) and Wilder et al. (2014) creativity resides in the interaction between the customer and the frontline employee; this is the point where creative ideas are generated. Slåtten and Mehmetoglu (2011a; 2011b) and Wilder et al. (2014) concluded that if one considers that frontline employees have ongoing interaction with customers and have to adapt their job tasks in order to meet customer demands, it means that frontline employees are a valuable resource of creative ideas. Furthermore given the heterogeneity of the frontline employee's job, this cohort of staff is able to conceive creative ideas for different situations (Slåtten and Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Wilder et al., 2014).

Within the service industry, customer satisfaction is often the responsibility of the frontline employee and as such frontline employees need to be effectively empowered to adapt their service methods in accordance with customer needs (Slåtten and Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Wilder et al., 2014). In an ultra-competitive environment where customers have access to ever more information, choice and technology, they expect a service offering that is more customised to their requirements, hence the importance of the frontline employee to be able and willing to

creatively adapt their service offering to deliver the desired customer experience (Wilder et al., 2014).

It can therefore be argued that if customer satisfaction is primarily the result of frontline employee actions, frontline employees need to be empowered to innovate and thus customise their service offering to cater for the heterogeneity of customers and failure to do so will result in a suboptimal customer experience.

## 2.9 Motivation and innovation

The literature review has thus far provided valuable insights regarding motivation, innovation and the importance of the frontline employee in innovation. This study however sought to connect these three concepts and as such it is important to understand what drives the motivation of people to be innovative and creative. The following section considers a primary theory that may help explain the motivation to innovate and also considers the two primary types of motivation, namely intrinsic and extrinsic motivation and how they impact innovation.

## 2.10 The Componential Theory of Creativity

Literature offers numerous theories that help explain the motivation behind employee innovation. This section explains one theory that is relevant to this study.

Amabile (2012) described the Componential Theory of Creativity which essentially states that a person's creativity level is a function of the creativity components in operation in the person's environment. Central to this theory is that people are the most innovative when motivated by personal interest, enjoyment and challenge, rather than extrinsic motivators such as money, which could actually undermine any intrinsic motivation (Amabile, 2012; Andriopoulos, 2001). However if extrinsic motivators such as rewards play the role of confirming a person's competence or helps to enable a person's passion for the specific field of work, then the individual's intrinsic motivation and their desire to innovate may be enhanced (Amabile, 2012). It is important to reward people effectively for innovative behaviour; however people should not be bribed to be innovative as this could actually have a detrimental effect (Andriopoulos, 2001). Anderson et al. (2014) expanded the componential theory as described by Amabile

(2012), adding that for creativity and innovation to prevail there must be the right level of expertise driving the innovation. Anderson et al. (2014) explained that people must possess and utilise the creative thinking skill and at the organisation level adequate resources must be committed and the appropriate management controls should be in place for creativity to be generated.

## **2.11 Intrinsic motivation as it relates to creativity and innovation**

The previous section provided a generalised theory that motivated individuals' creative action. It is important to delve into the specific factors that influence the motivation to innovate, which commences with an assessment of intrinsic motivation.

Improved psychological empowerment leads to a greater engagement in the creative process, hence the positive effect that intrinsic motivators have on an employee's psychological empowerment will ultimately positively impact an employee's engagement in the creative process (Zhang & Bartol, 2010). Intrinsic motivation is considered to be more effective than extrinsic motivation because it satisfies employees' needs for building competence, providing job autonomy and improving relatedness (Baumann & Stieglitz, 2014; Cho & Perry, 2012). Individuals that are intrinsically motivated regulate their behaviour in distinct ways, by self-regulating and performing tasks on their own accord to gain a sense of accomplishment, experiencing stimulation, increasing responsibility, realising self-actualisation or building their knowledge and capability (Cadwallader et al., 2010; Stringer et al., 2011).

Cognitive evaluation theory suggests that extrinsic motivators may actually crowd out internal motivators which is seen as the hidden cost of rewards, to the extent that extrinsic motivators shift focus away from the task to the motivator itself and could impact creativity levels (Jarnstrom & Sallstrom, 2012; Stringer et al., 2011). The timing of using synergistic extrinsic motivators is an important consideration, because in different stages of creativity, managers should use different motivators (Amabile, 1997; Baumann & Stieglitz, 2014). For example, when there is little need for novelty and the need is more for action, synergistic extrinsic motivators should be used, as opposed to stages when novel idea generation is required where less extrinsic motivation is needed (Amabile, 1997; Anderson et al., 2014; Baumann & Stieglitz, 2014). Within the

context of intrinsic motivation, where there are positive expected performance outcomes creativity is positively impacted, and in contrast when there are potential image risks associated with the task, creativity is diminished (Anderson et al., 2014). Amabile (1997) and Anderson et al. (2014) stated that creativity is most probable when an employee's skills intersect with his/her personal interests and passions. Coelho and Augusto (2010) as well as Zhang and Bartol (2010) argued that intrinsic motivation is not enough to secure a creative outcome. Employees must be engaged in a manner to ensure that they are involved in identifying business problems and opportunities, taking an active role in generating ideas and solutions to those problems and being willing and able to implement them (Zhang & Bartol, 2010).

## **2.12 Extrinsic motivation as it relates to creativity and innovation**

The other primary type of motivation revealed in the literature is that of extrinsic motivation. This section attempts to reveal how this form of motivation impacts creativity in employees.

In contrast to intrinsic motivation, extrinsic motivation is seen as being negatively correlated to job satisfaction, which is a primary antecedent to drive innovation (Stringer et al., 2011). Self-determination theory suggests that extrinsically motivated individuals regulate in various ways (Cadwallader et al., 2010). Employees self-regulate according to external regulation, where they perform certain tasks or behave in a manner to achieve some external reward or avoid an external punishment (Cadwallader et al., 2010; Cho & Perry, 2012). Employees may also self-regulate according to introjected regulation where employees respond to forces from the environment and act accordingly; this is seen to be coerced behaviour and is not self-determined, but is performed on the basis that some pressure may have been applied (Cadwallader et al., 2010; Cho & Perry, 2012). Baumann and Stieglitz (2014) challenged the value of rewarding employees for generating ideas and argued that low power rewards tend to generate a pipeline of good ideas but very few exceptional ideas and high power rewards do not necessarily generate exceptional ideas but do generate a large number of good ideas. The reason for this phenomenon is that employees do not self regulate, but rather are chasing high power incentives compete with each other for resources and for selection of ideas, which ultimately has a detrimental effect on

idea generation (Baumann & Stieglitz, 2014; Cadwallader et al., 2010; Cho & Perry, 2012). High power incentives tend to crowd out innovation whereas low power incentives have less of an effect and actually provide a relatively steady stream of good ideas, in part due to the incentives not being seen as controlling or coercive (Amabile, 2012; Baumann & Stieglitz, 2014; Cadwallader et al., 2010; Cho & Perry, 2012). High power incentives also present the risk of employees diverting their attention away from high value activity, such as pursuing exploitative initiatives instead of focussing on exploratory work (Baumann & Steiglitz, 2014). Another consideration is the amount of wastage generated by high power incentives; because while these incentives generate more good proposals, the limited resources of the firm mean that only a few may be exploited, thus wasting many good ideas (Baumann & Stieglitz, 2014).

Identified regulation is where an employee begins to act more autonomously as he/she sees the value in performing the task and does so out of choice rather than being coerced in any way (Cadwallader et al., 2010; Cho & Perry, 2012). Integrated regulation is the most autonomous form of extrinsic motivation, where the individual self regulates on the basis that the job task is seen as valuable and the individual integrates the task with his/her personal values (Cadwallader et al., 2010; Cho and Perry, 2012). The difference between intrinsic motivation and identified and integrated regulation is that the latter two regulations are still to an extent driven by an instrumental driver, which means the activity or task is done to achieve a personally driven outcome, whereas with an intrinsic motivator, the task is done purely for the inherent benefit of doing the task (Cadwallader et al., 2010; Cho and Perry, 2012).

It seems that there is no consensus on whether intrinsic or extrinsic motivators are better at getting employees to innovate and there is a need to focus on the motivation to innovate amongst frontline employees specifically.

## **2.13 Drivers of creativity and innovation**

This section identifies the numerous factors and antecedents to innovation that have been put forward by the literature to identify the major gaps in current research.

Innovation is critically important to ensure the sustainability of organisations, which makes the stimulation and motivation of employees to behave creatively and innovatively of paramount importance (Slåtten & Mehmetoglu, 2011a; Slåtten &

Mehmetoglu, 2011b). Anderson et al. (2014) identified task and social contexts as having a substantial impact on creativity. Within task contexts, components have varying impacts on creativity, such as job complexity, creativity goals, time pressures and rewards (Anderson et al., 2014; West & Anderson, 1996). Routinisation is a component in the task context that negatively affects creativity (Anderson et al., 2014). Binnewies and Gromer (2012) suggested that each of the three key components of innovation they put forward, namely idea generation; promotion and implementation, are impacted somewhat differently by factors such as personal initiative, self-efficacy, perceived psychological safety and goal setting. As an example perceived psychological safety may have the most significant impact on idea generation, to the extent that employees feel safe and comfortable in submitting ideas. Goal setting may have more of an impact on implementation as goals that the employee is measured on will take priority over creativity and innovation. Hülshager et al. (2009) stated that a relationship between the task and the goal exists, in that the two are interdependent, which makes the clear crafting of goals an important antecedent to innovation. Coelho and Augusto (2010) considered complexity in the form of task variety, identity, autonomy, feedback and significance as a positive driver of creativity.

Matongela (2013) argued that when total quality management is embedded into an organisation, it has a higher likelihood to continuously innovate. Other factors put forward by Matongela (2013) that enable innovation in organisations include the organisation's strategy, its culture, structure and control activities. Matongela (2013) provided five determinants to build an innovative organisation, which include the following: Tolerant leadership where leaders tolerate risks and mistakes, a culture conducive to innovation where idea generation is promoted at all ranks and employees have a sense of control over their job tasks, promoting team work and collaboration such that ideas are shared, developed and grown so that the true potential of the innovation is realised, developing people to have the competency to master their job tasks and creating capacity to innovate and finally to provide leadership support as well as commitment of adequate resources to realise the innovation (Matongela, 2013). Other factors that drive the motivation for innovative behaviour include task orientation, where employees inherently care about the quality of the task as it relates to the overall vision of the organisation (Hülshager et al., 2009). Cohesion and effective internal and external communication between all levels of the organisation also have a positive effect on innovative behaviour (Hülshager et al., 2009). The organisation's climate is

important in motivating frontline employees to be creative and apply the right level of discretion to service customers effectively (Wilder et al., 2014).

This section provided an overview of numerous elements that influence creativity amongst employees. Conceptually there are areas that overlap and for the purposes of this study all of the factors above were distilled into three primary themes. These themes are comprehensive and between them cover the aspects described in the literature above. The three primary themes that were identified were that of organisational climate, organisational structure and leadership style. These themes were then considered as drivers of motivation to innovate and were subsequently included in the study as additional engagement factors that impact frontline employee's motivation to innovate. These drivers are comprehensively explored in the next section.

### **2.13.1 Organisational culture and climate**

The culture and climate within an organisation is a confluence of many environmental and behavioural factors at play within the organisation. This section emphasises the importance of both culture and climate within an organisation and investigates some of the factors that contribute toward an organisation's culture and climate.

Andriopoulos (2001) stated that the organisational climate is an important factor that drives creativity in an organisation. Innovation is stimulated more in an atmosphere that sets clear performance goals while allowing for a degree of freedom of expression and fostering an open climate (Andriopoulos, 2001; West & Anderson, 1996). Creativity is further enhanced in an environment that provides stimulation, freedom to experiment without fear of punishment for failure, allowing for cross functional interaction, limiting barriers between divisions thus allowing ideas to be cumulatively built on (Andriopoulos, 2001, West & Anderson, 1996). An environment where employees experience varied information input stimulates creative thinking and innovation (van der Heijden et al., 2013). Anderson et al. (2014) suggested that increased job involvement, less conformity and routine tasks, the presence of creative co-workers and an environment that provides timely and constructive feedback promote individual creativity. An environment that is perceived as relaxed and that encourages discussion and debate leads to more idea generation and creativity (Lages & Piercy, 2012).

The climate that pervades through an organisation is therefore an important determinant to motivating innovation; similarly literature argues the same for an organisation's culture.

Anderson et al. (2014) and Martins and Terblanche (2003) propounded that an organisation's culture is a vital determinant of the levels of creativity and innovation. Building a culture where the mission, vision and strategy of the organisation as it relates to innovation permeate all levels of the organisation is essential to building innovative behaviour in employees (Martins & Terblanche, 2003). Anderson et al. (2014) suggested that a culture and climate that supports initiatives and psychological safety promotes creativity. Cultural values, such as individualism versus collectivism and power distance also impact the level of creativity (Anderson et al., 2014). Paternalistic control over teams is suggested to promote intrinsic motivation to innovate and diverse teams are seen to promote creativity (Anderson et al., 2014).

Installing support mechanisms such as fair and supportive evaluation of employees, reward and recognition programmes for creative performance, and availability of sufficient and relevant resources, time, training, job variety, flexible working conditions and information technology promotes creativity and innovation amongst employees (Anderson et al., 2014; Andriopoulos, 2001; Martins & Terblanche, 2003; West & Anderson, 1996). Encouraging behaviours that promote creativity and innovation, such as risk taking, idea generation and competitiveness are critical (Andriopoulos, 2001; Martins & Terblanche, 2003). The manner in which mistakes are handled and how the organisation supports change also influences creative and innovative behaviour (Martins & Terblanche, 2003).

Amabile et al. (1996); Amabile (1997) and Anderson et al. (2014) suggested that the social context and work environment are important influencers in the level of creativity within the organisation and creativity is a primary driver of innovation. According to Amabile et al. (1996); Amabile (1997) and Anderson et al. (2014), managers must pay attention to the environment to stimulate creative thinking and behaviour. An individual's intrinsic motivation is most directly influenced by their work environment (Amabile, 1997; Anderson et al., 2014; Baumann & Stieglitz, 2014). Baumann and Stieglitz (2014) asserted that an organisation would be at an advantage by promoting innovation and focussing on the design of the work environment rather than focussing on financial rewards.



An environment that promotes encouragement from supervisors and from the organisation as a whole tends to promote creative behaviour (Amabile et al., 1996; Amabile, 2012). Binnewies and Gromer (2012) further suggested that co-worker and supervisor support have a positive impact on an individual's creativity and innovation. Perceived organisational support leads to lower emotional exhaustion and a higher willingness amongst frontline employees to accept organisational goals (Lages & Piercy, 2012). Perceived organisational support can be created or transmitted by empowering employees, setting up rewards and recognition systems and creating opportunities for personal development (Lages & Piercy, 2012).

Perceived negative organisational or management actions such as downsizing impacts task motivation which has a direct negative impact on creativity (Amabile, 1997; Anderson et al., 2014). The idea of participative safety related to specific conditions within the work environment should be considered when promoting innovative behaviour (Hülshager et al., 2009). Some of the conditions advocated by participative safety that would make for a conducive environment for innovation to thrive include employee participation in decision making, intra-group safety which relates to a non-threatening and non-judgemental interpersonal climate that assures employees their psychological safety and a supportive, collaborative environment with a culture of socialisation to aid problem solving (Hülshager et al., 2009). Essentially, participative safety contributes to idea generation by enabling employees to speak up without fear, even if their point of view is contrary to the mainstream view (Hülshager et al., 2009). Participative safety also facilitates execution and encourages team learning (Hülshager et al., 2009).

An organisation that promotes job autonomy and freedom in determining how to execute against one's role, provides adequate resources to perform various job tasks and carefully manages workload pressures on employees, is likely to enjoy enhanced levels of creativity from employees (Amabile et al., 1996; Amabile, 2012). A climate of autonomy tends to drive the sense of ownership of the job and has the impact of improving motivation to innovate (Andriopoulos, 2001; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b). Binnewies and Gromer (2012) supported the view that when an employee experiences a strong perception of job control it has a positive impact on the employee's level of creativity and innovation. Ensuring that employees understand the innovation process, emphasising the importance of their participation and then allowing a degree of choice and independence in executing their job tasks is

likely to increase employees participation in the innovation process (Cadwallader et al., 2010).

Organisations that have a culture of providing slack resources for employees to explore discretionary projects positively impact their motivation to innovate (Baumann & Stieglitz, 2014; Fernandez & Pitts, 2011). An environment that promotes skills development and training relevant to the type of innovation required by the firm is likely to increase innovation participation (Cadwallader et al., 2010; West & Anderson, 1996). Employee training and development is seen to have a positive impact on employees' motivation to innovate as it allows them to master skills for the tasks at hand, making them better at implementing innovation, exposing them to new knowledge and ideas and improving their problem diagnosing and solving skills (Fernandez & Pitts, 2011).

A culture that promotes healthy conflict has been affirmed to be a possible enhancer of innovative behaviour as conflict challenges the status quo and promotes information exchange; however this is dependent on the type of conflict (Hülshager et al., 2009). The concept of conflict as a driver of innovative behaviour is inconclusive; however Hülshager et al. (2009) argued that task conflict promotes innovative behaviour, whereas relationship conflict is detrimental to innovative behaviour. In very specific conditions relationship conflict may actually be beneficial to innovative behaviour as it disrupts conventional thinking (Hülshager et al., 2009). A contra-argument to participative safety and its role in promoting innovative behaviour is that because people seek to maintain harmonious relationships and healthy group dynamics, they tend not to challenge or criticise each other's ideas and this breeds conformity and group think (Hülshager et al., 2009).

The literature has demonstrated that an organisation's culture and climate is pivotal in motivating employees and is dependent on many variables which have been comprehensively described. However there is a need for further investigation to determine how an organisation's culture and climate affects the motivation to innovate amongst frontline employees specifically. Research question three, which is presented in Chapter 3, takes into account an organisation's culture and climate and evaluates the impact climate and culture have on the motivation of frontline employees to innovate.

### 2.13.2 Leadership style

This section analyses how the style of leadership within an organisation impacts the motivation of employees to innovate. The literature suggested that the leadership style that prevails in an organisation certainly impacts the motivation levels of employees to innovate. Leaders are charged with creating an environment that fosters innovation and includes ensuring that the appropriate systems, processes and structure are in place (Denti & Hemlin, 2012). Furthermore, leaders who encourage innovation, commit resources, foster an appropriate climate and culture, empower people and provide adequate rewards and recognition, advance the innovation agenda in their organisations (Denti & Hemlin, 2012).

Leaders who can bridge the gap of providing support for exploratory innovation activity and linking the innovation activity to the strategic direction of the organisation tend to positively influence employees' willingness to innovate (Moosa & Panurach, 2008). Martins and Terblanche (2003) argued that it is strong management support that fosters innovation amongst employees. Similarly, leaders who empower employees and offer job autonomy yield higher levels of innovation from employees (Smith, Busi, Ball & Van Der Meer, 2008).

A democratic participative leadership style is argued to be better than an autocratic leadership style when motivating employees to be innovative (Andriopoulos, 2001). Generally leaders who have a clear vision and understand the importance of innovation to their corporate strategy and are able to clearly articulate this at all levels of the organisation inspire higher levels of creativity and innovation (Anderson et al., 2014; Andriopoulos, 2001; Cadwallader et al., 2010; Hülshager et al., 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b). A leadership style that is characterised as transformational, that empowers employees, is supportive of innovation activity, encourages effective leader-member exchange and contributes positively toward intrinsic motivation has a positive impact on creativity and the overall creative process engagement (Anderson et al., 2014; Zhang & Bartol, 2010). Conversely, a controlling style of leadership or transactional leadership has a negative effect on creativity (Anderson et al., 2014; Zhang & Bartol, 2010). Fernandez and Pitts (2011) asserted that a high leader-member exchange contributes positively to motivation levels for innovation.

Fernandez and Pitts (2011) and Slåtten and Mehmetoglu (2011a; 2011b) both suggested that a leadership style that empowers frontline employees by enabling them to share their views is required. Inasmuch as the required leadership style involves frontline employees in relevant decision making, while delegating certain decisions to them while simultaneously relaxing controls and creating more autonomy, it motivates creative and innovative behaviour such that employees feel comfortable to exercise discretion in deviating from service scripts to more effectively service customers. Fernandez and Pitts (2011) and Slåtten and Mehmetoglu (2011a; 2011b) further asserted that leadership should empower employees, promote intrinsic motivation and cultivate ambidexterity, as these characteristics are vital in driving innovation.

Leadership that provides open and frequent communication regarding the organisation's innovation ambitions and its achievements, promoting self-initiated activity, encouraging participative safety as well as trust and respect for the individual promote creative and innovative behaviour (Andriopoulos, 2001; Martins & Terblanche, 2003). Chandy and Tellis (1998) stated that the effective flow of communication across levels within the organisation; including constructive feedback promotes innovation in a company. Binnewies and Gromer (2012) affirmed that interventions that demonstrate and emphasise the importance of innovation to fulfil the organisation's objectives may enhance individual employees' innovative behaviour. Communication and information sharing both vertically and horizontally is viewed as a positive motivator of innovation, as it promotes the sharing of ideas, obtaining feedback and gaining understanding of the organisation's vision and goals (Fernandez & Pitts, 2011).

While leadership style is considered to be an important factor in motivating people to innovate, the cross-over of this factor with other institutional factors such as the appropriate structure, the right rewards and recognition system, the appropriate culture and climate, suggests that leadership style should not be examined in isolation but in the context of the other factors that surround it. It is noted that the literature generalises the effects of leadership style on all employees and therefore there is a need to extend an investigation of leadership style and its impact on the motivation of specifically frontline employees to innovate. This forms the basis of Research Question Three presented in Chapter 3.

### 2.13.3 Organisational structure

This section emphasises the importance of structures within an organisation as it relates to motivating employees to innovate.

The manner in which an organisation is structured and organised as well as the manner in which different teams and departments interact impacts the motivation of employees to want to innovate.

Structures that promote an open and collaborative style of working tend to foster higher levels of willingness to innovate (Martins & Terblanche, 2003; Smith et al., 2008) and those organisations that are able to effectively coordinate cross-functional teams with diverse skills allow for higher levels of innovation to (De Jong, Marston, & van Biljon, 2013).

Fernandez and Pitts (2011) argued that organisations with decentralised structures tend to empower employees through consultation and engagement in idea generation and decision making and in so doing promote employees' motivation to innovate. The notion of decentralised and collaborative structures and the ability to promote innovative behaviour is further supported by Anderson et al. (2014).

It is evident that an organisation's structure certainly has an impact on the motivation of employees' willingness to innovate, however the literature makes reference to other influencers in the context of the organisation's structure such as the style of management and leadership and the organisational culture and climate.

It is therefore evident that organisational structure cannot be viewed in isolation and the impact of leadership style and culture and climate should be considered when assessing the motivation of employees to innovate. While the literature tends to generalise about all employees, further investigation is warranted to understand the impact that organisational structure has on frontline employee motivation to innovate. Furthermore, there is a lack of an absolute consensus that well-structured organisations promote innovation, which provides the basis for Research Question Three which is articulated in Chapter 3.

This section has delineated the diverse range of issues that moderate employees' innovative behaviour. The significant areas that were investigated were that of organisational climate and culture, leadership style and organisational structure. The

literature demonstrates that these three areas are interlinked and to an extent seem interdependent. The literature is not specific about the type of employee that is affected by these factors, hence further investigation into the relationship between these three factors and the motivation of frontline employees to innovate is required.

## 2.14 Summary

Frontline employees are important contributors to a firm's competitive advantage and as such it is important to understand the specific aspects of the frontline employee's role that could contribute toward their engagement (Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b). Fernandez and Pitts (2011) asserted that frontline employees are very amenable to extrinsic motivators such as money, but at the same time attach significant value to intrinsic motivators such as challenging meaningful work. Aworemi et al. (2011) also suggested that motivations differ between situations; for example in the developed world, intrinsic motivations seem to be dominant, whereas in the developing world where living standards are not as high, people are more extrinsically motivated. However if intrinsic motivation is generally better as suggested by the likes of Aworemi et al. (2011) it does not reconcile with the notion suggested by Jarnstrom and Sallstrom (2012) that the type of employee determines the most effective form of motivation.

There is clearly a lack of consensus of which type of motivation i.e. extrinsic versus intrinsic motivation is better at allowing employees to innovate. Furthermore there is no consensus regarding which type of extrinsic motivators are effective, i.e. financial versus non-financial rewards. Moreover, it is not sufficiently clear whether the quantum of financial rewards impacts the level of motivation to innovate, specifically amongst frontline employees. Hence this study sought to determine whether intrinsic or extrinsic motivators are better at predicting innovation amongst frontline employees. Furthermore, this study sort to investigate the type of extrinsic motivators that are more likely to positively impact innovation amongst frontline employees and also assessed whether the quantum of financial rewards impact the motivation to innovate amongst frontline employees.

Simultaneously, the literature revealed that considering extrinsic and intrinsic motivation alone is inadequate as it lacks construct validity, measurement validity and

experimental control (Reiss, 2012). The argument states that the inadequacies in extrinsic and intrinsic motivation are rooted in the fact that universal human motives are multifaceted (Reiss, 2012). Reiss (2012) further argued that evaluating motivation needs to go beyond extrinsic and intrinsic motivation. The argument put forward by Reiss (2012) suggests that it is worth examining intrinsic and extrinsic motivation in conjunction with the contextual factors, such as those explained by numerous authors such as Amabile et al. (1996); Amabile (1997); Binnewies and Gromer (2012); Hülshager et al. (2009); Slåtten and Mehmetoglu (2011a; 2011b) and Sousa and Coelho (2011). This research study considered the three primary areas as described in the literature review, which include organisational culture and climate, organisational structure and leadership style and how each of these factors impact on the motivation of frontline employees to innovate.

A further gap is evident that to some extent of the literature is concerned with general employee motivation, and does not focus specifically on the motivation to innovate. However the most significant gap in the literature is that most studies deal with motivation of employees in general rather than with frontline employees specifically.

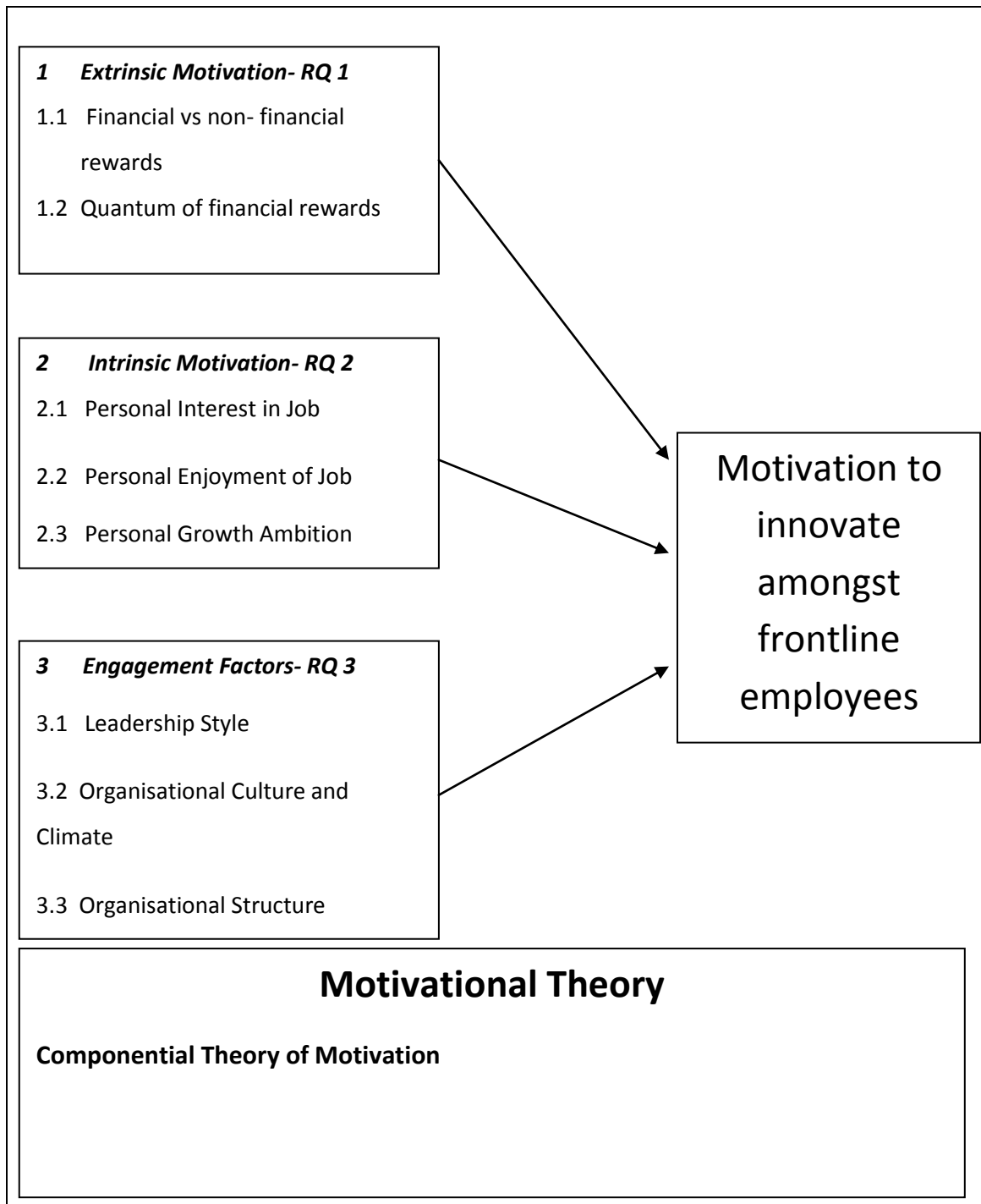
## 2.15 Research framework

This research study attempted to fill the academic gap by bringing the concepts of motivation, innovation and the frontline employees together in a single study as much of the literature does not have a consolidated view of these three concepts (Figure 1). Furthermore it sought to gain a more definitive answer in a single study about the type of motivation that is most effective in allowing frontline employees to innovate. To ensure that this study is sufficient rooted in academic theory, it was underpinned by a fundamental theory of motivation that relates to innovation, that being the Componential Theory of Creativity.

In order to simplify the construct of this study, Figure 1 illustrates the structure of this study. It demonstrates the focus of the study and the intended outcome of the study.



Figure 1: Structure of this study







## **CHAPTER 3: RESEARCH QUESTIONS**

### **3.1 Introduction**

The aim of this research was to gain more profound insight into the intrinsic and extrinsic motivators of innovation in frontline employees. In addition the study explored engagement attributes that may drive innovative behaviour amongst frontline employees.

As evidenced in the literature review, frontline employees are important to the innovation effort of an organisation and organisations need the involvement of frontline employees in the innovation process to help companies remain competitive and relevant. However, employees need to be adequately motivated to contribute effectively to the innovation effort in an organisation. Furthermore, as established in the literature review further insight is required into which type of motivators and factors are better at predicting innovation, specifically in frontline employees.

This chapter therefore outlines the three primary research questions that emanated from the literature that was reviewed. The research questions presented in this section were intended to determine the types of motivators, i.e. extrinsic or intrinsic as well as the primary drivers that were identified in the literature review, i.e. organisational culture and climate, leadership style and organisational structure's influence the motivation of frontline employees to innovate. The research questions were also intended to help assess the efficacy of the type of intrinsic and extrinsic motivators and different engagement factors on the frontline employee's propensity to innovate.

### **3.2 Research Question 1**

The literature review revealed differing views regarding whether or not extrinsic motivators are effective in driving innovative behaviour in employees. The literature also revealed gaps in understanding this aspect specifically amongst frontline employees as much of the literature that was reviewed was not specific about the type of employee.

Extrinsic motivation relates to the instrumental reasons that people engage in certain behaviours rather than the reasons that are inherent to the behaviours (Cadwallader et al., 2010; Cho and Perry, 2012; Jarnstrom and Sallstrom, 2012; Stringer et al., 2011).

Opponents to extrinsic motivation, authors such as Amabile (1997; 2012) and Andriopoulos (2011) suggested that extrinsic motivators could undermine innovation. However, Danish and Usman (2010) and Stringer et al. (2011) affirmed that extrinsic motivation could in fact increase the propensity for innovation and that there is no better form of motivator than money. Other proponents of extrinsic motivation suggested that employees self-regulate according to external regulation, where they perform certain tasks or behave in a manner to achieve some external reward or avoid an external punishment (Cadwallader et al., 2010; Cho and Perry, 2012). Stringer et al. (2011) asserted that people desire personal benefit by seeking out instrumental advantages from performing a task.

Jarnstrom and Sallstrom (2012) emphasised different forms of extrinsic motivation by stating that tangible rewards such as money could be detrimental to innovation as a person may feel they are being manipulated rather than being sincerely rewarded. Intangible extrinsic rewards such as verbal recognition on the other hand, according to Jarnstrom and Sallstrom (2012) enhanced the person's feeling of autonomy and thus improved their intrinsic motivation.

Finally the quantum of the financial reward was also questioned. Baumann and Stieglitz (2014) suggested that high power extrinsic motivators, meaning high value financial rewards, tend to crowd out innovation and result in wasted resources. Baumann and Stieglitz (2014) also suggested that such rewards divert people's attention from value adding activity. Stringer et al. (2011) supported this view.

This study assessed extrinsic motivation in its distinct forms of financial and non-financial recognition. Given the opposing view that extrinsic rewards could be detrimental to innovative behaviour, especially high value financial rewards, this study sought to explore the impact of the quantum of financial rewards on innovation.

Research Question 1 was expressed as follows:

**Research Question 1: What is the relationship between extrinsic motivators and the level of innovative behaviour in frontline employees?**

**Research question 1.1: Do financial or non-financial mechanisms of reward and recognition have a greater impact on the level of innovative behaviour amongst frontline employees?**

In order to provide further insight into research question 1.1 the researcher sought to determine whether the quantum of financial rewards impact the innovative behaviour amongst frontline employees. This was therefore included in the questionnaire and the results have been reported.

### **3.3 Research Question 2**

The literature review once again revealed that there are differing views on whether intrinsic motivation is effective in driving innovative behaviour.

When a person engages in an activity purely for the inherent benefit such as personal interest, personal enjoyment it is termed intrinsic motivation (Amabile, 1997; Amabile, 2012; Jarnstrom & Sallstrom, 2012; Stringer et al., 2011). Another significant inherent benefit associated with intrinsic motivation include job satisfaction because the job is seen to be meaningful and impactful and allows for personal growth (Cho & Perry, 2012; Jarnstrom & Sallstrom, 2012; Stringer et al., 2011; Zhang & Bartol, 2010).

Some authors suggested that intrinsic motivation is more effective than extrinsic motivation because it satisfies employees' needs for building competence, providing job autonomy and improving relatedness (Baumann & Stieglitz, 2014; Cho & Perry, 2012). Other academics further suggested that individuals who are intrinsically motivated regulate their behaviour in distinct ways, by self-regulating and performing tasks on their own accord to gain a sense of accomplishment, experience stimulation, increase responsibility, realise self-actualisation or to build their knowledge and capability (Cadwallader et al., 2010; Stringer et al., 2011). Conversely, Coelho and Augusto (2010) as well as Zhang and Bartol (2010) argued that intrinsic motivation is not enough to secure a creative outcome. The view that intrinsic motivation is better

than extrinsic motivation also contradicts Stringer et al. (2011) who suggested that there is no better motivator than money.

Therefore the difference in views in literature regarding the efficacy of intrinsic motivation on innovative behaviour and the need to understand the impact of intrinsic motivation in the context of the frontline employee motivated Research Question 2, which sought to determine the effect of intrinsic motivation on innovative behaviour in frontline employees.

The construct of intrinsic motivation was built on the crucial drivers of intrinsic motivation identified in the literature review, which are personal interest in one's job, personal enjoyment of one's job, job satisfaction and personal growth.

Hence the second research question sought to explore intrinsic motivators and their impact on frontline employee innovation.

Research Question 2 was expressed as follows:

**Research Question 2: What is the relationship between intrinsic motivators and the level of innovative behaviour in frontline employees?**

In order to provide further insight into research question 2 the researcher sought to determine how each of the identified primary factors that comprise intrinsic motivation, i.e. employee personal interest in the job/task; personal enjoyment of the job/task; personal growth ambition and job/task satisfaction, predict the level of innovative behaviour amongst frontline employees. These results have been reported on.

### **3.4 Research Question 3**

The literature review cited numerous authors who made references to a myriad of factors that influence employees' general engagement, which is largely seen as an antecedent to their willingness to innovate. Jarnstrom and Sallstrom (2012) and Trivellas (2011) explained that the desire for people to self-actualise and in so doing self-regulate their behaviour creates a higher propensity for innovative behaviour. Cadwallader et al. (2010) referred to global, contextual and situational motivation, all of which are factors to employee engagement.

All of the factors identified in the literature review were ultimately distilled into three primary drivers that between them comprehensively cover the myriad of factors that influence motivation to innovate.

One of the primary factors identified in the literature that is believed to influence motivation to innovate is organisational structure (de Jong et al., 2003; Martins & Terblanche, 2003). Structures that promote an open and collaborative style of working tend to foster higher levels of willingness to innovate (Martins & Terblanche, 2003; Smith et al., 2008) and those organisations that are able to effectively coordinate cross-functional teams with diverse skills also allow for higher levels of innovation (De Jong et al., 2013).

Fernandez and Pitts (2011) argued that organisations with decentralised structures tend to empower employees through consultation and engagement in idea generation and decision making and in so doing promote employees' motivation to innovate. The notion of decentralised and collaborative structures and the ability to promote innovative behaviour was further supported by Anderson et al. (2014).

Hence this research question sought to determine the impact of organisational structure on the motivation of frontline employees to innovate.

The second primary factor that was identified in the literature was that of leadership style. Leaders who encourage innovation, commit resources, foster an appropriate climate and culture, empower people and provide adequate rewards and recognition advance the innovation agenda in their organisations (Denti & Hemlin, 2012). Leaders who can bridge the gap between providing support for exploratory innovation activity and linking the innovation activity to the strategic direction of the organisation tend to positively influence employees' willingness to innovate (Moosa & Panurach, 2008).

Leaders who empower and offer job autonomy yield higher levels of innovation from employees (Smith et al., 2008). However, Martins and Terblanche (2003) argued that it is strong management support that fosters innovation amongst employees. The literature provided the context of leadership style in relation to motivation of employees to innovate. Therefore there is a need to extend the understanding of the impact of leadership style on the motivation of frontline employees in particular to innovate. Hence this research question investigated the construct of leadership style on frontline employee motivation to innovate.

The third primary factor that was identified as a factor that impacts motivation to innovate is that of organisational culture and climate. An organisation's culture is a vital determinant of the levels of creativity and innovation (Anderson et al., 2014; Andriopoulos, 2001; Martins & Terblanche, 2003). Organisational culture and climate is comprised of many different aspects, such as flexibility (Andriopoulos, 2001; West & Anderson et al., 2014), role autonomy (Amabile et al., 1996; Andriopoulos, 2001; Binnewies & Gromer, 2012; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b), the work environment (Amabile et al., 1996; Amabile, 1997; Amabile, 2012) and perceived organisational support (Lages & Piercy, 2012). These aspects have been comprehensively covered in the literature review. While the literature reviewed provided context regarding the factor of organisational culture and climate and its impact on employee motivation to innovate, this research study sought to extend the understanding of the role of organisational culture and climate on the motivation of frontline employees in particular to innovate.

Therefore this research question sought to determine the impact that certain employee engagement factors, i.e. organisational structure, organisational culture and climate and leadership style have on the motivation of frontline employees to innovate. As mentioned previously these three primary factors encapsulate many of the various antecedents to innovate as affirmed in the literature review, including aspects such as communication, the work environment and job autonomy. These primary factors are consolidated into research question 3.

Research question 3 was expressed as follows:

**Research Question 3: What is the relationship between employee engagement factors and the level of innovative behaviour in frontline employees?**

In order to provide further insight into research question 3 the researcher sought to determine how each of the identified employee engagement factors, i.e. leadership style, organisational culture & climate and organisational structure, predict the level of innovative behaviour amongst frontline employees. These results have been reported on.



## CHAPTER 4: RESEARCH METHODOLOGY

### 4.1 Introduction

The purpose of this research was to gain insight into both the intrinsic and extrinsic motivators as well as key drivers, i.e. organisational structure, organisational culture and climate and leadership style that influence innovative behaviour in frontline employees. The study sought to determine which of these motivators and drivers have a more significant impact on frontline employees' motivation to innovate. Furthermore, while these concepts have been studied individually, the value of this study is to examine these motivators together in the context of frontline employees.

The literature review provided an understanding of the primary motivators and factors for employees in general. This research study aimed to extend the current knowledge of the motivators and factors that predict innovative behaviour in employees and applied these constructs specifically to frontline employees. Saunders and Lewis (2012) referred to studies such as the current research as descriptive, as it applies existing constructs to ascertain a more accurate representation amongst frontline employees. The survey research strategy in which primary data is collected from a sample of the target population formed the basis of the chosen methodology for this study (Zikmund, Babin, Carr & Griffin, 2009).

This chapter explains all the parameters involved in the research methodology for this research study including:

- Research design
- Research scope
- Population and sampling
- Data analysis
- Research instrument
- Research limitations

## 4.2 Research Design

Saunders and Lewis (2012) proposed the layered approach in research design, where the description of the research philosophy and approach informs the research type and strategy. This approach was adopted for the research study.

### 4.2.1 Research philosophy and approach

The research philosophy adopted for this study was positivism, which is described as “highly structured methods (that) are employed to facilitate replication, resulting in law-like generalisations” (Saunders & Lewis, 2012, p. 104). The philosophy described here underpins the choice of a structured approach where the aim of the research questions was to generalise findings and allow for future replication.

This study may be further described as deductive as it involved using existing and well documented theoretical propositions and tested the relevance of those propositions within a specific context (Saunders & Lewis, 2012). The research questions outlined in the previous chapter were elaborated upon and articulated in a respondent-friendly manner to collect the data needed to answer each research question.

### 4.2.2 Research type and strategy

This research study fits the definition of a descriptive study as defined by Saunders and Lewis (2012) as it has provided an understanding of motivations and factors amongst frontline employees. The literature review on the importance of innovation, the role of frontline employee and motivation demonstrates a thorough understanding of the situation being studied, which is important when conducting a descriptive study (Zikmund et al., 2009).

This study took the form of a quantitative study as it used existing theoretical propositions provided by other researchers, rearticulated in the form of research questions that applied to the context of frontline employees in a manner that provided objective and generalisable results (Zikmund et al., 2009). This quantitative study took the form of survey research, meaning that a structured questionnaire was used to obtain data from a sample of a large population. Similar studies have used this approach, as explained by Slåtten and Mehmetoglu (2011a; 2011b). The use of



surveys in conducting descriptive studies and producing quantitative results is validated by Zikmund et al. (2009). This study evaluated the motivators and factors of frontline employees' innovative behaviour at a particular point, hence according to Saunders and Lewis (2012) may be called a cross-sectional study.

Surveys are an efficient method of collecting large amounts of data, which is important when research requires objective and generalisable results. However, surveys are susceptible to what Zikmund et al. (2009) referred to as non-response error. This error is contextually relevant to this particular study, since some questions were related to the level of employee engagement, which may have been perceived as sensitive and as a result may have affected the willingness of an employee to respond to the survey. Another possible challenge in the context of this study was response bias, where employees may have altered their answers to provide a response that is not a true reflection of their reality (Saunders & Lewis, 2012). Finally, the author of this study acknowledges his own fallibility in not being a seasoned researcher, which in itself could have proven problematic in the research process.

### **4.3 Scope**

This scope of this study was limited to frontline employees within a financial service organisation. The organisation provides the full array of retail banking solutions to its clients including but not limited to transactional facilities, loans, savings and investments and insurance. The reason for the chosen industry and company was the ease of access to respondents and therefore the ability to collect data and the relevance of the topic under study to this specific bank (Damanpour & Gopalakrishnan, 2001; Sousa & Coelho, 2011; Trivellas, 2011). The scope of frontline employees included customer service agents from a range of different departments, private bankers, fiduciary specialists, sales people from different departments and financial advisors as these employees provided a diverse set of responses with the commonality that they are all at the frontline interacting with the customer.

## **4.4 Population**

Population is defined as “any complete group that shares some common set of characteristics” (Zikmund et al., 2009, p. 387). Conclusions have been made of this group from the analysis of the sample group in this study.

The population of this study may be defined as all frontline employees working in the financial service industry, as the frontline employee is the target of this study. For the purposes of this study the definition stated by Slåtten and Mehmetoglu (2011a; 2011b) of the frontline employee has been used, which is employees that have daily or regular contact with customers.

## **4.5 Unit of analysis**

The unit of analysis for this study was the individual frontline employee. The unit of analysis is described as “what or who should provide the data and at what level of aggregation” (Zikmund et al., 2009, p. 119). Each respondent was required to provide feedback that summarises what motivates and moderates them toward innovative behaviour. This unit of analysis is consistent based on the numerous studies having used the same unit of analysis, as is evident in the works of Coelho and Augusto (2010); Lages and Piercy (2012); Melton and Hartline (2010; 2012); Slåtten and Mehmetoglu (2011a; 2011b); van der Heijden et al. (2013) and Wilder et al. (2014).

## **4.6 Sampling**

A sample is a portion of the whole population or universe that is being studied (Saunders & Lewis, 2012; Zikmund et al., 2009). Sampling is a necessary technique, as often the population that is being studied is too large, making it impractical to collect data from the entire population (Saunders & Lewis, 2012).

### **4.6.1 Sampling technique**

The nature of the population that has been identified for this study is frontline employees in the financial service industry and given the definition of frontline

employees described earlier by Slåtten and Mehmetoglu (2011a; 2011b), this means that the population size is very large and as such the total size of the population is unknown. In such a case Saunders and Lewis (2012) suggested a non-probability sampling technique, since a sample cannot be taken at random.

The specific sampling techniques that were selected amongst the various non-probability sampling techniques included judgement sampling and convenience sampling. Judgement sampling is described as a non-probability sampling technique that requires an experienced individual to use their judgement of certain characteristics of sample members to make a sample selection (Zikmund et al., 2009). Convenience sampling is described as a non-probability sampling method that is used to suit the convenience of the researcher (Wegner, 2012).

A specific bank was approached to distribute the research questionnaire. A clear definition of the frontline employee was provided, to ensure that access to the right type of employee was provided. As a further measure to ensure clarity and transparency of the questionnaire to the respondent the questionnaire included a brief note explaining the purpose of the study.

#### **4.6.2 Sample size**

The central limit theorem states that “as the sample size is increased, the sampling distribution of the mean will more closely approach the normal distribution” (Weiers, 2011, p.252). It can therefore be assumed that if the sample size is large enough, meaning greater or equal to 30 the distribution of the sample will be normal (Weiers, 2011). This study aimed to generate a sample of at least 30 respondents to achieve a normal distribution of the mean. The desired target of respondents was 150 respondents.

#### **4.7 Research Instrument**

This study used a quantitative research methodology. Zikmund et al. (2009) validated this approach as it is appropriate in testing research questions and generalising the results from larger samples. The data collection for this quantitative study was done through a structured survey. Zikmund et al. (2009) described the survey as a method of collecting primary data from a preselected sample of the population.

#### **4.7.1 Data collection method**

The data collection method was conducted via a structured survey, which is a method of collecting primary data from a selected sample of the population (Zikmund et al., 2009). Zikmund et al. (2009) identified surveys as facilitated interviews or as self-administered questionnaires. This study used a self-administered questionnaire to collect primary quantitative data from a sample of frontline employees in financial services.

The survey took into account the suggestion put forward by Zikmund et al. (2009), which is to keep the survey efficient, uncomplicated and cost effective and maintain the respondent's anonymity. Hence the best route for data collection was a self-administered questionnaire. Further advantages of collecting data using this method were noted, such as it was not resource intensive and could therefore be administered to a relatively large sample quickly and cost effectively. The lack of an interviewer also meant that the questionnaire could be dispersed widely and eliminated any biases that may have arisen through interviewer influence. The use of fixed alternative questions made it easier for respondents to understand and respond (Zikmund et al., 2009).

The disadvantage of this method is that the researcher could not probe respondents further to gain additional insight into their responses, which would have been possible had an interviewer been present. The lack of open-ended questions also limited the insight that could have been gained otherwise (Zikmund et al., 2009)

#### **4.7.2 Questionnaire design**

This research study combined various constructs from previous studies that have investigated motivation, frontline employees and innovation; therefore it was important to design a questionnaire that consolidates the primary concepts in a manner that may be used to collect the relevant data pertinent to this study. Saunders and Lewis (2012) supported this practice, to the extent that previous studies' questionnaires may be used or adapted. This questionnaire made use of relevant questions from previous studies and adapted them to this particular study. This questionnaire was previously used by Adendorff (2015) an MBA student at Gibbs. The questionnaire was standardised and simplified by offering only fixed alternative questions, which also aided coding,

interpretation and analysis (Zikmund et al., 2009). The questionnaire that was used in the study appears in Appendix 1.

In order to obtain a level of descriptive information to include in the analysis, section A1, A2 and A3 of the questionnaire (Appendix 1), included a request for biographic, demographic and employment details. These details assisted in establishing the level of diversity in the study as well as each respondent's relevance to the study. In this section various multiples choice questions were used, covering all possible alternatives to control the responses.

Section A4 of the questionnaire (Appendix 1) sought to establish the individual's personal approach and attitude towards innovation, by assessing their orientation toward innovation as it relates to serving customers better and making the organisation more competitive. Once again these multiple choice questions were chosen to control and standardise the responses, while making all possible alternatives available for choice. The questions in this section were adapted from the study conducted by van der Heijden et al. (2013). The scale in this section sought the frequency of typical innovative behaviour; hence the scale was labelled as Never, Rarely, Sometimes, Often.

Section B of the questionnaire (Appendix 1) included the primary constructs that were extracted from the literature review that were relevant to this research study. Leadership style and its influence on frontline employee motivation was the first construct that was measured in section B1 of the questionnaire. Here a five point Likert scale was used and the questions in this section were adapted from various studies such as those conducted by Brynteson (2013); Fernandez and Pitts (2011); House, Hanges, Javidan, Dorfman, and Gupta (2004); Oke (2007) and Yavas and Babakas (2010) and.

Section B2 of the questionnaire (Appendix 1) evaluated the construct of organisational culture and climate and its influence on the motivation of frontline employees to innovate. Once again a five point Likert scale was used and the questions in this section were adapted from Brynteson (2013); Huffman (2010); Jong and Marston (2013); Oke (2007) and Riel, Lemmink and Ouwersloot (2004).

Section B3 of the questionnaire (Appendix 1) measured the construct of organisational structure and the impact it has on the motivation of frontline employees to innovate.

Similar to the previous sub-sections, a five point Likert scale was used and the questions in this section were adapted from Fernandez and Pitts (2011); Riel et al. (2004); van der Heijden et al. (2013) and Yavas and Babakus (2010).

Thereafter section B4 of the questionnaire (Appendix 1) delved into the construct of extrinsic motivation and its impact on the motivation of frontline employees to innovate. Maintaining the consistency of the previous sections, a five point Likert scale was once again used. Questions 1 and 2 in this section were adapted from Coelho and Augusto (2010) and Yavas and Babakus (2010) respectively and intended to determine which type of extrinsic motivators, i.e. financial and non-financial, were more effective in influencing motivation amongst frontline employees to innovate. Questions 3 and 4 were added by the researcher to determine the impact that the quantum of financial rewards has on the motivation of frontline employees to innovate.

Finally section B5 of the questionnaire (Appendix 1) investigated the construct of intrinsic motivation and its impact on the motivation of frontline employees to innovate. The five point Likert scale was used once more and the questions for this section were adapted from De Jong et al. (2013); Fernandez and Pitts (2011) and Huffman (2010). The researcher framed the questions in terms of a personal interest in one's job, job satisfaction, job enjoyment and career growth to build up to the overall construct of intrinsic motivation.

This questionnaire was designed to measure the respondent's attitudes, motivations, preferences and perceptions, which makes the use of a Likert scale appropriate to this study (Wegner, 2012). The Likert scale allows respondents to rate their attitudes towards specific statements on a scale from strongly disagree to strongly agree (Zikmund et al., 2009).

#### **4.7.3 Summary of the Constructs and Associated Attributes**

Appendix 3 provides the various constructs that were tested, the corresponding questions within those constructs as well as the attribute numbers for ease of reference.

#### 4.7.4 Pre-testing

Saunders and Lewis (2012) and Zikmund et al. (2009) strongly advocated the pre-testing of questionnaires to ensure that the questions are correctly interpreted and answered without problems. Pretesting also aids in identifying areas of bias or ambiguity, which can then be addressed and in so doing improve the reliability of the data to be collected as well as ensuring high response rates (Saunders & Lewis, 2012; Zikmund et al., 2009). Pre-testing is typically conducted with a small number of respondents and the feedback provided is used to enhance the questionnaire. For this study five individuals were used to conduct the pre-test and yielded the following feedback:

- Some re-ordering of questions in the descriptive section was required to provide a more logical flow.
- One specific question, which asked about the number of people employed by the organisation, had no bearing on the study whatsoever and was therefore removed, which also allowed for the length of the questionnaire to be reduced.
- The distribution software did not allow for multiple responses for construct 1 and therefore had to be revisited. It was a setting on SurveyMonkey™ that needed to be adjusted.
- The questions were reported to be easy to understand.
- The Likert scale did not yield any challenges.
- The duration of the questionnaire was also deemed to be acceptable.

This valuable feedback was formatted into the design of the questionnaire on SurveyMonkey™ and rechecked, which seemed to have addressed all concerns.

#### 4.7.5 Reliability and validity

Reliability is defined as “the extent to which data collection methods and analysis procedures will produce consistent findings” (Saunders & Lewis, 2012, p. 128). Validity on the other hand is described as “the extent to which data collection method or methods accurately measure what they were intended to measure and the research findings are really about what they profess to be about” (Saunders & Lewis, 2012, p. 127).

Since the approach of this study was to apply the various concepts discovered in the literature review in the context of the frontline employee in the financial service industry in a single study it was important to ensure that the research instrument produced consistent, reliable results and that the questions that were asked actually measured what they were meant to, meaning that the data that was collected is valid. Some of the constructs that were be used in this survey were gathered from previous studies and can therefore be assumed to be valid. However, to eradicate any doubt concerning the validity of all the questions including those developed by the researcher, a factor analysis was conducted to test the validity of the entire research instrument, using exploratory factor analysis, which is an appropriate tool for assessing construct validity (Salkind, 2010) The reliability of multiple item scales was measured by Cronbach's alpha (Salkind, 2010).

The Cronbach alpha was performed at the construct level (Appendix 4) as well as at each individual attribute level (Appendix 5). The construct of Intrinsic Motivation yielded a Cronbach alpha of 0.65; organisational structure 0.68; leadership style 0.71; organisational culture and climate 0.67 and extrinsic motivation 0.76. An overall Cronbach's alpha of 74% was observed (Appendix 4), which is above the benchmark of 70% to be considered valid (Salkind, 2010).

**Table 1: Cronbach's Alpha at the Construct Level**

<b>Construct Number</b>	<b>Cronbach's Alpha</b>
<b>Leadership Style</b>	<b>0.71</b>
<b>Organisational Culture and Climate</b>	<b>0.67</b>
<b>Organisational Structure</b>	<b>0.68</b>
<b>Extrinsic Motivation</b>	<b>0.76</b>
<b>Intrinsic Motivation</b>	<b>0.65</b>



Validity for this study was evaluated using an exploratory factor analysis, which is a test of how well the constructs that were used, fit with the observations (Salkind, 2010).

Prior to conducting the factor analysis a Kaiser-Meyer-Olkin (KMO) test was performed in order to measure the multicollinearity between variables and the benchmark value for a KMO value is to be greater than 0.5 (Hinton, Brownlow, McMurray & Cozens, 2004). The KMO yielded a result (Appendix 10) of 0.87 which is greater than 0.5 thus suggesting high correlations between the variables thus allowing for the factor analysis to be performed.

Similarly prior to the factor analysis being done a Bartlett's Test of Sphericity was done. The Bartlett's Test of Sphericity determines whether a significant relationship between the variables exists, such that a factor analysis may be performed and a p value of  $<0.05$  must be observed in order to continue with a factor analysis (Hinton et al., 2004). The Bartlett's Test for Sphericity was seen to be statistically significant with a p value  $<0.05$  (Appendix 10), suggesting there are relationships between the variables and that the factor analysis may be performed in order to confirm the validity of this study.

The factor analysis (Appendix 6) demonstrates how each of the attributes were factorised such that the data may be reduced into the five constructs in this study. The factor analysis table (Appendix 6) highlights the highest factor loading for each attribute. The description of each attribute is contained in Appendix 3 for ease of reference. The table demonstrates that all the attributes used to measure evaluate the construct of organisational culture and climate (construct 2) in fact loaded to construct 2, thus proving this construct to be valid. Similarly the attributes used to evaluate constructs 3 and 5, i.e. organisational structure and intrinsic motivation respectively also loaded to their respective constructs and can therefore also be deemed to be valid. It is worth noting that all but one of the attributes for the construct of extrinsic motivation (construct 4) loaded to this construct. The one attribute that split out was that of, fewer high value rewards (attribute 27) which did not load to extrinsic motivation (construct 4). Furthermore the attributes for leadership style (construct 1) split in their loading. The overall marked loadings for all attributes to their respective constructs was 70% (Appendix 6) thus indicating that the attributes used for the most part do display a correlation with their respective theoretical constructs and therefore the validity of the measurement instrument is accepted at this level (Salkind, 2010).

#### **4.7.6 Questionnaire distribution**

This study used an online method as the primary channel to distribute the surveys. Zikmund et al. (2009) explained that the online distribution method is advantageous because of the ability to target a large group of respondents simply and at low cost and furthermore provide anonymity, automatic validation and provides easy data consolidation. SurveyMonkey™ was the web based tool that was used. The researcher held an initial conversation with the heads of the various departments to gain access to their frontline employees. The survey link was then sent to each department head, with an attached introduction and context explaining the reasons for the study as well as the obligatory, voluntary and anonymity clauses (Saunders & Lewis, 2012). The consent letter (Appendix 2) was also included to all the department heads. The department heads in turn distributed it to their frontline on behalf of the researcher. As further validation of the choice of distribution channel, other studies such as Melton and Hartline (2012) and Wilder et al. (2014) have also used this distribution method.

While in certain instances online surveys may pose challenges, such as in instances where respondents do not have access to computers, the internet or are not sufficiently computer literate. In the context of this study all frontline employees had access to computers and the internet and since their jobs require them to be computer literate, it was safe to assume that this was not a hindrance to completing the questionnaire.

### **4.8 Data Analysis**

#### **4.8.1 Completion Rate and Data Preparation**

The online tool used to conduct this self-administered survey was SurveyMonkey™, which allowed for convenient tracking of the number of responses as well as the number of completed questionnaires. A total of 340 responses were received, of these 76 were deemed to be unusable due to them being incomplete and as such were disqualified, leaving a total sample of 264 complete responses, equating to a completion rate of 77.6%.

The 264 usable responses were then extracted from SurveyMonkey™ and downloaded into a Microsoft Excel spreadsheet. The data were rechecked to determine if there were any further disqualifications necessary and no further exceptions were identified.

The data were then transferred from the Microsoft Excel spreadsheet into the Statistica statistical tool for coding and analysis. The categorical responses were then coded into a numerical scale, the innovation section used a numerical scale from 1 to 4 and all of the constructs were coded on a scale from 1 to 5.

#### **4.8.2 Completion rate and descriptive analysis**

The data analysis included an assessment of the number of total responses and an evaluation of the percentage completed as well as the percentage disqualified. The descriptive analysis took into account all the demographic, biographic and company related data, which provided context to the profile of the respondents.

#### **4.8.3 Data analysis for research questions 1-3**

Cho and Perry (2012) conducted a similar study to this current research study, and used regression to determine the relationship between variables. The current research study took a similar approach and used multiple linear regressions, which is “An analysis of association in which the effects of two or more independent variables on a single, interval-scaled dependent variable are investigated simultaneously” (Zikmund et al., 2009, p. 584). Each of the five constructs that had been identified were analysed through a regression analysis to determine the extent to which each construct is a predictor of innovation amongst frontline employees. Each construct was evaluated at the 95% confidence level, meaning that any  $p$ -value less than 0.05 was considered significant.

### **4.9 Research limitations**

It is prudent to outline the perceived research limitations owing to the choice of research design, sampling and biases that may have prevailed in this study.

#### **4.9.1 Design limitations**

The chosen approach was a quantitative research design utilising a self-administered questionnaire. The questionnaire provided a fixed list of answers from which a respondent was required to select. The constructs that were used in the questionnaire

emanated from the extensive literature review. However there was a possibility of a limitation, where some aspects that had an influence on frontline employees' motivation to innovate were not accounted for in the questionnaire. This study focused on the frontline employees in financial services. The field of research is however relevant to service organisations in general. Therefore a further limitation was that the findings of this study may not be fully generalisable to other industries in the services sector.

#### **4.9.2 Sampling limitations**

There was a limitation in the sampling, as access was limited to a single institution, which means that the sample was not adequately representative of frontline employees in financial services. A further limitation may have occurred in the non-probability judgement sampling method in that it did not include all frontline employees in the organisation, which may have resulted in sample selection error (Zikmund et al., 2009).

#### **4.9.3 Biases**

The biases noted in this study was that of non- response error, resulting from the survey being distributed to a large number of people, which could result in a non-representative sample (Zikmund et al., 2009). Response bias may have occurred where respondents answered questions dishonestly or misleadingly, thus providing a view that is not necessarily representative (Saunders & Lewis, 2012). Finally the inexperience and lack of specialist knowledge in the area of research on the part of the researcher of this study could also have led to certain errors or biases.

## CHAPTER 5: RESULTS

### 5.1 Introduction

This section is dedicated to revealing the results of the survey. It begins by providing context through the descriptive statistics and then provides the various statistical analyses that were outlined in Chapter 4. The primary focus of the analyses is on the five constructs that were developed in response to the three research questions stated in Chapter 3.

### 5.2 Characteristics of Sample

#### 5.2.1 Respondent Demographics

Figure 2 depicts the division between male and female respondents. The sample was weighted more towards females, with 66% of respondents being female and 34% being male.

Figure 2: Respondent Gender

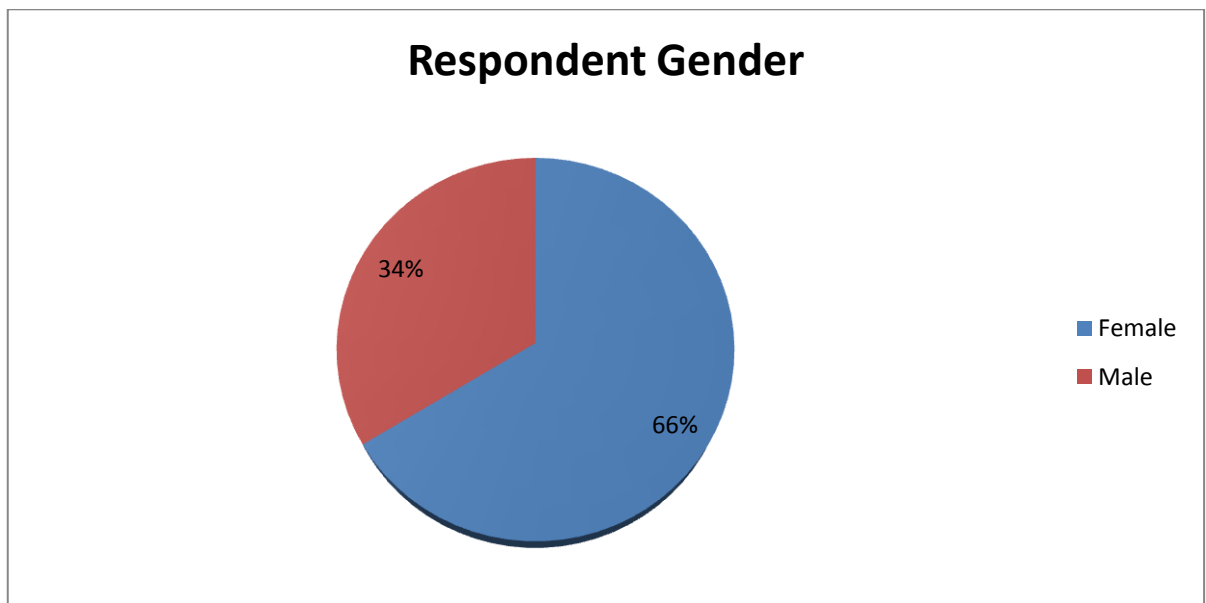
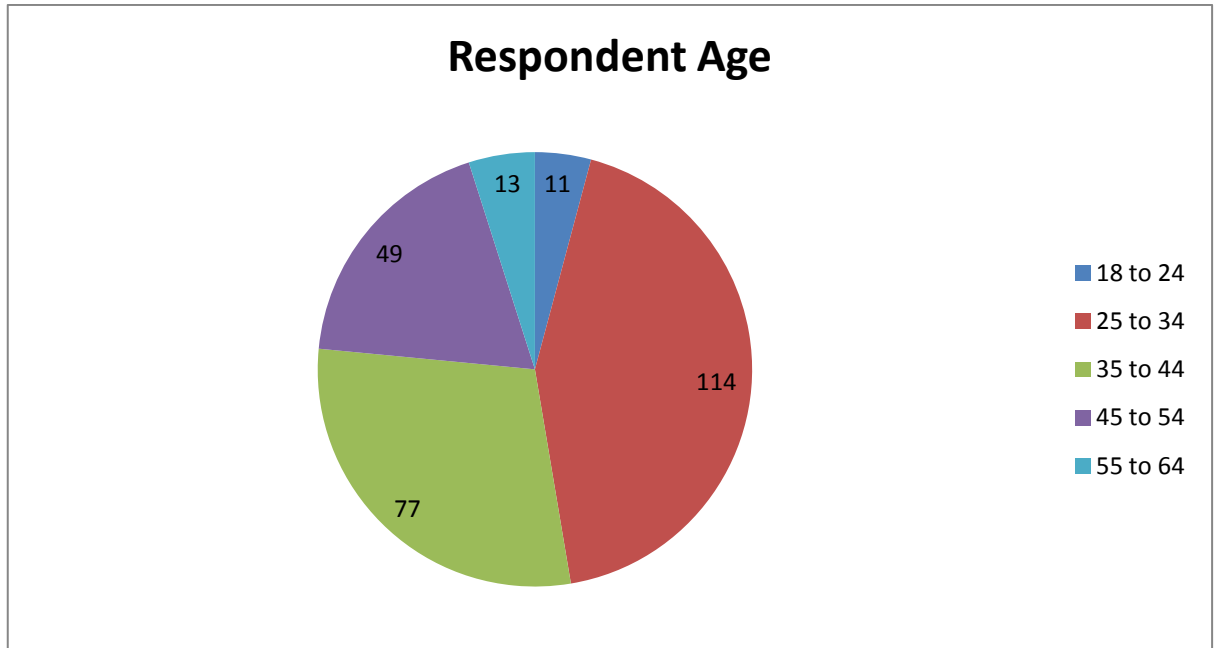


Figure 3 provides the varying ages among respondents. The majority of the respondents fell into the age category of between 25 and 34 years of age, followed by the 35 year to 44 year age group.

**Figure 3: Respondent Age**



### 5.2.2 Respondent Job type

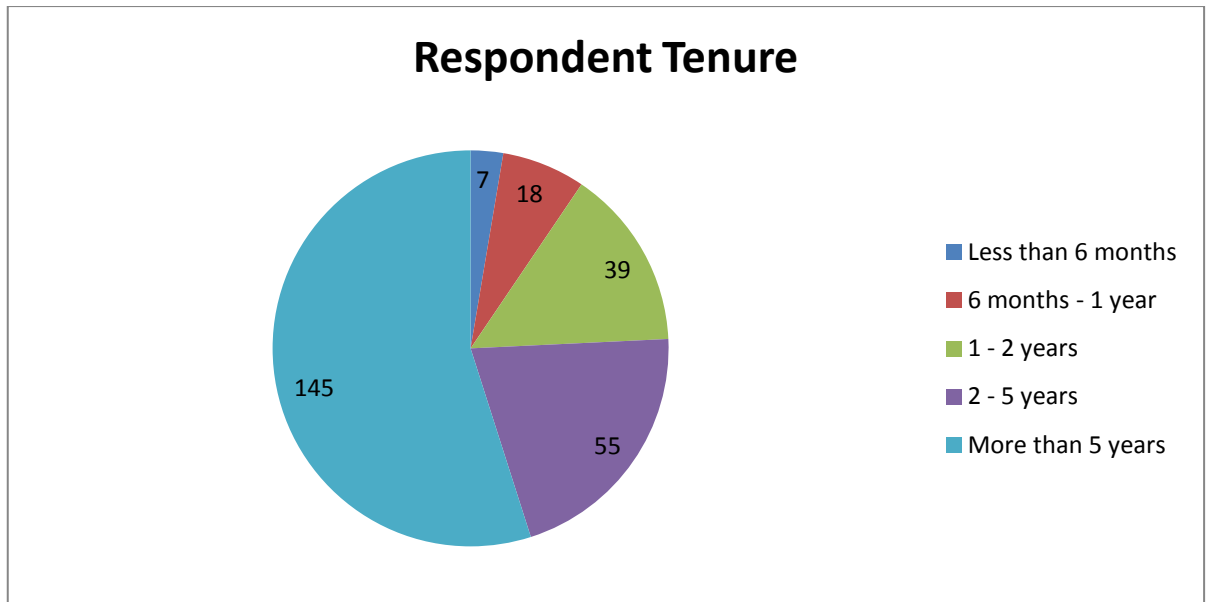
The survey also sought to identify the type of frontline employees that had responded. Appendix 7 identifies the varied range of frontline employees that had responded to the questionnaire. Appendix 7 reveals that 26% of respondents were primarily involved in a service related capacity, while 6% were involved in sales. Of the respondents, 57.5% were involved in both service and sales. The balance of the respondents was classified as “other”. This is indicative that most of the respondents fell within the categories identified as the primary descriptors of the frontline employee in the context of this study.

### 5.2.3 Respondent Tenure

The survey also posed the question of tenure. Figure 4 displays the classification of respondent tenure, which shows that the majority of the respondents had been employed by the bank for longer than two years. This suggests that respondents are

relatively familiar with the organisation, its structure, culture, climate as well leadership and management styles, which are primary constructs used in this study. It also suggests that the responses received were fairly balanced.

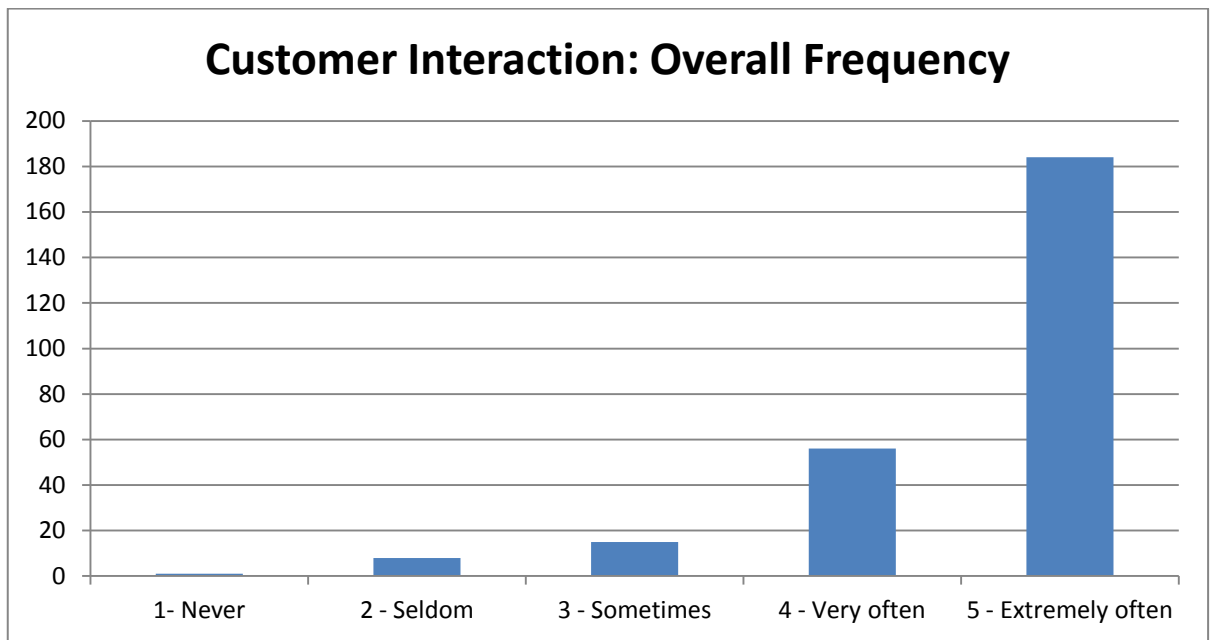
**Figure 4: Respondent Tenure**



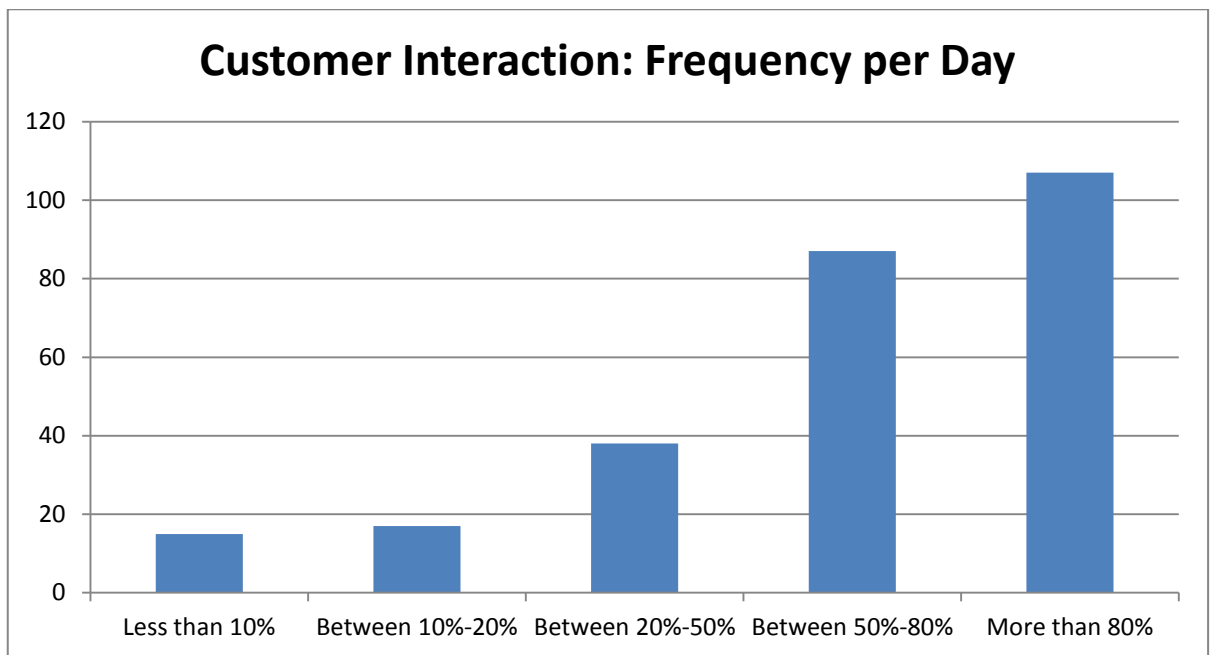
#### 5.2.4 Respondent's Frequency of Interaction with Customers

The study also included questions on frequency of customer interaction and the amount of time spent with customers each day, which served as an indicator regarding the extent of the respondents being frontline employees according to the definition of frontline employees provided in the literature review earlier. Figure 5 illustrates how often respondents interacted with customers. The fact that most respondents were categorised in the "very often" and "extremely often" categories further validates the sample of this study. Similarly, Figure 6 further questioned customer interaction by examining how much time an individual spends each day interacting with customers and once again the fact that an overwhelming majority spend more than 50% of their day interacting with customers, validated the fact that respondents proved to fit the description of a frontline employee.

**Figure 5: Customer Interaction: Overall Frequency**



**Figure 6: Customer Interaction Frequency per Day**



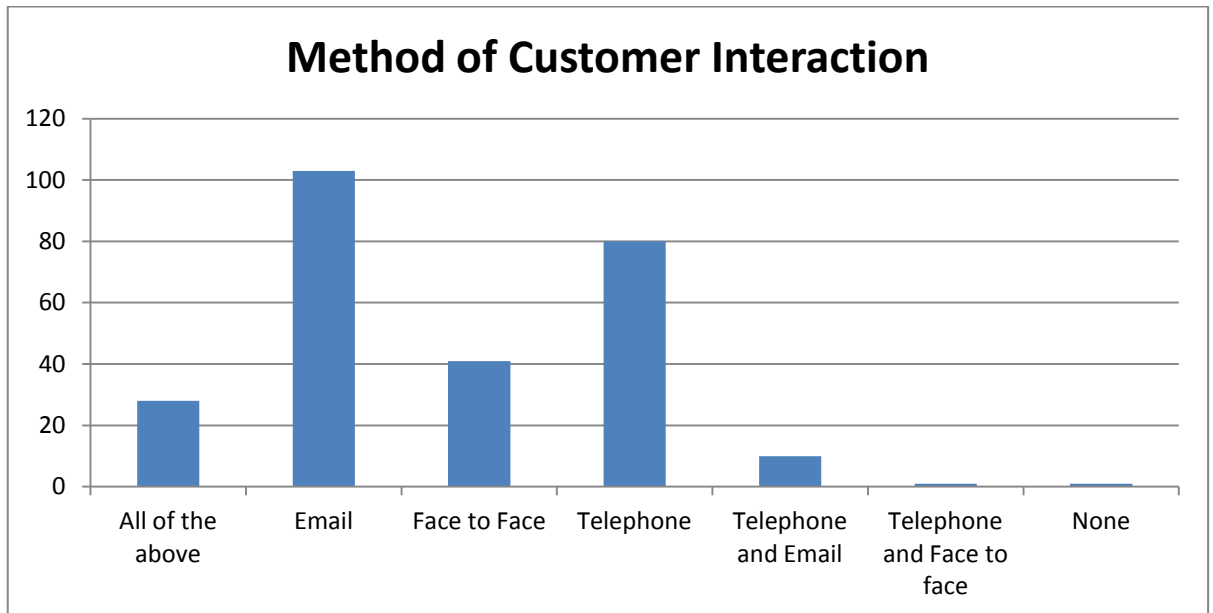
### 5.2.5 Respondent Method of Customer Interaction

The final descriptor that was expanded upon was the method of customer interaction. This outcome demonstrates how frontline employees interacted with customers within this segment of this particular bank. No immediate inferences can be made from this



result and it serves as descriptive information. However should an ANOVA test be conducted it may yield some insights; however this is out of scope for this study.

**Figure 7: Method of Customer Interaction**



### 5.3 Results for Research Question 1

Research Question 1 sought to determine the relationship between extrinsic motivators and the level of innovative behaviour in frontline employees and was articulated as follows: What is the relationship between extrinsic motivators and the level of innovative behaviour in frontline employees?

This question was expressed in the study as construct 4 and labelled as Extrinsic Motivators. This construct consisted of the following statements:

**Table 2: Research Question 1 Attribute Statements**

Financial Rewards (Attribute 25)	Financial rewards e.g. monetary prizes and bonuses motivate me to come up with new ideas or to provide innovative service excellence to customers.
Non-Financial Rewards (Attribute 26)	Non-financial rewards e.g. gifts, leave days, public recognition; awards, etc. motivate me to come up with new ideas and innovative ways of dealing with customers.

Fewer, Higher Value Rewards (Attribute 27)	I believe that fewer but higher value financial rewards, e.g. one grand prize of R1million, a runner up of R500k and third place of R250k, are better to motivate me to come up with new ideas and innovative ways of dealing with customers.
Many, Lower Value Rewards (Attribute 28)	I believe that many financial rewards but lower in value, e.g. 20 prizes worth R20k each are better to motivate me to come up with new ideas and innovative ways of dealing with customers.

### 5.3.1 Descriptive Analysis for Research Question 1

Table 3 shows the mean and median score for extrinsic motivation at 3.5, which suggests that on average respondent tended towards being “neutral” and “agreeing”. This suggests that on average extrinsic motivators are moderate drivers of innovation.

**Table 3: Descriptive Statistics for Construct 4 (Research Question 1)**

Attribute	N	Mean	Median	Standard Deviation
<b>Financial Recognition</b>	264	3.840909	4.000000	0.941882
<b>Non Financial Recognition</b>	264	3.340909	3.000000	1.015691
<b>Fewer, High Value Rewards</b>	264	3.371212	3.000000	1.129658
<b>Many, Lower Value Rewards</b>	264	3.590909	4.000000	1.042478
<b>Overall Extrinsic Motivation</b>	264	3.516655	3.463145	0.653785

### 5.3.2 Multiple Linear Regression results for Research Question 1

The overall regression for the construct of extrinsic motivation, which is labelled construct 4 (Appendix 8) yielded an adjusted R<sup>2</sup> of 0.28 suggesting a relatively weak fit of the data, thus explaining 28% of the variability around the mean. Furthermore the extrinsic motivation construct yielded a *p*-value of 0.29 (*p* > 0.05), suggesting that this construct is not statistically significant in the context of this study; furthermore a *b* = 0, 04 was observed.

### 5.3.3 Descriptive Analysis for Research Question 1.1

Research Question 1.1 sought to determine which type of extrinsic motivation employees preferred, namely financial (attribute 25) or non-financial (attribute 26). The descriptive results for these attributes are contained in Table 3. At a descriptive level attribute 25, which measured the preference of financial rewards as a motivator to innovate, achieved a mean of 3.8 and a median of 4, suggesting that on average, frontline employees “agreed” that financial rewards motivate them to innovate.

Attribute 26, which measured the preference of non-financial rewards as a motivator to innovate, yielded a mean and median of 3.3 and 3 respectively, suggesting that on average, frontline employees were “neutral” on the notion that non-financial rewards motivate them to innovate.

### **5.3.4 Multiple Linear Regression results for Research Question 1.1**

Attributes 25 and 26 were analysed through a multiple linear regression to determine how strong each attribute is as a predictor of frontline employee innovation. The regression conducted at the attribute level yielded an adjusted  $R^2$  at 0.32, indicating a better fit of the data than the regression conducted at the construct level. It now explains 32% of the variance around the mean. The regression results are captured in Appendix 9.

Financial rewards (attribute 25) yielded a  $p$ -value of 0.03 where ( $p < 0.05$ ), making it statistically significant as a predictor of frontline employee innovation. Furthermore a  $b = -0.09$  was observed.

Non-financial rewards (attribute 26) yielded a  $p$ -value of 0.6 where ( $p > 0.05$ ), suggesting that non-financial rewards are not statistically significant as a predictor of frontline employee innovation. Furthermore a  $b = 0.05$  was observed.

### **5.3.5 Quantum of Financial Rewards and Motivation of Frontline Employees**

As an extension to Research Question 1.1, the researcher sought to determine the impact that the quantum of financial rewards has on the motivation of frontline employees to innovate and it was therefore included in the questionnaire under the construct of extrinsic motivation. The attributes associated with this were, fewer, higher value financial rewards (attribute 27) and many lower value financial rewards (attribute 28). The descriptive results for these attributes are contained in Table 3 above.

#### *5.3.5.1 Descriptive Analysis*

At a descriptive level attribute 27, which measured the preference of fewer, higher value financial rewards as a motivator to innovate, achieved a mean of 3.37 and a

median of 3, suggesting that on average, frontline employees were “neutral” on the notion that fewer, higher value financial rewards motivate them to innovate.

Attribute 28, which measured the preference of many lower-value financial rewards as a motivator to innovate, yielded a mean and median of 3.59 and 4 respectively, suggesting that on average, frontline employees tend to “agree” with the notion that many lower value financial rewards motivate them to innovate.

### 5.3.5.2 Multiple Linear Regression Results

Attributes 27 and 28 were analysed to determine how strong each attribute is as a predictor of frontline employee innovation. The regression conducted at the attribute level yielded an adjusted  $R^2$  of 0.32, indicating a better fit of the data than the regression conducted at the construct level. It now explains 32% of the variance around the mean. The regression results are captured in Appendix 9.

Fewer, higher value rewards (attribute 27) yielded a  $p$ -value of 0.02 where ( $p < 0.05$ ), making it statistically significant as a predictor of frontline employee innovation. Furthermore a  $b = 0.07$  was observed.

Many, lower value rewards (attribute 28) yielded a  $p$ -value of 0.8 where ( $p > 0.05$ ), suggesting that it is not statistically significant as a predictor of frontline employee innovation and a  $b = 0,008$  was observed.

## 5.4 Results for Research Question 2

Research Question 2 evaluated the impact of intrinsic motivators on the level of innovative behaviour in frontline employees and was expressed as follows: What is the relationship between intrinsic motivators and the level of innovative behaviour in frontline employees?

This question was expressed in the study as construct 5 and labelled as Intrinsic Motivators. This construct consisted of the following statements:

**Table 4: Research Question 2 Attribute Statements**

Personal Interest (Attribute 6)	I come up with new ideas and innovative ways of dealing with customers because I have a personal interest in my job.
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Personal & Career Growth (Attribute 7)	I come up with new ideas and innovative ways of dealing with customers because I want to grow and build my career.
Job Satisfaction (Attribute 8)	I come up with new ideas and innovative ways of dealing with customers because I am satisfied in my job.
Personal Enjoyment (Attribute 9)	I come up with new ideas and innovative ways of dealing with customers because I enjoy my job.

### 5.4.1 Descriptive Analysis for Research Question 2

Table 5 shows that the mean score for intrinsic motivation is 3.8, which suggests that on average frontline employees tend to “agree”, that intrinsic motivators drive innovation. The median score of 4 supports the mean average and suggests that the highest incidence of respondents “agree” that intrinsic motivation is a driver of innovation amongst frontline employees.

**Table 5: Descriptive Statistics for Construct 5 (Research Question 2)**

Attribute	N	Mean	Median	Standard Deviation
Personal Interest	264	3.962121	4.000000	0.871215
Personal & Career Growth	264	4.071970	4.000000	0.826446
Job Satisfaction	264	3.621212	4.000000	0.919003
Personal Enjoyment	264	3.776515	4.000000	0.938842
Overall Intrinsic Motivation	264	3.854133	4.000000	0.759100

### 5.4.2 Multiple Linear Regression for Research Question 2

The regression at a construct level yielded an adjusted  $R^2$  of 0.28 thus explaining 28% of the variability around the mean. The intrinsic motivation construct regression (Appendix 8) yielded a  $p$ -value of 0.00 ( $p < 0.05$ ), suggesting that this construct is statistically significant in the context of this study and a  $b=0.4$  was observed.

#### 5.4.2.1 *Descriptive Analysis of the different dimensions of Intrinsic Motivation*

As mentioned in Chapter 4 the construct of intrinsic motivation consisted of four components, i.e. personal enjoyment, job satisfaction, personal growth and personal interest. This section reveals the results for each of these components. The descriptive results for these attributes are contained in Table 5.

Personal interest, as it relates to motivating frontline employees to be innovative, was labelled as attribute 6 in the study. At a descriptive level this attribute achieved a mean of 3.9 and a median of 4, suggesting that on average, frontline employees tended to “agree” with the notion that having a personal interest in one’s job would motivate a frontline employee to innovate.

Personal enjoyment of one’s job as it relates to motivating frontline employees to be innovative was labelled as attribute 9. This attribute yielded a mean and median of 3.7 and 4 respectively, suggesting that on average, frontline employees tend to “agree” with the notion that enjoyment of one’s job is a motivator of frontline employee innovation.

Personal growth as it relates to the motivation of frontline employees to be innovative was labelled as attribute 7. At a descriptive level this attribute, achieved a mean of 4.07 and a median of 4, suggesting that on average, frontline employees tended to “agree” with the notion that personal and career growth is a motivator for them to innovate.

Job satisfaction as it relates to the motivation of frontline employees to be innovative was labelled as attribute 8. The attribute yielded a mean and median of 3.6 and 4 respectively, suggesting that on average an incidence of responses, frontline employees tend to “agree” with the notion that job satisfaction is a motivator of frontline employee innovation.

#### 5.4.2.2 *Multiple Linear Regression for the different Dimensions on Intrinsic Motivation*

Each attribute within the construct of intrinsic motivation was analysed using a multiple linear regression to determine what aspect of intrinsic motivation has the most significant impact on the motivation of frontline employees to innovate.

First the attribute of personal interest, labelled attribute 6, was analysed to determine its strength as a predictor of frontline employee innovation. The regression conducted at the attribute level yielded an adjusted  $R^2$  of 0.32, indicating a better fit of the data than the regression conducted at the construct level. It now explains 32% of the variance around the mean. The regression results are captured in Appendix 8. This attribute yielded a  $p$ -value of 0.0003 where ( $p < 0.05$ ), making it statistically significant as a predictor of frontline employee innovation with a  $b = 0.21$ .

Next the attribute of personal enjoyment, labelled attribute 9, was analysed to determine the strength of the attribute as a predictor of frontline employee innovation. The regression conducted at the attribute level yielded an adjusted  $R^2$  of 0.32, indicating a better fit of the data than the regression conducted at the construct level. It now explains 32% of the variance around the mean. The regression results are captured in Appendix 8. This attribute yielded a  $p$ -value of 0.2 where ( $p > 0.05$ ), suggesting that it is not statistically significant as a predictor of frontline employee innovation. A  $b = -0.09$  was observed.

The third attribute, that of personal growth ambition, labelled attribute 7, was analysed to determine the strength of the attribute as a predictor of frontline employee innovation. The regression conducted at the attribute level yielded an adjusted  $R^2$  of 0.32, indicating a better fit of the data than the regression conducted at the construct level. It now explains 32% of the variance around the mean. The regression results are captured in Appendix 8. The attribute yielded a  $p$ -value of 0.0009 where ( $p < 0.05$ ), making it statistically significant as a predictor of frontline employee innovation. Furthermore a  $b = 0.20$  was observed.

Finally the attribute of job satisfaction, labelled attribute 8, was analysed to determine how strong it is as a predictor of frontline employee motivation. The regression conducted at the attribute level yielded an adjusted  $R^2$  of 0.32, indicating a better fit of the data than the regression conducted at the construct level. It now explains 32% of the variance around the mean. The regression results are captured in Appendix 8. This attribute yielded a  $p$ -value of 0.09 where ( $p > 0.05$ ), suggesting that it is not statistically significant as a predictor of frontline employee innovation and a  $b = 0.125$  was observed.

## 5.5 Results for Research Question 3

Research Question 3 sought to determine the relationship between employee engagement factors and the level of innovative behaviour in frontline employees and was articulated as: What is the relationship between employee engagement factors and the level of innovative behaviour in frontline employees?

This question was expressed in the study as constructs 1; 2 and 3 and labelled as Leadership Style; Organisational Culture and Climate and Organisational Structure,

respectively. These three constructs consisted of the following statements which lead to the concept of employee engagement factors:

**Table 6: Research Question 3 Attribute Statements (Leadership Style)**

Attribute 15	Managers are only concerned with productivity and output and little attention is paid to new initiatives or ideas.
Attribute 16	My organisation's management is fully committed to supporting innovation activities and initiatives.
Attribute 17	I am encouraged to come up with new and improved ways of doing things and dealing with customers.
Attribute 18	Management regularly spends time "in the field" or "on the floor" with customers and frontline employees.
Attribute 19	Management expresses the importance of orderliness and procedures at the expense of innovation and experimentation.

**Table 7: Research Question 3 Attribute Statements (Organisational Culture and Climate)**

Attribute 20	Unconventional and creative decision making is encouraged and fostered.
Attribute 21	Developing unique new services and products is a priority of my organisation.
Attribute 22	My organisation supports innovation by striving to do things better and improving the products and services to our customers.
Attribute 23	My organisation communicates innovation as a fundamental part of its philosophy and values.
Attribute 24	Staff members are motivated, rewarded and organised to innovate repeatedly.

**Table 8: Research Question 3 Attribute Statements (Organisational Structure)**

Attribute 10	Managers promote communication among different work units about new products, technologies or customer initiatives.
Attribute 11	The organization often communicates its key goals and priorities.
Attribute 12	There is much informal communication between the organisational departments.
Attribute 13	My organisation has created formal structures for the submission and feedback of new ideas and innovations.
Attribute 14	I have the freedom and authority to come up with new ideas and act independently in order to provide innovative service excellence.



### 5.5.1 Descriptive Analysis for Research Question 3

Research Question 3 investigated the relationship between employee engagement factors and the level of innovative behaviour in frontline employees.

The first factor that was analysed was leadership style and its impact on the level of innovative behaviour amongst frontline employees. Table 9 shows the descriptive statistics for this construct. The mean and median for Leadership Style are both 3.4, which corresponds to frontline employees on average, being “neutral” on the point of Leadership Style influencing their propensity to innovate.

The next factor that was analysed was organisational culture and climate and the impact it has on the level of innovative behaviour amongst frontline employees. Table 9 shows the descriptive statistics for this construct. Organisational Culture and Climate achieved a mean score of 3.9 and median of 4, which suggests that frontline employees tend to “agree” that Organisational Culture and Climate does impact their motivation to innovate.

Finally the factor of organisational structure was analysed to determine the impact it has on the level of innovative behaviour amongst frontline employees. Table 9 shows the descriptive statistics for this construct. Organisational Structure achieved a mean and median score of 3.8 and 3.9 respectively, suggesting that frontline employees tend to “agree” that Organisational Structure does impact on their willingness to innovate.

### 5.5.2 Multiple Linear Regression for Research Question 3

The three factors of leadership style, organisational culture and climate and organisational structure were then analysed using a multiple linear regression. The regression analysis at the construct level (Appendix 8) revealed an adjusted  $R^2$  of 0.28, which explained 28% of the variability around the mean.

The regression (Appendix 8) further revealed that the leadership style yields a  $p$ -value of 0.08, where ( $p > 0.05$ ) suggesting that it is not a statistically significant predictor of frontline employee innovation. Furthermore a  $b = 0.12$  was observed.

Next the regression (Appendix 8) showed that organisational culture and climate yields a  $p$ -value of 0.8, where ( $p > 0.05$ ), suggesting that it is not a statistically significant predictor of frontline employee innovation and a  $b = -0.01$  was observed.

Finally the regression (Appendix 8) revealed that organisational structure yields a  $p$ -value of 0.75, where ( $p > 0.05$ ), suggesting that it is not a statistically significant predictor of frontline employee innovation. A  $b = -0.02$  was observed.

**Table 9: Descriptive Statistics for Research Question 3**

Attribute	N	Mean	Median	Standard Deviation
<b>Organisational Structure</b>	264	3.826145	3.916998	0.675947
<b>Leadership Style</b>	264	3.434514	3.423515	0.537770
<b>Organisational Culture &amp; Climate</b>	264	3.901961	4.000000	0.678249

## 5.6 Summary of Regression Findings

Considering the findings at a construct level, the only construct that emerges as statistically significant in the context of frontline employee motivation was the construct of intrinsic motivation. Therefore the constructs of extrinsic motivation, leadership style, organisational climate and culture and organisational structure were found to not be statistically relevant in the context of frontline employee innovation. The regression findings at an attribute level (Appendix 9) revealed that only four attributes from the 23 that were measured were found to be statistically relevant in the context of this study. Of these four attributes, two were associated with the construct of intrinsic motivation and the other two were associated with the construct of extrinsic motivation. The statistically relevant attributes for the construct of intrinsic motivation were Attribute 6 and 7, which are “Personal interest in my job” and “Because I want to grow and build my career” respectively. The statistically relevant attributes for the construct of extrinsic motivation were Attributes 25 and 27, which are “Financial rewards motivate me to come up with new ideas” and “Fewer, higher value rewards motivate me to come up with new ideas” respectively.

Further analysis of the statistically significant attributes reveals that intrinsic motivators are seen to have the highest betas. Personal interest (attribute 6) and personal and career growth (attribute 7) yielded the highest betas of 0.21 and 0.20 respectively. Two attributes from the construct of extrinsic motivation were found to be statistically significant. Financial rewards (attribute 25) and fewer, high value financial rewards (attribute 27), were the statistically significant attributes within the construct of extrinsic motivation and achieved betas of -0.09 and 0.07 respectively. Hence this supports the initial finding that intrinsic motivators are still the most statistically significant predictors



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of innovation in frontline employees. It further highlights in the case of financial rewards that money on its own may be detrimental to innovation in frontline employees, given the inverse relationship suggested by the beta for financial rewards (attribute 25).

By implication, these results suggest that none of the employee engagement factors, i.e. leadership style, organisational culture and climate and organisational structure, nor any of the attributes associated with them are meaningful predictors of frontline employee innovation.

These results are discussed further in Chapter 6.

## **CHAPTER 6: DISCUSSION OF RESULTS**

### **6.1 Introduction**

The objective of this chapter is to place the results of chapter 5 into context by interpreting the results and relating these to the literature that was discussed in Chapter 2. The structure is consistent with Chapter 5, in that each research question is discussed in relation to its specific results and conclusions are drawn on each research question.

### **6.2 Research Question 1: Extrinsic Motivation**

Research Question 1 sought to establish whether extrinsic motivators were good predictors of frontline employee motivation. An extension of this question was to determine the type of extrinsic motivators, i.e. financial or non-financial, are more effective in motivating frontline employees to innovate. The study further sought to establish whether the quantum of financial rewards had any impact on the motivation of frontline employees to innovate.

The literature review revealed differences in perspectives regarding whether or not extrinsic motivators are effective in driving innovative behaviour in employees. The literature also revealed gaps in understanding this aspect, specifically amongst frontline employees. Authors such as Amabile (1997; 2012) and Andriopoulos (2011) suggested that extrinsic motivators could undermine innovation. Other authors such as Baumann and Stieglitz (2014) further suggested that high power extrinsic motivators tend to crowd out innovation and result is wasted resources. Conversely Amabile (2012); Danish and Usman (2010) and Stringer et al. (2011) proposed that extrinsic motivation could in fact increase the propensity for innovation. Other proponents of extrinsic motivation suggested that employees self-regulate according to external regulation, where they perform certain tasks or behave in a manner to achieve some external reward or avoid an external punishment (Cadwallader et al., 2010; Cho & Perry, 2012).

The descriptive results for extrinsic motivation (Table 3) suggested that extrinsic motivators amongst frontline employees were relatively neutral as a driver of

innovation. The regression (Appendix 8) was more conclusive as it found that the construct of extrinsic motivation was not statistically significant and therefore suggested that extrinsic motivators are not strong predictors of frontline employee innovation.

These results seem to contradict the view of Stringer et al. (2011) who asserted that there is no better motivator than financial incentives. The finding also contradicts the findings of Danish and Usman (2010), namely that extrinsic motivators stretch people's thinking and that rewards and recognition impact motivation by affecting employee self-esteem. The position by Cadwallader et al. (2010) and Cho and Perry (2012) who stated that employees self-regulate according to external regulation, where they perform certain tasks or behave in a manner to achieve some external reward is further challenged by this research study's findings.

These findings are however consistent with the notion that controlling extrinsic motivators such as financial rewards tend to undermine an employee's sense of self determination by controlling the individual's behaviour (Amabile, 1997; Jarnstrom & Sallstrom, 2012). It also supports the view that extrinsic motivation is negatively correlated to job satisfaction which is a primary antecedent to drive innovation (Stringer et al., 2011)

### **6.2.1 Research Question 1.1: Financial and Non-Financial rewards**

The objective of Research Question 1.1 was to delve deeper into the concept of extrinsic motivation by enquiring which dimension of extrinsic motivation has a greater effect on the level of innovative behaviour amongst frontline employees. The dimensions under investigation included financial recognition (attribute 25) and non-financial recognition (attribute 26).

The descriptive results for both financial and non-financial extrinsic motivators (Table 3) suggested that frontline employees are quite amenable to financial extrinsic motivators in order for them to be innovative. However frontline employees on average were slightly less amenable to non-financial rewards as motivators for innovation feeding back on a neutral stance on this type of reward.

Therefore at a descriptive level it seems that for those employees who are extrinsically motivated, financial rewards are favoured over non-financial rewards, such as formal recognition, extra leave days, etc.

The regression (Appendix 9) revealed that financial rewards emerge as a statistically significant predictor of frontline employee motivation, whereas non-financial rewards were found not to be a statistically significant predictor of frontline employee motivation. It is however important to note that the *beta* for financial rewards is negative, suggesting an inverse relationship between financial rewards and motivation to innovate.

The finding therefore does not support the view that there is an explicit link between pay for performance and extrinsic motivation as people are seeking to benefit themselves by seeking out instrumental benefit by performing the task (Cadwallader et al., 2010; Cho & Perry, 2012; Jarnstrom & Sallstrom, 2012; Stringer et al., 2011). It also contradicts the view that tangible rewards improve task motivation (Danish & Usman, 2010) and that there is no better motivator than money (Stringer et al., 2011). This finding also does not support the view that intangible rewards, such as verbal reinforcement or positive feedback are effective in motivating innovation (Jarnstrom & Sallstrom, 2012). It is important to note that Jarnstrom and Sallstrom (2012) were careful to mention that it is highly dependent on personal preference.

However these findings are congruent with literature that states that tangible extrinsic rewards could undermine intrinsic motivation and this diminishes the motivation to innovate (Jarnstrom & Sallstrom, 2012). These findings are also congruent with the view that tangible rewards are seen as an attempt to coerce, control and manipulate the employee to perform certain tasks and hence are less favoured by employees (Cadwallader et al., 2010; Cho & Perry, 2012).

This finding therefore substantiates the multidimensionality of motivation that while financial extrinsic motivation is seen as a significant motivator of innovation, the inverse relationship suggests that extrinsic motivation in the form of financial rewards on their own is not sufficient to motivate frontline employees to innovate, because human motivations are multi-faceted (Reiss, 2012). This finding supports the view by Reiss (2012) that extrinsic motivators must be considered along with intrinsic motivators and other contextual factors that influence an employee's motivation.

#### 6.2.1.1 *Quantum of Financial Rewards*

The aim of this section was to add insight into research question 1.1 by determining whether the quantum of financial rewards predict the level of frontline employee

innovation. The question in the survey sought to understand whether fewer high value financial rewards were more likely to motivate frontline employees to be innovative than many lower value financial rewards.

The descriptive results for both, fewer higher value financial rewards (attribute 27) and many lower-value financial rewards (attribute 28) in Table 3 suggested that frontline employees are somewhat indifferent to fewer higher value financial rewards as a motivator for innovation. The idea of many lower value financial rewards seemed to be slightly more favourable amongst the sample, suggesting that on average frontline employees are only marginally more motivated to innovate through offering many smaller financial rewards.

Therefore at a descriptive level it seems that for those employees who are extrinsically motivated, many lower value financial rewards are marginally favoured over fewer higher value financial rewards.

The regression results (Appendix 9) contradict the findings at the descriptive level. The concept of fewer, higher value financial rewards was found to be statistically significant as a predictor of frontline employee innovation, whereas the concept of many lower value financial rewards was found to not be statistically significant as a predictor of frontline employee innovation.

Therefore the finding through the regression in this research question seems to confirm that employees tend to favour the attractiveness of fewer higher value financial rewards.

It is evident from this study that fewer higher value incentives are attractive, such that more employees are motivated to compete for the incentive aggressively. This supports the view affirmed by Stringer et al. (2011). This finding also tends to support the view that fewer higher value financial rewards tend to generate a high number of good ideas, but no exceptional ones, as more people participate to gain a share of the high value reward, whereas many lower value financial rewards tend to generate a steady stream of good ideas (Baumann & Stieglitz, 2014). It is therefore noted though that while such rewards seem to motivate frontline employees to innovate, it may be to the detriment of idea generation and tends to crowd out innovation because employees compete aggressively for scarce resources to obtain a share of the high value incentive (Baumann & Stieglitz, 2014).

## 6.2.2 Concluding Remarks for discussion of Research Question 1

**Table 10: Consolidated Findings for Research Question 1**

Research Question #	Description	Conclusion
1	What is the relationship between extrinsic motivators and the level of innovative behaviour in frontline employees?	Not Confirmed
1.1	Which dimension of extrinsic motivation (financial or non-financial recognition) has a greater effect on the level of innovative behaviour amongst frontline employees?  Financial Non-Financial	Confirmed Not Confirmed
	Does the quantum of financial reward predict the level of innovative behaviour?  Few Higher Value Rewards Many Lower Value Rewards	Confirmed Not Confirmed

Table 10 presents the consolidated findings for Research Question 1. Essentially extrinsic rewards are not a statistically significant predictor of innovation amongst frontline employees. Table 10 does show that money is a more significant predictor of innovation amongst frontline employees than non-financial rewards, however unspecified monetary rewards have an inverse relationship with motivation to innovate, suggesting that money alone is not enough to motivate frontline employees to innovate and that a more multifaceted approach is required. However the notion of high value incentives is a significant predictor of frontline employee motivation to innovate as employees compete to gain a share of the high value incentive.

The findings in this section seem to support the Componential Theory of Creativity purported by Amabile (1997; 2012) and Andriopoulos (2001) part of which states that people are the most innovative when motivated by personal interest, enjoyment and challenge, rather than extrinsic motivators such as money, which could actually undermine any intrinsic motivation. The findings further give credibility to the notion that



if extrinsic motivators such as rewards play the role of confirming a person's competence or helps to enable a person's passion for the specific field of work, then the individual's intrinsic motivation and their desire to innovate may be enhanced (Amabile, 2012). It also supports the view that it is important to reward people effectively for innovative behaviour; however people should not be bribed to be innovative as this could actually have a detrimental effect (Andriopoulos, 2001). These findings further support the Self Determination Theory (Jarnstrom & Sallstrom, 2012), which stated that people prefer autonomy and to self regulate to innovate rather than be forced to regulate their behaviour through external means, such as money.

### **6.3 Research Question 2: Intrinsic Motivation**

Research Question 2 sought to evaluate the relationship between intrinsic motivators and the level of innovative behaviour. This question measured intrinsic motivation by evaluating attributes found in the literature that are typically linked intrinsic motivation; these were, personal interest in one's job; personal growth; job satisfaction and job enjoyment.

The literature review supports the notion that intrinsic motivation is fundamental to driving innovation in that it improves psychological empowerment, it satisfies the employees need for building competence, providing autonomy and relatedness (Baumann & Stieglitz, 2014; Cho & Perry, 2012; Zhang & Bartol, 2010). Furthermore intrinsic motivators allow employees to perform tasks on their own accord, experience stimulation, gain a sense of accomplishment, increase responsibility, increase self-actualisation and build knowledge and capability and they therefore self-regulate because these needs are met (Cadwallader et al., 2010; Stringer et al., 2011)

The descriptive results for Research Question 2 (Table 5) support the literature in that frontline employees in this study responded positively to intrinsic motivators as a driver of innovation. The regression results (Appendix 8) further affirms the significance of intrinsic motivators as a predictor of innovative behaviour in frontline employees. Hence the findings of this research question overwhelmingly confirm the views presented in the literature review.

By delving a bit deeper into the question it was possible to determine which of the measured attributes of intrinsic motivation in this study are more effective in motivating frontline employees to innovate.

### **6.3.1 Personal Interest in One's Job**

The first attribute that was measured within the construct of intrinsic motivation was personal interest (attribute 6) in one's job as it relates to frontline employee innovation. The descriptive results (Table 5) suggest that personal interest in one's job is a vital factor in motivating frontline employees to innovate. This was further substantiated by the regression results (Appendix 9), which showed this attribute to be a significant predictor of innovation in frontline employees.

This finding supports the view that people are most innovative when motivated by personal interest (Amabile, 1997; Amabile 2012; Andriopoulos, 2001).

### **6.3.2 Personal Enjoyment of One's Job**

The next aspect that was evaluated within the construct of intrinsic motivation was the personal enjoyment of one's job (attribute 9) and its impact on the motivation of frontline employees to innovate. The descriptive results (Table 5) suggest that a personal interest in one's job is a key factor for frontline employees' motivation to innovate. The regression results (Appendix 9) seem to contradict the results of the descriptive results, with the finding suggesting that this attribute is not a statistically significant predictor of frontline employee innovation. These findings therefore do not support the view of Amabile (1997; 2012) that people are most innovative when motivated by personal enjoyment.

### **6.3.3 Personal and Career Growth**

Personal and Career growth (attribute 7) as it relates to frontline employee motivation was the next attribute that was studied within the construct of intrinsic motivation. The descriptive results (Table 5) indicate that on average frontline employees believe that their personal and career growth is what motivates them to be innovative. The descriptive statistics are further substantiated by the regression (Appendix 9), which yielded a statistically significant result suggesting that personal and career growth is a

strong predictor of innovation in frontline employees. This finding is aligned to the view postulated by Jarnstrom and Sallstrom (2012) that people are motivated by more than just rewards or not being punished; factors such as personal growth, task satisfaction and quality of work also motivate people, to the extent that intrinsic motivation could end up being a stronger driver than extrinsic motivation. It also supports the view that an environment that promotes skills development and training relevant to type of innovation required by the firm is likely to increase innovation participation (Cadwallader et al., 2010; West & Anderson, 1996).

#### **6.3.4 Job Satisfaction**

The final attribute that was evaluated under the construct of intrinsic motivation was job satisfaction (attribute 8) as it relates to motivating innovation in frontline employees. The descriptive results (Table 5) indicate that on average frontline employees believe that they are driven to innovate if they are satisfied in their job. The regression result (Appendix 9) did not confirm the descriptive finding as this attribute is not seen to be a significant predictor of frontline employee innovation. This finding therefore seems to contrast the view that the level of job satisfaction and the extent to which employees are engaged positively impacts the motivation levels of employees to innovate (Fernandez & Pitts, 2011).

### 6.3.5 Concluding remarks for discussion of Research Question 2

**Table 11: Consolidated findings for Research Question 2**

Research Question #	Description	Conclusion
2	What is the relationship between intrinsic motivators and the level of innovative behaviour in frontline employees?	Confirmed
	Does employee personal interest in the job/task predict the level of innovative behaviour amongst frontline employees?	Confirmed
	Does personal enjoyment of the job/task predict the level of innovative behaviour amongst frontline employees?	Not Confirmed
	Does personal growth ambition predict the level of innovative behaviour amongst frontline employees?	Confirmed
	Does employee job/task satisfaction predict the level of innovative behaviour amongst frontline employees?	Not Confirmed

Table 11 reveals the consolidated findings for Research Question 2. In summary, the research study confirmed that intrinsic motivators are strong predictors of innovation in frontline employees. Furthermore it was confirmed that within intrinsic motivation the attributes of personal interest and personal and career growth are pertinent in predicting innovation amongst frontline employees. The attributes of job satisfaction and personal enjoyment of the job were found not to be significant predictors of innovation amongst frontline employees.

The general findings serve to confirm the view that intrinsic motivation is pertinent to driving innovation in that it improves psychological empowerment, it satisfies the employee's need for building competence, thereby providing autonomy and relatedness (Zhang & Bhartol, 2010; Cho & Perry, 2012; Baumann & Stieglitz, 2014).

The research study adds further credence to the Componential Theory of Creativity part of which states that people are most innovative when motivated by personal interest and challenge (Amabile, 1997; Amabile, 2012; Andriopoulos, 2001) and also

confirmed the view opined by Jarnstrom and Sallstrom (2012) that people are motivated by factors such as personal growth.

However the study did not support the specific view with The Componential Theory of Creativity put forward by Amabile (1997; 2012) and Andriopoulos (2001) that people are most innovative when motivated personal enjoyment. The study also did not support the notion that the level of job satisfaction positively impacts the motivation levels of employees to innovate (Fernandez & Pitts, 2011).

At a construct level of intrinsic motivation, these findings are congruent with the Self Determination Theory (Jarnstrom & Sallstrom, 2012), which stated that people are more inclined to self regulate based on the autonomy they have rather than being influenced by external means such as extrinsic motivators, such as money.

## **6.4 Research Question 3: Engagement Factors**

Research Question 3 sought to determine the relationship between employee engagement factors and the level of innovative behaviour in frontline employees. The primary factors that were considered in this question were the constructs of leadership style, organisational culture and climate and organisational structure, each being evaluated in relation to their impact on frontline employee motivation to innovate.

According to Slåtten and Mehmetoglu (2011a; 2011b) employees' behaviour, more specifically innovative behaviour is linked to the level of the employee's engagement. Since innovative behaviour requires an employee to go above and beyond their day-to-day jobs, engagement is a vital antecedent for an employee to be motivated to be innovative. The extent to which employees are engaged positively impacts the motivation levels of employees to innovate (Fernandez & Pitts, 2011). Three primary engagement factors were distilled from the literature review, were evaluated and the results are discussed below.

### 6.4.1 Leadership Style

The first engagement factor that was evaluated was leadership style and its role in predicting the level of innovative behaviour amongst frontline employees.

The literature regarding leadership style is comprehensive with authors stating that a democratic participative leadership style is argued to be better than an autocratic leadership style in motivating employees to be innovative (Andriopoulos, 2001). Others argued that leaders who have a clear vision and understand the importance of innovation to their corporate strategy and are able to clearly articulate this at all levels of the organisation tend to inspire higher levels of creativity and innovation (Anderson et al., 2014; Andriopoulos, 2001; Cadwallader et al., 2010; Hülshager et al., 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b). Furthermore leadership styles that are characterised as transformational, that empower employees, are supportive of innovation activity, encourage effective leader-member-exchange and contribute positively toward intrinsic motivation have a positive impact on creativity and the overall creative process engagement (Anderson et al., 2014; Zhang & Bartol, 2010). Conversely, a controlling style of leadership or transactional leadership has a negative effect on creativity (Anderson et al., 2014; Zhang & Bartol, 2010). Fernandez and Pitts (2011) asserted that a high leader-member-exchange contributes positively to motivation levels for innovation.

The descriptive results (Table 9) suggested that frontline employees are indifferent to the idea that leadership style influences their willingness to innovate. This notion seems to be supported by the regression results (Appendix 8), which indicate that leadership style is not a significant predictor of frontline employee motivation.

Therefore it seems that these findings do not corroborate the general view held in literature that leadership style impacts the motivation of employees to innovate. This may be due to the fact that this study was specific to frontline employees and that literature is not as specific to the type of employee that this engagement factor impacts.

### 6.4.2 Organisational Culture and Climate

The next engagement factor that was evaluated was organisational culture and climate and its role in predicting the level of innovative behaviour amongst frontline employees.

Anderson et al. (2014) and Martins and Terblanche (2003) propounded that an organisation's culture is a significant determinant of the levels of creativity and innovation. Building a culture where the mission, vision and strategy of the organisation as it relates to innovation permeate all levels of the organisation is core to building innovative behaviour in employees (Martins & Terblanche, 2003). Anderson et al. (2014) suggested that a culture and climate that supports initiative and psychological safety promotes creativity. Cultural values, such as individualism versus collectivism and power distance also impact the level of creativity (Anderson et al., 2014). Paternalistic control over teams is suggested to promote intrinsic motivation to innovate and diverse teams are seen to promote creativity (Anderson et al., 2014).

Installing support mechanisms such as fair and supportive evaluation of employees, reward and recognition programmes for creative performance, availability of sufficient and relevant resources, time, training, job variety, flexible working conditions and information technology promote creativity and innovation amongst employees (Anderson et al., 2014; Andriopoulos, 2001; Baumann & Stieglitz, 2014; Fernandez & Pitts, 2011; Lages & Piercy, 2012; Martins & Terblanche, 2003; van der Heijden et al., 2013; West & Anderson, 1996). Encouraging behaviours that promote creativity and innovation, such as risk taking, idea generation, competitiveness, is critical (Martins & Terblanche, 2003; Andriopoulos, 2001). The manner in which mistakes are handled and how the organisation supports change also influences creative and innovative behaviour (Martins & Terblanche, 2003).

The literature on the topic of organisational culture and climate is evidently extensive and overwhelmingly advocates that innovation and creativity in an organisation is highly dependent on organisational culture and climate. The descriptive results (Table 9) indicate that on average frontline employees believe that organisational culture and climate is important in motivating them to be innovative. However the regression results (Appendix 8) demonstrate that organisational culture and climate is not a significant predictor of frontline employee innovation. Therefore this study does not confirm the views generally held in literature. Once again this may be due to the fact that the current research study was specific to frontline employees, whereas the literature

reviewed was not specific concerning the type of employees that this engagement factor impacts.

### 6.4.3 Organisational Structure

The final engagement factor that was evaluated was organisational structure and its role in predicting the level of innovative behaviour amongst frontline employees.

Structuring the organisation in a manner that empowers employees by allowing for flexibility, group interaction and communication promotes creative thinking and innovation (Amabile et al., 1996; Andriopoulos, 2001; Binnewies & Gromer, 2012; Cadwallader et al., 2010; Chandy & Tellis, 1998; Fernandez & Pitts, 2011; Martins & Terblanche, 2003; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b).

The descriptive results (Table 9) tend to support the literature as respondents generally agreed that organisational structure influences their willingness to innovate. However the regression results (Appendix 8) offer a different perspective suggesting that organisational structure is not a significant predictor of frontline employee innovation. The result further suggests that role autonomy and communication are not statistically significant as predictors of innovation in the case of frontline employees. This finding thus contradicts the view described above by (Amabile et al., 1996; Andriopoulos, 2001; Binnewies & Gromer, 2012; Cadwallader et al., 2010; Chandy & Tellis, 1998; Fernandez & Pitts, 2011; Martins & Terblanche, 2003; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b). The differentiation of this research study's results is most likely because this study is focussed on frontline employees whereas the literature does not necessarily specify the type of employee that is impacted by organisational structure.



#### 6.4.4 Concluding remarks for discussion of Research Question 3

**Table 12: Consolidated Findings for Research Question 3**

Research Question #	Description	Conclusion
3	What is the relationship between employee engagement factors and the level of innovative behaviour in frontline employees?	
	Does the leadership style predict the level of innovative behaviour amongst frontline employees?	Not Confirmed
	Does organisational culture and climate predict the level of innovative behaviour amongst frontline employees?	Not Confirmed
	Does the structure of an organisation predict the level of innovative behaviour amongst frontline employees?	Not Confirmed

Table 12 consolidates the finding for Research Question 3. Ultimately none of the engagement factors considered in this study was found to be significant predictors of innovation in frontline employees.

These results contradicted the view of Slåtten and Mehmetoglu (2011a; 2011b) that employees' behaviour, more specifically innovative behaviour is linked to the level of the employee engagement. The study also did not support the general view held in literature that an organisation's culture and climate is a main determinant of the levels of creativity and innovation (Anderson et al., 2014; Andriopoulos, 2001; Baumann & Stieglitz, 2014; Fernandez & Pitts, 2011; Lages & Piercy, 2012; Martins & Terblanche, 2003; van der Heijden et al., 2013; West & Anderson, 1996).

Furthermore the study contradicted the views of other authors who stated that leadership style predicts innovative behaviour (Andriopoulos, 2001; Anderson et al., 2014; Cadwallader et al., 2010; Hülshager et al., 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b).

Finally the study also contradicted the views of the likes of Amabile et al. (1996); Andriopoulos (2001); Binnewies and Gromer (2012); Cadwallader et al. (2010); Chandy and Tellis (1998); de Jong et al. (2003); Fernandez and Pitts (2011); Martins and Terblanche (2003); Martins and Terblanche (2011) and Slåtten and Mehmetoglu

(2011a; 2011b) who argued that the appropriate organisational structure is a vital antecedent to innovation.

The findings in this section do not confirm nor contradict what Amabile (1997; 2012) described as the Componential Theory of Creativity which essentially states that a person's creativity level is a function of the creativity components in operation in the person's environment. Central to this theory is that people are the most innovative when motivated by personal interest and challenge. The engagement factors discussed in this section cannot be credibly compared to the creativity components that were considered in the theory; hence the conclusion is that the results for this question cannot be linked to the theory. There is also the possibility that other engagement factors, which were not considered by this study, are better suited to the context of frontline employees and therefore is an area for future research.

The researcher believes that the primary reason that the findings did not support any of the established literature is that the study very specifically evaluated motivation to innovate amongst frontline employees, whereas the literature that was reviewed on these engagement factors were not specific to the type of employees these factors would impact.

## 6.5 Conclusion

The overall results seemed to support the componential theory of creativity propounded by Amabile (1997; 2012), which suggests people are most innovative when motivated intrinsically rather than extrinsically, which could in the case of money actually undermine intrinsic motivation and diminish the propensity to innovate. The findings further support the theory that extrinsic rewards in the form of financial recognition is important, but only if it confirms a person's competence and helps enable a person's passion for a particular field, this in turn would enhance a person's intrinsic motivation and their propensity to innovate. The findings suggest congruence with the notion that while money on its own may be detrimental to driving innovation, people should be effectively rewarded to reinforce innovative behaviour (Amabile, 2012; Andriopoulos, 2001). These findings further support the view that employees are less inclined to innovate when there is perceived control through external mechanisms, such as money and are more likely to innovate when the psychological needs of the employee are met,

because it enhances the employees intrinsic motivation (Jarnstrom & Sallstrom, 2012; Schepers et al., 2012). Overall the findings were well grounded in theory, with most of the findings supporting existing academic theory, specifically The Componential Theory of Creativity (Amabile, 1997; Amabile, 2012) and The Self Determination Theory (Jarnstrom & Sallstrom, 2012).

The study did not confirm the significance of any of the engagement factors tested, thus contradicting the view by many who advocate that leadership style (Anderson et al., 2014; Andriopoulos, 2001; Cadwallader et al., 2010; Hülshager et al., 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b), organisational culture and climate (Anderson et al., 2014; Andriopoulos, 2001; Baumann & Stieglitz, 2014; Fernandez & Pitts, 2011; Lages & Piercy, 2012; Martins & Terblanche, 2003; van der Heijden et al., 2013; West & Anderson, 1996) and organisational structure (Amabile et al., 1996; Andriopoulos, 2001; Binnewies & Gromer, 2012; Cadwallader et al., 2010; Chandy & Tellis, 1998; Fernandez & Pitts, 2011; Martins & Terblanche, 2003; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b) are motivators of innovation. This difference is likely to be due to the fact that the literature that was reviewed was not specific about the type of employee, whereas this study focused specifically on the frontline employee. There may also be the possibility that other engagement factors that were not considered by this study need to be investigated as they may be more relevant to the context of frontline employees. Finally it was noticed that of the four attributes that were seen to be statistically significant, the two with the highest betas, were intrinsic motivators, i.e. personal interest (attribute 6) and personal and career growth (attribute 7). The two lower beta scoring attributes were extrinsic motivators, i.e. fewer, higher value rewards (attribute 27) and financial rewards (attribute 25). Financial rewards actually scored a negative beta, suggesting an inverse relationship. These findings also add credence to the overall findings that in the context of this study intrinsic motivation is a better predictor of frontline employee innovation. This seems to also be well grounded in theory, specifically The Componential Theory of Creativity (Amabile, 2012) and The Self Determination Theory (Jarnstrom & Sallstrom, 2012).



## **CHAPTER 7: CONCLUSION**

### **7.1 Introduction**

This chapter serves to consolidate the findings of this study and to contextualise the result in terms of the aim of the study that was identified in the introduction of this report. Chapter 1 also introduced the value of this study in business and academic contexts and this chapter makes recommendations to businesses as well as identifies the key areas for future research.

### **7.2 Research Limitations**

As described in chapter 4, the chosen approach was a quantitative research design utilising a self-administered questionnaire. The questionnaire provided a fixed list of answers from which a respondent was required to select. The constructs that were used in the questionnaire emanated from the extensive literature review. However there was a possibility of a limitation, where some aspects that had an influence on frontline employees' motivation to innovate were not accounted for in the questionnaire. This study focused on the frontline employees in financial services. The field of research is however relevant to service organisations in general. Therefore a further limitation was that the findings of this study may not be fully generalisable to other industries in the services sector.

There was a limitation in the sampling, as access was limited to a single institution, which means that the sample was not adequately representative of frontline employees in financial services. A further limitation may have occurred in the non-probability judgement sampling method in that it did not include all frontline employees in the organisation, which may have resulted in sample selection error (Zikmund et al., 2009).

The biases noted in this study was that of non-response error, resulting from the survey being distributed to a large number of people, which could result in a non-representative sample (Zikmund et al., 2009). Response bias may have occurred where respondents answered questions dishonestly or misleadingly, thus providing a view that is not necessarily representative (Saunders & Lewis, 2012). Finally the

inexperience and lack of specialist knowledge in the area of research on the part of the researcher of this study could also have led to certain errors or biases.

### **7.3 Principle Findings**

This study has contributed to the insights concerning the drivers of frontline employee innovation. The primary findings of this study further illuminated the type of motivators and engagement factors that are most effective in driving innovative behaviour in frontline employees. Specific emphasis was placed on extrinsic motivators, intrinsic motivators, leadership style, organisational culture and climate and organisational structure. Secondary results provided a view of other factors, such as demographic and contextual factors that may have an impact on frontline employees to innovate.

#### **7.3.1 Extrinsic Motivation as a Driver of Frontline Employee Innovation**

The first area of study as outlined at the beginning of this report was to determine the impact extrinsic motivators have on the propensity for frontline employees to innovate. Extrinsic motivation refers to the instrumental reasons that people engage in certain behaviours rather than the reasons that are inherent to the behaviours (Cadwallader et al., 2010; Cho & Perry, 2012; Jarnstrom & Sallstrom, 2012; Stringer et al., 2011). The literature was considered to be ambiguous and at times contradictory on this point, with some arguing for the efficacy of extrinsic motivators (Amabile, 2012; Cadwallader et al., 2010; Cho & Perry, 2012; Danish & Usman, 2010; Stringer et al., 2011).

There were also suggestions that extrinsic motivators were actually detrimental to driving the innovation because it crowds out innovation and generally drives selfish behaviour (Amabile, 1997; Amabile, 2012; Andriopoulos, 2011; Baumann & Stieglitz, 2014). It must also be noted that the literature that was not specific to the type of employee, whereas this study sought to garner a specific view on frontline employees.

The study measured the impact that extrinsic motivators in general have on frontline employee innovation. It also went further into determining the type of extrinsic motivators that have an impact on frontline employee motivation and this was classified into financial rewards and non-financial rewards. This was further investigated to

determine whether fewer, higher value financial rewards were more effective than many lower value financial rewards.

The summary of the findings (Table 10) reveal that extrinsic motivators in general are not significant drivers of innovation amongst frontline employees, which contradicts the view that extrinsic motivators are best at motivating people, stretching people's thinking and regulating behaviour (Cadwallader et al., 2010; Cho & Perry, 2012; Danish & Usman, 2010; Stringer et al., 2011). Rather, the current research study's findings confirmed the view that extrinsic rewards are seen to control and undermine employee self-determination and ultimately affect job satisfaction thus undermining innovation (Amabile, 1997; Amabile, 2012; Jarnstrom & Sallstrom, 2012; Stringer et al., 2011).

While the overall construct of extrinsic motivation was found to be a weak predictor of frontline employee innovation, consideration must be given to the attributes that seemed to resonate with respondents and yielded significant scores in predicting their willingness to innovate.

The study found that amongst frontline employees financial rewards are significant in predicting frontline employee innovation as opposed to non-financial rewards, however the relationship between financial rewards and innovation was found to be inverse, suggesting that financial incentives on their own are not sufficient in motivating frontline employees to be innovative. The finding also contradicted the view that there is no better motivator than money (Stringer et al., 2011).

However, the next result of the study found that financial rewards need to be substantial even if it means that there are only a few rewards on offer. Frontline employees seem to favour fewer high-value rewards rather than many lower value rewards. This finding supported the view that people act in their own interest and that high value rewards generate a high number of innovative ideas because people are highly incentivised to compete for those rewards (Baumann & Stieglitz, 2014; Stringer et al., 2011).

Therefore the findings on extrinsic motivation is that while it is generally not a good predictor of innovation amongst frontline employees, a significant sum of money does seem to motivate employees. However, while the study revealed that people seem to be more incentivised by higher rewards, it may not be in the organisation's best interest to incentivise employees in that manner, as literature revealed that it tends to have a

detrimental effect on innovation as it yields fewer good ideas and creates competition for resources (Baumann & Stieglitz, 2014). These findings gave credence to The Componential Theory of Creativity (Amabile, 2012), which in essence stated that people are motivated personal interest more than money and that money on its own could actually have a detrimental effect on innovation. This finding further supports Self Determination theory (Jarnstrom & Sallstrom, 2012), which stated that employees prefer to self regulate in order to innovate rather than be coerced into innovating through extrinsic rewards.

### **7.3.2 Intrinsic Motivation as a Driver of Frontline Employee Innovation**

The next area of study that was significant to this research was the impact that intrinsic motivators had on frontline employee innovation. Intrinsic motivation is described as when a person engages in an activity or job task purely for the inherent benefit of performing the task or activity, such as personal interest, enjoyment, personal growth or for the challenge (Amabile, 1997; Amabile, 2012; Jarnstrom and Sallstrom, 2012; Stringer et al., 2011).

Intrinsic motivation in general has been overwhelmingly credited for driving the innovation agenda. According to the literature reviewed, intrinsic motivators afford employees self-determination and improves their psychological empowerment, their competence and ultimately allows them to self-actualise, which means that they self-regulate to meet these needs (Baumann & Stieglitz, 2014; Cadwallader et al., 2010; Cho & Perry, 2012; Stringer et al., 2011; Zhang & Bartol, 2010).

Once again it must also be noted that for the most part, the literature that was reviewed contained findings that was not specific about the type of employee whereas this study sought to gain a specific view on frontline employees.

This study measured the impact that intrinsic motivators in general have on frontline employee innovation. The study delved deeper into understanding the types of intrinsic motivators that have an impact on frontline employee motivation and this was classified into four attributes of intrinsic motivation, being personal interest in one's job, personal enjoyment of one's job, personal and career growth and finally job satisfaction.

The summary of the findings (Table 11) affirmed that intrinsic motivators in general are significant drivers of innovation amongst frontline employees, strongly supporting the views provided in the literature. While the overall construct of intrinsic motivation was found to be a strong predictor of frontline employee innovation, consideration must be given to each of the attributes that constituted the construct of intrinsic motivation as each attribute seemed to vary in its ability to influence frontline employee innovation.

The results revealed that not all of the attributes that make up intrinsic motivation in the context of this study have the same impact on frontline employee innovation. The summary of findings (Table 11) reveals that within the construct of intrinsic motivation, the attributes of personal interest and personal growth are significant predictors of frontline employee innovation, which supports the view of authors such as Amabile (1997; 2012), Andriopoulos (2001) and Jarnstrom and Sallstrom (2012). The results also show that within the construct of intrinsic motivation the attributes personal enjoyment and job satisfaction are not significant predictors of frontline employee innovation, contradicting the views of Amabile (1997; 2012); Fernandez and Pitts (2011).

Therefore the findings for intrinsic motivation concluded that while it is generally a significant predictor of innovation amongst frontline employees, some attributes of intrinsic motivation in the context of this study are better at predicting frontline employee innovation than others. Frontline employees seem to be more motivated to innovate because they have a personal interest in their job and because they wish to grow and develop in their careers. However, the notions of job satisfaction and personal enjoyment of their job do not motivate frontline employees to be more innovative. Nevertheless at a construct level the findings on intrinsic motivation support The Componential Theory of Creativity (Amabile, 2012), which articulated that personal interest and challenge are key drivers of innovation. Similarly the findings also support the Self Determination theory (Jarnstrom & Sallstrom, 2012), which stated that a key motivational driver for employees to innovate is the ability to self regulate rather than be forced to regulate their behaviour based on external stimuli.



### **7.3.3 Engagement Factors as a Driver of Frontline Employee Innovation**

The third area of study that was fundamental to this research was the impact that employee engagement factors had on frontline employee innovation. Engagement factors are described as factors that motivate employees to go above and beyond their day-to-day jobs (Fernandez & Pitts, 2011; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b).

There are numerous engagement factors, many of which were outlined in the literature review. There is a case for each factor's impact on employee motivation to innovate. Again the literature generalises these factors as it largely applies to all employees. This study focussed on three specific employee engagement factors in the context of frontline employee motivation. The chosen factors were that of leadership style, organisational culture and climate and organisational structure.

Leadership style in general has been overwhelmingly credited for driving the innovation agenda. According to the literature innovation is dependent on the type of leadership that prevails in the organisation. Organisations that have a democratic leadership style, have a clear vision, are transformational, empowering and able to clearly communicate at all levels are better at motivating innovation amongst employees (Anderson et al., 2014; Andriopoulos, 2001; Cadwallader et al., 2010; Fernandez & Pitts, 2011; Hülshager et al., 2009; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b; Zhang & Bartol, 2010).

The summary of the findings (Table 12) reveal that leadership style is not a significant motivating factor as it relates to motivating innovation in frontline employees. This finding contradicted the findings in literature, suggesting that the factor of leadership style does not play as significant a role in frontline employee innovation as it may with employees in general.

The next factor that was tested was organisational culture and climate. Once again the literature advocates the notion that organisational culture and climate is a significant factor in predicting innovation and creativity in an organisation (Anderson et al., 2014; Andriopoulos, 2001; Martins & Terblanche, 2003; West & Anderson, 1996). The findings of this study (Table 12) suggested that amongst frontline employees' organisational culture and climate is not a significant determinant of innovation, which

contrasts findings from the literature. Once again this indicates that while organisational culture and climate is generally a predictor of innovation within an organisation it does not necessarily permeate at the frontline employee level.

The final factor that was tested was organisational structure. As with the case of the previous two factors, the literature generally advocates that organisational structure impacts innovation in a company (de Jong et al., 2003; Martins & Terblanche, 2003). However the results of this study (Table 12) suggested that organisational structure is not a significant predictor of innovation amongst frontline employees. This result once again reinforces the point made earlier that while organisational structure is influential in determining innovation amongst employees in general, it seems to have a less significant effect on frontline employees.

Therefore the findings for the engagement factors that were tested do not align to the literature. These findings suggest that the engagement factors that were tested, while applicable to employees in general do not necessarily apply in the context of frontline employee motivation to innovate. There is a possibility that the type of engagement factors need to be reconsidered, such that they are more relevant to the frontline employee cohort.

## **7.4 Recommendations to business**

The research motivation at the outset of this report articulated that the value of this research to business would be to understand the most effective motivators for frontline employees, such that businesses may optimise the value extracted in the investments being made in motivating their frontline to innovate. The importance of this issue was emphasised by the likes of Nidumolu et al. (2009) who purported that the success and sustainability of an organisation is highly dependent on its ability to innovate. Furthermore the role of frontline employees in this innovation effort is critical due to their proximity to customers, their ability to identify critical issues and generate innovative solutions to those problems, which could provide a source of competitive advantage to the organisation.

To effectively motivate frontline employees to innovate, this study firstly and most importantly recommends that businesses place most of its emphasis on intrinsic motivators as it has consistently proven to be the most effective type of motivation to

drive the desired behaviour. It is evident from the literature and was further proven in this research study. However it is important for businesses to understand that there are specific attributes within the construct of intrinsic motivation that are more effective than others. This research study suggests that business focus more on ensuring that the employees' skills intersect with their personal interests, thus ensuring that the employee has a personal interest in their job. This relates to recruitment and placement of people in appropriate jobs and ensuring there is a job fit.

The next area of focus recommended by this study would be to ensure that employees at the frontline have a clear sense of personal and career growth. To this end, these employees should be adequately challenged with quality and meaningful work that provides them with task satisfaction. This in itself may be a stronger motivator than any reward or punishment.

The construct of extrinsic motivation did not appear as a significant predictor of innovation amongst frontline employees and should be subordinated to intrinsic motivation. However this research study recommends that businesses give due consideration to certain extrinsic factors. The recommendation is that where businesses intend to employ extrinsic motivators to drive frontline employee innovation, they use financial rewards rather than non-financial rewards. Furthermore the research study revealed that frontline employees demonstrate a preference for fewer higher value rewards. This should be considered with caution as literature has shown that many lower value rewards are more effective in delivering a steady stream of innovative ideas, rather than crowd out ideas through large incentives (Baumann and Stieglitz, 2014; Stringer et al., 2011). Hence the recommendation to business is to use many lower value financial rewards rather than few high value financial rewards to secure a steady stream of very good ideas. It must also be noted that the study revealed an inverse relationship between financial rewards and motivation to innovate, suggesting that financial rewards on its own may not be sufficient to effectively motivate employees to innovate. Careful consideration must be given to intrinsic factors; otherwise the financial rewards may be seen as a form of coercion thus leading to a diminished willingness to innovate.

The construct of employee engagement factors was found to not be a significant predictor of frontline employee innovation. However employee engagement is seen as a primary antecedent to creativity and innovation (Anderson et al., 2014; de Jong et al.,

2003; Martins & Terblanche, 2003; Slåtten & Mehmetoglu, 2011a; Slåtten & Mehmetoglu, 2011b). Therefore a possibility exists that such factors may be seen as hygiene factors and while their presence may not motivate incremental innovative behaviour amongst frontline employees, the absence of such engagement factors would adversely impact employee engagement and thus innovation. Therefore the recommendation is that businesses need to ensure that the core employee engagement factors are in place, or to ensure at the very basic level that employees are sufficiently engaged to create the platform or environment from which innovation may thrive.

## 7.5 Suggestions for Future Research

The purpose of this study was to gain an understanding of what motivates innovation in frontline employees. The scope of the study was limited to the financial services industry in South Africa, due to the importance of innovation in this industry. This study was further limited as the data was retrieved from employees within a single bank. Therefore an area for further research would be firstly to extend the study to include other banks and financial institutions to make these results more generalisable across the financial services industry. This study could also be extended beyond the financial services industry to include a cross-section of industries or at least replicate the study in specific industries to gain a more generalisable view of what motivates innovation in frontline employees.

There is room for further research on the engagement factors used in this study. It may be useful to determine what engagement factors are relevant to frontline employees.

The design of this study was cross-sectional in nature, meaning that it measured innovation in frontline employees at a particular point in time. An opportunity exists to run a longitudinal study to evaluate how innovation in frontline employees could change over time after certain interventions were implemented, such as training and development.

The descriptors in this study provided fertile ground for further research. The researcher conducted certain analyses that were out of scope of this report. However those analyses provided insight into areas for further research. An ANOVA test revealed that statistically significant differences occur in the factors of gender, age, the

frequency of customer interaction and the method of customer interaction in how they impact frontline employee innovation. The researcher believes that there is merit in considering the demographics of age and gender, but certainly emphasis should be placed on understanding how the method of interacting with the customer impacts the innovation of frontline employees. The factors of age and method of customer engagement were also significant when a chi-square analysis was performed, and therefore warrants further investigation.

The research instrument did not establish the level of education of the respondent. The researcher in retrospect considered that the level of education of the frontline employee may determine how the employee is motivated to innovate. Therefore further research could focus on how the level of education influences the motivators of frontline employees to be innovative.

## **7.6 Conclusion**

The current business environment is characterised by much uncertainty and a high degree of competitiveness, which requires organisations to constantly adapt and refine their customer propositions to remain competitive. Therefore organisations have realised that innovation is becoming increasingly important in ensuring the organisation's relevance in the contemporary business environment. To this end organisations have identified employees at the frontline as being critical in identifying and solving for customer needs, as they are closest in proximity to the customer and have an innate understanding of the customer. The business challenge lay in the motivation of these frontline employees to go the extra mile and to actually be innovative and this is particularly relevant in the financial services industry (Damanpour & Gopalakrishnan, 2001; Sousa & Coelho, 2011; Trivellas, 2011).

Hence this study has been successful in helping to further determine how to engage these employees such that they are motivated to expend additional effort over and above their day-to-day jobs to be creative and generate innovative ideas that will drive the business forward.

The differences highlighted between the findings of this study and the vast array of literature demonstrates the dynamic nature of this topic and that it is difficult to generalise the motivators of employees as a collective. Much of the literature that was



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reviewed was not specific to the type of employee, whereas this study was specific to frontline employees, which gives credence to some of the variances that may be attributed and demonstrates the complexity and multi dimensional nature of motivation.

Nevertheless the insights derived from this study will help inform organisations on what to focus on to enhance employee engagement as well as how to optimise their investment in motivators of innovation at the frontline.

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## APPENDICES:

### APPENDIX 1: Research Questionnaire

A	<b>Demographic Information</b>	
A1	<b>About You</b>	
A1.1	Gender?	(Male, Female)
A1.2	Age (range)?	(18-24; 25-34; 35-44; 45-54; 55-64; 65-74; 75 or older)
A2	<b>About Your Organisation</b>	
A2.1	How long have you worked at the company?	(Less than 6 months; 6 months -1 year; 1-2 years; 2-5 years; more than 5 years)
A3	<b>About Your Interaction with Customers</b>	
A3.1	How often do you interact with customers?	(Extremely often; Very often; Sometimes; Seldom; Never)
A3.2	In a typical day, how much time do you spend dealing with customers?	(Less than 10%; 10-20%; 20-50%; 50-80%; More than 80%)
A3.3	In what capacity do you interact with customers?	(Sales activities; Customer service activities; Both; Other)
A3.4	What method do you most frequently use to engage with customers?	(Face to face; Email; Telephone; Other)
A4	<b>Your Perception of Innovation in Your Role: How would you describe your approach to innovation?</b>	Adapted from (van der Heijden, Schepers, Nijssen, and Ordanini, 2013)
A4.1	I think of new product or service solutions that can improve the current solutions being provided.	(Never, Rarely, Sometimes, Often)
A4.2	I think of new solutions that improve the customer service delivery process.	(Never, Rarely, Sometimes, Often)
A4.3	I communicate ideas that offer a better solution than competitor offerings.	(Never, Rarely, Sometimes, Often)
A4.4	I communicate ways of reducing the cost of current products or services.	(Never, Rarely, Sometimes, Often)
A4.5	I implement ideas about completely new products or services in my organisation.	(Never, Rarely, Sometimes, Often)

## Understanding the motivators of frontline employee innovation

To what extent does Leadership Style influence the motivation of frontline employees to innovate? To what extent do you agree with the following statements regarding the leadership style in your organisation?			
No: B	Question	Type of Question	Reference
	<b>In your organisation, to what extent do you agree with the following statements? (1: Strongly disagree; 2: Disagree; 3:Neutral; 4: Agree 5: Strongly agree)</b>		
B1.1	Managers are only concerned with productivity and output and little attention is paid to new initiatives or ideas?	Likert Scale (1-5)	(Brynteson, 2012)
B1.2	My organisations management is fully committed to supporting innovation activities and initiatives?	Likert Scale (1-5)	(Oke, 2007)
B1.3	I am encouraged to come up with new and improved ways of doing things and dealing with customers?	Likert Scale (1-5)	(Fernandez & Pitts, 2011)
B1.4	Management regularly spends time “in the field” or “on the floor” with customers and frontline employees?	Likert Scale (1-5)	(Yavas & Babakus, 2010)
B1.5	Management express the importance of orderliness and procedures at the expense of innovation and experimentation?	Likert Scale (1-5)	(House et al., 2004)
To what extent does organisational culture and climate influence the motivation of frontline employees to innovate? To what extent do you agree with the following statements regarding your organisation’s culture and climate?			
B2.1	Unconventional and creative decision making is encouraged and fostered?	Likert Scale (1-5)	(Riel, Lemmink, & Ouwersloot, 2004)
B2.2	Developing unique new services and products is a priority of my organisation?	Likert Scale (1-5)	(Huffman, 2010)
B2.3	My organisation supports innovation by striving to do things better and improving the products and services to our customers.	Likert Scale (1-5)	(Brynteson, 2012)
B2.4	My organisation communicates innovation as a fundamental part of its philosophy and values?	Likert Scale (1-5)	(Oke, 2007)
B2.5	Staff members are motivated, rewarded and organised to innovate repeatedly?	Likert Scale (1-5)	(De Jong et al., 2013)
To what extent does the structure of an organisation influence the motivation of frontline employees to innovate? To what extent do you agree with the following statements regarding your organisation’s structure?			
B3.1	Managers promote communication among different work units about new	Likert Scale (1-5)	(Fernandez & Pitts, 2011)





## Understanding the motivators of frontline employee innovation

	products, technologies or customer initiatives?		
B3.2	The organisation often communicates its key goals and priorities?	Likert Scale (1-5)	(Fernandez & Pitts, 2011)
B3.3	There is much informal communication between the organisational departments?	Likert Scale (1-5)	(Riel et al., 2004)
B3.4	My organisation has created formal structures for the submission and feedback of new ideas and innovations?	Likert Scale (1-5)	(van der Heijden et al., 2013)
B3.5	I have the freedom and authority to come up with new ideas and act independently in order to provide innovative service excellence?	Likert Scale (1-5)	(Yavas & Babakus, 2010)
To what extent does the role of rewards and recognition influence the motivation of frontline employees to innovate? To what extent do you agree with the following statements about rewards and recognition?			
B4.1	Financial rewards, e.g. monetary prizes and bonuses motivate me to come up with new ideas or to provide innovative service excellence to customers.	Likert Scale (1-5)	(Coelho & Augusto, 2010)
B4.2	Non-financial rewards e.g. gifts, leave days, public recognition, awards, etc. motivate me to come up with new ideas and innovative ways of dealing with customers.	Likert Scale (1-5)	(Yavas and Babakus, 2010)
B4.3	I believe that fewer but higher value financial rewards , e.g. one grand prize of R1Million, a runner up of R500k, and a third place of R250k, are better to motivate me to come up with new ideas and innovative ways of dealing with customers.	Likert Scale (1-5)	
B4.4	I believe that many financial rewards but lower in value, e.g. 20 prizes worth R20k each are better to motivate me to come up with new ideas and innovative ways of dealing with customers.	Likert Scale (1-5)	
To what extent does intrinsic motivation influence the motivation of frontline employees to innovate? To what extent do you agree with the following statements about what motivates you to be innovative?			
B5.1	I come up with new ideas and innovative ways of dealing with customers because I have a personal interest in my job.	Likert Scale (1-5)	(Fernandez and Pitts, 2011)
B5.2	I come up with new ideas and innovative ways of dealing with customers because I want to grow and build my career.	Likert Scale (1-5)	(Huffman, 2010)



## Understanding the motivators of frontline employee innovation

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B5.3	I come up with new ideas and innovative ways of dealing with customers because I am satisfied in my job.	Likert Scale (1-5)	(Huffman, 2010)
B5.4	I come up with new ideas and innovative ways of dealing with customers because I enjoy my job.	Likert Scale (1-5)	(de Jong et al., 2013)



## Appendix 2: Consent Letter

# Gordon Institute of Business Science

University of Pretoria

2016-05-17

Dear Participant,

### RESEARCH QUESTIONNAIRE: THE MOTIVATORS OF FRONTLINE EMPLOYEE INNOVATION

I am conducting research to ***understand what motivates frontline employees to be innovative***. To that end, I humbly request that you complete the attached survey about your organisational environment and what motivates you to be innovative. This will help me gain a better understanding about what organisations need to do in order to best motivate their frontline employees to be more innovative.

The research project focuses on frontline employees who interact directly with customers as part of their daily accountability. This includes employees who have any of the following responsibilities:

- Sales of products
- Client servicing
- Resolution of client queries or complaints
- Supervision of employees that interact directly with clients

Your participation is voluntary and you can withdraw at any time without penalty. Of course, all data will be kept confidential and anonymous. By completing the survey, you indicate that you voluntarily participate in this research.

This survey will take approximately 15 minutes to complete. If you have any concerns, please contact me or my supervisor. Our details are provided below.

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### Appendix 3: Summary of Constructs and Associated Attributes

Wording	Attribute	Construct (Factor)
I come up with new ideas and innovative ways of dealing with customers because I have a personal interest in my job?	Att6	Construct 5: Intrinsic Motivators
I come up with new ideas and innovative ways of dealing with customers because I want to grow and build my career?	Att7	
I come up with new ideas and innovative ways of dealing with customers because I am satisfied in my job?	Att8	
I come up with new ideas and innovative ways of dealing with customers because I enjoy my job?	Att9	
Managers promote communication among different work units about new products, technologies or customer initiatives?	Att10	Construct 3: Organisational Structure
The organisation often communicates its key goals and priorities?	Att11	
There is much informal communication between the organisational departments?	Att12	
My organisation has created formal structures for the submission and feedback of new ideas and innovations?	Att13	
I have the freedom and authority to come up with new ideas and act independently in order to provide innovative service excellence?	Att14	Construct 1: Leadership Style
Managers are only concerned with productivity and output and little attention is paid to new initiatives or ideas?	Att15	
My organisations management is fully committed to supporting innovation activities and initiatives?	Att16	
I am encouraged to come up with new and improved ways of doing things and dealing with customers?	Att17	
Management regularly spends time "in the field" or "on the floor" with customers and frontline employees?	Att18	
Management express the importance of orderliness and procedures at the expense of innovation and experimentation?	Att19	
Unconventional and creative decision making is encouraged and fostered?	Att20	
Developing unique new services and products is a priority of my organisation?	Att21	
My organisation supports innovation by striving to do things better and improving the products and services to our customers.	Att22	
My organisation communicates innovation as a fundamental part of its philosophy and values?	Att23	
Staff members are motivated, rewarded and organised to innovate repeatedly?	Att24	Construct 2: Organisational Culture and Climate
Financial rewards, e.g. monetary prizes and bonuses motivate me to come up with new ideas or to provide innovative service excellence to customers?	Att25	
		Construct 4: Extrinsic Motivators



## Understanding the motivators of frontline employee innovation

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Non-Financial rewards e.g. gifts, leave days, public recognition, awards, etc. motivate me to come up with new ideas and innovative ways of dealing with customers	Att26	
I believe that fewer but higher value financial rewards, e.g. one grand prize of R1million, a runner up of R500k and third place of R250k, are better to motivate me to come up with new ideas and innovative ways of dealing with customers?	Att27	
I believe that many financial rewards but lower in value, e.g. 20 prizes worth R20k each are better to motivate me to come up with new ideas and innovative ways of dealing with customers?	Att28	



### Appendix 4: Cronbach Alpha at the construct level

Summary for scale: Mean=21.3553 Standard Deviation=2.61546 Valid N:264 (Datafile_7-13)						
Cronbach alpha: .742463 Standardized alpha: .739771						
Average inter-item corr.: .330576						
						<b>0.742463</b>
Variable	Mean if	Var. if	Std. Dv. if	Itm-Totl	Alpha if	<b>0.779586</b>
Innovation Avg	18.50758	5.138996	2.266935	0.441624	0.716168	Reliable
Intrinsic	17.49735	4.294065	2.072212	0.622370	0.659908	Reliable
Org Structure	17.53182	4.699404	2.167811	0.560999	0.681764	Reliable
Leadership Style	17.92045	5.439316	2.332234	0.440916	0.717787	Reliable
Org Cult & Clim	17.50000	4.658977	2.158466	0.584382	0.674860	Reliable
Extrinsic	17.81932	5.626389	2.372001	0.247200	0.767019	Reliable



**Appendix 5: Cronbach's Alpha- At Attribute Level**

Summary for scale: Mean=85.1439 Standard Deviation=10.4885 Valid N:264 Cronbach alpha: .855055 Standardized alpha: .871301 Average inter-item corr.: .239895						
Variable	Mean if	Var. if	StDv. if	Itm-Totl	Alpha if	
						<b>0.855055</b>
						<b>0.897808</b>
Att6.2	81.18182	99.3988	9.96989	0.544326	0.845227	Reliable
Att7.2	81.07197	100.6880	10.03434	0.496821	0.847031	Reliable
Att8.2	81.52273	97.7571	9.88722	0.606147	0.842741	Reliable
Att9.2	81.36742	97.7249	9.88559	0.593194	0.843068	Reliable
Att10.2	81.39015	98.6546	9.93250	0.577271	0.843997	Reliable
Att11.2	81.16288	99.8712	9.99356	0.542717	0.845520	Reliable
Att12.2	81.58334	100.0612	10.00306	0.469897	0.847575	Reliable
Att13.2	81.06818	101.3893	10.06923	0.480292	0.847747	Reliable
Att14.2	81.39773	95.9744	9.79665	0.630269	0.841081	Reliable
Att15.2	82.31818	119.3154	10.92316	0.444114	0.883680	Reliable
Att16.2	81.30682	99.2203	9.96094	0.548188	0.845038	Reliable
Att17.2	81.40151	97.7479	9.88675	0.619010	0.842412	Reliable
Att18.2	81.75378	98.0644	9.90275	0.489428	0.846649	Reliable
Att19.2	81.76515	102.3918	10.11888	0.306319	0.853643	Reliable
Att20.2	81.63258	99.7930	9.98965	0.511113	0.846279	Reliable
Att21.2	81.22727	98.7438	9.93699	0.611565	0.843264	Reliable
Att22.2	81.08334	98.7431	9.93695	0.669060	0.842171	Reliable
Att23.2	81.01136	99.7915	9.98957	0.603299	0.844224	Reliable
Att24.2	81.48864	97.9620	9.89758	0.579955	0.843555	Reliable
Att25.2	81.30303	101.2642	10.06301	0.393486	0.850276	Reliable
Att26.2	81.80303	103.8854	10.19242	0.226453	0.856707	Reliable
Att27.2	81.77273	108.2438	10.40403	0.003317	0.866751	Reliable
Att28.1	81.55303	104.7245	10.23350	0.177772	0.858786	Reliable



**Appendix 6: Factor Analysis Testing for Validity at Attribute Level**

		Factor Loadings (Varimax normalized)							
		Extraction: Principal components							
		(Marked loadings are >.700000)							
	Variable	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	
Construct 2	Att22.2	0.824865	0.191048	0.118488	0.193911	0.107993	0.074717	0.209253	Factor 1
	Att23.2	0.811767	0.194609	0.077586	0.098050	0.119703	0.036046	0.183076	Factor 1
	Att21.2	0.775721	0.205469	0.040403	0.204527	0.060743	0.047384	0.186714	Factor 1
	Att24.2	0.584667	0.091308	0.006860	0.286636	0.021923	0.022144	0.482446	Factor 1
	Att20.1	0.474298	0.198537	0.117296	0.160947	0.083493	0.221639	0.379512	Factor 1
Construct 5	Att6.2	0.287857	0.816320	0.097723	0.061784	0.076269	0.013436	0.008018	Factor 2
	Att8.2	0.102019	0.815988	0.083476	0.206110	0.040868	0.078912	0.293994	Factor 2
	Att9.2	0.072491	0.803531	0.031441	0.254581	0.029400	0.031647	0.324662	Factor 2
	Att7.2	0.278788	0.754128	0.174710	0.095350	0.188724	0.052095	0.169075	Factor 2
Construct 4	Att26.2	0.026625	0.117432	0.748724	0.093689	0.123853	0.170794	0.199765	Factor 3
	Att28.1	0.023083	0.006602	0.724172	0.139642	0.245677	0.256017	0.104066	Factor 3
	Att25.2	0.196388	0.261354	0.634147	0.109150	0.002910	0.292863	0.007091	Factor 3
Construct 3	Att12.2	0.134825	0.078639	0.016401	0.761346	0.091776	0.221655	0.071177	Factor 4
	Att11.2	0.137558	0.146190	0.040475	0.750324	0.123236	0.085818	0.226209	Factor 4
	Att13.2	0.249088	0.168795	0.078785	0.692490	0.001172	0.274451	0.076872	Factor 4
	Att10.2	0.127308	0.149000	0.045829	0.662261	0.119368	0.021294	0.417957	Factor 4
	Att14.2	0.264822	0.244983	0.057889	0.487987	0.071086	0.083151	0.440703	Factor 4
Construct 1	Att19.2	0.122184	0.053565	0.024577	0.104818	0.866314	0.041552	0.018942	Factor 5
	Att18.2	0.135236	0.101210	0.056066	0.181806	0.644070	0.037319	0.471366	Factor 5
Construct 4	Att27.2	0.053243	0.037992	0.122552	0.024086	0.015166	0.878784	0.109955	Factor 6
Construct 1	Att16.2	0.333111	0.011864	0.075283	0.182855	0.216376	0.012212	0.715239	Factor 7
	Att17.2	0.332798	0.109564	0.079697	0.223516	0.223692	0.018529	0.687141	Factor 7
	Att15.2	0.162232	0.138673	0.016725	0.191648	0.123333	0.253971	0.694350	Factor 7
	<b>Expl.Var</b>	<b>3.193534</b>	<b>2.977266</b>	<b>1.615314</b>	<b>2.821146</b>	<b>1.477344</b>	<b>1.228909</b>	<b>2.891763</b>	
	<b>Prp.Totl</b>	<b>0.138849</b>	<b>0.129446</b>	<b>0.070231</b>	<b>0.122659</b>	<b>0.064232</b>	<b>0.053431</b>	<b>0.125729</b>	<b>70%</b>





## Appendix 7: Respondent Job Type

<b>Respondent Job Type</b>	<b>Count</b>
Administration of deceased estates	1
Advisory	1
Beneficiaries in deceased estates I administer	1
Beneficiaries/Heirs	1
beneficiary activities	1
Both	152
Complaint resolution from Management	1
Customer Service Activities	69
deceased estates reporting	1
Engaging with channels within FNB so Internal and external	1
Estate Administration - interaction and communication with heirs	1
Estates Administrator (deceased estates)	1
Executive level interaction	1
Fiduciary matters	1
I am a receptionist. I deal with all the customer calls before it goes through to the relevant official.	1
Internal clients, support of front liners.	1
Leadership	1
Maintaining client relationships through online banking enterprise	1
Manager of customer service bankers	1
None	1
none of the above	1
Queries or clarification on instructions of clients	1
Sales Activities	16
Sales, Support, queries and escalation	1
service and identify possible leads for service	1
Termination of Trust and Testamentary Trust and tracing un- traceable beneficiary.	1
Trust administration	1
Trustee	1
When they walk in at Reception, and I get to interact with them.	1
Wills Drafter	1
<b>Grand Total</b>	<b>264</b>



**Appendix 8: Regression at Construct Level**

Regression Summary for Dependent Variable: InnovationAverageW (Datafile_Ans_1)							
R= .54050627 R <sup>2</sup> = .29214703 Adjusted R <sup>2</sup> = .27842895 F(5,258)=21.296 p<.00000 Std.Error of estimate: .54351							
	N=264	b*	Std.Err.	b	Std.Err.	t(258)	p-value
	Intercept			0.717300	0.291793	2.458244	0.014620
Construct 5	Intrinsic Motivation	0.507061	0.063793	0.427398	0.053770	7.948575	0.000000
Construct 1	Leadership Style	0.104503	0.060434	0.124338	0.071905	1.729211	0.084967
Construct 4	Extrinsic Motivation	0.057091	0.054556	0.055873	0.053392	1.046473	0.296322
Construct 3	Organisational Structure	0.021256	0.067054	0.020120	0.063472	0.316994	0.751505
Construct 2	Organisational Culture & Climate	0.016789	0.069518	0.015838	0.065581	0.241501	0.809359



**Appendix 9: Regression at Attribute Level**

Regression Summary for Dependent Variable: InnovationAverageW (Datafile_Ans_1)								
R= .61675577 R <sup>2</sup> = .38038767 Adjusted R <sup>2</sup> = .32100816								
F(23,240)=6.4060 p<.00000 Std.Error of estimate: .52723								
N=264	b*	Std.Err.	b	Std.Err.	t(240)	p-value		
Intercept			0.766076	0.350337	2.18668	0.029732		
Att6	0.297128	0.082161	0.218217	0.060341	3.61642	0.000364	Construct 5	IntrinsicAverageW
Att7	0.263611	0.079116	0.204089	0.061252	3.33196	0.000999	Construct 5	IntrinsicAverageW
Att27	0.128952	0.056868	0.073039	0.032210	2.26756	0.024246	Construct 4	ExtrinsicAverageW
Att25	-0.135163	0.063928	-0.091819	0.043428	-2.11429	0.035522	Construct 4	ExtrinsicAverageW
Att17	0.157414	0.086618	0.111530	0.061370	1.81733	0.070413	Construct 1	LeadershipAverageW
Att8	0.176820	0.105558	0.123107	0.073493	1.67509	0.095218	Construct 5	IntrinsicAverageW
Att16	-0.122689	0.084872	-0.089134	0.061660	-1.44557	0.149602	Construct 1	LeadershipAverageW
Att9	-0.132001	0.104728	-0.089962	0.071374	-1.26042	0.208740	Construct 5	IntrinsicAverageW
Att19	0.072366	0.059589	0.046204	0.038047	1.21440	0.225788	Construct 1	LeadershipAverageW
Att20	-0.076723	0.064922	-0.055472	0.046940	-1.18178	0.238462	Construct 2	OrgCultClimAverageW
Att24	-0.089131	0.078342	-0.060768	0.053413	-1.13771	0.256376	Construct 2	OrgCultClimAverageW
Att10	0.085433	0.075572	0.061616	0.054504	1.13049	0.259398	Construct 3	OrgStructAverageW
Att14	0.065395	0.073171	0.040994	0.045869	0.89372	0.372365	Construct 3	OrgStructAverageW
Att11	-0.059537	0.073008	-0.045680	0.056015	-0.81548	0.415604	Construct 3	OrgStructAverageW
Att12	0.051127	0.065457	0.035365	0.045278	0.78107	0.435530	Construct 3	OrgStructAverageW
Att23	0.046858	0.084901	0.039135	0.070908	0.55191	0.581523	Construct 2	OrgCultClimAverageW
Att26	0.027693	0.057563	0.017445	0.036262	0.48109	0.630892	Construct 4	ExtrinsicAverageW
Att15	-0.031898	0.067538	-0.017951	0.038008	-0.47230	0.637145	Construct 1	LeadershipAverageW
Att22	0.039470	0.095640	0.032684	0.079195	0.41270	0.680196	Construct 2	OrgCultClimAverageW
Att13	-0.027168	0.071177	-0.022116	0.057941	-0.38170	0.703021	Construct 3	OrgStructAverageW
Att28	0.013404	0.057558	0.008227	0.035328	0.23287	0.816060	Construct 4	ExtrinsicAverageW
Att18	0.009762	0.068269	0.005821	0.040709	0.14300	0.886413	Construct 1	LeadershipAverageW
Att21	-0.005577	0.082687	-0.004264	0.063224	-0.06744	0.946285	Construct 2	OrgCultClimAverageW



## Appendix 10: Regression at Attribute Level

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.879
Bartlett's Test of Sphericity	Approx. Chi-Square	2978.046
	df	253
	Sig.	0.000

## Appendix 11: Ethics Clearance and Turnitin Report