

Measuring Employee Creativity and its Impact on Organization Innovation Capability and Performance in the Banking Sector of Pakistan

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Abstract: Creativity has vital impact on organizational performance and when it is the case of service firms, the creativity of frontline employees become more crucial. This study investigates the role of contextual factors such as job complexity and relationship with supervisor on employee creativity that in turn have positive effect on firm's innovation and performance. This study further investigates that employee intrinsic motivation mediates the relationship between contextual factors and employee creativity. Data were collected through convenient sampling from banking employees working in different branches of seven Pakistani banks operating in Multan city through 164 questionnaires which then analyzed using SPSS 16. The results showed the direct relationship of job complexity and supervisory relationship with employee creativity keeping the mediating variable unaffected. Further, employee creativity has shown significant positive relation with organization innovation capability and firm performance. Managerial implications, limitations and recommendations for future research have also been discussed.

Key words: Employee creativity • Job complexity • Intrinsic motivation • Innovation

INTRODUCTION

The role of creativity for firms' performance and growth can not be ignored in a competitive dynamic environment. Researchers have suggested that creativity is the essential part for organization's survival and competency [1-3]. Therefore, firms need creative employees to initiate organizational innovation. Employee creativity is recognized as the key factor for generating a competitive advantage [4]. The role of employee creativity of the frontline employees is of particular importance in the service firms as they serve as the boundary workers and enjoy exclusive right to gather first hand market information. Further, frontline service employees face customers with quite diverse needs implying that they need to be more innovative [5, 6]. Therefore, this research has been conducted in the banking sector of Pakistan. The banking sector in Pakistan has rapidly flourished during period 2002 to 2008 with an average growth rate of 15.18 while the highest growth of 19.4 percent has been observed in year 2007 [7]. Moreover, the banking sector contributes highest in asset composition of 72.7 percent

as of total assets in year 2007 and a major share of 53.9 percent as of Gross Domestic Product (GDP) in the same year [7]. Further, state bank of Pakistan has formulated 10 year strategy plan for banking sector reforms. The banking sector in Pakistan facing tough competition especially after the challenging capital adequacy benchmarks set by the State Bank of Pakistan to nourish a stable banking system. Attracting foreign investment and winning profitable customers are the only options left to banks for survival. Therefore the need for creative employees and the innovation is undeniable.

In spite of growing sector of banking, very few researches have been conducted in this sector. This research is designed to address the individual as well as organization level unit of analysis to investigate how individual level is participating for the success of organizational level. Therefore, the main focus of this study is to examine impact of job complexity, relationship with supervisor and employee intrinsic motivation on individual level employee creativity and finally how employee creativity impacts organizational level

innovation capabilities and its performance.

The Specific Objectives of the Study Are:

- Measuring impact of contextual factors on employee creativity.
- Determining the role of employee intrinsic motivation as a mediating variable between contextual factors and employee creativity.
- Finally, how individual level creativity contributes towards organizational level innovation capability and performance.

In the following sections, this paper reviews the literature that will lead to a number of research hypotheses. Next, this study explains a detailed specification of the research methodology. Thereafter, the empirical results are presented. Finally, this paper presents the discussions on the basis of the research findings, draws managerial implications along with conclusion, outlines some inherent limitations and offers some directions for future research.

Literature Review

Creativity: Different researchers have defined creativity differently. Some defined it as personal characteristics and others as a process [8]. Past researches have shown that a creative response can be a product, idea or procedure that fulfills two conditions: (1) they must be novel or original and (2) they should be potentially relevant for, or useful to an organization [2, 3, 9]. Literature has revealed that at start, researchers have focused on determining a set of personal characteristics that are associated with creative achievements [9-11]. They addressed the role of personal attributes and cognitive styles as the key determinants of employee creativity rather than job specific contextual factors that also play an important role in determining employee creativity. Unsworth [12] has introduced a matrix of four creativity types that varies in two dimensions: (1) driver of engagement (external or internal) and (2) the problem type (open or closed). In external driver of engagement, an external situation demands an individual to engage in a creative behavior, however, in internal driver of engagement, an individual wishes to be creative. Open ideas are those that come from the individuals and closed ideas are those which are presented to individuals. The four types of creativity includes: responsive (responding to problems due to external drivers), expected (discovering problems due to external drivers), contributory (responding to problems

due to internal drivers) and proactive (discovering problems due to internal drivers). Recent researches emphasize that it is not only the personal factors that enhance employee creativity but there are the contextual factors also that play significant role in determination of employee creativity [13-16]. Contextual factors may include goals and expectations for creative activity, social influence on individual's creativity (presence of co-actors, creative role model and presence of competitiveness of someone else), relationship with supervisor, co-workers and customers and organizational settings. When considered within organizational contexts, researches have yielded some inconsistent findings. For example, two studies [2, 17] showed that rating high on creative personality and having a supportive supervisor interacted positively to affect employee creativity. On the other hand, Madjar and colleagues [18] found no such support. Employees scoring low on creative personality measures show higher level of creativity when creative coworkers were present and they had non-controlling supervisors [15].

Thus, predominant framework in the creativity literature is an exchange perspective in which creativity is viewed as resulting from personal characteristics of the individual, the work context and the interaction between the two [8, 19].

Different researchers have studied different kinds of contextual factors that affect creativity such as Oldham and Cummings [2]. They had worked on the issue of job characteristics that effects individual's creativity. Employee relationships with co-workers have studied by Amabile et al. [20] and employee relationships with supervisors have been explored by Tierney and Farmer [21]. This study has taken the job complexity and employee relationships with supervisors to examine their direct relationship with employee creativity as well indirect relationship by incorporating employee intrinsic motivation as a mediator.

Job Complexity: Job complexity first introduced by Hackman and Oldham [22, 23]. According to them, Job complexity refers to a job that is enrich with five characteristics i.e. *variety, identity, significance, autonomy and feedback*. These characteristics constitute the job characteristics model which is being used for producing desired employee behavior. Following Hackman and Oldham [23] *variety* concerns with degree to which the job requires the person to do different things

and involves the use of a number of different skills, abilities and talents; *identity* refers to degree to which a person can do the job from beginning to end with a visible outcome; *significance* concerns with extent to which a job has significant impact on others - both inside and outside the organization; *autonomy* is the amount of freedom and independence, employee has in making decisions and determining how to do the job; *feedback* refers to degree to which the job provides the employee with clear and direct information about job outcomes and performance. Job complexity has significant impact on employee creativity through intrinsic motivation [4]. However, most studies have not tested the mediation role of intrinsic motivation in the path of job complexity and employee creativity. For example Oldham and Cummings [2] found direct positive effect of job complexity on employee creativity. Some obtained no such support and this suggests a possible mediation role of intrinsic motivation [21, 24].

Relationship with Supervisor: Researchers have examined the relation of supervisor relationship with employee creativity. Supportive supervisors show concern for employees' well-being by considering their needs, giving importance to their opinions and providing them with timely feedback to improve their skills [25, 26]. Most of prior studies have provided substantial support for supportive and controlling style of supervision [2, 13, 15, 18, 21,20,27-30]. Some studies have shown direct relationship of supervisors' behavior with creativity [13] while some support the relationship of supervision with intrinsic motivation [24].

Intrinsic Motivation: Motivation is referred to as psychological attribute which makes some individual to move toward doing some action [25]. When employees involve in an activity finding it excitable and joyful because of his inherent interest, he is said to be intrinsically motivated [31]. Magnitude of his excitement and motivation in employing himself in some task also concerns to intrinsic motivation [2]. Employees who enjoy intrinsic motivation are more probable to experience greater risks and taking up new ways of doing things [32]. Intrinsic motivation is considered as one of the potential determinant of creative behavior [19, 33]. Therefore, intrinsically motivated employees find themselves more excited to do work which ultimately helps them increase their creativity [34]. Being an

important phenomenon, intrinsic motivation has gained much attention regarding creativity and studies have shown mixed results [4].

Organization Innovation Capabilities: Drucker [35] was one of the first who addressed the importance of innovativeness in organizational settings. Hurley and Hult [36] defined *firm innovativeness* from a collective perspective, that is, openness to new ideas as an aspect of a firm's culture. *Firm innovativeness* is conceptualized from two perspectives. The first views it as a *behavioral variable*, that is, the rate of adoption of innovations by the firm. The second views it as an *organization's willingness to change* [37]. Creativity is considered different from innovation as it concerns about coming up with novel idea while innovation is more about implementation and execution [20]. Thus, creativity is a first step in the innovation process [4, 38]. Considerable researches have revealed that employee creativity contribute toward organizational innovation, effectiveness and survival [20, 39].

Organization Performance: In this study, organizational performance has been taken as financial performance. *Financial performance* is defined as the perceived growth in sales and profitability of the organization [40]. Some researches have associated firm performance with employee satisfaction [41]. However, Tornow and Wiley [42] found negative relationship between firm performance and employee satisfaction. This study is focused on measuring the relationship of employee creativity with firm performance.

Hypothesis Development: From above literature, this study is proposing the research hypotheses as below:

H1: There is positive significant relationship between job complexity and employee creativity.

H2: There is positive significant relationship between relationship with supervisor and employee creativity.

H3: Job complexity is positively related with employee intrinsic motivation.

H4: Relationship with supervisor is positively related with employee intrinsic motivation.

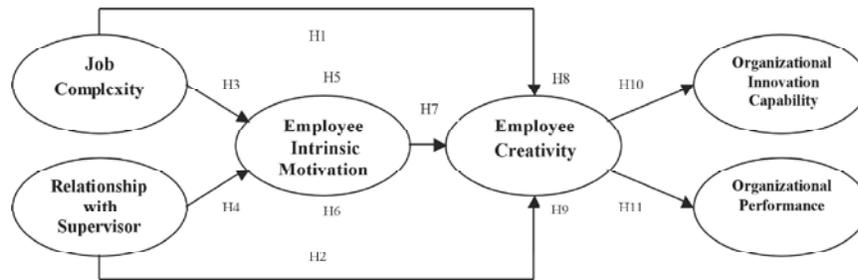


Fig. 1: Research Framework

H5: Employee intrinsic motivation mediates the positive relationship between job complexity and employee creativity.

H6: Employee intrinsic motivation mediates the relationship between relationship with supervisor and employee creativity.

H7: Employee intrinsic motivation positively related with employee creativity.

H8: Employee creativity mediates the positive relationship between Employee intrinsic motivation and organizational innovation capability.

H9: Employee creativity mediates the positive relationship between Employee intrinsic motivation and organizational Performance.

H10: Employee creativity positively related with organizational innovation capability.

H11: Employee creativity positively related with organization performance.

Research Framework: On the basis of above hypotheses, research framework has been shown in Figure 1.

MATERIALS AND METHODS

Instrumentation: All the variables in the study have been operationalized using scales from prior studies.

Job complexity: It consists of five job characteristics taken from the Job Diagnostic Survey presented by Hackman and Oldham [23]. These characteristics includes *variety, identity, significance, autonomy and feedback,*

out of which first three (variety, identity, significance) influence the degree to which employees perceive their jobs as meaningful; autonomy is the amount of freedom and independence that an employee has in making decisions and feedback is the extent to which the job provides the employee with clear and direct information about job outcomes and performance. Hackman and Oldham [23] proposed a single-index for measuring job complexity which is Motivating Potential Score (MPS). It combines the five job characteristics by using the formula, $MPS = \text{Autonomy} \times \text{Feedback} \times (\text{Variety} + \text{Identity} + \text{Significance}) / 3$ and is widely being used to measure job complexity [2]. In this study, each item of job complexity was measured using five point likert scale with end anchors 1 (strongly disagree) to 5 (strongly agree). The *reliability* of the scale was measured using Cronbach's alpha and shown to be 0.678 (Table 1) which is satisfactory because about the same amount of reliabilities have been observed in parallel studies [2]. Hence, the measure is composite reliable and internally consistent.

Relationship with Supervisor: The measures for the employee's relationship with supervisor were adopted from Ceolho *et al.* [43]. The scale consists of six items and was measured using five point likert type scale with end anchors 1 (strongly disagree) to 5 (strongly agree). Reliability measure of the scale in shape of *Cronbach's alpha* is equal to 0.816 (Table 1) as compared with reliability of 0.96 in the original scale [43].

Intrinsic Motivation: Intrinsic motivation scale was based on work by Sujana [44] and items were measured on five point likert scale with end anchors 1 (strongly disagree) to 5 (strongly agree). The reliability measure in shape of *Cronbach's alpha* for intrinsic motivation scale was 0.77 (Table 1).

Table 1: Mean, Standard deviation, correlation matrix and reliability estimates for main constructs

Variables	Mean	S.D.	(X1)	(X2)	(X3)	(X4)	(X5)	(X6)
Job Complexity (X1)	51.19	11.70	(0.678)					
Relationship with Supervisor (X2)	3.81	.49	.350**	(0.816)				
Employee Intrinsic Motivation (X3)	3.60	.42	.442**	.213**	(0.77)			
Employee Creativity (X4)	3.97	.56	.508**	.489**	.276**	(0.745)		
Organizational Innovation Capability (X5)	3.65	.44	.567**	.344**	.374**	.640**	(0.727)	
Organizational Performance (X6)	3.93	.40	0.132	.496**	0.114	.221**	.166*	(0.802)

N = 164, Values in parentheses are reliability coefficients.

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Employee Creativity: The scale for employee creativity adopted from Ganesan and Weitz [45]. In this scale, creativity is measured as a unitary construct [4]. The scale was measured on five point likert scale with end anchors 1 (strongly disagree) to 5 (strongly agree). The reliability measure in shape of Cronbach’s *alpha* for this scale was 0.745 (Table 1) as compared with reliability of 0.75 in the original scale [45].

Organizational Innovation Capability: The firm innovativeness was measured using six-item scale which was adopted from Calantone et al. [46]. All items were measured on five point likert type scale with end anchors 1 (strongly disagree) to 5 (strongly agree). In this study, after omitting item no. six due to very low Squared Multiple Correlation (R^2), the scale showed a reliability of 0.727 (Table 1) as compared with the reliability of 0.89 in the original six-item scale [47]. Since, the reliability figure has exceeded the cut off point 0.70 as suggested by Nunnally [47], so the measure is consistent and composite reliable. Hence, first five items were included for further analysis.

Organizational Performance: Organizational performance has been measured using subjective measures of firm’s profitability and growth rather than objective measures. Subjective measures were used since a range of seminal studies have found a strong correlation between subjective responses and objective measures of performance [48]. Six subjective measures include: (1) Profitability, (2) Long-term profitability, (3) Sales (Deposits /Lending) performance, (4) Growth of net profit over years, (5) Achievement of sales (Deposits/Lending) targets set, (6) Growth rate of sales (Deposits/Lending). Mathew et al. [49] used the same measures and obtained a very high reliability of 0.98. All six items were measured on five point likert scale (1 = Much Lower, 2 = Lower, 3 = Average, 4 = Higher, 5 = Much Higher) and scale showed a reliability of 0.802 (Table 1).

The data in our study is self reported. One reason of this could be since frontline employees spent most of their working time with different customers and they have boundary role positions so their creative behavior may not be consistently observable by managers [6 and 50]. Thus, lack of a viable alternative makes frontline employees the best available judge of their creativity.

Sample and Data Collection: To test the research hypotheses, this study is conducted in the retail banking, which is a context that has been used frequently in studies of the behavior of frontline employees in services [51 and 52]. Data was collected from bank employee through convenient sampling technique due to more feasible in term of time and cost. Seven banks having different branches operating in Multan city in province of the Punjab, Pakistan were targeted. These banks include: Allied Bank Limited (ABL), Askari Bank Limited (ASBL), Bank Alfalah Limited (BAL), Faisal Bank Limited (FBL), Habib Bank Limited (HBL), National Investment Bank (NIB) and United Bank Limited (UBL). Total of 220 questionnaires were distributed out of which 164 were returned making a total response rate of 74.5 percent which later used for the analysis. Percentage of female respondents was 39.6 while male respondents were 60.4 percent having average age of 31 years to 32 years with an average experience of 7 to 8 years in customer service.

Correlation Analysis: Before performing the regression analysis to test the research hypotheses, correlation analysis was performed to check the association between the variables. Table 1 shows the descriptive statistics, reliability and correlation matrix of each construct variables. It is evident from the table that job complexity has positive significant relationship with employee intrinsic motivation ($r = 0.442$, $p < .01$) as well as with employee creativity ($r = 0.508$, $p < .01$). Relationship with supervisor also has positive significant relationship with employee intrinsic motivation ($r = 0.213$, $p < .01$) as well as

Table 2: Regression on employee creativity by job complexity and relationship with supervisor

Model		Coefficients					Model Summary		ANOVA	
		Unstandardized Coefficients		Standardized Coefficients		R ²	Adj. R ²	F	Sig.	
		B	Std. Error	Beta	t					Sig.
1	(Constant)	1.458	.285		5.120	.000	.369	.361	47.044	.000
	Job complexity	.019	.003	.384	5.747	.000				
	Relationship with Supervisor	.410	.077	.355	5.307	.000				

Dependent Variable: Employee Creativity

with employee creativity ($r = 0.489, p < .01$). Moreover, employee creativity has positive significant relationship with organizational innovation capability ($r = 0.640, p < .01$) as well as with organizational performance ($r = 0.221, p < .01$).

Regression Analysis: To test the hypothesis, regression analysis has been performed. For testing of hypothesis 1 and 2, Employee creativity was regressed on job complexity and relationship with supervisor and found positive significant impact of job complexity ($\beta = .384, p < .01$) and relationship with supervisor ($\beta = .355, p < .01$) on employee creativity as shown in Table 2.

For testing of hypotheses 3-6, this study followed the procedure of Baron and Kenny's [53] for testing of mediation effect of employee intrinsic motivation. In first step, employee intrinsic motivation has been regressed on job complexity and relationship with supervisor. In step 2, employee creativity has been regressed on job complexity and relationship with supervisor. In step 3, employee creativity has been regressed on job complexity and relationship with supervisor and employee intrinsic motivation. Results of each step are shown in Table 3 that reveals job complexity has positive significant impact on employee intrinsic motivation ($\beta = .419, p < .01$) while relationship with supervisor has no significant relation with employee intrinsic motivation. The results from step 1 thus supported hypothesis 3 but not hypothesis 4. Results of step 2 are same as calculated for hypothesis 1 and 2. When employee intrinsic motivation has added to the equation in step 3, the employee intrinsic motivation was no longer significant showing no mediation exists between job complexity, relationship with supervisor and employee creativity. Thus hypothesis 5 and 6 are not supported in our study. Results of step 3 are also shown in Table 3.

For testing of hypothesis 7-8, the study again followed the procedure suggested by Baron and Kenny's [53] to test the mediation effect of employee creativity. In step 1, employee creativity was regressed on employee

Table 3: Results of mediation analysis between Job Complexity and Employee Creativity through Employee Intrinsic Motivation

Variables	S.E.	Beta	t	P
Step 1: Employee Intrinsic Motivation				
Job Complexity	.003	.419	5.560	.000
Relationship with Supervisor	.064	.066	.875	.383
Step 2: Employee Creativity				
Job Complexity	.003	.384	5.747	.000
Relationship with Supervisor	.077	.355	5.307	.000
Step 3: Employee Creativity				
Job Complexity	.004	.368	5.031	.000
Relationship with Supervisor	.078	.352	5.245	.000
Employee Intrinsic Motivation	.095	.039	.553	.581

Table 4: Results of mediation analysis between employee intrinsic motivation and organizational innovation capability through employee creativity

Variables	S.E.	Beta	t	P
Step 1: Employee Creativity				
Employee Intrinsic Motivation	.103	.276	3.657	.000
Step 2: Organization Innovation Capability				
Employee Intrinsic Motivation	.077	.374	5.126	.000
Step 3: Organization Innovation Capability				
Employee Intrinsic Motivation	.064	.213	3.509	.001
Employee Creativity	.047	.581	9.557	.000

Table 5: Results of mediation analysis between employee intrinsic motivation and organizational performance through employee creativity

Variables	S.E.	Beta	T	P
Step 1: Employee Creativity				
Employee Intrinsic Motivation	.103	.276	3.657	.000
Step 2: Organization Performance				
Employee Intrinsic Motivation	.075	.114	1.467	.144
Step 3: Organization Performance				
Employee Intrinsic Motivation	.077	.058	.726	.469
Employee Creativity	.057	.205	2.564	.011

intrinsic motivation. Results show significant relationship between employee intrinsic motivation and employee creativity ($\beta = .276, p < .01$), thus our hypothesis no. 7 is confirmed. In step 2, organization innovation capability was regressed on employee intrinsic motivation and results show a positive significant relationship

Table 6: Regression on organizational innovation capability through employee creativity

		Coefficients				Model Summary		ANOVA		
		Unstandardized Coefficients		Standardized Coefficients						
Model		B	Std. Error	Beta	t	Sig.	R ²	Adj. R ²	F	Sig.
1	(Constant)	1.674	.189		8.88	.000	.409	.405	112.11	.000
	Employee Creativity	.498	.047	.640	10.59	.000				

Dependent Variable: Organizational Innovation Capability

Table 7: Regression on organizational performance through employee creativity

		Coefficients				Model Summary		ANOVA		
		Unstandardized Coefficients		Standardized Coefficients						
Model		B	Std. Error	Beta	t	Sig.	R ²	Adj. R ²	F	Sig.
1	(Constant)	3.31	.218		15.22	.000	.049	.043	8.295	.005
	Employee Creativity	.156	.054	.221	2.88	.005				

Dependent Variable: Organizational Innovation Capability

Table 8: Hypotheses Testing Results

Hypothesis	S.E.	T	P	Results
H1: There is positive significant relationship between job complexity and employee creativity.	.003	5.747	.000	Supported
H2: There is positive significant relationship between relationship with supervisor and employee creativity.	.077	5.307	.000	Supported
H3: Job complexity is positively related with employee intrinsic motivation.	.003	5.560	.000	Supported
H4: Relationship with supervisor is positively related with employee intrinsic motivation.	.064	.875	.383	Not Supported
H5: Employee intrinsic motivation mediates the positive relationship between job complexity and employee creativity	.095	.553	.581	Not Supported
H6: Employee intrinsic motivation mediates the positive relationship between relationship with supervisor and employee creativity	.095	.553	.581	Not Supported
H7: Employee intrinsic motivation positively related with employee creativity.	.103	3.657	.000	Supported
H8: Employee creativity mediates the positive relationship between Employee intrinsic motivation and organizational innovation capability.	.047	9.557	.000	Supported
H9: Employee creativity mediates the positive relationship between Employee intrinsic motivation and organizational Performance.	.057	2.564	.011	Supported
H10: Employee creativity is positively related with organizational innovation capability.	.047	10.588	.000	Supported
H11: Employee creativity is positively related with organizational performance.	.054	2.880	.005	Supported

($\beta = .374, p < .01$) between each other. When employee creativity is added between the relationship among employee intrinsic motivation and organization innovation capability, the mediation effect emerged as significant. However, the relationship is partially mediated because the direct relation between employee intrinsic motivation and organization innovation capability is significant in step 3. Thus results support our hypothesis 8. Results of each step are shown in Table 4.

For testing hypothesis 9, again Baron and Kenny's [53] procedure has been followed to test the mediation effect of employee creativity. Step 1 is same as performed for hypothesis 8. In step 2, organization performance was regressed on employee intrinsic motivation and results showed no significant relationship ($\beta = .114, p > .05$) between each other. However, when employee creativity is added between the relationship among employee intrinsic motivation and organization performance, the mediation effect emerged as significant. This shows that

the relationship among employee intrinsic motivation and organizational performance is fully mediated by employee creativity. Thus results support our hypothesis 9. Results of each step are shown in Table 5.

Hypotheses 10 and 11 have been tested by keeping employee creativity as the independent variable and organizational innovation capability and organizational performance as the dependent variable separately in SPSS. Results of this testing are shown in Table 6 and 7 respectively. Results show that employee creativity has direct significant positive relation on organizational innovation capability ($\beta = .640, p < .01$). Moreover, organizational performance is also significantly dependent on employee creativity ($\beta = .221, p < .01$). These results thus support our hypotheses 10 and 11.

Hypothesis Testing Results: Conclusions can be drawn about study hypotheses based on support from above statistical data which are shown in Table 8.

DISCUSSION

The primary objective of this research is to find how contextual factors impact employee creativity in organizational settings. Results showed that job complexity has a positive direct effect on employee creativity. This shows that employees in the banking sector are more vigilant and show creativity when their job has been designed in a particular way. Moreover, job complexity has positive significant impact on employee intrinsic motivation. Employees feel motivation intrinsically under complex job design. However, results showed that employee intrinsic motivation does not mediate the link between job complexity and employee creativity. When intrinsic motivation was put along with job complexity in SPSS, it was left no longer significant. Hence, job complexity contributes alone to employee creativity regardless of its impact on intrinsic motivation. Individuals are likely to be excited about doing their work activities and interested in completing these activities in the absence of external controls or constraints when jobs are complex and challenging [2, 23, 30]. Much of prior of researches have examined the effects of contextual factors on employee creativity underlying the motivation as the explanatory factor, some found direct effect of contextual factors on creativity [4]. Shalley and Perry-Smith [54] found no significant mediation for intrinsic motivation for creative performance. Some regression studies have supported a direct positive effect of job complexity on employee creativity [2]. So our findings are consistent with these prior researches.

Relationship with supervisor has shown direct significant relation with employee creativity. Numbers of studies have shown that open interaction with supervisor, encouragement and support enhance employees' creativity and innovation [2, 55, 56]. However, mediating role of employee intrinsic motivation between relationship with supervisor and employee creativity has not confirmed in this study. These results are in line with finding of different researches that supervisors may provide prompt performance feedback and demonstrate appropriate behaviors that results in increased employee competency [57, 58]. Moreover, support from supervisor results in employees' creative performance [18].

Further, this study examined employee creativity as a mediating variable among employee intrinsic motivation and organizational innovation capabilities as well as organization performance. Since, employee intrinsic motivation impacts directly as well as through employee creativity on organizational innovation capability. So, employee creativity has partial mediation between

employee intrinsic motivation and organizational innovation capabilities. This shows that motivated employees play important role in organization innovation capabilities. Further, results showed employee creativity mediates fully among the path between employee intrinsic motivation and organizational performance. This indicates only motivated employees are not sufficient for firm's growth and performance but they should also be creative which then turn into organizational performance. Moreover, hypothesis no. 10 shows employee creativity has a direct positive significant relation with organizational innovation capabilities. Since, creativity is the production of new and useful ideas while innovation is the successful implementation of those creative ideas within an organization. Unless creative ideas are emerged within an organization, they can't be successfully implemented. However, this is necessary but not sufficient condition. Successful innovation depends on other factors also like ideas that originate elsewhere outside the organization (e.g. technology transfer). In unstable environment, firms need to be innovative to new ideas in order to survive [38 and 59].

Last hypothesis of our study shows that employee creativity has significant positive relationship with firm performance. This study has used subjective measures of firm performance, yet they are meaningful and revealed firm growth and profitability depends of creative ideas.

Conclusion and Managerial Implications: Results of this study indicate that employee creativity depends on contextual factor i.e. job complexity and relationship with supervisor and no role of employee intrinsic motivation as a mediating variable exists. So, managers of the banking sector should design a job that addresses the five characteristics of the job i.e. variety, identity, significance, autonomy and feedback that turns into employee creativity in organizational settings. Moreover, supervisors should keep supportive behavior with the employees that directly influence employee creative achievements. If the relationship with supervisor is good, he or she would show concern for employees' feelings, needs that will encourage them and facilitate employee skill development [25]. Hence, managers should keep supportive supervision for employees that is more likely to enhance creative achievements; in contrast a controlling supervision that is more likely to diminish creative achievements [25, 60, 61]. Further, employee creativity has direct influence over organizational innovation capabilities as well as it mediates the path between employee intrinsic motivation and organizational innovation capability. So, a firm that is foster for

innovation should focus on increasing their employee's creativity through job complexity and supportive relations with their subordinates. Moreover, as employee creativity has shown full mediation among employee intrinsic motivation and organization performance, so, the manager should understand that only boosting up the motivation among employees is not sufficient for firm's growth and profitability, they should also design strategies that encourage employees' creativity. Hence bridging this relationship through employee creativity, management can achieve high level of growth and profitability. Finally, employee creativity has also shown a direct relation with firm performance. An organization striving for creativity of their employees has greater firm growth and profitability.

Limitations and Directions for Future Researches: In spite of many useful findings, yet, there are some limitations in the study that future researchers can address. First, this study has used a self reported measure for most of our data including creativity, an approach that has been adopted in several studies [6, 28, 51, 62-66]. However, some studies have relied on objective measures of creativity, such as contributions to suggestion programs [2] and some have relied on supervisor evaluations of employee creativity [21]. Secondly, this study used subjective measures of firm performance instead of objective measures. Subjective measures may be different for different employees. Thirdly, this study used only contextual factors of employee creativity and ignored the role of personal characteristics that hold an important role for employee creativity [67]. So, future researches may include personal characteristics while studying creativity at work place. Further, the authors used convenient sampling technique for data collection due to which results cannot be generalized to overall population. Moreover, the sample size was small. Future researches should undertake with large sample size and data should collect from multiple cities across Pakistan.

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