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An Empirical Study on the Organizational Trust, Employee-Organization Relationship and Innovative Behavior from the Integrated Perspective of Social Exchange and Organizational Sustainability

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Abstract: Combining social exchange and inducement-contribution theory as our overarching theoretical framework, we examine innovative climate as a boundary condition and organizational trust as a mediating mechanism to explain when and how the employee-organization relationship (EOR) is associated with workplace innovative behavior. We conducted a field study using multi-source data to test our hypotheses. The results indicated that creativity positively predicted innovative behavior through organizational trust, and an innovative climate moderated the indirect effect of EOR on innovative behavior via organizational trust. The theoretical and practical implications of these findings and directions for future research are discussed.

Keywords: organizational trust; employee-organization relationship; innovative climate; innovative behavior; organizational sustainability; sustainability

1. Introduction

Trust is very important in every aspect of social life. It can promote individual friendships [1], create favorable bargaining and negotiation situations [2,3], and reduce transaction costs between individuals [4,5]. Building trust may even be viewed as an important way to solve international political conflicts [6,7]. Molm, Collett, and Schaefer (2007) [8] stated that trust is the basic component of the effectiveness of social processes. In an organizational context, trust can be an effective predictor of employees' positive attitudes and behaviors, such as cooperative behavior [9], organizational citizenship behavior (OCB) [10], organizational commitment [11], and employee loyalty [12]. Thus, promoting employee's trust in their organization is the ideal goal of all employers, but how to establish the organizational trust is still a challenge confronting organizations.

Some studies pointed out that trust is gradually formed in the process of social exchange between two parties [13]. In organizational context, the degree of social exchange between employee and organization reflected the level of employee-organization relationship (EOR) [13]. Therefore, EOR is an important predictor of organizational trust. The concept of EOR is based on social exchange theory and inducement-contribution theory [14]. Social exchange theory proposed that interest exchange was formed during the beneficiary interaction between two parties. The inducement-contribution model

suggested that employers can motivate employees to make contributions to organization by providing them with inducements. Previous literature has found that EOR will promote employee positive psychology and behavior [15–17]. Hom et al. (2009) [18] argued that employees' organizational trust might be a mediator mechanism between EOR and employee behaviors, different extents of EOR would lead to different individual outcomes via mediator (e.g., organizational trust). Therefore, EOR is a key predictor of organizational trust.

Innovative behavior is the key resource for maintaining organizational competitive advantage and sustainable development [19]. Previous studies have found that when employees trust in their organization, they will perceive external environment as safety [20], and be more willing to take risks [21]. Edmondson (1999) [22] proposed that employees with psychological safety in the workplace may share ideas and knowledge with other employees, and even try creative ideas in their job. Therefore, employee's trust in their organization will lead them to be more likely to share ideas and knowledge (an important driver of innovative behavior) among employees, which means that organizational trust is positively related to employee innovative behavior, but few studies have tested this potential theoretical relationship. Therefore, we investigated the indirect effect of EOR on innovative behavior via organizational trust, which can help us deepen understanding of the role of organizational trust for explaining employee innovative behaviors.

According to the interactive model of organizational creativity [23], individual and organizational factors have interactive effects on individual innovative behavior. Amabile (1988) [24] suggested that organizational innovative climate was an important contextual variable for individual innovative behavior; therefore, this study considers this important organizational contextual factor as a moderating variable in interactive model of innovative behavior. As discussed before, organizational trust could increase employee innovative behavior in workplace. However, if there is no guidance provided by innovative climate, employees may not exhibit innovative behavior, because they might not know which behaviors are beneficial to the organization. Therefore, considering innovative climate as a moderator can help us understand the boundary conditions of the effect of organizational trust on employee innovative behavior, which is also consistent with Woodman's (1993) [23] model of organizational creativity.

The aim of this research is to examine the mediating mechanism of organizational trust between EOR and innovative behavior, and to explore the boundary conditions of the relationship between organizational trust and innovative behavior. First, we tested the effect of EOR on employee organizational trust, and the effect of organizational trust on innovative behavior. Since research on the antecedents and outcomes of organizational trust is still under development, studying this topic can help us to uncover and deeply understand the formation and influential mechanisms of organizational trust. Secondly, we further tested a mediation mechanism to explain the relationship between EOR and innovative behavior. It can increase our knowledge on how EOR impacts on innovative behavior. Third, consistent with previous findings that innovative behavior is an interactive outcome of a multitude of factors, we examine the moderating role of innovation climate on the relationship between organizational trust and innovative behavior. We expect that innovative climate, as a perceived construct by employee, will influence the sensitivity of the relationship between individual's organizational trust and innovative behavior. We further proposed a moderated-mediation model to test whether the indirect effect of EOR on innovative behavior via organizational trust is moderated by innovative climate, which can help us understand boundary mechanism that can impact relationship between EOR and innovative behavior via organizational trust.

2. Theory and Hypotheses

2.1. EOR and Innovative Behavior

Based on the norms of reciprocity [25] and social exchange theory [26], the employee-organization relationship (EOR) is formal or informal connection between an employer and its employees [15].

Organizations (employer) expect employees to make designated contributions such as organizational commitment, high performance, or ideas for improving organizational performance. Simultaneously, employees expect organizations (employer) to provide a series of rewards and incentives to exchange for their contributions [27]. EOR is a long-term, open-ended exchange relationship, which is characterized by mutual commitment and emotional investment [28]. EOR can bring many beneficial outcomes to organizations, such as organizational commitment and individual performance [28].

Innovative behavior is a multi-stage process, which includes problem identification, idea generation, and implementation [29,30]. Innovative behavior can be influenced by an employee's attitude [24]. Tsui et al. (1997) [15] proposed that EOR does not just emphasize the degree of incentives provided by organizations, it also includes contributions that organizations expect to obtain from employees. Paying attention to expected contributions and offered inducements can help us better understand the effects of EOR on individual behaviors. March and Simon (1958) [14] views the employment relationship as an exchange relationship between organization's inducements and employee's contributions. Organizations provide inducements to employees in accordance with their contributions as continuously required by the organization, in turn, employees also recognize their different contributions may bring this different organizational inducements. Therefore, employees may be more engaged in their job to get more organizational inducements. Previous findings provide evidence that high quality EOR can promote employee innovative behavior. For example, Liao et al. (2010) [31] discovered that high quality exchange relationship between leader (to some extent, supervisor might represent their organization) and employees can promote employee creativity. Tierney and Farmer (2002) [32] stated that high quality exchanges between team leader and employees could increase employee innovative behavior by influencing the employee's self-judgment. Other studies discovered that high quality exchanges within organizations also can bring positive outcomes (e.g., organizational commitment [17], individual performance [33], organizational citizenship behavior [34]). These studies provide evidence that high quality EOR will promote innovative behavior. High-quality EOR means that employer provide employees with many inducements through a series of management practices, and in turn employees tend to be more engaged in positive behaviors, such as innovative behavior [35]. Thus, employees continue to exert efforts to generate and implement ideas to fulfill organizational obligations and responsibilities when they receive fair treatment or high investment from organizations [36]. Thus, we make the following prediction:

H1: EOR is positively related to innovative behavior.

2.2. EOR and Organizational Trust

Organizational trust refers to employees identifying with organization and willing to establish long-term relationships with the organization. It refers to employees estimating and identifying with organizational policy and being willing to expose themselves to be hurt in job situation [37]. Organizational trust is a type of institutional trust, including trust in supervisors and in organization as a whole [38]. If employees trust in their organization, they not only have willingness to share risks created by organization, they are also able to understand the dangers brought by organization [20,21,39].

Employees' attitudes or psychological states could be influenced by EOR [40,41] (Settoon et al., 1996). Organization provides positive and beneficial incentives in response to employees who undertake positive behaviors [41]. In the context of high-quality EOR, organizations tend to offer high incentives, such as long-term career plans and secure employment, in order to maintain long-term exchange relationships with employees. Therefore, employees will hold positive attitudes and engage in behaviors that are beneficial to the organization because of these inducements [42], such as organizational trust, high loyalty to the organization, and are more likely to perform their jobs with greater effort [27].

Contrarily, in the context with low quality employee-organization relationship, the organization tends to maintain short-term employment relationships with employees, and might terminate the employment contract at any time. Therefore, employees do not expect their employer to provide long-term investments or maintain long-term employment relationships with them, and deem their

relationship with their employer as purely economic exchange relationship [27]. This economic exchange relationship emphasizes tangible rewards and rational self-interest [26], which leads employees and employers focusing on short-term interests. In organizations with low levels of employee-organization relationship, employer tends to provide short-term monetary compensation, less training and fewer welfare incentives for employees and, in turn, employees will reduce their loyalty and sense of trust in their organization [27]. However, organizations with high-level employee-organization relationships tend to integrate the economic exchange and social exchange relationships to maintain long-term employment relationship with employees. Therefore, compared to a low level of employee-organization relationship (e.g., short-term and pure economic exchange relationship), high level EOR will result in employees having a tight connection to organization and trust in organizations more.

H2: EOR is positively related to organizational trust.

2.3. Organizational Trust and Innovative Behavior

According to social exchange theory [26], the more employees trust in organization, the more effort employees will expend for the organization. Employees are willing to work hard and expend energy for their organization when they trust in their employer. Ekvall and Ryhammar (1999) [43] stated that if employees are trusted and perceive a climate of trust, they engage in more positive behaviors to benefit to their organization. Since employees know the trust between them and organization is mutual, they often believe that their behaviors will be low risk [20]. Barczak, et al. (2010) [44] noted that trust climate was the most important dimension of creativity in a group. If employees work in a trustworthy environment, they will feel no hostility from other members. Therefore, they are more likely to discuss and debate collectively, which, in turn, stimulates new useful ideas and promotes employee innovative behavior. Yong (1994) [45] believes that this typical environment is an important factor in motivating employees to put forward new ideas.

In addition, some studies confirmed that organizational trust would promote organizational identification [46,47], which would result in more positive behaviors. Aryee et al. (2002) [46], as well as Knippenberg and Schie (2000) [47] confirmed that organizational trust would contribute to organizational identification, in turn, motivated employees to work hard to complete tasks and cooperate with other members of the organization. Therefore, employees will exchange ideas fluently in workplaces, which can then inspire more ideas. Liu, Loi, and Lam's (2011) [48] empirical studies found that organizational identification positively related to OCB. Likewise, organizational trust has an impact on employee work attitudes and efficiency; when employees trust in and identified with the organization, the employees will be more willing to react and behave from organization's perspective, and they are also willing to put more effort into the organization [49]. Therefore, we make the following prediction:

H3: Organizational trust is positively related to innovative behavior.

2.4. Mediating Effect of Organizational Trust

Formation of psychological contract is a reflection of organizational trust, and employees will construct their psychological contacts depending on the degree of incentives provided by the organization [50]. Employees with high-level organizational trust will undertake more reciprocal behaviors for their organization [51]. If the quality of EOR is high, organization tends to provide employees with secure employment and a variety of rewards (e.g., economic or social incentives). In other words, organizations should be responsible for employees, which means that organizations should be willing to invest and maintain a stable and long-term exchange relationship with employees rather than a short-term and pure economic exchange relationship with employees.

According to the social exchange theory [26], EOR will promote employee's trust in their organization, which in turn leads to individual positive behaviors. Therefore, when employees and the organization have a high-level exchange, employees perceive that inducements provided

by organization are more than, or equal to, their actual contributions to the organization, and will form their psychological contract and organizational trust. In turn, to exchange for organization inducements, employees believe they have responsibilities to make expected efforts and contributions to organization [52]. Therefore, they are willing to be loyal to the organization, learn company-specific skills, and perform more innovative behavior to improve their work performance.

High-quality relationships between employees and the organization means organization provides employees with good welfare, employment protection, and career development, which, thus, makes employees perceive themselves as well-treated, and view their organization as trustworthy, which may cause employees to devote more effort and increase innovative behavior in the workplace. Thus, we propose the following prediction:

H4: Organizational trust mediates the positive relationship between EOR and innovative behavior.

2.5. Moderating Effect of Innovative Climate

We hypothesized that organizational trust mediates the relationship between EOR and innovative behavior. However, there are some contextual variables that will strengthen the effect of organizational trust on innovative behavior. Woodman et al. (1993) [23] stated that researchers needed to consider the interactive effect between individual characteristics (e.g., cognitive style, ability, personality, internal motivation, etc.) and external environmental factors (e.g., organizational climate, task characteristics, etc.) on innovative behavior. Scholars often view organizational climate as a moderating construct that can influence the relationship between individual psychological states and innovative behavior [42,53,54]. Organizational climate refers to a series of perceptions of the employee, and is relevant to organization's policies, practices and procedures of rewards, and also of support and expectations [55]. It is a perceptive construct, which can allow organizations to obtain desirable outcomes through providing employees with meaningful environments [56]. Recent literature focused on specific aspects of organizations (e.g., innovative climate [29,42,57]) to investigate the impact of these climates on innovative behavior.

Innovative climate refers to employees' perception of organizational practice, procedures and actions in place to promote the generation and implementation of new and useful ideas [58]. Employees' creative ideas will often be supported, and even rewarded, when organizational innovative climate is strong [59]. Liu, Loi, and Lam's (2011) [48] empirical study found that when employees trusted their organization, they would identify with organization and, in turn, they would be willing to put more effort into their jobs. Therefore, organizations with strong innovative climate are more likely to emphasize generating and implementing new useful ideas. If employees trust in their organizations, they tend to think and act according their perceptions of the expectations of their organizations. Namely, they will consider the requirements of organizational innovation, propose new and useful ideas, and put in more effort to implement these ideas. This means that employees pay more effort to innovative activities required by organization with strong innovative climate. They will also perceive the importance of innovation in organization and be more committed to engage in innovative activities. Therefore, we predict the following hypothesis:

H5: Innovative climate moderates the relationship between organizational trust and innovative behavior such that when the innovative climate is stronger, the relationship between organizational trust and innovative behavior is stronger; conversely, when the innovative climate is weaker, the relationship between organizational trust and innovation is weaker

2.6. The Moderated Mediating Effect of Organizational Trust

Finally, we propose that innovative climate does not only moderate the relationship between organizational trust and innovative behavior, but also moderates the indirect effect of EOR on innovative behavior via organizational trust. We expect that organizational trust mediates the relationship between EOR and innovative behavior (H4), and innovative climate positively moderates the effect of organizational trust on innovative behavior (H5). Combining the logic of these two hypotheses, we propose that the innovative climate moderates the indirect effect of EOR on innovative

behavior through organizational trust (H6), which is a type of moderated-mediation model proposed by Edwards and his colleague [60]. Although there are many forms of moderated-mediation models in Edwards and Lambert's (2007) [60] research, we predict: (1) organizational trust mediates the relationship between EOR and innovative behavior (H4); (2) innovative climate moderates the relationship between organizational and innovative behavior (H5); therefore, innovative climate will moderate the original mediating effect (H6). Hence, we propose the following hypothesis, and Figure 1 depicts our theoretical model.

H6: Innovative climate moderates the mediating effect of EOR on innovative behavior via organizational trust, such that the mediating effect is stronger when innovative climate is strong.

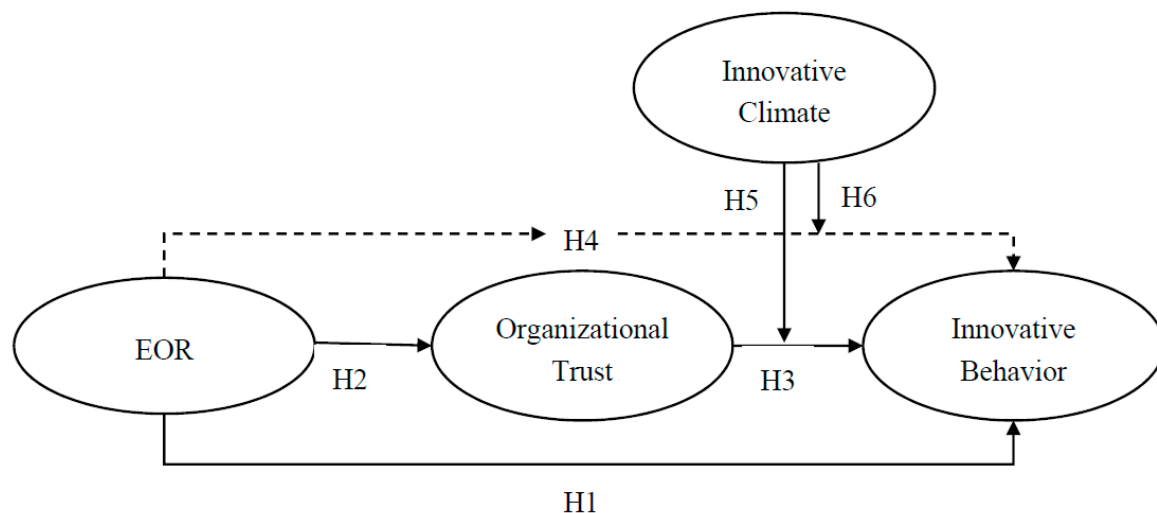


Figure 1. Research model.

3. Methods

3.1. Samples and Procedures

Data were collected from 63 companies (small and medium clothing design industry) located at Ningbo, Hangzhou, and Shanghai in China. We collected data from two sources (employees and their immediate supervisors). The employee questionnaire included EOR, organizational trust, innovative climate, and control variables, whereas their supervisor's questionnaire included innovative behavior. The questionnaires were coded and distributed to 971 full-time employees and their immediate supervisors (N = 245). The completed questionnaires were mailed to the authors in a prepaid and preaddressed envelope provided by authors.

Of the original 971 questionnaires, 942 were returned. A total of 935 valid matched questionnaires were kept after dropping problematic questionnaires (e.g., mismatch, incomplete, etc.), and the valid fraction of the questionnaires is 96.29%. Among the 935 samples, 45.13% were completed by males, and 54.87% by females. In terms of age, 20 years old and below accounted for 1.6% of the total, 21–30 years old accounted for 57.76%, 31–40 years old accounted for 31.87%, 41–50 years old accounted for 7.81%, and 50 years old and above accounted for 0.96%. Education was self-reported by employees on "How many years they were educated", the average educated years of employee is 14.676 (SD = 1.824). The average tenure of the employee was 5.42 years (SD = 5.21).

3.2. Measures

We followed the back-translation procedure proposed by Brislin (1980) [61] to translate the English version measurement instruments into Chinese. Specifically, these measurements were first translated from English into Chinese by a vice professor of organizational behavior and then back-translated from

Chinese into English by another professor of organizational behavior. Finally, a bilingual management scholar translated the second English versions into Chinese.

Employee-Organization relationship. We adapted the eight-item scale originally developed by Shore et al. (2006) [28] to measure EOR. Responses ranged from 1 (strongly disagree) to 5 (strongly agree). A sample item was “My organization has made a significant investment in me”. The Cronbach’s alpha of this scale was 0.702.

Organizational trust. A seven-item scale developed by Gabarro and Athos (1978) [62] was used to measure organizational trust. Employees ranked statements ranged from 1 (strongly disagree) to 5 (strongly agree). A sample item was “I believe my employer has high integrity”. The Cronbach’s alpha coefficient of organizational trust in this study was 0.824.

Innovative climate. We used an eight-item scale developed by Siegel and Kaemmerer (1978) [63] to measure innovative climate. The scale measured the degree to which an employee perceived the organizational innovative climate. Responses were self-rated from 1 (strongly disagree) to 5 (strongly agree) according the statements. A sample item was “Creativity is encouraged here.” Cronbach’s alpha of this scale was 0.797.

Innovative behavior. A six-item scale originally developed by Scott and Bruce (1994) [29] was used to measure innovative behavior. A sample item was “Develops adequate plans and schedules for the implementation of new ideas.” Supervisors rated employee’s innovative behavior from 1 (never behaves this way) to 5 (often behaves this way). Cronbach’s alpha of this scale was 0.861.

Control variables. The present studies suggested that employee demographics (e.g., age, gender, organizational tenure, and education) were likely to be related to employee innovative behavior [64]. Therefore, we controlled for these variables to rule out alternative effect on innovative behavior. Individual age, organizational tenure, and years of education were self-reported in years. Gender was coded as 0 and 1 for male and females, respectively.

3.3. Results

3.3.1. Confirmatory Factor Analyses

We conducted a set of confirmatory factor analyses (CFA) in AMOS 20.0 to test the construct validity. First, we conduct baseline model that included all key four constructs (see Table 1) to calculate model fit indexes. The chi-square, CFI, RMSEA, and TLI were used to evaluate the model fit. The results show that the baseline model fit the data well: $\chi^2(48) = 143.022$, CFI = 0.977, TLI = 0.968, RMSEA = 0.065. In addition, all of the factor loadings were significant, demonstrating convergent validity is acceptable.

Table 1. Comparison of measurement models.

Model	Factors	χ^2	df	χ^2/df	RMSEA	CFI	TLI	IFI	NFI
Baseline Model	Four factors	143.022	48	2.980	0.065	0.977	0.968	0.977	0.965
Model 1	Three factors —Innovative behavior and innovative climate combined	281.259	51	5.515	0.098	0.943	0.926	0.943	0.932
Model 2	Three factors —Innovative behavior and organizational trust were combined	356.495	51	6.990	0.113	0.925	0.902	0.925	0.913
Model 3	Two factors —Organizational trust, organizational climate, innovative behavior were combined	537.101	53	10.134	0.139	0.880	0.851	0.881	0.869
Model 4	All four factors were combined	732.741	54	13.569	0.163	0.832	0.795	0.833	0.822

The discriminant validity of the four constructs was tested by comparing the baseline model fit to another four alternative models fit. The results in Table 1 are shown that the distinctiveness of the four constructs in this study is acceptable.

Additionally, following the suggestions of Fornell and Larcker (1981) [65], we further tested the discriminant validity of the four variables by evaluating average variance-extracted estimates (AVE). As shown in Table 2, AVEs of the four construct, namely EOR, organizational trust, innovative climate, and innovative behavior were 0.706, 0.766, 0.740, and 0.802, respectively. These variables were all exceeded the benchmark of 0.5. We found the square roots of AVE for the four constructs were more than the correlation between any two constructs. These statistics, together with the CFAs results, provided evidence that the construct validity of the four variables were acceptable.

Table 2. Descriptive statistics and correlations.

	Mean	SD	1	2	3	4	5	6	7	8
1. Gender	0.549	0.498								
2. Age	30.581	6.994	−0.110 ***							
3. Education	14.676	1.824	0.009	−0.142 ***						
4. Tenure	5.417	5.214	−0.034	0.665 ***	−0.109 ***					
5. EOR	3.694	0.536	−0.026	−0.060	0.103 **	0.021	(0.706)			
6. Organizational trust	3.855	0.610	0.016	−0.004	0.136 ***	−0.036	0.553 ***	(0.766)		
7. Innovative climate	3.70	0.588	0.010	−0.038	0.194 ***	−0.088 **	0.317 ***	0.599 ***	(0.740)	
8. Innovative behavior	3.606	0.928	−0.029	0.009	0.187 ***	−0.072 *	0.089 **	0.231 ***	0.276 ***	(0.802)

Note: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; values with bold in parentheses on the diagonal are square root of AVE.

3.3.2. Descriptive Statistics

Table 2 shows the means, standard deviations, and correlations of all key constructs. As shown in Table 2, EOR was positively related to organizational trust ($r = 0.553$, $p < 0.001$) and innovative behavior ($r = 0.089$, $p < 0.001$). Moreover, organizational trust was positively related to innovative behavior ($r = 0.276$, $p < 0.001$). These results provide initial evidence to support our Hypotheses 1–4.

3.3.3. Hypothesis Testing

We conducted hierarchical multiple regression analysis with STATA 12.0 to test Hypotheses 1–5, the results are shown in Table 3. To test Hypothesis 1, the four control variables, and the independent variable (EOR) were entered into regression equation, where innovative behavior was the dependent variable. The result shows that EOR is significant positively related to innovative behaviors ($\beta = 0.081$, $p < 0.05$, Model 4). Hence, Hypothesis 1 is supported.

Table 3. Results of hierarchical regression analysis for the hypothesized relationships.

	OT				Innovative Behavior			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Gender	0.019	0.039	−0.018	−0.019	−0.025	−0.028	−0.025	−0.023
Age	0.055	0.125 ***	0.110 *	0.1320 **	0.111 **	0.103 *	0.105 *	0.1040 *
Education	0.137 ***	0.083 **	0.190 ***	0.1820 ***	0.161 ***	0.162 ***	0.141 ***	0.1480 ***
Tenure	−0.057	−0.120 ***	−0.124 ***	−0.143 ***	−0.122 **	−0.115 **	−0.108 **	−0.1070 **
EOR		0.554 ***		0.0810 *		−0.048		
Organizational trust(OT)					0.2060 ***	0.2320 ***	0.0990 **	0.115 **
Innovative climate(IC)							0.1850 ***	0.164 ***
OT × IC								0.147 ***
R ²	0.021 **	0.322 ***	0.045 ***	0.0530 ***	0.0880 ***	0.0900 ***	0.1100 ***	0.131 ***
ΔR ²							0.0220 *	0.021 *

Note: *: $p < 0.05$; **: $p < 0.01$; *** $p < 0.001$.

As shown in Table 3, EOR is significantly positively related to organizational trust ($\beta = 0.554$, $p < 0.001$, Model 2), therefore, Hypothesis 2 is supported. In addition, organizational trust is significantly positively related to innovative behavior ($\beta = 0.206$, $p < 0.05$, Model 5), showing Hypothesis 3 is supported. Finally, when EOR and organizational trust are entered simultaneously, the coefficient of EOR to innovative behavior declined from 0.081 ($p < 0.05$) to -0.048 ($p > 0.05$), and organizational trust is still positively related to innovative behavior ($\beta = 0.232$, $p < 0.001$, Model 6), therefore, Hypothesis 4 was supported.

Hypothesis 5 proposed that innovative climate moderates the effect of organizational trust on innovative behavior. We centralized organizational trust and innovative climate, and then generate interactive terms through organizational trust multiplied by the innovative climate. The interactive term between organizational trust and the innovative climate is positively related to innovative behavior ($\beta = 0.147$, $p < 0.001$, model 8). Furthermore, we plotted the interactive effect following the method recommend by Stone and Hollenbeck's (1989). Figure 2 shows that the positive relationship between organizational trust and innovative behavior is stronger when employees perceived the climate as more innovative. Hence, Hypothesis 5 is supported.

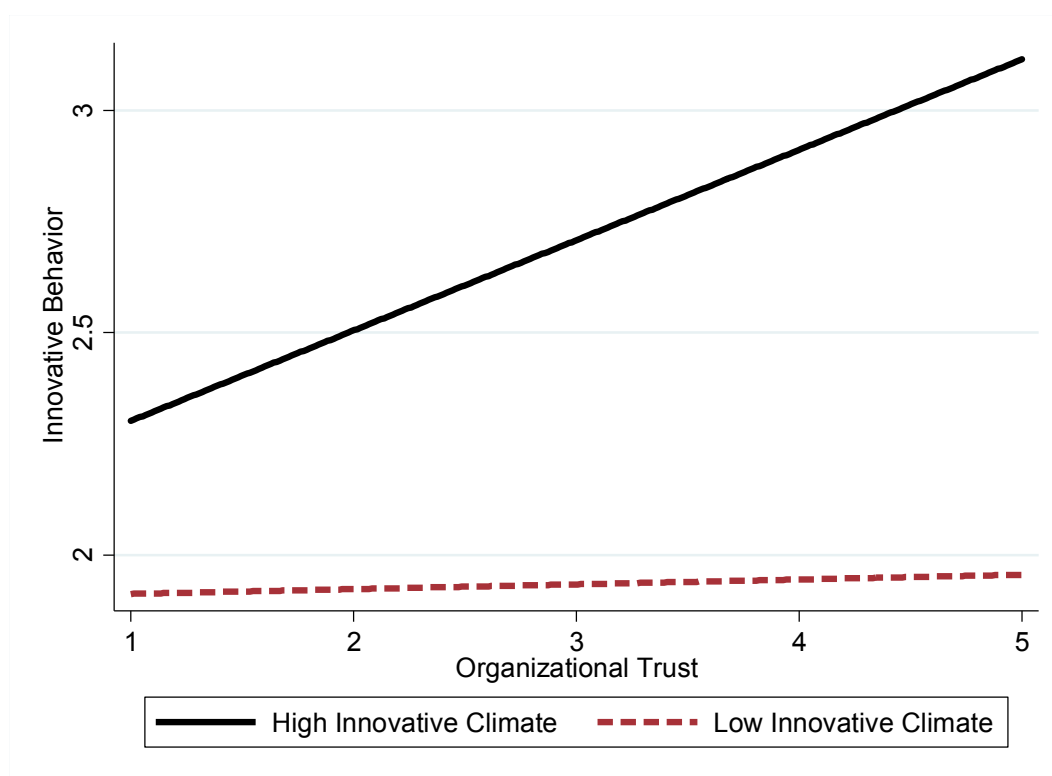


Figure 2. Moderating effect of the innovative climate on the relationship between organizational trust and innovative behavior.

Hypothesis 6 predicts that innovative climate moderates mediating effect of organizational trust on the relationship between EOR and innovative behavior. We tested this hypothesis through the general path analytic framework proposed by Edwards and Lambert (2007) [60]. The results are summarized in Table 4, which shows that the difference in indirect effect of EOR on innovative behavior was 0.150, with 95% confidence intervals, computed through bootstrapping by drawing 1000 random samples, excluding zero. Hypothesis 6 is supported.

Table 4. Results of the moderated path analysis.

	X (EOR) → M (Organizational Trust) → Y (Innovative Behavior)				
	Stage		Effect		
	X→M	M→Y	Direct Effect	Indirect Effect	Total Effect
	P (X – M)	P (M – Y)	P (X – Y)	P (X – M) × P (M – Y)	P (X – Y) + P (X – M) × P (M – Y)
Low IC (–1 s.d.)	0.492 ***	0.023	–0.051	0.011	–0.039
High IC (1 s.d.)	0.448 ***	0.361 ***	–0.107	0.161 ***	0.054
Difference	–0.044	0.338 ***	–0.056	0.150 ***	0.093

Note: *** $p < 0.001$.

4. Discussion

4.1. Research Implications

This study finds that organizational trust is the mediating mechanism between EOR and employee innovative behavior, and an innovative climate will moderate this mediating effect. The findings of this study have several research implications.

First, the empirical results have shown that the EOR has a positive impact on organizational trust and innovative behavior. Social exchange theory [26] predicts that organizations can promote individual positive attitudes and behaviors through providing employees with inducements. Our theoretical implication is consistent, but different, with the conclusion found by Lambert et al. (2003) [50] and Shaw et al. (2009) [66]. Lambert et al. (2003) [50] found that organizations invested in employees through providing employees with vocational development, training opportunities, which could influence employees' attitudes and behaviors. Shaw et al. (2009) [66] found that EOR could lead to increasing employee performance and decrease quit intention. Our results provide evidence for deepening understanding of the relationship between EOR, organizational trust, and innovative behaviors, which has been less studied by previous research.

Secondly, this study has revealed that organizational trust is an important mediating mechanism between EOR and innovative behavior. Previous literature pay more effort towards investigating the direct effect of EOR on employee attitudes and behaviors [18], however, there was little effort put into identifying the mediating mechanism between EOR and innovative behavior. We have found that organizational trust partially mediates the relationship between EOR and innovative behavior, which can then provide us with evidence to interpret the effect of EOR on individual attitudes and behaviors.

Finally, we also find that the innovative climate plays an important role on the relationship between organizational trust and innovative behavior. Some scholars have found that the innovative climate can be viewed as a moderating variable influencing the relationship between personal psychological states and innovative behavior [42]. However, our study has examined the moderating effect of innovative climate that is an important boundary condition which can drive organizational trust to innovative behavior. This means that we have to recognize the fact that supporting and encouraging employees to generate and implement new useful ideas will help organizational trust switch to innovative behavior, and strengthen the indirect effect of EOR on innovative behavior via organizational trust. This can help us to understand the process and impact of EOR on innovative behavior.

4.2. Practical Implications

First, building and maintaining organizational trust is important to employers. The results of this study have shown that organizational trust is the key antecedent of employee innovative behavior within the organization. Organizations need to improve employees' organizational trust through managerial practices. In the interactive process between employees and organizations, employers need to shape a supportive work environment, providing a variety of inducements that can construct

and maintain the employees' trust in the organization. In turn, they are more willing to remain in the firm and exhibit excellent performance.

Secondly, the empirical results indicate that organizational trust partially mediates the relationship between EOR and innovative behaviors. Therefore, we suggest that organizations provide employees with investment and high expectations to maintain long-term relationships with employees, which can make employees perceive themselves as members of the organization, and enhance the employees' trust in their organization, which, in turn, promotes employees' extra role behavior, such as innovative behaviors.

Thirdly, we find that an innovative climate moderates the relationship between organizational trust and innovative behaviors. It is recommended that organizations increase contributive expectations for employee (e.g., innovative climate), such as by encouraging employees to put forward new ideas, and explore new methods in technology, procedures, or products. Employers not only have employees recognize the organization's inputs or incentives, but also have employees recognize organization's expectations (e.g., innovative climate). In this context, it will increase organizational trust and promote innovative behavior.

4.3. Limitations

There may be some limitations in this study. First, our data was cross-sectional, therefore, we could not infer causality relationships between any two variables. Future studies can collect multi-wave data to test the causality relationship between the key variables in this study. Secondly, consistent with previous studies, we measured EOR, organizational trust, and innovative climate by employee self-report and rate employee innovative behavior by supervisors to avoid common method biases in the study. However, supervisors' ratings of the innovative behaviors of their employees were subjective in our study. Future research could use objective indicators to measure innovative behavior to avoid this problem. Thirdly, on the one hand, we conducted this study in China, thus, the universality of our conclusions need to be further tested. In the future, researchers can collect data from other countries to test conclusions of this study. On the other hand, we used social exchange theory, developed in a western context, to explain our research model. Whether the existing western theory is applicable to the Chinese situation has always been a controversial issue. However, social exchange theory has been used in a great number of studies conducted in the Chinese context, and we believe that this issue may have an impact on the conclusions of this study, but it is not a significant one.

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