Fostering Innovative Work Behaviour through a Positive Work Environment: The Moderating Role of Ambidextrous Leadership Evidence from a Structural Equation Modeling Approach

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Background: Innovation is increasingly recognised as a critical driver of organizational competitiveness, yet the mechanisms that foster employees' innovative work behaviour (IWB) remain underexplored.
Purpose: This study investigates the effect of a positive work environment on IWB, with a focus on the moderating role of ambidextrous leadership. Drawing on organizational climate and leadership theories, the research proposes that supportive workplace conditions directly encourage creativity and idea generation, while ambidextrous leadership, balancing opening behaviours that promote exploration with closing behaviours that ensure discipline, enhances the translation of these ideas into actionable innovations.
Methods: A quantitative, cross-sectional survey design was employed, with data collected from industry professionals using validated scales for workplace climate, ambidextrous leadership, and innovative work behaviour. Structural Equation Modeling (SEM) was applied to test the hypothesized relationships.
Results: The findings are expected to confirm that positive work environments significantly influence IWB, and that ambidextrous leadership moderates this relationship, thereby strengthening the impact of workplace positivity on innovation outcomes.
Conclusion: This study contributes theoretically by bridging organizational climate and leadership research, extending ambidextrous leadership theory to individual-level innovation, and clarifying pathways to innovation. Practically, it offers actionable insights for organizations to cultivate supportive environments and develop ambidextrous leadership capabilities, ensuring sustained innovation in dynamic markets.

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North American Journal of Psychology, 2026, Vol. 28, No. 4, 2676-2700
© NAJP https://doi.org/10.65696/001c.173656

Keywords: Positive Work Environment; Innovative Work Behaviour; Ambidextrous Leadership; Organizational Climate; Employee Innovation; Leadership Styles; Workplace Innovation

INTRODUCTION

Organizations are facing unprecedented challenges in today's dynamic business environment, marked by globalization, technological advancements, intensified competition and the recent disruptions caused by many world events. To navigate these turbulent times, there is an increasing focus on fostering skills and innovative behaviours among their workforce to enhance staff commitment toward their overarching goals, thereby ensuring productivity and profitability (Oh et al., 2017).

Highly positive work environments are seen as pivotal assets in driving innovation, productivity and performance while minimizing costs through their enthusiasm and dedication to their work (Sibanda and Ncube, 2014). However, within organizations, the pursuit of power and positions often fosters a competitive and harsh working environment, stifling innovation and damaging employee relationships (Banihani and Syed, 2017; Okoro et al., 2018). To counter these negative effects, a supportive organizational environment and ambidextrous leadership are deemed essential to foster innovative work behaviour among employees and management (Banihani and Syed, 2017).

The workplace environment can be characterized by both its physical and behavioural components (Zhenjing et al., 2022; Kumar and Sia, 2012), operationalized to include factors such as peer cohesion, supervisor support, autonomy, task orientation, work pressure, clarity, control and physical comfort. A positive work environment is characterized by the presence of mutual respect, open communication and a supportive organizational culture that collectively fosters employee well-being and enhances overall productivity (Wijonarko et al., 2024). The work environment plays a crucial role in influencing employee engagement, retention, commitment, motivation and productivity, with a safe and supportive environment being key to attracting and retaining talent (Saleem et al., 2020).

Innovation has become a critical determinant of organizational survival and competitiveness in today's dynamic business environment. It is broadly defined as "the intentional introduction and application of new ideas, processes, products or procedures" (West & Farr, 1990). Organizations increasingly rely on employees' innovative work behaviour (IWB)- the generation, promotion, and implementation of novel ideas to sustain growth and adapt to market changes (Scott & Bruce, 1994).

Innovative work behaviour (IWB) refers to an employee's deliberate and proactive process of generating, developing, promoting and implementing new ideas, products, processes or work methods to improve organizational performance and gain a competitive advantage. It is often

operationalized in terms of creativity (idea generation) and innovation implementation.

A positive work environment plays a foundational role in fostering innovation. When employees perceive psychological safety, trust, and support, they are more willing to take risks and engage in creative problem solving (Janssen, 2000). Research shows that climates characterized by openness and inclusivity encourage employees to contribute innovative ideas and solutions, reinforcing their sense of belonging and organizational commitment (Dinesh Babu et al., 2024).

Ambidextrous leadership is the ability of a leader to effectively balance two seemingly contradictory functions: exploitation (optimizing existing business models, processes, and products) and exploration (seeking new opportunities, experimenting with new technologies, and developing innovative ideas). Ambidextrous leadership is presented as a leadership approach that enables both exploration and exploitation by combining and flexibly switching between two complementary behaviour sets: "opening" (to raise variance, spur novelty) and "closing" (to reduce variance, ensure implementation).

However, workplace climate alone may not be sufficient to translate creativity into actionable outcomes. Leadership acts as a crucial mechanism in shaping how employees' innovative potential is realized. In particular, ambidextrous leadership- the adaptive combination of opening behaviours (encouraging exploration, autonomy, and idea generation) and closing behaviours (ensuring discipline, goal alignment, and implementation) has emerged as a powerful driver of innovation (Rosing, Frese, & Bausch, 2011). Recent studies confirm that ambidextrous leadership positively influences IWB across different stages of the innovation process, from idea generation to implementation (Xi, Zhou, & Wang, 2025).

The moderating role of ambidextrous leadership is especially relevant in knowledge-intensive and dynamic sectors, where leaders must balance flexibility with control. Evidence from IT organizations demonstrates that ambidextrous leadership not only enhances IWB but also improves overall employee performance (Dinesh Babu et al., 2024). This suggests that leadership behaviours act as the bridge between supportive climates and innovative outcomes.

India provides an appropriate context for this study due to its rapidly evolving business environment, increasing emphasis on innovation-driven competitiveness, and diverse workforce across multiple industries. As organizations continue to adapt to technological advancements and dynamic market conditions, understanding how positive work environments and ambidextrous leadership foster innovative work behaviour has become increasingly important. Therefore, the Indian

context offers a relevant setting for examining the proposed relationships and helps extend the generalizability of innovation and leadership research beyond predominantly Western contexts.

This study is needed because of the increasing importance of positive work environments and innovative work behaviour among organizational leaders. This research is significant as it explores the influence of positive work environment on innovative work behaviour, emphasizing the moderating roles of ambidextrous leadership between these two variables.

Research Questions

The following research questions are suggested to direct the investigation as follows:

RQ1: How does a positive work environment influence employees' innovative work behaviour?

RQ2: How does ambidextrous leadership style influence employees' innovative work behaviour?

RQ3: Does ambidextrous leadership play a significant role in moderating the relationship between positive work environment and employees' innovative work behaviour?

Research Objectives

i. To examine the effect of a positive work environment on employees' innovative work behaviour.

ii. To understand the role of ambidextrous leadership style on innovative work behaviour.

iii. To analyse the moderating role of ambidextrous leadership between positive work environment and innovative work behaviour.

LITERATURE REVIEW

Positive Work Environment and Innovative Work Behaviour

A positive work environment is characterized by psychological safety, trust, and supportive interpersonal relationships. Such climates encourage employees to take risks, share ideas, and engage in creative problem solving (Edmondson, 1999). Research consistently shows that when employees perceive fairness, autonomy, and recognition, they are more likely to exhibit innovative behaviours (Janssen, 2000). Positive climates also enhance intrinsic motivation, which is a critical driver of creativity and innovation (Amabile, 1996).

Innovative work behaviour refers to the intentional generation, promotion, and realization of new ideas within a role, group, or organization (Scott & Bruce, 1994). It is a multi-stage process involving idea generation, idea promotion, and idea implementation (De Jong & Den Hartog, 2010). Studies highlight that IWB is influenced not only by individual traits such as proactivity but also by contextual factors like leadership and organizational climate (Shanker et al., 2017).

Birdi, Leach, and Magadley (2016) studied how individual capabilities and environmental support relate to different facets of innovative work behavior, studying 169 design engineers in a multinational firm with multiple indicators of idea generation and implementation. The findings suggest that measures of creativity-relevant skills, expertise, operational skills, contextual knowledge, motivation, job control and departmental support; analyses showed creativity-relevant skills reliably boosted idea generation but not implementation, while job expertise, operational skills, and motivation were stronger for implementation, and departmental support related to idea generation, whereas job control showed no positive link, underscoring that a supportive environment channels positive work climate into the specific behaviours that constitute IWB.

Choi, Tan and Tan (2016) examined how an organizational climate for innovation translates into organizational performance through the role of manager's innovative behaviour. The results provide empirical support that manager's IWB serves as a key mechanism linking climate for innovation with organizational outcomes, highlighting that creating a stimulating work environment is valuable only when managers engage in and model innovation, and the study concludes by pointing to the importance of managerial innovation as a conduit for organizational success.

Ambidextrous Leadership and Innovative Work Behaviour

Ambidextrous leadership is defined as the ability to switch between opening behaviours (encouraging exploration, autonomy, and experimentation) and closing behaviours (emphasizing goal alignment, monitoring, and implementation) depending on situational demands (Rosing et al., 2011). This duality enables leaders to foster creativity while ensuring that innovative ideas are executed effectively. Empirical studies confirm that ambidextrous leadership positively influences IWB across different stages of the innovation process (Zacher & Rosing, 2015; Xi, Zhou, & Wang, 2025).

Ambidextrous leadership integrates transformational (exploration) and transactional (exploitation) styles. Studies confirm its positive impact on IWB and employee performance across industries. Leaders who

flexibly switch between opening and closing behaviours foster both creativity and disciplined execution.

Leadership plays a pivotal role in shaping innovation outcomes. Transformational leadership, for example, has been linked to higher levels of creativity and innovation because it inspires and motivates employees to transcend routine tasks (Jung, Chow, & Wu, 2003). However, scholars argue that innovation requires more than inspiration; it demands leaders who can balance flexibility with discipline (Rosing, Frese, & Bausch, 2011).

Integrating Positive Work Environment, Ambidextrous Leadership, and Innovative Work Behaviour

Recent research suggests that a positive work environment sets the stage for innovation, but leadership acts as the mechanism that channels employee creativity into outcomes (Dinesh Babu, Prasad, & Prasad, 2024). Bernards (2025) found that ambidextrous leadership acts as a moderating mechanism that strengthens the relationship between employees' cognitive states and innovative work behaviour. The study showed that employees translated uncertainty into innovative actions only when they perceived high levels of ambidextrous leadership support. Cheng (2024) examined the impact of ambidextrous leadership on employees' innovation behaviour and found that leaders who balance opening and closing behaviours significantly enhance employee innovation. The study further demonstrated that ambidextrous leadership strengthens employees' confidence in their creative abilities and motivates them to engage in innovation-related activities. Ambidextrous leaders enhance innovation by promoting knowledge sharing, workplace thriving, and self-efficacy among employees. Leaders who demonstrate ambidexterity create conditions where employees feel empowered to innovate while remaining aligned with organizational objectives.

Research Gap

The relationship between positive work environments and innovative work behaviour has been examined extensively across diverse organizational and cultural settings (Scott & Bruce, 1994; Shanker et al., 2017; Kim et al., 2024). Similarly, prior research has demonstrated the important role of leadership in fostering employee innovation and creativity (Rosing et al., 2011; Zacher & Rosing, 2015; Cheng, 2024). However, evidence suggests that the effectiveness of workplace environments and leadership practices may vary across cultural and economic contexts, particularly between developed and developing countries, thereby warranting further investigation (Shanker et al., 2017; Dinesh Babu et al., 2024).

Although previous studies have separately examined workplace climate, leadership, and innovative work behaviour, limited research has integrated positive work environment, ambidextrous leadership, and innovative work behaviour within a single framework (Kousina & Voudouris, 2023; Bernards, 2025; Ab Wahab et al., 2024).

Addressing this gap, the present study investigates the direct influence of a positive work environment on innovative work behaviour and examines the moderating role of ambidextrous leadership in strengthening this relationship. By doing so, the study contributes to the growing literature on workplace innovation and provides practical insights for organizations seeking to cultivate leadership practices and work environments that enhance employee innovation.

Conceptual Research Framework

The present study is grounded in the theoretical linkage between workplace climate, leadership behaviour, and employee innovation. A positive work environment provides psychological safety, trust, and support, which are essential conditions for employees to experiment, share ideas, and engage in creative problem-solving. However, the translation of this supportive climate into actual innovative work behaviour often depends on leadership practices.

Fig.1 illustrates that a positive work environment directly fosters innovative work behaviour; its impact is enhanced when ambidextrous leadership moderates the relationship. Thus, the conceptual framework positions Positive Work Environment as the independent variable, Innovative Work Behaviour as the dependent variable, and Ambidextrous Leadership as the moderating variable. The model assumes both a direct effect of workplace positivity on innovation and that ambidextrous leadership functions as a boundary condition that strengthens the relationship between a positive work environment and innovative work behaviour.

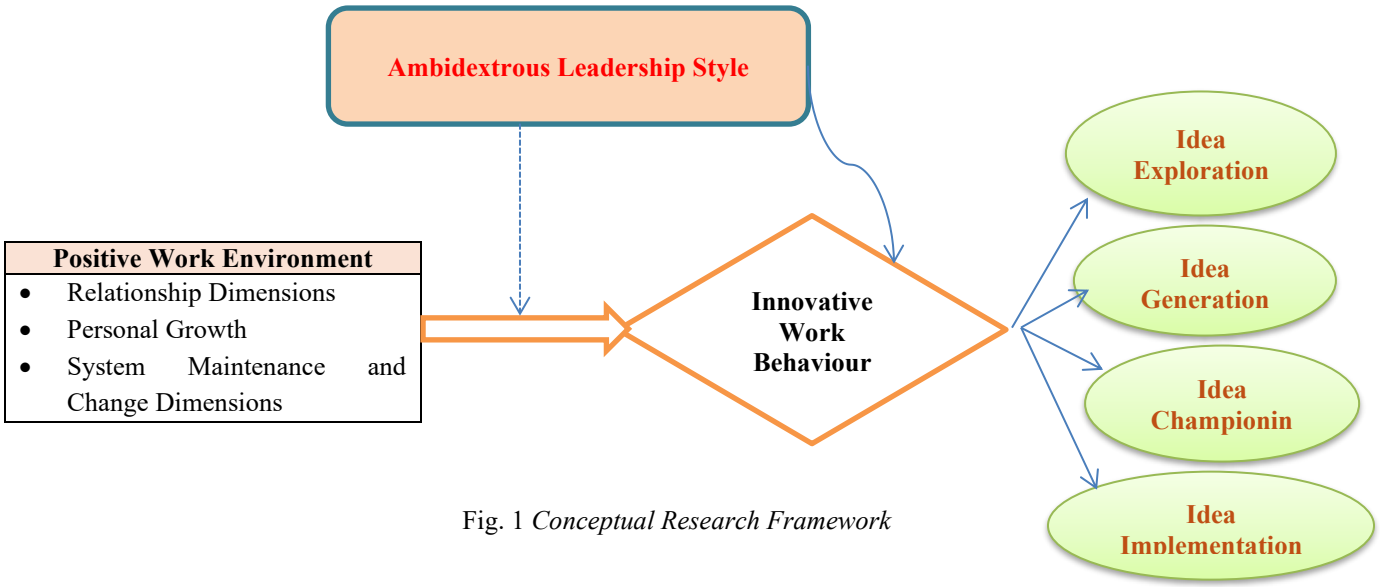


Fig. 1 *Conceptual Research Framework*

Hypotheses

This framework supports the following hypotheses:

H1: Positive work environment positively influences innovative work behaviour.

H2: Ambidextrous leadership positively influences innovative work behaviour.

H3: Ambidextrous leadership moderates the relationship between positive work environment and innovative work behaviour.

RESEARCH METHODOLOGY

Research Design

This study adopts a descriptive research design, quantitative, cross-sectional survey design to examine the relationships among positive work environment, ambidextrous leadership, and innovative work behaviour (IWB). A structured questionnaire was used to collect data from employees across knowledge-intensive organizations, where innovation is critical for competitiveness.

Sample Design

Data were collected from 299 employees who hold Supervisor/Team Leader/ Manager positions working in different industries in India. These positions were specifically targeted because they

frequently involve decision-making, problem-solving, leadership responsibilities, and engagement in innovative activities. A combination of non-probability purposive sampling and snowball sampling techniques was employed to identify respondents who met the study's inclusion criteria, namely employees in roles requiring creativity and problem-solving. Participation in the study was entirely voluntary, and informed consent was obtained from all participants before data collection. Respondents were informed about the purpose of the research and assured that their participation was anonymous and confidential.

Measures/Tools for Data Collection

i. Personal data sheet for personal identification of the employees, including age, gender, experience, etc.
ii. Work Environment Scale (WES - 10): The Positive Work Environment items have been adapted from the Work Environment Scale (WES) developed by Rudolf H. Moos (1981) and subsequent validated adaptations for organizational research. The Scale comprises 10 items that represent three dimensions, which are divided into three sets: the Relationship dimension, the Personal Growth or Goal Orientation dimension, and the System Maintenance and System Change dimensions (Palkon, 1997). The reliability of this scale is 0.94.
iii. Innovative Work Behaviour Scale (IWBS–10): The items for IWB are derived from the Innovative Work Behaviour Scale comprise 10 items developed by De Jong & Den Hartog (2010). It is a four-dimensional self-rating scale formulated with items specifically tapping idea exploration, idea generation, idea championing/promotion and idea implementation. The reliability of this scale is 0.70.
iv. Ambidextrous Leadership Scale (ALS–14): The ALS is measured with 14 items adopted from scales developed by Rosing et al. (2011). The scale includes both opening (exploration) and closing (exploitation) leadership behaviours. Ambidextrous leadership was simulated as the multiplicative term of opening leader behaviours and closing leader behaviours. Based on the argument that both leadership behaviours are non-substitutable and complementary (Rosing et al., 2011; Tolulope et al., 2020). The Cronbach's alpha coefficient for ambidextrous leadership was 0.85.

Data Collection

Data for the current study were gathered through a structured online questionnaire distributed to professionals employed in different industries

in India. An online questionnaire approach was utilised because it enables wider regional coverage, greater financial efficiency and faster response collection. Questionnaire access was shared through professional connections, email and digital communication systems. To confirm that participants had relevant expertise connected to the study setting, a dichotomous rating scale was included at the beginning of the survey.

Data Analysis

- Percentage Analysis: to explain the demographic variables
- Mean scores and t-tests were calculated.
- Correlation coefficients are calculated.
- Data were analysed using Structural Equation Modeling (SEM) with Smart PLS.

RESULTS

Demographic Profile

Table 1 presents the demographic characteristics of the respondents, including age, gender, educational qualification, work experience, marital status, salary, and managerial level. The demographics of 299 respondents show that they are mostly young and working professionals. A high percentage of participants (55.2%) were in the age group below 30 years, and 27.8% belonged to the age group between 31 and 40 years. In terms of gender, male respondents were 66.6%, while female respondents formed 33.4%. As far as education is concerned, the highest number of respondents held a postgraduate degree (51.5%), followed by undergraduate degree holders (36.1%) and Ph.D. or above degree holders (12.4%). With regard to marital status, there were 54.8% unmarried and 42.8% married respondents. Respondents with the maximum number of respondents were those who had 1-5 years of work experience (43.5%), while 33.8% had more than 10 years of work experience. In terms of the occupation sector, 51.2% were working in the IT/ITeS industry. Respondents were mostly at the middle level (44.5%) and junior levels (32.8%). When it comes to annual gross salary, 28.8% of respondents earn ₹20 lakhs or more.

Table 1: Demographic profiling of the respondents

Demographic Variables	Category	*n*	*%*
Age	<=30 years	165	55.2 %
	31-40 years	83	27.8 %
	41-50 years	29	9.7 %
	51-60 years	14	4.7 %
	Above 60 years	8	2.7 %
Gender	Male	199	66.6
	Female	100	33.4
Educational Qualification	Undergraduate Degree	108	36.1
	Postgraduate Degree	154	51.5
	Ph.D. or Higher	37	12.4
Marital Status	Married	128	42.8
	Unmarried	164	54.8
	Others	7	2.3
Total Work Experience	Less than 1 year	34	11.4
	1-5 years	130	43.5
	6-10 years	34	11.4
	More than 10 years	101	33.8
Type of Industry	IT/ITeS	153	51.2
	Manufacturing	41	13.7
	Hospitality	4	1.3
	Teaching	41	13.7
	Service	60	20.1
Designations / Positions	Junior Level	98	32.8
	Middle Level	133	44.5
	Senior Level	68	22.7
Annual Gross Salary	Less than 4 Lakhs	33	11
	4-8 Lakhs	57	19.1
	8-12 Lakhs	65	21.7
	12-20 Lakhs	58	19.4
	20 Lakhs and above	86	28.8

Note. $N = 299$.

Common Method Bias Using Herman Single Factor Analysis

Harman's single factor test was applied to evaluate common method bias. The results show that the largest variance explained by one factor is 25.271% that is below 50%, suggesting that common method bias is not a significant concern in the data set.

Outer Loadings

The outer loadings for indicators related to all the constructs represent the strength of the relationship between each indicator and its respective latent variable. The factor loadings from Table 2 are all above the threshold of 0.60, which is in line with the criteria for establishing satisfactory convergent validity as suggested by Hair Jr. *et al*. 2021). This

indicates that each item is a relatively good measure of its corresponding construct.

Table 2 Outer loadings of Measurement Items

Construct	*Item*	*Loading*
Positive Work Environment	PWE1	0.858
	PWE2	0.822
	PWE3	0.754
Ambidextrous Leadership	AL1	0.98
	AL2	0.616
Innovative Work Behaviour	IWB1	0.757
	IWB2	0.895
	IWB3	0.843
	IWB4	0.839

Note: All factor loadings exceeded the recommended threshold of .60.

(Construct Items: PWE1- Relationship; PWE2- Personal growth; PWE3- System Maintenance and System Change; AL1- Opening-leadership; AL2- Closing-leadership; IWB1- Idea Generation; IWB2- Idea Exploration; IWB3- Idea Championing; IWB4- Idea Implementation)

Construct Reliability and Validity

Table 3 provides reliability and validity measures for this higher-order construct, specifically Positive work environment, Innovative work behavior, and Ambidextrous Leadership.

Table 3 Construct reliability and validity

Constructs	*Cronbach's α*	*CR*	*AVE*
Positive Work Environment	0.742	0.853	0.598
Innovative Work Behaviour	0.854	0.902	0.654
Ambidextrous Leadership	0.794	0.779	0.651

Note: CR = Composite Reliability; AVE = Average Variance Extracted

The values of (Positive Work Environment: 0.742, Innovative Work Behaviour: 0.854, and Ambidextrous Leadership: 0.794) are all well above the threshold, indicating excellent reliability. Composite reliability assesses the internal consistency of a construct, similar to Cronbach's Alpha, but considers different item loadings shows that all the values are above 0.7, suggesting that the items have high internal consistency and that the constructs are reliably measured. The AVE values for Positive Work Environment (0.598), Innovative Work Behaviour (0.654), and Ambidextrous Leadership (0.651) are acceptable, indicating that these

constructs have a satisfactory level of convergent validity because all the AVE values are above 0.5.

Collinearity Statistics (VIF)

Variance Inflation Factor (VIF) values provide a measure of how much the variance of an estimated regression coefficient is increased because of collinearity. The table 4 indicates that VIF values are all below the commonly used threshold of 5, which suggests that multicollinearity, is not a concern for the variables in this model (O'brien, 2007).

Table 4 Multicollinearity Statistics (VIF)

Constructs	*Sub-constructs*	*VIF*
Positive Work Environment	Relationship	1.649
	Personal growth/Goal	1.54
	System Maintenance and System Change	1.354
Innovative Work Behaviour	Idea generation	1.623
	Idea Exploration	2.561
	Idea Championing	2.519
	Idea Implementation	2.361
Ambidextrous Leadership	Closing Leadership	1.196
	Opening Leadership	1.196

Note: All VIF values were below the recommended threshold of 5.00.

Fornell-Larcker Criterion

The Fornell-Larcker criterion is used to assess discriminant validity within the PLS- SEM model. This criterion compares the square root of the Average Variance Extracted (AVE) for each construct (diagonal values) with the correlations between the constructs (off-diagonal values). These diagonal values should be greater than the off-diagonal values in their respective rows and columns to establish discriminant validity" (Fornell and Larcker, 1981).

Table 5 Discriminant validity - Fornell-Larcker Criterion

Construct	*PWE*	*IWB*	*AL*
Positive Work Environment	0.773		
Innovative Work Behaviour	0.415	0.809	
Ambidextrous Leadership	0.525	0.421	0.807

As presented in the Table 5, the square root of AVE for Positive Work

Environment is 0.773, Innovative Work Behaviour 0.809, and Ambidextrous Leadership 0.807 which is higher than all its correlations with other constructs, confirming good discriminant validity.

Heterotrait-Monotrait (HTMT) Ratio

The Heterotrait-Monotrait (HTMT) ratio matrix is commonly used method for assessing discriminant validity in the PLS-SEM model. The HTMT ratio is a comparison of the mean of the heterotrait (between different constructs) correlations and the mean of the monotrait (within the same construct) correlations. A value below 0.85 (more conservative) or 0.90 (less conservative) indicates sufficient discriminant validity" (Henseler *et al*., 2015; Hair Jr *et al*., 2021). The Heterotrait-Monotrait (HTMT) ratio values for Positive Work Environment, Innovative Work Behaviour and Ambidextrous Leadership are all below the conservative threshold of 0.90, suggesting strong discriminant validity between the constructs in the model.

Table 6 Discriminant validity, Heterotrait-Monotrait (HTMT) Ratio

Construct	*PWE*	*IWB*	*AL*
Positive Work Environment	—		
Innovative Work Behaviour	0.555	—	
Ambidextrous Leadership	0.758	0.484	—

Note: All HTMT values were below the threshold of .90.

Hypothesis Testing - Path Coefficients

Path coefficients in structural equation modelling (SEM) represent the strength and direction of the relationship between variables (Westland, 2015), as shown in Table 7. They are standardized regression weights that show how much the dependent variable is expected to change when the independent variable changes by one standard deviation. Path coefficients are used to assess the direct effects in SEM and are crucial for understanding the impact of predictor variables on outcome variables within the model, as depicted in Fig. 2.

Table 7 Hypotheses testing - Path coefficients

Hypothesis	Relationships	*β*	*SD*	*t*	*Sig*	*Results*
Direct Effect						
H1	PWE → IWB	0.301	0.096	3.123	0.002	Supported
H2	AL → IWB	0.329	0.063	5.182	0.000	Supported
Moderating Effect						
H3	PWE × AL → IWB	0.178	0.064	2.787	0.005	supported

Note. β = standardized path coefficient. (*PWE: Positive Work Environment; IWB: Innovative Work Behaviour; AL: Ambidextrous Leadership)*

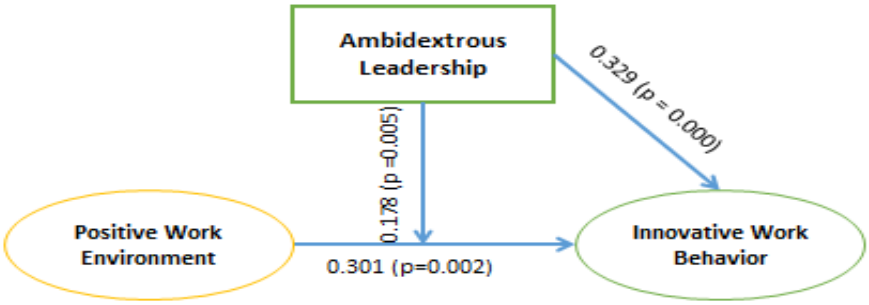


Fig. 2 Path Coefficients - Structural Model: Direct and Moderating Effect

Hypothesis 1: The above table 7 shows the effect of a positive work environment on employees' innovative work behaviour, as demonstrated by hypothesis (H1) tested in this study. The findings reveal a statistically significant relationship between a positive work environment and innovative work behaviour with a standard beta coefficient of 0.301. This relationship held with a high level of significance ($p < 0.002$), far exceeding the conventional threshold for statistical significance, and thus providing robust support for H1. The t-value of 3.123 further confirms the

strength and reliability of this relationship. This result is indicative of a strong positive effect, suggesting that a positive work environment drives innovative work behavior. A supportive and inclusive work environment fosters psychological safety, trust, and openness, which are essential for employees to engage in risk-taking and creative problem-solving (Edmondson, 1999; Janssen, 2000). Employees who perceive fairness and recognition are more likely to generate, promote, and implement novel ideas (Scott & Bruce, 1994). Thus, a positive climate is expected to directly enhance innovative work behaviour.

Hypothesis 2: The result provides a clear indication that ambidextrous leadership style exerts a significant positive influence on innovative work behaviour of employees with a standard beta coefficient of 0.329. The strong t-value of 5.182, alongside a highly significant p-value ($p < 0.000$), suggests that the positive relationship between these two constructs is both statistically significant and robust. The finding indicates that ambidextrous leadership helps to create innovative work behaviour among employees.

Hypothesis 3: The path coefficient value of 0.178 for the indirect relationship between positive work environment and innovative work behavior through ambidextrous leadership indicates a significant positive moderating effect, as demonstrated in Table 7 and Figure 2. The moderating effect is statistically significant, as recorded by a t-statistic of 2.787 and a p-value of 0.005, which means ambidextrous leadership plays a significant moderating role in the relationship between positive work environment and innovative work behavior. Hence, the formulated hypothesis 3 is supported. Ambidextrous leadership enables leaders to foster creativity while ensuring effective implementation of ideas (Zacher & Rosing, 2015). Recent studies confirm that ambidextrous leadership mediates the relationship between organizational climate and innovative outcomes (Dinesh Babu, Prasad, & Prasad, 2024; Xi, Zhou, & Wang, 2025). Leaders act as the mechanism through which supportive climates translate into innovative work behaviour.

The findings of this study confirm that a positive work environment significantly enhances employees' innovative work behaviour (IWB) and also ambidextrous leadership style moderates between these two variables. This supports prior research emphasizing the role of psychological safety, trust, and supportive climates in fostering creativity and risk taking (Janssen, 2000; Scott & Bruce, 1994). Employees who perceive their workplace as encouraging and inclusive are more likely to generate, promote, and implement novel ideas, thereby contributing to organizational innovation.

DISCUSSION

In the current investigation, the correlation between Positive Work Environment (PWE), Ambidextrous Leadership (AL), and Innovative Work Behaviour (IWB) among Indian employees working in supervisory, team leader, and managerial roles was explored. According to the research results, a positive work environment substantially affects innovative behaviour exhibited by employees. The research findings are consistent with contemporary organizational behaviour literature, indicating that individuals tend to generate ideas, promote them, and implement innovative actions in an organizational context that is perceived as supportive, collaborative, and stimulating for personal growth. In a positive work environment defined as characterized by trust, openness, mutual respect, and supportiveness of organizational processes, employees can afford to try out novel approaches and present innovations.

In addition, the research findings reveal that innovative behaviour increases in those employees who observe positive interpersonal relations and learning opportunities at workplaces. Such a finding may be explained using the social exchange theory stating that employees repay positive organizational actions with positive work-related behaviours. Employees tend to invest extra effort into creative actions once they recognize the fairness, encouragement, and support provided by organizations. Contribution made by all three elements of a positive work environment, namely relationships, growth, and systems maintenance, helps develop the confidence and ability of employees to be more innovative.

One of the key findings of the study was the importance of ambidextrous leadership in shaping employees' innovativeness at work. Ambidextrous leaders are effective in combining open leadership activities, like experimenting and exploring, with the closing behaviour, which offers structure and guidance in reaching organizational goals. Such leadership helps employees in exploring their creativity within the context of organizational objectives. This finding is consistent with the theory developed by Rosing et al. (2011), who emphasize the need for balancing creativity and control in the process of innovation.

The effect of ambidextrous leadership on moderation also helps understand the processes by which workplace settings have an impact on innovation. The results show that the link between a favourable work setting and innovative work behaviour becomes more pronounced in the presence of ambidextrous leadership. In other words, leaders seem to have a very important role in converting the benefits of the workplace setting into innovations. Although the workplace may create opportunities for innovation, employees do not necessarily make full use of the existing opportunities in the absence of leadership that promotes exploration and exploitation.

Further, this research is relevant to the field of innovation management within the modern organization. In today's highly competitive business environment, firms need to rely more on innovations by their employees to gain sustainable competitive advantages. The findings show that any effort put forward by organizations to improve the working environment needs to be supplemented with efforts geared towards developing ambidexterity skills among managers and supervisors within the firm. This will enable organizations to develop a system that supports innovation, yet at the same time, provides guidance on how to implement such innovations.

In summary, the study underscores the interdependent nature of the work environment and leadership in encouraging innovative work behaviour. While a favourable work environment can promote innovation in itself, this will not necessarily guarantee its maximization if leaders cannot strike a balance between flexibility and control. Similarly, leaders will have limited influence in promoting innovation without favourable organizational circumstances. In this case, organizations that aspire to encourage innovation must ensure that they embrace a comprehensive approach in creating an enabling work environment and developing ambidextrous leadership skills.

Theoretical Contributions

This study contributes to the growing body of literature on workplace innovation by integrating the concepts of positive work environment and ambidextrous leadership into a unified framework. While prior research has established that supportive climate encourages creativity, few studies have explicitly examined the mechanisms through which such environments translate into sustained innovative work behaviour (IWB). By introducing ambidextrous leadership as a moderating variable, this research advances theory in three important ways:

- Positive work environment extends organizational behavior literature by empirically validating its direct influence on leaders' innovative work behavior. Bridging work environment and Leadership Research: It connects organizational climate literature with leadership theory, demonstrating that the impact of a positive work environment on innovation is not merely direct but is significantly shaped by leadership behaviours.
- Ambidextrous leadership strengthens leadership theory by demonstrating its role as both a direct predictor of innovative work behavior and a moderator in the relationship between work environment and innovation. Expanding Ambidextrous Leadership Theory: Existing studies often focus on ambidextrous leadership in

relation to organizational performance. This study extends its application to individual-level innovation, showing how leaders' ability to balance exploration and exploitation behaviours fosters employee creativity and implementation.

- Clarifying Pathways to Innovation: The model provides a nuanced understanding of how innovation emerges in organizations: a supportive environment sets the stage, but leadership acts as the catalyst that channels employee energy into tangible innovative outcomes.

Managerial and Practical Contributions

The findings of this study have significant implications for organizational leaders and HR practitioners seeking to foster innovation in the workplace. It translates theoretical contributions into actionable insights for managers, leaders, and organizations:

- *Creating a Positive Work Environment*: Organizations should prioritize building a climate of psychological safety, trust, and inclusivity. A supportive environment motivates employees to take risks and share novel ideas without fear of negative consequences.
- *Developing Ambidextrous Leadership Skill:s* Leadership development programs should train managers to balance *opening behaviours* (encouraging creativity, autonomy, and experimentation) with *closing behaviours* (ensuring accountability, discipline, and goal alignment). This dual capability enables leaders to channel employee creativity into practical, implementable innovations.
- *Driving Innovation as a Strategic Priority:* By embedding innovation into organizational strategy and aligning it with leadership practices, firms can enhance competitiveness and adaptability. Leaders who embody ambidexterity can act as role models, inspiring employees to innovate while maintaining operational excellence.

Limitations and Future Research

Despite its contributions, this study has several limitations that should be acknowledged. The data were collected using non-probability purposive and snowball sampling techniques, which may restrict the generalizability of the findings to the broader workforce population. Findings may be limited to specific industries or regions, reducing generalizability. Causal relationships cannot be fully established; longitudinal studies are needed. Reliance on survey data may introduce subjectivity due to self-report bias. Variable exclusion: Other potential mediators/moderators were not included.

Future research should adopt longitudinal designs to establish

causal relationships between positive work environments, psychological empowerment, and innovative work behavior. Comparative studies across different cultural and industry contexts can test the generalizability of the proposed framework. Incorporating additional variables such as organizational learning, resilience, or digital readiness may provide deeper insights into the mechanisms driving innovation. Given the heterogeneous nature of the sample, future studies could conduct multi-group analyses to examine whether the relationships differ across industries, organizational types, or demographic groups.

CONCLUSION

This study set out to examine the effect of a positive work environment on employees' innovative work behaviour, with a particular focus on the moderating role of ambidextrous leadership. The findings demonstrate that a positive work environment significantly influences employees' innovative work behavior, both directly and indirectly through an ambidextrous leadership style. The proposed framework highlights that while a positive work environment directly encourages creativity and idea generation, the presence of ambidextrous leadership significantly enhances the translation of these ideas into actionable innovations.

The findings are expected to contribute both theoretically by extending leadership and work environment research and practically by offering actionable strategies for organizations seeking to foster innovation through culture and leadership development.

Declarations

Conflict of Interest / Competing Interests: The authors declare that they have no conflict of interest and competing interests.

Research Involving Human Participants and/or Animals: This study involved human participants and did not involve animals. The research was conducted in accordance with accepted ethical principles for research involving human participants.

Informed Consent: Informed consent was obtained from all individual participants included in the study before data collection. Participation was voluntary, and respondents were informed about the purpose of the study. Participants were assured of anonymity and confidentiality, and no personally identifiable information was collected.

Compliance with ethical standards: The study was conducted in accordance with accepted ethical standards for research involving human

participants. All responses were collected voluntarily, maintained confidentially, and used solely for academic research purposes.

Data Availability: The datasets generated and/or analysed during the current study are available from the corresponding author upon reasonable request.

Code availability: Not applicable

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

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