

# "WHEN REWARDS NO LONGER MOTIVATE" TESTING THE MODERATING ROLE OF ORGANIZATIONAL AGILITY IN BUILDING INNOVATIVE LECTURERS IN THE ERA OF INDONESIA INDEPENDENT CAMPUS

Aris Winarna<sup>1</sup>, Keni Keni<sup>1</sup>, Michelle Michelle<sup>2</sup>

<sup>1</sup>Master of Management Department, Universitas Tarumanagara, Jakarta - Indonesia

<sup>2</sup>Mass Communication Department, INTI University and Colleges, Negeri Sembilan - Malaysia

\*Email: [keni@fe.untar.ac.id](mailto:keni@fe.untar.ac.id)

Submitted: 01-08-2023, Revised: 10-10-2023, Accepted: 05-11-2023

---

## ABSTRACT

*Innovative work behavior is the key to the performance and existence of an organization. In the context of business organizations, organizational factors that are antecedents of innovative work behavior are far from stable. Therefore, it is still necessary to conduct further research with different organizations and respondents. This study will examine organizational factors in Indonesian universities, which consist of: 1) organizational climate for innovation, 2) reward, 3) organizational agility as moderating variables. By using purposive random sampling involving 265 lecturers from universities in the Jakarta area, Indonesia, the results indicate that only the organizational climate for innovation variable has a significant positive effect directly on the innovative work behavior of lecturers. Meanwhile, the reward variable only has a partial significant positive effect after being moderated by the organizational agility variable. This phenomenon is a novelty in this study that rewards, which are believed to be able to change behavior as mentioned in social exchange theory so far, have experienced a shift in perceptions from lecturer respondents, where rewards are no longer motivating without including agility factors in their management. Organizational agility is a new term that is gaining popularity in strategic management which is defined as an agility that reflects flexibility, speed, accuracy, efficiency and innovation. This study has theoretical contributions and practical implications for higher education management and provides discussion and recommendations for future research.*

**Keywords:** behavior, innovative, reward, organization, agility

## 1. INTRODUCTION

The provision of rewards by the organization/entity will affect changes in individual behavior (behavior) and has a reciprocal exchange/relationship (Cook, et al, 2013). Organizations will generally give rewards to organizational members who have innovation or innovative work behavior (IWB), because innovation determines the performance and survival of the organization (Volery & Tarabashkina, 2021). IWB refers to staff actions that focus on creating and implementing new ideas in the workplace (De Jong & Den Hartog, 2010).

Currently, IWB is a concern for various organizations, including higher education organizations because the organizational environment is in high uncertainty characterized by increasing volatility, uncertainty, complexity, and ambiguity or the so-called "VUCA world" (Bennett & Le Moine, 2014). The uncertainty of the situation, competition, globalization is currently a challenge and determines the existence of all organizations including higher education organizations (Waller et al, 2017).

The VUCA world encourages organizations to compete and the crucial factor needed to win the competition is the ability to innovate (Franco & Landhini, 2022). Innovation is one of the organization's efforts to survive and be able to compete in the VUCA world. Innovation is

closely related to the organization's goal to win the competition by optimizing strengths and minimizing weaknesses (Rahayu, 2015).

Organizations have factors that affect IWB (Volery & Tarabashkina, 2021) and organizational management managers are the main drivers of the growth of innovation in an organization (Franco and Landhini (2022)). Organizational factors that influence IWB include: organizational climate for innovation (Sanders et al, 2010) and rewards (Bysted & Hansen, 2015). Building IWB alone is not enough to face the VUCA world, organizations need to have agility/agility which is often argued as a key strategy to face the VUCA world (Troise et al. 2022). Organizational agility (OA) has become one of the main paradigms that managers must apply to develop sustainable competitive advantage and as a key factor for business success (Doz et al., 2008; Navarro et al., 2016; Teece et al., 2016).

Research on organizational factors that influence IWB has been conducted by Thiery and Liudmila (2021) who tested the impact of organizational support, employee creativity and work centrality on IWB. The organizational support variables tested include: organizational climate, rewards, leader member exchange, employee creativity, work centrality, by adding work centrality variables as moderation intervening variables and control variables in the form of gender, age and education. Respondents used are industrial workers from China and Australia. The results showed that only the organizational climate variable significantly influenced IWB, while the rewards variable did not significantly affect it (Volery & Tarabashkina, 2021). Another study was conducted by Yulianti, who examined the organizational factors of perceived organizational support and leader-member exchange variables on innovative behavior variables by involving the expected performance outcome mediating variable and the creative organizational climate moderating variable. The research object was lecturers in higher education organizations. The results show that only the leader-member exchange variable significantly affects the innovative behavior variable while others have no significant effect (Yulianti, 2016). Research on the relationship between organizational agility and IWB was conducted in Italy with the object of research on medium, small and micro enterprises (SMEs). This study examines the role of organizational agility on the development of innovation performance and the results show a significant effect (Troise, et al, 2022).

From the various studies above, it can be seen that the results of testing organizational factors that affect IWB (antecedents) have inconsistent results, for example the rewards factor in Volery & Tarabashkina's (2021) research did not affect IWB but in other studies the two variables affected (Gamma, et al, 2021). The rewards factor has its own record because it has a large variation in various research results and even contradictory. Some research evidence notes that rewards have a negative relationship to IWB (Bysted & Hansen, 2015), but the majority of empirical evidence shows a positive relationship between rewards and IWB (Hughes, Lee, et al., 2018). Rewards generally have a positive effect on the creativity of employees who perform simple tasks, but can have a negative effect on employees who perform complex and challenging tasks (Baer, et al, 2003).

Then when viewed from the object of research, most of them are business entities and there are still few studies with the object of higher education organizations. IWB research in higher education organizations, especially for lecturers, is strategic because the main task of lecturers is to carry out the Tridharma of Higher Education including education, research, community service which clearly requires lecturers who have IWB. The demand for lecturers who have IWB is getting stronger with the implementation of the Merdeka Belajar-Kampus Merdeka policy by the Ministry of Education, Culture, Research and Technology of the Republic of

Indonesia (Kemdikbudristek RI) starting in 2020 (Kemdikbud, 2021). The Independent Campus Policy is a new innovation and adaptation of the higher education system in the era of globalization that provides opportunities for higher education organizations to have sufficient space to adapt to the VUCA world through a number of innovations in easing the accreditation process, providing opportunities for students to study outside the campus or field of study, autonomy in opening new study programs, and simplifying the process of changing the legal entity of higher education organizations (Jaja, 2020). This policy is a consequence of globalization which triggers the tension of organizational competition to be more massive and escalative because it has created and covered markets and competition between organizations / institutions and between countries (Lemoine, Jenkins, & Richardson, 2017). The globalization of higher education requires every higher education organization to be reshaped, responsive and adaptive to rapid changes in the higher education organizational environment (Woodard, et al, 2011).

This study proposes research novelty and contributes to developing the literature on innovation specifically in higher education organizations and the literature on Merdeka Campus in several ways. First, this study will examine college organizational factors in the form of organizational climate, rewards to enrich references for the conclusion of the antecedents of Lecturer IWB. Second, the study will test the mediating factor, namely organizational agility of higher education to strengthen the relationship between organizational climate and rewards organizational factors on Lecturer IWB where rewards get separate attention because they have high variation in influencing IWB. Based on the literature review, the agility factor has the potential to strengthen the role of organizational factors and has the opportunity to become IWB antecedents, but there was not research there. In addition, the agility factor is currently becoming a new paradigm and a key management factor in the VUCA world era, but currently there is no clear-cut definition of the agility factor so further research needs to be done (Holbeche, 2018).

### **Theoretical Framework and Hypotheses**

The research will solve the problem using the "social exchange" theory approach developed by Blau and Homans explaining that Blau mentions the existence of a rewards effect where changes in social behavior will occur if there is an exchange of activities, tangible and intangible, there is a variety of rewards. Meanwhile, Homans mentions the existence of reciprocal exchanges / relationships, where behavior between 2 people or entities will influence each other reciprocally to maximize mutual benefits as cited by Chook, (2013). If employees feel satisfied or have a positive perception of the organization (perceived organizational climate), it will have the effect of increasing or improving work performance through new or better ways, or building new ideas that trigger IWB (Hughes, Lee, et al., 2018). According to Volery & Tarabashkina (2021) this theory shows that organizational factors can influence IWB.

### **Perceived Organizational Climate for Innovation and IWB**

Perceived organizational climate for innovation reflects employee perceptions of organizational policies, procedures, and behaviors in supporting the development and implementation of new ideas in the workplace (Kang et al., 2016). According to Volery and Tarabashkina who cited Scott & Bruce (1994), when viewed from a social exchange perspective, the organizational climate represents a signal that workers are aware of organizational expectations to get potential rewards from their IWBs.

H1. Perceived organizational climate for innovation has a positive effect on IWB.

### **Rewards and IWB**

Rewards are rewards given to members of the organization in return for their contributions. Rewards are an essential element of human resource management to motivate employees to demonstrate desired outcomes in the workplace including monetary (salary, bonus) and non-monetary (recognition, holiday, promotion) (Volery & Tarabashkina, 2021). Rewards captured the degree of equity and meritocracy in financial and non-financial rewards offered to employees (Ramamoorthy et al., 2005). The reciprocity theory central to social exchange explains that an employee is willing to exchange their work effort for potential rewards. Many managers use appraisal and reward techniques to stimulate employee performance. Rewards can be monetary (salary or bonus) or non-monetary (vacation or recognition). Rewards are an important element of human resource management to motivate employees to show the desired performance (Nehles & Veenendaal, 2017).

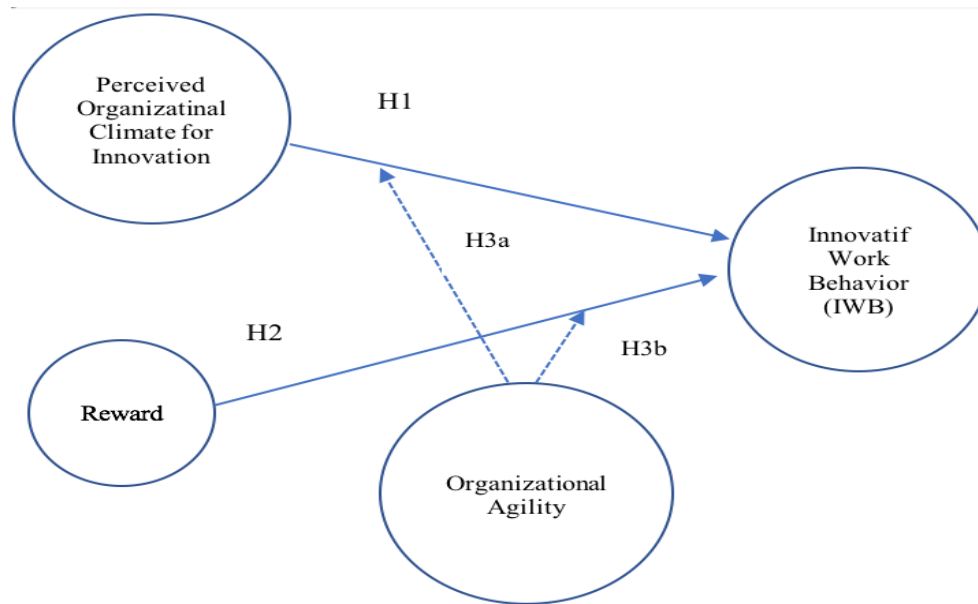
H2. Rewards have a positive effect on IWB.

### **Organizational Agility Moderates Perceived Organizational Climate for Innovation and Rewards on IWB**

Organizational agility is defined as the organization's ability to respond to uncertainty and environmental changes, as well as the ability to renew its business (Tallon & Pinson-Neault, 2011). OA is often associated with organizational agility in the face of the VUCA world which has different characteristics from the previous organizational environment as quoting the definition of Trose, et al (2022) that OA is the firm's ability to generate the required information for management decision-making in a turbulent environment (change and uncertainty). An organization's agility is characterized by flexibility at the strategic and operational levels (strategic and operational agility) (Haider et al., 2021). Strategic agility is defined as the ability to remain flexible in the face of changing times and continue to adjust the company's strategic direction, as well as develop innovative efforts to create organizational value. In addition, it requires agility to reformulate the company's offerings to align with changing market needs. Meanwhile, operational agility is defined as a company's ability to achieve speed, accuracy, and economic costs in exploring opportunities for innovation and winning competitions, where the ability emphasizes process flexibility (Tan et al., 2017; Huang et al., 2012). Both components of agility are considered fundamental to capitalizing on environmental opportunities, adapting to change, and ultimately achieving goals (Ahammad et al., 2020).

H3a. Organizational agility strengthens/moderates the positive effect of perceived organizational climate for innovation on IWB.

H3b. Organizational agility strengthens / moderates the positive effect of rewards on IWB.



**Figure 1.** Conceptual Framework and Hypotheses  
 Source: Results of Data Processing by the Authors

## 2. RESEARCH METHOD

### Measurements

This research uses descriptive, quantitative, non-experimental, cross-sectional research, by collecting data processing data quantitatively and analyzing qualitatively. To collect data, this research developed a digital questionnaire using Google Forms which was developed from measurements based on an extensive review of most relevant previous research. All measurements are perceptions measured using a Likert scale with a score range of 1-5 where 1 = Strongly Disagree and 5 = Strongly Agree.

IWB is measured using 3 dimensions namely: 1) Idea generation; 2) Idea implementation as adapted from Volery & Tarabashkina (2021); 3) Innovation result adapted from Franco and Landini (2022). IWB is measured by calculating the frequency of engagement in each activity at work according to the number of opportunities to do these activities over 12 months (D. Jong and Den Hartog, 2010).

Perceived organization climate for innovation is measured using employee perceptions of organizational practices, procedures and behaviors that encourage the generation and implementation of new ideas in the workplace (Volery & Tarabashkina, 2021). The dimensions used to measure, as adapted from Scott & Bruce (1994) include: 1) Responds well when issues are raised by people inside the organization; 2) Believes all employees should be managed as talent; 3) Has effective programs to support high potential employees.

Reward is measured using 2 dimensions, namely: 1) Form; 2) Process. According to Volery & Tarabashkina (2021) the forms of rewards include monetary (salary, bonus) and non-monetary (recognition, holiday, promotion). Apart from the form dimension, rewards are also measured by the dimensions of the delivery process as adapted from Ramamoorthy et al. (2005)

including: 1) The organization uses performance appraisal processes effectively; 2) The organization has effective compensation programs that reward people appropriately.

Organizational agility is measured using 3 dimensions as adapted from Ravichandran (2018) including: 1) Customer responsiveness; 2) Operational flexibility; 3) Strategic flexibility. These dimensions are then decomposed into indicators including: 1) Ability to respond quickly to customers' needs; 2) Ability to adapt production/service provision quickly to demand fluctuations; 3) Ability to cope quickly with problems from suppliers; 4) Quickly implement decisions to face market changes; 5) Continuously search for forms to reinvent or redesign the organization; 6) See market changes as opportunities for rapid capitalization (Troise et al, 2022).

### **Sample and Data Collection Procedure**

The research population is Indonesian lecturers who have been registered with the National Lecturer Identification Number (NIDN) and have an Academic Functional Position (Expert Assistant, Lecturer, Head Lecturer, Professor). Sample determination using non-probability sampling method with research locations in the work area of the Higher Education Service Institution (LLDIKTI) region III DKI Jakarta. Data collection using an online digital questionnaire (Google Forms) about respondents' perceptions using a Likert scale with a score of 1 (strongly disagree) to 5 (strongly agree), which was distributed via the WhatsApp Mesenger message application and electronic mail / email (email) for 30 days. To avoid double filling, the digital questionnaire was set to be filled out only once for each gadget identity based on International Mobile Equipment Identity (IMEI) for mobile phones or Internet Protocol (IP) Address for laptops or Personal Computers (PCs).

Respondents were given an incentive in the form of an internet data package worth Rp. 25,000 (twenty-five thousand rupiah) to build engagement and responsibility in filling out the questionnaire in order to get valid data. The target respondent sufficiency is at least 200 people (Hair, 2017), the total number of respondents who participated was 278 people, after checking for missing values and incomplete questionnaires, 23 questionnaires (16 missing, 7 incomplete) were dropped, leaving 255 valid questionnaires for analysis. Mostly participants are men (52.83%), education level PhD (30.57%), Master (67.17%), S1 (2.26%), age (31-50 years old). The composition of fields is almost balanced between social sciences, natural sciences and mixed. Participation in the Kampus Merdeka flagship program at the ministry level was followed by 48.30% of lecturers, while independent activities at the level of each university were followed by 67.5% of lecturers.

Respondent data that has been collected using the Google Form questionnaire is stored in Google Drive, after meeting the target number of respondents, a cut-off is made to process the data. Data from Google Drive was transferred and conditioned using the Microsoft Excel application then continued data processing with the Structural Equation Modeling (SEM) - Partial Least Square (PLS) approach using the SmartPLS 4.0.9.1 (2003) application. The results of data processing will then be analyzed to determine the validity and reliability of constructs, measure the amount of contribution and direction of variable correlation and test research hypotheses.

## **Data Analysis and Hypothesis Testing**

This study identifies, observes, and empirically tests the exogenous latent variable  $Y$  = Innovative Work Behavior / IWB, the endogenous latent variable  $X$  consisting of: Perceived Organizational Climate for Innovation / OC ( $X_1$ ), Rewards / RW ( $X_2$ ), and Organizational Agility / OA as a moderating variable ( $Z$ ) between  $X_1$ ,  $X_2$  to  $Y$ . According to Hair et al. (2021) the principle of SEM is the existence of path / relationship models with latent variables. The PLS path model consists of 2 elements, namely: 1) Measurement Model / Outer Model which shows the relationship between constructs and variable indicators; 2) Structural Model / Inner Model, which shows the relationship between constructs.

### **Measurement Model / Outer Model**

This first element is used to measure the relationship between constructs and variable indicators by conducting 2 tests, namely: 1) convergent validity test with loading factor indicators and average variance extracted / AVE, 2) discriminant validity test with cross loading indicators, Fornell-Larcker, Heterotrait-Monotrait Ratio of Correlations / HTMT value. Based on the loading factor value, all variable indicators are declared valid because they have a score of 0.63 (Tabachnick & Fidell, 2007).

Convergent validity test using AVE shows that all constructs have a score of  $\geq 0.50$  (IWB = 0.656, OA = 0.875, OC = 0.808, RW = 0.662) so they are declared valid (Hair et al., 2017). Furthermore, the discriminant validity test results show that the cross-loading indicator is declared valid, in Table 2 the Fornell-Larcker indicator is declared valid and in Table 3 the HTMT value  $< 0.90$  is also declared valid (Hanseler et al, 2015).

After all variable indicators are declared valid, continued with the reliability test where the results show the composite reliability value and Cronbach's Alpha  $\geq 0.60$ , so that the variable indicators are declared reliable (Hair et al., 2017). So based on the measurement/outer model test, the relationship between variable indicators and the constructs of this study is declared valid and reliable.

### **Structural Model / Inner Model**

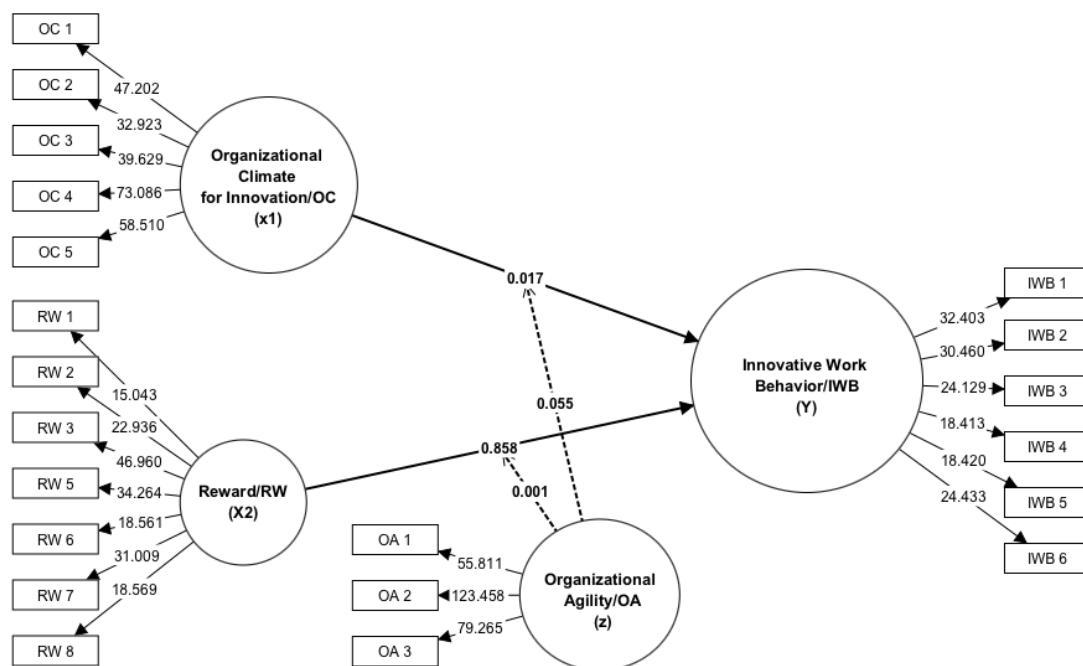
This second element is to test the contribution of variables before hypothesis testing. The test results show (Table 1) coefficient of determination ( $R^2$ ) = 0.20 so that in general the exogenous variables have a weak influence on the endogenous variables (Hair et al., 2018) with details of the influence per exogenous variable based on the effect size value ( $f^2$ ) it is known that the strongest contribution is the reward variable mediated by organizational agility (0.66) and the variable perceived of organizational climate for innovation (0.35) (Hair et al., 2017). The blindfolding test results and predictive relevance ( $Q^2$ ) = 0.104 show that predictive relevance shows good observation. Goodness of Fit (GoF) index / Model Fit test using Standardized Root Mean Square Residual (SRMR) = 0.06 means that the research model has an adequate fit (L.T. Hu, 1995). Uji path coefficient shows that the relationship between exogenous variables is positive except the moderating variable between organizational agility and perceived of organizational climate for innovation has a negative relationship (-0.19) (Ghozali, 2016).

**Table 1.** Blindfolding Inner Model and Fit Model Testing

Exogen and Endogen Variables	$f^2$	$R^2$	$Q^2$	Model Fit / SRMR
1. Innovative Work _Behavior/IWB_(Y)		0.20	0.104	0.066
2. Organizational _Climate _for Innovation/OC_(x1)	0.036			
3. Reward/RW_(X2)	0.000			
4. Organizational _Agility/OA_(z) x Organizational _Climate _for Innovation/OC_(x1)	0.025			
5. Organizational _Agility/OA_(z) x Reward/RW_(X2)	0.067			

Source: Results of Data Processing by the Authors

Furthermore, testing all hypotheses contained in the conceptual framework through bootstrapping calculation with confidence interval method, percentile bootstrap, two tailed test type, significance level 0.05 and produces t-statistics and p-value in the structural model (Figure 3), where the relationship between variable indicators and constructs uses Tvalues units, the relationship between variables uses p values. t-value is considered valid if  $> 1.65$  and pvalue  $< 0.05$  (significant level 0.05) (Hanseler et al., 2015).



**Figure 2.** Blainfolding and Bootstrapping Test between Variables and Indicators

Source: Results of data processing by the authors

From Table 2 and Figure 3, it is known that with a confidential level of 95% or a significance level of 0.05, Hypothesis 1 (H1) shows that perceived organizational climate for innovation has a positive and significant relationship with IWB with (path coefficients 0.28, t-statistics = 2.38, and p-values = 0.01), so H1 is not rejected. Meanwhile, Hypothesis 2 (H2) test results show that rewards have no influence despite the positive relationship with IWB (path coefficients 0.02) and are not significant because the t-statistic is 0.02 and p-values = 0.86 so



H2 is rejected. Hypothesis 3a (H3a) states that organizational agility strengthens / moderates the positive effect of perceived organizational climate for innovation on IWB, is not supported by empirical data because the path coefficients show a negative relationship (-0.19) and the effect is not significant (T statistic 1.92 and P values = 0.06) so that H4a is rejected. Hypothesis 3b (H3b) states that organizational agility strengthens / moderates the positive effect of rewards on IWB is proven because path coefficients show a positive relationship (0.36) and a significant effect (t-statistic 3.46 and p-values = 0.00) so that H4b is not rejected.

**Table 2.** Hypothesis Testing

Hypotesis	Path coefficients	T Statistics	P values	Result
H1. Organizational Climate for Innovation (OC) -> IWB	0.28	2.38	0.01*	Not Rejected
H2. Reward (RW)-> IWB	0.02	0.18	0.86	Rejected
H3a. OA x Organizational Climate for Innovation -> IWB	-0.19	1.92	0.06	Rejected
H3b.OA/x Reward -> IWB	0.36	3.46	0.00*	Not Rejected

Source: Results of Data Processing by the Authors

### 3. RESULTS AND DISCUSSIONS

This study examines the antecedents of IWB using an organizational factor approach to ensure there is a significant relationship of various factors. The research used a social exchange theory approach. The findings in the results of this study together theoretically and practically relate to lecturer innovation.

This study follows up on the recommendations of previous research on organizational factors that affect IWB conducted by Thierry Volery from Zurich University of Applied Sciences (ZHAW) Winterthur, Switzerland and Liudmila Tarabashkina from the University of Western Australia, Perth, Australia who examined 3 variables of organizational factors and the results showed that only the organizational climate for innovation variable - which has a significant positive effect while the variables - leader member exchange and reward provide insignificant influence in building IWB (Volery and Tarabashkina, 2021). The recommendation given by the study is to re-examine these variables and other relevant variables on different respondents to find antecedents in building IWB.

The test results on lecturer respondents in higher education organizations on the joint effect between 2 organizational factors as exogenous variables and 1 variable as a mediator as shown in Table 1 show that only the exogenous variable - organizational climate for innovation has a positive relationship and a significant effect directly on IWB. This result can be defined that if the lecturers' perception of the organizational climate of higher education meets the following criteria: 1) respond well to lecturers' problems, 2) manage lecturers as talents, 3) have effective programs to develop potential lecturers, 4) procedures and regulations are flexible and easy to implement, 5) managers/management are open to innovation, then lecturers' IWB will increase. The results of this study are in line with a number of previous studies (Volery and Tarabashkina, 2021; Kang et al., 2016; Madrid et al., 2014; Yuan & Woodman, 2010). However, although the majority of studies show that there is a significant positive effect, there

are a small number of studies that show that the organizational climate for innovation does not have a positive relationship and a direct significant effect on IWB (Yulianti, 2016).

Testing the reward variable in this study which shows no significant positive effect and does not become a surprising effect because current experts state similar things related to the effect of rewards on IWB (Shalley et al., 2004; Volery and Tarabashkina, 2021). This phenomenon is controversial and interesting for further research when compared to social exchange theory which justifies that rewards are the main factor to influence behavior (Blau, 1964).

Meanwhile, the results of testing the organizational agility factor as a moderating variable are not proven to strengthen the positive relationship between perceived organizational climate for innovation and IWB but instead reverse the direction of the relationship to be negative, but are proven to significantly strengthen the positive relationship between the reward variable and IWB. This research proves that employee perceptions of rewards have changed and the moderating factor of organizational agility is proven to strengthen the positive relationship between rewards and IWB to be significant. These results define that rewards will be able to build lecturers' IWB if the higher education organization meets the agility requirements in providing rewards which include: 1) flexible, fast, accurate, and efficient, 2) meeting and according to the needs of lecturers, 3) rewards and their delivery systems are innovatively developed (Troise, et al, 2022).

This research will give 2 contributions both theoretical contributions and managerial implications. Theoretical contributions were delivered in 2 ways. First, it strengthens the hypothesis that supports the organizational climate for innovation factor as an antecedent of IWB. Evidence-based research shows that the most influential factor (driver) in building IWB is the organizational climate for innovation compared to rewards and organizational agility. Second, it strengthens the hypothesis supporting that reward will contribute significantly positively in building IWB if moderated by organizational agility factors.

Managerial implications come from view where IWB represents a dynamic process, where the identification and implementation of new ideas are part of the character of lecturers and how the organization is perceived by organizational members (Volery and Tarabashkina, 2021), so this research has a number of managerial implications for higher education organizations. First, to build an innovative college organizational climate, campuses need to strengthen social exchange among lecturers, promote sharing of ideas both virtually and physically, facilitate pitch competition and interdisciplinary collaboration. In addition, higher education organizations need to articulate IWB in the vision and mission of the organization, build normal, structures and procedures that place IWB as an organizational priority and provide a dynamic, innovative, flexible and effective platform in facilitating talented and potential lecturers (Hogan & Coote, 2014). Second, in providing rewards, higher education organizations need to accommodate agility factors in the policies, provisions and procedures for awarding lecturers so that the award is perceived positively and remains a driver in building lecturers' IWB. Evaluation of this reward policy is crucial because the majority of universities allocate a budget to provide rewards for lecturers who produce innovative products and systems such as journal publications, intellectual works and so on. This relatively large amount of budget will not have a significant impact if it turns out that lecturers are not interested in using it in building lecturers' innovative behavior.

## 4. CONCLUSIONS AND SUGGESTIONS

### Conclusion

The main organizational factor that affects the innovative behavior of lecturers in higher education is the perceived of organizational climate for innovations. The second factor is the reward provided by regulations that accommodate the agility of higher education organizations.

### Research Limitations and Suggestions for Further Research

This study has a number of limitations. First, this study only investigated 3 organizational factors that influence IWB, there are still other opportunities to elaborate other factors such as leader-member exchange (Yulianti, 2016), job complexity, job autonomy, information sharing (Anderson et al., 2014; Shalley et al., 2004). A number of other studies show that organizational agility has a significant positive effect on market expansion variables (emerging markets), financial and innovation performance (Ahmed, et al, 2022; Troise, et al, 2022), but no research has been found that examines the direct relationship with IWB. Second, the cross-sectional data chosen in this study does not allow for inferring causality and longitudinal studies needed to establish a cause and effect relationship (Volery and Tarabashkina, 2021). Third, due to limited resources, the research was only conducted on lecturer respondents in the Jakarta area, it needs to be expanded to all regions of Indonesia which have differences in geographical areas and other resources. Fourth, individual factors need to be accommodated in future research to complement organizational factors in building IWB (Battey, 2012).

## ACKNOWLEDGEMENT

We would like to thank all respondents for their contributions in the data collection, and authors team for highly commitment in the research process, particularly Dr. Keni for his assistances and guidances.

## REFERENCES

- Adeel Ahmed, Sabeen Hussain Bhatti, Ismail Gölgeci, Ahmad Arslan, Digital platform capability and organizational agility of emerging market manufacturing SMEs: The mediating role of intellectual capital and the moderating role of environmental dynamism, *Technological Forecasting and Social Change*, Volume 177, 2022, 121513, ISSN 0040-1625, <https://doi.org/10.1016/j.techfore.2022.121513>. (<https://www.science-direct.com/science/article/pii/S0040162522000452>)
- Anderson, N., Potocnik, K., & Zhou, J. (2014). Innovation and Creativity in Organizations: A State-of-the-Science Review, Prospective Commentary, and Guiding Framework. *Journal of Management*, 40(5), 1297–1333.
- Baer, M., Oldham, G. R., & Cummings, A. (2003). Rewarding creativity: When does it really matter? *The Leadership Quarterly*, 14(4-5), 569–586.
- Bysted, R., & Hansen, J. R. (2015). Comparing Public and Private Sector Employees' Innovative Behaviour: Understanding the role of job and organizational characteristics, job types, and subsectors. *Public Management Review*, 17(5), 698–717.

- Chiara Franco, Fabio Landini, Organizational drivers of innovation: The role of workforce agility, *Research Policy*, Volume 51, Issue 2, 2022, 104423, ISSN 0048-7333, <https://doi.org/10.1016/j.respol.2021.104423>. (<https://www.sciencedirect.com/science/article/pii/S004873332100216X>)
- Cegarra-Navarro, J.-G., Soto-Acosta, P., Wensley, A.K., 2016. Structured knowledge processes and firm performance: The role of organizational agility. *J. Bus. Res.* 69 (5), 1544–1549.
- Ciro Troise, Vincenzo Corvello, Abby Ghobadian, Nicholas O'Regan. How can SMEs successfully navigate VUCA environment: The role of agility in the digital transformation era, *Technological Forecasting and Social Change*, Volume 174, 2022, 121227, ISSN 0040-1625, <https://doi.org/10.1016/j.techfore.2021.121227>. (<https://www.sciencedirect.com/science/article/pii/S0040162521006600>)
- Cook, Karen & Cheshire, Coye & Rice, Eric & Nakagawa, Sandra. (2013). Social Exchange Theory. Book Chapter (3). 10.1007/978-94-007-6772-0\_3. [https://www.researchgate.net/publication/290110057\\_Social\\_Exchange\\_Theory](https://www.researchgate.net/publication/290110057_Social_Exchange_Theory)
- De Jong, J., & Den Hartog, D. (2010). Measuring innovative work behaviour. *Creativity and Innovation Management*, 19(1), 23–36.
- Doz, Y.L., 2020. Fostering strategic agility: How individual executives and human resource practices contribute. *Human Resource Management Review*. 30 (1), 100693.
- Ghozali, Imam. (2015). *Partial Least Squares Konsep, Teknik dan Aplikasi Menggunakan Program SmartPLS 3.0 untuk Penelitian Empiris* (2<sup>nd</sup> ed.). Semarang: Universitas Diponegoro Semarang.
- Hanseler, Jorg. Ringle, Christian M., & Sarstedt, Marko. (2015). A New Criterion for Assessing Discriminant Validity in Variance-Based Structural Equation Modelling. *Journal of the Academy of Marketing Science*, 43, 115-135. Retrieved October 7, 2021.
- Haider, S.A., Martins, J.M., Khan, S., Mata, M.N., Tehseen, S., Abreu, A., 2021. A literature review on agility-is there a need to develop a new instrument? *International Journal of Entrepreneurship*. 25 (4), 1–14.
- Hogan, S. J., & Coote, L. V. (2014). Organizational culture, innovation, and performance: A test of Schein's model. *Journal of Business Research*, 67(8), 1609–1621. ISSN 0148-2963, <https://doi.org/10.1016/j.jbusres.2013.09.007>. (<https://www.sciencedirect.com/science/article/pii/S0148296313003342>)
- Hair Jr., J.F., Hult, G.T.M., C.M., Ringle & Sarstedt, Marko. (2015). *A Primer on Partial Least Squares Structural Equation Modelling (PLS-SEM)* (2<sup>nd</sup> ed.). Sage: United States of America.
- Hair Jr., J.F., Hult, G.T.M., C.M., Ringle & Sarstedt, Marko, Danks, N.P., Ray, Soumya. (2021). *Partial Least Squares Structural Equation Modelling (PLS-SEM) Using R*. Springer: United States of America. ISSN 2662-2866 ISSN 2662-2874 (electronic)

Classroom Companion: Business ISBN 978-3-030-80518-0 ISBN 978-3-030-80519-7  
(eBook) <https://doi.org/10.1007/978-3-030-80519-7>

Hair Jr., & Risher, Jeff & Sarstedt, Marko & Ringle, Christian. (2018). When to use and how to report the results of PLS-SEM. *European Business Review*. 31. 10.1108/EBR-11-2018-0203.

Holbeche, L., 2018. *The Agile organization: How to Build an engaged, Innovative and Resilient Business*. Kogan Page Publishers.

Hughes, D. J., Lee, A., Tian, A. W., Newman, A., & Legood, A. (2018). Leadership, creativity, and innovation: A critical review and practical recommendations. *The Leadership Quarterly*, 29(5), 549–569.

Kang, J. H., Matusik, J. G., Kim, T.-Y., & Phillips, J. M. (2016). Interactive effects of multiple organizational climates on employee innovative behavior in entrepreneurial firms: A cross-level investigation. *Journal of Business Venturing*, 31 (6), 628–642.

L.T. Hu, P.M. Bentler. Cut-off criteria for fit indexes in covariance structure analysis—Conventional criteria versus new alternatives Structural Equation Modeling, 6 (1) (1999), pp. 1-55

Ramamoorthy, N., Flood, P. C., Slattery, T., & Sardesai, R. (2005). Determinants of Innovative Work Behaviour: Development and Test of an Integrated Model. *Creativity and Innovation Management*, 14(2), 142–150.

Ravichandran, T., 2018. Exploring the relationships between IT competence, innovation capacity and organizational agility. *J. Strateg. Inf. Syst.* 27 (1), 22–42.

Shalley, C. E., Zhou, J., & Oldham, G. R. (2004). The Effects of Personal and Contextual Characteristics on Creativity: Where Should We Go from Here? *Journal of Management*, 30(6), 933–958.

Sanders, K., Moorkamp, M., Torka, N., Groeneveld, S., & Groeneveld, C. (2010). How to Support Innovative Behaviour? The Role of LMX and Satisfaction with HR Practices. *Technology and Investment*, 01(01), 59–68.

Teece, D., Peteraf, M., Leih, S., 2016. Dynamic capabilities and organizational agility: Risk, uncertainty, and strategy in the innovation economy. *Calif. Manage. Rev.* 58 (4), 13–35.

Thierry Volery, Liudmila Tarabashkina, The impact of organisational support, employee creativity and work centrality on innovative work behaviour. *Journal of Business Research*, Volume 129, 2021, Pages 295-303, ISSN 0148-2963, <https://doi.org/10.1016/j.jbusres.2021.02.049>. (<https://www.sciencedirect.com/science/article/pii/S0148296321001399>)

Waller, Robert & Lemoine, Pamela & Mense, Evan & Garretson, Christopher & Richardson, Michael. (2019). Global Higher Education in a VUCA World: Concerns and Projections. *Journal of Education and Development*. 3. 73. 10.20849/jed.v3i2.613.

Yuan, F., & Woodman, R. W. (2010). Innovative Behavior in the Workplace: The Role of Performance and Image Outcome Expectations. *AMJ*, 53(2), 323–342.

Yulianti, P. (2016). Membangun Perilaku Inovatif Dosen Perguruan Tinggi. *Jurnal Studi Manajemen dan Bisnis*. Vol 3 No.1 Tahun 2016. Page 31-39. eISSN: 24603775 | pISSN: 23559543. Universitas Trunojoyo. Madura.

Tabachnick, B.G dan Fidell, L.S. 2006. *Using Multivariate Statistics*. Pearson Education, Inc. Boston.