



The Innovative Work Environment and Innovative Work Behavior of Employees in the Community Rural Bank of Dapitan City, Inc.

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ABSTRACT

This study examined the innovative work environment and its relationship with the innovative work behavior of employees of the Community Rural Bank of Dapitan City, Inc. during calendar year 2024. A descriptive-correlational design was employed, involving 120 respondents. Weighted mean, standard deviation, and Spearman rank-order correlation (Spearman's rho) were used for data analysis. Results indicated that employees perceived the innovative work environment as very high, while their innovative work behavior was assessed as high. Correlation analysis revealed a strong, positive, and statistically significant relationship between the innovative work environment and employees' innovative work behavior. The findings may serve as a reference for the board of directors and managers in strengthening management strategies and workplace conditions that support innovative behavior among employees.

Keywords: Innovative Work Behavior, Innovative Work Environment, Dapitan City, Zamaboanga del Norte, Philippines

INTRODUCTION

In today's highly dynamic and competitive business landscape, innovation has become a vital factor for organizational sustainability and growth. Organizations increasingly invest in strategies that cultivate an innovative work environment one that encourages novel ideas, open communication, calculated risk-taking, and collaboration (Anderson et al., 2014). Such environments are widely regarded as critical in promoting innovative work behavior (IWB), which involves the generation, promotion, and implementation of new ideas by employees (Janssen, 2000). Through new procedures, products, services, and work approaches, organizations are better able to respond to evolving challenges and seize opportunities by sustaining a culture of continuous improvement.

Ruadap et al. (2023) emphasized that the work environment affects both employee well-being and organizational performance. Accordingly, organizations should cultivate supportive workplaces by addressing physical, psychological, and cultural conditions that promote productivity, satisfaction, and long-term stability. A work environment that supports innovation strengthens creativity, collaboration, and innovative thinking, thereby enhancing employees' willingness to explore unconventional approaches, refine processes, and contribute to improved service delivery.

Work behavior, expressed through employees' actions, attitudes, and interactions within the organization, plays a crucial role in workplace efficiency, job satisfaction, and overall organizational performance (Robbins et al., 2019). Because work behavior is shaped by psychological, social, and environmental influences, it remains a central concern in organizational behavior and human resource management. Innovative work behavior is a multifaceted form of work behavior involving the generation, introduction, and application of creative ideas that sustain organizational competitiveness (AlEssa et al., 2022). It reflects employees' capacity to propose and implement innovative concepts in the workplace (Newman et al., 2018).

Innovation is particularly important in banking institutions due to rapid technological change, evolving customer expectations, and increasing competition (Serdyukov, 2017). The banking sector requires continuous innovation

to ensure efficient and high-quality services and products (Rubalcaba, 2022). Hence, examining the relationship between innovative work environment (IWE) and innovative work behavior (IWB) is essential for understanding how organizational conditions enable employees to initiate and implement innovation. Prior studies indicate that IWE is a strong predictor of IWB (Shah et al., 2023) and that a substantial association between these variables is often observed (Abun & Macaspac, 2023).

Despite extensive research on work behavior and work environment, gaps remain regarding how these factors interact specifically in banking organizations institutions characterized by high-pressure roles, strict regulatory requirements, and customer-driven service expectations. This study therefore investigated the innovative work environment and innovative work behavior of employees of the Community Rural Bank of Dapitan City, Inc. (CRBDCI). The findings may help management refine policies and leadership practices that strengthen an innovation-supportive workplace, while also contributing to the literature on innovation in the rural banking context.

LITERATURE

Innovative work environment as a multi-dimensional climate that supports creativity and experimentation

An innovative work environment (IWE) is commonly defined as an organizational climate that promotes creativity and encourages employees to generate and share new ideas. It reflects collective perceptions and lived experiences of employees regarding practices, processes, and norms that support innovation (Xu et al., 2022). IWE goes beyond a general “work environment” by emphasizing deliberate support for new ideas and innovation-oriented behaviors, while still recognizing that both psychological and physical factors shape the overall climate (Abun et al., 2023). When innovation is embedded throughout the organization, employees are more likely to observe and learn from peers who successfully engage in innovative work behavior, which reinforces innovation as a normal and valued practice (Sapie et al., 2015). Since innovation is essential for competitiveness and organizational sustainability, organizations increasingly adopt innovation-oriented strategies to differentiate themselves and improve performance (Ozsoy, 2022). Building on this foundation, IWE can be more clearly understood through specific dimensions that operationalize how organizations enable innovation in daily work.

Innovation-supportive leadership as the “engine” of an innovative climate

Current research consistently positions leadership as a core driver of an innovation-supportive work environment because leaders shape employees’ shared perceptions about whether new ideas are welcomed, evaluated fairly, and acted upon. Leadership is widely recognized as a central construct in management research, with scholars emphasizing its enduring importance in explaining employee engagement and organizational outcomes (Chan & Mak, 2014; Chapman et al., 2014; Carasco-Saul et al., 2015). Classical and trait-based views historically framed leadership as rooted in individual capability or exceptional qualities (Zaccaro, 2007), while contemporary leadership work increasingly focuses on how leaders influence organizational climate through their behaviors, expectations, and support systems (McCleskey, 2014). In innovation settings, this implies that leaders who signal receptiveness to ideas, provide guidance, and model calculated risk-taking help establish psychological conditions where employees feel safe to propose improvements and participate in innovation-related activities thus strengthening the innovative work environment that can activate innovative work behavior.

Leadership is consistently identified in contemporary management research as a foundational driver of organizational climate and employee behavior, making it central to understanding how innovative work environments (IWE) are developed and sustained. Scholars note that leadership remains one of the most extensively examined topics in management and organizational studies, reflecting its influence on how organizations set direction, mobilize people, and shape workplace norms (Chan & Mak, 2014; Chapman et al., 2014; Carasco-Saul et al., 2015). Building a coherent case for innovation-focused leadership requires recognizing how leadership thinking has evolved: earlier perspectives were strongly trait-oriented, with classic work often interpreted as suggesting that leadership is rooted in exceptional personal qualities or “hereditary genius,” implying that effective leadership resides primarily in individual capability (Zaccaro, 2007). However, more recent scholarship emphasizes that leadership is not only who leaders *are* but what leaders *do*—particularly how leaders influence systems, climate, and employee engagement through observable behaviors and organizational

practices (McCleskey, 2014). In innovation settings, this shift is important because it aligns leadership with the practical mechanisms that create an IWE: leaders foster innovation when they actively encourage idea-sharing, legitimize constructive risk-taking, support experimentation, and provide guidance that helps employees translate ideas into feasible improvements. Thus, leadership becomes a key IWE dimension because it signals whether innovation is truly valued and safe within the organization, shaping employees' willingness to initiate, promote, and implement new ideas thereby establishing a logical foundation for the study's hypothesis that stronger innovation-supportive leadership (as part of IWE) is positively associated with higher innovative work behavior.

Work practices that institutionalize innovation (systems, routines, collaboration, and performance support)

Innovation-supportive work practices translate leadership intent into actionable structures by embedding innovation into routines such as performance management, employee engagement mechanisms, and training and development systems (Goodall, 2023). These practices matter because employees are more likely to contribute ideas when they have opportunities for collaboration, feedback, evaluation, and implementation support. Organizations that intentionally design practices to enhance creativity and problem-solving can strengthen employees' adaptability and capacity to innovate (Indeed, 2025). In this sense, work practices function as "infrastructure" for innovation helping employees move from idea generation to idea refinement and execution, which are core elements of innovative work behavior.

Promoting innovation as cultural reinforcement (recognition, commitment to change, and opportunity seeking)

Innovation in business is the process of generating new ideas or rethinking existing products, services, business structures, and concepts. Adapting to the always shifting needs of the industry requires being creative and willing to innovate on current procedures, which frequently opens up significant growth prospects. Corporations who are unwilling to adapt may soon become outdated and struggle to hold onto market share (Gavin, 2019). Promoting innovation is not a novel concept; yet, it is diverse and continues to be essential for establishing competitive advantages for firms (Abioye, et al., 2021). Organizations encounter varying innovation difficulties; some endeavor to exploit new opportunities, whereas others strive to address significant issues affecting their survival (Afsar, Badir, & Khan, 2015). Innovation is the multi-phase process through which firms convert ideas into new or enhanced products, services, or processes to progress, compete, and effectively distinguish themselves (Hai, et al., 2024).

Physical environment as an enabling condition for performance and innovation readiness

The physical work environment is a practical dimension of IWE because workspace conditions can shape employees' satisfaction, concentration, and performance factors that indirectly influence their readiness to engage in innovative tasks. Research indicates that physical working conditions affect job satisfaction and perceived performance, and conducive environments support employees in performing duties efficiently (Arar & Öneren, 2021; Shaari et al., 2022). Physical workspace design and resources can also support organizational goals by enabling collaboration, comfort, and functional workflow (Pusparani et al., 2021). In innovation contexts, adequate equipment and well-arranged spaces can reduce operational friction and make it easier for employees to test, refine, or implement process improvements.

Providing learning opportunities as capability-building for innovation execution

Learning opportunities strengthen IWE by building employee competence and confidence key prerequisites for sustained innovation. Involving employees in identifying learning needs is an empowerment strategy that increases relevance and commitment to development activities, while feedback mechanisms (e.g., workshops, focus groups, and suggestion systems) can strengthen organizational learning culture (Jha, n.d.). Continued learning enhances job satisfaction, loyalty, and retention while exposing employees to new methods and emerging practices that can translate into innovative improvements at work (Hall, 2023). Therefore, learning opportunities function as a developmental pathway through which employees acquire the skills needed to generate, promote, and implement ideas directly aligning with the behavioral demands of innovative work behavior.

Innovative work behavior as the outcome: generating, championing, and implementing ideas

Innovative work behavior (IWB) is widely conceptualized as the intentional process through which employees generate, introduce, and apply novel ideas to improve job performance, team outcomes, or organizational effectiveness (Dahiya et al., 2022). It includes adapting oneself or one's work environment through innovation, with behaviors spanning from ideation to implementation (Sapie et al., 2015). IWB also involves developing concepts that can be refined and implemented to improve performance, particularly when supported by empowering leadership and psychological resources (Diana et al., 2020). Organizations aiming for sustainability benefit from cultivating innovative behaviors, supported by fairness and supportive systems that encourage participation (Kurniawan et al., 2019). Moreover, IWB is often described as a renewal-oriented process where employees discover opportunities, seek support for ideas, and help translate them into practical outcomes aligned with organizational objectives (Charli et al., 2021). In dynamic environments, IWB is essential to maintaining competitiveness, and it is strengthened when employees are engaged and supported through high-performance systems (AlEssa et al., 2022).

Logical basis for the study hypothesis (linking IWE to IWB)

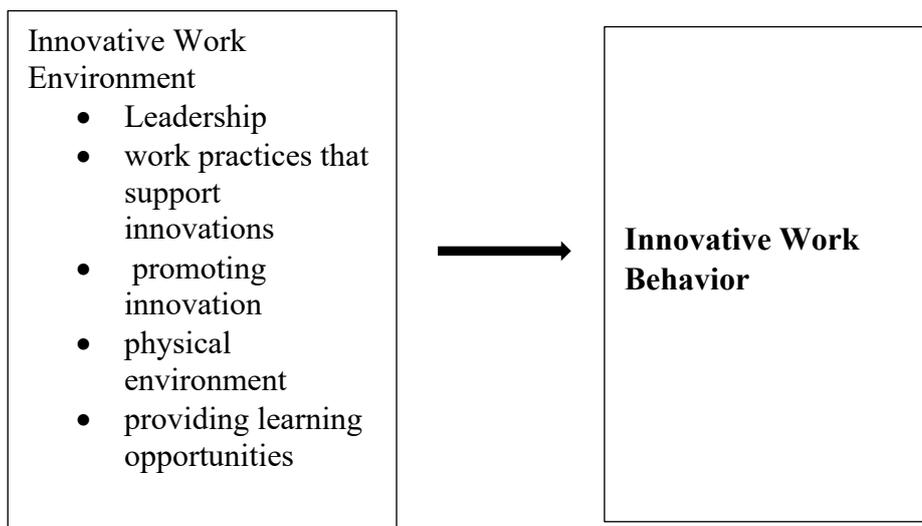
Taken together, the literature suggests that an innovative work environment shaped by innovation-supportive leadership, institutional work practices, cultural reinforcement of innovation, enabling physical conditions, and continuous learning opportunities creates the psychological safety, resources, and capability-building needed for employees to engage in innovative work behavior. When employees perceive that leaders value innovation, that systems exist to evaluate and support ideas, that innovation is recognized, that the workplace is conducive, and that learning is encouraged, they are more likely to generate ideas, mobilize support, and implement improvements in a systematic way (Xu et al., 2022; Abun et al., 2023; Sapie et al., 2015; Hai et al., 2024). This thematic evidence provides a coherent rationale for the study's hypothesis that innovative work environment is positively and significantly related to employees' innovative work behavior.

CONCEPTUAL FRAMEWORK

The conceptual framework is presented in Figure 1. First, innovative work environment with indicators categorized into leadership, work practices that support innovations, promoting innovation, physical environment and providing learning opportunities (Abun, et al., 2023). Second, the dependent variable which is innovative work behavior consists of six (6) items (Tiwari, et al., 2024).

INDEPENDENT VARIABLE

DEPENDENT VARIABLE



Source: Abun et al. (2023)

Source: Tiwari (2024)

Figure 1: the framework reflects a correlation between innovative work environment and innovative work behavior. The study intends to examine the influence innovative work environment and innovative work behavior.

Statement of the Problem

This study aimed to determine the level of innovative work environment and its relationship with the innovative work behavior of employees of the Community Rural Bank of Dapitan City, Inc. during calendar year 2025. Specifically, it sought to answer the following questions:

1. What is the respondent's perceived level of innovative work environment in terms of:
 - 1.1 leadership;
 - 1.2 work practices that support innovations;
 - 1.3 promoting innovation;
 - 1.4 physical environment; and
 - 1.5 providing learning opportunities?
2. What is the respondent's perceived level of innovative work behavior?
3. Is there a significant relationship between innovative work environment and innovative work behavior?

Hypothesis

Previous studies have demonstrated the influence of innovative work environment on innovative work behavior (Abun & Macaspac, 2023). Building on this evidence, the present study hypothesizes that innovative work environment is positively and significantly related to employees' innovative work behavior.

Scope and limitation of the study

This study has several limitations that should be considered when interpreting the findings. First, the research was conducted in a single organization the Community Rural Bank of Dapitan City, Inc. and involved 120 employees; thus, the results may reflect the bank's unique culture, leadership practices, and operational context and may not be readily generalizable to other rural banks, commercial banks, or financial institutions with different structures and regulatory pressures. Second, the study relied on self-reported survey data to measure both innovative work environment and innovative work behavior, which may be affected by social desirability bias, respondents' desire to present the organization positively, and common method influence because the same participants assessed both the predictor and outcome variables using the same instrument and rating scale. Third, the study utilized a cross-sectional design (data collected at one point in time), which limits the ability to draw causal conclusions; while the findings demonstrate a strong and significant association between IWE and IWB, they cannot confirm whether a supportive innovative work environment causes innovative work behavior, whether innovative employees perceive their environment more positively, or whether other unmeasured factors explain the relationship. Future studies may strengthen evidence by including multiple banks or regions, using mixed methods (e.g., supervisor ratings, objective innovation outputs, interviews), and adopting longitudinal or time-lagged designs to better examine directionality and changes in innovative behavior over time.

RESEARCH METHODOLOGY

The study included survey and descriptive-correlational research methods. The survey method was employed since the researcher gathered data through a questionnaire. Survey' or 'survey research' is a general term for standardized mass questioning of a representative sample of individual members of a population under study (Coe et al., 2021). On the other hand, correlational research is a type of non- experimental research method in which a researcher measures variables, understands, and assesses the statistical relationship between them with no influence from any extraneous variable (Bhat, 2019). A correlational analysis was performed to determine the significant relationship between innovative work environment and innovative work behaviors.

The researcher received permission from the Community Rural Bank of Dapitan City, Inc. to distribute the questionnaires in order to start the data collection process. Designated employee representatives assisted in this



process. After taking ethical factors into account, it was decided that an ethical assessment was not required because there were no delicate human issues.

The following ranges of values with their descriptive interpretation will be used:

Innovative Work Environment

Scale	Range of Values	Description	Interpretation
5	4.21-5.00	Strongly agree	Very High
4	3.41-4.20	Agree	High
3	2.61-3.40	Somewhat Agree	Average
2	1.81-2.60	Disagree	Low
1	1.00-1.80	Strongly Disagree	Very Low

Innovative Work Behavior

Scale	Range of Values	Description	Interpretation
5	4.21-5.00	Strongly agree	Very High
4	3.41-4.20	Agree	High
3	2.61-3.40	Somewhat Agree	Average
2	1.81-2.60	Disagree	Low
1	1.00-1.80	Strongly Disagree	Very Low

Data presentation and analysis

The data are presented following the statement of the problems of the current study. The study aimed to answer the following questions:

1. What is the respondent's perceived level of innovative work environment in terms of:
 - 1.1 leadership;
 - 1.2 work practices that support innovations;
 - 1.3 promoting innovation;
 - 1.4 physical environment; and
 - 1.5 providing learning opportunities?

Table 1 Employees' perceived level of innovative work environment in terms of leadership

Descriptors	AWV	SD	Description	Interpretation



1. Makes Innovation an integral part of leadership and management activities.	4.32	0.788	Strongly Agree	Very High
2. Demonstrate positive reception of ideas from others and provide constructive advice.	4.25	0.802	Strongly Agree	Very High
3. Establish and maintain a relationship based on mutual respect and trust.	4.46	0.766	Strongly Agree	Very High
4. Take considerate risks to open up opportunities for innovation	4.28	0.850	Strongly Agree	Very High
5. Regularly evaluate own approaches for consistency with the wider organizational context.	4.19	0.863	Agree	High
Mean & SD	4.30	0.703	Strongly Agree	Very High

Source: Abun et al. (2023)

Table 1 presents respondents' perceptions of the innovative work environment, specifically in terms of leadership. Leadership as a core component of an innovation-supportive workplace was measured using five statements. The results indicate that employees of the Community Rural Bank of Dapitan City, Inc. rated leadership at a **very high** level, suggesting that they perceive bank leaders as actively fostering conditions that support innovation. This finding implies that employees view leadership as instrumental in creating a shared vision, maintaining a psychologically safe climate for idea-sharing, and encouraging constructive risk-taking and creativity. It also suggests that leaders may be providing needed resources, reducing barriers to innovation, and recognizing both successful initiatives and learning from setbacks, thereby strengthening employees' confidence to propose and pursue new ideas. However, these results differ from the findings of Abun et al. (2023), in which the innovative work environment and innovative management practices at Divine Word College of Laoag were rated only as **high**.

Table 2 Employees' perceived level of innovative work environment in terms of work practices that support innovations

Descriptors	AWV	SD	Description	Interpretation
1. Consult and establish working conditions that reflect and encourage innovative practice.	4.26	0.865	Strongly Agree	Very High
2. Introduce and maintain workplace procedures that foster innovation and allow for rigorous evaluation of innovative ideas.	4.22	0.862	Strongly Agree	Very High
3. Facilitate and participate in collaborative work arrangements to foster innovation.	4.28	0.860	Strongly Agree	Very High

4. Build and lead teams to work in ways that maximize opportunities for innovation.	4.30	0.875	Strongly Agree	Very High
Mean & SD	4.26	0.804	Strongly Agree	Very High

Source: Abun et al. (2023)

Table 2 presents respondents’ perceptions of the innovative work environment in terms of **work practices that support innovation**. This indicator was measured through four statements emphasizing that innovation-supportive practices are essential to sustaining a creative workplace. The results show that employees of the Community Rural Bank of Dapitan City, Inc. rated these work practices at a **very high** level, indicating a strong perception that workplace systems and routines actively encourage innovation. This finding suggests that employees experience an environment that promotes teamwork, provides opportunities for feedback, and recognizes creative contributions through praise or rewards. It also implies that bank leaders and supervisors may be empowering employees, modeling innovative behavior, and cultivating a climate where experimentation and calculated risk-taking are accepted as part of continuous improvement.

These findings are consistent with Business Victoria (2024), which emphasizes that innovation-supportive work practices include empowering employees, establishing openness and psychological safety, encouraging collaboration, and providing resources for experimentation and idea generation. Such practices also involve recognizing achievements, rewarding innovative contributions, and ensuring employees feel valued and engaged in organizational improvement efforts.

Table 3 Employees’ perceived level of innovative work environment in terms of promoting innovation

Descriptors	AWV	SD	Description	Interpretation
1. Acknowledge suggestions, improvements and innovations from all colleagues.	4.32	0.900	Strongly Agree	Very High
2. Find appropriate ways of celebrating and promoting innovation.	4.23	0.857	Strongly Agree	Very High
3. Promote and reinforce the value of innovation according to the vision and objectives of the organization.	4.27	0.837	Strongly Agree	Very High
4. Promote and support the evakuation of innovative ideas within the wider organization context.	4.27	0.837	Strongly Agree	Very High
Mean & SD	4.27	0.785	Strongly Agree	Very High

Source: Abun et al. (2023)

Table 3 presents respondents’ perceptions of the innovative work environment with respect to **promoting innovation**. This dimension was assessed using four statements that emphasize the importance of encouraging new work methods and supporting innovation across the organization. The results indicate that employees of the Community Rural Bank of Dapitan City, Inc. rated the promotion of innovation at a **very high** level. Notably, all statements describing how innovation is encouraged in the workplace received **very high** ratings, suggesting that employees perceive the bank as prioritizing an organizational culture that recognizes innovation, strengthens teamwork, and provides support for experimenting with new ideas. This further implies that the bank fosters a psychologically safe environment for exchanging ideas, encourages employees to take initiative, and reinforces

creativity through recognition and reward systems. These findings align with Mitchell (2023), who emphasized that promoting innovation at different organizational levels requires tailored approaches from supporting individual creativity to coordinating team and organizational efforts toward shared innovation goals. Mitchell further noted that organizational culture, team dynamics, and individual attitudes jointly shape innovation outcomes, a perspective reinforced by the results of the present study.

Table 4 Employees’ perceived level of innovative work environment in terms of physical environment

Descriptors	AWV	SD	Description	Interpretation
1. Evaluate the impact of the physical environment concerning innovation.	4.23	0.874	Strongly Agree	Very High
2. Collaborate with colleagues about ideas for enhancing the physical work environment before taking actions.	4.35	0.847	Strongly Agree	Very High
3. Consider the potential for supporting innovation when selecting physical resources and equipment.	4.27	0.869	Strongly Agree	Very High
4. Design, fit-out and decorate workspaces to encourage creative mindsets, collaborative working and the development of positive workplace relationship.	4.21	0.869	Strongly Agree	Very High
Mean & SD	4.26	0.805	Strongly Agree	Very High

Source: Abun et al. (2023)

Table 4 presents employees’ perceptions of the physical environment as a dimension of the innovative work environment. This area was assessed using four statements emphasizing the role of physical conditions and resources in supporting innovation. The results show that employees of the Community Rural Bank of Dapitan City, Inc. rated the physical environment at a very high level. Moreover, all items describing the bank’s physical workspace received very high ratings, indicating that respondents perceive the workplace setting as conducive to innovation and effective performance. This finding suggests that employees value the tangible features of their work environment such as lighting, temperature, noise levels, air quality, layout, and office design which can influence comfort, concentration, and productivity.

These results are consistent with the view that satisfaction with the physical workspace is associated with better work outcomes. Kamarulzaman et al. (2011) noted that employees who are more satisfied with their physical office environment are more likely to perform better, as conditions such as temperature, lighting, noise, and air quality directly affect employees’ focus and productivity. The present findings support this perspective by indicating that employees perceive the bank’s physical environment as strongly supportive of innovation and work effectiveness.

Table 5 Employees’ perceived level of innovative work environment in terms of providing learning opportunities

Descriptors	AWV	SD	Description	Interpretation
1. Pro-actively share relevant information, knowledge and skills with colleagues.	4.31	0.838	Strongly Agree	Very High

2. Provide or encourage formal and informal learning opportunities to help develop the skills needed for innovation.	4.35	0.795	Strongly Agree	Very High
3. Create opportunities in which individuals can learn from the experience of others.	4.34	0.845	Strongly Agree	Very High
Mean & SD	4.33	0.778	Strongly Agree	Very High

Source: Abun et al. (2023)

Table 5 presents employees’ perceptions of the innovative work environment in terms of **providing learning opportunities**. This dimension was measured through three statements emphasizing that innovation-supportive practices include access to learning and development. The results indicate that employees of the Community Rural Bank of Dapitan City, Inc. rated the provision of learning opportunities at a **very high** level. All items describing workplace learning opportunities likewise received **very high** ratings, suggesting that employees perceive the bank as actively supporting continuous learning as part of an innovation-oriented climate. This finding implies that employees recognize learning opportunities as a means of acquiring new knowledge, skills, and experiences that contribute to professional growth and enhance their capacity to innovate. It also indicates that such opportunities may be available in both formal forms (e.g., training programs, seminars, and structured development activities) and informal forms (e.g., mentoring, peer learning, and on-the-job coaching), which are essential for sustained competence development.

These results are consistent with Steil et al. (2021), who reported that learning opportunities were rated very positively by managers and technical personnel and were significantly associated with employees’ intentions to stay in the organization, while being negatively associated with intentions to leave. The current findings provide further support for the role of learning opportunities in strengthening workplace commitment and sustaining an environment that enables innovation.

Table 6 Summary of the employees’ perceived level of innovative work environment

Indicators	Mean	SD	Description	Interpretation
Leadership	4.30	0.703	Strongly Agree	Very High
Work Practices that Support Innovations	4.26	0.804	Strongly Agree	Very High
Promoting Innovation	4.27	0.785	Strongly Agree	Very High
Physical Environment	4.26	0.805	Strongly Agree	Very High
Providing Learning Opportunities	4.33	0.778	Strongly Agree	Very High
Overall Mean & SD	4.28	0.722	Strongly Agree	Very High

Source: Abun et al. (2023)

Table 6 summarizes employees’ overall assessment of the innovative work environment at the Community Rural Bank of Dapitan City, Inc. In this study, the innovative work environment was operationalized through five dimensions: leadership, work practices that support innovation, promoting innovation, physical environment, and providing learning opportunities. The results indicate that respondents rated the overall innovative work environment at a very high level across all dimensions. This suggests that the bank fosters a workplace climate in which employees feel encouraged to share ideas, engage in constructive risk-taking, and learn from setbacks conditions that may enhance both job satisfaction and performance. More broadly, the findings imply that a highly supportive innovative environment can strengthen creativity, collaboration, and the development of novel ideas and solutions, enabling the organization to harness employees’ collective knowledge to improve processes and outcomes.

However, the present findings differ from those of Abun et al. (2023), who reported a **high** (rather than very high) level of innovative work environment across similar dimensions. This discrepancy may reflect contextual differences between organizations (e.g., sector, leadership practices, organizational culture, or resources). It also suggests the value of further research using comparable measures across multiple settings to validate and refine understanding of these dimensions and their consistency across contexts.

2. What is the respondent’s perceived level of innovative work behavior?

Table 7 Employees’ perceived level of innovative work behavior

Descriptors	AWV	SD	Description	Interpretation
1. Identifying problems at the workplace and offering creative solutions for such problems.	4.29	0.854	Strongly Agree	Very High
2. Identifying problems with products and services of the organization and offering creative solutions for making them better.	4.18	0.830	Agree	High
3. Searching out new work methods, techniques or instruments. Mobilizing support for innovative ideas.	4.18	0.923	Agree	High
4. Making important organizational members enthusiastic for innovative ideas.	4.12	0.862	Agree	High
5. Striving for putting innovative ideas into useful applications.	4.22	0.862	Strongly Agree	Very High
6. Introducing innovative ideas into the work environment in a systematic way.	4.23	0.855	Strongly Agree	Very High
Mean & SD	4.20	0.791	Agree	High

Source: Abun et al. (2023)

Table 7 presents employees’ perceived level of innovative work behavior (IWB). Srirahayu et al. (2023) define IWB as employees’ actions to generate, champion, and implement new or improved ideas, procedures, or outputs

in the workplace. This behavior spans the full innovation process from ideation to execution and is widely regarded as important for organizational effectiveness, competitiveness, and adaptability in changing environments. In the present study, respondents rated their overall innovative work behavior as high. This overall rating reflects the pattern across the six IWB items, wherein three statements were rated high and three were rated very high. The results suggest that employees at the Community Rural Bank of Dapitan City, Inc. frequently engage in innovation-related behaviors, including proposing demonstrations of improvement and integrating new ideas into work processes when feasible.

However, the comparison in the original narrative requires clarification. The present finding does **not** contradict Srirahayu et al. (2023); rather, it is broadly consistent with their synthesis indicating that IWB in organizations is often observed at a moderate-to-high level and involves idea generation, advocacy, and implementation. In addition, the result aligns with Xu et al. (2022), who emphasized that innovative work behavior is reflected in employees' active problem-solving, promotion of new ideas, and implementation of improvements within teams and organizations.

3. Is there a significant relationship between innovative work environment and innovative work behavior?

Table 8 Test of the relationship between the employees perceived level of innovative work environment and innovative work behavior

Variables	Overall Employees' Innovative Work Behavior	
Leadership	Correlation Coefficient	0.724*
	Sig.(2-tailed)	0.000
	N	120
Work Practices that Support Innovations	Correlation Coefficient	0.772*
	Sig.(2-tailed)	0.000
	N	120
Promoting Innovation	Correlation Coefficient	0.785*
	Sig.(2-tailed)	0.000
	N	120
Physical Environment	Correlation Coefficient	0.742*
	Sig.(2-tailed)	0.000
	N	120
Providing Learning Opportunities	Correlation Coefficient	0.729*
	Sig.(2-tailed)	0.000
	N	120
Overall Employees' Innovative Work Environment	Correlation Coefficient	0.835*
	Sig.(2-tailed)	0.000
	N	120

* Correlation is significant at the 0.05 level

Table 8 presents the relationship between employees' perceived innovative work environment (IWE) and their innovative work behavior (IWB). The results show strong, positive, and statistically significant correlations between IWB and each dimension of the innovative work environment leadership, work practices that support innovation, promoting innovation, physical environment, and providing learning opportunities. In addition, the overall IWE score demonstrated a substantially strong positive association with overall IWB, indicating that employees who perceive the workplace as more supportive of innovation are also more likely to report engaging in innovative behaviors. This pattern suggests that an innovation-supportive climate provides the conditions and resources that enable employees to generate ideas, mobilize support, and implement improvements more consistently in their work.

These findings align with Abun et al. (2023), who likewise reported a strong positive relationship between innovative work environment and innovative work behavior. They are also consistent with Syahputra and Satrya (2021), who emphasized that financial institutions need to cultivate innovation-supportive workplace conditions to remain competitive in a changing industry. In practice, fostering leadership support, collaborative systems, and safe avenues for experimentation may strengthen employees' willingness and capacity to engage in innovative work behaviors within banking settings.

DISCUSSION

In the rural banking context of the Community Rural Bank of Dapitan City, Inc., the findings suggest that while employees perceive the innovative work environment (IWE) as **very high** across leadership, innovation-supportive practices, recognition, physical conditions, and learning opportunities, their innovative work behavior (IWB) remains only **high** because banking work is inherently shaped by strict controls, audit requirements, risk management, and customer-trust expectations that can limit how far employees translate supportive climate into bold innovation. The variation in IWB item ratings further reflects this reality: employees scored very high on identifying workplace problems and offering creative solutions because process improvements are low-risk and within their operational influence, and they likewise rated very high their efforts to apply ideas and introduce them systematically because banking culture rewards structured implementation and documentation; however, they rated only high on improving products/services and searching new methods because product changes typically require higher-level approvals, compliance review, and resources, and they rated lowest (though still high) on making key organizational members enthusiastic because upward influence is harder in hierarchical, regulated settings where employees may hesitate to push ideas without formal channels, clear evaluation criteria, or assurance that proposals will not create additional scrutiny. Consistent with this interpretation, the strong, positive, and significant correlations especially between overall IWE and IWB—indicate that when innovation is not only encouraged but also embedded in routines and reinforced through recognition and supportive practices, employees are more likely to demonstrate innovative behaviors, implying that strengthening formal mechanisms for idea pitching, evaluation, and safe-to-try micro-innovations could further narrow the IWE–IWB gap and sustain practical innovation within the bank's regulatory and service constraints.

CONCLUSION

The study concludes that the Community Rural Bank of Dapitan City, Inc. provides a very high innovative work environment, reflecting a workplace climate that strongly enables innovation through effective leadership, supportive work practices, recognition of ideas, conducive physical conditions, and learning opportunities. Employees likewise demonstrate a high level of innovative work behavior, indicating that they regularly generate, promote, and apply useful ideas in their daily work. Furthermore, the substantially strong, positive, and statistically significant relationship between innovative work environment and innovative work behavior confirms that a more innovation-supportive workplace is associated with higher innovative actions among employees. Hence, sustaining and further strengthening innovation-oriented management strategies particularly empowering leadership, structured innovation-supporting systems, and continuous capability development can enhance employees' innovative behaviors and should guide the board of directors and managers in improving policies and working conditions that promote ongoing innovation and better work outcomes.

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Conflict of interest statement: All authors declare no conflict of interest.

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